

Strategic Housing Market Assessment

South Downs National Park Authority

Final Report

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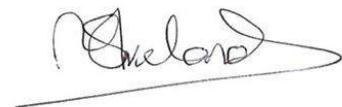
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EXECUTIVE SUMMARY

A Strategic Housing Market Assessment (SHMA) is required by Paragraph 159 of the National Planning Policy Framework (NPPF) to inform future Local Plan policies for housing provision, based on adequate, up to date and relevant evidence.

A SHMA is required to assess the overall need for housing; the need for different types of housing, including affordable housing; and the housing needs of different groups within the community. In 2014 the South Downs National Park Authority (SDNPA) commissioned GL Hearn to prepare a Strategic Housing Market Assessment for the South Downs National Park (SDNP).

The Planning Practice Guidance (PPG) sets out a standard approach to assessing the full need for market and affordable housing. The approach taken in this report is in line with the Guidance, however the interpretation of the results and the policy implications are different for a National Park than they are for other areas.

The Role of the National Park

The SDNPA is the planning authority within the National Park. The SDNPA has two statutory purposes to:

- i. Conserve and enhance the natural beauty, wildlife and cultural heritage of the area; and*
- ii. Promote opportunities for the understanding and enjoyment of the special qualities of the Park by the public.*

Where there is an irreconcilable conflict between the statutory purposes, the 'Sandford Principle' is statutorily required to be applied and the first Purpose of the National Park is given priority. Paragraph 115 in the NPPF reaffirms this, setting out that:

"great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage are important considerations in all these areas, and should be given great weight in National Parks and the Broads."

National Park Authorities also need to take into account the English National Parks and the Broads: UK Government Vision and Circular 2010 (hereafter referred to as the 2010 Circular) which requires the authorities to foster and maintain thriving rural economies, and support the delivery of affordable housing. The 2010 Circular recognises that National Parks often have higher house prices than surrounding areas, and can include low paid jobs in their local economies. It clearly sets out that

national park authorities have an important role to play in the delivery of affordable housing, setting out that:

“Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the National 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. The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer-term.”

There is thus a particular emphasis in national policy on meeting affordable housing needs within national parks; and recognition that unrestricted provision of housing (such as meeting the full need for market and affordable housing) is not likely to be appropriate.

Assessing Housing Need in a National Park in a National Context

Planning Practice Guidance (PPG) sets out a standard approach to assessing the full need for market and affordable housing. The approach adopted to assessing housing needs in this report is consistent to this.

However, the assessment of overall housing need is somewhat theoretical, as it ‘leaves aside’ development constraints, as it is required to do, and thus does not take account of the SDNP’s designation.

In policy terms, the emphasis on seeking to meet full objectively assessed housing need, as set out in Paragraph 14 in the NPPF, does not apply in national parks where it can be shown that this conflicts with the statutory purpose of conserving and enhancing. The policy framework for national parks focuses primarily on seeking to deliver affordable housing to meet local needs. Affordable housing need is therefore considered in detail in this SHMA.

The footnote to Paragraph 14 clearly outlines that the Framework accepts the designation of a National Park may restrict development, where appropriate if it fails to conserve landscape and scenic beauty – and thus there is not an expectation that the SDNPA will seek to meet its objectively assessed housing needs in full. Instead, as set out above, the policy focus is on meeting local needs with a specific focus on providing affordable housing within the SDNP; and working with local authorities to plan to meet housing needs across the wider HMAs.

- In consideration of national planning policy, we therefore consider that: The SDNPA should plan to meet a proportion of these housing needs within the National Park itself, in particular to meet the local affordable housing need;
- This proportion would be defined (for the purposes of the SDNPA’s Local Plan) taking account of the statutory Purposes and Duty and 2010 Circular based on:

- Meeting local housing needs, particularly for affordable housing;
- Supporting local employment opportunities and key services;
- Landscape impact and development constraints.
- The SDNPA needs to work with local authorities to establish full housing need for the relevant Housing Market Areas which cut across the SDNP. These assessments should be free of constraints.

This assessment thus seeks to consider housing need - identifying in particular the need for affordable housing. Overall housing needs are assessed, leaving aside development constraints as Planning Practice Guidance requires, for comparative purposes only – not least in allowing the SDNPA to engage with local authorities within the various Housing Market Areas which cut across the SDNP.

There is not an expectation in the NPPF that the full objectively assessed need (OAN) for housing will be met in full within the National Park.

Housing Need in the South Downs National Park

Delivery of affordable housing is clearly established as an appropriate priority in the 2010 Circular. Thus for the purposes of the SDNPA a more appropriate assessment of need is that which reflects the affordable housing need. A bespoke demographic model has been developed to estimate housing need within the South Downs National Park (SDNP). This requires the definition of Housing Market Areas (HMAs) that cover part (or all) of the National Park. Defining HMAs is not an exact science and there is no single source of information that will clearly identify them. It should be noted that the National Park boundary crosses four different HMA areas.

The SHMA analysis indicates that 294 additional households per year require affordable housing (using a 30% income threshold).

Affordable housing provision will help to allow younger households to form and/or live within the National Park. Such households are important in supporting the vibrancy of the local economy and local communities.

Prioritising the development of affordable housing within the SDNP is based on taking account of:

- The emphasis in guidance on seeking to meet local needs and deliver affordable homes;
- A likelihood that housing supply will be constrained given the National Park's designation and the priority of landscape conservation;
- Economic and sustainability benefits in enabling people to live locally and helping local businesses recruit staff;
- Supporting vibrant local communities which include a mix of people of different ages;
- High affordability pressures; and
- A housing offer which is currently focused towards larger/ expensive property types.

The report provides an indicative assessment of affordable housing need at a HMA level which, although less robust than the park-wide assessment, provides a good indication of the proportional distribution of affordable housing need, across the four housing market areas. This is shown below.

Table 1: Need for Affordable Housing – Per Year

Area	Current need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Coastal Sussex	19	216	120	355	208	148
Eastbourne	1	15	3	19	5	14
Northern West Sussex	1	16	5	22	8	14
Central Hampshire	12	167	70	249	130	119
SDNP (Overall)	33	415	197	644	350	294

The report also considered the overall need for housing, leaving aside development constraints.

The SHMA analysed the different housing market areas (HMAs) within and around the SDNP and concluded that the most logical HMAs were:

- Central Hampshire – covering parts of the National Park in East Hampshire and Winchester;
- Coastal Sussex – covering parts of the National Park in Chichester, Arun, Worthing, Adur, Brighton and Hove and Lewes;
- Northern West Sussex – covering parts of the National Park in Horsham and Mid Sussex; and
- Eastbourne – covering areas of the National Park in Eastbourne and Wealden authorities.

The SHMA then considered population projections for the SDNP, which are historically lower than the rest of the South East region and projected this forward. Four scenarios were considered;

- Based on the previous 5 years growth trends
- Based on the previous 10 years growth trends
- Based on zero net migration, and
- Based on zero population growth.

Based on the analysis and the degree of change over recent years using 5 year growth trends was determined to be most suitable/reliable.

The closest approximation of Objectively Assessed Need in the SDNP is for between 416 and 454 homes per year. The lower end of this range is based on a 'blended headship' rate scenario which reflects a blend between the 2011-based which reflects and takes forward recessionary household formation rates and the pre-recession 2008-based which reflect and take forward higher household

formation rates. The higher end of the range models a more positive scenario still for household formation, with household formation rates returning towards longer-term trends over the period to 2033.

The SHMA also looks at the mix of housing required across the National Park as well as the needs of specific groups within it. These groups include older persons, BME groups and younger people. Detail of this can be found in Chapter 11 of the report.

1 INTRODUCTION

- 1.1 The South Downs National Park Authority (SDNPA) is in the process of developing a Local Plan, which will cover the South Downs National Park (SDNP) area. Submission of the Plan is scheduled for October 2016. The SDNPA is in the process of developing an evidence base to inform and support policies within the Local Plan.

Context

- 1.2 The SDNPA is the planning authority within the National Park. The SDNPA has two statutory purposes to:

- iii. Conserve and enhance the natural beauty, wildlife and cultural heritage of the area; and*
- iv. Promote opportunities for the understanding and enjoyment of the special qualities of the Park by the public.*

- 1.3 In carrying out these purposes, the SDNPA has a duty to foster the economic and social well-being of local communities within the SDNP.

- 1.4 Section 62 of the Environment Act 1995 requires all relevant authorities, including statutory undertakers and other public bodies, to have regard to these purposes. Where there is an irreconcilable conflict between the statutory purposes, the 'Sandford Principle' is statutorily required to be applied and the first Purpose of the National Park will be given priority. The Sandford Principle relates to a statement first made by Lord Sandford in his committee report on possible changes to the management and legislation governing National Parks and now in the Environment Act 1995 which states that: 'if it appears that there is a conflict between those two Purposes, any relevant Authority shall attach greater weight to the first [Purpose]'.

- 1.5 Paragraph 115 in the NPPF reaffirms this, setting out that "*great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage are important considerations in all these areas, and should be given great weight in National Parks and the Broads.*"

- 1.6 National Park Authorities also need to take into account the 2010 Circular¹ which sets out national policy in respect of National Parks. In this the Government is clear that action by National Park Authorities should include fostering and maintaining thriving rural economies, and supporting the delivery of affordable housing.

¹ DEFRA (2010) English national parks and the broads: UK government vision and circular 2010

- 1.7 The 2010 Circular recognises that National Parks often have higher house prices than surrounding areas, and can have include low paid jobs in their local economies. It clearly sets out that national park authorities have an important role to play in the delivery of affordable housing, setting out that:

“Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the National 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.

The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer-term.²”

- 1.8 There is thus a particular emphasis in national policy on meeting affordable housing needs within national parks; and recognition that unrestricted provision of housing is not appropriate.

Purpose of this Report

- 1.9 To put this work in context, a Strategic Housing Market Assessment (SHMA) is required by Paragraph 159 of the National Planning Policy Framework (NPPF)³ to inform future Local Plan policies for housing provision, based on adequate, up to date and relevant evidence. A SHMA is required to assess the overall need for housing; the need for different types of housing, including affordable housing; and the housing needs of different groups within the community.
- 1.10 Planning Practice Guidance⁴ (PPG) sets out a standard approach to assessing the full need for market and affordable housing. The approach adopted in this report in assessing overall housing needs is consistent with the PPG.
- 1.11 However, the assessment of overall housing need is somewhat theoretical, as it required to ‘leave aside’ development constraints, as it is required to do, and thus does not take account of the SDNP’s designation.
- 1.12 **In policy terms, the emphasis on seeking to meet full objectively assessed housing need, as set out in Paragraph 14 in the NPPF, does not apply in national parks where it can be shown that this conflicts with the statutory purpose of conserving and enhancing. The policy framework for national parks focuses primarily on seeking to deliver affordable housing to meet local needs. Affordable housing need is therefore considered in detail in this SHMA.**
- 1.13 The footnote to this Paragraph clearly outlines that the Framework accepts the designation of a National Park may restrict development, where appropriate if it fails to conserve landscape and

² DEFRA (2010) Circular: National Parks, Paragraphs 78 and 79

³ CLG (March 2012) *National Planning Policy Framework*

⁴ Planning Practice Guidance on Housing and Economic Development Needs Assessments

scenic beauty – and thus there is not an expectation that the SDNPA will seek to meet its objectively assessed housing needs in full. Instead, as set out above, the policy focus is on meeting local needs with a specific focus on providing affordable housing within the SDNP; and working with local authorities to plan to meet housing needs across the wider HMAs.

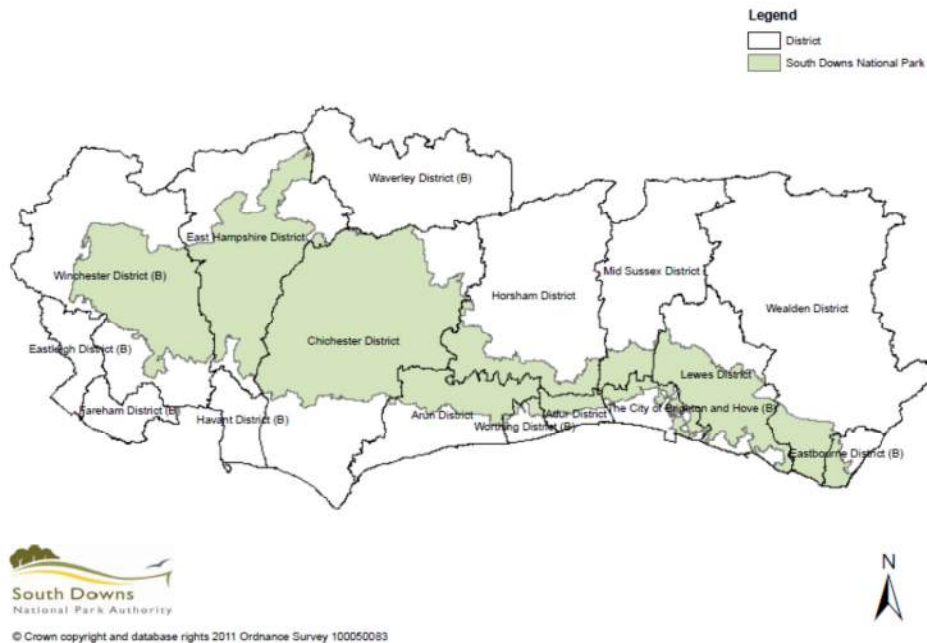
- In consideration of national planning policy, we therefore consider that: The SDNPA should plan to meet a proportion of these housing needs within the National Park itself, in particular to meet the local affordable housing need;
- This proportion would be defined (for the purposes of the SDNPA's Local Plan) taking account of the statutory Purposes and Duty and 2010 Circular based on:
 - Meeting local housing needs, particularly for affordable housing;
 - Supporting local employment opportunities and key services;
 - Landscape impact and development constraints.
- The SDNPA needs to work with local authorities to establish full housing need for the relevant Housing Market Areas which cut across the SDNP. These assessments should be free of constraints.

1.14 This assessment thus seeks to consider housing need - identifying in particular the need for affordable housing, as well as considering the mix of housing and the housing needs of specific groups within the population. Overall housing needs are assessed, leaving aside development constraints as Planning Practice Guidance requires, for comparative purposes – not least in allowing the SDNPA to engage with local authorities within the various Housing Market Areas which cut across the SDNP.

1.15 **There is not an expectation in the NPPF that full objectively assessed need (OAN) for housing will be met in full within the National Park.**

1.16 Figure 1 shows the boundary of the SDNP and the local authority areas which cut across it. The SDNP cuts across twelve local authority and 3 county areas, stretching from the edges of Winchester in the west to Eastbourne in the east. Its main settlements include the market towns of Petersfield, Petworth, Midhurst and Lewes.

Figure 1: South Downs National Park



Source: SDNP, 2014

- 1.17 Paragraph 159 of the NPPF also emphasises that planning for housing provision should be coordinated across Housing Market Areas (HMAs) and requires Local Planning Authorities (LPAs) to work together where these cross local authority boundaries to meet housing needs. The SDNPA has been a partner in the preparation of SHMAs for several HMAs, including work in the Sussex Coast HMA.
- 1.18 The duty to cooperate applies to the SDNPA and the Local authorities within the housing Market Areas (HMAs) which cut across the National Park. The NPPF sets out that local authorities will need to work together across relevant HMAs to identify housing need and seek to meet this as far as it is sustainable to do so.
- 1.19 Within this report we identify the Housing Market Areas which included parts of the National Park and profile the population characteristics of the SDNP area, in terms of age, ethnicity, occupations, skills and household composition. This draws on 2011 Census data and is benchmarked against the wider HMAs and the region. The Office for National Statistics (ONS) Mid-Year Population Estimates are used to track population trends and how the age structure has changed for those Housing Market Areas.
- 1.20 Using Census data, we profile the housing stock by type, tenure, and number of bedrooms; and track how this has changed between 2001-11. We have also looked at occupancy of housing (over/under occupancy) together with levels of household spaces with no usual residents.

- 1.21 The report investigates affordable housing need within the National Park. Our approach focuses on assessing current housing need; but undertakes more detailed modelling in those areas where a higher proportion of the population falls within the SDNP – these being Chichester, Lewes, Winchester and East Hampshire.
- 1.22 A bespoke demographic model has been developed to estimate housing need within the South Downs National Park (SDNP). This uses Census data and Mid-Year Estimates from ONS. The model provides the potential to disaggregate housing need (covering both market and affordable housing) for the larger authorities – Chichester, Lewes, Winchester and East Hampshire; with the other authorities with smaller populations within the SDNP included as a single group for each HMA. The bespoke demographic modelling builds on and seeks to augment work undertaken previously, including that which has supported the development of Joint Core Strategies for East Hampshire, Winchester, Lewes and Wealden.
- 1.23 We have used this model to run a range of scenarios to review the impact of different assumptions on migration and maintaining population base overall and for certain key groups. For these scenarios, we have calculated the level of housing need and assessed how the age structure changes, as well as the impact on the resident workforce.
- 1.24 The report assesses house prices across the SDNP and how these compare to surrounding areas, and assessed house price trends. It looks at local level price differentials across different parts of the SDNP.

Note on Geographies

The National Park boundary does not reflect any administrative or standard boundary as the designation is landscape-based rather than population or politically-based. Therefore many of the datasets we would normally use to prepare a SHMA are not readily available specifically for the SDNP area.

There is some limited data, which is taken from the census, which accurately reflects the SDNP Boundary. Where possible we have used this data as a first choice.

Where specific data is not available for the South Downs Local Plan (SDLP), we have therefore developed a geography based on aggregating Middle Super Output Areas (MSOA) data to reflect a “best fit” to the SDNP. However this geography, by its nature, extends slightly beyond the SDNP boundary and any data relating to it would not exactly correspond with the National Park. Indeed it captures a number of villages and built development which are outside the National Park. Specific statistics should therefore be treated with a degree of caution.

In addition some data has been aggregated to HMAs. These extend well beyond the National Park boundary. The nature of these areas is described in more detail in Section 2.

We refer to these areas respectively as:

- The South Downs National Park (SDNP);
- Wider South Downs Area (WSDA); and
- Housing Market Areas (HMAs).

Report Structure

1.25 Following the introductory section the remainder of the report is set out as follows:

- Chapter 2 - Housing market geographies;
- Chapter 3 - interpreting the policy framework;
- Chapter 4 - Review of existing evidence;
- Chapter 5 - Population and socio-economic profiling;
- Chapter 6 - Affordable housing need;
- Chapter 7 - Demographic projections;
- Chapter 8 – Interaction of the economy and housing market;
- Chapter 9 – Housing market dynamics;
- Chapter 10 - Need for different sizes of homes;
- Chapter 11 - Needs of specific groups; and
- Chapter 12- Conclusions.

2 HOUSING MARKET GEOGRAPHIES

- 2.1 The NPPF states that local planning authorities should use their evidence base to ensure Local Plans meet their full objectively assessed needs for market and affordable housing in their HMAs.
- 2.2 An HMA is a geographical area in which the majority of people who move will move within. It reflects functional relationships between where people live and work. However, defining HMAs is not an exact science and there is no single source of information that will clearly identify them.

Planning Practice Guidance

- 2.3 The Planning Practice Guidance on *Housing and Economic Development Needs Assessments* sets out that housing market areas can broadly be defined using three sources of information:
- House prices and rates of change in house prices – which can be used to provide a ‘market based definition’ based on areas with similar price characteristics;
 - Household migration and search patterns – to identify areas within which the majority of moves (excluding long-distance moves) are contained;
 - Contextual data – such as travel to work areas, or retail and school catchment areas.
- 2.4 No guidance is given as to what weight should be attached to different factors. This effectively will depend on local circumstances.

PAS Technical Advice Note and the CURDS Research

- 2.5 The Planning Advisory Service (PAS) has published a Technical Advice Note on *Objectively Assessed Need and Housing Targets*, prepared by Peter Brett Associates (PBA, June 2014). This outlines that in practice, the main indicators used to define HMAs are migration and commuting patterns. However a problem in drawing boundaries is that the largest flows from one authority are often with its immediate neighbouring authorities, thus:

“If each authority works independently to define an optimal HMA each authority may draw a different map, centred on its own area.”

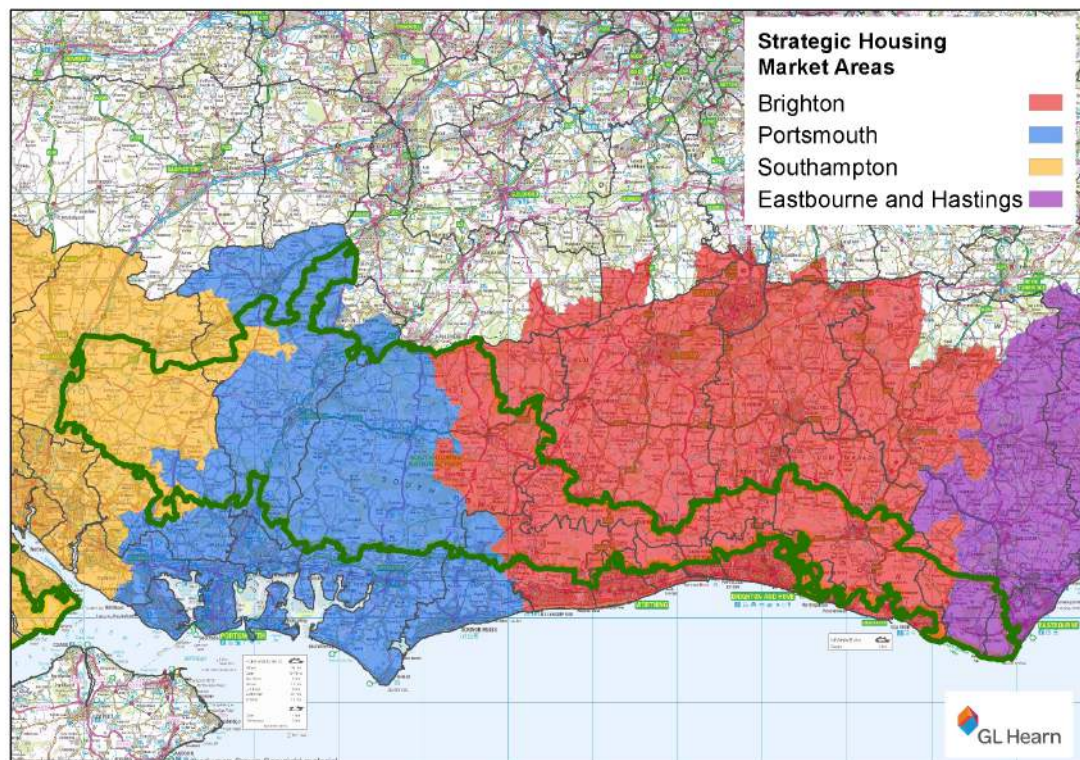
- 2.6 On this basis it advocates starting out with a top-down analysis which starts by looking at the country as a whole.
- 2.7 National research undertaken for Government by a consortium of academics led by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University has sought to define housing markets across England. It considered commuting and migration dynamics (based on 2001 Census data) and house prices (standardised for differences in housing mix and neighbourhood characteristics). This information was brought together to define a three level structure of housing markets, as follows:

- Strategic (Framework) Housing Markets – based on 77.5% commuting self-containment;

- Local Housing Market Areas – based on 50% migration self-containment; and
- Sub-Markets – which would be defined based on neighbourhood factors and house types.

- 2.8 An alternative single tier 'silver standard' geography is presented (i.e. single tier of local/unitary authorities), which CURDS considered inferior to the two-tier geography (county and local/unitary authorities); but which PBA thought was preferable. This is debatable, and the CURDS Study itself effectively suggests that the local market areas may be more preferable in urban areas (not least on practical grounds) with the strategic markets perhaps better outside of this.
- 2.9 The Peter Brett report identifies the CURDS Study as providing the best available starting point for drawing HMAs, but one which should be regarded as a "starting point" and sense-checked against local knowledge and more recent data with boundaries adjusted accordingly.
- 2.10 The CURDS research identified four different strategic housing markets operating across the National Park area. These strategic housing market areas are centred on the major coastal urban areas of Southampton, Portsmouth, Brighton and Eastbourne/ Hastings. Figure 2 illustrates the extent of these areas.

Figure 2: CURDS Strategic Housing Market Areas



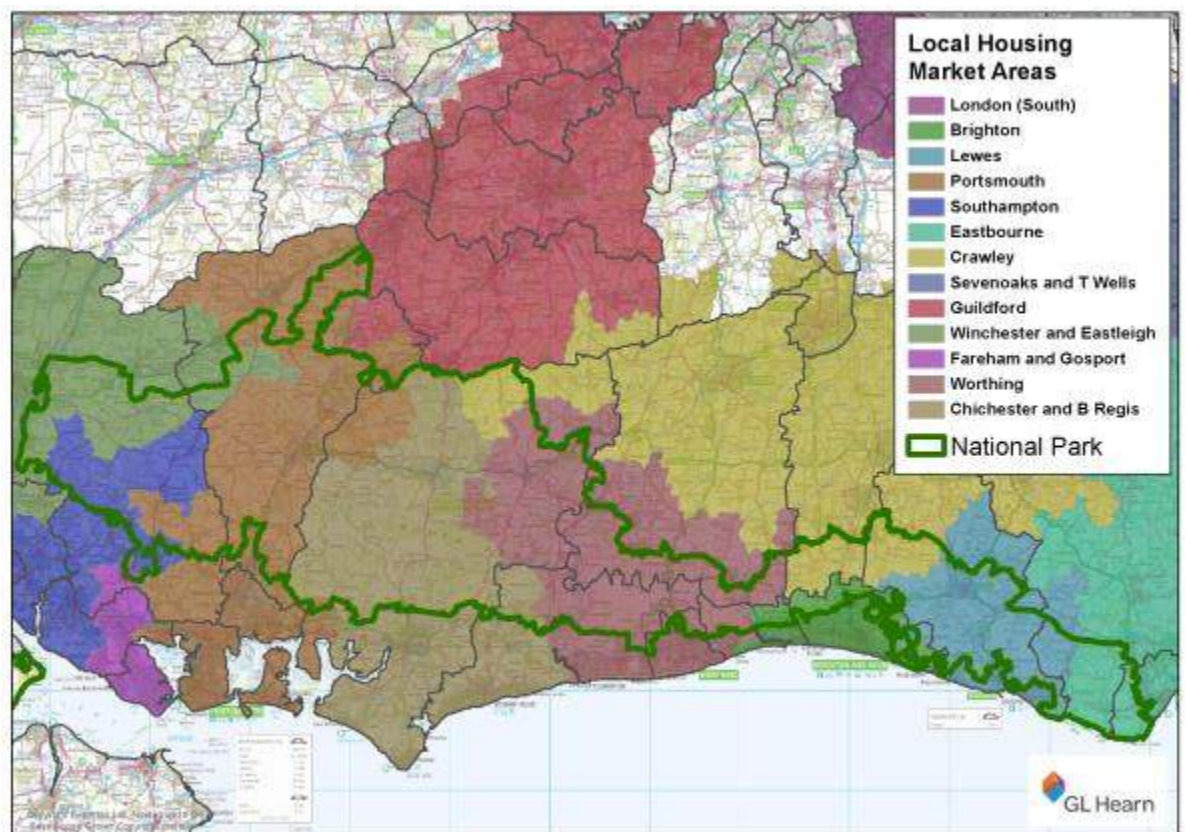
Source: CLG 2010

- 2.11 There is some logic to this geography reflecting the narrow and built up nature of the belt of land which falls between the National Park and the South Coast. In view of this it does seem reasonable

that the market areas of the major towns and cities along the South Coast will stretch inland into the National Park.

- 2.12 The local HMAs defined in the CURDS research are set out in Figure 3. In contrast to the strategic housing market areas based on commuting, these are based on migration flows between 2000-01 (but constrained to the strategic HMA boundaries). They show nine local housing markets which cut across the National Park based on: Winchester/Eastleigh; Southampton; Portsmouth; Chichester/Bognor Regis; Worthing; Brighton; Crawley; Lewes; and Eastbourne.

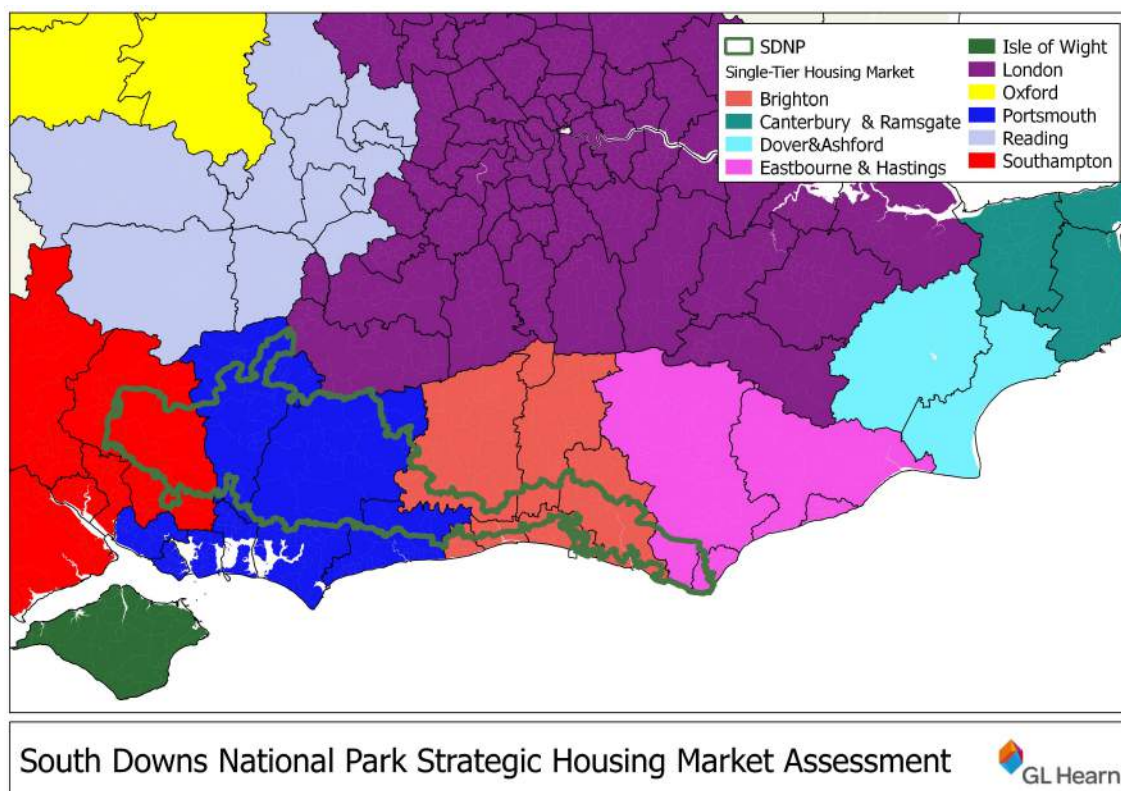
Figure 3: CURDS Local Housing Market Areas



Source: CLG 2010

- 2.13 The alternative 'single tier' HMAs, which PBA prefer, shows a slightly different geography. Again this shows markets which are based on the larger urban areas and their hinterlands, focused on Southampton, Portsmouth and Brighton and a separate Eastbourne -focused market which includes Wealden, Hastings and Rother (see Figure 4).

Figure 4: CURDS Single Tier Housing Market Areas



Source: CURDS

2.14 The geographies set out are based on ward-level analysis. However as key demographic data which is used to assess housing need is principally published by Government at a local authority level, it is recognised standard practice to define HMAs based on the 'best fit' to local authority boundaries.

2.15 The 'best fit' of local authorities to the Strategic HMAs is set out in Table 2.

Table 2: Best Fit of Authorities to Strategic HMAs

Strategic HMA	'Best Fit' Local Authorities
Eastbourne and Hastings	Eastbourne, Hastings, Rother, Wealden
Brighton	Brighton and Hove, Lewes, Adur, Crawley, Horsham, Mid Sussex, Worthing
Portsmouth	Portsmouth, East Hampshire, Fareham, Gosport, Havant, Arun, Chichester
Southampton	Southampton, Eastleigh, New Forest, Test Valley, Winchester

Source: CURDS

2.16 The 'best fit' of local authorities to the Single Tier HMAs set out by CURDS is outlined in Table 3. In this alternative geography, Eastbourne is included within a Brighton HMA; and a separate Chichester and Bognor HMA is defined.

