

Bournemouth / Poole Strategic Housing Market Assessment

Final Summary Report



June 2008

Dorset Housing Market Area Partnership

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1.0 KEY FINDINGS

1.0.1 Introduction

This report summarises the findings of the Strategic Housing Market Assessment (SHMA) for the Bournemouth / Poole Housing Market Area. The SHMA has been undertaken by a Partnership of local authorities and other stakeholders to provide an evidence base on which all can draw to inform their housing policies and strategies.

1.0.2 This first section provides an executive summary of the main findings.

FEATURES OF THE HOUSING MARKET AREA

1.1 Key Finding 1: Housing Market Area Boundary

The HMA should comprise the whole local authorities of Bournemouth, Christchurch, East Dorset, North Dorset, Poole and Purbeck

1.1.1 The evidence suggests that the housing market areas in Dorset do follow the broad sub areas identified in the DTZ study. However, for ease of monitoring in the future and following government advice, it is suggested that future analysis of data should follow Local Authority boundaries within the main Bournemouth / Poole HMA, rather than the core, periphery and North West Dorset sub areas used in this study.

1.2 Key Finding 2: Population and Migration

The HMA is characterised by its elderly population, which will continue to grow in proportionate significance.

1.2.1 The population of the HMA is already heavily weighted towards the elderly and is likely to become more skewed in this way in the future. This is even more apparent in the rural area than the core urban area. Migration, both from the South East Region and internally is resulting in increasing numbers of older people, especially in the rural areas. Policy makers will need to consider the challenges of housing a growing elderly population and ways to encourage younger people to stay in the HMA and in the rural areas in particular.

1.3 Key Finding 3: Household Composition

Single person households are a significant feature of the HMA, and will continue to grow as a proportion of overall population.

1.3.1 Single person households are expected to rise from 32% to 38% of all households by 2026. Pensioners make up a higher than average proportion of these small households. Household size is well below average and falling. This is putting more pressure on the housing stock as more dwellings are needed to house the same population.

1.3.2 Working age households are also changing, with more single person households and fewer couples. While the pattern of change in household size is clear, the implications for demand for different sizes and types of property are less predictable.



1.4 Key Finding 4: Housing Stock

There is a mismatch between the existing housing stock and housing requirements

- 1.4.1 The housing stock across the HMA is in relatively good condition but, in terms of size and tenure, is heavily biased towards larger detached and semi detached properties in the rural areas and smaller properties in the core. This pattern has been reinforced by recent developments. Within the core, flats are heavily concentrated in Bournemouth. The main problem is a lack of availability of property at the bottom end of the market in the rural areas and slightly larger “move on” accommodation in the core. Demand for second homes creates particular hotspots in some coastal parishes but is not a major factor elsewhere.

1.5 Key Finding 5: Employment Structure

Despite strong economic growth, a significant feature the HMA's economy is the number of low paid, service sector jobs.

- 1.5.1 The employment structure of the HMA is typical of the South West Region, being dominated by the service sector. The HMA has an above average proportion of people working in low pay jobs, with particular concentrations in Bournemouth and the rural areas. Self employment is high, as is the proportion of small businesses, but these can be vulnerable to a downturn in the economy and the rate of de-registrations signifies a high turnover of businesses.
- 1.5.2 Employment growth has been strong in recent years, particularly in North West Dorset, but the majority of new jobs have been concentrated in Bournemouth and Poole. Productivity per resident head is above the regional average in the core, but has fallen off in recent years. It is well below average in the rural areas.
- 1.5.3 To improve its economic performance in the future the HMA faces a considerable challenge in increasing the proportion of higher paid jobs.

1.6 Key Finding 6: Earnings

Relatively high income levels across the HMA hide the difficulties faced by many employed people on relatively low wages.

- 1.6.1 A growing number of working households in the HMA are claiming benefits to assist in meeting their housing costs. Unemployment is low and migrant workers have been attracted to the area, particularly Bournemouth, filling low paid jobs and keeping wage levels down. While the availability of unskilled labour may have encouraged a large number of new small businesses to start up, they may be vulnerable to a downturn in the economy, or to labour moving elsewhere.
- 1.6.2 Economic performance could be enhanced with an improvement in the skills levels of the workforce but, at the same time, some housing growth will be needed to encourage more people to stay in the area and help reduce commuting.

FUTURE GROWTH

1.7 Key Finding 7: Implications of Future Growth

Continued job growth will have implications for provision of new housing. A shift in the types of housing may be needed to meet requirements.

- 1.7.1 Productivity is expected to grow in line with the regional average across the HMA, and could exceed this in North West Dorset. Around 20,400 new jobs could be created in the HMA over the next 10 years, 60% of which will be in the core.



- 1.7.2 Replacement demand could increase the total demand for new jobs by as many as six times the number of new jobs created. Many Jobs will be part time and so could be filled by existing workers or by people who may delay retirement. However, as the number of working age, economically active population is only projected to increase by up to 17,000 across the sub region, there could be significant requirements for re-training. If the economy grows at around 2.8% housing supply should meet demand. However if a higher growth rate occurs, further additional housing will be required. Productivity could also be increased to meet economic growth requirements, through development of the higher value, knowledge based sector.
- 1.7.3 Particular types of housing that may be needed include: more family housing in the core urban area where job growth will be highest; more small dwellings in all areas, but particularly the rural areas to accommodate the growing number of single person households; and more adapted/lifetime housing to cater for the ageing population in all parts of the HMA.

THE NEEDS OF DIFFERENT HOUSEHOLD GROUPS

1.8 Key Finding 8: Households with Special Needs

Special needs households will require alternative housing with specialist adaptations or care/support

- 1.8.1 Most special needs are related to the age of the household and so are proportionately higher in the rural areas. There are relatively high proportions of special need households in the social rented sector, particularly in Poole and Bournemouth. Those with a special need are three times as likely to be living in unsuitable housing as other households.
- 1.8.2 Large numbers of special needs households indicated a need for alternative housing with specialist adaptations or care/support, but as their income and savings levels tend to be lower than those without special needs, many may be unable to afford these improvements. Bearing in mind that the number of elderly households is likely to grow in the future, it indicates a need for more “lifetime homes” that can be adapted to meet needs as they change and more specialist care services.

1.9 Key Finding 9: Older Person Households

The proportion of older person households is high and will continue to grow across the HMA, presenting their own special housing requirements.

- 1.9.1 Over 50% of single person households comprise older people. Most lone pensioners are located in the core. Around 80% of older person only households are owner occupiers. Some are finding their property too expensive.
- 1.9.2 Around 45% of older person households are living in 3 or 4+ bed accommodation, indicating considerable scope for equity release if the right size and type of property can be made available.
- 1.9.3 There are also relatively large proportions of elderly living in 3 or 4+ bed social rented accommodation in North Dorset and Purbeck, in particular, indicating scope to make better use of this stock.

1.10 Key Finding 10: Families with Children

The needs of families with children may not be being met by existing housing



- 1.10.1 Families currently comprise around 20% of all households in the HMA. The majority are two parent families, most of whom live in owner occupied property. Around 16% of families have a lone parent. Three times as many lone parents as other families live in social rented accommodation and higher proportions live in “unsuitable” and over-crowded accommodation, with the situation especially poor in Bournemouth. Lone parents face particular difficulties in trying to move up the housing ladder with only a single income.
- 1.10.2 Generally between 40 and 50% of families intend to move within 5 years, but this figure rises in Bournemouth, indicating that more families here are particularly dissatisfied with their current accommodation.
- 1.10.3 Around 73% of those who are intending moving in the next 2 years hope to buy a property. These aspirations would appear to be reasonable as they generally match the level of owner occupation among families in the current population.
- 1.10.4 Most families are seeking detached or semi detached properties, with relatively few looking for terraced housing. This may be explained in part by a lack of available terraced property and high price rises in this type of housing in recent years.
- 1.10.5 Size requirements vary, with almost twice as many families seeking 4+bed, rather than 3 bed, accommodation in Poole, but higher proportions seeking 3 bed than 4+ bed in almost all the other authorities.

1.11 Key Finding 11: Young People and First Time Buyers

Young people wishing to rent or purchase their first property are frustrated by a lack of available and suitable housing at an appropriate price.

- 1.11.1 In Bournemouth there is a large private rental market which young single people and sharing households make use of. Around 3,000 young people would like to buy their own property but only around 23% of these could currently afford to do so. Although there is a good supply of flats, there is little available for those wishing to move up the ladder to buy or rent.
- 1.11.2 Christchurch has a much more restricted supply of rental property and those young households that can afford to buy have to spend high proportions of their income on a mortgage. There are above average proportions of young households in social rented accommodation in Poole and Christchurch. To improve the situation for young people in the core urban authorities, more small properties at affordable prices/rents need to be provided. In Bournemouth small terraced houses may improve the supply of move-on accommodation to release flats for first time buyers. Failing this, young people will have to resort to spending a very high proportion of their income on housing, stay at home with their parents or seek social rented housing.
- 1.11.3 In the rural authorities a high proportion of young people are living at home with their parents due to the high cost of property to purchase and limited availability of housing to rent. Those who do set up home tend to be couples or sharing households rather than young single people and they are spending much more of their income on their rent/mortgage than is recommended prudent by government.
- 1.11.4 Social rented accommodation provides a back stop for some young people, particularly those with children, who cannot afford anything else and the proportion in this tenure tend to be higher than average in the periphery.

1.12 Key Finding 12: Students

Students place a demand on private rented property which is currently met by a buoyant ‘buy to let’ market



- 1.12.1 Higher education establishments and the language school industry play a significant role in the economy of the HMA core.
- 1.12.2 Although the University is planning more purpose built student accommodation, the majority of students require private rented accommodation, either property to share or a room with a host family. Students do not appear to be having difficulty in accessing accommodation at the present time due to the buoyant “buy to let” market.
- 1.12.3 Student numbers are likely to remain steady in the future and demand for private rented accommodation may spread out into Poole following the provision of purpose built accommodation in the town centre.

1.13 Key Finding 13: Key Workers

Contrary to findings of other studies, key workers in the HMA appear to be in a better position than other working households in respect of their ability to access market housing. In Bournemouth larger, “move on” accommodation appears more of a problem in the market.

1.14 Key Finding 14: Migrant Workers

Migrant worker numbers are growing, particularly in the main urban area

- 1.14.1 The number of migrant workers registered in the Dorset sub-region continues to rise, particularly from the A8 countries. Most registrations are in the towns, particularly Bournemouth and Poole, but many have also settled in the surrounding towns.
- 1.14.2 While the valuable contribution of migrant workers to the local economy has been recognised for several years, the implications for service provision are less well documented. For accommodation, most workers look to the private rented sector.

1.15 Key Finding 15: Rural Households

Despite an outward appearance of prosperity, rural areas have problems associated with low incomes and high house prices

- 1.15.1 The rural areas are generally characterised by high levels of owner occupation and lower than average levels of social rented accommodation. Income and savings levels are generally higher in rural than urban areas. However this generality hides the difficulties faced by those households with lower incomes. There is an above average proportion of pensioner households, particularly comprising two more pensioners, in the rural area. Pensioners and single parent families tend to be concentrated in the “town and fringe” areas, where services are most readily available.
- 1.15.2 There is a higher than average proportion of young households in social rented and private rented accommodation in rural authorities, indicating the difficulties young people face in accessing the market.

1.16 Key Finding 16: Gypsies and Travellers

Assessment of the needs of gypsies and travellers is being addressed in the RSS and may result in an increase and more focussed provision of sites

- 1.16.1 Evidence from the Dorset Gypsy and Traveller Needs Assessment indicates that there are between 2,400 and 3,000 gypsies and travellers living in or passing



through the County. There are 50 public pitches and 8 private sites across Dorset, but no transit sites other than the temporary site for the Dorset Steam Fair. While there is no official measure of overcrowding, it appears that the situation is as bad now as it was in the 1960s. Costs of inadequate pitch provision are high – both for the Local Authorities (financially) and gypsy/traveller community in terms of health and social care. The Local Authorities have made the case for a need by 2011 for 79 permanent/residential and 187 transit pitches in the Bournemouth/Poole HMA.

AFFORDABILITY AND HOUSING NEED

1.17 Key Finding 17: Affordability

Affordability is a problem throughout the area but is particularly bad in Bournemouth. Other areas such as Christchurch and East Dorset show particular problems for young working households.

- 1.17.1 House prices are above the national and regional average, but have not been increasing as quickly as other areas over the last five years. Entry level prices and rents are cheapest in North Dorset, but most expensive in the other rural authorities closer to the conurbation. Availability of smaller properties to rent or buy is a major problem in the rural areas.
- 1.17.2 Analysis of moves in recent years and future moving intentions show the importance of the private rented sector to housing mobility. The incomes of those in private rented housing are well below average.

1.18 Key Finding 18: Levels of Housing Need

There is an indicative demand for over 4,000 dwellings per annum, of which over half should be affordable.

- 1.18.1 Assessing need by the government (CLG) approach indicates a need for over 5,000 affordable dwellings per annum across the HMA, over 3,000 of which are needed in Bournemouth and 1,100 in Poole.
- 1.18.2 Using a more realistic, Balanced Housing Market (BHM) approach indicates a demand for over 4,000 dwellings per annum, of which 55% should be affordable. Demand is highest in Poole and Bournemouth and lowest in North West Dorset.
- 1.18.3 Under the BHM approach, private rented housing appears to be in over-supply, but this may not fully reflect the role of this tenure. Intermediate housing could meet some of the need for affordable housing, provided it is priced at the right level.
- 1.18.4 Demand for 2 bed dwellings is strongest, across the HMA. In the rural areas the demand for 3 bed dwellings is also significant.

1.19 Key Finding 19: Housing Market Gaps

There are large gaps between the entry level costs of different forms of housing.

- 1.19.1 For those trying to access the market, the intermediate and rent/buy gaps are most significant. To be of most use to those in need, intermediate housing should be priced around the mid point of the intermediate gap. Intermediate rent at 80% of market rents may also provide some help. The cost tables presented in this report should be used to assess the affordability of any intermediate products proposed by developers.



THE PROFILE OF HOUSING NEEDED IN THE HMA

1.20 Key Finding 20: The Market/Affordable mix

The viability of providing affordable housing on a site should be assessed within a range defined by housing demand and need (see Section 9.1).

1.21 Key Finding 21: Type of Affordable Housing required

It is suggested that the ratio of intermediate to social rented housing in any area should broadly follow the proportions implied from an analysis of the CLG need figures for each local authority (see Section 9.2).

- 1.21.1 This will not rule out the possibility of varying the mix on any particular site to achieve a development that is economically viable but, averaged across a local authority, it is suggested that the mix should follow the proportions indicated in Column D in Table BPSR 9.3 (see Section 9.2).

1.22 Key Finding 22: Size of Affordable Housing required

It is proposed that the evidence on demand and need for different sizes of affordable dwellings in both the Balanced Housing Market assessment and the Housing Register records for each local authority area should be used to decide the most appropriate breakdown on the size of affordable housing required (see Appendix 3, Tables BPSR A3.1 – A3.6).

1.23 Key Finding 23: Profile of Market Housing required

Local Authorities should consider the demand for different sizes of market housing identified in the Balanced Housing Market assessment for their area and use this as a guide to the different size of market housing required in the future.

- 1.23.1 In addition, authorities should consider localised demand that may arise from any new jobs proposed or any significant trends in household type evident in their area and make appropriate adjustments to the profile.

MONITORING AND UPDATING

1.24 Key Finding 24: Monitoring and Updating

Updating and monitoring of how the housing market is changing is a key requirement of a Strategic Housing Market Assessment. A number of elements to be updated have been identified. It is suggested that local authority partners should report on the findings in their Annual Monitoring Reports and use these to monitor future progress of their housing policies and strategies.





2.0 HOUSING – THE BIG DEBATE

- 2.1 England has a prosperous and growing population and demand for housing is growing. However, by any measure, affordability is getting worse.
- 2.2 In 2004 Kate Barker identified the tensions that exist in community cohesion and the price of housing when housing supply is restrained. She recognised that continuing the current rate of house building was not an option unless we accept increasing problems of homelessness, affordability and social division as well as increased costs for business.
- 2.3 The government responded to her recommendations by addressing both planning and housing policy through a new Planning Policy Statement on Housing in 2006 and the Housing Green Paper in 2007. The Housing Green Paper outlines plans for delivering more homes – up to 3 million by 2020 at a rate of 240,000 per annum, of which at least 70,000 should be affordable.
- 2.4 The National Housing and Planning Advice Unit, which was set up in 2007 to provide advice to the government on the affordability of market housing, has recently suggested ¹ that an even higher target – 270,000 homes per annum by 2016, might be needed if we are to make any real impact on affordability.
- 2.5 Strategic Housing Market Assessments (SHMA) are seen as key tools in the development of housing and planning policy. They aim to provide an understanding of how housing, planning and economic factors interplay in any area, to inform local authorities and their partners in decision making and resource allocation
- 2.6 This report provides a summary of the findings of the SHMA for the Bournemouth / Poole Housing Market Area. It draws on information from the Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth SHMA and supporting documents².
- 2.7 Figure BPSR 1 over shows how the summary fits alongside the other main documents that together make up the Strategic Housing Market Assessment.

¹ NHPAU, Developing a target range for the supply of new homes across England. 2007.

² Dorset HMA Partnership, Bournemouth / Poole and Dorchester / Weymouth SHMA Evidence Base 2008 and Fordham Research Dorset Surveys of Housing Need and Demand, 2007.



Figure BPSR 2.1 Diagram showing structure of HMA and HNDS reports

Diagrammatic Structure of HMA / HNDS reports



3.0 THE APPROACH TO THE STUDY

- 3.1 This assessment has been undertaken in accordance with the requirements for SHMAs provided by the government.³ It is one of three pilot studies supported by the South West Housing Body. The assessment was commissioned by the Dorset Housing Market Area Partnership. The Partnership comprised a working group of officers from both planning and housing functions of each of the constituent local authorities as well as representatives of regional government, neighbouring authorities, the Housing Corporation and other housing and economic stakeholders.
- 3.2 The day to day management of the project was steered by a multi disciplinary Project team of officers from Dorset County Council, four other local authorities and the Regional Housing Body. Wider interest groups, such as community partnerships, local developers and agents, have been involved through two Stakeholder events at key stages in the process.

The main aims of the study are set out below:

1. To analyse trends and survey data in order to provide a detailed understanding of the Bournemouth / Poole housing market and any sub markets. This should then be used to:

develop long term, strategic views on the need and demand for market and affordable housing to inform planning policy at both the regional and local level;
aid decisions on the amount and mix of market and affordable housing required in different parts of the HMA;
identify the accommodation needs of particular groups (eg older people, young people, key workers and gypsies and travellers);
back up decisions on housing policy such as housing allocation priorities and stock renewal options;
provide an understanding of the linkages between the housing market and the local economy to help inform decisions on other services such as education and transport needs;

2. To provide the information in a way that can be easily monitored and regularly updated by the Partnership members and
3. To share and disseminate the findings among a wide range of interested parties.

- 3.3 SHMAs are seen by government as a crucial part of the evidence base needed to prepare regional and local planning policy and housing strategy. A robust and credible evidence base is necessary for any plan, which is based on the SHMA findings, to be considered 'sound'. The Guidance states that an SHMA should be considered robust and credible if, as a minimum, it meets a series of specified core outputs and process requirements. These core outputs and processes are set out in Tables BPSR 3.1 and BPSR 3.2 and the way that they have been addressed in the main Evidence Base is shown in the third column.

³ CLG Strategic Housing Market Assessments Practise Guidance. 2007.



Table BPSR 3.1 Strategic Housing Market Assessments Core Outputs, as addressed in the Bournemouth/Poole and Dorchester/Weymouth HMAs.

	Requirement of the SHMA Guidance	Location of evidence within the main Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth SHMA.
1	Estimates of current dwellings in terms of size, type, condition and tenure.	Chapters 5 'Housing Characteristics', 6 'Stock Condition' and 7 'Housing Supply'.
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market.	Evidence in Chapter 13 'Key Findings from the County Wide Survey', with details in the individual Local Authority reports of the Housing Need/ Demand Survey. Analysis in Chapters 15 'Housing Market Gaps and the Housing Ladder' and 16 'The Profile of Housing Needed', with further detail in the individual Local Authority reports of the Housing Need/ Demand Survey.
3	Estimate of total future number of households, broken down by age and type where possible.	Chapter 12 'The Future Housing Market'.
4	Estimates of current numbers of households in housing need.	Chapter 13 with further details in the individual Local Authority reports of the Housing Need/ Demand Survey.
5	Estimate of future households that will require affordable housing.	Evidence in Chapter 13 with analysis in Chapters 15 and 16 and further details in the individual Local Authority reports of the Housing Need/ Demand Survey.
6	Estimate of future households requiring market housing.	Evidence in Chapters 12 and 13 with analysis in Chapter 16 and further details in the individual Local Authority reports of the Housing Need/ Demand Survey.
7	Estimate of the size of affordable housing required	Evidence in Chapters 8 'Housing Need' and 13 with analysis in Chapter 16 and further details in the individual Local Authority reports of the Housing Need/ Demand Survey.
8	Estimate of the household groups who have particular housing requirements (eg families, older people etc)	Chapter 14 'Needs of Specific Household Groups' covering households with special needs, older person households, families with children, young people (including first time buyers), students, key workers, migrant workers, households in rural areas and gypsies and travellers. Further details, particularly of the characteristics of rural areas, can be found in the appendices of the individual Local Authority reports of the Housing Need/ Demand Survey



Table BPSR 3.2 Strategic Housing Market Assessment Process Checklist.

	Requirement of the SHMA Guidance	Approach adopted in preparing the Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth SHMA.
1	Approach to identifying housing Market area(s) is consistent with other approaches to identifying housing market areas within the region.	This assessment was a pilot study and hence the approach adopted was being trialled as no formal approach has been agreed within the South West Region. A member of GOSW and latterly the SW Housing Body has been on the Project Team throughout the assessment to ensure that the process followed was acceptable.
2	Housing market conditions are assessed within the context of the housing market area.	<p>Further advice was sought from central government and regional partners on what geography to use for the analysis of data. Although no clear consensus emerged, the approach adopted on the basis of the best available advice was for the analysis of secondary data in Section B 'The Current Housing Market' to be at the submarket level. However, it was not always possible to obtain data at a geography that enabled analysis in this way and in some cases analysis had to be at Local Authority level.</p> <p>In March 2007 the CLG issued an Advice Note which emphasised the need to take a "pragmatic approach that groups local authority administrative areas together as an approximation for functional sub- regional housing markets." The Survey of Housing Need and Demand has therefore been analysed primarily at whole local authority and two HMA geography. It is a recommendation of the assessment that future updating and monitoring of the HMA follows a local authority administrative area approach rather than a sub market area approach.</p>
3	Involves key stakeholder including house builders.	The HMA Partnership that has overseen the assessment includes all major stakeholders in the housing market arena, including the Home Builders Federation, representatives of Dorset Business, Dorset Landlords and local Estate Agents. The two stakeholder events have been geared specifically at the development industry and a follow up meeting was held after the first event with a local developer to clarify his views on a number of aspects of the assessment. The HBF were also encouraged to recommend a local representative to join the Project Team, however, the HBF have had difficulty in resourcing their involvement.
4	Contains a full technical explanation of the methods employed with any limitations noted.	The sources of data used are acknowledged throughout the Evidence Base and any limitations have also been fully acknowledged.



5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner.	Throughout the Evidence Base and the Survey of Housing Need and Demand all assumptions, judgements and findings have been fully explained in an open and transparent manner.
6	Requirement of the SHMA Guidance	Approach adopted in preparing the Evidence Base for the Bournemouth / Poole and Dorchester / Weymouth SHMA.
7	Uses and reports on effective quality control mechanisms.	The findings of the assessment have, as it has progressed, been reported and discussed at Partnership meetings. Further discussions have also taken place with regional partners on external assessment to ensure an independent scrutiny of the findings. Whilst this was initially difficult to resolve, without fear of bias, it is understood that the SW Housing Body has now appointed consultants (Eco tec) to assess the various SHMAs being undertaken in the SW and it is hoped that their assessment will provide an endorsement that the procedures followed have met the guidance and that the SHMA is therefore fit for purpose.
8	Explains how the findings have been monitored and updated (as appropriate) since it was originally undertaken.	Chapter 17 Monitoring and Updating sets out the processes that the Partnership proposes in the future. These processes will be incorporated into the monitoring exercises that are reported in Annual Monitoring Reports produced by the unitary and local authorities as well as the County Council each year. More frequent updating of weekly housing costs will be undertaken on a six monthly basis.

