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South Downs National Park Housing Requirements Study: Final Report

South Downs National Park Authority

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Executive Summary

The South Downs National Park Authority (SDNPA) is now the planning authority for the National Park and has a duty to prepare a Core Strategy to guide development and to determine planning applications in the future.

The population of the National Park has grown only moderately in recent years and is increasingly skewed towards the older age groups, while household size has been reducing. Despite limited population growth, there is evidence of substantial affordable housing need within the National Park, driven by the higher representation of larger dwelling types and under-representation of smaller dwelling types and the resulting high average house prices that characterise the area, combined with the desirability of living in the National Park and constrained supply of new homes.

This study suggests a fivefold settlement hierarchy; SDNPA is currently undertaking settlement specific work to identify with local communities, capacity for new development in larger settlements, simultaneously adhering to principles outlined in the Draft National Planning Policy Guidance.

The SDNPA is also considering a Park wide requirement for 50% affordable housing requirement with no threshold, though development of a single housing unit might meet the obligation through a commuted payment. Such a policy would need to be subject to a viability test.

The SDNPA might also need to consider linking the affordable housing policies to policies on development density. The development industry might be very inclined to bring forward single dwelling proposals on relatively large sites, thus avoiding on site affordable housing provision, unless the SDNPA specifies minimum density requirements.

Other Local Authorities might give consideration to the development model being promoted by New Forest District Council on sites just outside the National Park where sites have been specifically identified for 70% affordable housing provision.

DTZ would envisage that SDNPA would wish to develop a local connection policy which would, at minimum, inform allocation and sale decisions for affordable rent and low cost home ownership properties. However this might be extended to new build market homes in certain settlements in the National Park; though it might not be deemed appropriate to the larger settlements.

It may be appropriate to provide some market housing if it facilitates the provision of significant additional affordable housing to meet local needs. In this case it might also be appropriate to apply a local connection policy. Consideration should be given to encouraging development of smaller units, since the evidence is that the area has a smaller proportion of generally smaller dwelling types, and this is a factor in the lack of housing affordability in the area.

Work will be needed to develop community based approaches to bringing forward rural exceptions sites for development of affordable housing and to preserve or provide facilities and services needed to create sustainable local communities in the long term; while the National Park Authority should consider placing restrictions on the size and nature of replacement dwellings and extensions to existing dwellings.

1. Purpose and Scope of this Report

The South Downs National Park Authority is now the planning authority for the area and has a duty to prepare a Core Strategy to guide development in the National Park and to determine planning applications in the future.

In the meantime, the planning environment in which the SDNPA is operating is complex and in a state of considerable flux – and will continue to be for some time. Therefore, the broad purpose of this study is to provide analysis and insight into the issues surrounding housing provision, focusing in particular on issues of housing demand and need, to inform the SDNPA as it develops its Core Strategy.

The analysis in this study will inform the SDNPA on how additional housing would contribute to the well being of the existing population of the National Park and what form of housing, in what location, is most appropriate to meet these well being objectives. The remainder of this report is structured as follows:

- The Planning Policy Context
- Settlement and Housing Policies in Other National Parks
- Settlement Hierarchy in South Downs National Park
- Housing Demand
- Housing Need
- Housing Supply
- Policy Recommendations

This report is supported by a series of working papers which are presented in Appendices 1 to 5 as follows:

- Review of Best Practice in National Parks
- Analysis of Settlement Structure and Geography
- Population Profile
- Housing Need
- Housing Supply

2. The Planning Policy Context

The South Downs National Park came into being on 31st March 2010. The South Downs National Park Authority (SDNPA) was formally established on 1st April 2011 (after 12 months as a 'shadow' authority) and is now the planning authority for the area covered by the National Park.

As the Planning Authority for the area, the SDNPA has a duty to prepare a Core Strategy as part of its Local Development Framework to guide development in the National Park and to provide the basis for determining planning applications in the future. A key part of the Core Strategy is to develop policy for provision of housing within the plan area.

In developing its planning policies relating to housing, the SDNPA needs to reflect that its primary objectives as set out in the National Park and Access to the Countryside Act 1949 are *'to conserve and enhance natural beauty and cultural heritage and to promote opportunities for the understanding and enjoyment of the special qualities of the National Parks by the public.'*

Our discussions with the SDNPA indicate that there is no intention to change the primary purposes of the National Park; and that the March 2010 Circular published by Defra *'The English National Parks and the Broads'* has been endorsed by the Coalition Government. The Circular states that it *'aims to encapsulate the purposes and duty (of the National Parks) in a modern vision'*.