Table 3: Best Fit of Authorities to Single Tier HMAs

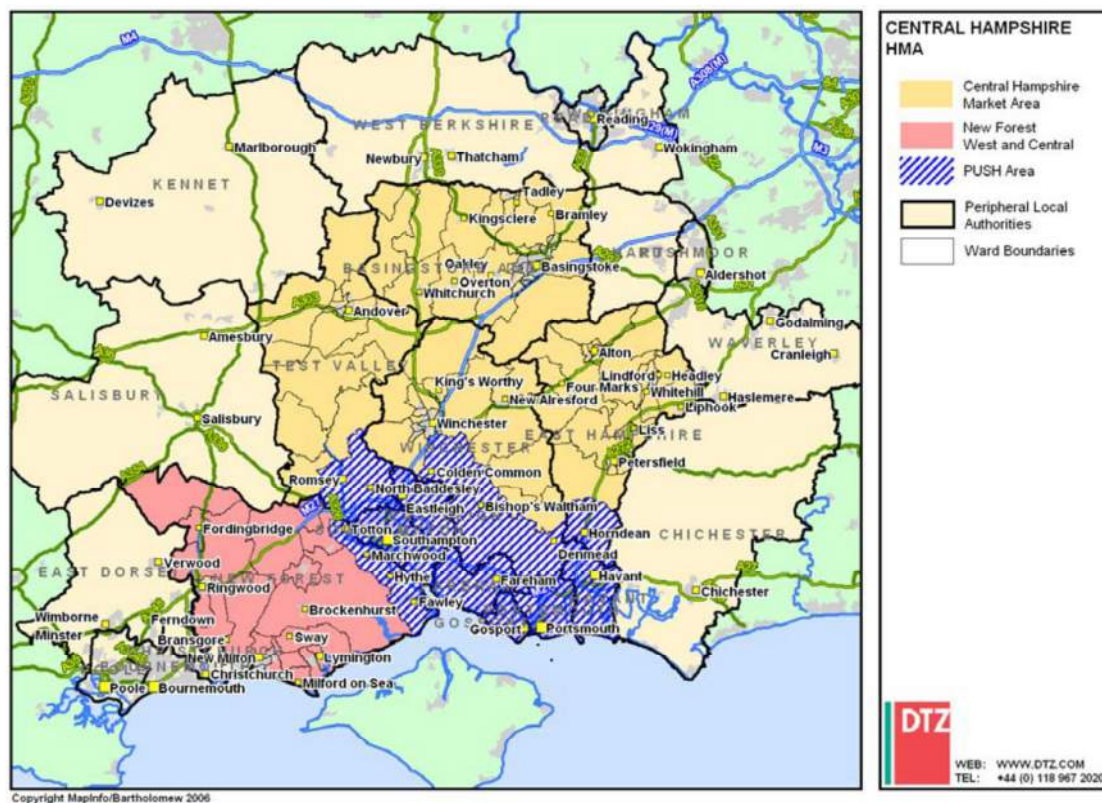
Strategic HMA	'Best Fit' Local Authorities
Brighton	Brighton and Hove, Eastbourne, Lewes, Wealden, Adur, Crawley, Horsham, Mid Sussex, Worthing
Chichester & Bognor	Arun, Chichester
Portsmouth	Portsmouth, Havant, East Hampshire
Southampton	Southampton, Eastleigh, Fareham, Gosport, New Forest, Test Valley, Winchester

Source: CURDS

Existing SHMA Studies

- 2.17 As well as the existing national evidence, the majority of local authorities have commissioned studies which separately identify HMA geographies. In most cases these differ from the national evidence, largely as they use a wider variety of evidence e.g. house price differentials, and in most cases (on a pragmatic basis) are drawn to fit local authority boundaries.
- 2.18 The Local Authority studies vary in their date and have generally included a review of HMA boundaries taking account of the same factors which have informed the CURDS analysis and are identified in Guidance.
- 2.19 Whilst the CURDS analysis is based principally on analysis of 2001 Census data, which is now somewhat dated. The more recent SHMAs will take account of more recent data regarding migration (and in some cases commuting) flows between different local authorities. In most instances they have also looked at house prices, although in a few cases this doesn't determine their conclusions). They also capture stakeholder views regarding local inter-relationships on the ground.
- 2.20 DTZ's Central Hampshire and New Forest SHMA in 2007 defined a Central Hampshire HMA focused on Basingstoke, Winchester and Andover. This was based on an analysis of migration and commuting flows at ward level using 2001 Census data. This approach was also used to define the South Hampshire (PUSH) Area and subsequently the two HMAs (Southampton and Portsmouth) which fall within it. Figure 5 shows the distinction between these areas. The DTZ Study however comments that there is a close relationship between Winchester and South Hampshire (which would seem reasonable to us based on transport links).

Figure 5: South and Central Hampshire Housing Market Areas



Source: DTZ

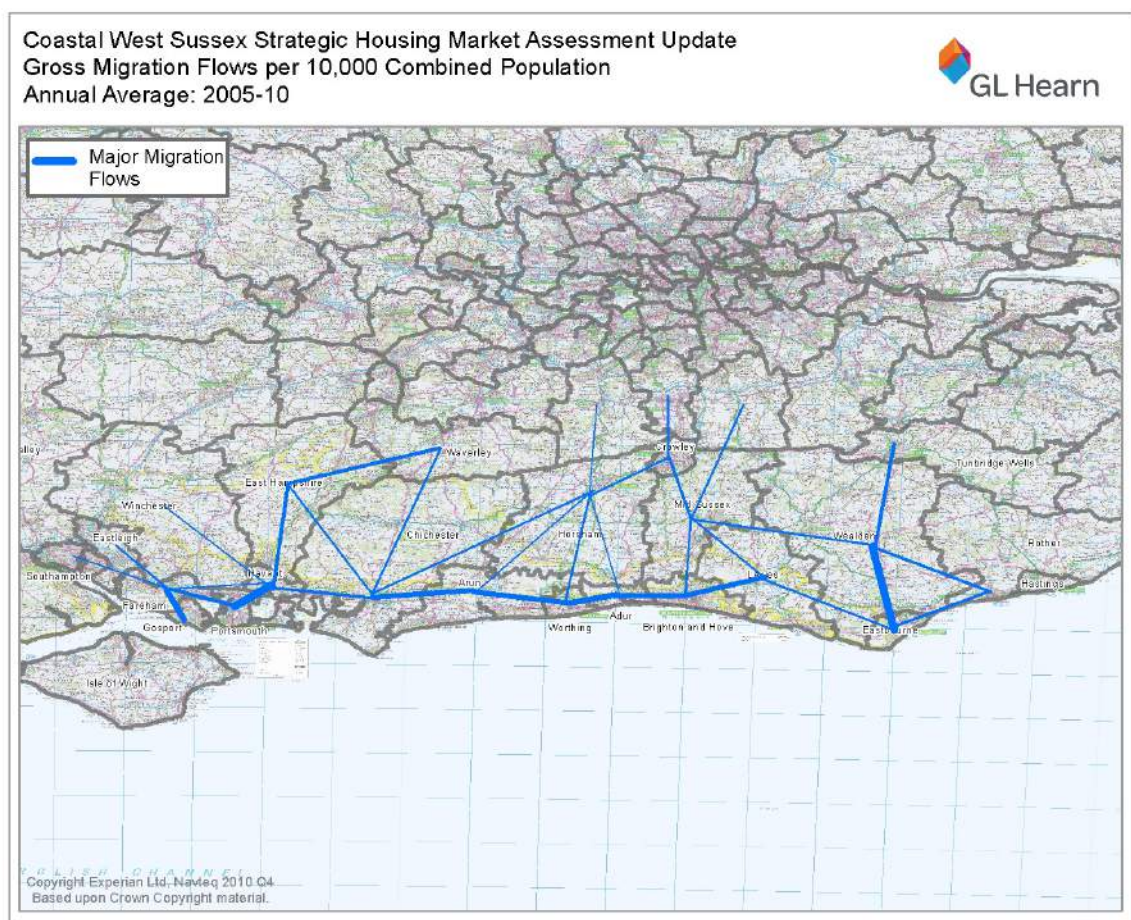
- 2.21 Through the South Hampshire SHMA 2013, GL Hearn has considered again the definition of the housing markets in South Hampshire, concluding that the Partnership for Urban South Hampshire (PUSH) Sub-Regional boundary remains appropriate; but that a distinction can be made between two HMAs – one based on Portsmouth and one on Southampton. This is consistent with previous studies. However the analysis within the PUSH SHMA did not suggest that the HMA extended to cover parts of the SDNP.
- 2.22 GL Hearn defined a Sussex Coast HMA within the *Coastal West Sussex Strategic Housing Market Assessment Update (2012)* stretching from Seaford in the east to West Wittering in the West along the South Coast. This reflects the strong inter-relationships between the coastal towns. The HMA was identified as stretching inland to settlements such as Lewes and Chichester and northwards along the A286 in Chichester District. Reflecting pragmatic issues regarding data availability, the HMA includes the local authorities of Chichester, Arun, Worthing, Adur, Brighton and Hove and Lewes. It was recognised that parts of the SDNP fell within this HMA. The SDNPA were part of the Steering Group for this SHMA and subsequent related work.

2.23 The Coastal West Sussex SHMA identified that this HMA operated as a series of inter-connected sub-markets focused on:

- Chichester & Bognor Regis – extending north through Chichester District to Midhurst;
- Worthing – extending from Littlehampton in the West to Lancing and Sompting in the East;
- Brighton and Hove – including Shoreham-by-Sea and Southwick within West Sussex and extending into East Sussex.

2.24 There is a relatively high level of travel-to-work self-containment within these areas which reflects the functional relationships within places. This was informed in part by the analysis of migration flows undertaken as part of this SHMA (see Figure 6). It reinforces the existence of strong migration flows around Portsmouth; along the Sussex Coast from Chichester to Lewes; and between Eastbourne and Wealden.

Figure 6: Migration Analysis in Coastal West Sussex SHMA, 2012



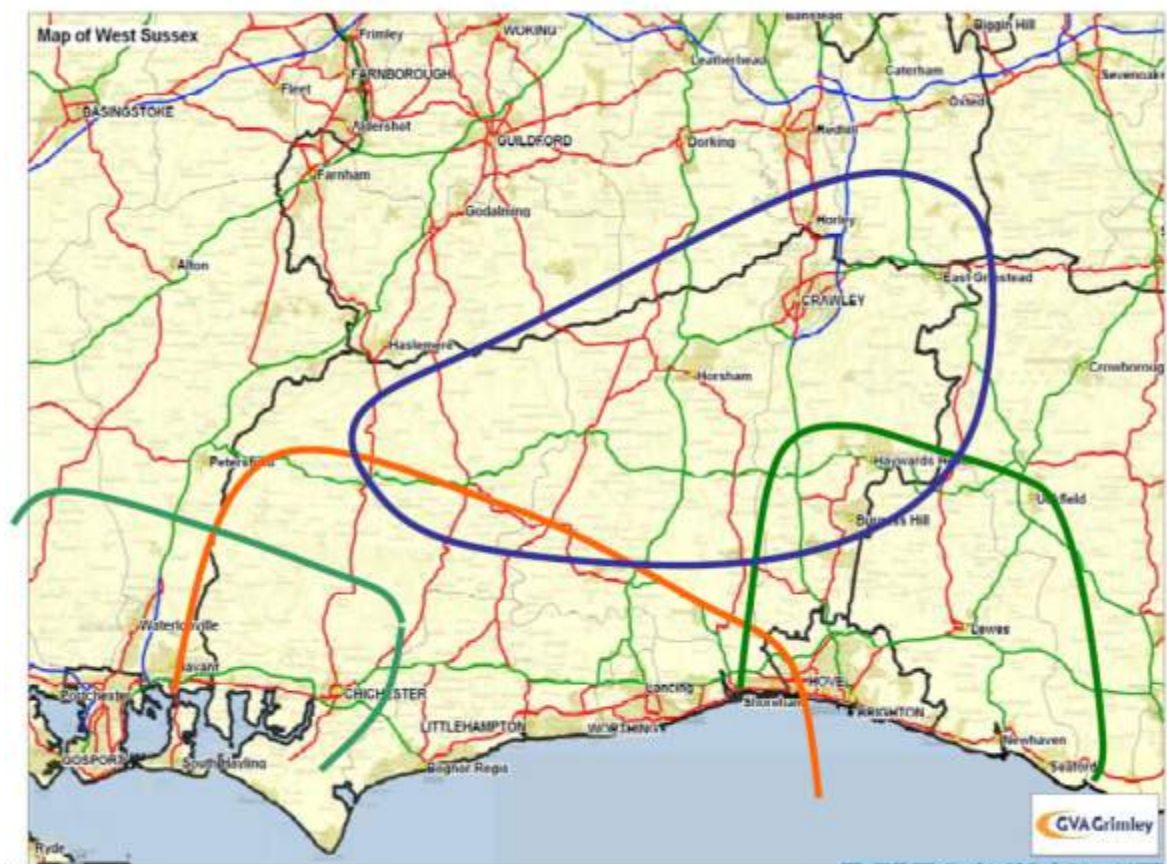
Source: GL Hearn Analysis of ONS Migration Flows Data map taken from source)

2.25 A Northern West Sussex HMA was defined originally by the 2009 SHMA for the area, prepared by GVA (alongside a similar study for Coastal West Sussex). This HMA was based on 'best fit' local authority boundaries comprising Crawley, Horsham and Mid Sussex local authorities. Similarly this

was based on analysis of migration and commuting at local authority and ward levels, house prices (by type), as well as some consideration of retail catchments.

- 2.26 The SHMA identifies a Northern West Sussex Sub-Regional Housing Market extending south to Haywards Heath and Burgess Hill, to East Grinstead, Horley and west/ south-west to Billingshurst, Petworth and Pulborough. The boundaries of the HMAs identified in this work by GVA are shown in Figure 7. This illustrates a degree of overlap between the market areas.

Figure 7: Housing Market Areas defined in 2009 West Sussex SHMAs



Source: GVA (taken from source)

- 2.27 The 2012 Eastbourne SHMA, prepared by Arc4, effectively defines a Housing Market Area as comprising Eastbourne together with the southern part of Wealden District (including Polegate, Hailsham and Pevensey). This is consistent with that identified in the earlier 2007 DTZ SHMA based principally on analysis of migration and travel to work flows.
- 2.28 The East Hampshire SHMA was produced by Nathaniel Litchfield and Partners in April 2013. The report firstly states that the RSS definition of three HMAs at play in East Hampshire was still “highly

relevant” and that updates to the RSS “support that position”. These markets were South Hampshire, Guildford/Woking and North Hampshire.

2.29 Drawing together the various studies, existing work has broadly defined the following Housing Market Areas (Figure 8):

- Central Hampshire – covering parts of the National Park in East Hampshire and Winchester;
- Sussex Coast – covering parts of the National Park in Chichester, Arun, Worthing, Adur, Brighton and Hove and Lewes;
- Northern West Sussex – covering parts of the National Park in Horsham and Mid Sussex; and
- Eastbourne and South Wealden – covering areas of the National Park in Eastbourne and Wealden authorities.

2.30 The Sussex Coast market functions to a greater extent than the others as a set of inter-connected sub-markets, around Chichester; Worthing; and Brighton.

2.31 This geography of these markets is shown in Figure 8:

Figure 8: Housing Market Geographies as Currently Defined



Source: GL Hearn, 2014

Reviewing 2011 Census Data

- 2.32 The above studies have principally been based on interrogation of 2001 Census data where analysis has been undertaken below local authority level. Data on commuting and migration flows from the 2011 Census was issued in July 2014, and it is thus an appropriate point at which to review housing market geographies and to identify specifically which parts of the SDNP relate to which housing markets.

Commuting

- 2.33 Initially we have reviewed where people living in the SDNP work; and where those working in the National Park live using the 2011 data.
- 2.34 The workforce of the SDNP is largely drawn from the SDNP and surrounding areas, but the analysis illustrates significant numbers of people commuting to the National Park from South Hampshire, Brighton and other parts of Hampshire (and some flows from further afield in Wiltshire).

Figure 9: Location of Residence for SDNP Labour Force (2011)

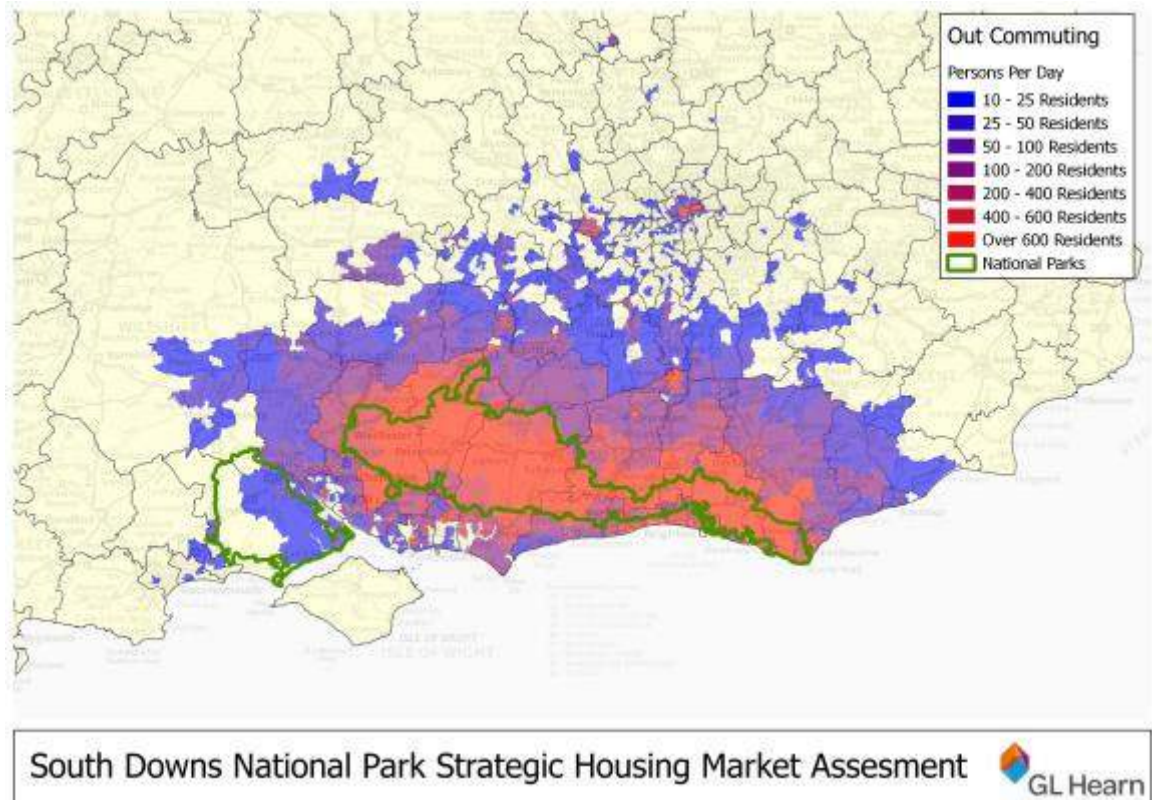


Source: ONS, GL Hearn, 2014

- 2.35 A large proportion of residents of the South Downs National Park also find employment within the National Park, but again we see commuting to surrounding areas and to larger employment centres

further afield. There are also large numbers of people employed within the South Hampshire area, Brighton, the City of London, Westminster, Gatwick and Heathrow.

Figure 10: Location of Employment for SDNP Residents (2011)



Source: ONS, GL Hearn, 2014

2.36 In respect of commuting patterns, there are clearly a number of major settlements on the periphery of the National Park which draw their workforce from a wider area including parts of the National Park. Using the 2011 census data relating to commuting flows, we have mapped the catchments of the following settlements:

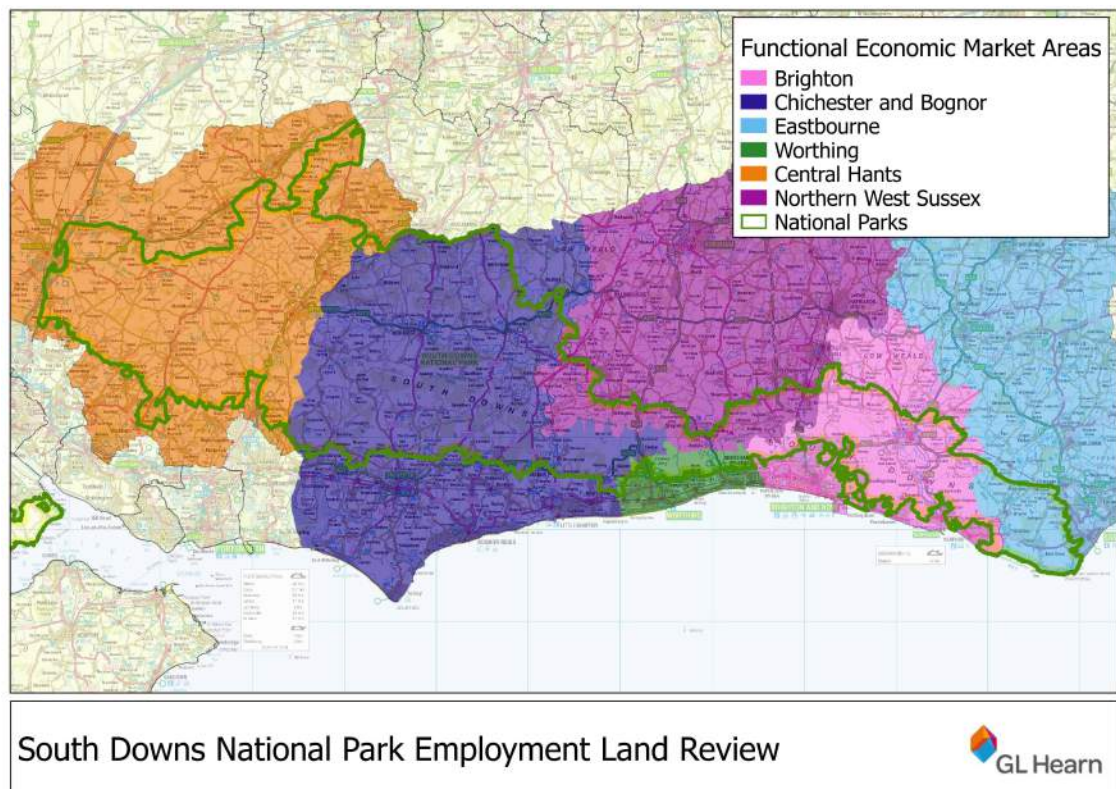
- Guildford;
- Basingstoke Urban Area;
- Portsmouth;
- Crawley and Gatwick;
- Eastbourne;
- Worthing;
- Brighton and Hove
- Southampton
- Chichester and Bognor Regis

2.37 In Figures 12 to 20 the catchment of these employment centres are mapped. The plans take an employment centre, and define the area from which this centre draws its workforce. For each employment centre we have defined the following catchments:

- Primary Catchment – which reflects the Middle-Level Super Output Areas (MSOAs) with the highest contribution of employees comprising 75% of the workforce for the target settlement;
- Secondary Catchment – which reflects the MSOAs with the highest contribution of employees comprising 75%-90% of the workforce for the target settlement;
- Full Catchment – This reflects the MSOAs which contribute employees to the target settlement.

2.38 These catchments demonstrate the areas of influence of each of the employment centres and broadly reflect the Functional Economic Market Areas (Figure 11). The 75% containment rate we have used for our primary catchment broadly aligns with that used by ONS to define Travel to Work Areas (TTWAs) using the 2001 Census data, although the threshold they have used for larger settlements falls to a 66% self-containment level.