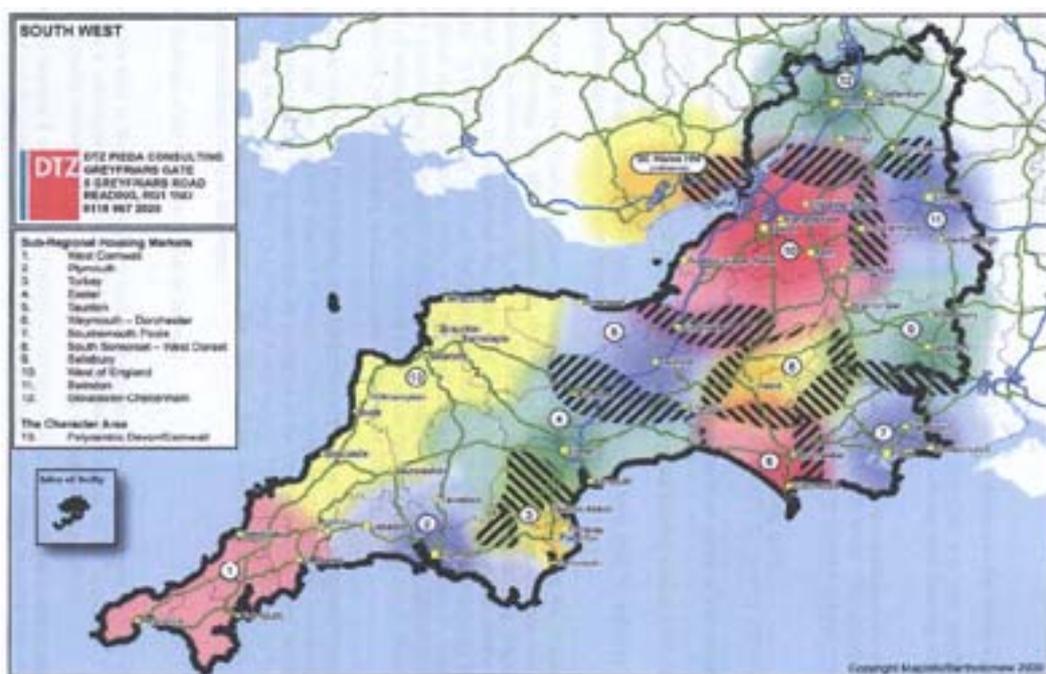
3.4 From the analysis set out in the tables above it is considered the suite of documents that make up the Bournemouth / Poole and Dorchester / Weymouth SHMA, meet the criteria set out in the guidance for robust and credible assessments.



4.0 THE BOURNEMOUTH / POOLE HOUSING MARKET IN CONTEXT

- 4.1 The Bournemouth / Poole conurbation forms the second largest urban area in the South West Region. The main urban area acts as a key economic driver in the eastern part of the region and has links with the South Hampshire area to the east. The surrounding rural area has a number of smaller market towns such as Wimborne, Wareham and Blandford that act as local service centres. The whole area is also attractive as a holiday and retirement destination, both of which add to pressures on the housing market.
- 4.2 The Bournemouth / Poole HMA was first defined in a study by DTZ Consulting, commissioned by the South West Housing Body in 2004.⁴ The study identified 13 HMAs across the South West as can be seen on Fig BPSR 1 below.

Figure BPSR 4.1 Housing Market Areas in the South West



Source: DTZ Housing Market Areas in the South west 2004

- 4.3 This shows the bulk of Dorset within two market areas based on Bournemouth / Poole and Dorchester / Weymouth. Yeovil's market area takes in a large part of North Dorset and the Sherborne area of West Dorset. Salisbury's market area also runs into North Dorset. So the picture is not as straight forward as it first seems. One aim of the SHMA was to investigate these findings to see whether local information supported the broad sub markets defined by DTZ.
- 4.4 One important factor which this map does not show, but which is noted in the Draft Regional Spatial Strategy (RSS) for the South West⁵, is the influence that London and the wider South East Region has on the housing markets in this area. Dorset has grown rapidly in recent years, but almost entirely through in-migration rather than natural change. Many of the migrants have come from outside Dorset, particularly from the South East region.
- 4.5 Another significant influence on the housing market is the constraint on development imposed by the internationally important environmental assets that surround the conurbation. The coast also provides a finite constraint, so opportunities to expand the urban area are limited.

⁴ DTZ Housing Market Areas in the SW Region 2004.

⁵ South West Regional Assembly, Draft Regional Spatial Strategy 2006 – 26.



- 4.6 These issues have to be borne in mind alongside the likely levels of housing supply that may arise from the proposals of the RSS. The Draft Plan proposes around 2,000 new dwellings per annum across the Bournemouth / Poole HMA between 2006 and 2026, but higher growth has already been proposed by the EiP Panel.
- 4.7 The Regional Economic Strategy for the South West recognises the Bournemouth / Poole area as a main centre for the south east of the region but sees economic growth being constrained by labour market weaknesses such as a relatively low proportion of the workforce with higher level skills and the “brain drain” of graduates. The conurbation has a broad based economy but poor transport links, particularly to the west.
- 4.8 These problems have also been recognised in the sub regional strategy for the area “Raising the Game”.⁶ This notes that the area has a relatively low wage economy and significant skills gaps that could worsen as the population ages and young people move out.
- 4.9 On the positive side, both Bournemouth and Poole Community Partnerships are keen to build on the opportunities the area offers. Bournemouth sees the University as a catalyst for the development of the “knowledge based” economy to add to the financial and higher value tourism sectors that have grown in recent years. Poole is actively encouraging young people to stay in the area by the development of more student accommodation and is revitalising the town through the major redevelopments that are taking place in the town centre and along the harbour side. Both Partnerships recognise the need to build the right type of housing in the right place to ensure that a mixed and balanced community can develop.
- 4.10 The next section of this study examines the key findings from the research undertaken for the Partnership by Dorset County Council’s Research and Information Team and the Housing Need and Demand Study undertaken by Fordham Research Group Ltd. Some key findings are identified and these are then addressed and recommendations made to policy makers.



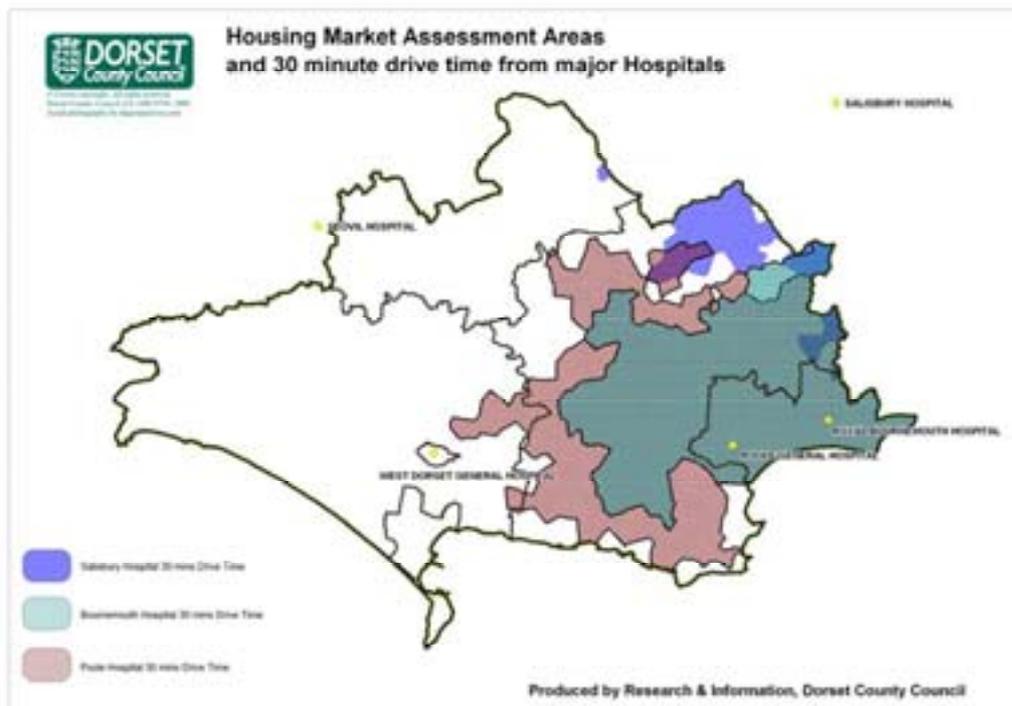
⁶ Bournemouth, Dorset, Poole Economic Partnership, Raising the Game, Economic Development Strategy 2005 – 16.

5.0 KEY FEATURES OF THE HOUSING MARKET AREA

5.1 The extent of the HMA

- 5.1.1 The first task of the assessment was to examine the findings of the DTZ study in order to firm up the boundaries of the HMA and any sub markets within it. Government advice at the time was to ignore local authority boundaries and to examine the true extent of local housing markets. The SHMA examined migration data, transport links, hospital and school catchments to test the findings of the DTZ study.
- 5.1.2 Migration data from the 2001 census can show how well “self contained” an area is (i.e. the proportion of households who, when moving, stay within the area under study). Analysis showed no conclusive pattern of housing market areas based on self containment data alone, largely because of the influence of London and the South East and high levels of in-migration from this area. Of the 30,000 people who moved to Dorset in the year before the census, 42% came from London and the South East.
- 5.1.3 However, when looking at bus links, clear breaks could be seen between the two main market areas (Bournemouth / Poole and Dorchester / Weymouth) and between the urban areas and their hinterlands. These also showed that parts of the north of the County focussed on Yeovil. These findings were re-inforced by the hospital data, which showed that the catchments of the Bournemouth and Poole hospitals did not extend to the far north of the County, but that Yeovil hospital's catchment did extend into this area.

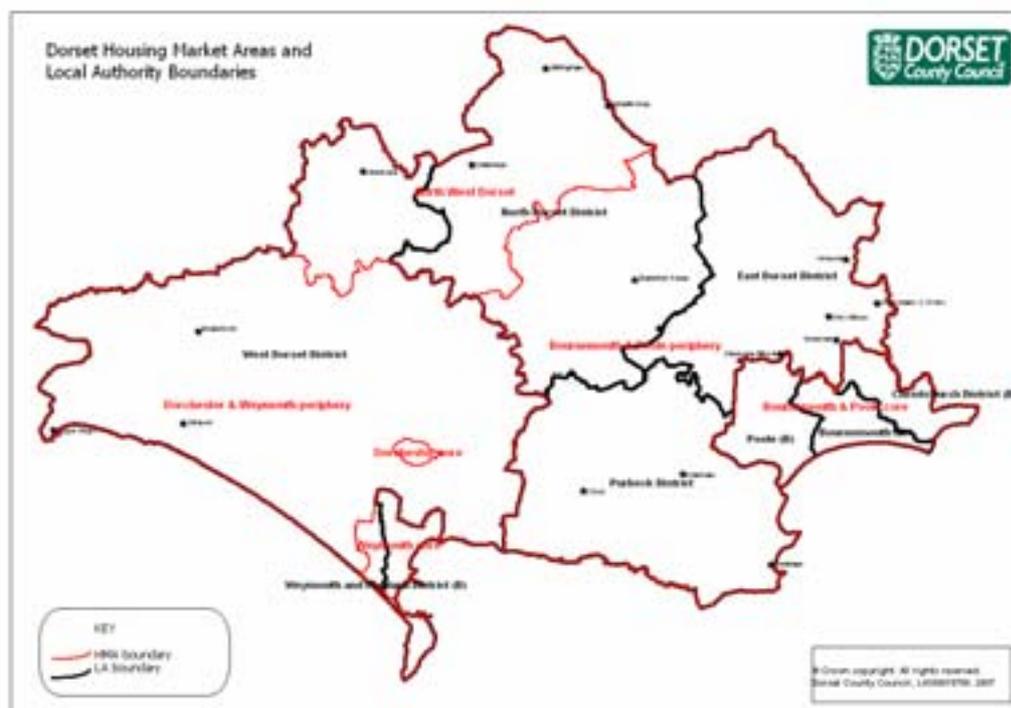
Figure BPSR 5.1 Hospital Catchments, Bournemouth and Poole Hospitals



Source: Dorset County Council 2007

- 5.1.4 The information on school catchments did not add to the evidence on the broader market areas but did indicate local hotspots, where schools with good results encourage greater demand in the local housing market. This was backed up by the views of local estate agents in the survey undertaken by Fordham Research.⁷
- 5.1.5 It was concluded that the broad divisions identified by DTZ were supported by the more detailed evidence, but with Yeovil playing a more dominant role than Salisbury in the north of the County. Within these broad areas there was a need for further sub-division in recognition of the differences between urban and rural areas. Figure BPSR 5.2 below identifies the broad divisions of the County that were identified.

Figure BPSR 5.2 HMA and Local Authority Boundaries



- 5.1.6 Much of the analysis in the Evidence Base uses the sub divisions highlighted above. However, since this analysis was undertaken, the Government published revised guidance on Housing Market Areas⁸ which recommended that for the purpose of building evidence bases and policy, local authorities may wish to use:

" a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas."

- 5.1.7 It became clear during the course of gathering evidence, that it was difficult to maintain analysis below local authority level. While some data is available at ward or post code level, much is not. The findings of the Housing Need Survey were predominantly analysed by district and whole HMA. So, despite the findings that the housing market in the north and west of the County is more closely aligned to Yeovil than to Bournemouth or Dorchester, for ease of monitoring in the future, it is considered that evidence should be analysed on a local authority basis. It is therefore suggested that in the future, the whole of North Dorset should be included in the Bournemouth / Poole HMA.

5.1.8 **Key Finding 1: Housing Market Area Boundary**

The evidence suggests that the housing market areas in Dorset do follow the broad sub areas identified in the DTZ study. However, for

⁷ Fordham Research. Dorset Survey of Housing Need and Demand, Supplementary Report 2007.

⁸ CLG Identifying Sub regional Housing market areas, Advice Note , March 2007.



ease of monitoring in the future and following government advice, it is suggested that future analysis of data should follow Local Authority boundaries within the main Bournemouth / Poole HMA, rather than the core, periphery and North West Dorset sub areas used in this study.

5.2 Population and Migration

- 5.2.1 The population of the Bournemouth / Poole HMA is just over 500,000, of which just under 350,000 live in the core urban area and 157,000 in the surrounding periphery. A further 50,000 people live in North West Dorset.
- 5.2.2 Over the last 10 years (1996 – 2006) the population of Dorset, including Bournemouth and Poole, increased by 3.6%. However, whereas the rural area (particularly North Dorset) grew rapidly (by 9,100 or 13.5%), the urban core showed a slower growth rate (0.9%). Poole actually lost 600 people over this period.
- 5.2.3 The core has the highest proportion of young people. The 16-29 year age group make up 17% of the population, just below the national average of 17.5%. Within this average, Bournemouth has the highest proportion (20%) while Christchurch has just 11%. Most of the HMA has seen a decline of around 10% in the 20-34 age group over the last 10 years. This has been countered in Bournemouth with a 3% rise in this age group, clearly showing the influence of the University.
- 5.2.4 The most distinctive feature of the population across Dorset, Bournemouth and Poole is the high proportion of older people. Mid 2006 population estimates show that 25% of the sub region's population is over retirement age compared with just 18.8% nationally. In the Bournemouth / Poole periphery and North West Dorset the proportion rises to 28%.
- 5.2.5 While the proportion of older, retirement age people has remained constant over the last 10 years, significant increases have occurred in the 50- 64 year old age group, people who will reach retirement over the next 15 years. Across the sub region this group makes up 20% of the population, having increased by 23% since 1996. The highest proportions of those aged 50-64 are also seen in the rural areas.
- 5.2.6 Overall, **migration** statistics show a significant net inflow to Dorset with over 10,300 more people moving in than leaving. A further 4,200 people arrived from outside the UK but outflows are not recorded. Of those people moving into the County, the largest net gains were from areas in the South East region, including Test Valley, Basingstoke, Hillingdon, Hounslow and Wokingham. The largest net losses were to Southampton and South Somerset.
- 5.2.7 The majority of people moving stayed within the HMA. Of those moving from the core to the periphery, more tended to be older while those moving in the opposite direction were younger. Almost 80% of people moving to North West Dorset were from outside the County.
- 5.2.8 Table BPSR 5.1 shows the net migrant figures by age group within the Bournemouth / Poole and North West Dorset market areas. It highlights the increase in 16-24 year olds in the core, but losses elsewhere as well as the growth of pre-retirement age groups throughout the area.



Table BPSR 5.1 Net Migration in Dorset by Age Group and HMA sub area.

	Bournemouth / Poole core	Bournemouth / Poole Periphery	North West Dorset
total	4656	2596	837
0 to 4	226	411	38
5 to 15	274	605	293
16 to 24	1811	-238	-84
25 to 34	961	493	163
35 to 44	250	510	97
45 to 59	723	494	165
60 to 64	101	119	84
65+	310	202	81

Source: Census 2001

5.2.9 Looking to the future, population projections show that the HMA is likely to continue to grow through in-migration. The amount of growth will be governed to a large extent by the number of dwellings built. Projections based on past trends indicate that growth could be in the region of 590,000, an increase of 8.2% from 2006. Policy based projections that look at the likely number of dwellings to be built in the area under current planning policies, indicate a lower figure is likely, of around 563,000 (3.7%). Whichever scenario takes place, the market must be ready to meet the needs of a growing population and one that is likely to become increasingly elderly.

5.2.10 Key Finding 2: Population and Migration

The population of the HMA is already heavily weighted towards the elderly and is likely to become more skewed in this way in the future. This is even more apparent in the rural area than the core urban area. Migration, both from the South East Region and internally is resulting in increasing numbers of older people, especially in the rural areas. Policy makers will need to consider the challenges of housing a growing elderly population and ways to encourage younger people to stay in the HMA and in the rural areas in particular.

5.3 Household Composition

5.3.1 The 2001 Census gives information on household characteristics. The information has been aggregated into six broad types: lone pensioners, pensioner couples, one person, married and co-habiting couples, lone parents and others. There are high proportions of pensioner households across the County. Lone pensioners are more likely to be living in the core areas, although there are concentrations in the market towns too as can be seen in Fig BPSR 5.3. Pensioner couples are more prevalent in the periphery.



Table BPSR 5.2 Overcrowding and Under-occupation in Bournemouth / Poole HMA

Number of bedrooms	Number of bedrooms in home				TOTAL
	1	2	3	4+	
1 bedroom	28,130	59,432	53,031	21,433	162,027
2 bedrooms	910	14,442	24,892	13,924	54,168
3 bedrooms	88	1,291	13,230	9,972	24,582
4+ bedrooms	0	52	960	2,511	3,523
TOTAL	29,128	75,217	92,114	47,841	244,300

KEY: Overcrowded households Under-occupied households

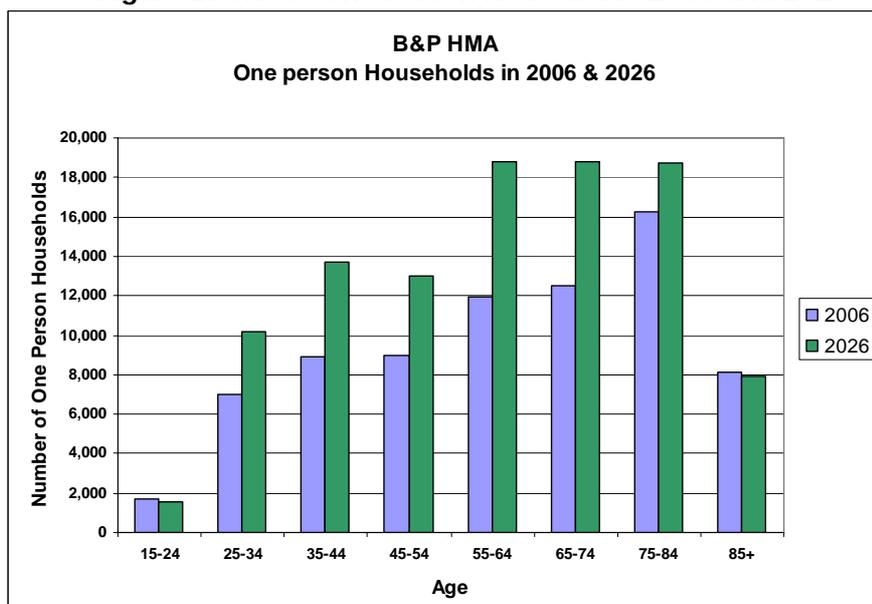
Source; Fordham Research HMA for Bournemouth Poole 2007: Primary data. *Note: The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – for example they may require three bedrooms but live in a five bedroom property or may require a five bedroom property but are currently occupying a four bedroom property.*

5.3.7 The Survey estimated that there were around 91,300 under-occupied households (37.4%). This high figure is associated with high levels of owner occupation. Those who can afford ownership often choose to live in larger homes than they technically need. This demonstrates that it is never easy to try and determine the size of property that different size households will require. However it does indicate considerable potential for downsizing if the right sort of property can be provided in the right place, to attract older people with the financial means to make the choice.

5.3.8 Looking to the future, both trend based and policy based projections clearly show a significant increase in one person households. In the Bournemouth / Poole HMA it is expected that one person households will make up 38% of all households by 2026, a rise from 32% in 2006. The result of this change will be a decrease in average household size that will mean that over time, more dwellings will be needed to accommodate the same population, increasing the demand for housing.

5.3.9 Fig BPSR 5.4 shows the projected change in age profile of one person households. The most significant increases are expected in the mid 50 to mid 70 age groups. The number of households in this age group is expected to increase by 54% from 24,000 to 37,000.

Figure BPSR 5.4 One Person Households 2006 and 2026



Source ONS 2004

5.3.10 The increase in one person households is also seen in the working age groups (16-64 years.) But while single, working age households are expected to rise by



8%, a similar percentage fall is likely to occur among working age couple households.

5.3.11 It is important that the right size and type of housing is available in the future to meet these household needs if the economy is to grow. Unfortunately projections cannot tell us what size and type of housing will be required, as personal choice and financial capacity mean that households will often choose a bigger property than they technically need. However, some indications of household preferences can be gleaned from responses to the Housing Need Survey and these are discussed later in this report.

5.3.12 **Key Finding 3: Household Composition and Change**

Single person households are a significant feature of the HMA, and will continue to grow as a proportion of overall population. They are expected to rise from 32% to 38% of all households by 2026. Pensioners make up a higher than average proportion of these small households. Household size is well below average and falling. This is putting pressure on the housing stock as more dwellings are needed to house the same population. Working age households are also changing, with more single person households and fewer couples. While the pattern of change in household size is clear, the implications for demand for different sizes and types of property are less predictable.

5.4 **Characteristics of the Housing Stock**

5.4.1 In terms of its housing stock, the census shows that the core is characterised by high proportions of flats (32%) and detached houses, with relatively few terraced or semi detached properties - the type that often provides a step on the housing ladder for young families. In the periphery and North West Dorset over 70% of the accommodation is detached or semi detached housing and flats.

5.4.2 The condition of the housing stock is generally good. Stock condition surveys in each of the Local authority areas show levels of "non decent" and "unfit" property are below average in the core, but rise slightly in the rural authorities. Problems of poor energy efficiency, particularly in older property tend to push the levels up. The areas with the highest proportions of properties in substantial disrepair tend to be those with the most private rented and pre-1919 properties, i.e. Bournemouth and North Dorset.

5.4.3 In terms of tenure there is a distinct difference between the core and peripheral area. In the core just 32% of household spaces are owned outright. This rises to 42% in the periphery. Conversely the core has a higher proportion of privately rented housing compared to the rural area.

5.4.4 The Survey showed that nearly three quarters of all pensioner households live in owner occupied accommodation without a mortgage, while most families have a mortgage. The groups most likely to live in social rented housing were lone parents and single pensioners, while lone parents and single non pensioners were most likely to live in private rented housing.

5.4.5 The size of household spaces also varies. In the core nearly 40% of households live in properties with 4 or less habitable rooms (i.e. 2 bed or smaller), compared with only 27% in the periphery and North West Dorset. Conversely, the rural areas have a much higher proportion of large (7+ habitable room) properties, 28% compared with 18% in the core.