The March 2010 Circular states that *'the Government recognises that the Parks are not suitable locations for unrestricted housing and does not therefore provide general housing targets for them. The expectation is that new housing will be focused on meeting affordable housing requirements, supporting local employment opportunities and key services.'*

Given this, it is not anticipated that the SDNPA will have to establish a formal housing target in the same way as other local authorities. By implication it follows, that the SDNPA is not obliged to provide a supply of at least 5 years land for new housing development – a requirement placed on other planning authorities. The authority may, however, want to establish some targets that allow it to measure progress towards defined goals – for example in terms of providing affordable homes.

However, the SDNPA's Core Strategy is not scheduled to be adopted until 2014, and current plan policies therefore still have currency until that Core Strategy is in place. Thus at the current time, the South East Plan, which sets housing targets for all of the South East, is still in force, though the Localism Bill proceeding through parliament proposes to abolish the Plan.

In addition where Core Strategies have been approved by Districts prior to the establishment of the Park, the policies contained in these documents apply, provided they have been adopted by the SDNPA. Where Core Strategies are not in place previous Local Plan policies which have been preserved provide the basis for planning decisions, again subject to adoption by the SDNPA.

In addition local planning authorities (other than National Park Authorities), whether they have a Core Strategy in place or not, are also expected to ensure a 5 year supply of land for development of new housing. These land supply requirements have covered all of the relevant districts including those parts of the District included in the National Park. The SDNPA needs to take into account the contribution that land in the National Park is making to those 5 year land supply figures, subject to the proviso from the 2010 Circular *'that the Parks are not suitable locations for unrestricted housing'*.

At the same time, the Government has proposed changes to the overall framework within which planning decisions are to be made, and has published for consultation a draft of the proposed National Planning Policy Framework. Broadly, the Government's purpose in promoting reform of the planning system through the proposed NPPF is to make it easier to promote development.

One of the statements in the draft NPPF is that planning authorities are expected to provide for the full requirements of housing demand and need in their districts. Paragraph 109 of the Draft NPPF states that authorities should *'use an evidence-base to ensure that their Local Plan meets the full requirements for market and affordable housing in the housing market area, including identifying key sites which are critical to the delivery of the housing strategy over the plan period'*.

Demand for housing in the National Park will be very large, because of the inherent attraction of living in a beautiful area with easy access to London and other major centres of employment. The vast majority of this demand will arise from outside the Park area. DTZ understand that initial discussion between SDNPA members and ministers indicated that the presumption that National Parks are not suitable locations for unrestricted housing development will continue. The expectation is therefore that National Parks will be protected, but the extent to which this will be applied is yet to be determined.

The draft NPPF is a topic of considerable debate as this report is written, and is likely to be amended. Even if government policy, when fully clarified, is that the NPPF does not affect the policy framework that applies to the National Parks, the NPPF will have a major impact on policy and plan making outside of the National Park. This will potentially have implications for the SDNPA, since this may affect the SDNPA's local authority partners' perception of planning policy for the National Park.

3. Settlement and Housing Policies in Other National Parks

Two of the major issues that the SDNPA will need to think about as it develops its housing policies are what sort of policies should apply to different types and size of settlement; and how to ensure that housing that is provided meets locally arising need and demand.

DTZ has undertaken a review of housing and development policy in other English National Parks that have been in existence longer than the South Downs. The review is set out in full in Appendix 1, but key points arising from the review are set out below.

The four National Parks examined include:

- the New Forest, which is similar in many ways to the South Downs National Park, in being recently established (2005) and close to London and major cities and towns on the south coast
- the Peak District National Park, where the National Park Authority has developed strong policies on local connection because of the pressure of demand for housing from those working in nearly urban centres
- the Yorkshire Dales National Park which also is located, at least in part, close to the major towns and centres of employment on Teeside and York, and hence is subject to external demand for housing
- The Northumberland National Park which has been included due to its clear stance that all new residential development should meet locally arising need

The National Parks all share the statutory duties to conserve and enhance the natural environment and therefore development tends to be limited. However each of the National Parks reviewed in this paper has objectives related to the provision of affordable housing with varying degrees of flexibility over the level of market housing that is permitted and spatial strategies linked to settlement structure and providing for local need.

In terms of key themes to emerge from policies in other National Parks, the emphasis is on providing affordable housing using a broad definition of PPS3 defined affordable homes, but also policies to keep homes for sale accessible to local residents and workers. New market housing is limited in volume; and where it is allowed it is subject to controls on size and type to keep costs down; and can be subject to a local connection policy.

Affordable Housing

The New Forest National Park Authority Core Strategy permits affordable housing development within or adjacent to four defined villages; or on exceptions sites within or adjacent to other villages. In the defined villages, 50% of provision should be affordable, with the remainder open market housing. Affordable housing on exceptions sites will only be permitted to meet a particular local need that cannot be accommodated in another way and must remain low cost housing for local need in perpetuity, managed by the relevant authorities and be located near appropriate facilities.