Figure 11: Functional Economic Market Areas



Source: GL Hearn based on ONS data, 2011

Figure 12: Guildford Employment Catchment

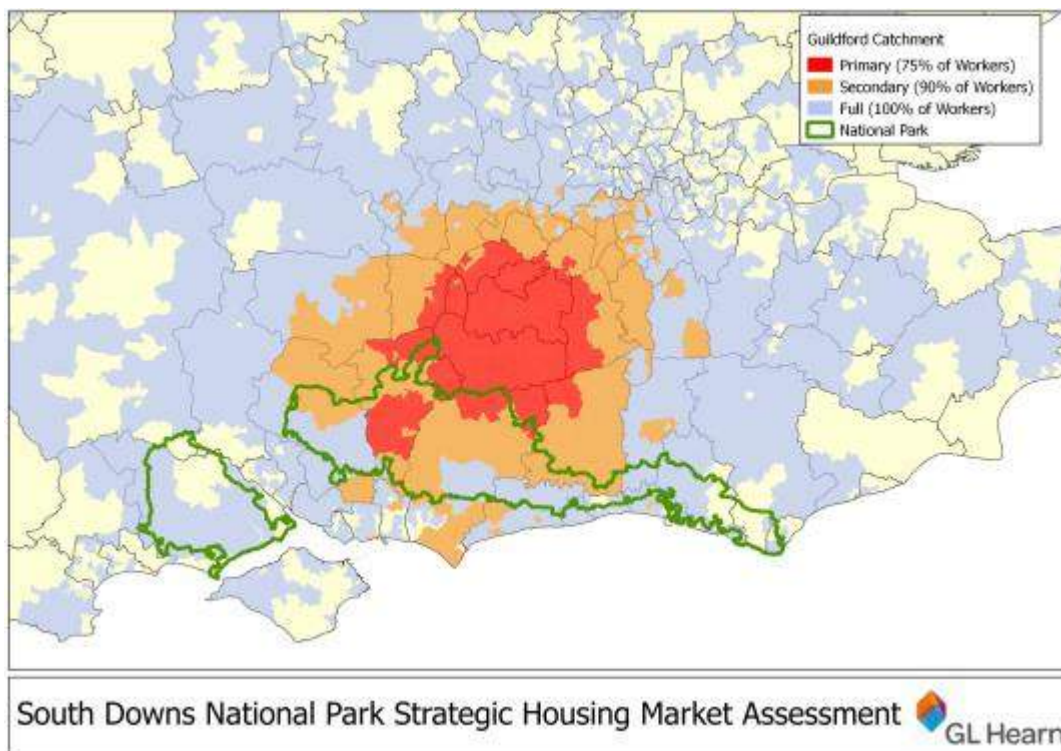


Figure 13: Basingstoke Employment Catchment

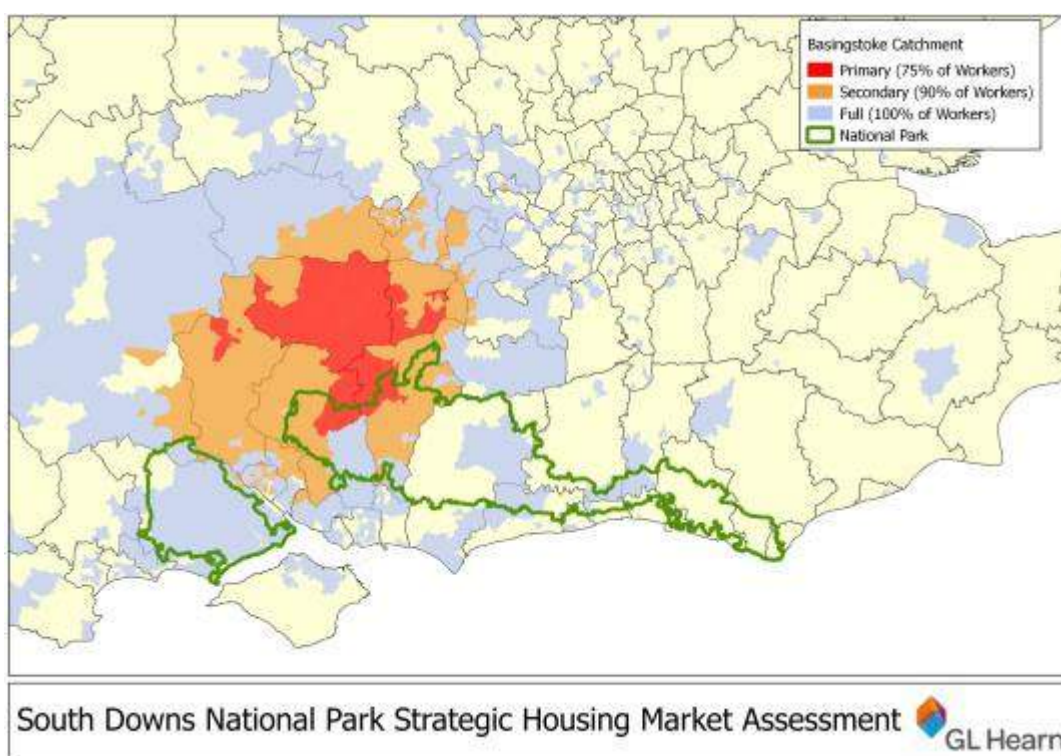


Figure 14: Portsmouth Employment Catchment

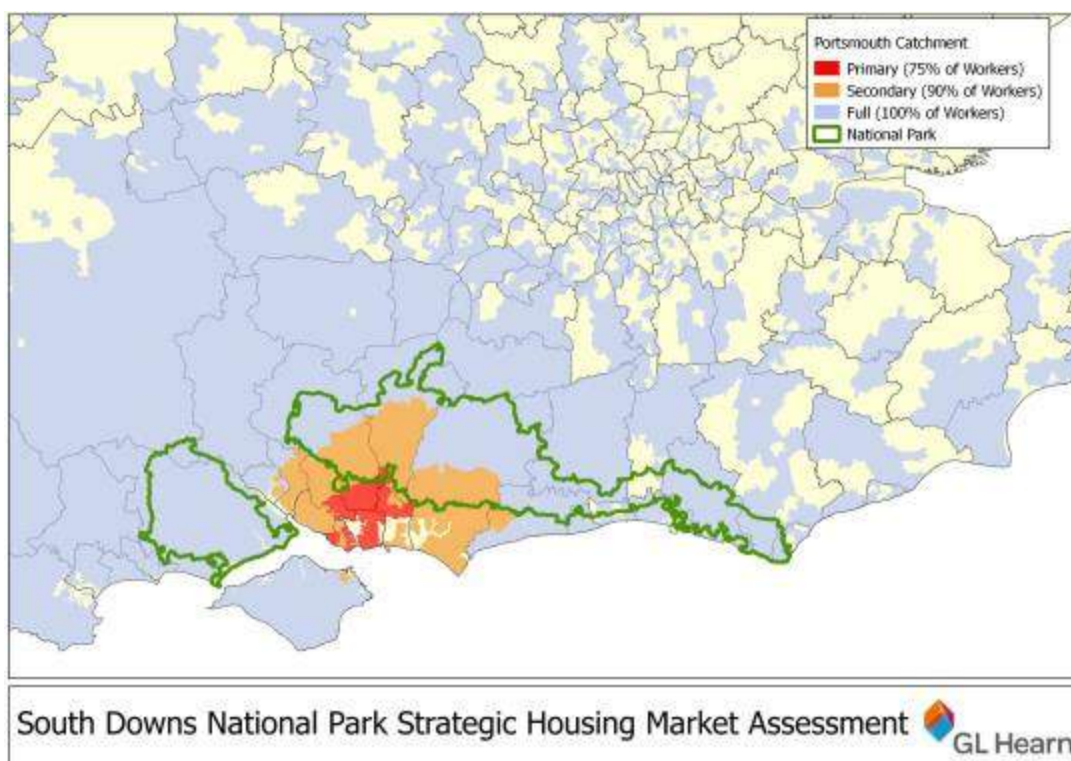


Figure 15: Crawley and Gatwick Employment Catchment

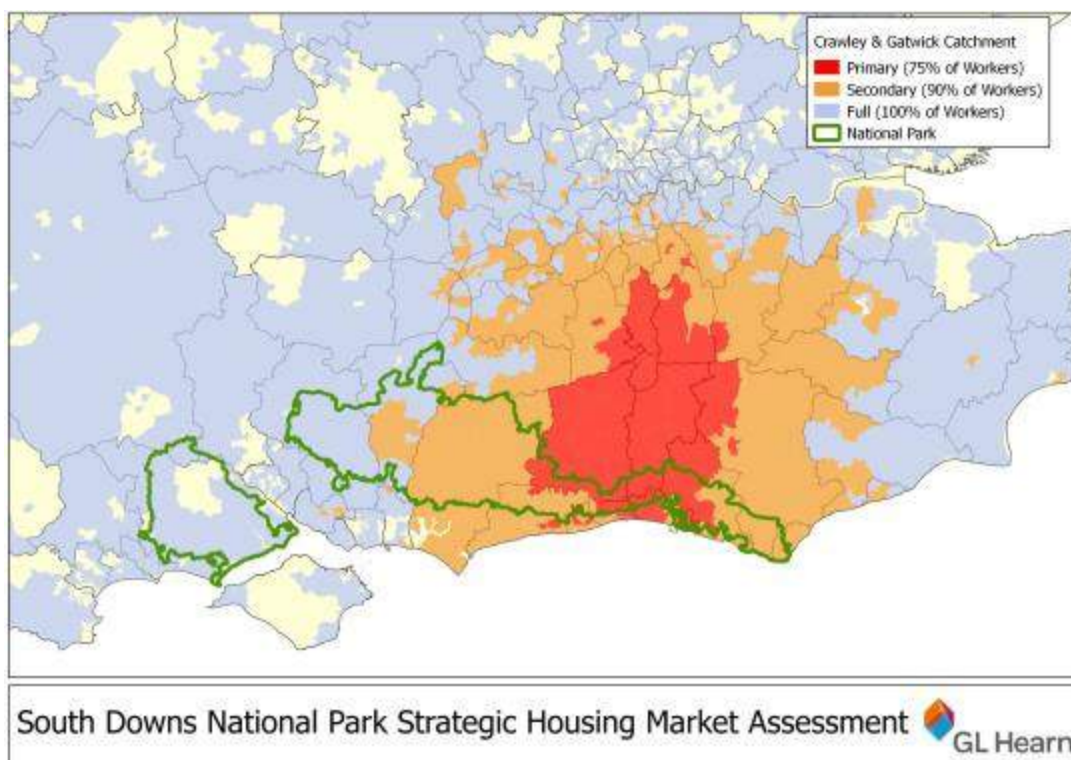


Figure 16: Eastbourne Employment Catchment



Figure 17: Worthing Employment Catchment

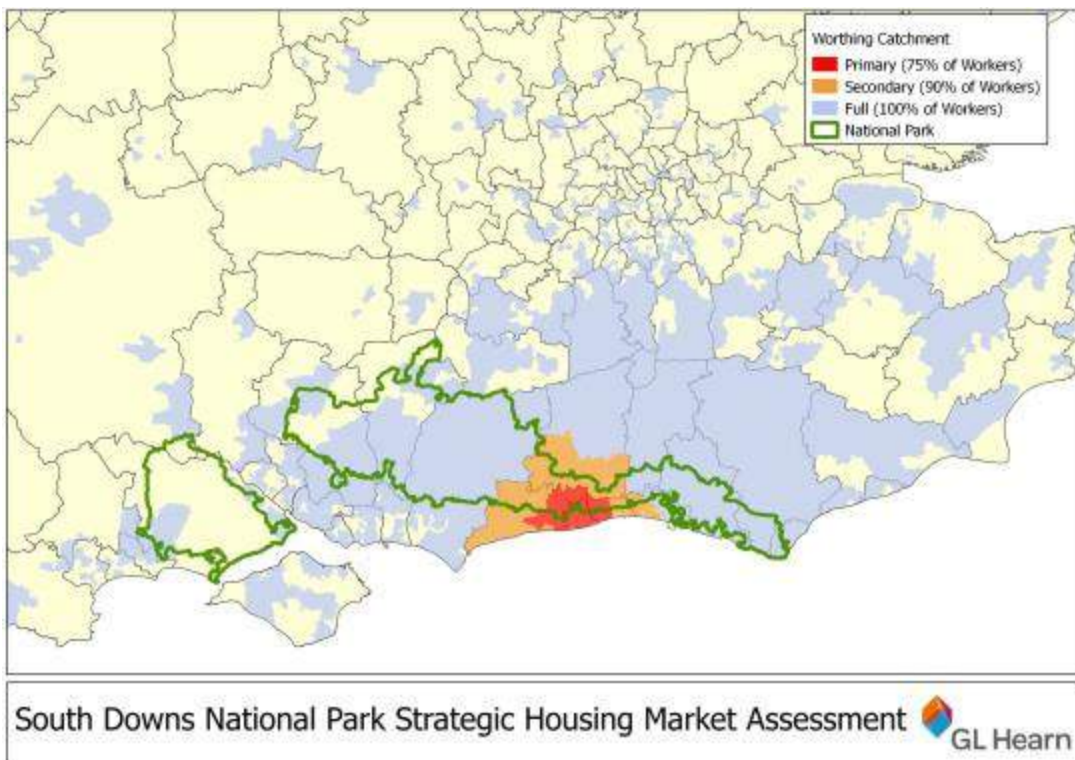


Figure 18: Brighton and Hove Employment Catchment

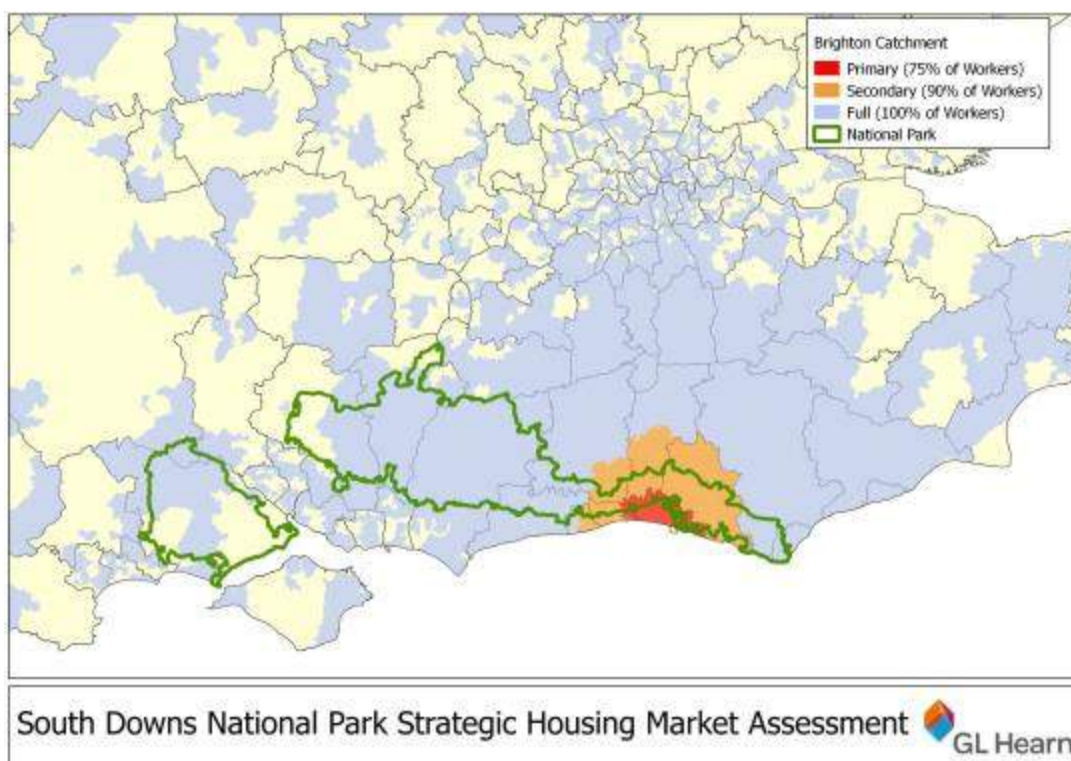


Figure 19: Southampton Employment Catchment

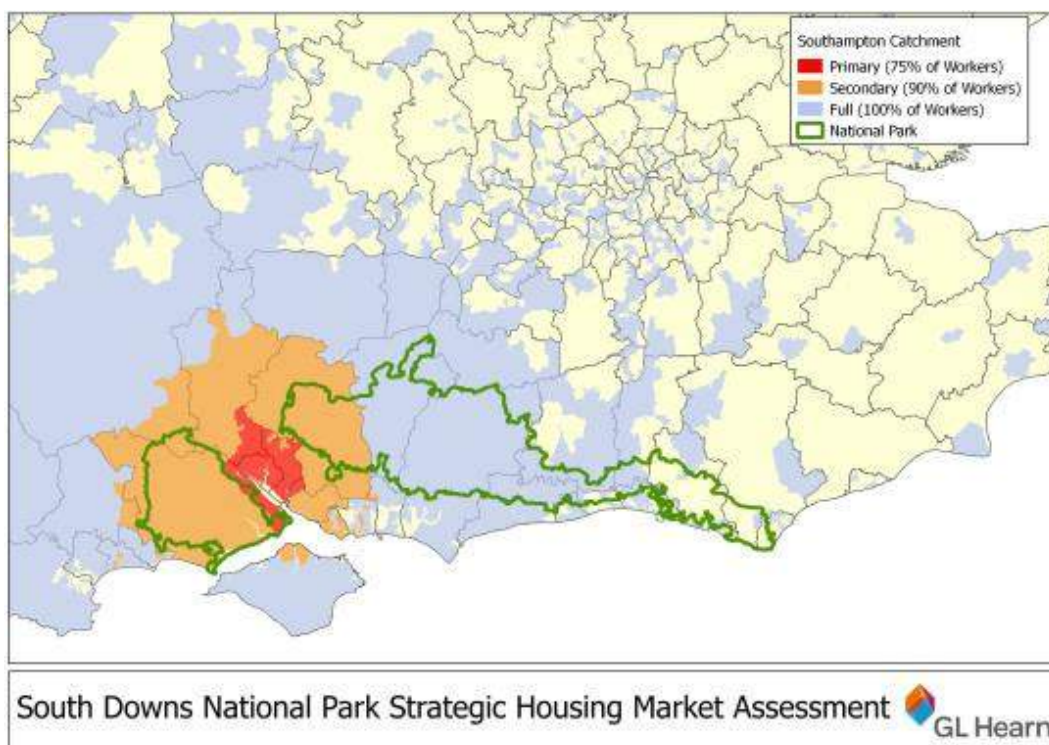
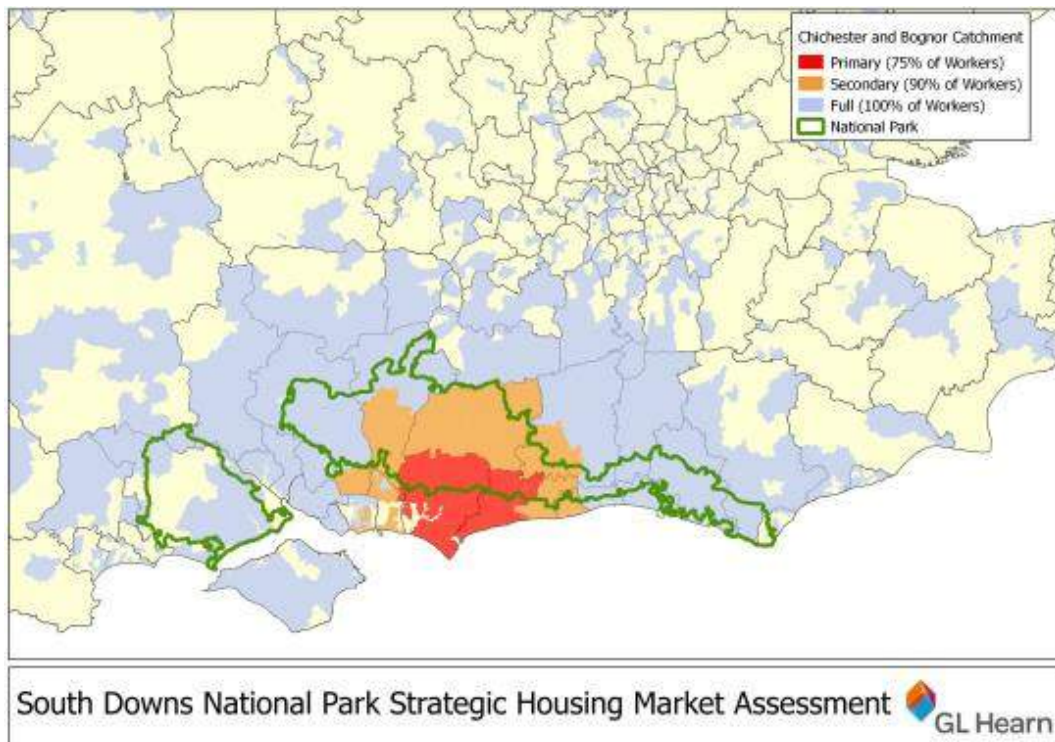


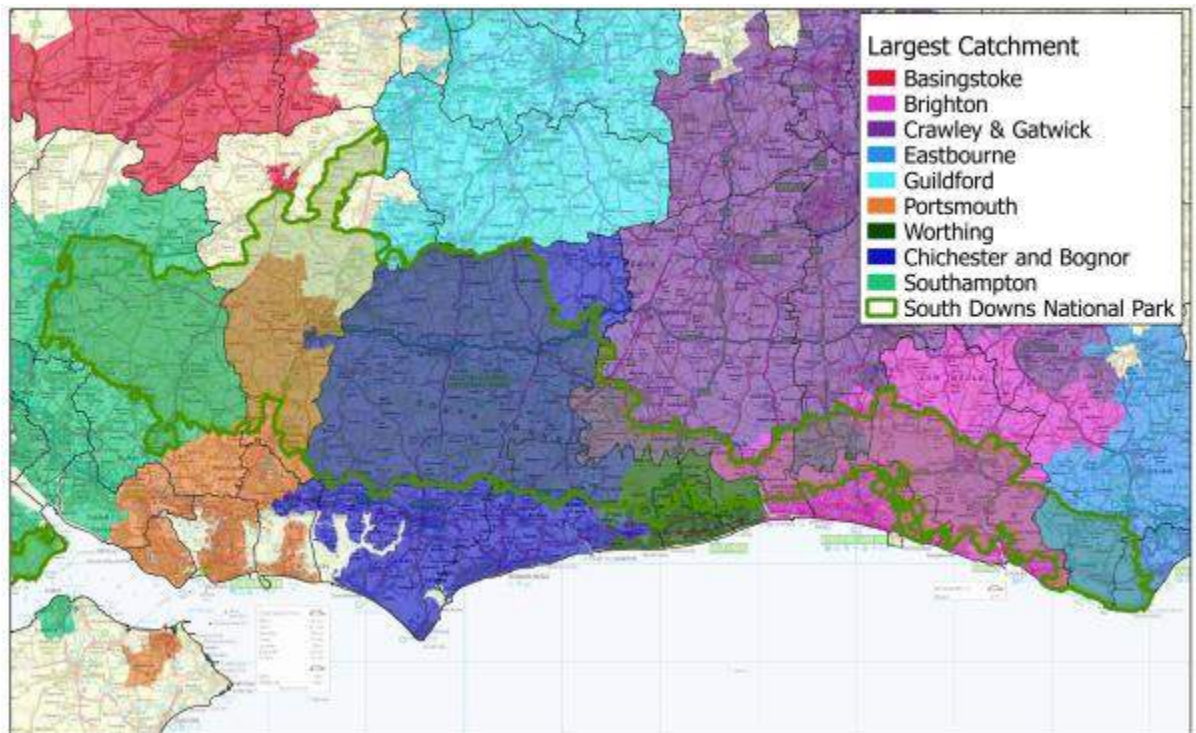
Figure 20: Chichester and Bognor Employment Catchment



All Maps Source: 2011 Census / GL Hearn, 2014

- 2.39 Looking at the primary catchment areas shown in the analysis (the highest number of commuters by Middle Super Output Area (MSOA) comprising 75% of the total workforce for each of the major settlements) a pattern begins to emerge of the different economic areas across the SDNP area.
- 2.40 Figure 21 shows just the primary catchment of the major settlements. Where these overlap, the MSOA is attributed to the settlement which receives the largest number of commuters from the MSOA.

Figure 21: Dominant Catchment by MSOA



Source: GL Hearn, 2014

- 2.41 The Brighton catchment is fairly wide but the majority of the workforce is drawn from the City itself. In the case of Crawley, the Borough attracts a relatively small number of people from a high number of MSOAs. This is primarily due to the influence of Gatwick Airport and the connectivity of the Borough. As a result the catchment is fairly large.
- 2.42 As shown, there are small parts of the SDNP close to Whitehill-Bordon which do not fall into the primary catchment of any of the major settlements. There are also complex interactions between areas around Worthing, Brighton, Lewes and Eastbourne as the draw of the various settlements overlap. However due to the lack of available data below local authority level we consider it appropriate to integrate these areas to produce more pragmatic functional housing market areas. For example the Worthing catchment is quite contained, and arguably relates quite closely to the City of Brighton and Hove as shown by travel to work links and the relative size of the major city.
- 2.43 Furthermore, our work with the PUSH area clearly defines interactions between the Portsmouth and Southampton HMAs. Whilst this was based on 2001 data the latest evidence does not suggest any change to this.
- 2.44 In summary, the evidence suggests only modest potential changes in travel to work areas between 2001 and 2011. This results in six different economic areas covering parts of the SDNP. The PUSH

area includes the parts of the SDNP in Winchester and East Hampshire districts. A Brighton and Hove area extends into Adur and Lewes; and an Eastbourne area which includes Wealden. Those parts of the National Park in Horsham and Mid-Sussex are more closely linked to Crawley but influenced by the towns on the South Coast.

- 2.45 The areas around Arun are less clear. Bognor Regis (in Arun) is clearly linked to Chichester while Littlehampton, also in Arun, is more closely linked with Worthing. This would suggest a split District. Furthermore the extent of Worthing's influence is fairly minor and it could be argued that it is part of the wider Brighton-focused economic area. If the Worthing and Brighton areas were to merge then the total number of travel to work areas across the National Park would reduce to five.

Migration

- 2.46 We have reviewed the migration data from the 2011 Census which is only available at a local authority level. As a result there are limitations to the data, particularly in relation to localised links. This means working on assumptions based on the local authorities which are located with the SDNP.
- 2.47 We have looked at both net migration (which illustrates the balance of flows of people between two authorities) and gross migration (which illustrates the strength of relationship between two local authorities). Figure 22 illustrates in-migration patterns involving those local authorities which include parts of the SDNP.
- 2.48 The most significant trend is the larger number of people moving from the London Boroughs into Brighton. This however is unlikely to be to areas within the SDNP. There are also notable westward flows from Brighton to Adur, Worthing and Arun, suggesting a single HMA across this area.

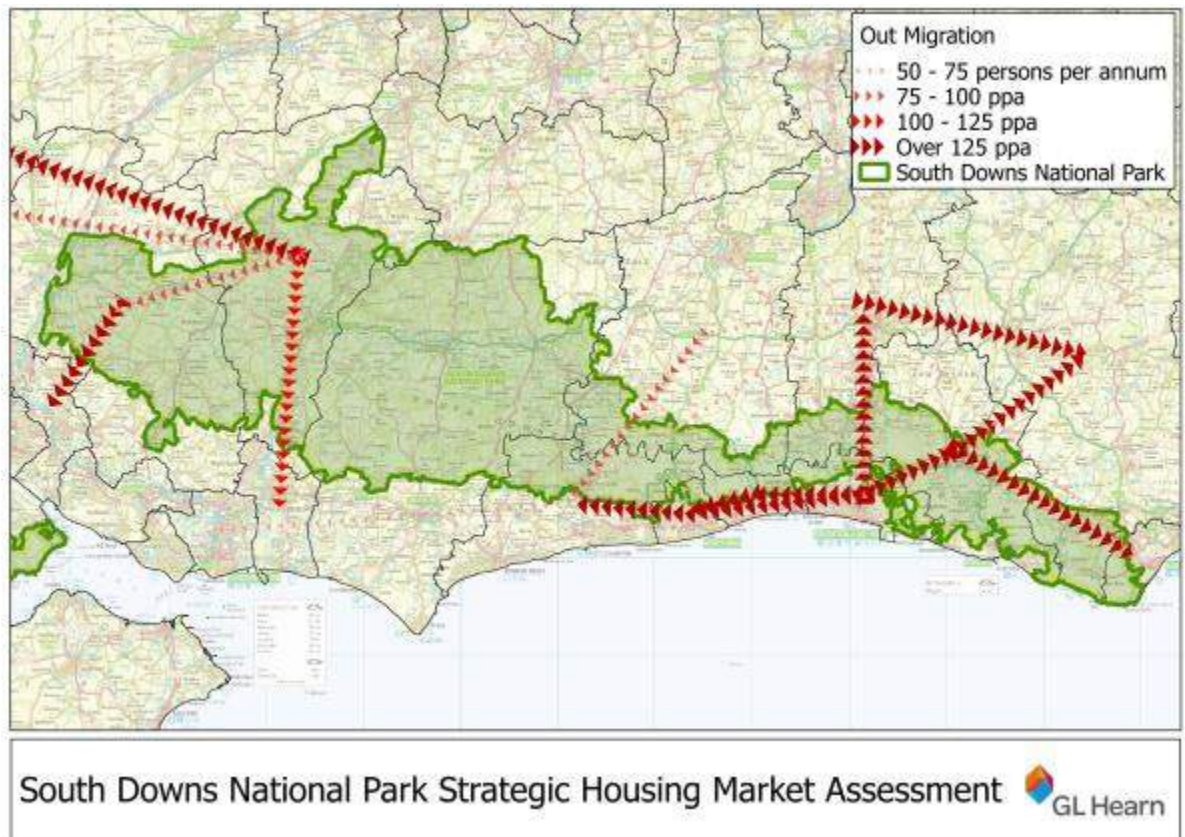
Figure 22: In-migration to the Local Authorities within SDNP (2011)



Source: Census, 2011

- 2.49 Winchester receives a large number of people from the PUSH area as well as East Hampshire, Waverley and Guildford. This, along with the out-migration map (figure 23), illustrates the clear East/West split across the SDNP. These flows suggest that there is no single HMA across the SDNP.

Figure 23: Out-migration to the SDNP Authorities (2011)

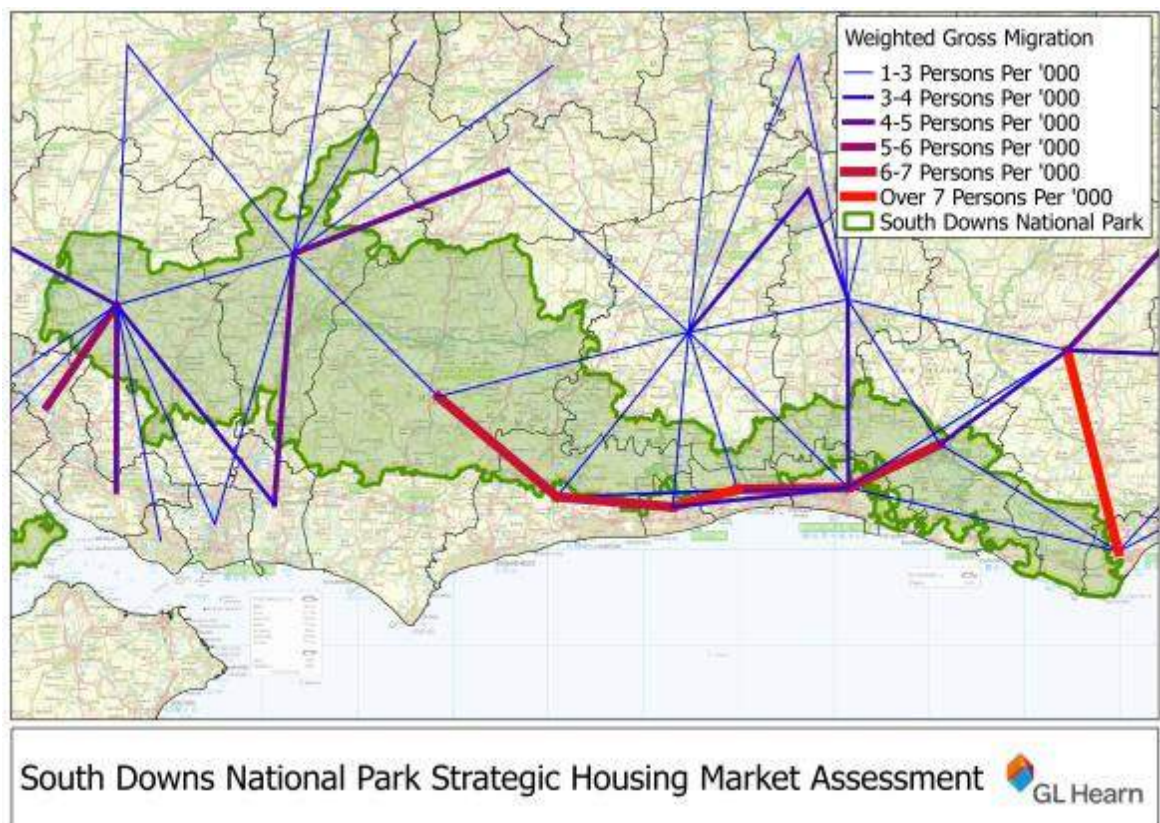


Source: Census, 2011

- 2.50 The out-migration map shows some movement from Brighton to both Lewes and Mid-Sussex. This is likely a reflection of the movements out of Brighton to more suburban and rural (and in some cases cheaper) locations. There are also movements from Lewes to Eastbourne and Wealden and from East Hampshire to Havant, Winchester, Test Valley and Wiltshire.
- 2.51 In terms of gross migration flows, we would expect larger numbers of people to move from highly populated areas than from less populated areas. In order to remove this effect, we have weighted the flows to the combined population size for each local authority. There are no clear instructions on how this data should be viewed however this approach has been used in previous studies undertaken by GL Hearn and has passed through examination.
- 2.52 Again in terms of gross migration there are particular flows impacting the local authorities in the East and West of the National Park. The largest flows are between Wealden and Eastbourne and between Adur and Worthing.

- 2.53 There are also significant links along the West Sussex Coast between Adur, Worthing, Arun and Chichester as well as between Brighton and Lewes. Also noticeable are the relatively weaker links between Mid Sussex and Horsham and the other authorities in the SDNP. Instead, the most significant links from these local authorities are with Crawley, although Mid Sussex also has some links with Brighton.

Figure 24: Gross Migration per 1,000 head of combined population (2011)



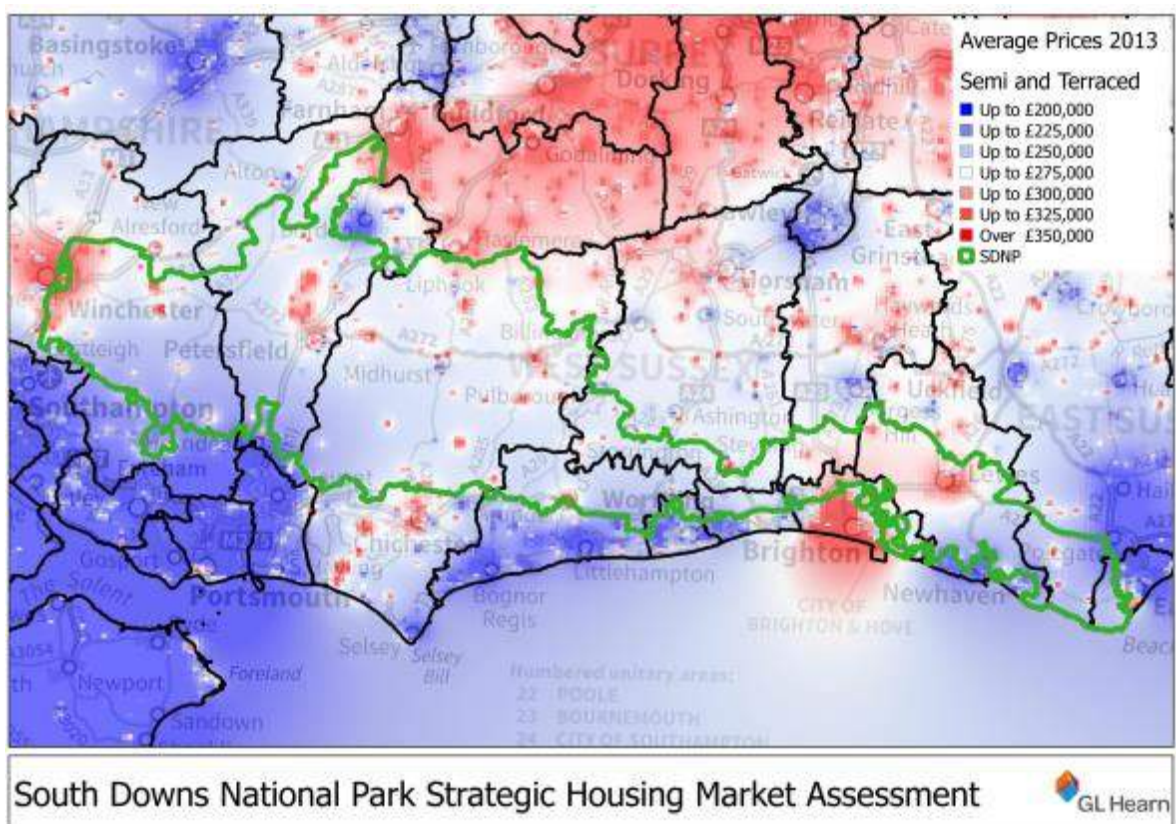
Source: Census, 2011

- 2.54 In summary, there appear to be four distinct migration patterns across the local authorities within the SDNP:
- those local authorities along the Sussex Coast from Chichester to Lewes;
 - the Hampshire authorities linked to the PUSH area;
 - Horsham and Mid Sussex linked to Crawley; and
 - Eastbourne and Wealden.

House Prices

- 2.55 We have reviewed average semi-detached and terraced house prices across the South East. We have excluded flats and detached prices, to exclude market segments which generally have either very high or very low house prices based on their stock rather than their value.
- 2.56 As shown in Figure 25, house prices in the SDNP are generally lower than those areas to the North and more expensive than those areas to the South. There are a few exceptions to this - most notable is Brighton which has significantly higher house prices than in surrounding Sussex Coast areas.
- 2.57 There are a number of price hotspots within the National Park area, particularly in Lewes and those areas immediately surrounding Winchester, Petersfield, Arundel and Petworth. There are very few places within the National Park which have noticeably lower prices although prices are slightly lower in areas to the south of Midhurst, around Liss and to the North of Worthing (around Findon) and the area between Petersfield and the Portsmouth to Southampton conurbation.

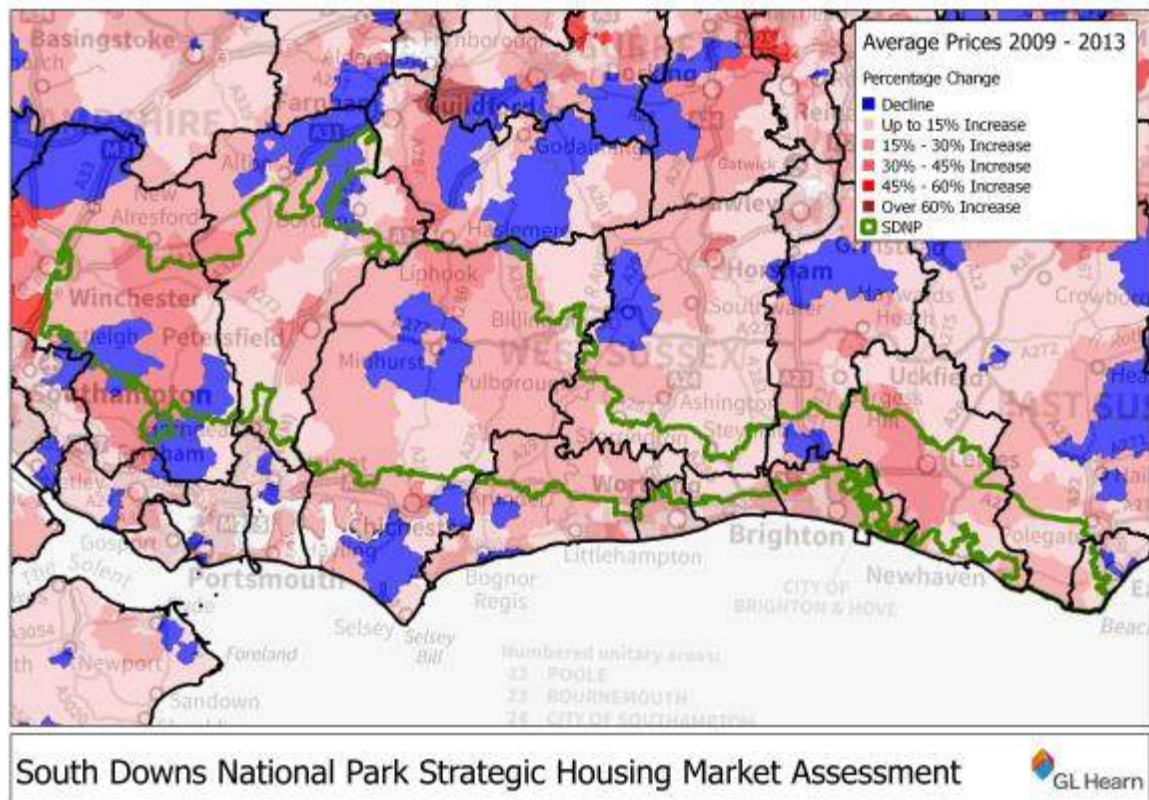
Figure 25: Average Semi-Detached and Terraced House Prices (2013)



Source: HM land Registry, 2014

- 2.58 The pattern of price change in the SDNP (Figure 26) is broadly similar, with the area around Midhurst and the rural settlement area between Southampton/Portsmouth and Petersfield (Hambledon to Southwick) all showing declining house prices over the 2009-2013 period. There is also an area to the immediate north of Brighton (around Pyecombe) which saw declining prices.

Figure 26: Percentage Change in House Prices (2009 -2013)



Source: HM land Registry, 2014

- 2.59 The areas around Winchester, Petersfield, and Lewes and the area south of Haslemere (all of which have good rail links) show more significant increases than elsewhere in the SDNP. This is broadly reflected in the higher house prices in those areas.
- 2.60 Unlike the migration and travel to work patterns, there are no major east/west differences across the National Park in relation to house prices and house price change.

Conclusion

- 2.61 Drawing the analysis together there are a number of distinct HMAs operating within the SDNP as well as some which are less clearly defined. There is no set methodology or thresholds for identifying housing market areas, although the NPPG suggests that they should draw on migration, commuting and house price dynamics.

2.62 Housing markets do not begin and end at local authority boundaries. In reality there will be bleed across local authority boundaries and overlap between HMAs. However for pragmatic reasons we recommend that HMAs are drawn on the basis of local authority boundaries. This approach is supported by the recent Planning Advisory Service (PAS) Technical Advice Note on *Objectively Assessed Need & Housing Targets* (Peter Brett Associates, 2014) and also recognises that key demographic data on migration and official population and household projections are not published below local authority level. We would also consider this appropriate on a practical level, as seeking to disaggregate different parts of an authority into different market areas and then overlay the SDNP is generating additional layers of complexity and associated practical difficulties, without bringing significant additional benefits.

2.63 The clearly identified areas relate to:

- Central Hampshire area (East Hampshire and Winchester),
- Eastbourne (Eastbourne and Wealden),
- Northern West Sussex/Crawley (Horsham and Mid-Sussex).
- Coastal Sussex HMA which combines the remaining areas, although arguably within this there is some distinction between the eastern and western parts of the area (broadly either side of Arundel), but with some interaction between these. In effect this market area functions as a series of overlapping sub-markets stretching along the Sussex Coast.

Figure 27: Identified Housing Market Areas Across the National Park Local Authorities



Source: GL Hearn, 2014

- 2.64 These areas are both consistent with those defined in previous studies and supported by the data analysis. The wider HMA area can be defined as set out in Table 4.

Table 4: Wider HMA definitions

HMA	Local Authority
Sussex Coast	Adur
	Arun
	Brighton & Hove
	Chichester
	Lewes
	Worthing
Northern West Sussex	Crawley*
	Horsham
	Mid Sussex
Eastbourne/Wealden	Eastbourne
	Wealden
Central Hampshire	Winchester
	East Hampshire
	Basingstoke & Deane*
	Test Valley*

*Local authorities which do not include parts of the SDNP

3 INTERPRETING THE POLICY FRAMEWORK

National Policy Context and Guidance

National Planning Policy Framework (NPPF)

- 3.1 The NPPF was published in March 2012 in which Paragraph 14 outlines a presumption in favour of sustainable development whereby Local Plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless any adverse impacts of doing so would significantly or demonstrably outweigh the benefits or policies, when assessed against the policies in the NPPF taken as a whole or specific policies which indicate development should be restricted. It should be noted that footnote 9 of paragraph 14 references National Parks as areas where development should be restricted. However, the NPPF does not exclude development in National Parks and the presumption in favour of development applies subject to other policies of the NPPF as they relate to the designated status of the National Park.
- 3.2 Paragraph 159 of the NPPF outlines that SHMAs are a key piece of evidence in determining housing needs. It outlines that this should identify the scale and mix of housing and the range of tenures which the local population is likely to need over the plan period which:
- Meets household and population projections, taking account of migration and demographic change;
 - Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 3.3 This is reaffirmed in the NPPF in paragraph 50 which outlines the need for local authorities to identify the HMA and should be completed in partnership through the duty to co-operate particularly where an HMA crosses administrative boundaries.
- 3.4 Paragraph 181 states Local Planning Authorities (LPAs) will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. LPAs are expected to work collaboratively and engage constructively with one another, as required by Section 33A of the 2004 Planning and Compulsory Purchase Act. It is important that there is a robust audit trail showing joint working to meet the requirements of paragraph 181 of the NPPF.
- 3.5 Local plans must be 'sound.' The NPPF sets out that this means that they must be positively prepared, justified, effective and consistent with national policy. This is tested by an independent inspector through the plan examination process. To be positively prepared, a Plan *"should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet needs from neighbouring authorities where it is*

reasonable to do so and consistent with achieving sustainable development.” Thus local authorities in preparing plans must seek to work with their neighbours to consider whether there are unmet needs in one area which could be met within another.