5.4.6 Over the last five years (2001–06) almost 11,000 dwellings have been built in the Bournemouth / Poole HMA. Only around 12% have been affordable dwellings. The size and type of property has varied considerably between the core and periphery. Some 53% of new development in the core, built between 2002–06, have been 2 bed flats, compared with only 20% in the periphery and



6% in North West Dorset. The development of flats in the core has been particularly concentrated in Bournemouth, where flats have out performed houses every year over the last five. In 2006 almost 1,000 new flats were built and there was a net loss of 43 houses.

- 5.4.7 Conversely, in the rural areas, a much higher proportion of 3 and 4+ bed dwellings have been built. Some 60% were of this size in the periphery, and 72% in North West Dorset compared to only 22% in the core. This pattern of development is reinforcing the pattern of smaller properties in the core and larger in the rural areas that already exists.
- 5.4.8 Relatively few properties are vacant (2.65%) and the proportion has been falling since the census, particularly in Bournemouth.
- 5.4.9 Second homes are most heavily concentrated in the rural and coastal areas, with lower proportions in the core (2.1%), but even this is higher than the national average of 0.7%. However the competition for first time buyers is not just with those seeking second homes. Many households now look for housing as an investment, which has led to increased demand across the HMA for property to let.
- 5.4.10 **Key Finding 4: Housing Stock**

The housing stock across the HMA is in relatively good condition but, in terms of size and tenure, is heavily biased towards larger detached and semi detached properties in the rural areas and smaller properties in the core. This pattern has been reinforced by recent developments. Within the core, flats are heavily concentrated in Bournemouth. The main problem is a lack of availability of property at the bottom end of the market in the rural areas and slightly larger “move on” accommodation in the core. Demand for second homes creates particular hotspots in some coastal parishes but is not a major factor elsewhere.

5.5 The Economic Make-up of the Area

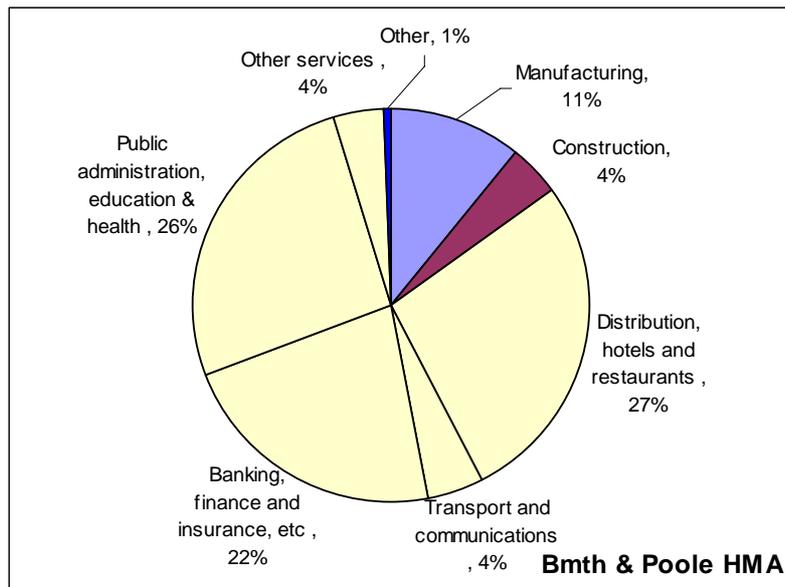
5.5.1 Employment and firms

With around 222,400 employees in employment and 22,280 firms, the Bournemouth / Poole HMA offers a range of job opportunities. Three quarters of the employees and 66% of the firms are based in the core. North West Dorset has around 18,000 employees working in 2,500 firms. Employment density is much lower in the rural areas than in the core.

- 5.5.2 In common with the national and regional picture, the employment structure is service sector led, with most jobs in the HMA in the public administration, education and health and distribution, hotels and restaurants sectors. Manufacturing matches the national and regional averages across the HMA, at about 10% of employment, but is higher in the rural areas and relatively low in Bournemouth. The knowledge-based sector is well represented in the core, particularly in Bournemouth and Christchurch, but less so in the periphery and North West Dorset.



Figure BPSR 5.5 Distribution of Employment 2005 Bournemouth/Poole HMA



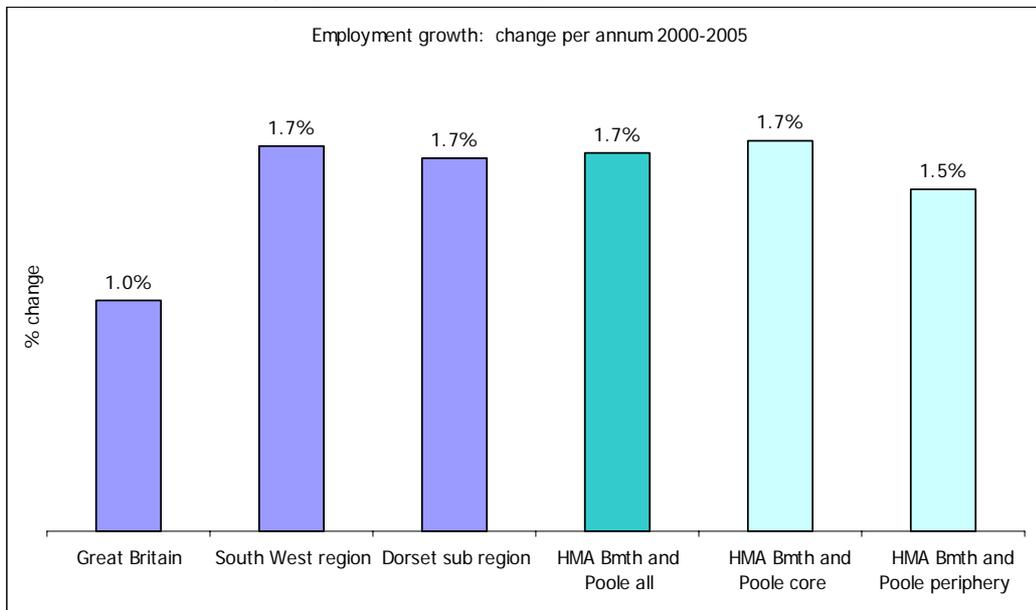
Source: Annual Business Inquiry 2005, Office for National Statistics

- 5.5.3 With about one in four Dorset employees working in the distribution, hotels and restaurants sector, the sub region has an above average proportion working in the low pay industrial sectors (24% compared with 21% nationally). In Bournemouth 27% work in lower paid jobs. Across the sub region the proportion working in the high pay sectors is the same as nationally and regionally (5%). Within the HMA, Christchurch and Purbeck have the highest proportions of better paid jobs, based on transport equipment manufacture in Christchurch and the research and development and petroleum related sectors in Purbeck. In North West Dorset a high proportion (27%) work in the low pay sectors and only 2% in the high pay category.
- 5.5.4 The proportion of the HMA workforce that is self employed (10%) is above the national average (8%) and in line with the region. The proportion is higher in the rural areas (11%) than in the core. Large firms are concentrated in the core, but there is an above average proportion of very small firms (1-4 employees) in the HMA, particularly in the rural areas where 75% of business fall into this category.
- 5.5.5 Bournemouth saw the highest rate of new small business formation outside London in 2005¹⁰, with 19 new firms per 10,000 people of working age. This was against a national decline of 13% in the number of small business start ups during the year. Start ups in the Dorset County area were below average. But there has also been a high de-registration rate in Bournemouth, Poole and East Dorset, probably due to a high turnover of businesses in the distribution and hotels / catering sector, of which Bournemouth has a significant proportion.
- 5.5.6 Over the five year period 2000 to 2005 the HMA saw employment growth of 1.7% per annum, just above national performance (1.0% pa) and in line with that of the South West Region. Within the HMA there was little difference between the core and periphery in terms of the percentage growth. Altogether there was a net increase of 17,800 jobs, of which 75% were in the core, including 9,500 in Bournemouth and 4,400 in Poole. There was a small decline in jobs in Christchurch. Growth in the periphery was across all three local authority areas. North West Dorset saw the strongest growth of 3,100 jobs (4.2% per annum).

¹⁰ Barclays SME Starts and Closures Research, Review of 2005. Barclays SME Analysis Team.



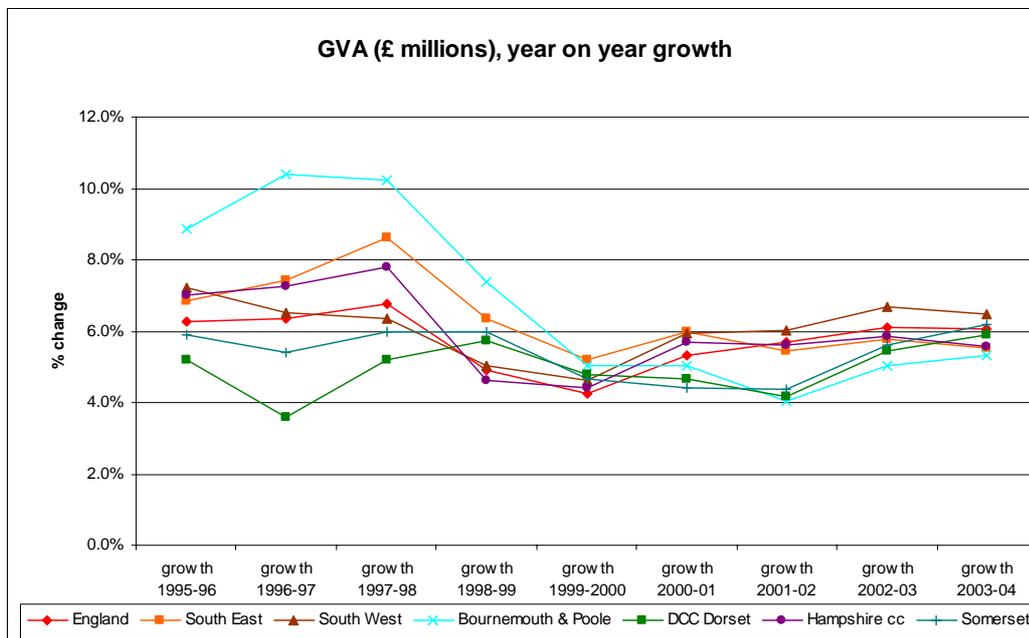
Figure BPSR 5.6 Employment Growth by HMA



Source: Office for National Statistics

5.5.7 Productivity, measured by gross value added (GVA) per resident head, showed strong performance in Bournemouth and Poole between 1995 and 2004 but well below the national and regional average in the rest of the Dorset County area. However closer analysis of the figures for Bournemouth and Poole reveals strong performance in the 1990s with below average growth since 2000. The later period was more in line with that of the rest of Dorset, at around 5.0% per annum. See Figure BPSR 5.7.

Figure BPSR 5.7 GVA, Year on Year Growth



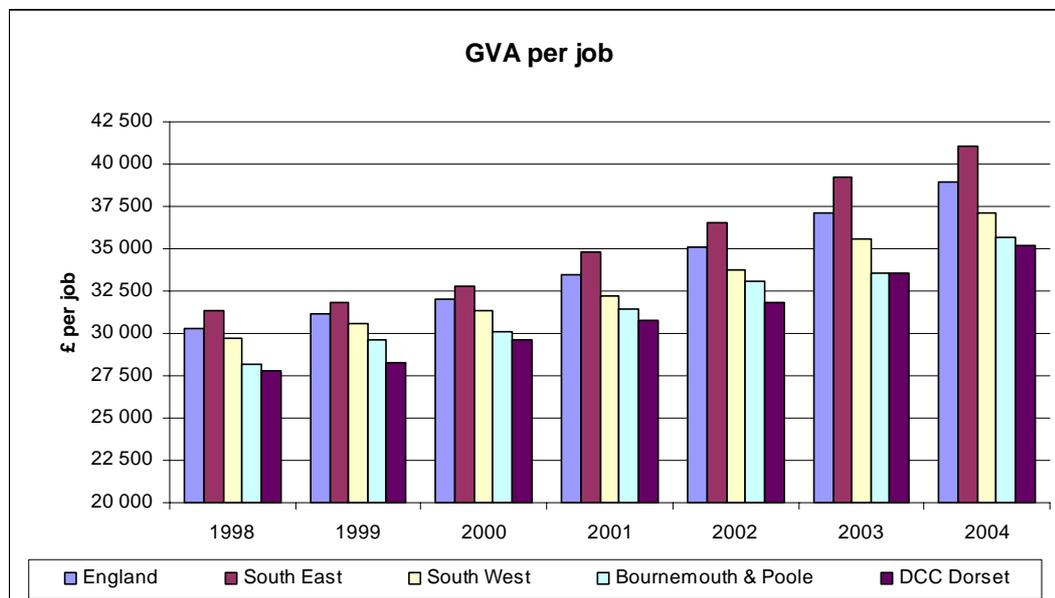
Source: Office for National Statistics

5.5.8 As a percentage of national GVA levels, Bournemouth and Poole, at 94%, is below the national level but above that of the region (92%), whereas Dorset County is well below both national and regional levels (70%). This is probably a reflection of the structure of Dorset's population. With a growing number of elderly who are less likely to make an active contribution to the productivity of the area, GVA per resident head is likely to fall further in the future. As well as this, Dorset also has a net commuting loss which means that residents are contributing to the GVA of other areas rather than the area in which they live.



5.5.9 Using an alternative measure, GVA per full time equivalent employee (as opposed to resident), shows a much better performance in Dorset County as this approach removes the distortions caused by commuting and demographics. Although there is still a gap compared to national levels, this narrows to 90% in Dorset. Looking at the changes between 1998 and 2004, Dorset still sees a slight decline compared to national levels while Bournemouth and Poole show more erratic performance.

Figure BPSR 5.8 GVA per Job 1998 – 2004



Sources: Dorset County Council estimates using ONS GVA data; Annual Business Inquiry (ONS)

5.5.10 Key Finding 5: Employment Structure

The employment structure of the HMA is typical of the South West Region, being dominated by the service sector. The HMA has an above average proportion of people working in low pay jobs, with particular concentrations in Bournemouth and the rural areas. Self employment is high, as is the proportion of small businesses, but these can be vulnerable to a downturn in the economy and the rate of de-registrations signifies a high turnover of businesses.

5.5.11 **Employment growth has been strong in recent years, particularly in North West Dorset, but the majority of new jobs have been concentrated in Bournemouth and Poole. Productivity per resident head is above the regional average in the core, but has fallen off in recent years. It is well below average in the rural areas.**

5.5.12 **To improve its economic performance in the future the HMA faces a considerable challenge in increasing the proportion of higher paid jobs.**

5.6 Earnings and Income

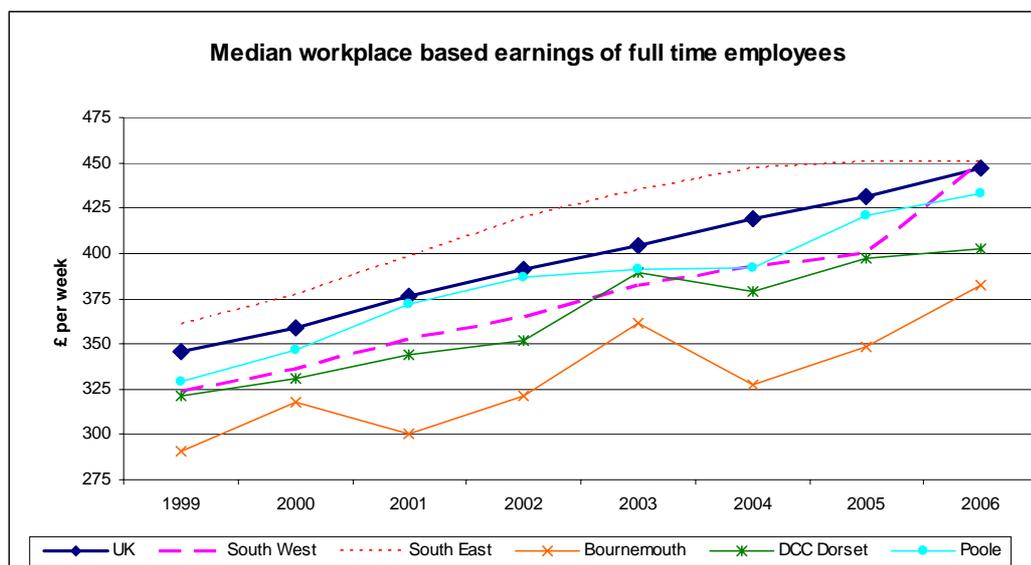
5.6.1 The HMA has a slightly lower proportion of economically active people aged 16–74 (66%) than nationally (67%) or regionally (68%). There is no clear distinction between the core and periphery, but the proportion is lower still (64%) in North West Dorset. Christchurch shows the highest level of inactivity through retirement at 24%, 10 percentage points above the national average. The growth in the number of people of retirement age in future years may have some impact on the proportion of economically active, but with many people working on past normal retirement age and with many part time jobs being available, the impact may not be as severe as first imagined.



5.6.2 Unemployment levels are below the national average and have fallen faster than other areas in recent years, but since 2005 have risen slightly in line with national trends. Long term unemployment is generally below average across the sub region, suggesting that people do have the skills needed to fill vacancies on offer. However, having a low level of unemployment means that there is a very small pool of workers readily available to meet labour demand. Any significant increases in demand are likely to require net additions to the labour supply. This is likely to raise demand for housing if new workers need to move into the area. As shown earlier, the economy is dominated by a large number of small firms, who may be less able than larger companies to support new employees while they find a home in the area. For these companies a flexible and active housing market is essential.

5.6.3 Both residence based and workplace based earnings are below the national average, with North Dorset (-18%) and Bournemouth (-15%) having the lowest (work place based). Fig BPSR 5.9 shows how earnings in Dorset have traditionally been below the national average. The difference between earnings in Poole and Bournemouth is also worth noting, Poole's being significantly higher than those in Bournemouth. Residence based earnings generally tend to be slightly higher than work place based, signifying that some residents are commuting outside the area for higher paid jobs.

Figure BPSR 5.9 Median Workplace-based Earnings – Full Time Employees



Source: Annual Survey of Hours and Earnings, (ONS)¹¹

5.6.4 However, earnings alone do not reflect the full picture of income in the sub-region. Gross disposable household income per head suggests that in Bournemouth, Poole and Dorset, household incomes are above the national and regional averages. The Acorn¹² classification of social demographic characteristics also shows Dorset to be dominated by “Wealthy achievers” and “Comfortably off” categories, although a wider variety of categories can be seen in the core area. These findings reflect the attractiveness of the area as a retirement destination. Those with higher disposable income are moving into the area pushing up house prices and making it difficult for working residents in lower paid jobs to afford a home.

5.6.5 The Survey of Housing Need and Demand also investigated income levels in the HMA. The Survey estimated the average (mean) gross household income level to be £28,883 per annum, with the median noticeably lower at £22,250 per annum. There were also wide variations by tenure, with households in social rented

¹¹ Exclusive dataset, except for 2004 and 2005

¹² Acorn is a national data set compiled by CACI Ltd which classifies each unit post code by its social demographic characteristics.



housing having particularly low income levels. These figures are discussed further in the section on affordability of housing.

- 5.6.6 However, while many in the HMA may be well off, for those that are on low incomes, the high cost of living in the area is forcing more households into claiming benefits. In 2006 the Dorset sub region had approximately 39,400 Housing Benefit claimants, up 13% from 2002 compared with a 6% rise nationally. Bournemouth alone accounted for almost a third of the claimants. Similarly, Council Tax Benefit claimants rose 19% in the sub region compared with 11% nationally, with 29% of claimants in Bournemouth. North Dorset saw the highest increase in recipients, 25% over the four year period. To reduce the number of claimants, wages in the area will need to rise, or housing and council tax costs come down.
- 5.6.7 It is evident that migrant workers have been attracted to Dorset in recent years. Registrations from A8 countries have been higher than the national average. In the Dorset, Bournemouth and Poole there were almost 7,000 registrations in 2006/7, over half of whom gave Bournemouth as their area of residence. This large new labour pool could be keeping wage rates down, but may also be indirectly stimulating a rise in the number of benefit claimants as local wages are not keeping up with the increased housing costs in the area.
- 5.6.8 If the HMA is going to be economically competitive it must increase the proportion of its workforce skilled to higher levels. The 2001 census showed that just over a quarter of people aged 16 – 74 had no qualifications (just below the national average and in line with the region). However at level 4 (degree or above), Dorset fell behind national and regional levels. The Bournemouth / Poole HMA shows a similar pattern. School examination performance since 2001 has seen the proportion of pupils gaining five or more GCSEs at grades A*-C increasing, but not as fast as nationally. At post 16 level, Bournemouth has performed consistently above the national average while Dorset County has performed below average. If progress is to be made in attracting more knowledge based sector industries to the area, higher skills level will have to improve significantly right across the HMA but particularly in the core area where most growth in jobs is anticipated.
- 5.6.9 Census figures show that commuting levels have increased since 1991, in Bournemouth by as much as 41%. The Bournemouth / Poole HMA is a net loser of commuters, with over 6,000 more people travelling out than travelling in to work. The core area has a relatively high level of economic self-containment (76% live and work in the area). This drops to 63% in the periphery, where roughly one in four commute to the core area. In-commuters generally tend to be older and working in higher level occupations than those who live and work in the area. While those on higher wages may choose to live in a more rural environment and be happy to commute, some may prefer to live closer to their work but be unable to find a property of the right size/type. Commuting is also an issue in North West Dorset which has a net loss of 2,700 workers. Some 27% of out commuters work outside Dorset and many appear to be moving out to higher level occupations.

5.6.10 Key Finding 6: Earnings

Relatively high income levels across the HMA hide the difficulties faced by many employed people on relatively low wages. A growing number of working households in the HMA are claiming benefits to assist in meeting their housing costs. Unemployment is low and migrant workers have been attracted to the area, particularly Bournemouth, filling low paid jobs and keeping wage levels down. While the availability of unskilled labour may have encouraged a large number of new small businesses to start up, they may be vulnerable to a downturn in the economy, or to labour moving elsewhere.



5.6.11 Economic performance could be enhanced with an improvement in the skills levels of the workforce but, at the same time, some housing growth will be needed to encourage more people to stay in the area and help reduce commuting.



6.0 FUTURE GROWTH

- 6.1 Looking to the future, projections indicate that the Bournemouth / Poole HMA will continue to see productivity grow in line with the South West Region up to 2016. Productivity improvement will be lower in the periphery, but North West Dorset could still benefit from strong growth in South Somerset.

Table BPSR 6.1 GVA Projected Change 1996 – 2026

GVA (£ 2001 millions)	Change 1996-2006 % pa	Change 2006-2016 % pa	Change 2016-2026 % pa
South West	3.0%	2.9%	2.7%
Dorset sub-region	2.9%	2.8%	2.6%
Bournemouth & Poole	3.0%	2.9%	2.6%
Dorchester & Weymouth	2.1%	2.7%	2.4%
South Somerset	4.0%	3.0%	2.9%

Source: SWRA LEFM 2005-06, Cambridge Econometrics

- 6.2 These figures on productivity provide an important measure of the way the local economy is performing. However, it should not be assumed that productivity performance and population growth are integrally linked. While some argue that economic growth creates demand for labour which, in turn, attracts workers into an area resulting in population growth, other research¹³ suggests that population growth does not necessarily play a major role in stimulating economic growth. Instead, the research concludes that there are a number of interacting factors that are significant, including the structure of industry – especially a strong knowledge driven sector, innovation (and the presence of a university), high level skills in the workforce and investment in the urban fabric (including business premises) and transport infrastructure. The Bournemouth / Poole HMA shows some of these features but not all, and in view of the demographic changes highlighted above, it will need to increase the number of high paid jobs considerably if it is to maintain its economic position in the region.
- 6.3 Considering the type of job growth that may occur in the future, based on 2.8% economic growth across the region, projections indicate that approximately 35,100 jobs will be created in the Bournemouth / Poole HMA (20,400 between 2006-2016 and 14,700 from 2016–2026). A higher 3.2% growth scenario would result in an additional 10,300 jobs. These figures are **total** jobs (i.e. full part time). Recent research¹⁴ has shown that over 70% of jobs in Dorset are likely to be part time. This means that many people could take up two or more jobs, so the demand for housing to meet the needs of the workforce would be less than if all were full time.
- 6.4 Between 2006 and 2016, three out of five new jobs are likely to be located in the Bournemouth / Poole core, amounting to some 15,300 new jobs. These will be predominantly in the service sector. By occupation, caring and personal services and sales occupations (among the lower pay groups) are likely to make up over half the jobs. A further 10,900 new jobs are projected in the core area between 2016 and 2026 and about 9,000 in the periphery over the same period. It is estimated that just under 3,000 of these jobs will be created in North West Dorset.
- 6.5 In addition, there will be a replacement demand – the filling of jobs being vacated through retirement or ill health. This is likely to have a significant impact, particularly as many of those leaving work are unlikely to move away from the area and in doing so vacate their house. Across Dorset, Bournemouth and Poole as a whole it is estimated that this could give rise to around **six times** the number of new jobs projected for 2006-2016, a large proportion of which are

¹³ Securing economic growth within environmental limits: a comparative study of growth in 26 local economies in the South East of England. Chris Elton Consultancy for Dorset County Council 2007.