Policy 10- New Housing Development of the Northumberland National Park Core Strategy states that all new residential development will be restricted in perpetuity to that required for people meeting the local need criteria. Occupancy is restricted to prevent sale of these homes to those without a local need and properties are not to be used as second or holiday homes.

All the National Parks have policies on replacement policies and extensions to prevent smaller, more affordable, homes being replaced or extended to create larger more expensive properties that local people would be unable to afford. There is the fear that without such policies, the housing stock of the area would become progressively biased to larger, more expensive homes.

The Peak District National Park Authority believes there are further options available to provide affordable housing to local people including the purchase of existing houses as they become available on the open market and permitting conversion of existing buildings to affordable (rather than open market) homes. Thus its affordable housing policies go beyond simply controlling the pattern of new housing development.

Local Connection Policy

In order to provide affordable housing to meet local need, all the National Parks reviewed have a policy that requires those taking up occupation of new affordable and market sale properties to have a local connection.

Local connection is typically defined by reference to whether the occupier has lived in the National Park for a certain length of time. The length of residence required varies between Parks from between 3 and 10 years, though some have a tiered system, with those who have lived longer in the National Park having greater priority than those who have lived in the National Park for fewer years.

Some National Parks make allowance in their Local Connection policies for people who have lived in the Park for many years, but then moved away, but now wish to return. Other factors are also taken into consideration such as being a key worker, defined as working in a particular trade or occupation of significance to the achievement of National Park objectives; and people taking up work in an established local business.

The Yorkshire Dales National Park is seeking to broaden its definition to include first time buyers and households that predominantly work in the area. Local connection is often assessed based on a scale, with those judged to have a stronger local connection in the New Forest being given priority in assessing local need.

Settlement Hierarchy

There is widespread use of settlement hierarchy to establish policies for new housing development. For example, the Yorkshire Dales National Park permits land for residential development if the site is within the existing proposals map or lies within a housing development boundary of a Local Service Centre or Service Village. A revised set of criteria has been produced to define a Local Service Centre as having seven or more key services and a definable core of at least 300 properties.

Northumberland National Park allows development in open countryside assuming the development cannot take place in an identified local centre, smaller village or through the re-use of an existing building; and subject to the requirement that the development will conserve the special qualities of the National Park.

In the Peak District National Park, the National Park's Plan indicates that 80-90% of new homes will be directed to Bakewell (the largest town in the Park) and other named settlements, with the remainder occurring in other settlements or the rest of the countryside.

The New Forest National Park Core Strategy permits affordable housing in and adjoining the rural settlements through rural exceptions schemes; and appropriate small scale development in the four defined villages to meet the needs of the local communities. The National Park's Core Strategy indicates that larger cultural and retail related needs can be served by the larger towns and cities surrounding the National Park. The New Forest National Park is similar to the South Downs National Park in that it has a number of significant urban areas or larger villages immediately outside the National Park boundaries.

4. South Downs National Park Settlement Hierarchy

DTZ has reviewed existing local authority planning policies for housing with respect to settlements within the National Park and immediately adjacent to the Park boundary (see Appendix 2). This review is contained in Appendix 2 and includes the housing targets contained in current Plans for areas covering the majority of the National Park.

To aid analysis, DTZ has placed settlements in the National Park in a fivefold hierarchy distinguished by the current policy stance on housing development. A similar exercise has been undertaken for the more significant settlements adjacent to the National Park – but excluding the major urban settlements along the Sussex Coast. Key settlements are indicated in Figure 1.

Figure 1: Settlement Hierarchy in the SDNP

Settlement Classification	Characteristics	Settlements in National Park - Hierarchy	Settlements outside the National Park but near the boundary
Tier 1 Settlements	Likely to be specific policies for those towns, and where there might in principle be allocations for new housing for a variety of purposes; and where focused studies may be needed to identify capacity for new housing	East Hampshire District: Petersfield Lewes District: Lewes	Winchester: Winchester city East Hampshire: Alton, Whitehill/Borden, Waverley: Haslemere Chichester: Chichester Mid Sussex: Burgess Hill
Tier 2 Settlements	The other market towns, with a substantial population and related services	Chichester District: Midhurst; Petworth	Winchester District: Bishops Waltham; New Alresford Worthing; Shoreham; Littlehampton East Hampshire: Horndean; Liphook; Arun: Arundel Mid Sussex: Hurstpierpoint, Hassocks Lewes District: Ringmer Wealden: Polegate & Willingdon Horsham: Steyning; Storrington;
Tier 3 Settlements	Larger villages which have some settlements and where current or past local authority policies have identified there may be some allocation of land for housing	Possible indicative examples might include: Winchester: West Meon, Meonstoke East Hampshire District: West Liss; Liss Forest; East Meon Chichester District: Lavant – site identified; Local Plan set settlement boundaries for a large number of village Arun: Findon	Winchester District: Colden Common; Swanmore; Wickham, Denmead East Hampshire: Four Marks Clanfield Horsham: Pulborough; Bramber and Upper Bedding Lewes District: Ringmer