3.6 However in respect of National Parks the Framework is clear (in Paragraphs 115 and 116) that:

Great weight should be given to conserving landscape and scenic beauty in National Parks, the Broads and Areas of Outstanding Natural Beauty, which have the highest status of protection in relation to landscape and scenic beauty. The conservation of wildlife and cultural heritage are important considerations in all these areas, and should be given great weight in National Parks and the Broads

Planning permission should be refused for major developments in these designated areas except in exceptional circumstances and where it can be demonstrated they are in the public interest. Consideration of such applications should include an assessment of:

- *the need for the development, including in terms of any national considerations, and the impact of permitting it, or refusing it, upon the local economy;*
- *the cost of, and scope for, developing elsewhere outside the designated area, or meeting the need for it in some other way; and*
- *any detrimental effect on the environment, the landscape and recreational opportunities, and the extent to which that could be moderated.*

3.7 In regard to housing mix, the NPPF sets out that authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Planning authorities should identify the size, type, tenure and range of housing that is required in particular locations reflecting local demand. Where a need for affordable housing is identified, authorities should set policies for meeting this need on site. National thresholds for affordable housing provision have been removed as have national brownfield development targets.

3.8 In setting affordable housing targets, the NPPF states that to ensure a plan is deliverable, the sites and the scale of development identified in the plan should not be subject to a scale of obligations and policy burdens such that their ability to be developed is threatened and should support development throughout the economic cycle. The costs of requirements likely to be applied to development, including affordable housing requirements, contributions to infrastructure and other policies in the Plan, should not compromise the viability of development schemes.

National Planning Practice Guidance

3.9 National Planning Practice Guidance was issued by Government in March 2014 on ‘Assessment of Housing and Economic Development Needs’. It is maintained as an online resource, and updated periodically. This is relevant, in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing, although in some circumstances certain policies within the NPPF do not apply to the National Parks.

3.10 The Guidance defines “need” as referring to:

“the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet this need.”

3.11 In this respect, the Guidance is clear that assessments of need should take account of the local need and demand for market housing (including in-migration). The assessment of need is intended to be undertaken for the relevant Housing Market Area.

3.12 It is also clear that assessments of need are not expected to take account of constraint-based factors, outlining specifically that:

“The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.”

3.13 The Guidance outlines that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need. However, the starting point for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (CLG). At the time of preparation of this report the latest projections are the 2011-based ‘Interim’ Household Projections⁵. It also outlines that the latest population projections should be considered. These are the 2012 Sub-National Population Projections published by ONS in May 2014.

3.14 It sets out that there may be instances where these national projections require adjustment to take account of factors affecting local demography or household formation rates, in particular where there is evidence that household formation rates are or have been constrained by supply. It suggests that proportional adjustments should be made where the market signals point to supply being constrained relative to long-term trends or to other areas in order to improve affordability.

3.15 Evidence of affordable housing needs is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing. In some instances it suggests this may provide a case for increasing the level of overall housing provision. Although this is unlikely to be the case in a nationally protected landscape.

⁵ CLG (April 2013) *2011-based Interim Household Projections*

- 3.16 In regard to employment trends, the Guidance indicates that job growth trends and/or economic forecasts should be considered having regard to the growth in working-age population in the housing market area. It sets out that:

“where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility and other sustainable options such as walking and cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing and infrastructure development could help to address these problems.”

- 3.17 The Guidance indicates that the assessment should consider the need for different types of housing and the needs of different groups, including family housing, housing for older people, and households with specific needs and those looking to build their own home. It sets out that the need for older persons housing should be broken down by tenure and type, and should include an assessment of need for residential institutions.

National Park Purposes and Duty

- 3.18 The National Parks have two statutory purposes (as set out in The National Parks and Access to the Countryside Act 1949 and reaffirmed by the 1995 Environment Act). The purposes are to:

- Conserve and enhance the natural beauty, wildlife and cultural heritage of their areas; and
- Promote opportunities for the public understanding and enjoyment of the special qualities of the National Parks by the public.

- 3.19 In meeting these purposes, National Park Authorities also have a duty to “seek to foster the economic and social well-being of local communities within National Parks. The latter is set out in Section 11A(1) of the 1949 Act.

- 3.20 Section 11(A) of the 1949 Act (inserted by Section 62 of the 1995 Environment Act) requires any relevant authority (including public bodies and statutory undertakers), when exercising or performing functions which relate to or affect land in a National Park, to attach great weight to the purpose of ‘conserving and enhancing’ the area, if it appears that there is a conflict between the two National Park purposes. This enshrines in legislation the long-established Government policy often referred to as the “Sandford Principle.” Public bodies have a duty to have regard to the two statutory purposes of a national park when making decisions that could affect the National Parks under Section 62(2) of the 1995 Environment Act.

The National Parks and the Broads: UK Government Vision and Circular 2010

- 3.21 National Park Authorities also need to take into account the 2010 Circular which sets out national policy guidance in respect of National Parks. Although published in 2010, it is referenced in the NPPF (at footnote 25). In this the Government is clear that action by National Park Authorities

should include fostering and maintaining thriving rural economies, and supporting the delivery of affordable housing.

- 3.22 The 2010 Circular recognises that National Parks often have higher house prices than surrounding areas, and can include low paid jobs in their local economies. It clearly sets out that National Park Authorities have an important role to play in the delivery of affordable housing, setting out that:

*“Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the National 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. **The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer-term**”⁶*

Implications for the SDNPA

- 3.23 In exploring the implications for the SDNPA we need to integrate an understanding of the statutory Purposes and Duty, the NPPF, the 2010 Circular and the Planning Practice Guidance.
- 3.24 The National Planning Practice Guidance (2012) is clear that housing need should be assessed for the relevant Housing Market Area (HMA) and that constraint-based factors are not to be applied at this level in the assessment of need.
- 3.25 The presumption in favour of sustainable development in the NPPF states that Local Plans should be based on meeting objectively assessed development needs *unless* other policies in the NPPF indicate that development should be restricted. It is clear that the presumption does apply within National Parks. (See para 3.1).
- 3.26 The National Park Authority has a duty to foster the social and economic well-being of local communities within the SDNP, where this does not conflict with the duty to conserve and enhance the natural beauty, wildlife and cultural heritage of the area. The emphasis is on the need of *local communities*, and this is reaffirmed by the 2010 Circular which emphasises that in regard to housing provision this in particular means meeting *local* housing needs with a particular focus on delivery of affordable housing, supporting local employment opportunities and key services.
- 3.27 We consider that, in practical terms, this means considering future housing provision based on:
- The SDNPA working with local authorities to establish full housing need for the relevant Housing Market Areas which cut across the National Park. These assessments should be free of constraints;

⁶ DEFRA (2010) Circular: National Parks, Paragraphs 78 and 79

- It would be reasonable for the National Park Authority to plan to meet a proportion of these housing needs within the SDNP itself;
 - This proportion would be defined by the statutory Purposes and 2010 Circular based on:
 - Meeting local housing needs, particularly for affordable housing; and
 - Supporting local employment opportunities and key services.
- 3.28 The expectation is not that the SDNP will necessarily plan to meet “full objectively assessed need” but that it will in effect meet “local needs” focused on meeting affordable need to support communities within the SDNP, rather than catering particularly for wider market demand.
- 3.29 However, this does not mean that no market housing provision will be necessary, not least given that some market housing provision may help to contribute to supporting local employment opportunities and services. However, the expectation is not that “full needs” are met.
- 3.30 For the purposes of being clear on what “full objectively assessed needs” are in this context, we consider that it is sufficient that this is defined at a Housing Market Area (HMA) level, segmented to provide figures for the individual local authority districts which cut across the SDNP. This has been assessed principally through other studies.
- 3.31 The SDNPA however does need to consider what proportion of this ‘full need’ within the relevant HMAs (and ideally districts) it can meet. Through the Duty to Cooperate the expectation would then be that as much as possible of the remainder of the full need is met in areas which fall outside of the SDNP. Through collaboration between authorities it will therefore be possible to identify how the full need has been met for the Housing Market Area – meeting the relevant test in the NPPF.
- 3.32 The question which we then turn to is how the ‘local’ component of need might be defined for the SDNP, segmented between the constituent local authorities. The components to this might be:
- Need for affordable housing within these areas and, taking account of development viability and funding mechanisms, what overall level of housing provision might be necessary to deliver this;
 - Understanding of economic growth potential and what level of housing provision, particularly affordable housing provision, might be necessary to support the local economy (whilst recognising that because of the age structure it may more appropriate to address this through targeting housing mix rather than overall numbers);
 - Wider housing need from the existing population, for instance based on a zero net migration approach;
 - More local based evidence, such as consideration of what level of housing provision might be necessary to maintain population levels (or population within certain age groups) to support the viability of local services within different parts of the SDNP.
- 3.33 These issues, together with landscape and sustainability factors, are particularly relevant in considering the appropriate provision for housing to be made within the SDNPA’s Local Plan.

4 REVIEW OF EXISTING EVIDENCE

- 4.1 The SDNP Local Plan is currently being prepared. Options consultation took place in Spring 2014. Further consultation on the Preferred Options is expected in Autumn 2015. Submission is scheduled for mid-2016 with adoption expected mid-2017.
- 4.2 There have been a number of evidence base documents which have been produced in support of the Local Plan. We have reviewed these and sought to define what they tell us about housing need within the SDNP.
- 4.3 This SHMA follows on from and builds on the SHMAs that supported the existing Joint Core Strategies. While these SHMAs adopted a standard approach to defining housing need this SHMA's approach is different due to the complexities of planning in a National Park (as set out in section 1). However the approach is complimentary and does not contradict the previous SHMAs
- [South Downs National Park Housing Requirements Study, DTZ \(2011\)](#)
- 4.4 This Study, prepared by DTZ, pre-dates the NPPF and is not a Strategic Housing Market Assessment. It sets out that the population of the SDNP has grown only moderately in recent years and is increasingly skewed towards older age groups. It goes on to say that there is evidence of substantial affordable housing need (driven by the higher representation of larger dwelling types and under-representation of smaller dwelling types, and high average house prices) as well as market demand (reflecting the desirability of living in the area and a constrained supply of new homes and borne out in high house prices).
- 4.5 The Study reviewed the national policy context, as well as settlement and housing policies in other national parks – which emphasised that other National Park Authorities' policies focused on delivering affordable housing, but also keeping homes for sale accessible to local residents and workers and, overall, restricting the volume of new market housing. All affordable housing policies in other national parks were identified as including a 'local connection' policy. It also identified the widespread use of settlement hierarchies to direct the locations of housing development.
- 4.6 DTZ did identify that there are a larger number of larger settlements outside but bordering or close to the SDNP, and that these might be more appropriate locations to meet general housing needs and parts of the needs arising within the National Park.
- 4.7 The Study identified (presumably based on 2008-based ONS Population Projections and CLG Household Projections) that the population of the local authorities that overlap the National Park boundary were expected to increase by 275,000 (11,000 pa) with associated growth of 185,000 households between 2008-33 (7,400 per annum) – but that the majority of this projected growth is expected to occur outside of the SDNP.

- 4.8 The Study took the approach that new housing development in the National Park would be focused on meeting affordable housing requirements and supporting local employment opportunities and key services.
- 4.9 The study estimated a need for approximately 640 additional affordable homes annually in the SDNP. This is based on an estimate of the scale of housing need within the SDNP, using the available district housing need assessment figures and on a pro-rata basis according to the percentage of population in each District that resides within the SDNP.
- 4.10 The Study recommends that the main thrust of housing policy should be an emphasis on providing affordable housing and keeping homes accessible to local residents and workers. An exception to this approach might be taken in the towns of Lewes and Petersfield – the two largest settlements in the National Park – where, subject to capacity studies, DTZ considered that it would be reasonable to develop market homes for sale, without any requirement for a local connection. However it was clear that it might be appropriate to provide some market housing in other areas if it facilitates the provision of significant additional affordable housing to meet local needs. Consideration in policy-terms, it set out, should specifically be given to encouraging development of smaller homes, since the evidence is that there is limited current stock and that these would help to meet local needs.
- 4.11 It identified a need to develop community-based approaches to bring forward rural exception sites for development of affordable housing and to preserve or provide facilities and services needed to create sustainable communities; whilst seeking to restrict the size and nature of replacement dwellings and extensions to existing dwellings.
- 4.12 Regarding the past 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 (with by inference c. 36 in other areas).

Existing Studies

- 4.13 In accordance with the approach set out in Section 3, we next seek to identify the Objectively Assessed Need (OAN) for housing in each of the relevant HMAs which cut across the SDNP. The SHMAs defined are as follows:
- Sussex Coast
 - Northern West Sussex
 - Eastbourne/ Wealden
 - Central Hampshire

- 4.14 Below we have sought to summarise existing evidence regarding Objectively Assessed Housing Need and the basis for this.

Sussex Coast

- 4.15 GL Hearn has prepared a succession of studies which consider housing needs in the Sussex Coast HMA. As such it did not cover the entire SDNP area. The latest jointly-prepared assessment dates from April 2014 and is entitled *Assessment of Housing Development Needs: Sussex Coast HMA*. This Study sets out the history of previous studies prepared for this Housing Market Area in Section 1. It draws on demographic projections set out in the *Updated Demographic Projections for Sussex Coast HMA Authorities* (GL Hearn, October 2013). It then overlays wider evidence relating to affordable housing need, economic growth potential and market signals following the approach in the Planning Practice Guidance to define figures for OAN.
- 4.16 Further to this there have been a number of local authority specific updates as well as Inspector's reports into the findings of the original and subsequent studies. The results are summarised in Table 5. The identified level of need includes the parts of those districts within the SDNP.

Table 5: OAN in the Sussex Coast HMA

	Time Period	OAN Per Annum	Source
Adur	2011-2031	291	GLH August 2015 OAN Update
Arun	2011-2031	758	GLH March 2015 OAN Update
Brighton & Hove	2010-2030	1,506	GLH June 2015 OAN Update
Chichester	2011-2031	575	GLH April 2014/ Inspectors Report 2015
Lewes	2011-2031	520	GLH Update August 2014/ Inspectors Report 2015
Worthing	2011-2031	636	Worthing Housing Study June 2015
HMA Total		4,286	

Source: Various

- 4.17 The current information suggests a **full objectively assessed need for 4286 homes per annum across the Sussex Coast HMA over the 2010/11-30/31 period.**
- 4.18 GL Hearn's 2012 Coastal West Sussex Strategic Housing Market Assessment Update⁷ did consider housing needs in the SDNP in parts of this HMA based on the following 'best fit' ward geography:
- Arun: Arundel and Walberton wards (The SDNPA also consider Findon as part of this area)
 - Chichester: Bury, Easebourne, Fernhurst, Funtington, Harting, Lavant, Midhurst, Petworth, Rogate and Stedham wards.

⁷ The Coastal West Sussex HMA is different from the Sussex Coast HMA in that it only includes those coastal local authorities within West Sussex i.e. excludes Brighton and Hove and Lewes.

- 4.19 The SHMA included indicative demographic modelling (based on this ward demography). This indicated a need for 787 homes between 2011-31 in the Arun wards (4.2% of the District total), and 2,240 in the Chichester wards (25.6% of the District total).

Northern West Sussex

- 4.20 The Northern West Sussex HMA authorities of Crawley, Horsham and Mid Sussex collaborated to prepare a joint SHMA which was published in 2009. A selective update of this was prepared in 2012 by GVA, and this is again being updated (by Chilmark Consulting). However the recent updates have focused on considering market dynamics, updating the assessment of affordable housing need and reviewing (in the case of the current update) the housing market geography.
- 4.21 Again there are a number of district wide studies which have been completed in the interim period as well as an inspector's preliminary findings in Crawley. Combined these studies show an overall housing need of 1,967 homes per annum. The identified level of need includes the parts of those districts within the SDNP.

Table 6: OAN in the Northern West Sussex HMA

	Time Period	OAN Per Annum	Source
Crawley	2015-2030	675	Inspector's Preliminary Findings, March 2015
Horsham	2011-2031	636	Housing Need in Horsham, GLH March 2015
Mid Sussex	2014-2031	656	HEDNA update June 2015
HMA Total		1967	

Source: Various

Eastbourne/Wealden

- 4.22 The latest evidence regarding this area is set out in the 2012 Eastbourne Strategic Housing Market Assessment prepared by Arc4. This considered the official household projections, and concluded an estimated overall need for housing of around 400 homes per annum between 2010-35 based broadly on the 2010 Sub-National Population Projections. However this assessment pre-dates the PPG and should not be given a much weight.
- 4.23 Wealden Council has recently commissioned preparation of an HMA. Whilst this has not yet drawn firm conclusions regarding overall housing need, it identifies that the 2008-based household projections indicated household growth of 6,560 between 2011-21 whilst the 2011-based Interim Projections suggested lower growth of 5,200 homes over this period. Whilst this assessment is not complete, we consider given the tone of the PPG and the evidence which the assessment has shown thus far that it is likely that housing need would fall nearer to the higher of these projections.

- 4.24 Taking account of the current evidence, we would estimate a full objectively assessed need for 1,075 homes per annum in Eastbourne and Wealden. For Wealden this is based at this stage on the 2008-based Household Projections to 2021 with a 3% allowance for vacant and second homes. This should be reviewed once the Wealden SHMA is completed.

Central Hampshire

- 4.25 In this HMA there are a number of adopted plans where the OAN figure has been tested, and we have relied on these in these instances.
- 4.26 The Central Hampshire HMA is defined as including parts of Test Valley, Winchester and East Hampshire as well as Basingstoke and Deane. We have reviewed relevant Plans and Inspector's Reports together with SHMA studies to draw together the evidence regarding OAN across this SHMA which we summarise in the Table below.

Table 7: OAN in Central Hampshire HMA

	Time Period	OAN Per Annum	Source
Test Valley	2011-29	588	2013 SHMA JGC
Basingstoke & Deane	2011-29	850	SHMA March 2015
Winchester	2011-29	625	Core Strategy Inspector's Report
East Hampshire	2011-28	610	Core Strategy Inspector's Report
HMA Total		2,673	

- 4.27 Basingstoke and Deane Borough Council's SHMA, defines an OAN of 850 and this influences the HMA-wide figures. The latest evidence for Winchester and East Hampshire is set out in the inspectors report to their respective Core Strategies. This details an overall housing need of 625 and 610 per annum respectively. Overall the Housing need in the HMA is calculated at 2,673

Drawing the Analysis Together

- 4.28 We can draw together the existing figures into a single table (table 8). This identifies the current OAN figures (drawing on relevant evidence, including local plan examinations where figures have been tested) for the HMAs which cut across the SDNP. Where a range is identified, this analysis uses the midpoint of the range.

Table 8: Summary of Current Housing OAN Figures, August 2015

HMA	Local Authority	OAN (Homes per Annum)
Sussex Coast	Adur	291
	Arun	758
	Brighton & Hove	1506
	Chichester	575
	Lewes	520
	Worthing	636
	HMA Total	4,286
Northern West Sussex	Crawley	675
	Horsham	636
	Mid Sussex	656
	HMA Total	1,967
Eastbourne/Wealden	Eastbourne	400
	Wealden (whole LA)	675
	HMA Total	1,075
Central Hampshire	Test Valley (whole LA)	588
	Basingstoke & Deane	850
	Winchester (whole LA)	625
	East Hampshire (whole LA)	610
	Total (LA Districts)	2,673
Total: All 4 HMAs		10,001

Source: GL Hearn Analysis

4.29 In accordance with the Framework, it is particularly the HMA figures which are important, which are as follows:

- Sussex Coast: 4,286 homes per annum;
- Northern West Sussex: 1,967 homes per annum;
- Eastbourne/Wealden LAs: 1075 homes per annum;
- Central Hampshire LAs: 2,673 homes per annum.

4.30 This is based on the grouping of local authorities to HMA boundaries and includes all of the local authorities within these Housing Market Areas. It should be recognised that the northern part of Wealden, southern parts of East Hampshire, Winchester and Test Valley in reality fall within other HMAs. However for practical purposes the grouping of local authorities for analytical purposes is reasonable.

Inconsistencies

4.31 It should be recognised that there are a number of inconsistencies in respect of:

- The timing of the above studies and the demographic data on which they are based, including what national projections form a baseline;
- Assumptions made in modelling, particularly in respect of migration and household formation rates;
- The degree to which wider evidence in respect of market signals, affordable housing need and economic growth potential has been considered to 'adjust' where appropriate the overall assessment of need;
- The judgements made in drawing the evidence together to draw conclusions regarding OAN, either by the Councils, consultants or Inspectors.
- Some studies have sought to pro-rata proportions of housing need by the percentage land area of a local authority outside of the National Park, others by proportion of the population that live in each local authority area outside the National Park.

- 4.32 We need to assess housing need on a consistent basis across the National Park, however because it cuts across various existing studies this creates methodological problems compared to the standard SHMA approach.
- 4.33 Given the policy context to setting policies for housing provision within the National Park, we consider that a better approach might instead be to seek to focus more specifically on defining the appropriate level of housing provision to be accommodated within the National Park and how this is segmented across the different HMAs. This can then be compared against the existing SHMA Studies.

Review of Affordable Housing Needs Evidence

- 4.34 SHMAs should also outline the need for affordable housing in the given area. Affordable housing need is defined by the DCLG as the number of households whose housing needs are not being met by the market. Affordable Housing is therefore any social rented, affordable rented and intermediate housing that meets the needs of such households as set out in the Glossary of the NPPF), provided to eligible households Calculating housing need involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing.
- 4.35 Table 9 identifies the latest assessments of affordable housing need looking specifically at local authorities which cut across the SDNP.
- 4.36 The 2012 Coastal West Sussex SHMA Update identified specific affordable housing need for the SDNP. Chichester District Council identified an affordable housing need of 86 per annum for the SDNP and Arun identified a need for 28 affordable homes per annum.
- 4.37 In total the affordable housing need for the local authorities which the SDNP covers is between 6,114 and 6,328 dwellings per annum. In order to disaggregate this calculation to reflect the SDNP

the Authority should begin to assemble data from the various local authorities regarding their housing waiting list.

Table 9: Affordable Housing Need Summary

Local Authority	Annual	Source
Adur	233	GLH August 2015 OAN Update
Arun	480	GLH March 2015 OAN Update
Brighton and Hove	2,105	GLH OAN update June 2015
Chichester	356	GLH 2012 Coastal West Sussex SHMA
East Hampshire	176 - 265	2013 East Hampshire SHMA & Local Housing Requirements Study
Eastbourne	230	2012 Eastbourne SHMA
Horsham	382-404	Housing Need in Horsham, March 2015
Lewes	389	2014 Affordable Housing Needs Assessment
Mid Sussex	127 - 230	HEDNA update June 2015
Wealden	812	2010 Wealden Housing Needs Assessment
Winchester	371	2012 Winchester Housing Market & Housing Needs Assessment Update
Worthing	453	GLH June 2015 Worthing Housing Study
Total	6,114 – 6,328	

- 4.38 The SDNPA Local Housing Requirement Study (2011) does provide a figure for affordable housing need, on a pro-rata basis, of the local authorities' assessment of need. This results in a need for 640 affordable housing units. However this is not based on specific local analysis.

Review of Current Planning Policies

- 4.39 We have reviewed current or emerging plans of local authorities which cut across the SDNP. All authorities' local plans identify a housing target.
- 4.40 The adopted East Hampshire District Plan: Joint Core Strategy (JCS) states that within the SDNP, housing provision should meet the needs of its local communities. The JCS identifies the scale of housing allocations for settlements within the National Park part of East Hampshire – a minimum of 100 dwellings at villages in the SDNP, a minimum of 700 at Petersfield and a minimum of 150 at Liss. These allocations are based on capacity rather than need. Taking account of commitments, completions, windfalls and a large urban potential site, the National Park's share of provision is 100 dwellings per annum (dpa), out of 592 dpa for the district as a whole. This compares with an objectively assessed need of 171 dpa based on a split, pro-rata to population, of Scenario B in the 2013 SHMA or 183 based on the JCS Inspector's view of need (610 dpa).

Table 10: Local Authority Adopted Housing Provision Summary

Local Authority	Local Plan Status	Plan Period	Overall Housing Target	Annual Housing Target
Adur	Pre Submission	2011-2031	3,480 – 3,640	174-182
Arun	Pre Submission	2011-2029	10,440	580
Brighton and Hove	Inspector's Modifications	2010-2030	13,230	660
Chichester	Inspectors Report	2012-2029	7,395	435
East Hampshire	Adopted	2011-2028	10,060	592
Eastbourne	Adopted	2006-2027	5,022	222
Horsham	Inspectors Report	2011-2031	13,000	610
Lewes	Proposed Submission	2010-2030	5,600	280
Mid Sussex	Pre-Submission Draft	2014-2031	11,050	650
Wealden	Adopted	2006-2027	9,440	450
Winchester	Adopted	2011-2031	12,500	625
Worthing	Adopted	2006-2026	4,000	200
Total	-	-	105,217 – 105,377	5,478 – 5,486

- 4.41 The combined annual housing provision from the Local Plan policies is 5,478 – 5,486 dwellings per annum. In particular an unmet need arises in comparing need with planned provision in Brighton and Hove, Adur, Chichester, Eastbourne, Lewes and Worthing. This reflects development constraints in these areas – including but not limited to the National Park designation.

5 POPULATION AND SOCIO-ECONOMIC PROFILING

- 5.1 According to the ONS, the South Downs National Park had a population of 112,343 in 2011 making it by far the most populated National Park in the country. The second most populated National Park being the Lake District with 40,000 residents.
- 5.2 Where possible we have referred to the data published by the ONS which relates directly to the National Park area. However the scope of this data is limited and cannot be broken down to review sub-areas. Throughout this report we will refer to wider HMAs. This reflects the local authorities set out in Table 3 of the report.
- 5.3 We have also used some local data using a best fit of Middle Super Output Area (MSOAs). However, this should be treated with caution, as it reflects a slightly wider area than the National Park itself. In order to generate this 'best fit' we have taken each MSOA which is in part located within the SDNP. We have then used those MSOAs where over 85% of the population falls within the SDNP, and excluded others. This threshold results in an estimated population within the National Park of 114,000 which is generally similar to that shown in the ONS data⁸. As discussed, some caution should however be applied in interpreting data based on the aggregation of MSOAs.
- 5.4 Using this approach we model that 8.0% of the population in the Coastal Sussex HMA falls within the National Park, 1.7% of the population of Eastbourne and Wealden HMA, 1.3% of that in the Northern West Sussex HMA, and 7.9% of that in the Central Hampshire HMA authorities.

Table 11: Proportion of Usual Resident Population in the National Park by HMA, 2011

HMA	Inside SDNP	Outside SDNP
Coastal Sussex	8.0%	92.0%
Eastbourne and Wealden	1.7%	98.3%
Northern West Sussex	1.3%	98.7%
Central Hampshire	7.9%	92.1%

Source: GLH Analysis of 2011 Census data

- 5.5 The proportions of households in the different areas are broadly similar to the 2011 census population proportions above, as are the number of dwellings as Table 12 and 13 demonstrate.

⁸ As the SDNP area does not relate to a standard geography it is not possible to generate exact population estimates with the available data.

Table 12: Proportion of Households in National Park by HMA, 2011

HMA	Inside SDNP	Outside SDNP
Coastal Sussex	7.7%	92.3%
Eastbourne and Wealden	1.8%	98.2%
Northern West Sussex	1.3%	98.7%
Central Hants	8.0%	92.0%

Source: GLH Analysis of 2011 Census data

Table 13: Proportion of Dwellings in National Park by HMA, 2011

HMA	Inside SDNP	Outside SDNP
Coastal Sussex	7.9%	92.1%
Eastbourne and Wealden	1.9%	98.1%
Northern West Sussex	1.3%	98.7%
Central Hants	8.1%	91.9%

Source: GLH Analysis of 2011 Census data

- 5.6 We can undertake a similar analysis at a local authority district level. Table 14 estimates the proportion of residents, households and dwellings in each local authority area which are in the SDNP.

Table 14: Estimated Proportion of Residents, Households and Dwellings in SDNP, 2011

HMA	% Usual Residents	% Households	% Dwellings
Coastal Sussex HMA	8.0%	7.9%	7.7%
Adur	2.9%	2.3%	2.3%
Arun	2.6%	2.7%	2.7%
Brighton and Hove	1.7%	1.5%	1.5%
Chichester	25.8%	25.7%	25.7%
Lewes	24.3%	23.9%	24.0%
Worthing	0.6%	0.6%	0.6%
Eastbourne and Wealden HMA	1.7%	1.9%	1.8%
Eastbourne	1.4%	1.4%	1.4%
Wealden	1.9%	2.2%	2.1%
Northern West Sussex HMA	1.3%	1.3%	1.3%
Horsham	2.9%	2.9%	2.8%
Mid Sussex	0.8%	0.8%	0.8%
Central Hants HMA	7.9%	8.1%	8.0%
East Hampshire	26.8%	27.0%	27.1%
Winchester	8.5%	8.8%	8.6%

Source: GLH Analysis of Census Data

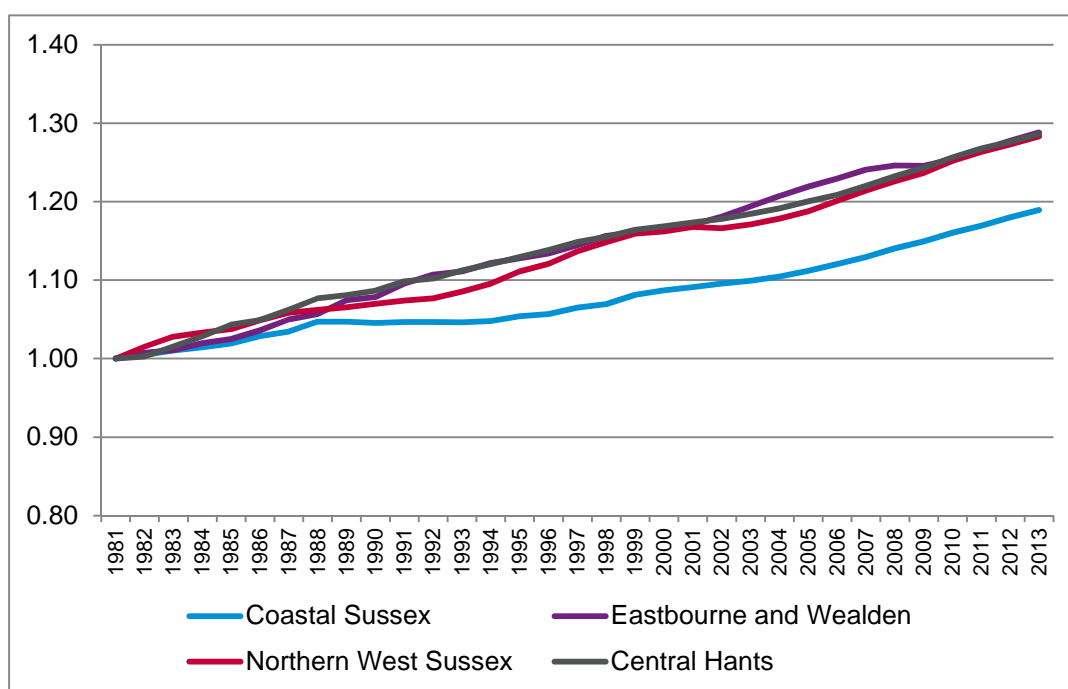
- 5.7 Applying proportions of dwellings in this way results in a useful initial assessment of the distribution of population and households within and outside of the SDNP by administrative area and HMA, but takes no account of the specific local factors which may influence housing need including:
- Evidence of affordable housing need, which is of specific relevance given the emphasis in policy terms of affordable housing provision;
 - Consideration of what housing provision (not just in terms of numbers, but also mix) is necessary to support the National Park's economy and local service provision;
 - Levels of migration to the National Park, which are likely – given restricted housing supply – to be lower than those for the wider authorities, meaning that the above analysis is likely to over-estimate need; and
 - The influence of the age structure in the National Park relative to wider authorities on migration and household structures.
- 5.8 These are all relevant factors in setting housing policies in the SDNP. What the above analysis does do is provide a baseline which can be used to benchmark what levels of needs may need to be met in other parts of the relevant HMAs.
- 5.9 In respect of some of the authorities, the proportion of homes in the SDNP are modest (less than 3%). These are:
- Adur
 - Worthing
 - Brighton and Hove
 - Worthing
 - Horsham
 - Arun
 - Mid Sussex
 - Eastbourne
 - Wealden
- 5.10 Within these authority areas, there are no market towns, but some do contain larger villages where it may be appropriate to identify residential allocations.
- 5.11 The remaining four local authorities do have a far greater proportion of their districts (and housing stock in 2011) within the SDNP. These are:
- Chichester
 - Lewes
 - Winchester
 - East Hampshire
- 5.12 It is this group of authorities where we have focussed our analysis, if specific data for the National Park is not available.

Population Profile

Population

- 5.13 In Chapter 4 we review the National Parks population change as part of our wider demographic assessment. We can also look at the growth in the wider HMAs as set out Figure 28. As illustrated in Figure 28, there has been relatively consistent population growth across the Central Hants, Northern West Sussex and Eastbourne and Wealden HMAs, although the local authorities which comprise the Coastal Sussex HMA saw a much lower rate of growth than the others over this period.