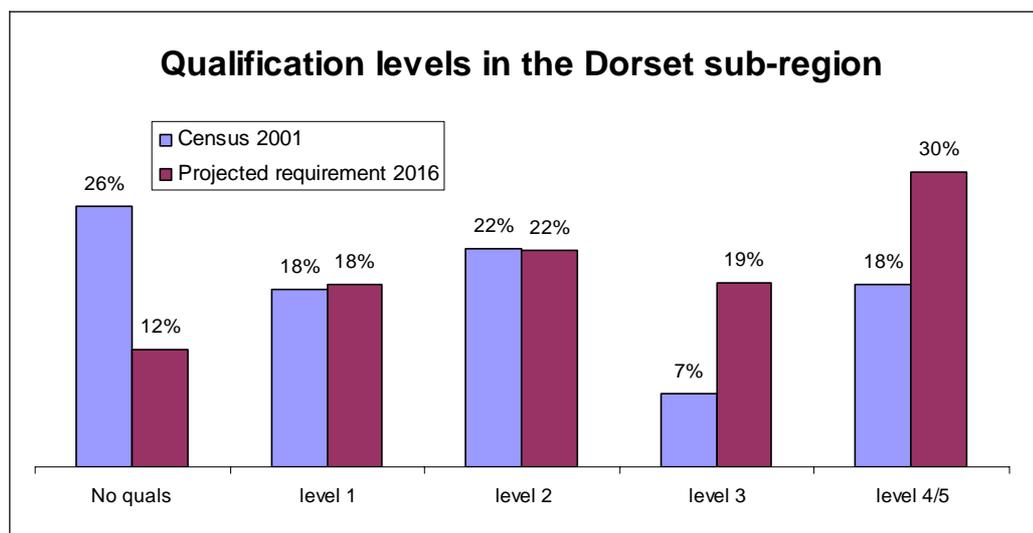
¹⁴ Local Economic Forecasting model 2004 (Cambridge Econometrics) commissioned by Dorset County Council.



likely to be in the Bournemouth / Poole HMA. The type of jobs that will need to be filled cover all sectors of the economy ranging from some of the less well paid sectors such as caring /personal services and sales up to teaching professionals and corporate managers.

- 6.6 There are two main risks associated with such a large turnover in labour; a loss of skills and recruitment difficulties. If workers with the required skills cannot be found, businesses may relocate, leaving the HMA with a low skill, low value-added economy. Qualification levels needed by the workforce in the future are set to rise (See Fig BPSR 6.1). This is likely to have implications for the higher and further education infrastructure in the area and for employers, who will need to plan ahead for training needs.

Figure BPSR 6.1 Qualification Level in the Dorset Sub Region 2001 and 2016



Source: Census of Population 2001, Cambridge Econometrics/Dorset County Council

- 6.7 Secondly, firms may have difficulty in recruiting new workers. During the period 2006 to 2016 the population of working age is projected to grow less strongly than the population over retirement age. With projected growth of 26,000 jobs across the Dorset sub region between 2006 and 2016, but an increase of only 13,000 – 17,000 in the working age economically active population¹⁵, an element of skills mismatch and recruitment difficulty is likely. As the existing workforce moves into retirement, most are likely to remain living in Dorset, reducing the amount of housing available for the working age groups.
- 6.8 It must be stressed that there are many uncertainties in these projections and actual numbers cannot be relied on as anything more than a broad guide. Market adjustments are likely to avert an actual labour shortage; firms may retrain existing workers; people may work longer into retirement; or migrants from elsewhere in Europe may fill jobs. On the down side, firms may also move to locations where labour is more plentiful or cheaper. As far as the housing market is concerned though, these trends need to be considered carefully and the implications in terms of the amount and location of new housing required, need to be built into the proposals for future supply.
- 6.9 Having considered the likely number of jobs that may be created, it is necessary to look at how this translates into labour demand and how this might be met by different levels of labour supply. This is known as the “labour market accounts”. Several scenarios have been examined, based on different levels of economic growth on the labour demand side and on different levels of housing supply on the labour supply side. The Total Jobs Scenario adds full time jobs to part time jobs to give a combined total. In Dorset, the majority of growth (70%) is likely to

¹⁵ The projected increase in economically active population is based on the Population Projection Scenarios: DRSS Lower and ‘preferred’ options



be in part time jobs, so the scenarios based on “Full Time Equivalents” (ie using ratios to convert part time jobs to full time equivalents to combine with the number of full time jobs) seem to be more likely.

- 6.10 Table BPSR 6.2 shows the outcome for a growth rate of 2.8% across Dorset. A negative figure indicates that labour demand is higher than labour supply (there are too few people to fill the projected number of jobs). A positive figure indicates labour supply is higher than projected demand, (there is an over-supply of labour).

Table BPSR 6.2 Labour Market Accounts, 2.8% Growth, Dorset sub region.

2006-2016	2.8% growth							
	total jobs				FTEs			
	DRSS lower	DRSS Upper	Preferred *	Panel proposal	DRSS Lower	DRSS Upper	Preferred	Panel proposal
Bournemouth	-2,990	-1,840	-2,920	-2,690	-430	730	-360	-130
Poole	920	960	1,680	1,890	2,450	2,490	3,210	3,420
Christchurch	1,150	1,340	1,170	1,380	1,470	1,660	1,490	1,690
East Dorset	-1,740	-1,740	-1,780	-1,320	-1,190	-1,190	-1,240	-770
North Dorset	-1,270	-1,270	-880	-280	-670	-670	-280	320
Purbeck	-1,440	-1,440	-1,290	-900	-1,160	-1,160	-1,020	-620
West Dorset	-2,720	-2,720	-510	-490	-10	-10	2,200	2,220
Weymouth & Portland	-890	-890	-400	-470	410	410	900	830
Dorset sub-region	-9,890	-8,550	-5,960	-3,860	-40	1,290	3,890	5,990
B&P HMA	-6,310	-4,970	-5,010	-2,810	-470	870	830	3,030
D&W HMA	-3,490	-3,480	-930	-1,000	520	520	3,070	3,010

Source: Dorset County Council 2008

* RSS preferred scenario is based on research provided to the SWRA by the S(4) authorities

- 6.11 For the 2.8% growth scenario the projections of total jobs show a shortfall of labour in the Bournemouth / Poole HMA ranging from -6,310, under the lowest housing proposals in the draft RSS, to -2,810 under the EiP Panel's proposed housing levels. However the second set of figures based on full time equivalents (FTEs), which appears more likely to occur in Dorset, shows a surplus of labour by 2016.
- 6.12 Even where there appears to be a shortfall of labour this must be put in context. By 2016 the Bournemouth / Poole HMA is projected to have a total of 280,000 jobs, a shortfall in labour supply of 6,300. This would be the worst case scenario based on the figures above and represents just 2.25% of the total projected demand.
- 6.13 With a 3.2% growth rate scenario the differences between labour demand and supply are greater due to the higher projected levels of job growth.
- 6.14 An alternative approach is to run the process in reverse, to establish how many dwellings would be required to meet labour demand from each of the economic growth scenarios. This is shown in Table BPSR 6.3



Table BPSR 6.3 Dwellings Required to Meet Labour Demand, Dorset sub Region

2006-2016	Proposed dwellings					Dwellings required to meet labour demand			
	DRSS lower	DRSS Upper	Preferred *	Trend - DCLG projections	Panel Proposal	2.8% FTEs	2.8% total jobs	3.2% FTEs	3.2% total jobs
Bournemouth	720	820	720	750	805	630	820	800	1,010
Poole	700	700	750	330	500	770	850	920	1,000
Christchurch	150	165	150	130	173	50	80	90	120
East Dorset	170	170	170	350	320	360	400	430	470
North Dorset	290	290	330	480	350	280	310	330	360
Purbeck	105	105	120	210	258	120	140	160	170
West Dorset	410	410	600	660	625	640	860	750	960
Weymouth Portland	280	280	340	370	280	260	350	300	390
B&P HMA	2,135	2,250	2,240	2,250	2,405	2,210	2,600	2,730	3,130
D&W HMA	690	690	940	1,030	905	900	1,210	1,050	1,350

Source: Dorset County Council 2008

* RSS preferred scenario is based on research provided to the SWRA by the S(4) authorities

- 6.15 The number of dwellings required to meet labour demand for the 2.8% FTEs scenario is 2,210 in the Bournemouth / Poole HMA. This figure is similar to that in the draft RSS "preferred" scenario (2,240) and slightly below the Panel's recommendations (2,405).
- 6.16 However, comparing the Panel's proposals with the dwellings required to meet the 2.8% FTE scenario by local authority it can be seen that there is a great deal of variation between the dwelling numbers proposed and the level of demand that they would meet. For instance, in Bournemouth there would be a 28% over-supply of dwellings, whereas in Poole the 500 dwellings proposed would be 35% below the 2.8% FTE requirement. In Christchurch, North Dorset and Purbeck there would also be a large over-supply of dwellings under the Panel's proposals. To conclude, the proposed distribution of dwellings under the Panel's proposals could lead to housing growth in the wrong areas, resulting in more commuting.
- 6.17 For Dorset, based on past performance and considering the current slow down in the economy, a 2.8% per annum growth rate may be more realistic. It should be remembered that economic growth can be achieved through both employment growth and increased productivity. Emphasis on the latter could result in economic growth without huge increases in labour and hence demand for more housing. However this is dependant on getting the right type of jobs and a workforce with the right skills.
- 6.18 Finally, when considering future housing requirements based on these projections, it must be recognised that personal preference cannot be predicted, as to the size, type and location of property that individuals may choose. It is not safe to assume that small households will require a small dwelling. The census showed that 16% of people living alone, lived in a property with 6 or more rooms (i.e. at least 3 bedrooms).

Some broad priorities that can be identified are:

- o Need for adequate family housing in the core areas where economic growth is likely to be most significant.
- o Adequate smaller dwellings in all areas, including rural areas where availability is currently limited.



- Provision of adapted/lifetime housing to cater for the aging population, again in all areas including rural areas. Appropriate provision may free up some larger dwellings.

6.19 **Key Finding 7: Implications of Future Growth**

Productivity is expected to grow in line with the regional average across the HMA, and could exceed this in North West Dorset. Around 20,400 new jobs could be created in the HMA over the next 10 years, 60% of which will be in the core.

- 6.20 **Replacement demand could increase the total demand for new jobs. Many of these jobs will be part time and so could be filled by existing workers or by people who may delay retirement. However, as the number of working age, economically active population is only projected to increase by up to 17,000 across the sub region, there could be significant requirements for re-training. If the economy grows at around 2.8% housing supply should meet demand. However if a higher growth rate occurs, further additional housing will be required. Productivity could also be increased to meet economic growth requirements, through development of the higher value, knowledge based sector.**
- 6.21 **Particular types of housing that may be needed include: more family housing in the core urban area where job growth will be highest; more small dwellings in all areas, but particularly the rural areas to accommodate the growing number of single person households; and more adapted/lifetime housing to cater for the ageing population in all parts of the HMA.**





7.0 THE NEEDS OF SPECIFIC HOUSEHOLD GROUPS

7.0.1 PPS 3 requires local authorities to plan for a mix of housing on the basis of the needs of the different types of households that are likely to require housing over the plan period.

The Housing Needs survey investigated the needs of several groups, including:

- Households with special needs
- Older person households
- Young people (including first time buyers)
- Key Workers
- Families
- Households in rural areas.

7.0.2 In addition through the wider HMA research, the needs of students, migrant workers and Gypsies and Travellers have been investigated. Some of the key findings are set out below.

7.0.3 The main Evidence Base contains tables (14.1 – 14.7) which show the certain characteristics of the different household groups by individual authority. These are not repeated here but some of the main points are summarised below. Detailed information for each authority can also be found in the individual reports of the Survey of Housing Need and Demand.

7.1 Households with Special Needs

7.1.1 Overall there are an estimated 50,086 households in the Bournemouth / Poole HMA, within which one or more members of the household have a special need. They represent just over 20% of all households.

7.1.2 Those with a “medical condition” comprises the largest category (Table BPSR 7.1). The frail elderly and those with a physical disability were the two other categories with significant numbers.

Table BPSR 7.1 Special Needs Categories

Category	Number of households	% of all households	% of special needs households
Frail elderly	22,830	9.30%	45.60%
Physical disability	22,653	9.30%	45.20%
Learning difficulty	5,162	2.10%	10.30%
Mental health problem	6,690	2.70%	13.40%
Severe sensory disability	5,317	2.20%	10.60%
Medical Condition	27,972	11.50%	55.80%
Other	2,986	1.20%	6.00%

Source: Bournemouth-Poole HMA Fordham Research 2007

7.1.3 On average around 48% of households with a special need contain only older people. There is some variation between local authorities, with only 44% in Poole and over 52% in Christchurch and East Dorset. Generally, households with older people with special needs seem to be more heavily concentrated in the rural areas, in line with the general distribution of older people.

7.1.4 Looking at tenure, 65% of special needs household live in owner occupied accommodation. Although about a third live in social rented housing, they form a relatively large proportion of all those living in this tenure. In Poole, for instance, they comprise over 45% of households in social rented housing, which is more than double the proportion in the general population

7.1.5 Special needs households are generally more than three times as likely to be living in “unsuitable housing” as households without a special need. This



definition of unsuitable housing is provided by government and includes a number of different categories such as the accommodation is too expensive, overcrowded, difficult to maintain, or lacks facilities. Generally the proportion living in unsuitable housing is higher in urban than rural areas.

- 7.1.6 When asked what additional help may be required by households with special needs, the overwhelming response was for help to maintain the home, such as a handyman service. This was noted by over 14,000 households, or 28% of those with a special need. Physical adaptations such as hand rails, level access shower and stair lifts were needed by about half as many respondents. More support services, such as a home carer, meals on wheels etc, were required by over 4,000 households.
- 7.1.7 Over 3,600 special needs households in the Bournemouth/Poole HMA stated that they needed to move to alternative housing with specialist adaptations or care/support, including over 1,500 in Bournemouth and almost 900 in Poole. This gives some indication of the scale of provision needed for specialist housing in the core area of the HMA. However the income levels of those with special needs are generally only about 60% of those without special needs. This highlights the difficulties that these households face in trying to overcome their housing conditions and the need for Local Authorities to target resources to improve their situation.
- 7.1.8 Tackling the challenges presented by an ageing population many of whom have special needs, in particular ensuring access to good quality flexible housing, is now high on the government's policy agenda. The Department of Community and Local Government's recently published national strategy for housing in an ageing society, "Lifetime Homes: Lifetime neighbourhoods" aims to encourage the development of lifetime neighbourhoods that promote inclusive design and accessibility to services. It also sets out the government's aspiration that all housing should be built to lifetime standards by 2013.
- 7.1.9 To meet the standards, developers need to incorporate a range of measures outlined in a 16 point checklist. These include for instance, improved wheelchair access and provision for future stairlifts. While many housing schemes sponsored by English Partnerships or funded by the Housing Corporation are already required to meet these standards, private developers have been allowed some discretion over whether they wish to apply them. However by April 2013 all new housing should meet the full standards.

7.1.10 **Key Finding 8: Households with Special Needs**

Most special needs are related to the age of the household and so are proportionately higher in the rural areas. There are relatively high proportions of special need households in the social rented sector, particularly in Poole and Bournemouth. Those with a special need are three times as likely to be living in unsuitable housing as other households.

- 7.1.11 **Large numbers of special needs households indicated a need for alternative housing with specialist adaptations or care/support, but as their income and savings levels tend to be lower than those without special needs, many may be unable to afford these improvements. Bearing in mind that the number of elderly households is likely to grow in the future, it indicates a need for more "lifetime homes" that can be adapted to meet needs as they change and more specialist care services.**

7.2 **Older Person Households**

- 7.2.1 The most distinctive feature of the population across the Bournemouth, Dorset and Poole sub region is the high proportion of older people. The 2006 ONS mid-year population estimates show that 25% of the population are over retirement



age, rising to 28% in the rural areas. The national average is just 18.8%. Over the last 10 years (1996 to 2006) there has been a significant increase in people aged 50-64 years, who in turn will reach retirement age over the next 15 years.

- 7.2.2 The 2001 census showed that pensioners made up around 30% of all households, the majority of which were living alone (55%). Rural areas have the highest proportion of pensioner households, with over 33%. However it is the core which has a higher percentage of **lone** pensioners.
- 7.2.3 Population projections show that most growth in the next 20 years will be in the 65+ age group, reflecting the large numbers and recent increase of those in their 50s. This increase is also seen in the household projections which show that one person households are going to increase significantly, the majority of which will be older people.
- 7.2.4 The Housing Needs Survey looked at the situation of older households, comparing the needs of households with “older persons only” against those “with both older and non older persons” and “without older persons”. Older person only households are of most interest. These include only those households where one or both members are of pensionable age. Across the HMA around 52% of older person only households are single person households and 47% two person.
- 7.2.5 The high proportion of older people only households with special needs and their concentration in the more rural areas has been highlighted above. These needs are likely to grow as the proportion of older people increases.
- 7.2.6 The Survey showed older people only households make up around 33% of all households in the HMA, but this rises to 41% in Christchurch and 37% in East Dorset. However they make up much larger proportions of single person households – 66% in Christchurch and East Dorset, and 50% or more in all other areas.
- 7.2.7 Table BPSR 7.2 shows that a large proportion of these households own their property outright. Overall around 73% of older person only households own their properties. This rises to almost 80% in East Dorset.

Table BPSR 7.2 Older Person Only Households: Size of Accommodation and Tenure, Bournemouth / Poole HMA

Tenure	Size of Accommodation				
	1 bed	2 bed	3 bed	4+ bed	TOTAL
Owner-occupied (no mortgage)	3,409	24,263	22,689	8,283	58,643
Owner-occupied (with mortgage)	579	2,822	2,122	802	6,325
Social rented	6,569	2,937	1,020	110	10,636
Private rented	1,647	1,684	809	263	4,403
TOTAL	12,203	31,705	26,640	9,458	80,007

Source: Bournemouth-Poole HMA Fordham Research 2007

- 7.2.8 A large proportion of older person only households, comprise just one or two people, occupy larger properties. Although many older person households may choose to remain in a larger property, some are certainly finding this a problem. Over 5,000 households noted, in respect of the suitability of their housing, that their “accommodation was too expensive”. Although this figure relates to all households (not just older persons) it indicates potential for older households to downsize if the right size and type of accommodation can be provided.
- 7.2.9 There are also considerable numbers of older person only households in 3 or 4 bed social rented accommodation. The highest proportions are in North Dorset (17%) and Purbeck (14%), while East Dorset has the lowest at just 5%. This indicates that there is potential to make better use of this stock in those authorities where proportions are currently high.



7.2.10 Key Finding 9: Older Person Households

The proportion of older person only households is high and will continue to grow across the HMA. Over 50% of single person households comprise older people. Most lone pensioners are located in the core. Around 80% of older person only households are owner occupiers. Some are finding their property too expensive.

7.2.11 **Around 45% of older person households are living in 3 or 4+ bed accommodation, indicating considerable scope for equity release if the right size and type of property can be made available.**

7.2.12 **There are also relatively large proportions of elderly living in 3 or 4+ bed social rented accommodation in North Dorset and Purbeck, in particular, indicating scope to make better use of this stock.**

7.3 Families with children

7.3.1 PPS3 acknowledges the importance of providing suitable housing for families, especially those with dependant children, to ensure well mixed communities. Although it is anticipated that there will be a fairly modest increase in the workforce of the Bournemouth, Poole and Dorset sub region, as a whole, there needs to be a good supply of family accommodation in those areas where most growth is anticipated, such as the Bournemouth / Poole core.

7.3.2 The household projections described above, do not give a breakdown of the likely changes in families other than lone parent families, which are expected to increase by around 7%.

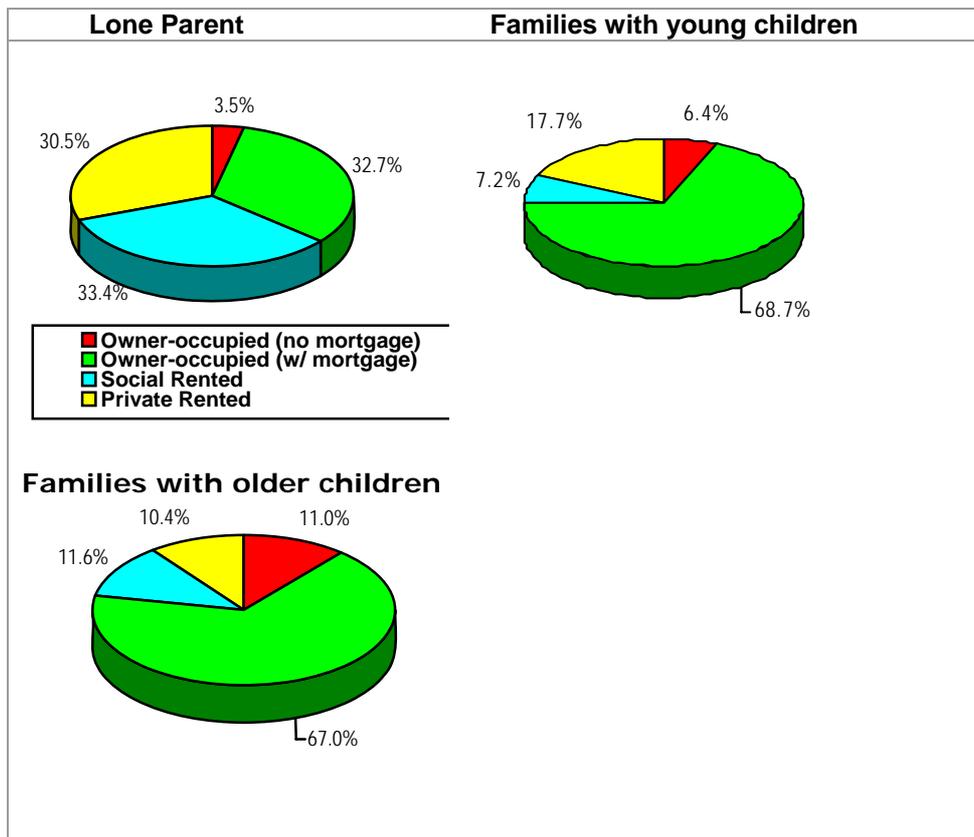
7.3.3 In the Survey of Housing Need and Demand, children were split into three groups: lone parent families, families with younger children (age under 9, or average age under 9) and families with older children (over 9, or average age over 9).

7.3.4 The survey found that overall there are an estimated 49,525 families with dependant children in the HMA representing just over 20% of all households in the area. The proportion ranged from 17.6% in Christchurch (which has a high proportion of elderly households,) to 23.0% in Poole. Poole has a higher number of families than Bournemouth, even though Bournemouth has over 14,000 more households than Poole.

7.3.5 The vast majority are two parent families and most of these are currently living in owner occupied accommodation (77%), most with a mortgage. In the core there is a high proportion of two parent, owner occupier families in Poole and Christchurch, but a much lower proportion in Bournemouth. Here the proportion of families with young children living in private rented accommodation (29.5%) is much higher than the average for the HMA (17.7%) indicating that families with young children are finding it difficult to buy in Bournemouth.



Figure BPSR 7.1 Tenure of Families, Bournemouth / Poole HMA



Source: Bournemouth-Poole HMA Fordham Research 2007

7.3.6 **Lone parent families** make up around 16% of families. The highest proportion is in Bournemouth (20.8%) with the lowest in East Dorset (9.9%). Around 33% of lone parent families live in social rented accommodation. This is over three times as many as two parent families.

7.3.7 There is also a higher proportion of lone parent families in “unsuitable” and overcrowded accommodation, compared to two parent families. The situation is particularly bad in Bournemouth where over 27% of lone parent families live in unsuitable accommodation and 10% in overcrowded homes. However in Poole the situation is reversed, with less than half the proportion in unsuitable homes seen in Bournemouth, and three times fewer in overcrowded homes. This could reflect the fact that Bournemouth has a much higher proportion of older (pre 1919) properties and higher levels of substantial disrepair than other parts of the HMA. With the exception of Poole, the situation is generally worse in the core than in the periphery authorities.