		<p>Horsham: Amberley, Coldwaltham Mid Sussex: None Lewes District: Ditchling; Glynde; Firle; Plumpton Wealden: East Dean, Alfriston Eastbourne: None</p>	
Tier 4 Settlements	Generally smaller villages, where policy does not anticipate allocations for housing purposes but where it would be deemed appropriate for housing to come forward on exceptions sites	<p>Winchester: tbd East Hampshire: tbd Chichester: tbd Arun: tbd Horsham: tbd Mid Sussex: tbd Lewes District: tbd Wealden: tbd Eastbourne: None</p>	
Tier 5 Settlements	Hamlet where it would not even be considered appropriate for exception sites, and where new housing development will be entirely exceptional or related to redevelopment/reuse of existing buildings	<p>Assumed to be all other settlements not mentioned above</p>	

Feedback from local authorities will indicate whether there are settlements that are obvious locations for additional affordable housing. In the meantime, the table above suggests there are a number of settlements adjacent to the South Downs National Park which are further up the settlement hierarchy and therefore more appropriate locations for affordable housing provision than those settlements in the National Park.

The presence of a large number of larger settlements outside the National Park, but just on its borders, has implications for any local connection policy the National Park Authority might wish to develop. These larger settlements are likely to be more appropriate locations for affordable housing to meet general housing needs, but they may also be appropriate for meeting locally arising housing need (in terms of housing need arising from within the National Park).

This is likely to be a key area for discussion with communities within the National Park: that is, whether housing need arising from within the National Park should be met within the National Park itself, or can be met in the settlements just outside the boundaries of the National Park, where it will be easier to deliver new housing without compromising the priority objectives of the National Park.

5. Housing Demand

In order to understand the scale and characteristics of demand for housing in the South Downs National Park, DTZ has analysed the characteristics of those who live in the National Park and examined past patterns of population and household growth. This analysis is set out in Appendix 3, which also presents government projections of population and household growth in the local authorities that cover the National Park.

In 2009, it is estimated that 110,400 people lived in the South Downs National Park, a 3% (3,100 increase from 2002). The rate of population growth in the National Park has been slower than that of the South East region (5%) over the same period.

Figure 2 shows that population growth has been associated largely with growth in the number of people aged over 65. This is probably due to the ageing of the population of existing population of the National Park, which is reflected in trends at the national level; and also due to selective in-migration of older people who choose to retire to the area.

Figure 2: Population Age Structure in the South Downs National Park

Age	2002	2009	Change 2002-2009	% change 2002-2009
All Ages	107,300	110,370	3,070	3%
0-14	19,010	19,090	80	0.4%
15-64	66,770	67,590	820	1%
Over 65	21,520	23,690	2,170	10%

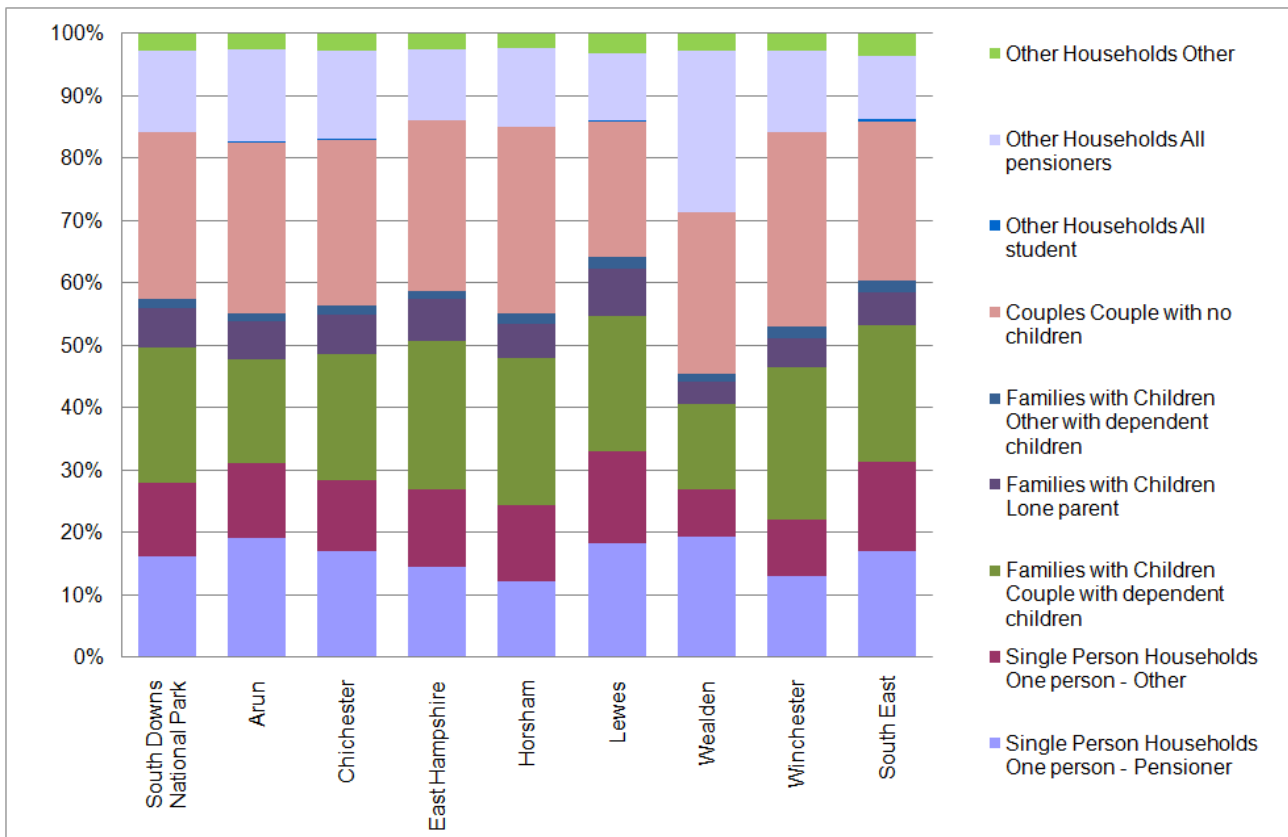
Source: ONS Mid-Year Population Estimates