Figure 28: Indexed Population Growth (1981 – 2013)



Source: ONS, Mid-Year Estimates 2014

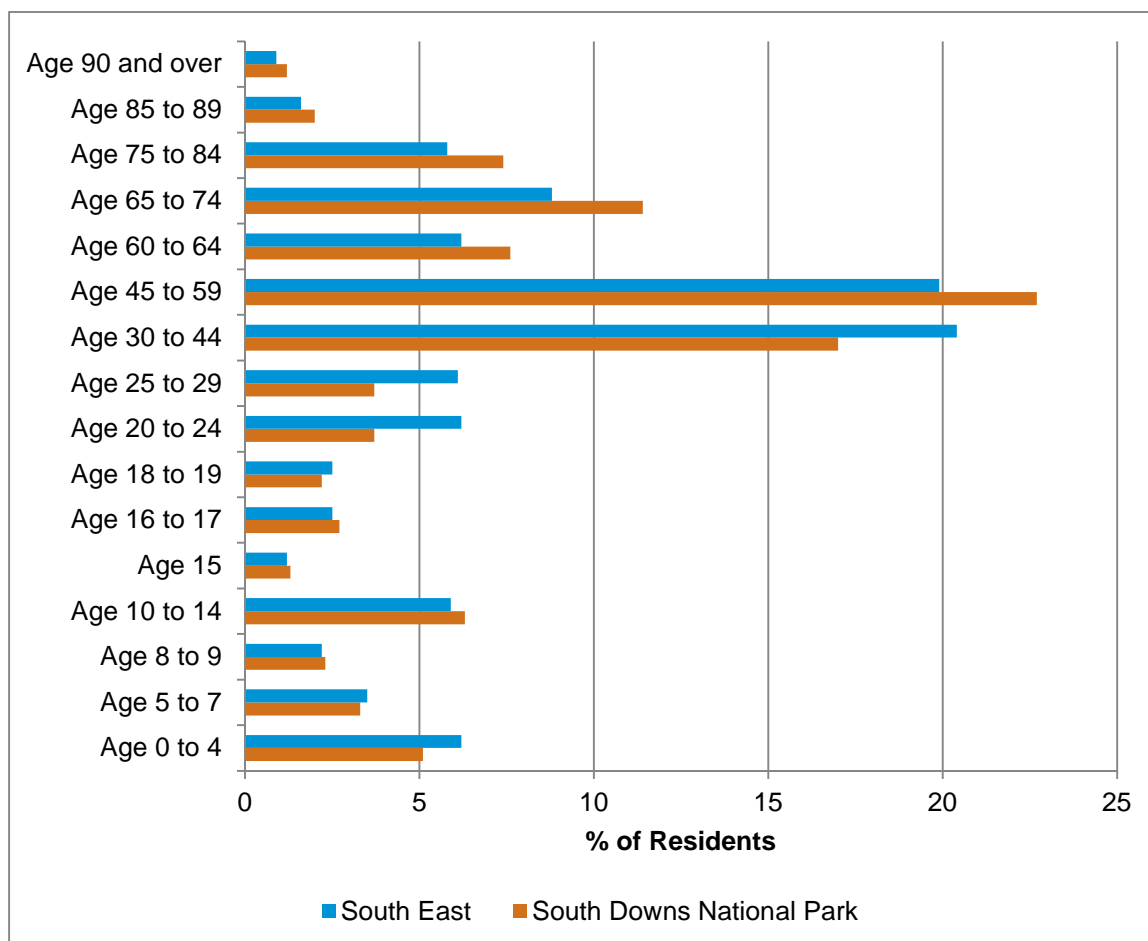
- 5.14 At a local authority level, the highest population growth since 1981 has been in Crawley which sits entirely outside the SDNP. Of those authorities which are co-located within the SDNP, the largest percentage growth was seen in Horsham (32%) and Eastbourne (32%).

Age Structure

- 5.15 As shown in Figure 29 the SDNP's age structure differs from that of the South East as a whole. The National Park has a lower proportion of people in their 20s and 30s, but a higher proportion of people aged over 45. The proportion of the population made up of teenage children is modestly above the South East average.

- 5.16 The older population structure is illustrated further by the median age of the SDNP which is 46, compared to just 40 in the wider South East.

Figure 29: SDNP Population Profile, 2013



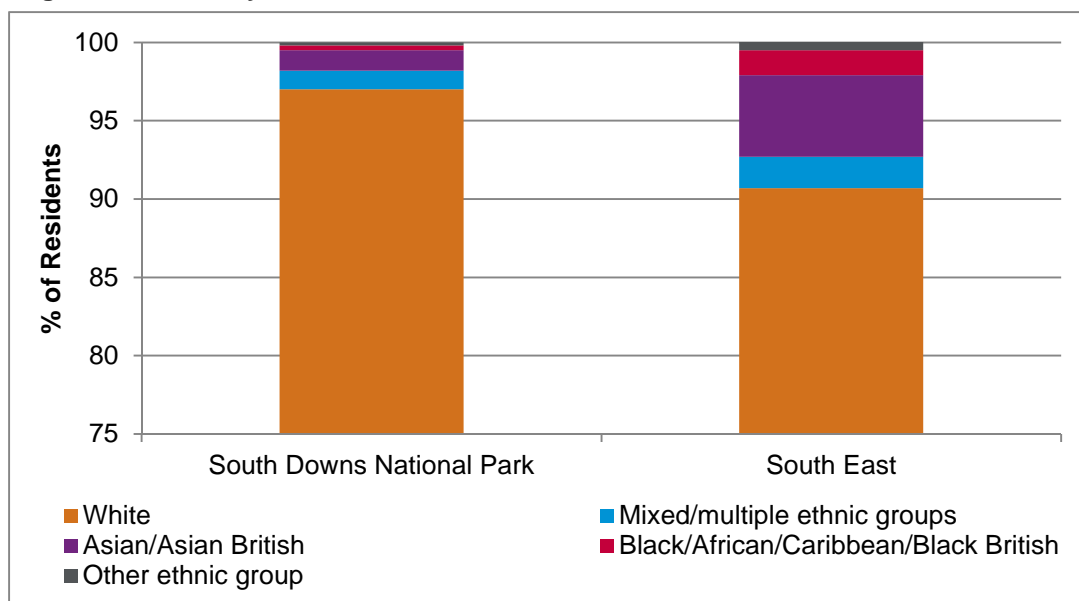
Source: ONS 2013 Mid-Year Population Estimates

- 5.17 A lower number of residents in their 20s and 30s reflects the rural nature of the area, housing costs and lifestyle choices of younger people, together with opportunities for employment and higher education infrastructure.

Ethnicity

- 5.18 The ethnic makeup of the SDNP is fairly homogenous with only 3% of the population being non-white. This compares to around 10% in the South East. The largest minority group in the SDNP is Asian, and more specifically Chinese (see Figure 30).

Figure 30: Ethnicity of SDNP Residents, 2011

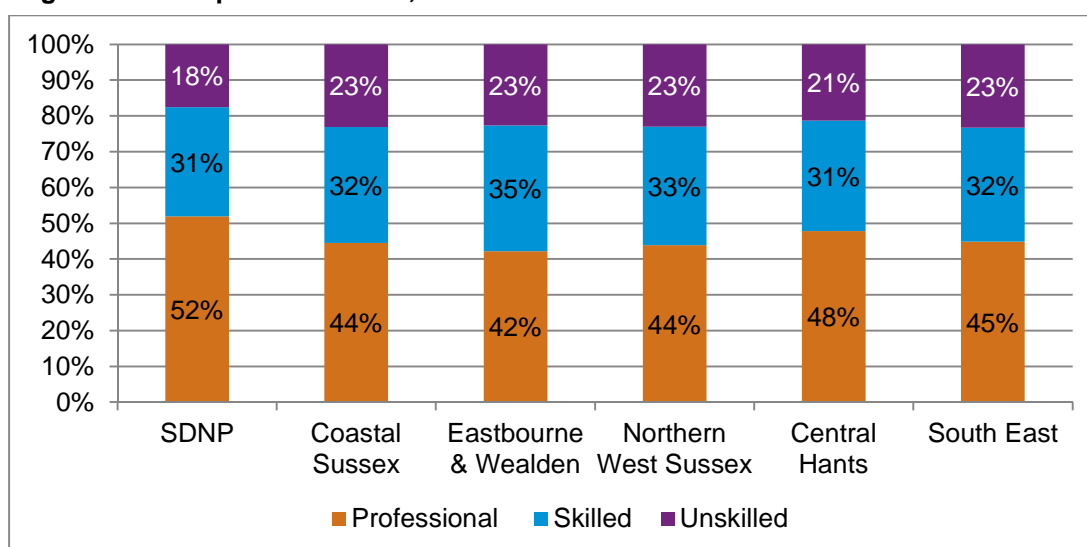


Source: 2011 Census

Occupation Profile

- 5.19 Figure 31 shows the occupational profile of the SDNP and the wider HMA's. As set out in the SDNP Employment Land Review, the National Park has the same broad profile as the comparator areas for skilled professions. However there are a far higher percentage of residents working in professional jobs and lower percentage of residents working in unskilled jobs.

Figure 31: Occupational Profile, 2011



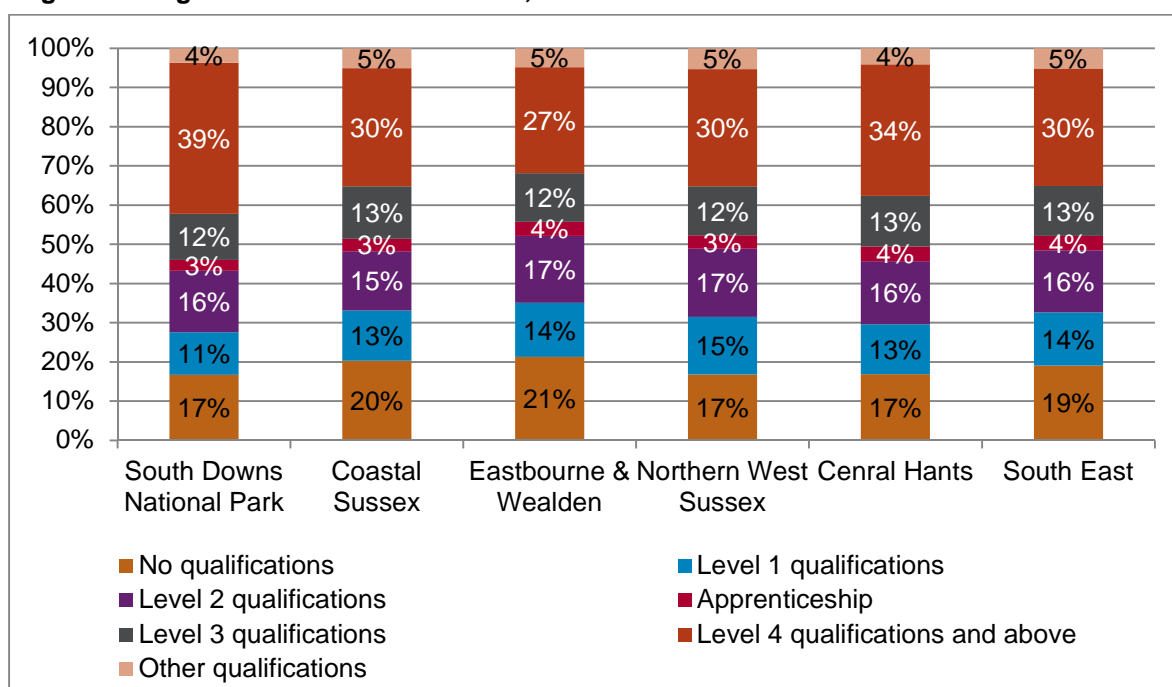
Source: 2011 Census

- 5.20 Only the Central Hants HMA has a similarly large percentage of working age population working in professional occupations. The Eastbourne and Wealden HMA has the lowest percentage of professional residents.

Qualifications

- 5.21 The high proportion of residents with professional jobs in the SDNP is reflected in qualifications of National Park residents. Figure 32 shows that the SDNP has a higher proportion of residents with Level 4 qualifications and above than seen elsewhere. This includes degree (BA, BSc), higher degree (MA, PhD, PGCE), and professional qualifications.

Figure 32: Highest Level of Qualification, 2011



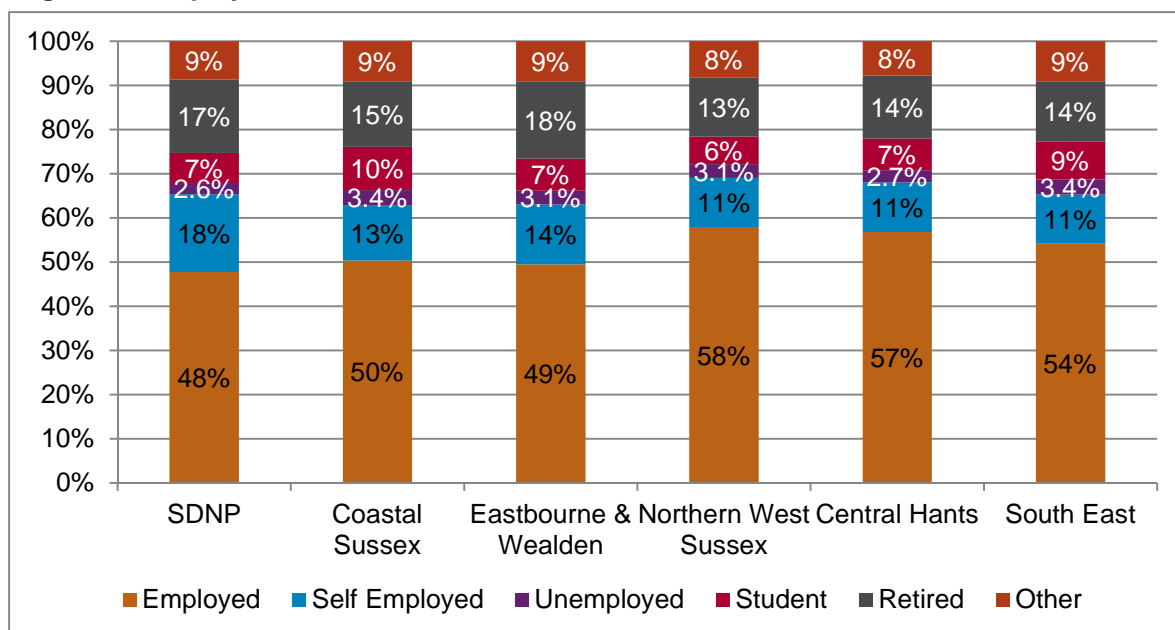
Source: 2011 Census

- 5.22 The Central Hants HMA has the highest percentage of residents qualified to level 4 (34%) while Eastbourne and Wealden HMA has the lowest (27%).

Employment Rates

- 5.23 Figure 33 shows employment rates as a percentage of the economically active population, which is those of working age who are either in employment, or not in employment but seeking work. Figure 33 shows that self-employment levels in the SDNP is 18% - slightly more than the comparator areas. Conversely, employment levels are lower although so is unemployment. Indeed unemployment in the SDNP is also lower than any of the comparator areas.

Figure 33: Employment Levels, 2011



Source: 2011 Census

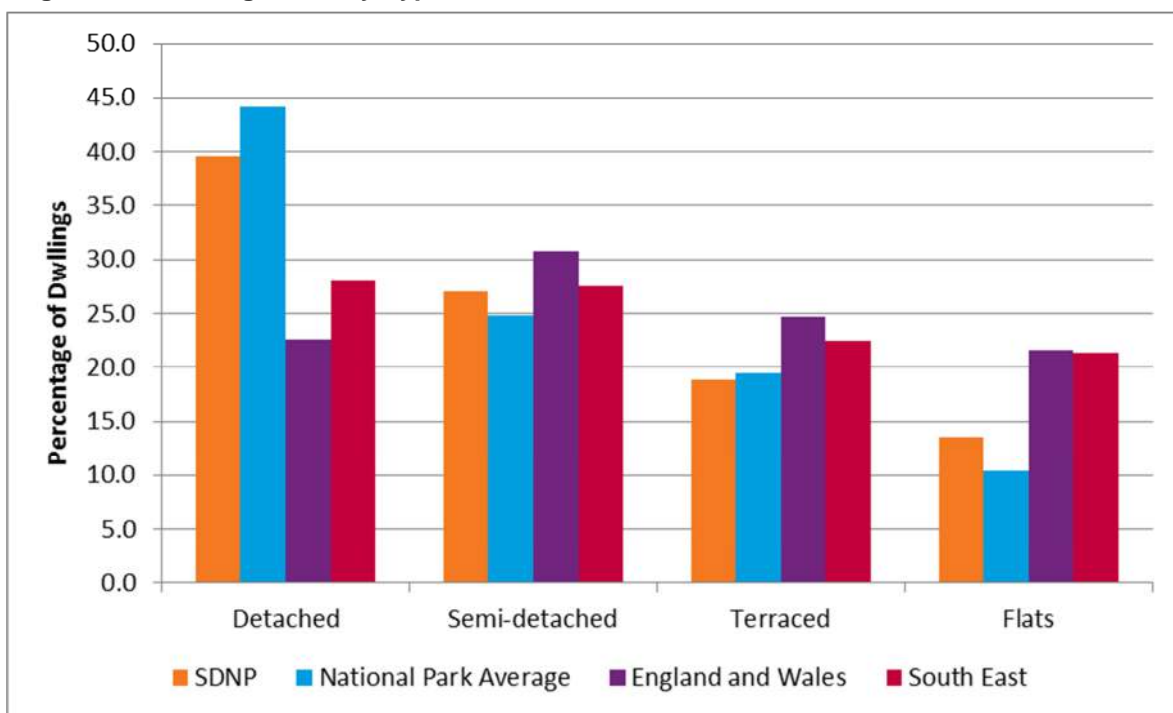
- 5.24 The Northern HMA West Sussex has the highest percentage of employees and self-employment. Coastal West Sussex has the lowest percentage of those in employment or self-employed. Conversely the Coastal Sussex HMA has the highest percentage of students - influenced by the location of two major universities in Brighton.

Housing Stock and Household Trends

Dwellings

- 5.25 There are just over 50,000 dwellings in the SDNP which again is significantly higher than the other national parks. However, the SDNP has a relatively modest number of household spaces with no usual residents (5.6% in SDNP vs. an average of 13.9% in other National Parks). The implication is of lower levels of second home ownership.
- 5.26 As a rural area, it is perhaps unsurprising that the majority of the housing stock is detached and semi-detached properties. The percentage of larger properties in the SDNP is however modest in comparison to the other national parks (Figure 34).

Figure 34: Dwelling Stock by Type, 2011



Source: Census 2011

Tenure

- 5.27 Table 15 illustrates the distribution of occupied dwellings by each of the main tenure types. As shown, the percentage of socially rented properties in the SDNP (12.9%) is slightly higher than the other comparator areas. This is largely as a result of stock owned by Registered Providers rather than renting from local authorities.
- 5.28 39% of households in SDNP own their property outright. This is a higher proportion than seen regionally or nationally, but is low when compared to the average of all national parks in England and Wales. 29% of households own with a mortgage or loan which is below the national and regional levels but above national parks average. 15% rent in the Private Rented Sector. Again, these proportions are below regional and national rates but higher than the average of all National Parks in England and Wales.
- 5.29 The percentage of the occupied dwellings that are owner occupied (68.2%) is broadly in line with the rest of the South East (67.6%). However, the percentage of home-owners who own their properties without a mortgage is much higher in the SDNP (39.3% vs 32.5%). This is perhaps a reflection of a higher number of older people who have paid off their mortgage and is likely to be a characteristic common across national parks.

Table 15: Occupied Dwellings by Tenure, 2011

#	All Households	Owned outright	Owned with a mortgage or loan	Shared ownership	Social rented	Private rented	Living rent free
SDNP	47,273	18,557	13,647	319	6,130	7,226	1,394
All NP	175,053	78,887	45,228	977	19,302	25,925	4,734
South East	3,555,463	1,156,081	1,248,436	39,280	487,473	578,592	45,601
England	22,063,368	6,745,584	7,229,440	173,760	3,903,550	3,715,924	295,110
%							
SDNP	100%	39%	29%	1%	13%	15%	3%
All NP	100%	45%	26%	1%	11%	15%	3%
South East	100%	33%	35%	1%	14%	16%	1%
England	100%	31%	33%	1%	18%	17%	1%

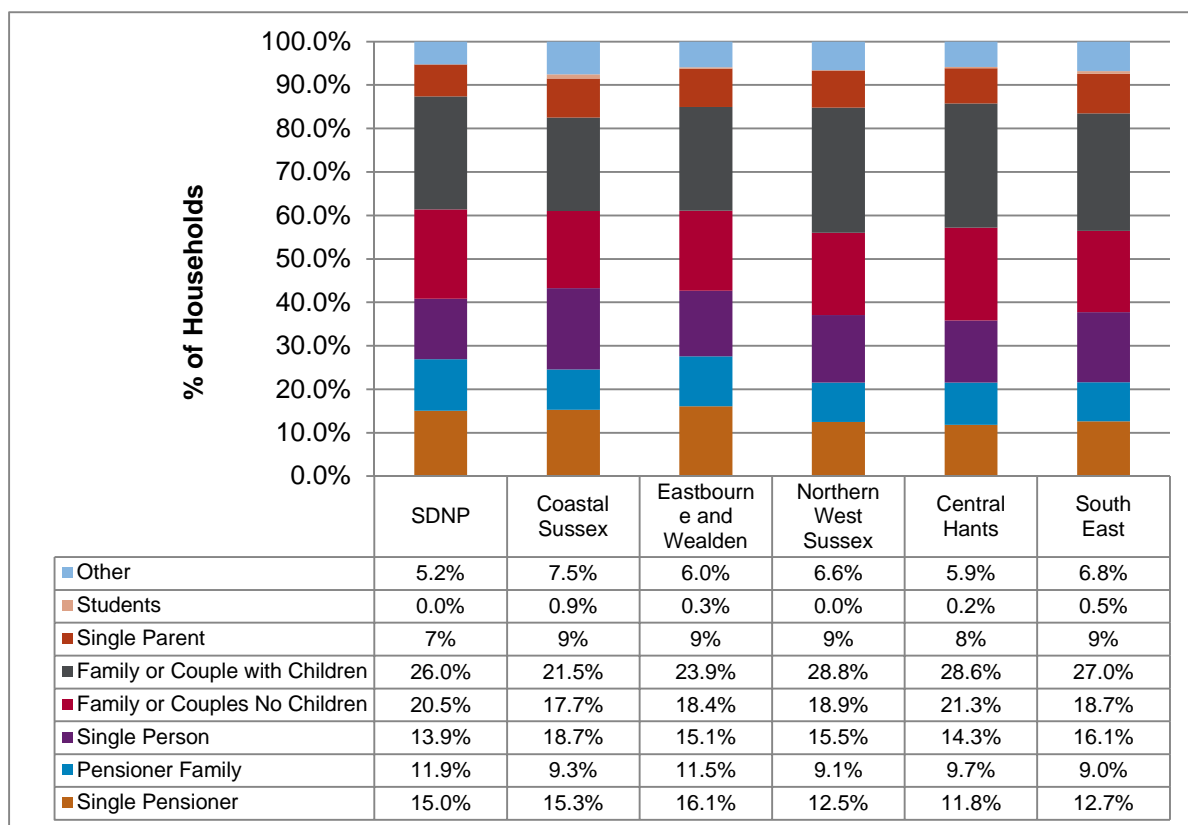
Source: Census, 2011

- 5.30 Analysing changes in tenure is important in understanding market trends. Nationally there was a shift from home ownership with a mortgage towards the Private Rental Sector between 2001-11. This reflected households being unable to access mortgage products and having to rent instead. This was aided in part by an increased supply of rental properties, linked to the attractiveness of housing as an investment and 'reluctant landlords' towards the end of the decade as home owners choose to rent their properties until a time when the market is perceived to have recovered. We look at this in more detail in Section 6 of the report.

Household Types

- 5.31 The profile of households in the SDNP is markedly different to the wider area. In particular we see:
- A relatively low percentage of single parent families;
 - A relatively high percentage of single pensioner households;
 - A relatively high percentage of families with and without Children;
 - A relatively low percentage of single person households (outwith single pensioner households).

Figure 35: Household Types, 2011

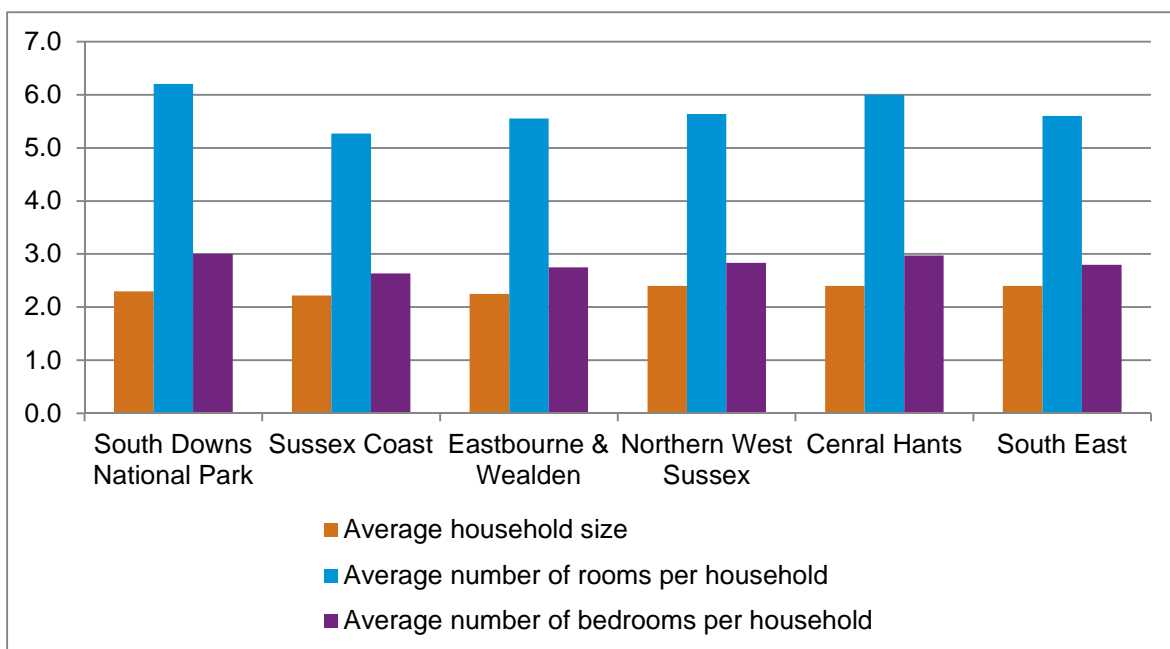


Source: Census 2011

Occupancy

- 5.32 The ONS data provides details on the number of persons, bedrooms and rooms in each property. This can be used to measure over-crowding. Figure 36 shows that at 2.3 persons per household the SDNP is similar to that seen across the HMAs and is actually slightly lower than average household size seen in the South East and England and Wales (2.4 persons), although in comparison to the other National Parks (2.2 persons) it is slightly higher.
- 5.33 This does not translate into property size or occupancy rating, however, as the average number of rooms (6.2) and bedrooms (3.0) is larger than that seen across the HMAs, the wider South East (5.6 and 2.8 respectively) and England and Wales (5.4 and 2.7 respectively). We can therefore draw a broad assumption that houses in the SDNP are more likely to be under-occupied. This is a function of the age structure and greater 'housing wealth' of older households.
- 5.34 We look at over-crowding in more detail in Section 6 of the report.

Figure 36: Average Household and Dwelling Size, 2011



Source: Census 2011

6 AFFORDABLE HOUSING NEED

Introduction

- 6.1 In this section we discuss levels of affordable housing need in the SDNP. Affordable housing need is defined in the Planning Practice Guidance as the quantity of housing required for households who are unable to access suitable housing without financial assistance. These households will be eligible for affordable housing. Affordable housing is defined in the National Planning Policy Framework as social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market.
- 6.2 The policy framework for housing in national parks is particularly focused on delivering affordable housing to meet local needs, support local employment and key services. This is set out in The English National Parks and Broads UK Government Vision and Circular 2010.
- 6.3 The analysis in this section seeks to consider the need for affordable housing within the SDNP. It has been developed to provide an indication of the scale of affordable housing need across the SDNP area and, where the data supports it, within those parts of the SDNP in each HMA.
- 6.4 By and large we have provided data for the Central Hampshire HMA and the remainder of the SDNP. This is largely comprised of the Sussex Coastal HMA although a very small minority of this relates to the Eastbourne and Northern West Sussex HMA. At the end of the section we do however provide indicative figures for more detailed HMA and Local Authority areas.
- 6.5 The level of detail which can be provided in this report is influenced by data available using secondary sources. The analysis deals with the affordable housing need for the SDNP as a whole. This is broken down into two areas. Just 4% of the SDNP's population and total households fall within each of the Eastbourne/Wealden and Northern West Sussex HMAs. The population base and available statistics for these areas is not sufficient to support a separate breakdown of affordable need within these areas. They are therefore considered together with the needs in the Coastal Sussex HMA. The Central Hampshire HMA is also shown.
- 6.6 The report provides a strategic-level analysis of affordable housing need. Rural housing needs surveys will also continue to be useful (alongside the SHMA analysis) in providing local evidence of affordable housing need at a point in time, and the mix of homes which might be provided to meet this, at a settlement level.
- 6.7 The Planning Practice Guidance sets out a model for assessing housing need (known as the Basic Needs Assessment Model). This model has been used to assess the need for affordable housing for over a decade, and is used herein. The analysis is based on secondary data sources. It draws

on a number of sources of information including 2011 Census data, demographic projections, house prices/rents and income information. The use of secondary data restricts the granularity of analysis which can be undertaken; but does demonstrate a clear and significant need to increase provision of affordable housing within the SDNP.

- 6.8 The Basic Needs Assessment Model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing (through relets of current stock) which can be used to meet the need arising from households who cannot afford market housing without supply. Estimates of housing need are provided in this section for the twenty year period between 2013 and 2033 in order to encompass strategic planning timeframes. We have applied a 2013 start date as this reflects the latest published known population as set out in the Mid-Year Estimates. We have also provided annualised figures to allow for the data to be aggregated to any required time frame.

Key Definitions

- 6.9 We begin by setting out key definitions relating to housing need, affordability and affordable housing.

Affordable Housing Need

- 6.10 Affordable Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Newly-Arising Need

- 6.11 Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. In this assessment we have used trend data from the Continuous Recording System (CoRe) along with demographic projections about the number of new households forming (along with affordability) to estimate future needs.

Supply of Affordable Housing

- 6.12 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the newly-arising need to make an assessment of the net future need for affordable housing.

Affordability

- 6.13 Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including CACI, ASHE, the English Housing Survey (EHS) and ONS data,

against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting (in line with the SHMA Guidance) and are summarised below:

- A. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income – CLG guidance suggests using different measures for households with multiple incomes (2.9×) and those with a single income (3.5×), however (partly due to data availability) we have only used a 3.5 times multiplier for analysis. This ensures that housing need figures are not over-estimated – in practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to require lower incomes for households to be able to afford access to market housing;
- B. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 30% of gross income. CLG guidance suggests that 25% of income is a reasonable start point but suggests that a higher figure could be used. A review of SHMAs carried out across the Country suggests that 30% has been established as the benchmark figure to be used in such assessments. Analysis has also been carried out to test the sensitivity of affordable need at different percentages (from 25% to 40%).

- 6.14 It should be recognised that a key challenge in assessing housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor in affecting the ability of young households to purchase housing. However in many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact of deposit issues on the overall assessment of housing need is limited.

Affordable Housing

- 6.15 The NPPF provides the definition of affordable housing (as used in this report). The following is taken from Annex 2 of NPPF.

"Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices;
- Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision."

- 6.16 Within the definition of affordable housing there is also the distinction between social rented affordable rented, and intermediate housing. Social rented housing is defined as:

“Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.”

- 6.17 Affordable rented housing is defined as:

“Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent.”

- 6.18 The definition of intermediate housing is shown below:

“Intermediate affordable housing is ‘Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing.”

- 6.19 As part of our analysis in this report we have therefore studied the extent to which both social rented, intermediate housing and affordable rented housing can meet housing need in SDNP.

Local Prices & Rents

- 6.20 An important part of the assessment of housing need is to establish the entry-level costs of housing to buy and rent. This housing needs assessment then compares this with the incomes of households within the study area to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having a ‘housing need.’
- 6.21 In this section we establish the entry-level costs of housing to both buy and rent in each of the two sub-areas. Our approach has been to carry out a desktop survey using internet sources. We have assessed prices and rents for different sizes of properties from one to four bedrooms in each of the different locations.
- 6.22 Table 16 shows estimated lower quartile property prices obtained from this search. The prices have been reduced slightly (on average by about 6%) to take account of the difference between asking prices and prices paid based on information from the Hometrack website.
- 6.23 The data shows that prices are estimated to start at about £130,000 for a one-bedroom home and rising to about £400,000 for four bedrooms. The data excludes shared ownership, retirement homes and park homes for the purposes of analysis. The analysis does not indicate significant differences in prices between the two broad sub-areas. In both cases the overall lower quartile cost is around the £260-£270,000 mark.

Table 16: Lower Quartile (entry-level) Purchase Price

Dwelling size	Central Hampshire	Other Parts of SDNP
1 bedroom	£131,000	£133,000
2 bedrooms	£207,000	£222,000
3 bedrooms	£292,000	£284,000
4+ bedrooms	£392,000	£423,000
All dwellings	£263,000	£270,000

Source: Online Estate and Letting Agents Survey (January 2015)

- 6.24 The entry-level cost for private rented accommodation is presented in Table 17. This indicates that entry-level rents range from about £600 per month for a one bedroom home up to around £1,350 per month for a four bedroom property depending on location. Rental costs are slightly higher in the Coastal Sussex HMA and other parts of the National Park than Central Hampshire with the overall lower quartile rent (for all sizes) ranging from £755 to £850 per month.

Table 17: Lower Quartile Private Rents by Size and Location

Dwelling size	Central Hampshire	Other Parts of SDNP
1 bedroom	£595	£620
2 bedrooms	£740	£760
3 bedrooms	£915	£950
4+ bedrooms	£1,140	£1,350
All dwellings	£755	£850

Source: Online Estate and Letting Agents Survey (January 2015)

Cost of Affordable Housing

- 6.25 Changes in affordable housing provision have seen the introduction of a new tenure of affordable housing (Affordable Rented). Affordable rented housing is defined in the NPPF as being '*let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)*'. In the short-term it is likely that this tenure will replace social rented housing for new delivery.
- 6.26 Affordable Rented housing can therefore be considered to be similar to social rented housing but at a potentially higher rent. The 80% (maximum) rent is to be based on the open market rental value of the individual property and so it is not possible to say what this will exactly mean in terms of cost (for example the rent for a two-bedroom flat is likely to be significantly different to a two-bedroom detached bungalow). In addition, market rents for new-build homes are likely to be higher than within the existing stock and may well be in excess of 80% of lower quartile rents. However, for the

purposes of analysis we have assumed that the 80% figure can be applied to the lower quartile private rented cost data derived from VOA information.

Gaps in the Housing Market

- 6.27 Table 18 estimates how current prices and rents in the SDNP might equate to income levels required to afford such housing. The figures are based on the figures derived in the analysis above and include three different tenures (buying, private rent and affordable rent) and are taken as the lower quartile price/rent across the whole stock of housing available (i.e. including all property sizes). For illustrative purposes the calculations are based on 3.5 times household income for house purchase and 30% of income to be spent on housing for rented properties. The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing.