7.3.8 Between 40 and 50% of families intend to move within the next five years. In Bournemouth this rises to 53%. Families seem most content with their accommodation in Poole, Christchurch and East Dorset, those areas where higher proportions are already living in owner occupied accommodation.

Table BPSR 7.3 Moving Intentions of Families

When need/likely to move	Households with children		
	Lone parent families	Families with older children	Families with young children
Now	12.80%	4.60%	8.00%
Within a year	15.80%	7.90%	12.40%
1 to 2 years	13.30%	7.70%	13.00%
2 to 5 years	13.30%	17.10%	20.80%
No need/not likely to move	44.80%	62.80%	45.80%
TOTAL	100.00%	100.00%	100.00%
Total count	7,909	21,573	20,044

Source: Bournemouth-Poole HMA Fordham Research 2007



- 7.3.9 Of those families who intend to move within two years, the highest proportion is again seen in Bournemouth (35.8%). Around 73% of two parent families are hoping to buy a property. This is slightly lower than the proportion currently in owner occupied accommodation, so the intentions would not seem unreasonable. The only area where these families' ambitions may be less easy to meet is in Christchurch, where 87% are looking to buy a property, but only 79% currently live in owner occupied properties.
- 7.3.10 About 75% of families wishing to move in the next two years, aspire to move into a detached property. A relatively low proportion is looking for terraced housing (6.0%) despite the fact that 11.5% of all households currently live in this type of property. Flats are seldom sought, other than in Bournemouth where 5.0% of families would like one. This may reflect the high proportion of flats currently existing in this Borough and the relative likelihood of this form of housing being available.
- 7.3.11 Although the desire for detached housing is consistent, size requirements vary. Overall, some 42% require 3 bed and 45% 4+bed accommodation. However, in Bournemouth, Christchurch, North Dorset and Purbeck, the requirement for 3 bed accommodation is higher than 4+ beds. Conversely, in Poole the demand for 4+ bed is almost twice as high as for 3 bed accommodation.

7.3.12 **Key Finding 10: Families with Children**

Families currently comprise around 20% of all households in the HMA. The majority are two parent families, most of whom live in owner occupied property. Around 16% of families have a lone parent. Three times as many lone parents as other families live in social rented accommodation and higher proportions live in "unsuitable" and over-crowded accommodation, with the situation especially poor in Bournemouth. Lone parents face particular difficulties in trying to move up the housing ladder with only a single income.

- 7.3.13 **Generally between 40 and 50% of families intend to move within 5 years, but this figure rises in Bournemouth, indicating that more families here are particularly dissatisfied with their current accommodation.**
- 7.3.14 **Around 73% of those who are intending moving in the next 2 years hope to buy a property. These aspirations would appear to be reasonable as they generally match the level of owner occupation among families in the current population.**
- 7.3.15 **Most families are seeking detached or semi detached properties, with relatively few looking for terraced housing. This may be explained in part by a lack of available terraced property and high price rises in this type of housing in recent years.**
- 7.3.16 **Size requirements vary, with almost twice as many families seeking 4+bed, rather than 3 bed, accommodation in Poole, but higher proportions seeking 3 bed than 4+ bed in almost all the other authorities.**

7.4 **Young People**

- 7.4.1 The proper functioning of the housing market depends on a steady supply of first time buyers at the bottom of the housing ladder.
- 7.4.2 For the purpose of this study young people were defined as those between 21 and 35. The Survey found that there were 68,855 young people in the HMA, of whom over 80% are in employment (full, part time or self employed.)



- 7.4.3 The survey looked at four groups of young people: those living on their own; sharing a house with peers; living as a family with their own children; or living with their parents or others.

Table BPSR 7.4 Type of Household young people reside in, Bournemouth/Poole HMA

Type of Household	No of people	% of all people
On own	6,410	9.30%
Sharing house with others the same age	23,889	34.70%
Live in family with own children	18,069	26.20%
Live with parents/others	20,487	29.80%
TOTAL	68,855	100.00%

Source: Bournemouth-Poole HMA HNDS Fordham Research 2007

- 7.4.4 The largest group of young people share a house with peers (34.7%). The proportion was particularly high in Bournemouth (43.3%) where a large number of students live in shared accommodation.
- 7.4.5 In the peripheral authorities of East Dorset, North Dorset and Purbeck, a higher proportion live with parents/others. This illustrates the difficulties for young people to find their own home. Across the whole HMA only 9.3% of young people are living on their own.
- 7.4.6 The vast majority of young people living on their own are living in flats (72%). This figure rises to 90% in Bournemouth where flats are most readily available. In the rural areas it is much lower (28–40%). For comparison only 38% of other households, that is not young people, live in flats in Bournemouth (between 8 and 14% of other households in the rural areas). This shows that flats are performing an important role in helping young people set up in their own home across the HMA.
- 7.4.7 The majority of young people who are sharing with peers (just under 63%) are living in 1 or 2 bed size properties. This is much higher than “other “households”, where just under 40% live in this size of property.

Table BPSR 7.5 Tenure of Younger Households

Tenure	Household type			
	Young on own	Young sharing	Young with own family	Other households
Owner-occupied (no mortgage)	1.8%	2.7%	1.8%	46.1%
Owner-occupied (with mortgage)	59.4%	58.7%	44.9%	34.1%
Social rented	9.4%	2.9%	24.8%	10.8%
Private rented	29.4%	35.7%	28.5%	9.0%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: Bournemouth-Poole HMA HNDS Fordham Research 2007

- 7.4.8 The tenure pattern of young households is shown in Table BPSR 7.5. Across the HMA as a whole there are similar proportions (61%) of young on their own and young sharing with peers living in owner occupied accommodation, which would signify that accessing owner occupied accommodation is no more difficult for a young single person as a couple.
- 7.4.9 However when individual authority figures are examined differences can be seen. The difference is particularly marked in the periphery authorities, where a much lower proportion of young single households are living in owner occupied accommodation (25–48%).
- 7.4.10 The only area where there is a higher proportion of young “on their own” living in owner occupied accommodation than young “sharing” households is in Bournemouth. This may signify that there is a good supply of property for young



single households to buy, but less availability for couples or sharing households. Bournemouth has a high proportion of flats and low levels of terraced housing. This could be forming a blockage in the market for sharing households who are looking for more space than a flat can offer.

7.4.11 Across the HMA as a whole around three times as many young single people as “other” households choose private rented housing. This is to be expected as it is the most affordable and flexible tenure for most young people.

7.4.12 However in Christchurch the proportion of young single households living in private rented accommodation is low and those buying a property relatively high. Analysis of other research¹⁶ reveals that young single households have to really stretch themselves to buy, spending on average 51% of their income on mortgage costs, possibly because of the low availability of rented housing.

7.4.13 In East Dorset and Purbeck around six times more “young single” households are renting privately, compared to “other” households. The proportion in Purbeck could be boosted by the armed forces population in the District. In East Dorset the Steve Wilcox study reveals that not only is it very expensive for young working households to buy a property, but renting is also much more expensive here than in other parts of the South West. Perhaps, as a consequence, very few young people are living on their own (3.3% compared to 9.3% across the HMA) and a far higher proportion is falling back on social rented housing (19.8% compared to 9.4% in the HMA as a whole)

7.4.14 Compared to “other” households, more than twice as many young households with their own families are living in social rented accommodation. The proportion of young families living in social rented accommodation is generally higher in the rural areas, although Christchurch has an exceptionally high proportion (33.9%). This is most likely linked to the high cost to buy and the limited availability of rented housing. Although the proportion of young families in social rent is slightly below average in East Dorset, the proportion of “other” households in this tenure is also low, so in comparative terms even 22% is high in East Dorset.

7.5 First Time Buyers

7.5.1 The average age of first time buyers in Bournemouth / Poole HMA is 30 years old. This varies between 29 years in Bournemouth and 36 years in Purbeck. First time buyers earn about 1.3 times as much as the average earnings in the area. Of those that are able to buy, some 40% are spending a higher proportion of their income on their mortgage than recommended as prudent (the government suggests no more than 25% of income). This rises to 47.4% in Bournemouth. So although a relatively large proportion of young households are living on their own in this Borough, nearly half are stretching themselves to do so.

7.5.2 Looking to the future, many more of the young households currently living on their own, sharing with peers or living with their own children, would like to buy their own property. Taking account of their income, only around 1,500 (28.4%) would be able to do so. There are also many “concealed” households living with their parents or others who would like to buy their own property. Only around 2,000 (25%) of these potential households might be able to afford to buy. This means that around 16,000 young households, including concealed households, are being frustrated in their ambition to get on the housing ladder.

7.5.3 Key Finding 11: Young People and First Time Buyers

Young people wishing to rent or purchase their first property are frustrated by a lack of available and suitable housing at an appropriate price.

¹⁶ Steve Wilcox, Can't Buy: Can Rent, The affordability of private housing in Great Britain. 2007



- 7.5.4 **In Bournemouth there is a large private rental market which young single people and sharing households make use of. Around 3,000 young people would like to buy their own property but only around 23% of these could currently afford to do so. Although there is a good supply of flats, there is little available for those wishing to move up the ladder to buy or rent.**
- 7.5.5 **Christchurch has a much more restricted supply of rental property and those young households that can afford to buy have to spend high proportions of their income on a mortgage. There are above average proportions of young households in social rented accommodation in Poole and Christchurch. To improve the situation for young people in the core urban authorities, more small properties at affordable prices/rents need to be provided. In Bournemouth small terraced houses may improve the supply of move-on accommodation to release flats for first time buyers. Failing this, young people will have to resort to spending a very high proportion of their income on housing, stay at home with their parents or seek social rented housing.**
- 7.5.6 **In the rural authorities a high proportion of young people are living at home with their parents due to the high cost of property to purchase and limited availability of housing to rent. Those who do set up home tend to be couples or sharing households rather than young single people and they are spending much more of their income on their rent/mortgage than is recommended prudent by government.**
- 7.5.7 **Social rented accommodation provides a back stop for some young people, particularly those with children, who cannot afford anything else and the proportion in this tenure tend to be higher than average in the periphery.**

7.6 Students

- 7.6.1 While the existence of higher educational establishments in an area is good for the economy, the demand for student accommodation puts pressure on the housing market. Such pressures include creating additional demand for larger properties that can be converted as shared accommodation and a general increase in demand for rented accommodation.
- 7.6.2 There are a large number of higher education establishments in the Bournemouth / Poole HMA, all located within the core area.
- 7.6.3 Bournemouth University has over 15,200 students¹⁷ of which 11,000 are full time. In 2006/7 it accommodated around 2,650 students in halls or university-managed shared houses. It is estimated¹⁸ that approximately 20% of students (2,200) live at home, leaving around 6,000 students seeking accommodation. Student numbers are expected to stay much the same as now over the next 20 years.
- 7.6.4 Information from the University indicates that students are not currently having difficulty in finding accommodation. The trend in "buy to let" has increased supply over the last 10 years.
- 7.6.5 Some new residential accommodation is being provided through private partnerships, mainly in Poole. Approximately 300 bed-spaces have recently been completed near the town centre. A further 1,000 bed-spaces are planned in Poole over the next five years.
- 7.6.6 Other higher education establishments include the Bournemouth and Poole College of Further Education (27,000 students), the Bournemouth Arts Institute

¹⁷ Bournemouth University website, 2005 figures.

¹⁸ Information provided by R Search Accommodation officer at Bournemouth university. April 2007.



(2,000 students) and the Anglo European Chiropractic College (500 students). The majority of their students live in shared flats/houses. Some live at home and others in lodgings, but there are no records of how many live in each type of accommodation.

- 7.6.7 The other main influence on the student housing market in the Bournemouth / Poole HMA is the prevalence of language schools. Bournemouth has one of the UK's principal concentrations of schools teaching English as a Foreign Language (EFL). There are currently 21 separate institutions¹⁹ spread across the central/south area of the Borough. There are also numerous "summer schools" which operate on a temporary basis during the summer months from rented premises such as church halls.
- 7.6.8 Most recent figures show that there are 25,000 EFL students in Bournemouth at any one time, and 500,000 throughout the year. The EFL sector is currently estimated to contribute £70 million each year to the local economy (Gross Value Added)²⁰, although overseas students as a whole, including those that attend colleges and the University, may contribute almost twice this amount. Students usually stay with host families. This provides direct additional income to local people and thereby helps to support the local economy. Some share rented accommodation.
- 7.6.9 The main impact of students on the market is on the amount and type of accommodation needed and on the location of that accommodation.
- 7.6.10 Although Bournemouth University is planning to build up to 1,000 new bed-spaces of residential accommodation, the majority of full time students (estimated to need around 7,500–9,000 bed-spaces) will be looking for accommodation to rent in the private sector. This will mainly be in the form of shared houses or flats with several students living together as a single household, sharing kitchen and bathroom facilities. In addition there will be about 25,000 language students at any time that will require accommodation with a host family, or to rent, for periods of 2/3 weeks in the summer or longer periods during academic term time. There will therefore be a continuing demand for larger houses to provide shared accommodation and to enable families to continue to host students.
- 7.6.11 In the past most accommodation appears to have been provided in Bournemouth but, with the University now developing in Poole town centre, it could spread demand in the private sector across a wider area. This could bring benefits in terms of a boost to the vitality and economy of Poole as well as Bournemouth.

7.6.12 **Key Finding 12: Students**

Higher education establishments and the language school industry play a significant role in the economy of the HMA core.

- 7.6.13 **Although the University is planning more purpose built student accommodation, the majority of students require private rented accommodation, either property to share or a room with a host family. Students do not appear to be having difficulty in accessing accommodation at the present time due to the buoyant "buy to let" market.**
- 7.6.14 **Student numbers are likely to remain steady in the future and demand for private rented accommodation may spread out into Poole following the provision of purpose built accommodation in the town centre.**

¹⁹ British Council www.education.uk.org/english

²⁰ Bournemouth Council Economic Development Unit using information from Regional Accredited Language Schools Association (RALSA) 2005



7.7 Key Workers

7.7.1 Key workers have been defined in line with the Government definition of those eligible for the Key Worker Living scheme. It includes people working in any one of the six categories:

- Nurses and other NHS staff
- Prison/Probation staff
- Teacher
- Junior and retained fire fighter
- Police officer
- Social worker, educational psychologist, therapists.

7.7.2 The findings of a 2006 Halifax survey of key workers²¹ indicated that affordability problems for key workers in the South West were growing at a faster rate than other regions and that the average house was unaffordable for key workers in all 34 towns surveyed in the South West. However the Housing Need Survey indicates that key workers in Dorset are in a better position to purchase market housing than other workers.

7.7.3 The Survey allowed analysis of those who were resident in the HMA, whether they worked within or outside the area, but excluded those who work in the area but live outside. The analysis looks at their current housing situation, future demands for housing and affordability.

7.7.4 Around 20% of working households in the HMA are headed by a key worker. Over 86% live in owner occupied property compared to 77% of other working households. Only 2.4% live in social rented accommodation, compared with 7.6% of all other working households

Table BPSR 7.6 Tenure of Key Worker Households

Tenure	Key Worker Household		Not key Worker Household	
	Number of households	% of households	Number of households	% of households
Owner-occupied (no mortgage)	5,364	22.0%	20,504	20.5%
Owner-occupied (with mortgage)	15,508	63.5%	58,257	58.1%
Social Rented	576	2.4%	6,781	6.8%
Private rented	2,961	12.1%	14,719	14.7%
TOTAL	24,408	100.0%	100,261	100.0%

Source: Bournemouth-Poole HMA Fordham Research 2007

7.7.5 The gross household income of key worker households is some 30% higher than those of other workers and when the ability of key worker households to afford minimum market prices is assessed it can be seen that the vast majority are able to access entry level prices.

7.7.6 In a follow up questionnaire survey to 46 Key Worker organisations, Bournemouth Borough Council found just under half of the 22 respondents agreed that one reason for recruitment and retention problems was the cost of accommodation in the Borough. When the comments were analysed it appeared that it was more often the middle manager level, looking for family housing, that were having problems, rather than employees at the bottom of the ladder having difficulties. Younger employees were able to house share or live at home. However as the salary level for middle managers is above the average wages in the town, these potential employees would be unlikely to be eligible for affordable housing schemes.

²¹ Halifax key Worker Housing Review July 2006



7.7.7 This research tends to confirm other findings of this study that in Bournemouth younger households are able to rent or sometimes buy accommodation to provide the first step on the housing ladder, but it is the larger, “move on” accommodation that is lacking in the market.

7.7.8 Key Finding 13: Key Workers

Contrary to findings of other studies, key workers in the HMA appear to be in a better position than other working households in respect of their ability to access market housing. In Bournemouth larger, “move on” accommodation appears more of a problem in the market.

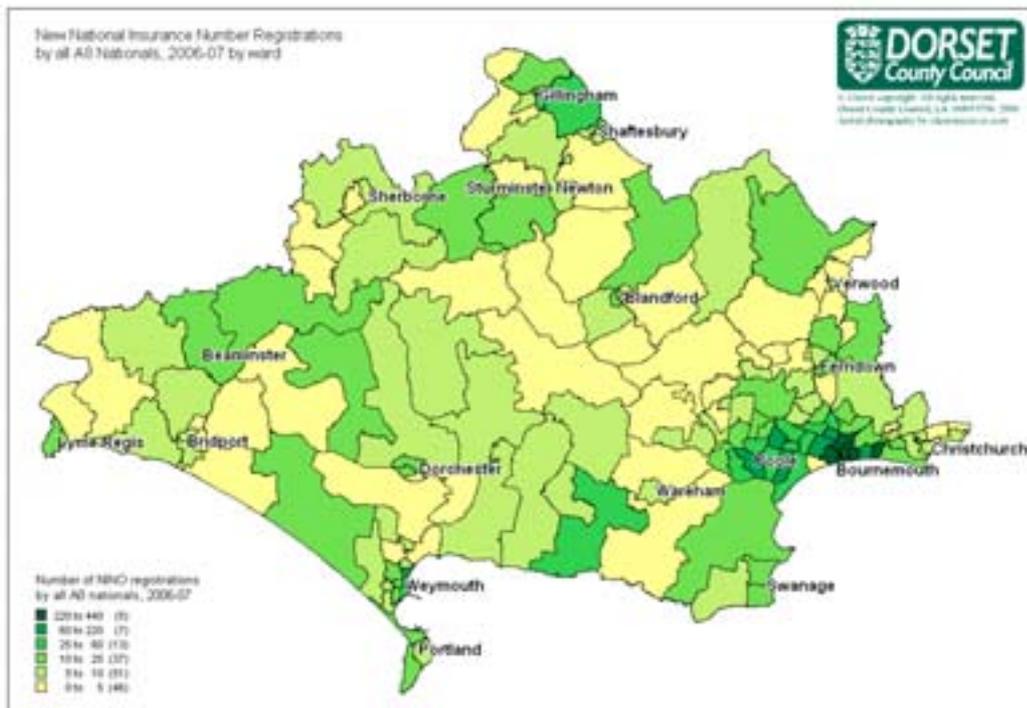
7.8 Migrant workers

7.8.1 There were 6,890 registrations of migrant workers in the Dorset sub region in 2006/07. Over half of these gave Bournemouth as their area of residence.

7.8.2 Registrations from the A8 Accession Countries²² are higher than the national average, with Dorset County having the largest proportion. Registrations from Poland (40%) were nearly a third higher than the national average of 31%.

7.8.3 The proportion of registrations from A8 Countries has doubled since 2004/05 and in Bournemouth and Poole is three times higher. The following maps illustrate where new registrations occurred in 2006/07.

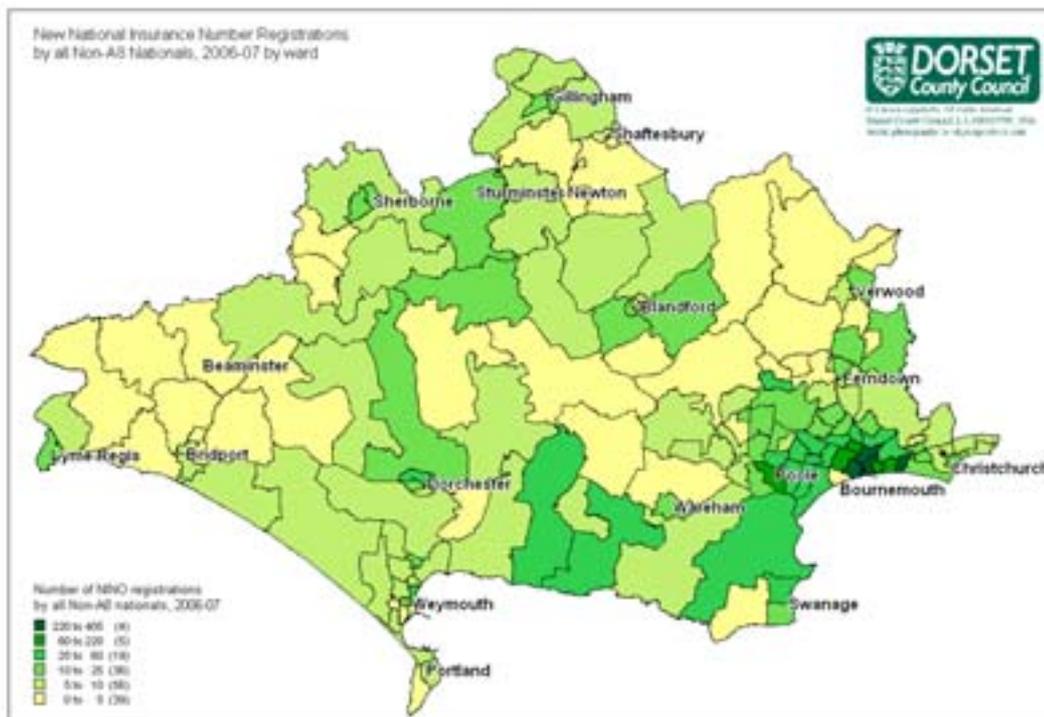
Figure BPSR 7.2 New National Insurance Number Registrations by all A8 Nationals 2006/7



Source: National Insurance Number Registrations, 2006/07, DWP

²² **Accession Countries (A8)** - Ten accession Countries joined the EU in May 2004: Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Malta & Cyprus. Those from Malta and Cyprus were already allowed to work in the UK; hence the data refers to the A8 for which the rules changed May 2004. **Note:** Romania and Bulgaria joined the EU in January 2007 but as yet no data has been released to assess the migration impact.

Figure BPSR 7.3 New National Insurance Number Registrations by Ward by Non-A8 Nationals



Source: National Insurance Number Registrations, 2006/07, DWP

7.8.4 Most migrant registrations from both A8 and non-A8 Countries are in the towns, with the highest numbers in Bournemouth and Poole, but A8 nationals have also settled in many rural parts of Dorset. It is difficult to ascertain what determines the choice of location for migrant workers but it may be related to job availability and/or affordable housing.

7.8.5 It is generally accepted that the UK economy depends on a significant number of skilled migrant workers entering the country, and previous research for the Home Office (Institute for Employment Studies, 2005) found that considerable reliance is also placed on low skilled migrant workers.

7.8.6 Whilst there is evidence to show the positive contribution to the economy of migrants working, the impact on service provision is yet to be fully understood. Due to the transience of the migrant population, they are excluded from resident population estimates which are used to calculate government funding to local authorities. Anecdotal evidence suggests most migrant workers look to the private rented sector for housing and many occupy Houses in Multiple Occupation.

7.8.7 Key Finding 14: Migrant Workers

The number of migrant workers registered in the Dorset sub-region continues to rise, particularly from the A8 countries. Most registrations are in the towns, particularly Bournemouth and Poole, but many have also settled in the surrounding towns.

7.8.8 While the valuable contribution of migrant workers to the local economy has been recognised for several years, the implications for service provision are less well documented. For accommodation, most workers look to the private rented sector.