Figure 3 shows the household composition in the South Downs National Park according to the 2001 census data¹. The most common household type in the South Downs National Park was couple households. Those without children accounted for 27% of the total while those with dependent children accounted for 22% of households in 2001. One person households also form a significant proportion of households in the National Park as one person-pensioners accounted for 16% of households and other single households accounted for 12% of the total.

Within the sub-areas of the South Downs National Park, the greatest concentration of one person pensioner households was found in that part of the National Park in both Arun and Wealden districts (19%), compared to 17% for the south east region. Wealden also accounted for the largest proportion of pensioners in other household types (26%). Other district areas within the National Park with a greater concentration of single elderly households than the regional average include: Lewes and Chichester.

¹ DTZ has drawn a best fit of the National Park's boundary using a ward level definition, which only includes those districts with significant population numbers within the National Park. Thus, the household composition of the following districts are not included in this analysis: Adur, Brighton and Hove, Eastbourne, Mid Sussex and Worthing.

Figure 3: Household Composition 2001



Source: ONS, Census 2001

Future Growth

Population and household projections are only available at district level, so cannot be analysed specifically for the National Park area. Local Authority projections indicate that between 2008 and 2033 the population for all the districts that overlap the National Park boundary could increase by 275,500 (or 11,000 per annum).

In 2033, 32% of the combined population in these districts will be older people (compared to 25% in 2008). The proportion of the population that is working age will decrease from 53% in 2008 to 48% in 2033; while the proportion of younger people will also decrease from 22% in 2008 to 21% in 2033.

In all the districts that overlap the National Park boundary, households are projected to grow by a total of 185,000 in the 25 years from 2008 to 2033 (or 7,400 per annum). Significant growth is projected in particular among single households, which are expected to increase by a total of 122,000 households across all the districts; as well as couples with no other adults (58,000); and lone parent households (25,000 increase over 25 years).

It is important to note that the majority of this projected population and household growth will occur outside the National Park, since only a small portion of some districts falls within the National Park boundary. Nevertheless large scale population growth may put pressure on surrounding settlements in meeting local affordable housing requirements.

6. Housing Need

DTZ has assessed the scale and nature of housing need in the South Downs National Park drawing on data from Housing Need Assessments undertaken by local authorities that cover the National Park. Full details of this review are contained in Appendix 4.

There are problems with simply aggregating of local authority housing need assessments, but doing so would indicate that there is a need for approximately 640 additional affordable homes annually in the National Park.²

A range of other indicators provide evidence of substantial need within the National Park area. There were estimated approximately 3,780 households on the waiting list in the National Park in 2010, representing around 5% of all households. Between 2008-2010, there was a 49% increase in the number of households on the list.

An unequivocal indicator of housing need is the number of homeless households within an area. By pro rating the number of households in each of the constituent local authorities, we expect that there were around 56 homeless households in the National Park in the year 2010-11. A comparison with the data from 2008 suggests that the level of homelessness has risen sharply over the last 3 years.

Further evidence that housing pressures have increased in recent years is provided by data on Housing Benefits. In June 2011, there were around 6,000 Housing Benefit claimants in the National Park (based on pro-rated District figures from June 2011).