Table 18: Indicative income required to purchase/rent without additional subsidy

Area	Lower quartile purchase price	Lower quartile private rent	Affordable rent
Central Hampshire	£75,100	£30,200	£24,160
Other Parts of SDNP	£77,100	£34,000	£27,200

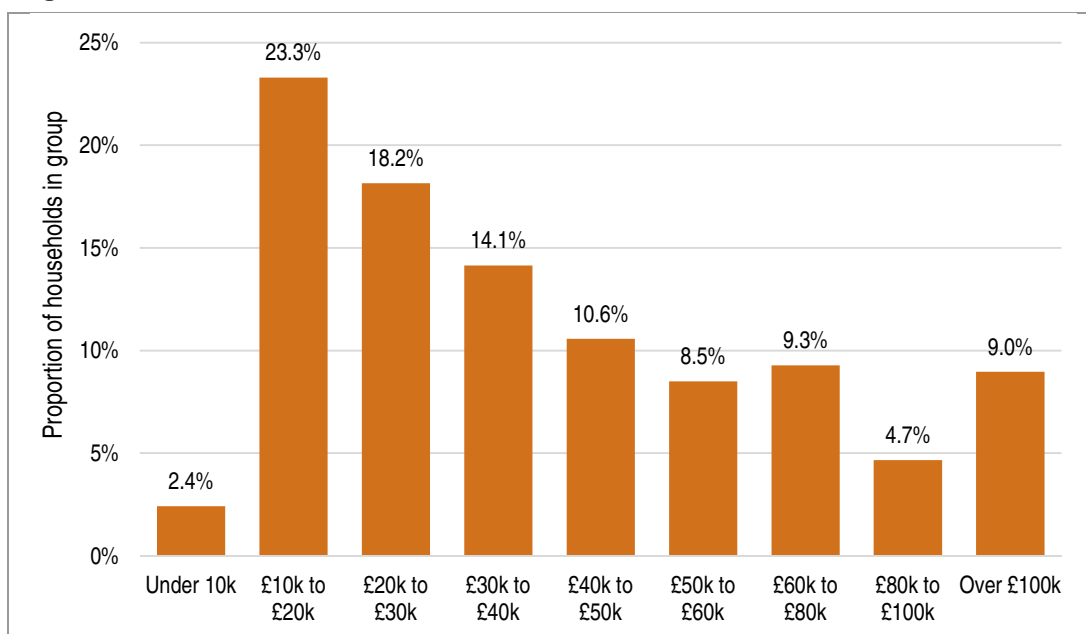
Source: Online Estate and Letting Agents Survey (January 2015)

Income levels and affordability

- 6.28 Following on from our assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability and also provide an indication of the potential for intermediate housing to meet needs. Data about total household income has been modelled on the basis of a number of different sources of information to provide both an overall average income and the likely distribution of incomes in each area. The key sources of data include:
- CACI from *Wealth of the Nation 2012* – to provide an overall national average income figure for benchmarking
 - English Housing Survey (EHS) – to provide information about the distribution of incomes (taking account of variation by tenure in particular)
 - Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed from 2012 to 2013 (a 0.7% increase was identified from this source for the South East)
 - ONS modelled income estimates – to assist in providing more localised income estimates (i.e. for the two sub-areas)
- 6.29 Drawing all of this data together we have therefore been able to construct an income distribution for the whole of the SDNP for 2013. Figure 37 shows the distribution of household incomes for the whole of the Study area. The data shows that around a quarter (26%) of households have an income below £20,000 with a further third in the range of £20,000 to £40,000. The overall average

(median) income of all households in the SDNP was estimated to be around £34,000 with a mean income of £44,800.

Figure 37: Distribution of Household Income in SDNP



Source: Derived from ASHE, EHS, CACI and ONS data

6.30 Figure 37 illustrates overall incomes for all households. This would include those households who have paid off their mortgage and own outright. It should be stressed however that the above distribution of earnings does not feed directly into our model as we adjust the earnings distribution to calculate earnings for newly-forming households rather than all households (e.g. it is recognised that newly-forming (typically younger) households have lower incomes than the 'all households' figure; hence the distribution above is changed for different parts of affordability modelling to reflect the likely incomes of different household groups).

6.31 Table 19 shows how the distribution of income varies for each of the two sub-areas. Incomes were found to be higher in the Central Hampshire area.

Table 19: Income levels by HMA

Income band	Central Hampshire	Other Parts of SDNP	SDNP (Overall)
Under £10k	1.9%	2.9%	2.4%
£10k to £20k	21.3%	24.8%	23.3%
£20k to £30k	18.1%	18.2%	18.2%
£30k to £40k	14.2%	14.1%	14.1%
£40k to £50k	10.4%	10.7%	10.6%
£50k to £60k	8.9%	8.2%	8.5%
£60k to £80k	10.2%	8.6%	9.3%
£80k to £100k	5.0%	4.4%	4.7%
Over £100k	10.1%	8.2%	9.0%
Total	100.0%	100.0%	100.0%
Mean	£47,314	£42,867	£44,768
Median	£35,986	£32,604	£33,991

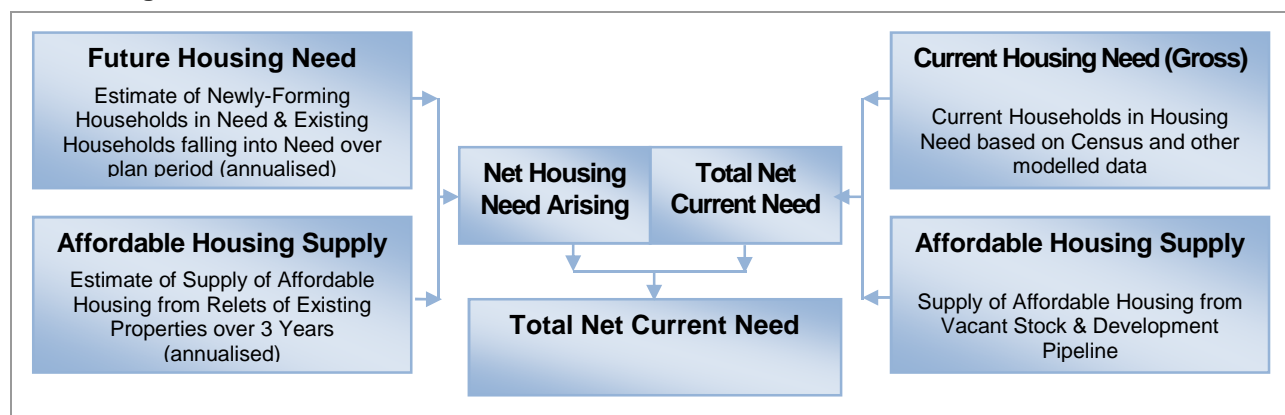
Source: Derived from ASHE, Experian, SHE, CACI and ONS data

- 6.32 To assess affordability we have looked at households ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. The distribution of household incomes is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.
- 6.33 Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households). Assumptions about income levels are discussed where relevant in the analysis below.

Housing Needs Assessment

- 6.34 Affordable housing need has been assessed using the Basic Needs Assessment Model, in accordance with the Planning Practice Guidance. This model is summarised in Figure 38.

Figure 38: Overview of Basic Needs Assessment Model



6.35 The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of 2011 Census data. The housing needs modelling undertaken provides an assessment of housing need for a five year period (which is then annualised). Each of the stages of the housing needs model calculation are discussed in more detail below.

Current Housing Need (Backlog)

6.36 In line with the PPG, the backlog of affordable housing need has been based on estimating the number of households living in unsuitable housing along with consideration of their current tenure and affordability. Unsuitability is based on the number of households shown to be overcrowded in the 2011 Census along with an estimate of other needs which have been modelled by comparing the tenure profile in each area with information from previous surveys about households in need. Much of these additional needs are found in the private rented sector and relate to issues around security of tenure and housing costs.

6.37 The analysis shows some 966 overcrowded households (using the bedroom standard) along with an estimated 1,094 households with other needs. In total it is therefore estimated that around 2,060 households are currently living in unsuitable accommodation – this represents 4.3% of the estimated number of households in SDNP in 2013. In general we would tend to find that a figure of around 6% would be typical. The relatively lower figure in the SDNP is driven by low levels of overcrowding in the SDNP and a private rented sector which is slightly smaller than the national/regional average.

6.38 In taking this estimate forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing (2,060), households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes all outright owners under the assumption

(which is supported by analysis of a range of survey data) that they will have sufficient equity to move and 90% of owners with a mortgage. Again analysis of a range of recent surveys indicates that the vast majority of owners with a mortgage are able to afford housing once savings and equity are taken into account.

- 6.39 At the time of the assessment there were an estimated 989 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers) – this represents 2.1% of all households in the study area – this data is shown in Table 20 along with estimates for the two sub-areas.

Table 20: Estimated number of households in unsuitable housing

Area	In unsuitable housing	Total number of households	% in unsuitable housing
Coastal Sussex	589	27,474	2.1%
Central Hampshire	399	20,523	1.9%
SDNP (Overall)	989	47,996	2.1%

Source: Census (2011) and data modelling

- 6.40 Our estimated level of backlog need is therefore 989. We can however additionally consider that a number of these households might be able to afford market housing without the need for subsidy. For an affordability test we have used the income data and adjusted the distribution to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income estimate of 69% of the figure for all households has been used. Overall, around two-thirds of households with a current need are estimated to be likely to have insufficient income to afford market housing and so our estimate of the total backlog need is reduced to 650 households.

Table 21: Estimated Current Need

Area	In unsuitable housing	% Unable to Afford	Revised Gross Need (including Affordability)
Central Hampshire	399	59.6%	238
Other Parts of SDNP	589	70.0%	412
SDNP (Overall)	989	65.8%	650

Source: Census (2011), data modelling and income analysis

- 6.41 CLG Guidance also suggests that the housing register can be used to estimate levels of housing need. Our experience working across the Country is that housing registers can be highly variable in the way allocation policies and pointing systems work. This means that in many areas it is difficult to have confidence that the register is able to define an underlying need. Many housing registers include households who might not have a need whilst there will be households in need who do not

register (possibly due to being aware that they have little chance of being housed). On the other hand, for the SDNP aggregation of data from housing registers could result in double counting, as households could register on more than one list. For these reasons, the method linked to Census and other modelled data is preferred.

Newly-Arising Need

6.42 To estimate newly-arising (projected future) need we have looked at two key groups of households based on the CLGs SHMA Guidance. These are:

- Newly forming households; and
- Existing households falling into need.

Newly-Forming Households

6.43 For newly-forming households we have estimated (through our demographic modelling) the number of new households likely to form per annum over the 2013-33 period and then applied an affordability test. This has been undertaken by considering the changes in households in specific 10-year age bands relative to numbers in the age band below 10 years previously to provide an estimate of gross household formation. This differs from numbers presented in the demographic projections which are for net household growth. The number of newly-forming households are limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with the formation of younger households.

6.44 The estimates of gross new household formation have been based on outputs from our core demographic projection. In looking at the likely affordability of newly-forming households we have drawn on data from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

6.45 We have therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this we are able to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB). Our assessment suggests that overall around 56% of newly-

forming households will be unable to afford market housing and that a total of 415 new households will have a need on average in each year to 2033.

Table 22: Estimated Level of Housing Need from Newly Forming Households (per annum)

Area	Number of new households	% unable to afford	Total in need
Central Hampshire	335	50.0%	167
Other Parts of SDNP	409	60.6%	248
SDNP (Overall)	744	55.8%	415

Source: Projection Modelling/Income analysis

Existing Households falling into Housing Need

- 6.46 The second element of newly arising need is existing households falling into need. To assess this we have used information from CoRe. We have looked at households who have been housed over the past three years - this group will represent the flow of households onto the Housing Register over a three year period. From this we have discounted any newly forming households (e.g. those currently living with family) as well as households who have transferred from another social rented property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.
- 6.47 Partly due to the difficulties in identifying the SDNP area (which is made up of a series of partial local authorities) and partly due to the availability of CoRe data at the time of the study (which had recently been transferred to the UK Data Service) some assumptions have been made to estimate the number of newly forming households falling into need. These assumptions link back to national and regional data as well as analysis carried out by GL Hearn in other areas. However, overall it is considered that the outputs will be reasonable in terms of their magnitude and have been calibrated to local data (e.g. about the size of the affordable housing sector in the study area).
- 6.48 This method for assessing existing households falling into need is consistent with the 2007 SHMA Practice Guidance which says on page 46 that 'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless households applicants)'.
- 6.49 Following the analysis through suggests a need arising from 197 existing households each year – this is about 0.4% of all households living in the Study area (in 2013).

Supply of Affordable Housing from Relets

- 6.50 The future supply of affordable housing in the Basic Needs Assessment Model is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social/affordable rent relets and the annual supply of relets/sales within the intermediate sector.
- 6.51 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. We have used information from CoRe to establish past patterns of social housing turnover. As with other analysis there is a degree of assumption in the estimates due to the availability of data; however, figures are linked back to estimates of the size of the affordable sector in SDNP in 2013.
- 6.52 Our figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. On the basis of past trend data it has been estimated that 341 units of social/affordable rented housing are likely to become available each year moving forward – the majority of these being in the Coastal Sussex sub-area (See Table 23).

Table 23: Estimated Relets of Social/Affordable Housing (per annum)

Measure	Count
Total stock	6,250
Turnover of stock (estimated 7.8%)	488
% non-transfers	70%
Total lettings to new tenants	341
Central Hampshire	126
Other Parts of SDNP	215

Source: CoRe

- 6.53 The supply figure is for the relets of social/affordable rented housing only and whilst the stock of intermediate housing in the SDNP is not significant compared to the social/affordable rented stock it is likely that some housing does become available each year (e.g. re-sales of shared ownership). For the purposes of this assessment we have estimated the likely size and turnover in the intermediate stock on the basis of 2011 Census data (and assuming a turnover half of the rate seen in the social/affordable rented stock). From this it is estimated that around 9 additional properties might become available per annum. As shown in Table 24 the total supply of affordable housing is therefore estimated to be 350 per annum.

Table 24: Supply of Affordable Housing from Relets of Existing Homes

Area	Social/affordable rented relets	Intermediate housing 'relets'	Total supply (per annum)
Central Hampshire	126	4	130
Other Parts of SDNP	215	5	220
SDNP (Overall)	341	9	350

Source: Derived from CoRe and Census (2011) analysis

Net Housing Need

6.54 Table 25 shows our overall calculation of housing need. This is based on new need and existing suppressed need from people in the existing housing stock. It excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis has been based on meeting housing need over the 20-year period from 2013 to 2033. Whilst most of the data in the model are annual figures the backlog has been divided by 20 to provide an equivalent annual figure. It should however be recognised that there will be annual flows of households into and out of housing need.

6.55 The data shows an overall need for affordable housing of 5,890 units over the next 20-years (294 per annum). The net need is calculated as follows:

$$\text{Net Need} = \text{Backlog Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing (all types)}$$

Table 25: Estimated level of Housing Need (2013-33)

	Per annum	20-years
Backlog need	33	650
Newly forming households	415	8,299
Existing households falling into need	197	3,941
Total Gross Need	644	12,890
Supply	350	7,000
Net Need	294	5,890

Source: Census (2011)/CORE/Projection Modelling and affordability analysis

6.56 Table 26 shows the annualised information for two sub-areas. The analysis shows a need for additional affordable housing in both areas, with a need for 119 homes per annum in the Central Hampshire HMA and for 176 homes per annum across the other three HMAs. This is indicatively broken down by Local Authority and HMA in Table 28.

Table 26: Estimated level of Housing Need per annum

Area	Current need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Central Hampshire	12	167	70	249	130	119
Other Parts of SDNP	21	248	127	396	220	176
SDNP (Overall)	33	415	197	644	350	294

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

Affordable housing need by HMA and Local Authority

- 6.57 The above analysis sets out the affordable housing need for the Central Hampshire HMA and for the aggregated remainder of the SDNP. This is justified based on limited availability of data at a very local level to robustly establish the affordable housing need in the parts of the National Park which falls in the Eastbourne and Northern West Sussex HMA.
- 6.58 We can however provide increasingly indicative calculations for these areas and for the local authority areas which comprise them. Any breakdown of data below Local Authority level is a result of certain assumptions which are as accurate as possible given the availability of data but they are assumptions none the less. Because of the robustness of the data going into Tables 26 and 27 they should **be treated with a degree of caution but provide a broad indication of affordable housing need.**

Table 27: Estimated level of Housing Need per annum

Area	Current need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Coastal Sussex	19	216	120	355	208	148
Eastbourne	1	15	3	19	5	14
Northern West Sussex	1	16	5	22	8	14
Central Hampshire	12	167	70	249	130	119
SDNP (Overall)	33	415	197	644	350	294

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

- 6.59 Both Table 27 and 28 show that there is very limited affordable housing need in these areas therefore although the calculations are only indicative because the numbers are so low they are largely academic.

Table 28: Estimated level of Housing Need per annum per local authority

Area	Annual affordable need	
	Per annum	% of need
Coastal Sussex	148	50.2%
Adur	3	1.1%
Arun	10	3.2%
Brighton and Hove	10	3.4%
Chichester	69	23.4%
Lewes	55	18.5%
Worthing	1	0.5%
Eastbourne	14	4.9%
Eastbourne	5	1.6%
Wealden	10	3.3%
Northern West Sussex	14	4.7%
Horsham	11	3.6%
Mid Sussex	3	1.1%
Central Hampshire	119	40.3%
East Hampshire	90	30.7%
Winchester	28	9.6%
SDNP Total	294	100.0%

Sensitivity to Income Thresholds

- 6.60 Whilst a 25% is the threshold suggested by 2007 SHMA Guidance, it is recognised that what is considered affordable can vary and that local circumstances may justify an alternative figure. Given the socio-economic profile of the SDNP population, particularly with respect to earnings and the cost of housing, in practice, many households locally will choose to spend a greater proportion of their income on housing.
- 6.61 A 30% threshold has been used in the main modelling for consistency with general practice nationally although it is worthwhile considering the implications of alternative thresholds. To understand the implications of the income threshold, we sensitivity tested affordable housing need assuming variant levels of income spent on housing costs. Table 29 summarises the findings. In particular, we can see that an assumption of households spending 40% gross income on housing costs then need falls to 162 households per annum (down from 294 using a 30% threshold).

Table 29: Estimated level of Housing Need (per annum) at Variant Income Thresholds

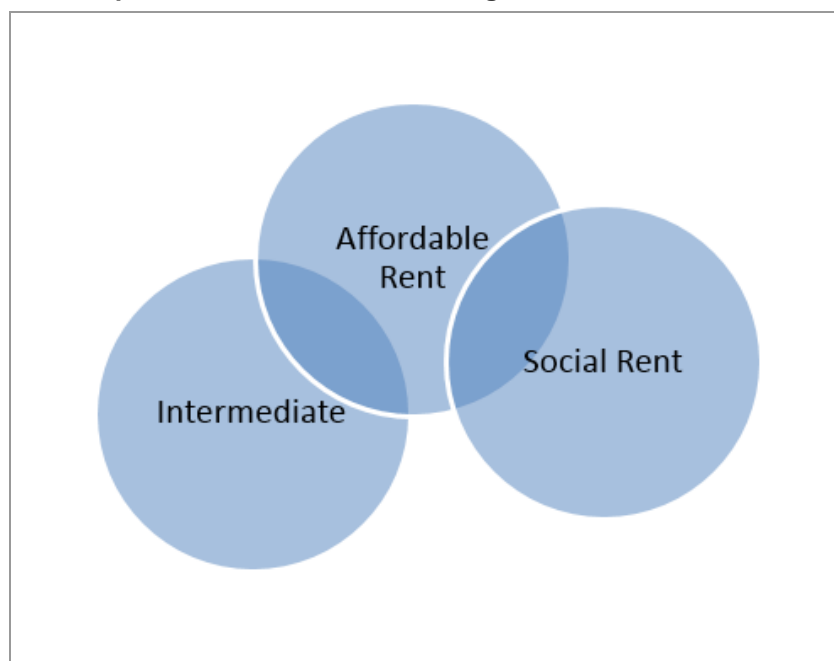
	@ 25%	@ 30%	@ 35%	@ 40%
Backlog Need	37	33	29	26
Newly forming households	481	415	360	312
Existing households falling into need	207	197	186	175
Total Need (per annum)	724	644	575	512
Supply from Relets	350	350	350	350
Net Need	374	294	225	162

Source: Census (2011)/CORE/Projection Modelling and affordability analysis

Need for Different Types of Affordable Housing

- 6.62 Having studied housing costs, incomes and housing need the next step is to make an estimate of the proportion of affordable housing need that might be met through provision of different housing products. There are a number of potential affordable housing products.
- 6.63 We therefore use the income information presented earlier in this section to consider the proportion of households who are likely to be able to afford intermediate housing; and the number for whom only social or affordable rented housing will be affordable. The analysis thus specifically addresses the need for the main types of affordable housing identified in the NPPF, these being:
- Intermediate housing;
 - Affordable rented housing; and
 - Social rented housing.
- 6.64 Whilst the process of separating households into different income bands for analytical purposes is quite straightforward, this does not necessarily tell us what sort of affordable housing they might be able to afford or occupy. The results of the analysis should thus be considered as indicative, and should be drawn together as appropriate with other local data sources.
- 6.65 As an example, a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have insufficient savings to cover a deposit. Such a household might therefore be allocated to affordable rented or intermediate rented housing as the most suitable solution.
- 6.66 The distinction between social and affordable rented housing is also complex. Whilst rents for affordable rented housing would be expected to be higher than social rents, this does not necessarily mean that such a product would be reserved for households with a higher income. In reality, as long as the rent to be paid falls at or below LHA limits, then it will be accessible to a range of households (many of whom will need to claim housing benefit). Local authorities' tenancy strategies might set policies regarding the types of households which might be allocated affordable rented homes; and many authorities will seek to avoid where possible households having to claim higher levels of housing benefit. This however needs to be set against other factors, including viability and the availability of grant funding. Over the current spending period to 2015, grant funding is primarily available to support delivery of affordable rented homes.
- 6.67 For these reasons it is difficult to exactly determine what proportion of additional affordable homes should be provided through different affordable tenure categories. In effect there is a degree of overlap between different affordable housing tenures, as Figure 39 shows.

Figure 39: Overlap between Affordable Housing Tenures



6.68 Given this overlap, for analytical purposes we have defined the following categories for affordable housing need:

- Households who can afford 80% or more of market rent levels;
- Households who afford no more than existing social rent levels (or would require housing benefit, or an increased level of housing benefit to do so);
- Households which fall in between these parameters, who would potentially be able to afford more than existing social rent levels but could not afford 80% of market rents.

6.69 The first of these categories would include equity-based intermediate products such as shared ownership and shared equity homes. The latter two categories are both rented housing and in reality can be considered together (both likely to be provided by Registered Providers (or local councils) with some degree of subsidy). Additionally, both affordable rented and social rented housing is likely to be targeted at the same group of households; many of whom will be claiming Housing Benefit. For this reason the last two categories are considered together for the purposes of drawing conclusions.

6.70 Taking the gross numbers for housing need and comparing this against the supply from relets of existing stock, the following net need arises within the different categories. Overall the analysis suggests around 32% of housing could be intermediate with the remaining 68% being either social or affordable rented (see Table 30).

Table 30: Estimated level of Housing Need (per annum) by type of affordable housing

	Intermediate			Social/affordable rented		
	Total need	Supply from Relets	Net need	Total need	Supply from Relets	Net need
Coastal Sussex	57	5	52	339	215	124
Central Hampshire	45	4	41	203	126	77
SDNP	102	9	93	543	341	202
% of total	32%			68%		

Source: Housing Needs Analysis (Note : Numbers may not add up due to rounding)

- 6.71 We do not have detailed information on households' savings and it is quite probable that a notable proportion of those falling into the intermediate band as a result of their income would struggle to access intermediate housing with an equity element (due to lack of deposit). Therefore the 32% figure in the table should be considered to be at the high end of any target to be set for this type of housing. On balance the housing needs evidence would suggest a split of say 75:25 in favour of social/affordable rented housing as appropriate, although the SDNPA may wish to consider broader considerations in respect of delivering balanced communities, and issues related to the viability of residential development.
- 6.72 In determining policies for affordable housing provision on individual sites, the analysis in Table 30 should be brought together with other local evidence such as from Housing Registers or local parish surveys. Consideration could also be given to areas with high concentrations of social rented housing where additional intermediate housing might be desirable to improve the housing mix and to create 'housing pathways'.

Housing Need – Summary of the Evidence

- 6.73 An assessment of affordable housing need has been undertaken which is compliant with Planning Practice Guidance to identify whether there is a shortfall or surplus of affordable housing in the SDNP. This has estimated current affordable housing need in 2013 of 650 households, excluding existing social housing tenants where they would release a home for another household in need.
- 6.74 The affordable housing needs model then looked at the balance between needs arising and the supply of affordable housing. Each year an estimated 612 households are expected to fall into affordable housing need and 350 properties are expected to come up for re-let.
- 6.75 Overall, in the period from 2013 to 2033 a net deficit of 5,890 affordable homes is identified (294 per annum). This is based on new need and existing suppressed need from people in the existing housing stock. There is thus clear evidence of a need to deliver new affordable housing in the

SDNP and the Authority is justified in seeking to secure additional affordable housing. This is based on the SDNP area and not the Wider South Downs area or for the whole HMA.

- 6.76 While a deficiency in affordable housing is identified, in practice some households who are unable to secure affordable housing may within the Private Rented Sector supported by housing benefit, It seems likely that the Private Rented Sector will continue to be used to make up for any shortfall of affordable housing.
- 6.77 Delivery of affordable housing is also slightly different in the National Park where the viability of affordable housing contributions is secondary to conserving and enhancing the natural beauty, wildlife and cultural heritage of the National Park.
- 6.78 There is a clear emphasis in national policy for prioritising the delivery of affordable housing to meet local needs within national parks. However the NPPF is also clear that some provision of market housing is considered reasonable, and recognises that it can help to deliver new affordable homes to meet local needs.

7 DEMOGRAPHIC PROJECTIONS

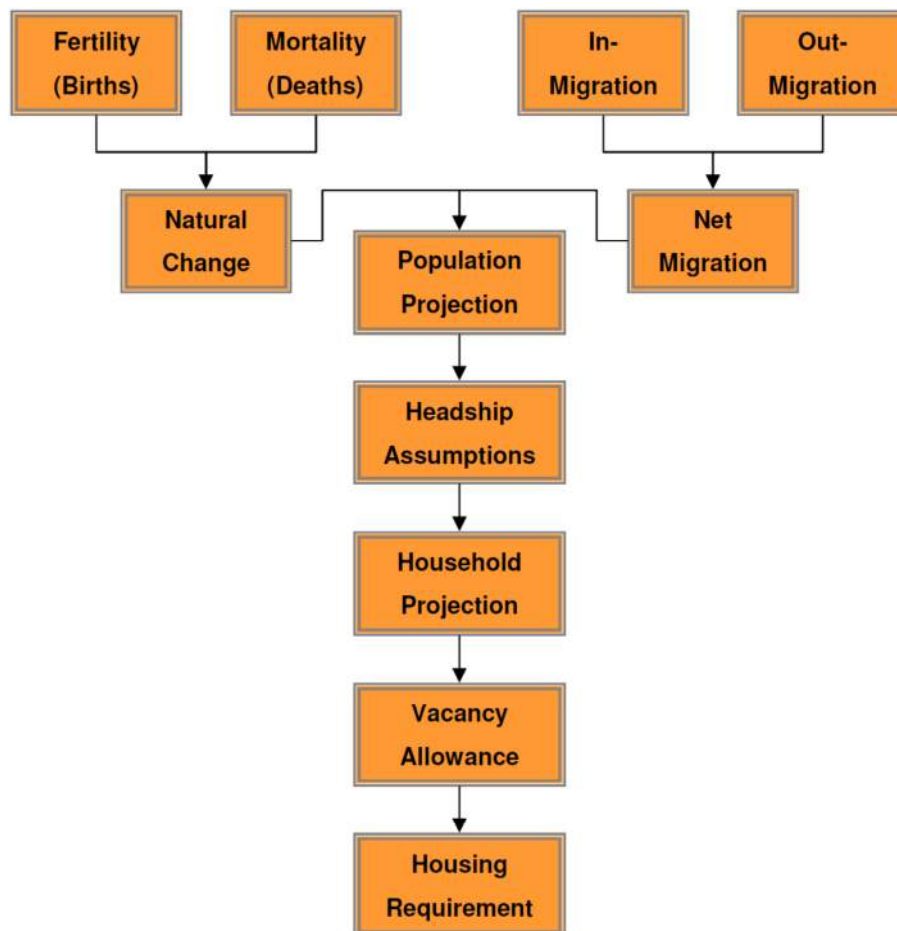
Introduction

- 7.1 The analysis carried out follows the requirements of the NPPF and the Planning Practice Guidance (PPG) on *Housing and Economic Development Needs Assessments*.
- 7.2 In this section consideration is given to demographic evidence of housing need. The analysis begins by developing a bespoke set of population projections for the SDNP area utilising information in the 2012-based Sub-National Population Projections for key local authorities where parts of the area are within the SDNP. To convert population into households, the concept of 'headship rates' is used and we have again studied recent data about household formation rates from published projections to form a view about the most appropriate data to use. Section 7 moves on to consider how population and economic growth may relate to one another.
- 7.3 **It should be borne in mind that development potential in the SDNP is restricted because of its designation, and the policy focus is on conserving the SDNP's landscape; and meeting local need for affordable housing. Thus whilst the projections indicate what level of housing provision might be needed in the absence of development constraints, it may well be the case that housing provision falls below the projected level of need.**
- 7.4 The natural starting point for an assessment of need i.e. the latest nationally produced population and household projections, is not produced for the National Parks but at a local authority level. We should also be mindful that as the National Park cuts across a number of local authorities it is not necessary to make a number of assumptions about population and household growth and thus diverge from the PPG.

Overview of Methodology

The methodology used to assess population and household growth is based on a standard population projection methodology consistent with the methodology used by ONS and CLG in their national population and household projections. Essentially the method establishes the current population and how this will change in the period from 2013 to 2033, by estimating the birth rate, the death rate and the number of people that will move into or out of the area (all other factors being equal). These are the principal components of population change and are used to construct our principal trend-based population projections. Figure 40 shows the key stages of the projection analysis.

Figure 40: Overview of Methodology



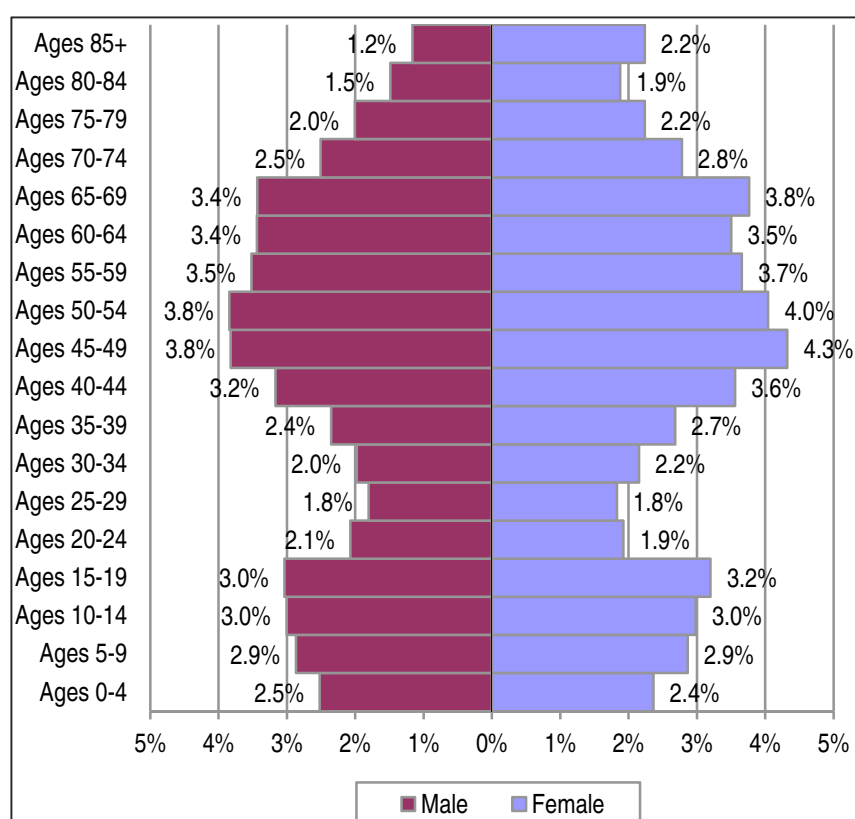
- 7.5 Much of the data for our projections draws on ONS information contained within Mid-Year Population Estimates, 2011 Census data, the 2012-based Subnational Population Projections (SNPP) and the 2008- and 2011-based CLG Household Projections.
- 7.6 Given that the SDNP area does not fit neatly with local authority boundaries (which are the main areas used in published projections) it has been necessary to construct a best-fit of wards to the SDNP and then constrained levels of population to be consistent with published data about the population in the SDNP area. In particular we have used the various sources to look at fertility rates, mortality rates and the profile of in- and out-migrants (by age and sex). The range of assumptions necessary to develop the projections, based on data availability, means that the projections should be treated with a degree of caution albeit that they follow a logical approach which is consistent with the national projections and thus can be considered to provide a reasonable estimate based on available information of housing need, leaving aside development constraints.

Baseline Assumptions

Baseline Population

- 7.7 The baseline for our projections is taken to be 2013 with projections run for each year over the period up to 2033. The estimated population profile as of 2013 has been taken from ONS 2013 Mid-Year Population Estimates. The overall population in 2013 was estimated to be 113,800 with slightly more females than males (see Figure 41).