7.9 Rural Households

- 7.9.1 The Bournemouth / Poole HMA extends beyond its urban core to cover a wide rural area. The characteristics and needs of households in these areas do vary from those in the core. Some of the basic characteristics of the rural population are examined here. More details will be found in the individual Local Authority reports.
- 7.9.2 The HMA was subdivided using the National Statistics Rural and Urban Classification of Output Areas (July 2004). Households were assigned one of four categories, based on their postcode. The postcode is considered to be 'urban' when the majority of the Output Area lies within settlements with a population of 10,000 or more. The remaining three categories comprise the 'rural' area which is subdivided into 'town and fringe', 'villages' and 'hamlets', the latter including isolated dwellings.
- 7.9.3 Although the HMA is predominantly urban, with only 20% of households living in rural areas, this varies from Christchurch with just 1.2% living in a rural area to North Dorset with 100% rural households.
- 7.9.4 Outside the market towns, the rural areas are generally characterised by a high proportion of households living in owner occupied property with no mortgage. The proportion of outright owner occupation increases the more rural the location.
- 7.9.5 There is not so much of a distinction between urban and rural areas in the proportion of households living in social rented accommodation. The highest proportion tends to be in the 'town and fringe' category. This includes the main market towns where most rural social rented housing is located.

Table BPSR 7.7 Rural Households and Tenure

Tenure	Urban	Town and Fringe	Village	Hamlet	Total
Owner-occupied (no mortgage)	39.80%	38.80%	44.40%	45.10%	40.20%
Owner-occupied (with mortgage)	37.50%	36.90%	32.10%	28.40%	36.70%
Social Rented	10.70%	15.30%	11.00%	5.00%	11.00%
Private rented	12.00%	8.90%	12.60%	21.40%	12.10%
Total %	100.00%	100.00%	100.00%	100.00%	100.00%
TOTAL	196,159	23,644	16,564	7,934	244,300

Source: Bournemouth-Poole HMA Fordham Research 2007

- 7.9.6 The proportion of single pensioner households tends to be lower in the rural than the urban areas, supporting the findings of the census data shown above. Within the HMA as a whole, the highest proportions are in the 'town and fringe' category where services would be most readily available. Households with two or more pensioners are more prevalent in the rural than urban areas.
- 7.9.7 The proportion of lone parent households is higher in the urban areas, or in the 'town and fringe' in the case of North Dorset, probably due to the availability of cheaper accommodation and proximity to services.
- 7.9.8 Both average income and savings levels of rural households are higher in the rural areas, with North Dorset showing the highest level of savings at £58,684. This confirms the findings of the ACORN categories described above, which showed that much of rural Dorset is categorised by "wealthy achievers" and "comfortably off".



- 7.9.9 Accessibility is a problem in many rural areas and this is borne out by the high level of car ownership. More households have access to a car than in the urban areas.
- 7.9.10 While information on housing need in the rural areas is not directly available, information can be gleaned from the analysis of other groups' needs. For instance the proportion of young households living on their own and buying is much lower than the average in the predominantly rural authorities of North Dorset and Purbeck. There is also a higher proportions of young people in private rented and in social rented accommodation in these authorities.

7.9.11 **Key Finding 15: Rural Households**

The rural areas are generally characterised by high levels of owner occupation and lower than average levels of social rented accommodation. Income and savings levels are generally higher in rural than urban areas. However this generality hides the difficulties faced by those households with lower incomes.

- 7.9.12 **There is an above average proportion of pensioner households, particularly comprising two more pensioners, in the rural area. Pensioners and single parent families tend to be concentrated in the "town and fringe" areas, where services are most readily available.**
- 7.9.13 **There is a higher than average proportion of young households in social rented and private rented accommodation in rural authorities, indicating the difficulties young people face in accessing the market.**

7.10 Gypsies and Travellers

- 7.10.1 Information on the needs of gypsies and travellers in Dorset has been taken from the Dorset Traveller Needs Assessment which was undertaken by Anglia Ruskin University on behalf of Bournemouth, Poole and Dorset Councils in 2005.
- 7.10.2 The study used the definition of gypsies and travellers in current government advice. This includes showpeople, those leaving the settled community for a travelling lifestyle and ethnic gypsies in settled accommodation. The six main groups defined were: English Gypsies/Romanies, Irish Travellers, New Travellers, Welsh or Scottish Gypsy, Showpeople and Other (mostly New Travellers reluctant to accept classification).
- 7.10.3 The main data source for the study was a new survey, or assessment, undertaken by a supervised team of mainly gypsy/traveller interviewers, and comprising face to face interviews with 143 gypsies and travellers on sites of all types and in housing. The survey findings were then cross-checked with other data sources.
- 7.10.4 Evidence from the Assessment indicates that there are between 2,400 and 3,000 gypsies and travellers living in or passing through the County, compared to around 7,000-9,000 in the South West region and around 250,000 nationally.
- 7.10.5 Average household size was 2.9, but this varied, being higher for English Gypsies and Irish travellers than other categories. The comparative figure for the resident population in Dorset is 2.15. The larger household sizes for gypsies/travellers reflects their extended family structure and the effects of accommodation shortage.
- 7.10.6 While there is no official definition of overcrowding relating to caravans, it appears that, using an average of three persons per caravan as an indication of overcrowding, the problem is as bad now as it was almost 40 years ago. A 1965 census study estimated that around 65% of gypsies were living in overcrowded accommodation compared with less than 3% of the settled population.



- 7.10.7 Demand from gypsies and travellers currently living in housing, appears high in the Bournemouth/Poole core area, although it has not been possible to verify the figures and they are disputed by some of the Local Authorities involved.
- 7.10.8 Demand for sites generally rises in the summer months. The increase was particularly noticeable during the 1990s, reflecting the rapid increase in house prices over this period, making housing unaffordable and the increased number of New Travellers leaving housing. Four districts in the HMA showed particularly strong summer demand, including Bournemouth, Poole, East and North Dorset.
- 7.10.9 At the time of the Assessment there were 58 public sites (with capacity for 71 caravans) and 15 private pitches across Dorset, but no transit sites other than the temporary site for the Dorset Steam Fair. The problems created by inadequate pitch provision are high, both for the Local Authorities (financially) and the gypsy/ traveller community in terms of health and social care.
- 7.10.10 The report concluded by proposing numbers of pitches required for future needs. Altogether it proposed that in the Bournemouth/Poole HMA there was a current net demand for 128 pitches to meet needs from overcrowding and transfer from housing, and 317 pitches from unauthorised camping.
- 7.10.11 These needs have been translated by the Dorset authorities into demand for permanent (residential) and transit pitches. Further research commissioned by Bournemouth and Poole Councils into the demand from housed gypsies, as well as further analysis of the figures in comparison with the results of other GTAA studies in the South West, indicated that the original figures in Dorset may have been too high. Adjustments to compensate for these anomalies indicate a demand for 79 residential and 187 transit pitches in the Bournemouth / Poole HMA by 2011. These figures were debated at the Examination in Public of the Draft Regional Spatial Strategy single issue review of Gypsy and Traveller policy. Further figures are likely to emerge through this process before the RSS is finalised.

Table BPSR 7.8 Demand for Permanent (Residential) and Transit Gypsy and Traveller Pitch Provision in Dorset HMAs to 2011.

	Proposed Additional Pitch Requirements to 2011 in Public Consultation		Suggested Adjusted Additional Pitch Requirements to 2011	
	Residential	Transit	Residential	Transit
Bournemouth and Poole Housing Market Area	227	261	79	187
Bournemouth	28	20	8	10
Poole	35	13	8	7
Christchurch	33	27	11	13
East Dorset	50	38	12	20
Purbeck	44	35	20	17
North Dorset	37	128	20	20 + 100 for Steam Fair
Weymouth and Dorchester Housing Market Area	44	65	20	42
West Dorset	44	36	20	17
Weymouth and Portland	0	29	0	25

Source: Bournemouth, Dorset and Poole Councils submission to the SW RSS EIP Feb 2008

- 7.10.12 **Key Finding 16: Gypsies and Travellers**
Evidence from the Dorset Gypsy and Traveller Needs Assessment indicates that there are between 2,400 and 3,000 gypsies and travellers living in or passing through the County. There are 50 public pitches and 8 private sites across Dorset, but no transit sites other than the temporary site for the Dorset Steam Fair. While there is no official measure of overcrowding, it appears that the situation is as bad



now as it was in the 1960s. Costs of inadequate pitch provision are high – both for the Local Authorities (financially) and gypsy/ traveller community in terms of health and social care. The Local Authorities have made the case for a need by 2011 for 79 permanent/residential and 187 transit pitches in the Bournemouth/Poole HMA.





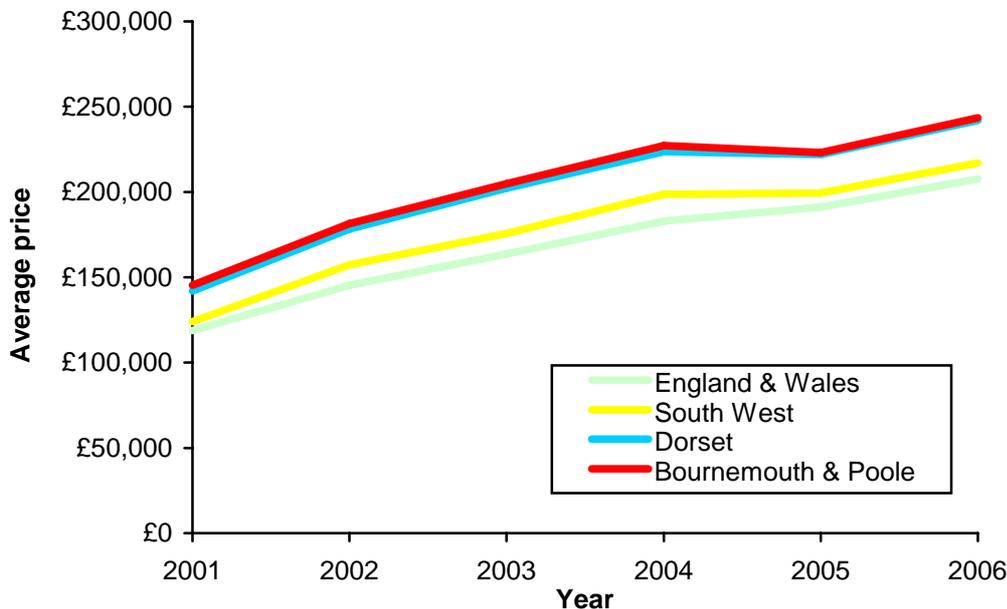
8.0 AFFORDABILITY AND HOUSING NEED

8.1 House prices across the HMA

8.1.1. House prices and rents across the HMA were assessed by Fordham Research through face to face interviews with estate agents and landlords as well as use of the Land Registry and internet searches. The evidence showed that the average property price was around 17% higher in the HMA than nationally. There is considerable variation across the HMA with the highest prices tending to be in the periphery (East Dorset and Purbeck). It should be recognised that this is in part due to the higher proportion of detached properties in these areas.

8.1.2 While house prices increased significantly (67.5%) across the HMA, the rises were slightly lower than regionally or nationally, where prices rose by around 75% over the same period. Price rises varied across the HMA with the fastest in those areas with lower average prices (i.e. Poole 74.5%) compared to Christchurch (61.0%).

Figure BPSR 8.1 Price Rises in all House Prices between 2001 -2006 (4th Quarter)



Source: HM Land Registry/ Fordham Research HMA for Bournemouth / Poole 2007

8.1.3 Entry level prices ranged from £81,500 for a 1 bed property in North Dorset to £142,000 for a similar size property in East Dorset. North Dorset tended to have the lowest prices for all sizes of dwelling, followed by Bournemouth and Poole. Entry level rentals followed a similar pattern, with North Dorset offering the cheapest at £104 per week. Christchurch and East Dorset were more expensive across all sizes of property as can be seen in Tables BPSR 8.1 and 8.2.

Table BPSR 8.1 Entry Level Market Costs in Bournemouth / Poole HMA (to buy)

Bedrooms	Bournemouth	Christchurch	East Dorset	North Dorset	Poole	Purbeck
1	£110,000	£124,000	£142,000	£81,500	£110,000	£132,000
2	£159,000	£180,000	£190,000	£135,000	£176,000	£178,000
3	£218,000	£251,000	£243,000	£170,000	£220,000	£229,000
4	£290,000	£323,000	£318,000	£247,000	£285,000	£309,000

Source: Survey of Estate and Letting Agents – 2006 / Fordham Research HMA for Bournemouth / Poole 2007



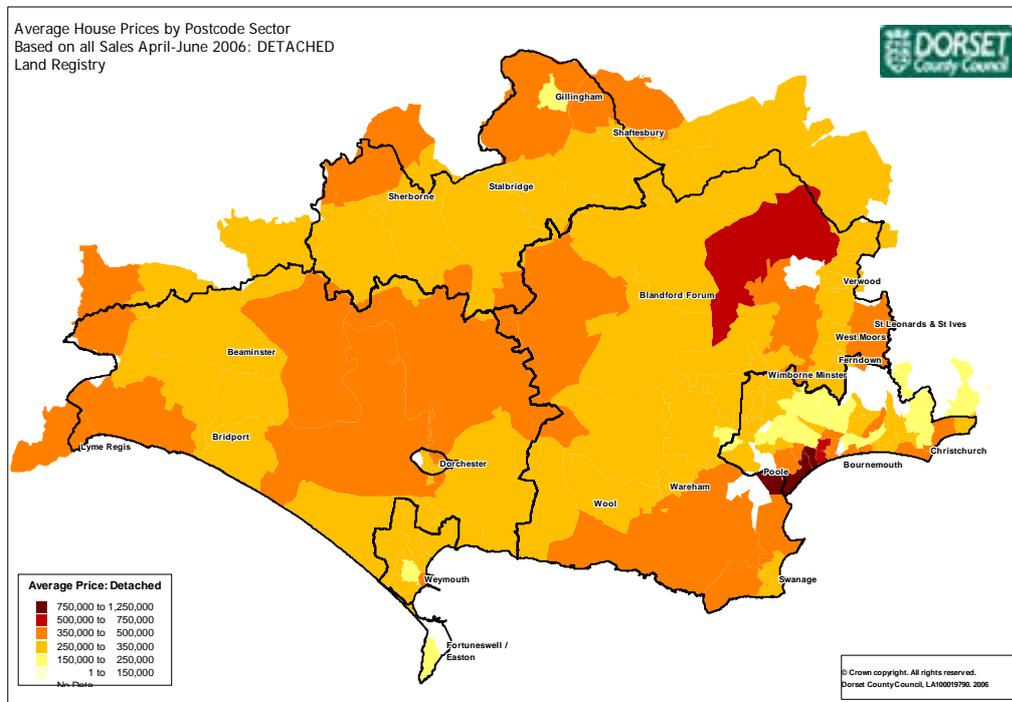
Table BPSR 8.2 Entry Level Market Costs in Bournemouth / Poole HMA (to rent, weekly cost)

Bedrooms	Bournemouth	Christchurch	East Dorset	North Dorset	Poole	Purbeck
1	£114	£125	£133	£104	£114	£104
2	£150	£160	£153	£115	£156	£132
3	£190	£180	£196	£138	£183	£162
4	£242	£230	£254	£173	£230	£196

Source: Survey of Estate and Letting Agents – 2006 / Fordham Research HMA for Bournemouth / Poole 2007

8.1.4 Availability of property is another key factor. While some property types are available across the area, others are not. Figs BPSR 8.2 and BPSR 8.3 show the average price of property and also the variation in availability of detached properties and flats in the second quarter (April–June) 2006. ‘White’ areas on the maps indicate “no available data” on sales. It is clear that flats, which are often the cheapest entry point to the market have limited availability across the periphery and North West Dorset.

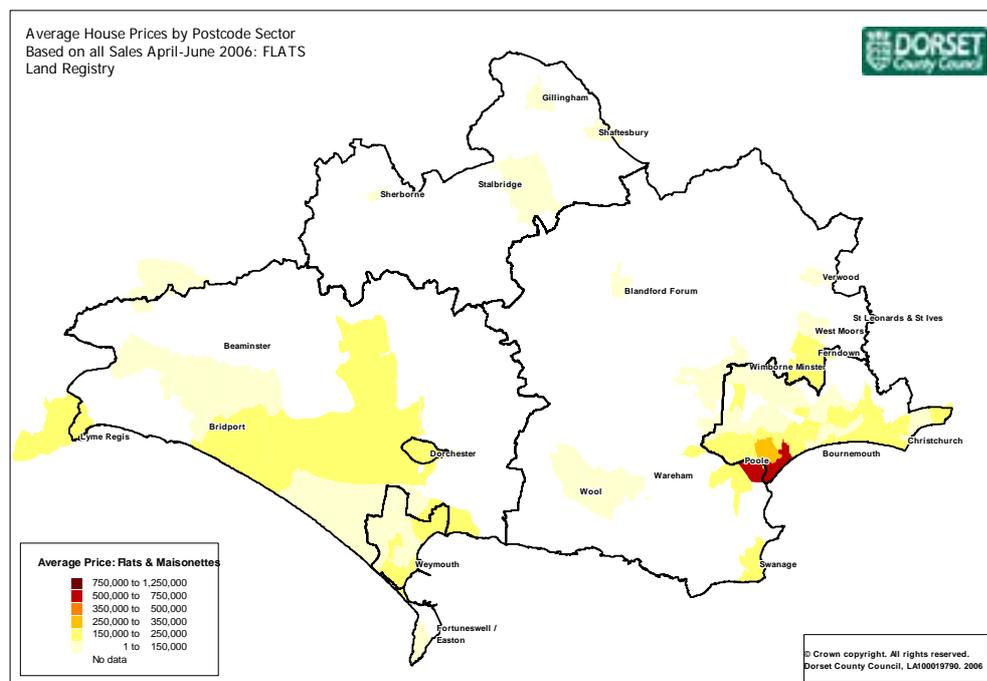
Figure BPSR 8.2 Average Price of Detached Properties Sold April-June 2006



Source HM Land Registry 2006



Figure BPSR 8.3 Average Price of Flats Sold April-June 2006



Source HM Land Registry 2006

8.1.5 A similar pattern can be seen in rental properties, with the more rural areas having a much smaller range of property available.

Table BPSR 8.3 Number of Private Rented Properties Available, July 2006

	No. of bedrooms	1	2	3	4	5	6	7	8	total
Bournemouth / Poole core	House	4	39	59	58	28	6	2	3	199
	Flat	187	463	130	35	21	7			843
Bournemouth / Poole periphery	House	3	20	33	9	2				67
	Flat	16	17	5						38
North West Dorset	House	1	4	6	2					13
	Flat	3	1							4

Source: www.rightmove.co.uk

8.2 Affordability assessments

8.2.1 Studies of house prices and earnings have shown that all Dorset authorities suffer from affordability problems. Looking at median earnings against workplace based earnings shows the greatest affordability problems in East Dorset. Another measure developed by Steve Wilcox for the Joseph Rowntree Foundation²³ looks at the percentage of young working households that would be unable to afford a house priced above the lowest quartile (i.e. the bottom 25%). This shows the greatest problems in Christchurch and Bournemouth.

8.2.2 In undertaking the Survey of Housing Need, Fordham Research looked at the relative scale of need across the Bournemouth / Poole HMA and within individual local authorities. The Index of Affordable Housing Need showed the greatest need by far in Bournemouth, where the level was on a par with that in some London Boroughs.

8.2.3 To assess affordability, Fordham looked at household movements over the past two years and at future moving intentions, as well as the financial capacity of households throughout the HMA.

²³ Steve Wilcox, *The Geography of Affordable and Unaffordable Housing*, 2006.



- 8.2.4 Analysis of recent household moves showed the importance of the private rented sector to mobility in the market. More than half of all private rental households had moved home in the last two years compared to 21% of social renters and 16% of owner occupiers. Pensioner households were more likely to have moved into the HMA from outside the County and households with children were most likely to have moved within the area.
- 8.2.5 The Survey also investigated the future aspirations and expectations of existing and potential households. Table BPSR 8.4 shows that just under 50,000 (20%) of existing households need to or are likely to move in the next two years. This includes 55% of all households in the private rented sector. Over half of all moving households are currently living in owner occupied accommodation.

Table BPSR 8.4 Households Who Need To or are Likely to Move in the Next Two Years, by Tenure, Bournemouth / Poole HMA

Tenure	Number who need to/likely to move	Total number of households	% need/likely to move
Owner-occupied (no mortgage)	10,545	98,289	10.70%
Owner-occupied (with mortgage)	16,235	89,773	18.10%
Social rented	6,329	26,782	23.60%
Private rented	16,208	29,456	55.00%
All tenures	49,317	244,300	20.20%

Fordham Research HMA for Bournemouth / Poole 2007

- 8.2.6 The financial capacity of households in the area was also investigated to assess whether households would be able to afford the type of housing they were seeking. The survey estimated the average (mean) gross household income level to be £28,883 per annum, with the median noticeably lower at £22,250 per annum. There were also wide variations by tenure as can be seen in Table BPSR 8.5, with households in social rented housing having particularly low income levels.

Table BPSR 8.5 Income and Tenure

Tenure	Average annual gross household income	Average savings	Average equity
Owner-occupied (no mortgage)	£25,386	£72,462	£284,793
Owner-occupied (with mortgage)	£40,593	£16,149	£152,265
Social rented	£10,341	£3,474	n/a
Private rented	£21,715	£12,538	n/a
All tenures	£28,882	£36,981	£221,530

Fordham Research HMA for Bournemouth / Poole 2007

- 8.2.7 The survey also looked at household savings and equity levels and found the mean level of savings to be £36,981. The median was very much lower at just £4,500.
- 8.2.8 **Key Finding 17: Affordability**

House prices are above the national and regional average, but have not been increasing as quickly as other areas over the last five years. Entry level prices and rents are cheapest in North Dorset, but most expensive in the other rural authorities closer to the conurbation. Availability of smaller properties to rent or buy is a major problem in the rural areas.



- 8.2.9 **Analysis of moves in recent years and future moving intentions show the importance of the private rented sector to housing mobility. The incomes of those in private rented housing are well below average.**
- 8.2.10 **Affordability is a problem throughout the area but is particularly bad in Bournemouth. Other areas such as Christchurch and East Dorset show particular problems for young working households.**

8.3 Assessing the Scale of Housing Need - The CLG approach

- 8.3.1 The scale of need for affordable housing was assessed against two measures. First, the approach prescribed in government guidance, here termed the CLG or Communities and Local Government. Both backlog need and future needs were assessed, using the information on financial capacity to calculate how many would be able to afford to meet their needs in the market and how many would need some form of subsidy (i.e. affordable housing).
- 8.3.2 Across the HMA as a whole, it was calculated that there was a net backlog need for around 4,115 affordable dwellings and a future need for around 4,881 dwellings per annum. Assuming the backlog need could be addressed over five years indicates a total net need of 5,704 dwellings per annum for the first five years, $(4,881 + 4,115/5)$. Assuming all the backlog need has been addressed in that period, would result in a reduced need of just 4,881 dwellings per annum thereafter.
- 8.3.3 The individual reports for each local authority show the different scale of need in each area. The results are shown in Table BPSR 8.6

Table BPSR 8.6 Annual Need for Affordable Housing by Local Authority and HMA – CLG approach

	Net annual level of need 2007 – 2012	Net annual level of need, 2012 - 2026	Fordham Affordable Housing Need Index
Bournemouth	3015	2527	39
Poole	1199	1059	19
Christchurch	243	218	11
East Dorset	440	363	12
North Dorset	399	361	14
Purbeck	409	353	21
Bournemouth/Poole HMA	5704	4881	23

Source: Fordham Research HMA for Bournemouth / Poole 2007

- 8.3.4 The CLG model produces a figure for the amount of additional affordable housing that would, after a period, mean that there was no further need for affordable housing in an area. Clearly, this model is geared to an ideal state, rather than the current reality. One particular assumption used is that households should not spend more than 25% of their income on housing. However in reality many households will spend much more than this, sometimes as much as 50%, to achieve a particular type or location of housing.

8.4 The BHM Approach

- 8.4.1 To better reflect current practice in terms of the income spent on housing and decisions made when moving, Fordham Research produced what is called a “Balanced Housing Market” (BHM) assessment. The assessment looks at the whole housing market, considering the extent to which supply and demand are balanced across tenure and property size. The details of the approach are explained in full in the main Evidence Base and supporting reports on Housing Need. Table BPSR 8.7 brings together all the supply and demand information.



Table BPSR 8.7 Annual Shortfall of Housing Supply in the Bournemouth / Poole HMA - BHM approach.