It needs to be acknowledged that this 'top down' analysis of the scale of housing need within the National Park area has significant limitations because it does not specifically identify needs within the Park area.

However, in policy terms the top down analysis indicates that there is more need for affordable housing than capacity to deliver. From a policy perspective the aim should be to maximise provision of affordable housing consistent with other policy objectives.

There are some 'bottom up' assessments of housing need within the National Park which have been undertaken at the Parish level. Whilst there is not comprehensive coverage of the National Park area those assessments which have been done identify localised needs which have been used to justify the development of small scale affordable housing schemes.

The value of these localised studies is that they often focus on needs which need to be met within the National Park, rather than in settlements outside. This is the key area of debate in relation to the provision of affordable housing: even if housing need is identified within the National Park area, to what extent should needs be met where they arise and on what basis is this justified?

² This is an estimate of the scale of housing need within the South Downs National Park area, using the available District housing need assessment figures and pro rating them according to the population of each District within the National Park area.

7. Housing in the National Park and New Supply

An important aspect of housing policy for the National Park is to consider not just how much housing should be provided in the National Park, but where and what type and size of new homes are needed. In developing policy, the National Park needs therefore to be aware of the character of the existing housing stock.

DTZ has examined data from the 2001 Census on the characteristics of the homes in the National Park in terms of tenure and type of homes. The pattern of house prices has been examined and the historic levels of new provision analysed. Full details are contained in Appendix 5, along with details of how data has been analysed given that Census data is not easily analysed specifically for the SDNP area.

In 2001, three quarters of homes in the National Park were owner occupied, 14% were privately rented and 12% socially rented. DTZ's assessment is that the pattern of tenure is unlikely to have changed much in the National Park since 2001, though the percentage of social rented homes may have fallen slightly and the percentage of private rented properties may have increased slightly.

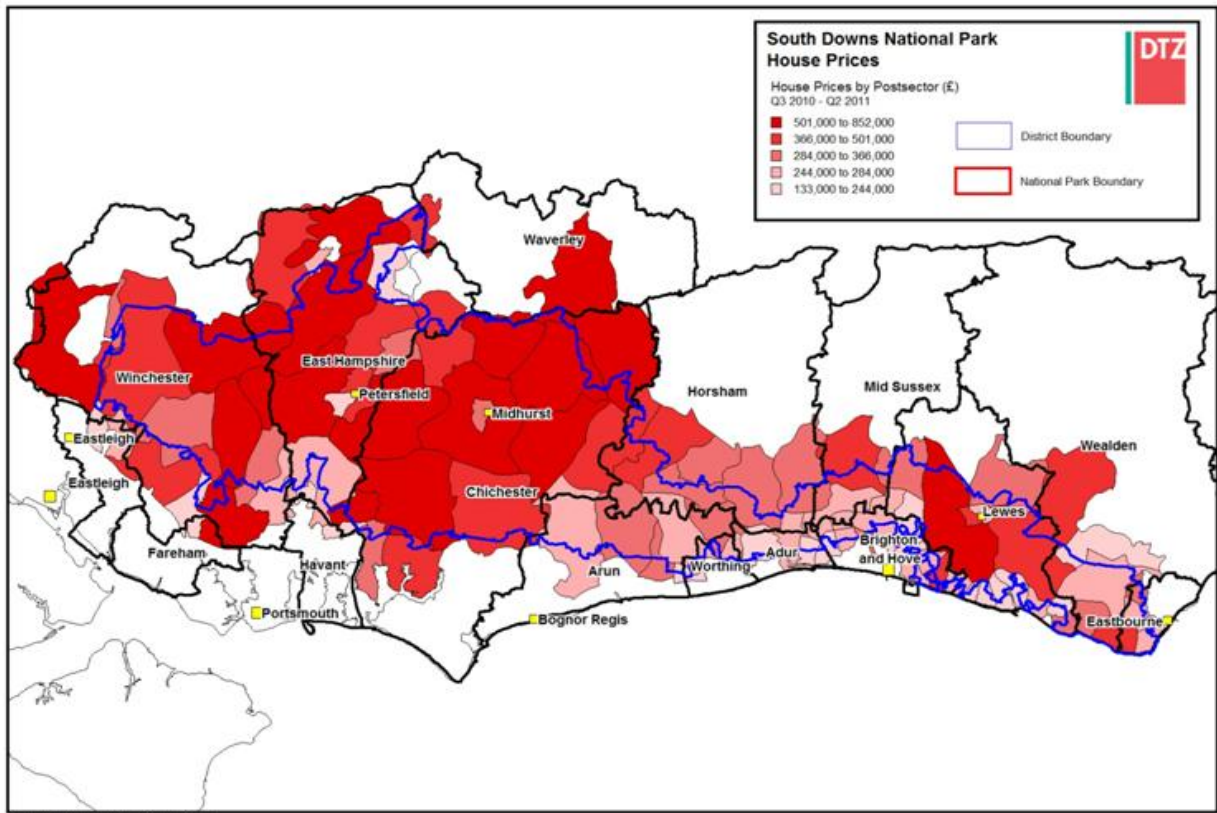
Over three quarters of all dwellings in the National Park are either detached houses (40%) or semi-detached (27%); with only 18% of homes being terraced houses and 12% flats. Detached and semi-detached houses are on average larger than terraced houses and flats. The National Park has a larger proportion of these types of dwelling than adjacent urban areas and the average in the South East.