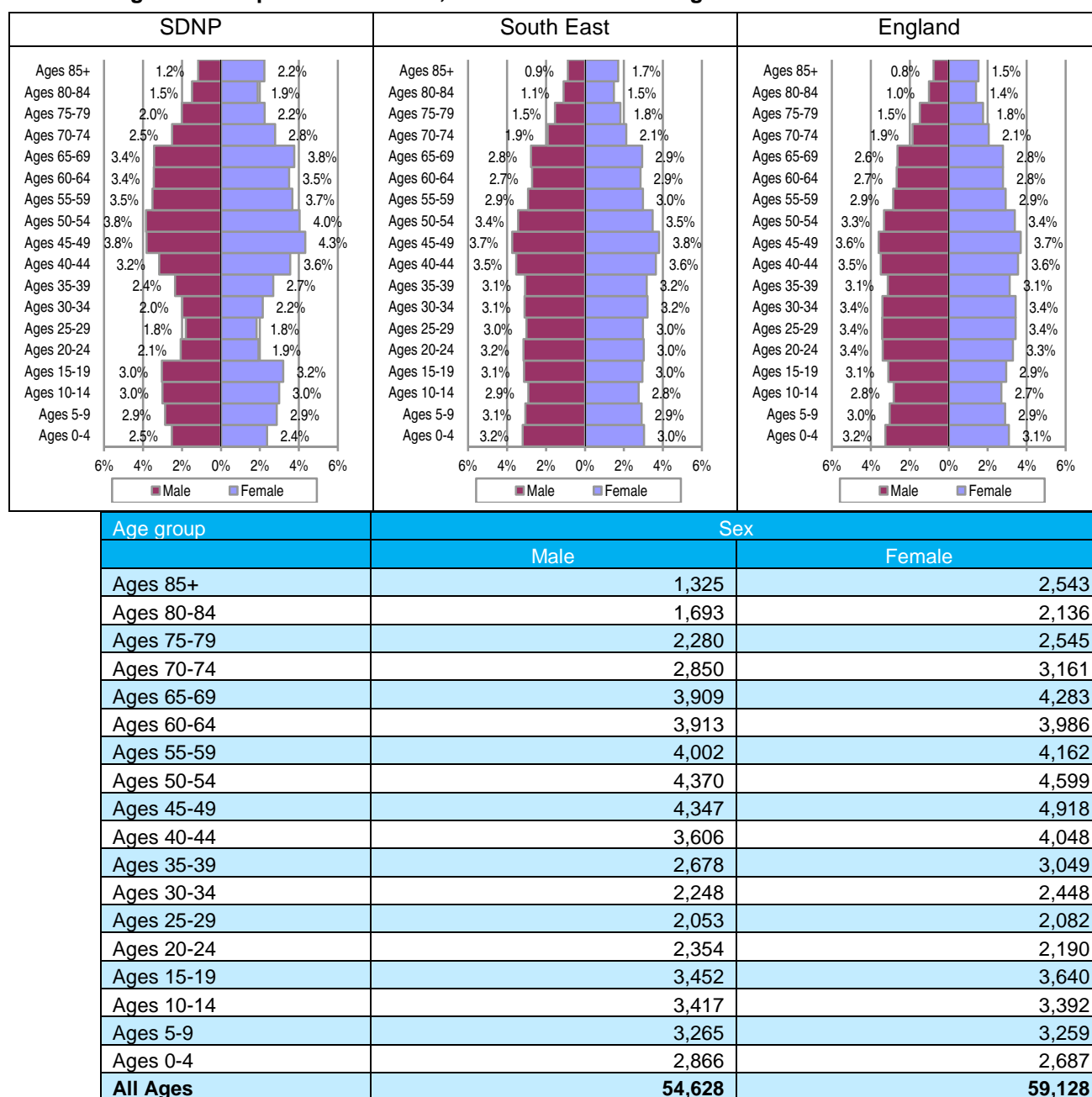
Figure 41: Population of SDNP – 2013



Source: 2013-Mid-Year Population Estimates

- 7.8 The figure below compares the population pyramid for SDNP with the same information for the region and nationally. The data shows that the key differences are the low proportion of people aged 20-39 and a notable older population in the National Park.

Figure 42: Population of SDNP, the South East and England – 2013



Source: 2013-Mid-Year Population Estimates

7.9 Table 31 and Figure 43 show the population distribution in broad 15-year age categories and compares this with data for the South East region and England. The data shows that the population of the SDNP area is notably 'older' than in other locations. Around 30% of the population of the SDNP is aged under 30 compared with 36%-37% regionally and nationally.

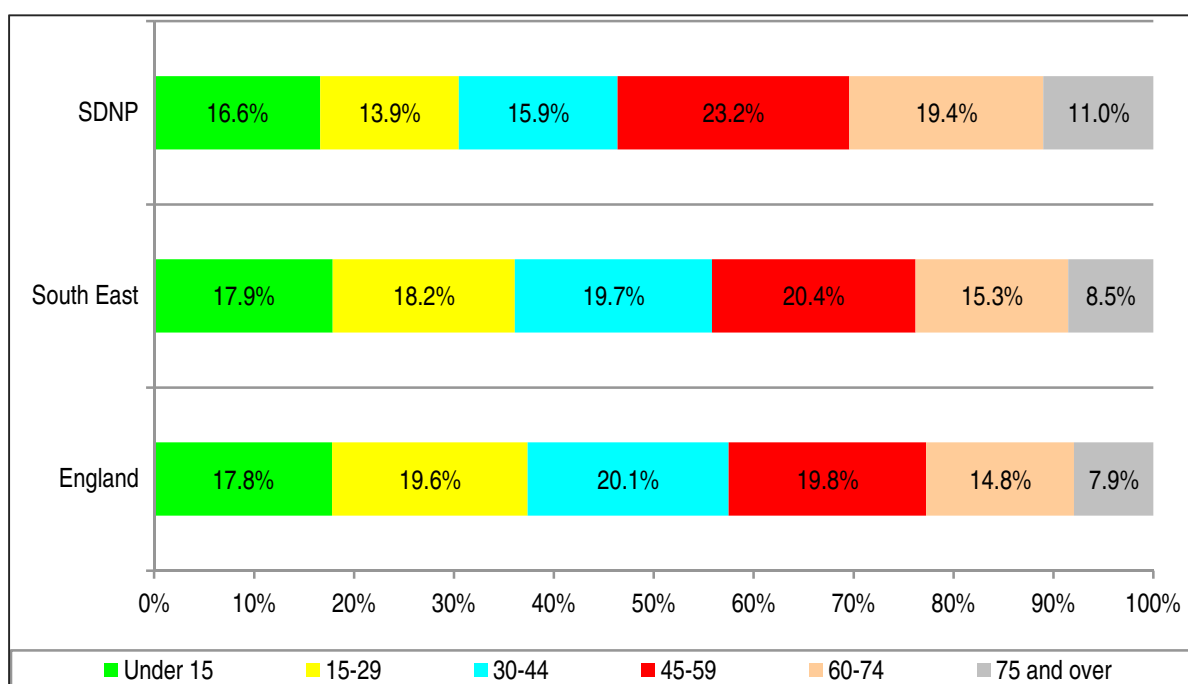
Table 31: Comparison of Population Profile in Different Areas (2013)

Age group	SDNP	South East	England
Under 15	18,886	1,570,382	9,578,442
15-29	15,771	1,603,690	10,543,822
30-44	18,077	1,734,119	10,841,092
45-59	26,398	1,790,299	10,657,511
60-74	22,102	1,344,444	7,963,344
75+	12,522	749,692	4,281,606
Total	113,756	8,792,626	53,865,817

Source: 2013-Mid-Year Population Estimates

- 7.10 In addition 29% of the SDNP's population is aged 60 or over compared with 24% across the region and 23% in England. The SDNP area also has a particularly high proportion of people aged 45-59 and relatively few aged 30-44.

Figure 43: Population Age Profile (2013)



Source: 2013-Mid-Year Population Estimates

Fertility and Mortality Rate Assumptions

- 7.11 For modelling of fertility we have used the rates contained within the ONS 2012-based SNPP. For all key areas (i.e. local authorities where a notable proportion of the population falls within the SDNP), analysis has been undertaken to consider the proportion of the population within the SDNP and therefore the potential influence this has on the rate across the whole area.

- 7.12 Table 32 shows figures for the Total Fertility Rate (TFR: the expected average number of live births per woman throughout their childbearing years) and life expectancy for key dates at the start and end of the projection period. The data shows the TFR is expected to be fairly constant over time at a level of 1.97 births per woman whilst life expectancy is expected to increase over time. Compared with national data the TFR is on the low side whilst life expectancy is quite high.
- 7.13 Although this data has been built up from analysis of projections for a range of areas with an influence on the SDNP, we have no evidence to suggest that either the fertility or mortality estimates below are unreasonable in a local context. It is worth noting that the expected changes are consistent with past trend data and future expected patterns as published by ONS on a national basis.

Table 32: Fertility and Mortality Assumptions

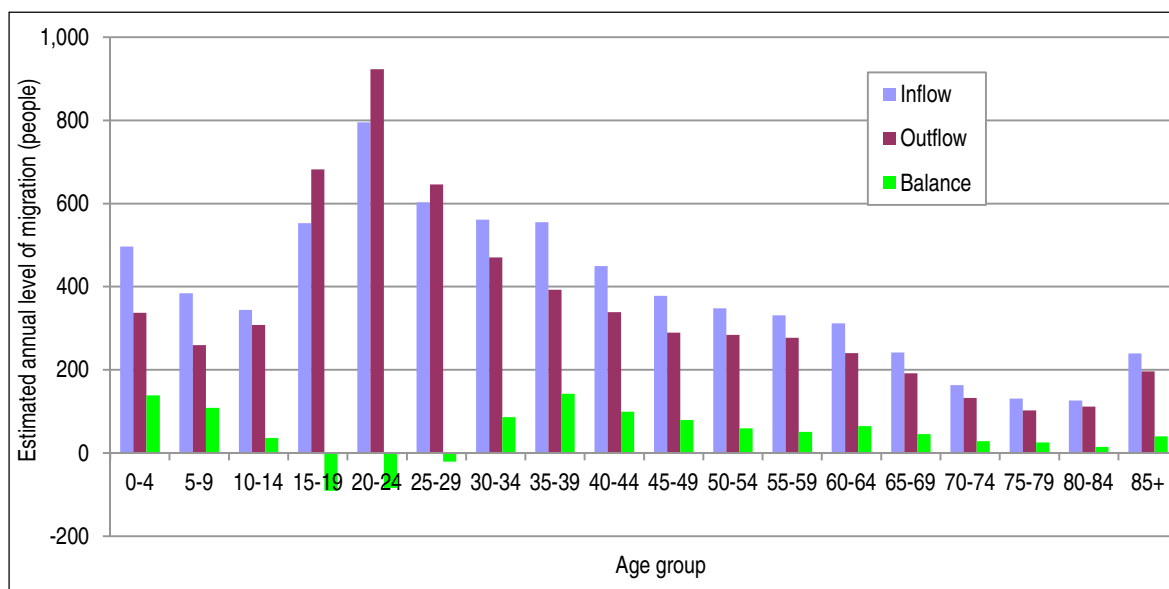
	2013/14	2032/33
Total fertility rate (TFR)	1.97	1.97
Male life expectancy (e0)	81.2	84.9
Female life expectancy (e0)	84.6	87.5

Source: Derived from ONS 2012-based SNPP

Migration Assumptions

- 7.14 For the purposes of understanding the profile of migrants we have again drawn on the ONS 2012-based Sub-National Population Projections and looked at migration patterns in each area with an influence on the SDNP, with figures adjusted according to the proportion of the population (by age and sex) estimated to be within the SDNP in each local authority.
- 7.15 Our core trend-based demographic projection is based on projecting forwards population trends over the past 5 years (2008-13). Figure 44 shows the profile of in- and out-migrants in the National Park linked to this. This projection sees an average level of net in-migration of 829 people per annum (made up of 7,013 in-migrants and 6,185 people moving out). Younger people have a higher propensity to move. The data also shows that there is expected to be net out-migration of people aged 15-29 with in-migration of all other groups.
- 7.16 Alternative migration scenarios presented, such as for Zero Net Migration or to maintain a Constant Population, have been developed from these initial projections, through adjusting levels of in-migration. Assumptions on fertility and mortality are held constant in all of the projections.

Figure 44: Estimated Annual Level of Migration by Five-Year Age Band (2013-2033) – SDNP



Source: Derived from ONS 2012-based Sub-National Population Projections

Initial Projections

- 7.17 Four initial demographic projections have been run to look at how the population of the SDNP area might change in the future:
- 5-year population growth trends (core projection – broadly aligns with national projections)
 - 10-year population growth trends
 - Zero net migration
 - Constant population
- 7.18 Normally in analysis of this type, consideration would be given to past trends in migration. However we do not have specific data for the SDNP area. We do however have information about the size of the population (in terms of a time series of ONS Mid-Year Population Estimates from 2002 onwards) and have used this to construct trend-based projections. Table 33 shows the estimated size of the population in the SDNP from 2002 to 2013 – this being the longest time series for which data is available.
- 7.19 The analysis shows that the population is estimated to have grown from 106,784 people to 113,756 from 2002 to 2013 – an increase of around 7,000 or 7%. After a small decline in population in 2002-3, there was quite strong population growth until 2008, with slightly weaker growth thereafter. Over the past 5-years the average level of population growth has been 599 people per annum; with a slightly higher average of 710 persons per annum if the 2003-13 decade is considered.

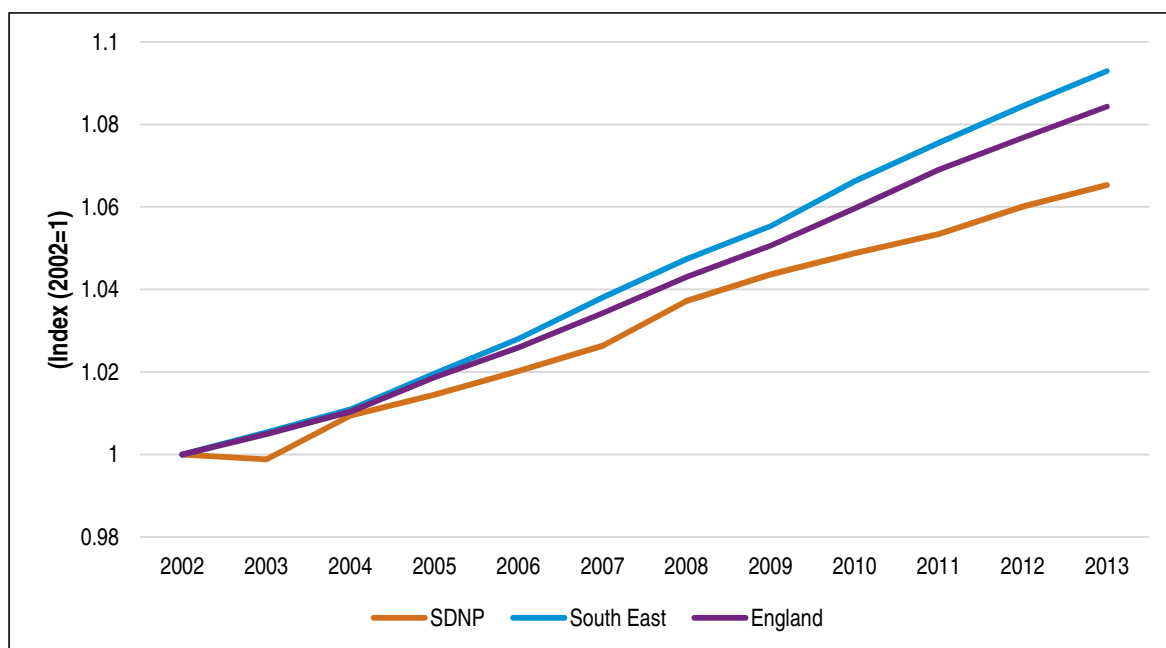
Table 33: Population growth in SDNP – 2002 to 2013

Year	Population	Change from previous year
2002	106,784	
2003	106,658	-126
2004	107,792	1,134
2005	108,328	536
2006	108,943	615
2007	109,598	655
2008	110,759	1,161
2009	111,447	688
2010	111,995	548
2011	112,492	497
2012	113,201	709
2013	113,756	555
Average (3-13)		710
Average (8-13)		599

Source: ONS Mid-Year Population Estimates

7.20 Figure 45 shows indexed population growth from 2002 to 2013 (where 2002=1) in the SDNP, the South East and England. The analysis shows that population growth in the SDNP has been relatively low in comparison with other areas although indexing from 2003 would show a closer relationship. We would expect this, given that the area is designated a national park and prior to this was identified as an Area of Outstanding Natural Beauty (AONB). Levels of development are therefore likely to have been below that in wider areas which are not subject to development constraints.

Figure 45: Indexed Population Growth (2002-13)



Source: ONS Mid-Year Population Estimates

- 7.21 Table 34 shows estimated population growth under each of the demographic scenarios. The table shows with trends of the past five years that the population would be expected to increase by around 12,000 people with a higher figure of 14,200 if longer-term (10-year) trends are analysed.
- 7.22 If there were to be no net migration to the area, then the population would be expected to fall by around 6,900 people – a 6% decrease from the population level seen in 2013. In this Zero Net Migration Scenario, the population falls as deaths exceed births (principally as a result of the age structure of the population). It indicates that some net in-migration is necessary to support population growth in the SDNP.

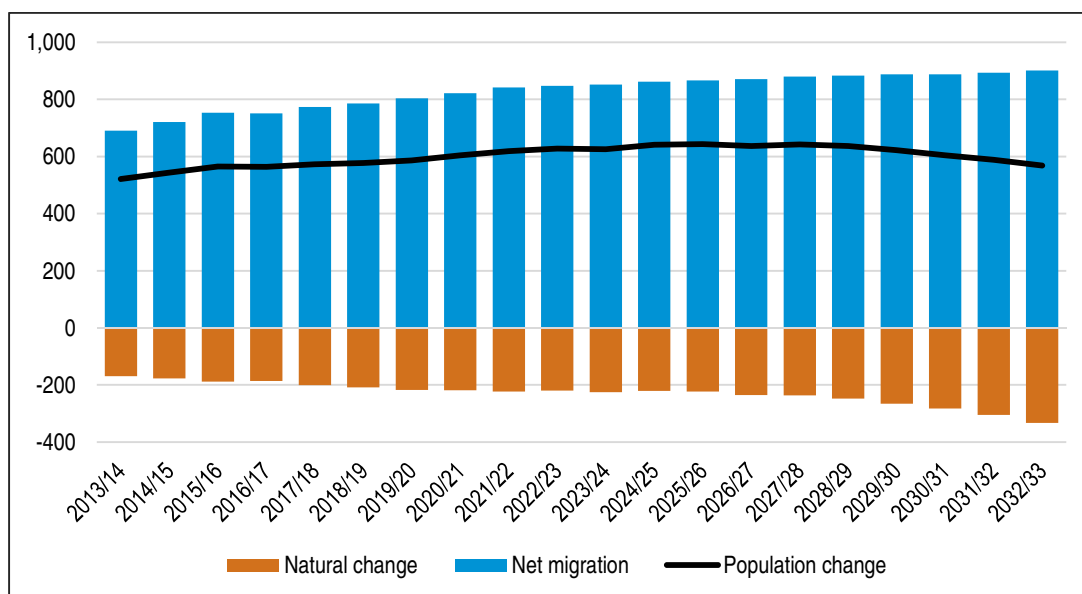
Table 34: Population Change under a Range of Scenarios (2013-33) – SDNP

	Population 2013	Population 2033	Change from 2013	% change from 2013
5-year trends	113,756	125,744	11,988	10.5%
10-year trends	113,756	127,952	14,196	12.5%
Zero net migration	113,756	106,873	-6,883	-6.1%
Zero population growth	113,756	113,756	0	0.0%

Source: GLH and JGC Demographic Modelling

- 7.23 This is emphasised in Figure 46 which shows projected levels of both net migration and natural change linked to the projection based on 5-year population growth trends.
- 7.24 The data shows that the excess of deaths over births is expected to increase over time with this being compensated for by an increase in net migration. The rising number of deaths relative to births reflects a growing older population relative to other age groups. Rising net migration is a reflection of both expected trends in in- and out-migration. A rise in in-migration reflects a growing population in areas from which people typically move to the SDNP (and in age groups which are likely to make these moves). Out-migration from the SDNP is influenced by the changing size and structure of the population within the SDNP itself. The level of population growth in the 5-year trend-based projections is fairly constant over time – increasing slightly in the period to about 2028 and then dropping down for the final 5-years of the projection – reflecting how the age structure changes over time influence natural change in particular.

Figure 46: Components of Population Change, 2013/14 to 2032/33 – SDNP



Source: ONS

Household Growth

- 7.25 Having studied the change to population size, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship rates is used. Headship rates can be described, in their most simple terms, as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).
- 7.26 As with other analysis, it is difficult to undertake this for the SDNP area and the approach has been taken to look at headship rates in all of the key local authorities which include parts of the SDNP and develop a series of headship rates on a *pro-rata* basis. The number of households in the area has then been fixed at the 2011 Census figure to ensure an overall consistency between population and households.
- 7.27 Four different scenarios for headship rates have been developed to provide a range of outputs. These have initially been developed on the basis of the projection linking to 5-year population growth trends although summary outputs are also provided for other scenarios. The four headship scenarios are described below:

Scenario 1 - Extending the 2011-based Household Projection Headship Rates

- 7.28 For the purposes of this analysis the start point is data contained in the 2011-based CLG household projections about the relationship between the total population in an age group and the number of

household reference persons (HRPs) in that age group. Because the 2011-based CLG household projections only go up to 2021, it has been necessary to make assumptions for the remainder of the projection period. To do this changes in household formation rates have been projected on a linear basis based on the last five years of data in the CLG projections (i.e. covering the 2016-21 period).

- 7.29 In line with the PPG, this scenario reflects the demographic starting point from which to test household projections and assumptions around headship rates. It is based on the latest official projections at the time of preparation of this report.
- 7.30 Household formation rates in this scenario are likely to have been influenced by the economic conditions since 2008. However the applicable policy in respect of housing supply in the SDNP may well restrict the availability of market housing, and influence future household formation.

Scenario 2 - Tracking 2008-based Household Formation Rates

- 7.31 Whilst the 2011-based CLG household projections contain headship rates based on trends from 2001 to 2011 it is also necessary to consider the extent to which household formation may have been constrained by housing market factors such as the difficulty in obtaining mortgage finance. In particular, the PPG sets out that:

'local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained'

- 7.32 A second scenario has therefore been developed which draws on headship rates in the earlier (2008-based) CLG Household Projections. These are based principally on long-term trends shown between the 1971 and 2001 Censuses.
- 7.33 This scenario assumes that household formation rates do not continue to diverge from the previous trend but that the long term trend tracks the 2008-based trend, taking account of the extent that the headship rates in the 2011-based Projections were above or below the 2008-based Projection at the start of the projection period. In effect, this scenario assumes that there is a permanent correction moving forwards and that the factors that have driven changes in household formation rates in the past re-assert themselves in the future.
- 7.34 Housing market conditions, as at 2015, have however not as yet returned to pre-recession trends. There is evidence at a national level that part of the shift in household formation rates over the 2001-11 decade was as a result of international migration and different household structures in some new migrant households. Furthermore housing supply in the SDNP may well restrict the availability of market housing, and influence future household formation. These factors affect the realism of this scenario.

Scenario 3 – Blended Headship Rates

- 7.35 The third scenario uses information from both the 2011- and 2008-based CLG household projections. This scenario models that the 2011-based rates hold true until 2021 (the end date of these projections), with household formation rates assumed to track 2008-based figures thereafter.
- 7.36 This methodology is consistent with that accepted by a number of inspectors at Local Plan Examinations (e.g. South Worcestershire, Derbyshire Dales). In the case of Derbyshire Dales the inspector described this approach as 'blended' hence the title used for the scenario. A quote from Derbyshire Dales is as below:

'With the recovering economic situation it would be prudent to assume that the low 2011 headship rates are unlikely to remain in place over the whole plan period. It would be sensible to work on the basis that the household formation rate will gradually return to higher levels as the economy recovers. I therefore consider that a "blended" rate that assumes the 2011 rate until 2020 and the higher 2008 rate thereafter is appropriate. Whilst this may be a relatively unsophisticated approach, it is a practical one in the light of the uncertainties about future household formation rates'.

- 7.37 It is notable that a proportion of Derbyshire Dales District fell within a National Park. The Inspector (Keith Holland) considered that it would not be appropriate to projected forward 2011 household formation rates beyond 2021 (as Scenario 1 above does).

Scenario 4 – Part-Return to Trend

- 7.38 The final scenario seeks to understand the degree of suppression of household formation in the local housing market. There is evidence that the average household size in 2011 in the SDNP was somewhat above the level projected in earlier (2008-based) CLG household Projections (which were developed from trends in a comparatively buoyant period in the housing market). Projecting forward, the 2011-based Household Projections show a far less rapid reduction in average household sizes than was expected in the 2008-based Projections.
- 7.39 It is not entirely clear to what extent this is due to households being unable to form and how much might be due to other factors. A September 2013 Study produced by the Cambridge Centre for Housing & Planning Research (CCHPR) on behalf of the Town & Country Planning Association (TCPA) does shed some light on this issue, stating:

"The central question for the household projection is whether what happened in 2001 – 11 was a structural break from a 40-year trend; or whether household formation was forced downwards by economic and housing market pressures that are likely to ease with time. At the time of the 2011 Census, the British economy was still in recession and the housing market was depressed. The working assumption in this study is that a considerable part but not all of the 375,000 shortfall of households relative to trend was due to the state of the economy and the housing market. 200,000 is attributed to over-projection of households due to the much larger proportion of recent immigrants in the population, whose household formation rates are lower than for the population as a whole. This effect will not be reversed.

The other 175,000 is attributed to the economy and the state of the housing market and is assumed to gradually reverse."

- 7.40 On the basis of this analysis, at the national level it can broadly be suggested that half of the lack of expected households is due to market factors with roughly half attributable to other issues (notably international migration). To look at how this is relevant to the SDNP, analysis has been carried out to look at the growth in the Black and Minority Ethnic (BME) population (as a proxy for international migration) relative to the growth seen nationally to see what the likely relative impact of housing market factors is. Table 35 shows the key analysis for this.
- 7.41 The data shows that growth in the BME community (taken to be the non-White (British/Irish) population) in England was 115% of all population growth. In the SDNP, this figure is estimated as somewhat lower (at 42% of population growth). If it is assumed that nationally 0.53 of movement away from long-term trends is due to international migration (taken here to be BME growth), then the analysis suggests that 20% of movement away from long-term trends in household formation within the SDNP may reflect different household structures associated with international migration. Put another way, around 80% (i.e. the majority) of the reduction in household formation over the 2001-11 period is expected to be due to housing market / constraint-based factors.
- 7.42 It should be noted that the figures in Table 35 (for SDNP) are a best estimate based on grouped ward data. This has in turn has been constrained to estimates of the overall population in 2001 and 2011.

Table 35: Growth in BME population (2001-11)

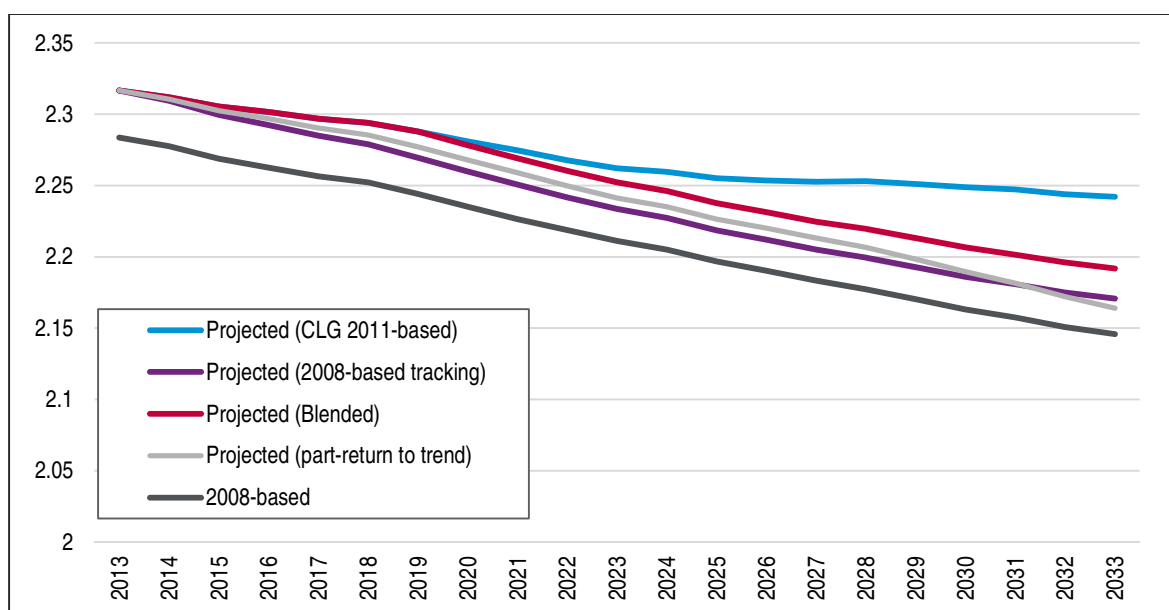
	SDNP	England
BME population (2001)	4,416	5,767,580
BME population (2011)	6,819	10,216,219
Change (2001-11)	2,402	4,448,639
Total population growth	5,704	3,873,625
BME growth as % of total growth	42%	115%
Variance from national position	0.37	1.00
Part return adjustment factor	0.20	0.53

Source: Census 2001 and 2011

- 7.43 This Scenario therefore assumes that after 2014, household formation rates recover towards the 2008-based rates, reaching 80% of the 2008-based rates by the end of the projection period (in 2033). It thus models a gradual improvement in household formation rates over time back towards longer-term trends. This is used based on evidence that most of suppression is related to housing market factors; and that there has been no sign of a sudden turnaround in housing market conditions/ increase in housing supply of late.

7.44 A key part of this third scenario is that all modelling is done on an age specific basis, however to provide a simple comparison between the different scenarios, Figure 47 shows projected average household sizes in each. The changes in household sizes are a function both of household formation rates, and how the population age structure is expected to change over time. The chart also shows the trend that would have been observed if the 2008-based projections had held true.

Figure 47: Projected trends in Average Household Size – SDNP



Source: Derived from ONS and CLG data

7.45 Clearly there is some uncertainty regarding future household formation, which makes long-term projections somewhat problematic. It is difficult to predict with accuracy the combined impact of the range of factors which will influence household formation, including:

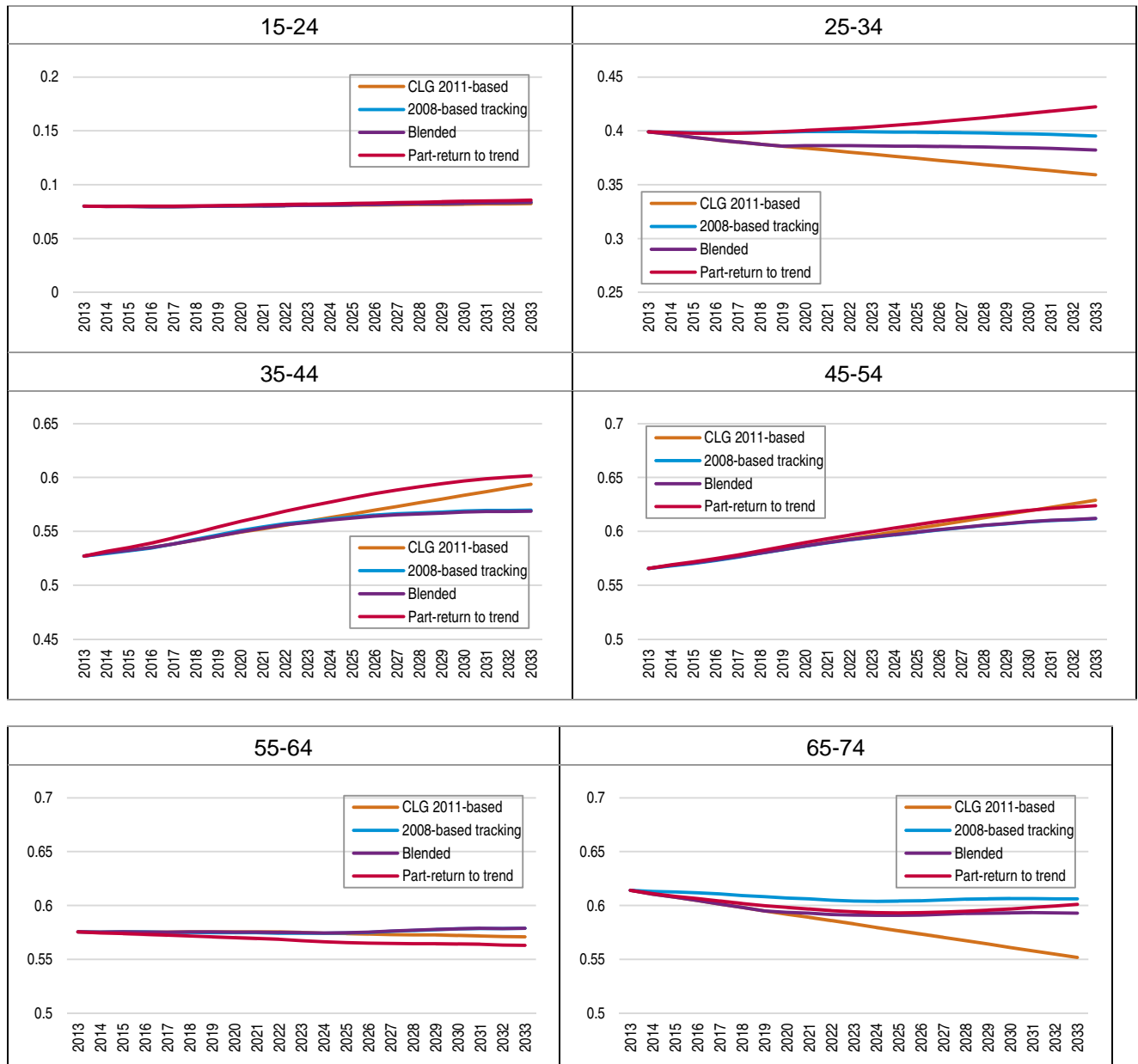
- Overall economic performance;
- Growth in earnings in real terms;
- Access to mortgage finance;
- Interest rates;
- Balance between housing demand and supply;
- Subsidy and funding mechanisms for affordable housing.