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	168	808	630	351	1,957
Private rented	168	-60	-131	-75	-97
Intermediate	239	453	175	45	910
Social rented	259	447	362	259	1,324
TOTAL	832	1,646	1,038	579	4,095

Source: Fordham Research HMA for Bournemouth / Poole 2007

- 8.4.2 The table shows that overall there is expected to be a greater demand for housing than the current stock of housing can meet. Across all tenures there is likely to be a shortfall of 4,095 dwellings per annum. Market housing (i.e. owner occupied and private rented) makes up 45% of the shortfall, whereas affordable housing makes up 55%.
- 8.4.3 Private rented housing appears to be in over supply. This does not imply that there will be empty rented flats. It is more a result of household aspirations for other forms of tenure – be that owner occupied or social rented. Many will however have to resort to rented housing.
- 8.4.4 The table also shows relatively strong demand for intermediate housing. This is unusual bearing in mind there is relatively little housing of this type currently available, so it is unlikely to feature as a preference of many households. To address this, rather than simply using households' stated expectations of the type of housing they would like to move into, Fordham Research applied a test of their ability to afford something more than social rented housing. The number of households in the intermediate band is calculated as those unable to afford market housing, but who can afford the **mid point** of the intermediate range, termed the "usefully affordable" level.
- 8.4.5 Looking at the size of dwellings required, there is a clear preference for 2 bed size, particularly in the owner occupied and intermediate sectors. 1 bed properties make up 20% of the demand and are the one size that does show an under supply in the private rented sector.
- 8.4.6 As well as looking at the whole HMA, BHM assessments have been undertaken for each of the sub market areas and for each Local Authority. These are included in Appendix 1.
- 8.4.7 The Bournemouth / Poole core area shows the highest demand, although it should be borne in mind that this is by far the largest area in terms of number of households. Overall it is estimated that there is a net demand for an additional 2,952 dwellings per annum in this sub area, of which 42.5% is for market homes with the remaining 57.5% in the affordable sector. There is almost twice as much demand for 2 bed dwellings as other sizes.
- 8.4.8 In the periphery there is an estimated annual demand for 806 additional units (47.1% market and 52.9% affordable). Here 3 bed dwellings make up 40% of the demand. 2 bed dwellings make up 44% of the demand in the affordable sector.
- 8.4.9 In the part of the North West Dorset sub-market which is within the Bournemouth and Poole HMA the data suggests a demand for 334 additional units per annum, of these an estimated 33.8% is affordable housing. There is a fairly even split between the demand for different dwelling sizes but 1 bed



properties to buy appear in over-supply, as do 2 bed social rented dwellings and larger properties to rent privately.

8.4.10 Within the core, demand for affordable housing makes up 60% of overall demand in both Bournemouth and Poole, but is lower (37%) in Christchurch. In the periphery authorities the demand for market and affordable housing is more evenly balanced. In North Dorset and Purbeck, demand for 3 bed dwellings is greatest, while in East Dorset 2 bed dwellings make up almost half the demand.

8.4.11 **Key Finding 18: Levels of Housing Need**

Assessing need by the government (CLG) approach indicates a need for over 5,000 affordable dwellings per annum across the HMA, over 3,000 of which are needed in Bournemouth and 1,100 in Poole.

8.4.12 **Using a more realistic, Balanced Housing Market (BHM) approach indicates a demand for over 4,000 dwellings per annum, of which 55% should be affordable. Demand is highest In Poole and Bournemouth and lowest in North West Dorset.**

8.4.13 **Under the BHM approach, private rented housing appears to be in over-supply, but this may not fully reflect the role of this tenure. Intermediate housing could meet some of the need for affordable housing, provided it is priced at the right level.**

8.4.14 **Demand for 2 bed dwellings is strongest, across the HMA. In the rural areas the demand for 3 bed dwellings is also significant.**

8.5 **But what is Affordable?**

8.5.1 In trying to address the affordability problem it is essential that there is a common understanding of what is meant by affordable housing. The government sets out a definition in PPS3 which, broadly summarised states that:

"Affordable housing includes social rented and intermediate housing provided to specified, eligible households whose needs are not met by the market. The housing should be affordable with regard to local incomes and prices and should remain affordable in the future, or any subsidy used be recycled to provide alternative affordable housing. Homes that do not meet this definition, such as low cost market housing are not considered to be affordable."

8.5.2 In assessing what is truly affordable in Dorset, Fordham Research looked at entry level costs of different tenures and sizes of property within each Local Authority area. In order to compare costs, the price of property to buy was translated into a weekly cost in the way of a mortgage payment. Table BPSR 8.8 shows the entry level price for 2 bed properties for social rent, for market rent, for second hand purchase and for new build purchase. It can be seen that the lowest social rent is in Bournemouth, and this is 25% cheaper than social rented properties in Poole and Christchurch. All other tenures are cheaper in North Dorset.



Table BPSR 8.8 Entry Level Housing Costs, 2-Bed Properties, Local Authorities in Bournemouth / Poole HMA

Local Authority	Weekly cost, 2 bed entry level price			
	Social rent	Market rent	2nd hand buy	New build
Bournemouth / Poole HMA				
Bournemouth	£59	£150	£183	£240
Poole	£74	£156	£203	£272
Christchurch	£75	£160	£207	£257
East Dorset	£73	£153	£219	£267
North Dorset	£74	£115	£156	£199
Purbeck	£69	£132	£205	£258

Source: Fordham Research Dorset HNDS 2007.

8.5.3 The gaps between the entry levels of different tenures were also examined to show how difficult it is for households to move between tenures. Table BPSR 8.9 shows the price and scale difference between different tenure bands. It shows, for instance, that in Bournemouth the weekly cost of a new build 2-bed property is four times as much as a 2-bed social rented property. Even second hand properties are three times as expensive. The gap between social renting and private renting in Bournemouth is also the highest in the HMA. In all the core authorities it costs at least twice as much to rent privately as to rent from a social landlord.

8.5.4 The authority with the “easiest” ladder to climb is North Dorset, although even here there are considerable gaps to overcome. The difference, of about £82, between social rent and a second hand property to buy is a considerable sum to find.

Table BPSR 8.9 Key Housing Market Gaps, 2-Bed Properties, Local Authorities in Bournemouth / Poole HMA

Local Authority	Weekly cost and scale (% difference)			
	Social rent/ private rent gap	Priv rent/ 2nd hand buy gap	Social rent/ 2nd hand buy gap	Social rent/ new build gap
Bournemouth / Poole HMA				
Bournemouth	£91 (254%)	£33 (122%)	£124 (310%)	£181 (407%)
Poole	£82 (211%)	£47 (130%)	£129 (274%)	£198 (368%)
Christchurch	£85 (213%)	£47 (129%)	£132 (276%)	£182 (343%)
East Dorset	£80 (210%)	£66 (143%)	£146 (300%)	£194 (366%)
North Dorset	£41 (155%)	£41 (136%)	£82 (211%)	£125 (269%)
Purbeck	£63 (191%)	£73 (155%)	£136 (315%)	£189 (374%)

Source: Fordham Research Dorset HNDS 2007.

8.5.5 The difference between social renting and private renting is substantial in each authority and should be the focus for intermediate housing products. However products such as “New build Homebuy” which is designed as intermediate housing, often falls above this level and into the rent/buy gap. This is not to deny that this type of housing can help some households into ownership, but it will still be out of reach for the majority.

8.5.6 In assessing the demand for intermediate housing in the BHM approach, Fordham Research used what they term the “Usefully affordable” level to means test those in need. Table BPSR 8.10 shows the actual weekly costs for 2 bed properties at this level in each authority. The table also shows what is termed the “Intermediate rent” level. Intermediate rent is another housing product approved by the Housing Corporation that is being considered for use in the



South West. The cost of intermediate rented housing should be no more than 80% of the **median** market rents in the area. The Intermediate rent figures have been calculated from information supplied by the Rent Office in Bournemouth.

Table BPSR 8.10 Comparative Costs of “Usefully Affordable” and Intermediate Rent Properties by Local Authority

Local Authority	Weekly cost, 2 bed properties			
	Social rent	Usefully affordable*	Intermediate Rent level**	Entry level Market Rent
Bournemouth / Poole HMA				
Bournemouth	£59	£105	£123.20	£150
Poole	£74	£115	£123.20	£156
Christchurch	£75	£118	£123.20	£160
East Dorset	£73	£113	£123.20	£153
North Dorset	£74	£95	£101.54	£115
Purbeck	£69	£101	£101.54	£132

Source: Fordham Research Dorset HNDS 2007

* **Usefully affordable** assessed as midway between social rent and entry level market rent.

** **Intermediate Rent** assessed as 80% of Reference Rent/Local Housing Allowance level for each area.

- 8.5.7 These figures provide a useful benchmark against which any new intermediate housing products can be tested. Tables for each size of dwelling (1 bed through to 4 bed) for each Local Authority are included in Section 10. Means of updating the costs are also included so that they can be used in negotiations over the amount and type of affordable housing to be provided on any site.
- 8.5.8 The tables can also be used to test the costs of other types of intermediate housing such as “Community Land Trusts” (where a community trust owns the equity in a site and rents or part rent/part sells properties to households in need) or “Co Housing” schemes (where households live as a community and share some facilities to keep costs lower), both of which are being developed in the HMA.
- 8.5.9 Low Cost Market housing is unlikely to provide an affordable option in Dorset. Looking at the difference between new build costs and market rent for 2 bed properties in Table BPSR 8.8 above, it can be calculated that to be affordable, new build housing would require around a 40% subsidy in most authorities, rising to 49% in Purbeck. As the level of subsidy in Low Cost Market housing has generally been in the realm of 20-30% it is unlikely that this product would ever fall into the affordable category in the Bournemouth / Poole HMA.
- 8.5.10 Having considered the current structure of the housing market, the likely changes in population, household and economic structure in the future, the needs of different sectors of the population and the demand for different types of housing, the final section addresses the overall requirements for affordable and market housing and the opportunities in terms of housing supply that may arise across the two HMAs to help meet those requirements.
- 8.5.11 **Key Finding 19: Housing Market Gaps**
There are large gaps between the entry level costs of different forms of housing. For those trying to access the market, the intermediate and rent/buy gaps are most significant. To be of most use to those in need, intermediate housing should be priced around the mid point of the intermediate gap. Intermediate rent at 80% of market rents may also provide some help. The cost tables should be used to assess the affordability of any intermediate products proposed by developers.





9.0 PROFILE OF HOUSING NEEDED IN THE BOURNEMOUTH/POOLE HMA

- 9.01 PPS3 sets out three key requirements for Local authorities to address in their Local Development Documents:
- The likely overall proportions of households that require market or affordable housing
 - The likely profile of household types requiring market housing (eg families, single people and couples) and
 - The size and type of affordable housing required.
- 9.0.2 The SHMA is seen as a key source of evidence in helping to address these requirements. Attention also needs to be paid to the proposals of the RSS on housing supply, since that will ultimately set out the amount of development that will take place in the HMA.

9.1 The Overall Proportions Requiring Market or Affordable Housing

- 9.1.1 The assessments of housing need described above make it clear that, under any assessment there is very strong evidence of the need for affordable housing in the Bournemouth / Poole HMA.
- 9.1.2 Comparing the level of need from the CLG approach to the amount of housing proposed in the Draft RSS, or the recent recommendations of the Examination in Public (EIP) Panel, Table BPSR 9.1 shows that the level of need, at 5,704 affordable dwellings, is well above the 2,405 total amount of housing proposed each year by the Panel.

Table BPSR 9.1 Comparison of Affordable Housing Need (CLG) and Housing Supply (RSS)

HMA and LA area	A Fordham Affordable Housing Index	B Affordable dwelling shortage from CLG assessment (2007 – 12)	C Draft RSS proposals 2006-16 (all hsing)	D EIP Panel's proposals 2006-16 (all hsing)	E CLG need for Affordable dwellings as % of Panel figs.
B /P HMA	23	5,704	2,285	2,405	237.2
Bournemouth	39	3,015	720	805	374.5
Poole	19	1,199	700	500	239.8
Christchurch	11	243	200	173	140.5
East Dorset	12	440	270	320	137.5
North Dorset	14	399	290	350	114.0
Purbeck	21	409	105	258	158.5

Source: Fordham Research Dorset HNSD 2007 and SW RSS Panel Report 2008.

- 9.1.3 On the basis of need it could therefore be argued that a target of 100% affordable housing is necessary.
- 9.1.4 However, as pointed out above, the CLG approach does not truly reflect the way the housing market works. Many people do spend more than 25% of their income on housing and many use the private rented sector despite the lack of long term security this offers.
- 9.1.5 The BHM approach tries to adapt to these realities, but it too shows that there is a greater demand for housing than the current stock of dwellings can meet. Of this demand, across the HMA as a whole, 55% is for affordable housing. In Poole and Bournemouth the proportions rise to 60%.



9.1.6 These figures can be compared with the levels of new housing proposed by the RSS. Table BPSR 9.2 shows that even the Panel's total housing proposals for 2,405 dwellings per annum would barely meet the demand for affordable housing across the HMA (2,234 dwellings). In Poole, the demand for affordable housing outstrips the overall level of housing proposed and in Bournemouth and Christchurch the demand is around 90% of the proposed housing totals.

Table BPSR 9.2 Comparison of Dwelling Demand (BHM) and Supply (RSS)

HMA and LA area	A Affordable dwelling shortage from BHM Dwellings per annum.	B Overall housing shortage from BHM	C Draft RSS proposals 2006-16 (all hsing)	D EIP Panel's proposals 2006-16 (all hsing)	E BHM Affordable dwellings as % of Panel figs.
B/P HMA	2,234	4,095	2,285	2,405	92.9
Bournemouth	718	1,196	720	805	89.2
Poole	815	1,321	700	500	163
Christchurch	163	439	200	173	94.2
East Dorset	180	375	270	320	56.3
North Dorset	220	494	290	350	62.9
Purbeck	138	270	105	258	53.5

Source: Fordham Research Dorset HNDS 2007 and SW RSS Panel Report 2008.

9.1.7 The evidence clearly supports the need for high proportions of affordable housing based on the overall level of housing currently proposed in the draft RSS and Panel's proposals.

9.1.8 The RSS will set out the overall number of dwellings to be built in the area up to 2026. Both the Draft RSS policy and the changes recommended by the EIP Panel, suggest that affordable housing should be within the range of between 30/35% to 60% **"or higher in areas of greatest need"**. The draft RSS and the Panel's proposed changes allow for whatever levels of affordable housing can be justified in areas of greatest need.

9.1.9 The final RSS housing supply figures across the two HMAs are not yet known, but the evidence here suggests that, to meet either need or demand at least 50% of all new housing should be affordable dwellings rising to 100% in several authorities.

9.1.10 Proportions as high as this may not be economically viable. Local authorities are now being urged to assess the viability of any housing sites that come forward for development. This being the case, it could be argued that the starting point for negotiation on the percentage of affordable housing should be the level of need/demand reducing to the highest proportion that is economically viable on any site. At this point in time, it is recommended that the percentages in column E of Table BPSR 9.1 and Table BPSR 9.2 should be used, but when the final RSS figures are known, these should be revised.



9.1.11 Key Finding 20: The Market/Affordable mix

The viability of providing affordable housing on a site should be assessed within a range defined by housing demand and need

Assess the level of affordable housing demand presented in Table BPSR 9.2 above as a proportion of the RSS supply in the area concerned and use this to determine the minimum percentage of affordable housing required.

Assess the level of affordable housing need presented in Table BPSR 9.1 above as a proportion of the RSS supply in the area concerned and use this to calculate the maximum percentage of affordable housing required.

Assess the viability of providing affordable housing on the site at the highest proportion economically viable within the range identified above or as close to it as possible.

9.2 The Type of Affordable Housing required

- 9.2.1 PPS3 requires local authorities to define the size and type of affordable housing to be sought in each area (i.e. the mix between social rented and intermediate forms of affordable housing.) Social rented housing most readily meets the needs of those households on the lowest incomes. However, the gap between this and the private market has increased, and so have the number of households who fall within it. Different housing products, often involving part rent and part ownership, have been designed to fill this “intermediate” market, as discussed above.
- 9.2.2 In deciding what proportions of each should be sought in any area, the levels of need shown through the CLG and BHM assessments need to be considered alongside the overall amount of housing likely to be built. Table BPSR 9.3 compares the findings of the CLG (Col A) and BHM (Col B) needs models and also shows the proposed housing levels in the draft RSS (Col F) and the recommendations of the EiP Panel (Col G).
- 9.2.3 The table also shows both the proportion and number of dwellings per annum that each assessment proposes as “intermediate” housing (Cols C and D) and the total amount of housing proposed through the BHM analysis (Col E). In the case of the CLG figures these are taken from Fordham’s analysis of those in need who can afford Intermediate Rented housing. The requirement for intermediate housing implied in the BHM tables represents the number of households who could afford the “Usefully affordable” level at the **mid point** of the intermediate gap.
- 9.2.4 As the cost of intermediate housing rises, the number of households able to afford them diminishes. Although the assessments of need/demand have followed different approaches, this same principle applies. Ideally a graph showing the frequency of households able to afford different prices of housing should be plotted under both the BHM and CLG approaches. In the absence of this information, it can only be assumed that the graphs follow broadly similar patterns and that the figures in columns C and D of Table BPSR 9.3 indicate the general proportion of households able to afford housing at these costs.
- 9.2.5 Looking at the Table it can be seen that there is a steep drop between the proportion of households that can meet the Usefully Affordable level (41%) and those that can afford the Intermediate rent level (9%). In Bournemouth, Poole, Christchurch and Purbeck there is a sharp drop of 30 percentage points or more between those households that could afford the Usefully Affordable level and those that could afford the Intermediate rent level. In these authorities, social rented housing is will continue to play a dominant role in the provision of affordable housing.



9.2.6 In East Dorset and North Dorset there appears to be a flatter curve in the distribution of households that can afford intermediate costs. In North Dorset, for instance, about 30% of households expecting affordable housing could afford Intermediate Rent. Having said this, the amount of housing proposed in North Dorset, even under the Panel's proposals, is still only 70% of the total implied to be in demand from the BHM approach. So the actual numbers of dwellings likely to come forward will be less than implied under the BHM assessment. Again, when the final RSS housing figures are known, the values in Table 9.3 can be revised.

9.2.7 In discussing the relative proportions of intermediate and social rented housing it is essential to realise that the actual weekly cost of the proposed intermediate product is the critical factor. To be affordable by those in need, costs should be as close as possible to the "Usefully affordable" level and certainly no more than the "Intermediate rent" level set out in Table BPSR 8.10. If weekly costs are higher than this they will not meet the criteria of PPS3 for housing, namely, affordable with regard to local incomes and prices.

Table BPSR 9.3 Comparison of CLG and BHM Assessment of Annual Need for Affordable Housing by HMA and Local Authority Area.

Area	A	B	C	D	E	F	G
	CLG Annual need for affordable housing	BHM Annual need for affordable housing	BHM proportion of affordable need as intermediate (actual figs)	% of CLG affordable need that can afford intermediate rent (actual figs)	BHM total housing demand	Draft RSS housing proposals 2006-2016	EIP Panel Housing recommendations 2006 – 2016
B/P HMA	5,704	2,234	41% (910)	9% (524)	4,098	2,285	2,405
Bnm'th	3,015	718	35% (250)	5% (150)	1,196	720	805
Poole	1,199	815	45% (364)	13% (156)	1,321	700	500
Chrstch	243	163	48% (78)	9% (22)	439	200	173
EDDC	440	180	35% (63)	15% (66)	375	270	320
NDDC	399	220	50% (109)	30% (119)	494	290	350
Purbec k	409	138	33% (46)	3% (11)	270	105	258

Source: Fordham Research Dorset HNDS 2007 and SW RSS Panel Report 2008.

Note: Although the percentages in Columns C and D are calculated from different totals (those in Columns B and A respectively) they indicate the diminishing frequency of households able to afford housing as costs rise. Ideally graphs showing the frequency of households able to afford the different costs of housing under both the BHM and CLG approaches should be plotted so the actual numbers could be calculated under both approaches. In the absence of this information it can be assumed that the graphs would show similar patterns and that the figures in Columns C and D indicate the general proportions of households able to afford housing at those cost.

9.2.8 Key Finding 21: Type of Affordable Housing

Bearing in mind the level of housing that is likely to come forward within each HMA and the high level of need for social rented housing, it is suggested that the ratio of intermediate to social rented housing in any area should broadly follow the proportions implied from the analysis of the CLG need figures for each local Authority.

9.2.9 **This will not rule out the possibility of varying the mix on any particular site to achieve a development that is economically viable, but averaged across the Local Authority, it is suggested that the mix should follow the proportions indicated in Column D in Table BPSR 9.3.**



9.3 Size of Affordable Dwellings required

- 9.3.1 Evidence from the BHM assessment provides a snapshot of the demand for different sizes of affordable dwellings at a point in time. It does take into account both the supply of and demand for different sizes of property.
- 9.3.2 Another source of information on the size of affordable housing needed in any area is the Housing Register maintained by each authority. Statistics on the size of dwelling required by households registered have been taken from HSSA returns²⁴ for each Local Authority in 2006. They reflect the size of household seeking accommodation and so will be more closely matched to **actual needs** rather than the **preferences** of the household concerned. These figures relate to **all** households on the register, not just those in greatest need, for whom most new affordable housing will be focussed. They may also include some double counting where the register has not been adequately updated. Hence neither this nor the BHM assessment can be considered definitive. Looked at together they give a good idea of the general mix of dwelling sizes required. Tables BPSR A3.1 to A3.6 in Appendix 3, set out the requirements by each Local Authority.
- 9.3.3 When considered together, the two sources of information do show some correlation. In five out of the six authorities, the Housing Register indicates around 50% of the need is for 1 bed dwellings and 25% for 2 beds. The only authority with a different pattern is North Dorset where more 2 bed dwellings are needed. The BHM analysis records different patterns in each authority, but generally the demand for 2 bed dwellings is highest. In North Dorset it is for 3 bed dwellings. This may be as expected. Whereas the BHM looks at the preferences of individual households, the Register measures actual needs. Thus both sources probably indicate a consistent need /demand across the HMA for accommodation for single person households, but in the Register it is expressed as a requirement for 1 bed dwellings while in the BHM households preference is for 2 beds, to provide a little more space.
- 9.3.4 This also accords with the earlier evidence that household size is declining and the number of single person households is growing. It has also been shown that in the rural areas in particular, the proportion of smaller properties in the dwelling stock is relatively low and so there is a need to increase the supply of smaller dwellings to meet the future needs of smaller households.
- 9.3.5 However, authorities must also consider the relative cost and flexibility of 1 bed properties in the overall stock. While a 2 bed property could provide a home for a small family as well as a couple, a single bed dwelling can only provide a home for a maximum of two people. The continuing need for some family sized housing must also be accommodated.

9.3.6 Key Finding 22: Size of Affordable Housing

It is proposed that the evidence on demand and need for different sizes of affordable dwellings in both the BHM assessment and the Housing Register records for each local authority area should be used to decide the most appropriate breakdown on the size of affordable housing required (see Appendix 3, Tables A3.1-A3.6).

²⁴ HSSA – Housing Strategy Statistical Appendix return for 2006.