The higher representation of larger dwelling types and under-representation of smaller dwelling types are a factor in the high average house prices that characterise the area (see Figure 4 below); and the difficulty of those on average or lower quartile earnings being able to access home ownership. However, even on a like for like basis, house prices in the National Park are likely to be higher than in adjacent urban areas because of the appeal of living in the National Park and the constrained supply of homes.

Average house prices in the western part of the National Park (Winchester, East Hampshire, Chichester) are generally higher than those in the central and eastern part of the National Park, with the exception of parts of Lewes District around the town of Lewes itself.

Regarding the supply of new homes, it is estimated that 2,500 houses were built in the National Park over the period 2001-2010, which corresponds to approximately 250 new homes built on average each year in the authorities with substantive parts of their administrative area in the National Park. This includes an annual supply of approximately 105 houses in East Hampshire, 67 in Chichester and 42 in Lewes, which is unsurprising given their greater contribution to the National Park population.

Figure 4: House Prices in South Downs National Park by Local Authority



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8. Policy Recommendations for the South Downs National Park Authority

The SDNPA is conducting research on settlement capacity and there may also be other studies that need to be taken together to inform the overall policy approach. However DTZ has identified some key areas where the SDNPA would be able to use policy to support its objective *to seek to foster the social and economic well-being of local communities*, without compromising its objectives: *to conserve and enhance the natural beauty, wildlife and cultural heritage of the area*; and *to promote opportunities for the understanding and enjoyment of the special qualities of the area by the public*.

As with the other National Parks reviewed in this study, in addition to the statutory duty to conserve and enhance the National Park, DTZ would suggest that the main thrust of housing policy should be an emphasis on providing affordable housing and keeping homes accessible to local residents and workers. This reflects the fact that throughout the Park, demand for housing will exceed supply, with most of that demand arising from outside the area.

It may well be, however, that a rather different stance needs to be taken in relation to Lewes town, and Petersfield, the two largest settlements in the National Park, where, subject to capacity studies, it is likely to be reasonable to develop market homes for sale, without any requirement for local connection; though such developments should provide a full quota of affordable housing alongside market provision. There may be other sites where the scale of development implies market provision.

Policies by Settlement

In determining appropriate housing and settlement policies, it is useful to consider the Draft National Planning Policy Framework principles related to housing provision in rural areas.

Paragraph 112 states that in rural areas, *local planning authorities should be responsive to local circumstances and plan housing development to reflect local requirements, particularly for affordable housing. Local planning authorities should in particular consider whether allowing some market housing would facilitate the provision of significant additional affordable housing to meet local needs. To promote sustainable development, housing in rural areas should not be located in places distant from local services.*

Paragraph 113 however observes the condition that *local planning authorities should avoid isolated homes in the countryside unless there are special circumstances such as:*

- *the essential need for a rural worker to live permanently at or near their place of work in the countryside; or*
- *where development would ensure the future of buildings of special architectural or historic interest; or*
- *where the development would re-use redundant or disused buildings and lead to an enhancement to the immediate setting; or*
- *the exceptional quality or the innovative nature of the design of the dwelling. Such a design should:*
 - *be truly outstanding or innovative, helping to raise standards of design more generally in rural areas*
 - *reflect the highest standards in architecture*
 - *significantly enhance its immediate setting; and*
 - *be sensitive to the defining characteristics of the local area.*

The use of settlement hierarchy has been widespread in National Parks reviewed to establish policies for new housing development and there will be a need to undertake some settlement specific work in the South Downs National Park to identify with local communities' capacity for new development in larger settlements, whilst adhering to the principles outlined in the Draft National Planning Policy Framework.