9.4 The Likely Profile of Market Housing Required.

- 9.4.1 The final requirement of PPS3 is to identify the likely profile of households requiring market housing, eg multi person including families and children, single people and couples expressed as percentages. This is not easy. Household types will change over time and households are continually moving into and out of the area. In addition personal choice and financial circumstances mean that the size of property desired may vary from that indicated by household size alone.
- 9.4.2 To try and draw some conclusions, this section looks at migration patterns and future household projections as well as evidence from the Survey on household size and housing expectations.
- 9.4.3 Evidence from the census on the **pattern of migration** shows that self containment is relatively low (62% in the Bournemouth/Poole HMA.) Of the 30,000 people who moved into the sub region in the year before the census around 40% came from London and the South East region. These are generally more expensive areas in terms of housing and many of these households will have the buying power to purchase a property in Dorset. (See Chapter 3).
- 9.4.4 Of those people moving into the HMA, the majority were in the pre retirement age groups. The only area where young people (aged 16-24) grew was the Bournemouth/Poole core. In the periphery this age group declined. There was also a significant movement between the core and periphery with a trend of older people moving out from core to periphery and younger people moving in the reverse direction. (See Chapter 4).
- 9.4.5 In-migration clearly has an impact on the number of new dwellings needed in the area. The analysis of locally generated demand in Chapter 12 showed that, across the Dorset sub region, if migration was taken out of the equation, there would only be a need for around 100 dwellings per annum to meet natural changes in household formation, as opposed to the 2,780 new dwellings per annum proposed in the draft RSS.
- 9.4.6 Fordham Research looked at migration patterns from the survey results. Over the past 2 years almost 64,000 households moved into or within the Dorset sub region. 28% of all moves were from outside Dorset. Almost 30% of all moves were to or within Bournemouth. Levels of self containment appear similar to those in the census, with over 62% of those moving within Bournemouth staying in the Borough. The areas with the highest levels of in-migration were Poole and North Dorset (35% each).
- 9.4.7 Fordham Research also examined households' expected movements over the next 2 years. These indicate possible higher levels of self containment (perhaps due to the high cost of housing in the area). Around 10,000 households expect to move out of the sub region, far fewer than actually moved in from outside Dorset over the previous 2 years (17,800). These figures are for different time periods so are not strictly comparable. They do indicate continuing net in-migration.
- 9.4.8 The evidence therefore shows a continuing number of households moving to the area. In the Bournemouth / Poole core there will be a need for housing for young people as well as older age groups, but in the periphery the demand will be focussed more on pre retirement and older age groups.
- 9.4.9 Evidence from the ONS shows that trend based **household projections** indicate continued growth in the Dorset sub region over the 2006 – 2026 period. The growth in one person households is particularly significant. In the Bournemouth / Poole HMA they are expected to increase from 75,900 (32%) to 106,700 (38%) of all households. Alongside this a decrease in the proportion of couple households across the HMA is projected (married + cohabiting), from 56% to 50%, although in actual numbers there is a small growth from 134,600 to 143,100 households. These projections do not give a break down of families



other than one parent families. A full analysis of the change in the types of household cannot be achieved.

- 9.4.10 However, when looking at different age groups, significant changes can be seen. In the Bournemouth / Poole HMA the number of one person households aged in their mid 50s to mid 70s is expected to increase from 24,000 in 2006 to 37,000 in 2026 (a 54% increase). Working age households are expected to increase by around 17,500 across the sub region. The most significant increases are expected in Bournemouth (9,300) and North Dorset (2,000).
- 9.4.11 These trends may be influenced by future policy decisions regarding the location of new jobs. Labour demand led forecasts indicate there could be a shortfall of housing to meet labour requirements in Poole so housing to attract a working age population is required. In the periphery there could be an over supply of housing to meet labour requirements, so the needs of single elderly person households is a greater priority.
- 9.4.12 Chapter 12, future housing requirements, suggests that, overall in the Bournemouth/ Poole core there would be a need for a mix of family housing and smaller dwellings to house the various ages and types of household seeking jobs in the area. There would also be a need to provide specialist housing including retirement homes for the older age groups, to encourage down sizing and the release of larger properties. In the periphery employment led demand would be less, but smaller dwellings and "adapted" housing to cater for the needs of the elderly would be required.
- 9.4.13 Finally, Fordham Research looked at the profile of households requiring market housing from the **Survey response**. They looked specifically at households' expected moves over the next two years, focussing on moves within the market sector. The analysis was broken down into the three categories of household required by PPS3 as well as a separate category of older persons. The groups were not overlapping; all older person households (single and couples) are included as "older persons" not as "multi adult." Table BPSR 9.4 over shows the results of this analysis by Local Authority.



Table BPSR 9.4 Gross demand for market housing (per annum) by household type

Area	Older persons	Single Person	Multi adult	Household with children	Total
Bournemouth					
Nos	930	1,477	2,375	1,111	5,892
%	15.8	25.1	40.3	18.9	100.0
Poole					
Nos	663	778	1,832	889	4,162
%	15.9	18.7	44.0	21.4	100.0
Christchurch					
Nos	482	245	545	310	1,582
%	30.5	15.5	34.5	19.6	100.0
East Dorset					
Nos	594	299	1,018	733	2,643
%	22.5	11.3	38.5	27.7	100.0
North Dorset					
Nos	403	299	772	505	1,980
%	20.4	15.1	39.0	25.5	100.0
Purbeck					
Nos	158	162	530	363	1,213
%	13.0	13.4	43.7	29.9	100.0
B/P HMA					
Nos	3,230	3,260	7,072	3,911	17,472
%	18.5	18.7	40.5	22.4	100.0
DORSET					
Nos	4,252	4,104	8,599	5,063	22,018
%	19.3	18.6	39.1	23.0	100.0

Source: Fordham Research, Dorset, Poole and Bournemouth HNDS 2008.

- 9.4.15 The results show that the most significant demand for market housing is by couple households (multi adult), which make up 40% of the overall demand. This is slightly above the Dorset average. Within this category, the figures range from 34.5% in Christchurch to 44% in Poole and Purbeck.
- 9.4.16 Single non pensioner households make up only 18.7 % of the total, varying from 11% in East Dorset to over 25% in Bournemouth. This is as expected, with the influence of the University pushing up Bournemouth's figures. The relatively low demand from single non pensioners may seem surprising given that the household projections show increasing numbers of single person households. However it should be noted that many of the households in the "older persons" category will be single person households. Also, many more single person households, whether pensioners or not, can arise through death or departure of a spouse/partner, without any house move at all.
- 9.4.17 Across the whole HMA older persons make up around 18% of all moving households. However there is considerable variation between the local authorities with over 30% in Christchurch and only 13% in Purbeck. Bournemouth and Poole's figures are also below the HMA average, due to the influence of the younger population in these authorities.
- 9.4.18 Families (Households with children) make up 22% of all moving households. The figures range from just under 19% in Bournemouth to almost 30% in Purbeck. The profile in Purbeck generally seems to be more influenced by younger households, both multi adult and families, than other parts of the HMA.
- 9.4.17 The evidence from the projections and Fordham Research survey work suggest the size of households that might require housing and so fulfil the requirements



of PPS3, but do not tell us what size/type of housing those households may need. It might be assumed that smaller households would require smaller dwellings but this ignores individual households' willingness to pay for larger accommodation than strictly needed. For this reason, the BHM results which assess households' preferences against available stock of different sizes may be a more realistic indicator of the demand for different sizes of property. Table BPSR 9.5 shows the breakdown of demand for different sizes of property by local authority. It identifies both the demand for owner occupied property only and for all market housing (ie including private rent). This generally shows most demand for 2 bed properties in the core authorities and higher proportions for 3 bed property in the periphery. It may be concluded that many households are seeking dwellings that are slightly larger than strictly needed.

Table BPSR 9.5 Size of market housing required from BHM by Local Authority

Local Authority	Percentages			All sizes	Nos
	1 bed	2 bed	3 bed +		All
Bournemouth					
Owner occupied	16.3	54.5	29.2	100	661
Total market housing	16.5	34.7	48.7	100	478
Poole					
Owner occupied	11.1	35.0	53.9	100	360
Total market housing	25.2	54.5	20.3	100	505
Christchurch					
Owner occupied	16.7	44.4	39.3	100.4	293
Total market housing	22.1	40.9	37.0	100	276
East Dorset					
Owner occupied	-1.2	51.2	50.0	100	203
Total market housing	15.4	46.7	37.4	99.5	195
North Dorset					
Owner occupied	-12.0	21.7	90.3	100	310
Total market housing	5.5	30.3	63.9	99.7	274
Purbeck					
Owner occupied	5.5	17.2	77.3	100	163
Total market housing	18.2	15.2	66.7	100.1	132
B /P HMA					
Owner occupied	8.6	41.3	50.1	100	1,957
Total market housing	18.1	40.2	41.7	100	1,860

Source: Fordham Research Dorset, Poole and Bournemouth HNDS 2008

9.4.18 There is no easy way to forecast the likely demand for different sizes of market housing. People may wish to move to accommodation that is larger than they need and the available stock will contain households remaining in accommodation beyond their needs. So while it is known that household size is declining and that there will be growing numbers of elderly households, it cannot be assumed that they will all require smaller properties. The best estimate of dwelling sizes required may be to follow the BHM approach and allow for factors that may also influence decisions on a more localised level. For instance in an area where there may be a large number of new jobs proposed, the demand for family housing may rise, or in areas with a high proportion of elderly people there may be scope to encourage downsizing by providing smaller "lifetime" homes to a high specification. Future trends in the economy and demographics should be borne in mind when making decisions on dwelling size and type. Ultimately it will be for Local Authorities to make an assessment in their own area depending on these factors.



Local Authorities should consider the demand for different sizes of market housing identified in the Balanced Housing Market assessment for their area and use this as a guide to the different size of market housing required in the future. In addition, authorities should consider localised demand that may arise from any new jobs proposed or any significant trends in household type evident in their area and make appropriate adjustments to the profile.



10.0 MONITORING AND UPDATING

- 10.1 Monitoring and updating is a key requirement of all SHMAs and Partnerships are encouraged to develop a co-ordinated approach between all the authorities involved in information gathering.
- 10.2 Updating involves the tracking of short term changes in housing market conditions. Monitoring is concerned with analysing what is happening and deciding whether changes in policy are required. Comprehensive new assessments should not take place more often than every five years, but many secondary information sources can be updated more frequently to keep track of how the housing market is changing.
- 10.3 Changes in demography, housing structure and the economy need to be tracked, to show how the local housing market is reacting to the policy approach adopted. A series of items to update and monitor including who is responsible for the information gathering is included in Table BPSR 10.1.
- 10.4 To be able to negotiate effectively on the type of affordable housing that is to be provided, authorities will need to ensure that tables of “Weekly Housing Costs” are updated regularly. It is suggested this should be on a six monthly basis.
- 10.5 Analysis of this data should enable local authorities to monitor how the market is changing in their area and make any necessary adjustments to policy. Outcomes should be reported in Annual Monitoring Reports.

10.6 **Key Finding 24: Monitoring and Updating**

Updating and monitoring of how the housing market is changing is a key requirement of a Strategic Housing Market Assessment. A number of elements to be updated have been identified. It is suggested that local authority partners should report on the findings in their Annual Monitoring Reports and use these to monitor future progress of their housing policies and strategies.



Table BPSR 10.1 Monitoring /Updating Requirements

Factor to monitor/update	Area	Data Source	Frequency	What will it tell us?	Who should monitor?
Demographic changes					
Population and household projections by age and sex and type of household	Local Authority, HMA, Region, national.	ONS	Annual	Changes in the make up of the population and household structure of the area and how these are changing over time. Comparison with regional and national situation.	DCC, Poole and Bournemouth
Housing changes					
Dwelling price and availability by size and type of property	Postcode sector, Local Authority, region, national	Land Registry	Quarterly	How prices and availability of different property types and sizes is changing within the HMA and in comparison with regional and national changes. This will indicate whether there are particular supply problems.	DCC, Poole and Bournemouth
Weekly costs to buy or rent	Local Authority, or smaller area if necessary	Rightmove.co.uk	Six monthly	The weekly costs of different sizes and types of property, to back up negotiation on new affordable housing.	Unitary and Local Authorities (Planning),
Rental costs and availability by size and type of property	Local Authority, region, national	Rightmove.co.uk	Quarterly	How rents and availability of different property types and sizes is changing within the HMA and in comparison with regional and national changes. This will indicate whether there are particular supply problems in the rental sector.	DCC, Poole and Bournemouth
Nos on the Housing Register, no of homeless households and size of property required. In the future, demand for property of different sizes/types from analysis of Choice Base Letting data.	Local Authority, HMA, region.	LA or HSSA returns Analysis of Local Authorities' CBL data	Annual	Change in the overall level of need for social rented and intermediate housing and what sizes and types of property are needed.	Unitary and Local Authorities (Housing)
Nos of dwellings built by size and type and % affordable/market	Local Authority, HMA, region.	LA Annual Monitoring Report; AHTG monitoring of affordable housing.	Annual; Quarterly	How well the targets for the level of house building and percentage affordable housing are being achieved.	Unitary and Local Authorities (Planning), DCC.

Factor to monitor	Area	Data Source	Frequency	What will it tell us?	Who should monitor?
Economic changes					
Structure of employment by employment sector, percentage in high and low paid sectors, comparisons with previous years.	Local Authority, HMA, regional, national.	Annual business inquiry, ONS	Annual	Any changes in employment structure over time	DCC, Poole and Bournemouth
Employment growth per annum, changes over time.	Local authority, HMA, regional, national	Annual business inquiry, ONS	Annual	Level of employment growth and changes over time compared to other areas.	DCC, Poole and Bournemouth
Productivity levels: GVA per resident head and employee head and changes over time.	Local authority, HMA, regional, national	ONS	Annual	Productivity within the area and changes over time compared to other areas.	DCC, Poole and Bournemouth
Local earnings: median gross weekly pay – workplace based and residence based, changes over time.	Local authority, HMA, regional, national	Annual Survey of Hours and Earnings, ONS	Annual.	How local earnings compare with those regionally and nationally and how they are changing over time.	DCC, Poole and Bournemouth
Local Incomes: gross domestic Household Income, changes over time.	Unitary Authority and Dorset County, Regional, national	ONS	Annual	How incomes compare with those regionally and nationally and how they are changing over time.	DCC, Poole and Bournemouth
Affordability: Ability of households to afford local house prices/rents.	Local Authority, Region.	Joseph Rowntree Foundation	Annual	Ability of households, including young person households to afford average house prices/rents.	DCC, Poole and Bournemouth
Unemployment: current claimant count and changes over time.	Local authority, HMA, regional, national	ONS	Quarterly	Changes in the economic conditions in the area and more widely.	DCC, Poole and Bournemouth
Qualifications: Percentage gaining 5 or more GCSEs at grades A* -C, average points score at age 16+, and changes over time.	Unitary Authority and Dorset County, Regional, national	Dept for Education and Skills	Annual	Changes in local education performance and how it compares with other areas.	DCC, Poole and Bournemouth

Source: Dorset HMA Partnership 2008

Appendix 1

Balanced Housing Market Assessments by Local Authority

Local Authority Tables

Table BPSR A1.1 Balanced Housing Market results for Bournemouth (per annum)

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	108	360	169	24	661
Private rented	-29	-194	27	13	-183
Intermediate	83	105	61	0	250
Social rented	201	103	55	109	468
TOTAL	363	374	313	146	1196

Table BPSR A1.2 Balanced Housing Market results for Poole (per annum)

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	40	126	131	63	360
Private rented	87	149	-81	-9	145
Intermediate	104	193	38	30	364
Social rented	11	261	99	81	451
TOTAL	242	728	187	164	1321

Table BPSR A1.3 Balanced Housing Markets result for Christchurch (per annum)

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	49	130	60	55	293
Private rented	12	-17	-4	-9	-17
Intermediate	26	38	14	0	78
Social rented	-4	23	57	0	85
TOTAL	83	174	127	55	439

Table BPSR A1.4 Balanced Housing Market results for East Dorset (per annum)

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	-4	104	57	46	203
Private rented	34	-13	-7	-23	-8
Intermediate	8	45	0	10	63
Social rented	15	37	28	39	117
TOTAL	52	173	78	72	375

Table BPSR A1.5 Balanced Housing Market results for North Dorset (per annum)

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	-34	60	131	119	277
Private rented	49	23	-45	-30	-3
Intermediate	18	51	36	5	109
Social rented	12	-26	107	18	111
TOTAL	45	108	229	112	494

Table BPSR A1.6 Balanced Housing Market results for Purbeck (per annum)

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	9	28	82	44	163
Private rented	15	-8	-21	-17	-31
Intermediate	0	21	26	0	46
Social rented	24	49	16	3	92
TOTAL	47	89	104	30	270

HMA Tables

Table BPSR A1.7 Balanced Housing Market results for the Bournemouth / Poole HMA (per annum).

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	168	808	630	351	1,957
Private rented	168	-60	-131	-75	-98
Intermediate	239	453	175	45	912
Social rented	259	447	362	259	1,327
TOTAL	834	1,648	1,036	580	4,098

Table BPSR A1.8 Balanced Housing Market results for the Bournemouth / Poole core sub-market (per annum)

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	197	614	359	141	1,312
Private rented	70	-63	-58	-6	-56
Intermediate	212	336	114	30	692
Social rented	207	387	211	200	1,004
TOTAL	687	1,274	627	365	2,952

Table BPSR A1.9 Balanced Housing Market results for the Bournemouth / Poole periphery sub-market (per annum)

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	-8	112	224	135	462
Private rented	36	-32	-41	-46	-83
Intermediate	20	82	43	14	158
Social rented	21	105	93	49	268
TOTAL	68	266	319	152	806

Table BPSR A1.10 Balanced Housing Market results for the North West Dorset sub-market (part) (per annum)

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	-21	82	46	74	181
Private rented	61	35	-31	-24	40
Intermediate	6	35	19	0	60
Social rented	30	-45	58	10	53
TOTAL	76	106	91	61	334

Source all tables: Fordham Research Dorset HNDS 2007

Appendix 2

Comparative Weekly Housing Costs by Local Authority

Table BPSR A2. 3 Comparative outgoings by tenure Bournemouth Borough, 2007 prices

Dwelling size	Tenure					
	Social rent	<i>Usefully Affordable</i>	<i>Intermediate rent</i>	Private rent	Owner Occupation	New build
	Cost per week	<i>Min cost per week</i>	<i>Approximate cost per week</i>	Min cost per week	Min cost per week	Approx min cost per week
1 bed	£53	<i>£84</i>	<i>£97</i>	£114	£127	£160
2 bed	£59	<i>£105</i>	<i>£124</i>	£150	£183	£240
3 bed	£70	<i>£130</i>	<i>£147</i>	£190	£251	£311
4bed	£83	<i>£163</i>	<i>£203</i>	£242	£334	£411

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table BPSR A2. 4 Comparative outgoings by tenure, Borough of Poole, 2007 prices

Dwelling size	Tenure					
	Social rent	<i>Usefully Affordable</i>	<i>Intermediate rent</i>	Private rent	Owner Occupation	New build
	Cost per week	<i>Min cost per week</i>	<i>Approximate cost per week</i>	Min cost per week	Min cost per week	Approx min cost per week
1 bed	£64	<i>£89</i>	<i>£97</i>	£114	£127	£150
2 bed	£74	<i>£115</i>	<i>£124</i>	£156	£203	£272
3 bed	£80	<i>£132</i>	<i>£147</i>	£183	£253	£309
4bed	£86	<i>£158</i>	<i>£203</i>	£230	£328	£417

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table BPSR A2.5 Comparative outgoings by tenure Christchurch District 2007 prices

Dwelling size	Tenure					
	Social rent	<i>Usefully Affordable</i>	<i>Intermediate rent</i>	Private rent	Owner Occupation	New build
	Cost per week	<i>Min cost per week</i>	<i>Approximate cost per week</i>	Min cost per week	Min cost per week	Approx min cost per week
1 bed	£67	<i>£96</i>	<i>£97</i>	£125	£143	£173
2 bed	£75	<i>£118</i>	<i>£124</i>	£160	£207	£257
3 bed	£90	<i>£135</i>	<i>£147</i>	£180	£289	£379
4bed	£108	<i>£169</i>	<i>£203</i>	£230	£372	£476

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table BPSR A2.6 Comparative outgoings by tenure East Dorset District, 2007 prices

Dwelling size	Tenure					
	Social rent	<i>Usefully Affordable</i>	<i>Intermediate rent</i>	Private rent	Owner Occupation	New build
	Cost per week	<i>Min cost per week</i>	<i>Approximate cost per week</i>	Min cost per week	Min cost per week	Approx min cost per week
1 bed	£62	<i>£98</i>	<i>£97</i>	£133	£164	£204
2 bed	£73	<i>£113</i>	<i>£124</i>	£153	£219	£267
3 bed	£87	<i>£142</i>	<i>£147</i>	£196	£280	£330
4bed	£104	<i>£179</i>	<i>£203</i>	£254	£366	£421

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table BPSR A2.7 Comparative outgoings by tenure North Dorset District, 2007 prices

Dwelling size	Tenure					
	Social rent	<i>Usefully Affordable</i>	<i>Intermediate rent</i>	Private rent	Owner Occupation	New build
	Cost per week	<i>Min cost per week</i>	<i>Approximate cost per week</i>	Min cost per week	Min cost per week	Approx min cost per week
1 bed	£64	<i>£79</i>	<i>£79</i>	£104	£94	£128
2 bed	£74	<i>£95</i>	<i>£102</i>	£115	£156	£199
3 bed	£80	<i>£109</i>	<i>£125</i>	£138	£196	£257
4bed	£86	<i>£130</i>	<i>£165</i>	£173	£285	£364

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Table BPSR A2.8 Comparative outgoings by tenure Purbeck District, 2007 prices

Dwelling size	Tenure					
	Social rent	<i>Usefully Affordable</i>	<i>Intermediate rent</i>	Private rent	Owner Occupation	New build
	Cost per week	<i>Min cost per week</i>	<i>Approximate cost per week</i>	Min cost per week	Min cost per week	Approx min cost per week
1 bed	£60	<i>£82</i>	<i>£97</i>	£104	£152	£193
2 bed	£69	<i>£101</i>	<i>£124</i>	£132	£205	£258
3 bed	£79	<i>£121</i>	<i>£147</i>	£162	£264	£314
4bed	£90	<i>£143</i>	<i>£203</i>	£196	£356	£434

Source: Fordham Research Dorset HNDS 2007 and Rent Service, Bournemouth Dec 2007.

Appendix 3

Size of Affordable Housing required by Local Authority

Table BPSR A3.1 Comparison of Balanced Housing Market and Housing Register 2006 proportions of affordable housing required in Bournemouth.

Tenure	Size of dwelling				
	1 bed	2 bed	3 bed	4+bed	Total
BHM analysis					
Intermediate %	33.3	42.2	24.5	0	100
Social rented %	43.0	22.0	11.8	23.2	100
% All affordable	39.6	29.0	16.2	15.2	100
Housing Register					
All affordable %	53.1	29.3	15.0	2.6	100

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

Table BPSR A3.2 Comparison of Balanced Housing Market and Housing Register 2006 proportions of affordable housing required in Poole.

Tenure	Size of dwelling				
	1 bed	2 bed	3 bed	4+bed	Total
BHM Analysis					
Intermediate %	28.5	52.9	10.4	8.2	100
Social rented %	2.5	57.7	21.9	17.9	100
All affordable %	14.2	55.6	16.6	13.6	100
Housing Register					
All Affordable %	53.8	27.7	15.8	2.7	100
Poole BC Housing Strategy requirements					
Shared ownership %	21.0	67.0	12.0	0.0	100.00
Social rent %	26.0	51.0	19.0	3.0	99.00

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

Table BPSR A3.3 Comparison of Balanced Housing Market and Housing Register 2006 proportions of affordable housing required in Christchurch.

Tenure	Size of dwelling				
	1 bed	2 bed	3 bed	4+bed	Total
BHM Analysis					
Intermediate %	28.5	52.9	10.4	8.2	100
Social rented %	2.5	57.7	21.9	17.9	100
All affordable %	13.5	37.4	43.6	5.5	100
Housing Register					
All Affordable %	58.5	25.2	14.2	2.1	100

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

Table BPSR A3.4 Comparison of Balanced Housing Market and Housing Register 2006 proportions of affordable housing required in East Dorset.

Tenure	Size of dwelling				Total
	1 bed	2 bed	3 bed	4+bed	
BHM Analysis					
Intermediate %	12.7	71.4	0	15.9	100
Social rented %	12.6	31.1	23.5	32.8	100
All affordable %	12.6	45.1	15.4	26.9	100
Housing Register					
All Affordable %	54.9	28.7	14	2.4	100
EDDC requirements as of 01.01.2008					
All affordable	51.7	28.8	17.6	1.9	100

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

Table BPSR A3.5 Comparison of Balanced Housing Market and Housing Register 2006 proportions of affordable housing required in North Dorset.

Tenure	Size of dwelling				Total
	1 bed	2 bed	3 bed	4+bed	
BHM Analysis					
Intermediate %	16.4	46.4	32.7	4.5	100
Social rented %	10.8	-23.4	96.4	16.2	100
All affordable %	13.6	11.3	64.7	10.4	100
Housing Register					
All Affordable %	16.5	56.4	22	5.1	100

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

Table BPSR A3.6 Comparison of Balanced Housing Market and Housing Register 2006 proportions of affordable housing required in Purbeck.

Tenure	Size of dwelling				Total
	1 bed	2 bed	3 bed	4+bed	
BHM Analysis					
Intermediate %	0	44.7	55.3	0	100
Social rented %	26	53.3	17.4	3.3	100
All affordable %	17.3	50.4	30.2	2.1	100
Housing Register					
All Affordable %	53.9	30.6	14.2	0.3	100

Source: Fordham Research Dorset HNDS 2007 and HSSA 2006