- For example, the work currently being undertaken in Petersfield may be useful to replicate in Lewes to identify capacity for new development. This would apply to all settlements categorised as **tier 1** – which would warrant their own policies and where it is likely to be appropriate to plan for provision of a variety of housing provision as part of an overall strategy to foster the economic, social and cultural vitality of the towns.
- The other market towns such as Midhurst and Petworth, categorised as **tier 2** settlements with substantial populations and services, could accommodate appropriate small scale and housing development to meet the needs of local people. Again DTZ would envisage that there would be a need for town specific studies to be undertaken to identify the need and potential for development.
- An exercise will be needed to identify in which of the **tier 3** villages there is scope for additional housing on small sites. These will be larger villages where current or past local authority policies have identified there may be some land allocation for housing. There will need to be policies for dealing with windfall development proposals in these settlements, as well as whether there should be a site allocation.
- The smaller villages (**tier 4**) would be identified as settlements where any new housing proposals would be limited to exceptions sites – though again the SDNPA will need to have policies in order to determine applications for residential development on windfall sites. Consideration would need to be given to how the SDNPA will seek to enable communities to identify local needs and bring forward exception sites.
- All other settlements (eg hamlets comprising just a few dwellings) would essentially be regarded as subject to the same policies for residential development as applying to development proposals in open countryside – since by definition they are not deemed to be a suitable location for even exceptions site development. Proposals for new housing development would probably be entirely exceptional or related to redevelopment or reuse of existing buildings.

Affordable Housing and Local Connection Policies

Affordable Housing. DTZ envisage that the SDNPA would wish to consider a National Park wide requirement for 50% affordable housing requirement with no threshold, though development of a single housing unit might meet the obligation through a commuted payment. Such a policy would need to be subject to a viability test.

The SDNPA might also need to consider linking the affordable housing policies to policies on development density. The development industry might be very inclined to bring forward single dwelling proposals on relative large sites, thus avoiding on site affordable housing provision, unless the SDNPA specifies minimum density requirements.

Consideration might be given to the development model being promoted by New Forest District Council on sites just outside the National Park where sites have been specifically identified for 70% affordable housing provision.

DTZ would envisage that SDNPA would wish to develop a local connection policy which would, at minimum, inform allocation and sale decisions for affordable rent and low cost home ownership properties. However, this might be extended to new build market homes in certain settlements in the National Park; though it might not be deemed appropriate to the larger settlements.

The sorts of local connection/residency criteria that might be considered could include:

- i) Existing residents of the National Park establishing a separate household or purchasing a property for the first time.
- ii) A head of household who is or whose partner is in or is taking up full-time permanent employment in an already established business within the National Park. Where a person is employed in an established business that operates in multiple locations, their employment activities should take place predominantly inside the National Park.
- iii) Householders currently living permanently in a dwelling which is either shared but not self contained, overcrowded, or is otherwise unsatisfactory by environmental health standards and which is within the National Park.
- iv) Elderly or disabled persons requiring sheltered or otherwise more suitable accommodation who already live permanently within the National Park.
- v) Former residents of the National Park whose case is accepted in writing by the Authority as having a need to return to the National Park.

Open Market Housing. In line with Paragraph 112 in the Draft National Planning Policy Framework, it may be appropriate to provide some market housing if it facilitates the provision of significant additional affordable housing to meet local needs. In this case, it might be also be appropriate to apply a local connection policy. Consideration should be given to the encouragement of development of smaller units, since the evidence is that the area has a smaller proportion of generally smaller dwelling types, and this is a factor in the lack of housing affordability in the area.

Exceptions Sites: Smaller rural settlements are scattered across the National Park with development limited to that of an appropriate scale and character to the National Park. Therefore work will be needed to develop community based approaches to bringing forward rural exceptions sites for development of affordable housing and to preserve or provide facilities and services needed to create sustainable local communities in the long term.

Replacement Dwellings and Extensions: As with Paragraph 144 of the Draft National Planning policy Framework which deems construction of new buildings inappropriate in the Green Belt, the National Park Authority should consider placing restrictions on the size and nature of replacement dwellings and extensions to existing dwellings. For example, the SDNPA might consider developing a policy similar to that suggested in the draft for in Green Belt areas. Such a policy would indicate that outside of identified settlements that the construction of new buildings would be inappropriate except for:

- buildings for agriculture and forestry (or other industry of importance to the National Park)

- provision of appropriate facilities for outdoor sport, outdoor recreation and for cemeteries, as long as it preserves the openness of the National Park and does not conflict with the purposes of including land within it
- the extension or alteration of a building provided that it does not result in disproportionate additions over and above the size of the **original** building
- the replacement of a building, provided the new building is not materially larger than the one it replaces
- limited infilling in villages, and limited affordable housing for local community needs under policies set out in the Local Plan; or
- limited infilling or the partial or complete redevelopment of previously developed sites (excluding temporary buildings), whether redundant or in continuing use, which would not have a greater impact on the openness of the National Park and the purpose of including land within it than the existing development.

These recommendations have at their heart an approach which would seek to define what sort of housing provision is needed and appropriate for different settlements in the National Park, by reference to where settlements are placed in the overall settlement hierarchy. In doing this, consideration would need to be given to the role that larger settlements located immediately outside the Park boundaries play in this hierarchy and the policies of the Local Planning Authorities for these settlements.