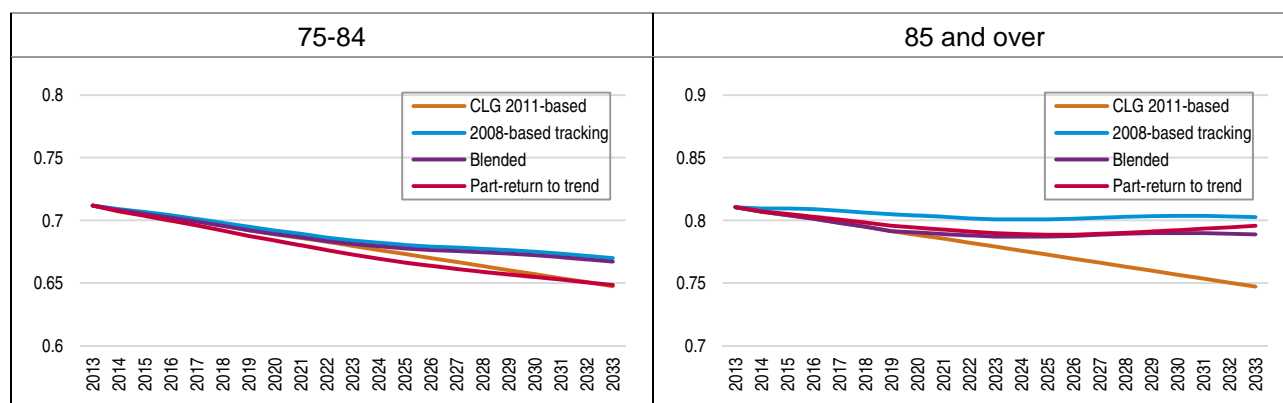
7.46 These factors are macro-economic as well as local and may influence future trends in household formation.

7.47 It is also useful to understand how the different methodologies impact on assumptions for different age groups. Figure 48 shows the headship rates used in each of the scenarios. Of particular note is the 25-34 age group, where the 2011-based Projections are expecting to see reducing household formation but other scenarios are more positive. This is particularly important given that it is this age

group which has arguably been most affected by the economic downturn in terms of their ability to access the housing market.

Figure 48: Projected Household Formation Rates by Age of Head of Household – SDNP





Source: Derived from CLG data

- 7.48 Table 36 brings together outputs in terms of household growth and housing need for each of the scenarios described above, based on a 5-year Trend Population Projection. To convert households into dwellings the data includes an uplift to take account of vacant and second homes. A figure of 6% has been used, based on data on the level of vacant and second homes in the SDNP shown by the 2011 Census.
- 7.49 The data shows that by applying the 2011-based headship rates there would be a need for 350 dwellings per annum. This figure would be considered as the 'start point' for assessing housing need in terms of the PPG – it takes account of the most recent population and household projections (at the time of preparation of this report).
- 7.50 All of the other scenarios show higher levels of housing need, with a figure of 416 per annum derived using 'blended' rates and 445 per annum if headship were to track the 2008-based projections. The highest figure is that derived from the part-return to trend methodology which suggests a need for 454 dwellings per annum. All these figures are based on the SDNP area and not the Wider South Downs area or for any of the wider HMAs.

Table 36: Projected household growth 2013-33 – 5-year trend based Projection with Alternative Household Formation Scenarios

	2011-based rates	Tracking 2008-based rates	Blended headship	Part-return to trend
Households 2013	47,996	47,996	47,996	47,996
Households 2033	54,593	56,388	55,841	56,560
Change in households	6,597	8,392	7,844	8,564
Per annum	330	420	392	428
Dwellings (per annum)	350	445	416	454

- 7.51 While the calculation of housing need using the 2011-based headship rates are a good starting point for demographic projections, they however see a continuation of recessionary trends and worsening affordability. This can be seen in the key 25-34 age group, where a significant reduction in the proportion of people who head a household is projected (see top right of Figure 69). This scenario was rejected in the Derbyshire Dales Local Plan examination, with the Inspector, Keith Holland, concluding:

“The Council argues that there may have been long term structural changes in the mortgage market and in household formation patterns and hence it is unclear whether the higher 2008 based household formation rate will return. It seems clear that the lower household formation rate in recent years has been, at least in part, a consequence of the economic downturn. With the recovering economic situation it would be prudent to assume that the low 2011 headship rates are unlikely to remain in place over the whole plan period. It would be sensible to work on the basis that the household formation rate will gradually return to higher levels as the economy recovers. I therefore consider that a “blended” rate that assumes the 2011 based rate until 2020 and the higher 2008 rate thereafter is appropriate. Whilst this may be a relatively unsophisticated approach, it is a practical one in the light of the uncertainties about future household formation rates. In any event the situation should be monitored and the approach refined if and when necessary.”

- 7.52 Inspectors have drawn similar conclusions at other recent local plan examinations, including at South Worcestershire; Litchfield; and most recently Uttlesford. In the latter the Inspector’s view was that housing need should be defined based on the midpoint between figures modelled using 2008- and 2011-based headship rates.
- 7.53 Thus whilst in the short term the use of 2011-based headship rates the use this might be a reasonable assessment to make, it cannot be justified as ‘positive planning’ and some return towards pre-recession household formation rates is considered appropriate. We therefore tracked the 2008-based household formation rates (re-based to 2011) and a blend of the two (as recommended in the Derbyshire Dales examination) and applied these to the 2012-based Population Projections. These resulted in a need for between 416 and 445 homes per annum.
- 7.54 The use of either of these household formation rates (2008-based or blended) can be justified, although neither of these methodologies are without fault. As a purely demographic based full assessment of need, the blended headship rates the most central, have been supported at local plan examinations, and would be a reasonable assessment of demographic-based need. This would result in a housing need of 416 dwellings per annum. Over the 20 year plan period, this would result in a need for 8,320 dwellings across the SDNP.
- 7.55 Table 37 breaks down the main trend-based population projection (based on five year trends) within the SDNP by local authority area.

Table 37: Estimated Housing Need within SDNP by Local Authority – 5 Year Trend based Projection

Area	2011-based rates	2008-based tracking	Blended headship	Part-return to trend
Coastal Sussex	191	239	225	244
Adur	4	5	5	6
Arun	12	15	15	16
Brighton and Hove	13	16	15	17
Chichester	89	112	105	114
Lewes	71	88	83	90
Worthing	2	2	2	2
Eastbourne	14	17	16	17
Eastbourne	4	5	5	6
Wealden	9	12	11	12
Northern West Sussex	14	17	16	18
Horsham	11	13	13	14
Mid Sussex	3	4	4	4
Central Hampshire	131	171	158	175
East Hampshire	100	130	120	133
Winchester	31	41	38	42
Grand Total	350	445	416	454

2012-based CLG household projections

- 7.56 On the 27th February 2015, CLG published a new set of (2012-based) household projections. The projections cover the period mid-2012 to mid-2037 and also include household estimates going back to 1991. The household projections are trend-based and indicate the number of additional households that would form if recent demographic trends continue. The 2012-based household projections are largely underpinned by the 2012-based subnational population projections (which were published in May 2014).
- 7.57 The 2012-based projections were published after the SHMA report had substantially been drafted and presented and it was not considered to be realistic to undertake a full updating of information to take account of this new release of data. It is however worthwhile to briefly consider the new projections and how they sit with the analysis in this report. The key difference between the 2012- and 2011-based projections is that the later set are taking a more positive view about household formation/headship rates and typically suggest higher rates of household growth for a given population. This difference is largely driven by the 2012-based projections using a time-series of data back to 1971, whereas the 2011-based projections focussed predominantly on the 2001-11 period (a period in which it is generally considered that there was some degree of suppression in the housing market).
- 7.58 At a national level (in the 2012-21 period considered by CLG) the new projections show a 10% higher growth in households. If we focus on the key local authorities in the SDNP then a range of figures are shown (Lewes – 5%, East Hampshire – 12% and Chichester – 8%) – overall slightly

lower than the national position in the 2012-based projections. Our analysis in SDNP shows a 19% uplift between using 2011-based headship rates over the 2013-33 period and our preferred 'blended' headship rates.

- 7.59 This might suggest that the rates used in this report over-estimate household growth when compared with what might be expected if the 2012-based projections were utilised. However, it is considered that much of the suppression built into the 2011-based projections is occurring after 2021 and arises due to the indexing we have undertaken to roll forward these projections post-2021. This can clearly be seen in the analysis of projected household sizes for various different assumptions. If we were to take a midpoint between the 2011-based and 2008-based tracking projections (which over the whole projection period is similar to the blended rates) then an increase in housing need of 8% is seen in the 2012-21 period. This is consistent with the local data shown above.
- 7.60 Overall, we would conclude that the blended rate used in analysis is more likely to over- than under-estimate housing need, however, any differences are likely to be fairly minor when account is taken of how the rates are projected to develop over time. Full modelling of the 2012-based data would be expected to confirm a housing need of about 416 dwellings per annum as being of the right order of magnitude.

Local Need

- 7.61 Whilst the PPG sets out a standard approach to assessing the full need for market and affordable housing, there is a particular policy framework in national parks. The policy emphasis is on delivering affordable housing to meet local needs; and supporting the national park's economy. The policy emphasis on identifying and then seeking to meet full objectively assessed housing need, as set out in Paragraph 14 in the NPPF, does not apply in national parks.
- 7.62 The 2010 Circular in respect of national parks emphasises national park authorities have an important role to play in the delivery of affordable housing, setting out that:

"Through their Local Development Frameworks they should include policies that pro-actively respond to local housing needs. The Government recognises that the National 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.

The Government expects the Authorities to maintain a focus on affordable housing and to work with local authorities and other agencies to ensure that the needs of local communities in the Parks are met and that affordable housing remains so in the longer-term.⁹"

⁹ DEFRA (2010) Circular: National Parks, Paragraphs 78 and 79

- 7.63 There is thus a particular emphasis in national policy on meeting affordable housing needs within national parks; and recognition that unrestricted provision of housing is not appropriate. Therefore, the SDNPA will not necessarily plan to meet “full objectively assessed need” but instead seek to meet “local needs” focused on supporting communities within the National Park, rather than catering for wider market demand.
- 7.64 The question which we then turn to is how the ‘local’ component of need might be defined for the National Park area, segmented between the constituent local authorities. The components to this might be:
- Need for affordable housing within these areas and, taking account of development viability and funding mechanisms, what overall level of housing provision might be necessary to deliver this;
 - Understanding of economic growth potential and what level of housing provision, particularly affordable housing provision, might be necessary to support the local economy;
 - More local based evidence, such as consideration of what level of housing provision might be necessary to maintain population levels (or population within certain age groups) to support the viability of local services within different parts of the National Park; and
 - Wider housing need from the existing population, for instance based on a zero net migration approach.
- 7.65 The first of these has been considered in Section 4. We consider below what level of housing provision might be needed to maintain population levels; and based on Zero Net Migration. The relationship to economic dynamics is considered in Section 6.

Maintaining the Existing Population

- 7.66 Maintaining existing population levels is relevant, in planning terms, in considering what provision of housing might be necessary to support local services, including shops, healthcare etc. This scenario requires additional housing principally as the intensity at which the housing stock is occupied (and average household sizes) falls, linked particularly to an older population who occupy homes less intensely.
- 7.67 We have applied all four household formation rate scenarios to this level of population growth. The results are shown in Table 38. The analysis shows that to maintain the existing population, a minimum of 113 homes per year would be needed (based on headship rates in the 2011-based Household Projections) – but this scenario would see further deterioration in affordability. It is probably more realistic to consider that provision of between 175-205 homes per annum would be necessary to support population growth (with the lower end of the range based on the blended headship rates and higher end based on tracking 2008-based headship rates).

Table 38: Projected household growth 2013-33 – Zero Population Growth Projection

	2011-based rates	Tracking 2008-based rates	Blended headship	Part-return to trend
Households 2013	47,996	47,996	47,996	47,996
Households 2033	50,122	51,839	51,332	51,917
Change in households	2,126	3,842	3,336	3,921
Households Per annum	106	192	167	196
Dwellings (per annum)	113	204	177	208

7.68 We have also examined the level of housing provision needed in parts of different authorities within the SDNP to maintain current population levels (i.e. under the Zero Population Growth Scenario). The modelling of this is based on the 2011-based headship rates – and should therefore be regarded as a **minimum** level of housing provision to maintain population levels (See Table 39).

Table 39: Estimated Annual Housing Need in South Downs National Park (2013-33) - Zero Population Growth Scenario – by Authority

Area	Zero population growth Scenario with 2011-based Headship Rates
Coastal Sussex	73
Adur	2
Arun	5
Brighton and Hove	5
Chichester	34
Lewes	27
Worthing	1
Eastbourne	5
Eastbourne	2
Wealden	4
Northern West Sussex	5
Horsham	4
Mid Sussex	1
Central Hants	29
East Hampshire	22
Winchester	7
Grand Total	113

Maintaining a school age and younger population

7.69 A further analysis has been carried out to look at the projection outputs with regard to the school-age and younger population (i.e. those yet to reach school-age). Three age groups have been identified for analysis and these are:

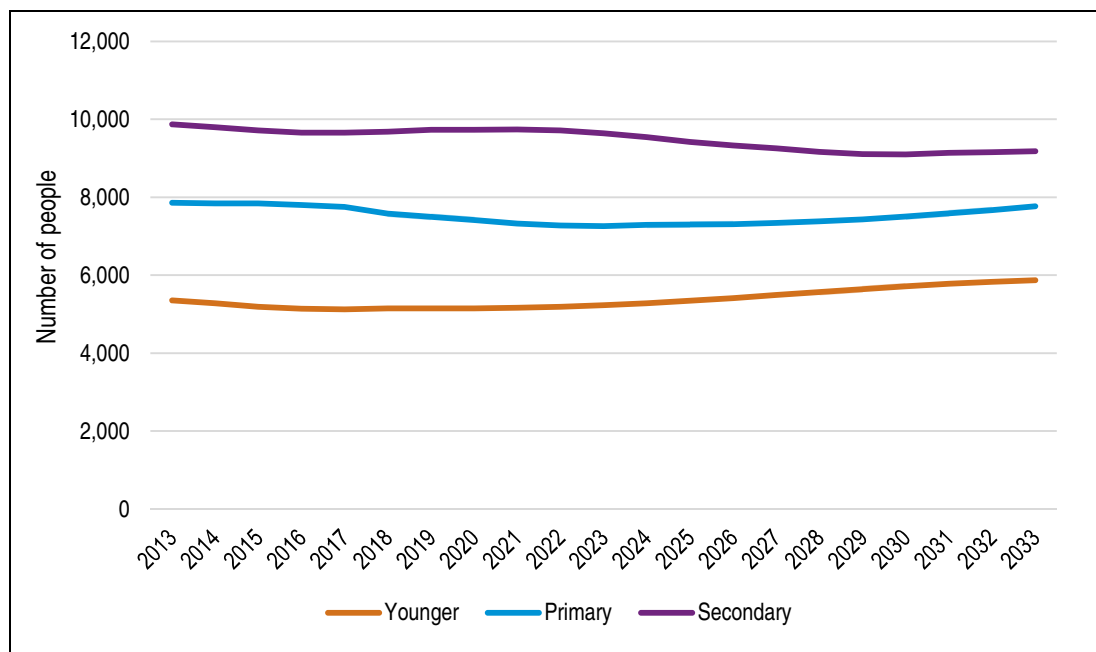
- Pre-school (the population who is yet to reach school-age)

- Primary school (the number of people of primary school age)
- Secondary school (people of secondary school age)

7.70 The analysis is slightly complicated because the demographic projections use mid-year data whereas school-year age is calculated from the 1st September each year. To try to ensure consistency, certain age groups are taken pro-rata to estimate the numbers born in July and August. The analysis is also based on the school-year for the following year (for example it is assumed that around a sixth of people aged 4 as of mid-year will have been born in July and August and would therefore be of school-age from the following year). Due to some of the assumptions made the analysis should therefore be treated as indicative.

7.71 Figure 49 shows an estimate of how the population of each of these age groups is expected to change over the 2013-33 period based on the core demographic projection linked to trends over the previous five years. The data shows that the secondary school age population is expected to decline slightly (from about 9,900 to 9,200), there is expected to be relatively little change in the primary school population (going from 7,900 to 7,800) and that the pre-school population is expected to increase from about 5,400 to 5,900. The total population aged up to sixth form leaving age is expected to see a small decline (from 23,100 people to 22,800) over the 20-year period.

Figure 49: Change in population in various school-age and younger age groups



7.72 Using this data a number of projections have been developed to see what level of housing might be needed to support maintaining the school-age and younger population in different age groups and

categories. In total, 5 projections have been developed and in all cases the housing outputs are linked to the blended headship rates. The five projections are described below:

- Maintaining the pre-school age population;
- Maintaining the primary school-age population;
- Maintaining the secondary school-age population;
- Maintaining the school-age population (primary and secondary); and
- Maintaining the younger population (all people aged up to and including secondary school age)

7.73 Table 40 shows outputs from these projections. In all cases the figures are expressed as estimates of the housing need per annum and can be compared with a 'need' for 416 dwellings per annum using the core demographic projection (again with blended headship rates). The data shows that to maintain the pre-school age population at 2013 levels would be expected to require some 277 dwellings per annum to be provided; this figure increases to 436 to maintain the primary school-age population and to 577 for the secondary school age population. To maintain the school-age population overall is expected to need about 506 dwellings per annum whilst maintaining the overall school-age and younger population is somewhat lower (at 437 per annum).

Table 40: Housing need when maintaining the school-age and younger population

Projection	Annual housing need
Maintaining the pre-school age population	277
Maintaining the primary school-age population	436
Maintaining the secondary school-age population	577
Maintaining the school-age population	506
Maintaining the younger population	437

7.74 This set of projections therefore shows quite a range of outputs. We would suggest that the key ones to consider will be the primary school age projection and also the overall one – the primary school population is particularly important if the vitality and viability of local areas is to be maintained. In these cases we see an estimated need for about 436/437 dwellings per annum. This is not much different to the main 416 shown by demographic modelling.

Zero Net Migration

7.75 A further scenario has been modelled which assumes Zero Net Migration into and out of the SDNP. This is a theoretical scenario which might be considered to relate to meeting "local need" albeit that considerable caution should be exercised in doing so, as for market housing there can be no control over which homes are sold/ let to. The scenario sees levels of in- and out-migration balance one another.

- 7.76 As set out above, this scenario results in a significant reduction in population (-6,883) over the plan period, as deaths increasingly out number births driven by an aging population. A fall in population would have potential implications for the viability of local services. Again we have applied all four household formation rates to this scenario. The result of this is set out in Table 41.

Table 41: Projected Household Growth 2013-33 – Zero Net Migration

	2011-based rates	Tracking 2008-based rates	Blended headship	Part-return to trend
Households 2013	47,996	47,996	47,996	47,996
Households 2033	47,706	49,370	48,891	49,380
Change in households	-290	1,374	895	1,384
Households Per annum	-15	69	45	69
Dwellings (per annum)	-15	73	47	73

- 7.77 This scenario sees a modest level of housing need, ranging from a negative need for 15 dwellings per annum through to a need for 73 homes per annum. However fundamentally it is an unrealistic scenario as it is not possible to constrain through policy who moves into the SDNP; and a key impact of constraining housing supply would be to influence the ability of younger households within the SDNP to form.
- 7.78 Again we have sought to set out minimum figures by local authority, based on applying 2011-based household formation rates (Table 42).

Table 42: Estimated Annual Housing Need (2013-33) – Zero Net Migration by Local Authority

Area	Zero net migration (2011-based rates)
Coastal Sussex	10
Adur	0
Arun	1
Brighton and Hove	1
Chichester	5
Lewes	4
Worthing	0
Eastbourne	1
Eastbourne	0
Wealden	0
Northern West Sussex	1
Crawley	0
Horsham	1
Central Hampshire	-27
East Hampshire	-20
Winchester	-6
Grand Total	-15

- 7.79 Clearly the Zero Net Migration Scenario represents an unrealistic assessment of need and also one which would see a potentially significant reduction in demand for local services. Such a scenario would not necessarily sit comfortably with the wider duty of the SDNPA to foster the economic and social well-being of local communities within the National Park.

8 INTERACTION OF THE ECONOMY AND HOUSING MARKET

8.1 The Planning Practice Guidance (PPG) sets out that in looking at housing needs:

'Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population'

8.2 The PPG is however clear that the alignment between homes and jobs is intended to be considered at a FEMA/ HMA level. The analysis undertaken in Chapter 2 clearly outlines that there are strong commuting links with adjoining areas across the SDNP boundaries. These dynamics are very relevant in considering how planning for jobs and homes should be coordinated.

8.3 Further to this the SDNP economic-led figure should be treated with great caution in the context as although the National Park has a socio-economic duty to foster the economic well-being of local communities within the SDNP, economic growth on a trend basis is likely to conflict with the wider purposes. Therefore the level of economic growth and the resultant level of housing need as set out in this chapter should be treated as purely indicative and that the realised level will reflect a level which will not conflict with the statutory purposes of the National Park. The PPG is clear that economies operate across boundaries, and our commuting analysis in Section 2 substantiates this. It is not appropriate to precisely seek to align housing need with economic growth assumptions for the SDNP in this light.

8.4 With these clear caveats in mind, this section of the report seeks to consider what level of housing provision might be needed – in theory – to support the estimated growth in employment set out in the SDNP Employment Land Review, prepared by GL Hearn.

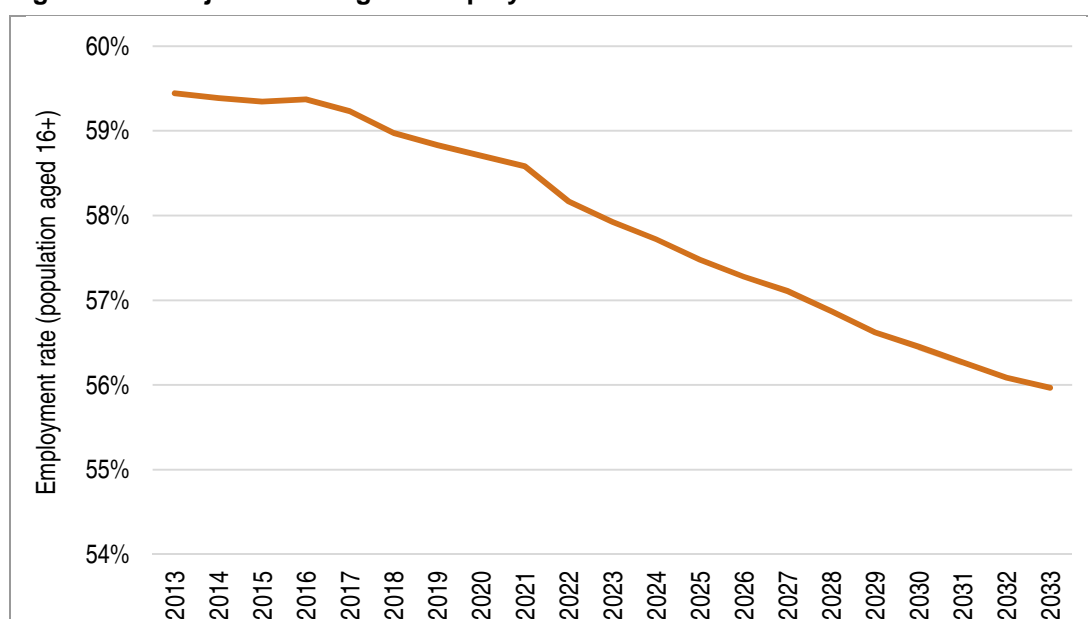
8.5 As with much of the analysis, a best estimate of potential job growth has been derived from data for a wider SDNP area. The full methodology and calculations for employment projections are set out in the SDNP Employment Land Review. Broadly the methodology was to apply the regional growth rates for each broad industrial sector, as set out by Cambridge Econometrics, to the SDNP's existing economy at the same broad industrial level. This analysis suggests a growth in jobs from 2013 to 2033 of 11.6% (0.6% pa).

8.6 To consider the housing market implications, we have modelled data on the basis of this percentage increase in jobs and assumed an equivalent increase in the resident working population. This approach is used, rather than trying to use actual job figures, as the methodology will take account of commuting patterns and also double jobbing¹⁰ (both of which will by definition be assumed to remain constant in proportional terms).

¹⁰ This relates to the fact that some people are likely to hold down more than one job, and thus growth in the number of people in work can be expected to be modestly lower than the number of jobs

- 8.7 As well as understanding commuting levels and double jobbing the analysis needs to consider how economic participation and employment rates will change in the future. Although the past few years have seen an increase in unemployment there have generally been increases in the proportion of people who are economically active (particularly for females and people aged over 50). In the future we may see a continuation of these trends – particularly in relation to people working longer (partly linked to pensionable ages) as well as a reduction in unemployment as the economy moves further away from recession.
- 8.8 Predicting or projecting how employment rates might change in the future is difficult and there is no standard methodology or accepted approach. However, it is possible to use national level economic forecasts to estimate how employment rates might change and then apply these at a local level. Specifically, we have looked at the expected growth in the number of jobs (proportionate growth) and compare this with the adult population (aged 16 and above) by age and sex. To understand how specific age/sex groups might develop, information has been taken from comparing data in each of the 2001 and 2011 Censuses.
- 8.9 Overall our analysis suggests that there will be a decline (of about 3.5%) in the proportion of adults (people aged 16+) who are in employment in SDNP in the period from 2013 to 2033. This is shown in Figure 50. The rates shown are derived from the projection linked to population growth over the past 5-years and it should be noted that these change very slightly with different assumptions about population growth. The decline in the employment rate for those over 16 shown is driven principally by the growth in older people no longer in work.

Figure 50: Projected Change in Employment Rate – SDNP



Source: Derived from demographic modelling

- 8.10 To explain this, whilst our analysis expects there to be a decline overall, this does imply increases in rates for many age/sex groups given that much of the population growth is amongst the older population – older people typically have much lower economic activity/employment rates. Table 43 shows the employment rates used for modelling from 2013 to 2033. The data does indeed show, despite a decrease in the overall rate that we expect increases in all age/sex groups (other than those aged 16 to 24 which have been held constant).

Table 43: Employment Rates by Age and Sex – SDNP

Sex	Year	Aged 16 to 24	Aged 25 to 34	Aged 35 to 49	Aged 50 to 64	Aged 65 and over
Male	2013	56.7%	87.1%	92.3%	81.2%	22.0%
	2033	56.7%	87.4%	93.5%	86.7%	23.5%
Female	2013	56.5%	79.8%	80.1%	67.2%	12.1%
	2033	56.5%	86.7%	86.7%	78.8%	14.3%

Source: Derived from a range of data sources (including Census, Experian and ONS national population projections)

- 8.11 Applying the expected percentage growth in jobs along with assumptions on changing employment rates and the resultant change in workforce linked to household formation rates in the 2011-based and 2008-based (tracking) scenarios results in a growth in the region of between 8,600 and 10,500 households between 2013 and 2033.
- 8.12 Including provision for 6% vacant and second homes and annualising the total results in a calculated need for between 458 and 555 dwellings per annum.

Table 44: Meeting Job Growth Forecasts

Measure	2011-based rates	Tracking 2008-based rates	Blended headship	Part-return to trend
2013	47,996	47,996	47,996	47,996
2033	56,637	58,468	57,902	58,682
Change	8,641	10,472	9,905	10,686
Need for Dwellings (2013-2033)	432	524	495	534
Need for Dwellings (Per Annum)	458	555	525	566

Source: Derived from demographic modelling

Implications

- 8.13 The economic-driven scenario results in a higher level of need than in the demographic scenario – a need for 525 homes per annum based on the blended headship rates, compared to 416 homes per annum based on the trend-based demographic projections. This is principally a function of the age structure of the population in the SDNP – because the age structure sees a higher proportion of

people in older age groups, and some existing residents will move into retirement over the period to 2033, the expectation is that this would support limited growth in the workforce.

- 8.14 It should be remembered however that the SDNP relates closely to areas around its boundaries in functional terms; and that key settlements around the SDNP including Brighton and Hove and Winchester, have a younger population structure.
- 8.15 Understanding the relationship between homes and jobs is important – but it is not necessarily the case given commuting dynamics and relationships between places within the FEMAs that housing provision would necessarily constrain future economic performance. Should housing provision fall short of levels shown in the modelling in this section, it would be reasonable to assume that we might see some changes in commuting patterns between the SDNP and surrounding areas.
- 8.16 What the analysis however emphasises is the need to encourage delivery of housing which is affordable to younger households. This is likely to include affordable housing and potential smaller market homes which are more likely to be occupied by younger households and those working locally, and can thus help to support the SDNP's economy.

9 NEED FOR DIFFERENT SIZES OF HOMES

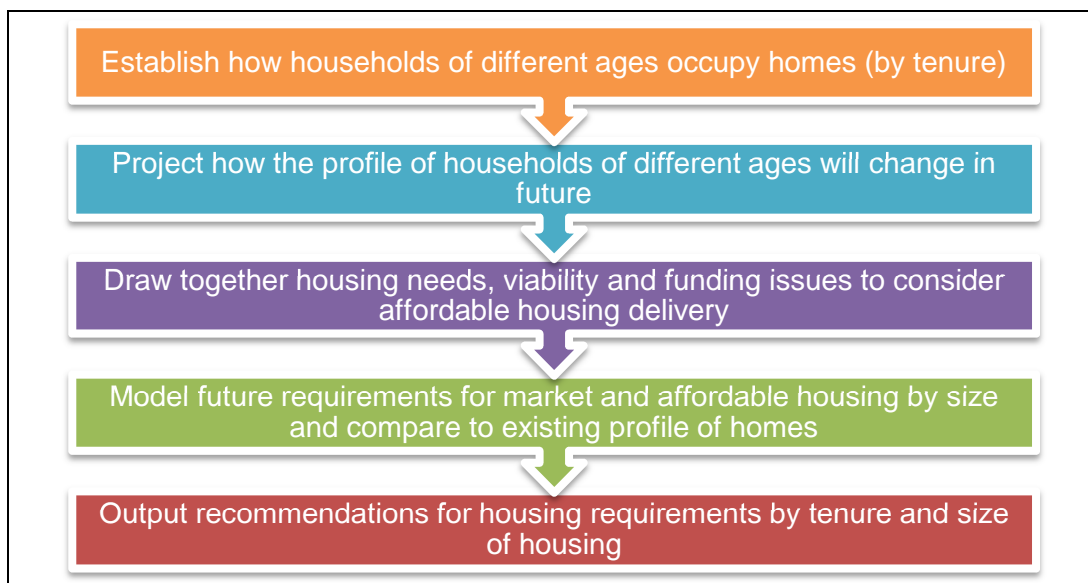
Introduction

- 9.1 There are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes. It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level.
- 9.2 Demographic changes are however expected to be a key long-term driver. It is reasonable to consider the implications of demographic trends (and in particular changes in the age structure of the population) as a starting point for considering what mix of housing might be needed over the period to 2033.

Methodology

- 9.3 Figure 51 describes the broad methodology employed in the housing market modelling. Data is drawn from a range of sources including the 2011 Census and the demographic projections.

Figure 51: Stages in the Housing Market Model



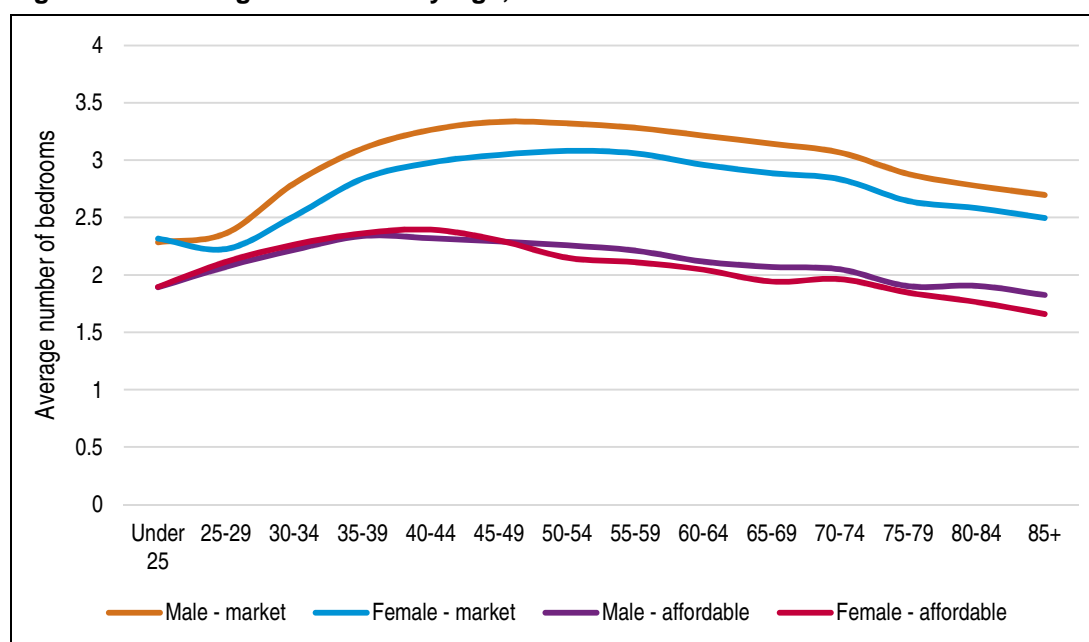
Understanding how Households Occupy Homes

- 9.4 Whilst the demographic projections provide a good indication of how the population and household structure will develop it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can

afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided. The size of housing which households occupy relates more to their wealth and age than the number of people which they contain.

- 9.5 For example, there is no reason why a single person cannot buy (or choose to live in) a four bedroom home as long as they can afford it and hence projecting an increase in single person households does not automatically translate in to a need for smaller units. This issue is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to continue to under-occupy their current homes.
- 9.6 The general methodology is to use the information derived in the projections about the number of household reference persons (HRPs) in each age and sex group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table C1213 which provides relevant data for all local authorities in England) with data then calibrated to be consistent with 2011 Census data (e.g. about house sizes in different tenure groups).
- 9.7 Figure 52 shows an estimate of how the average number of bedrooms varies for different ages of HRP and different sexes by broad tenure group. In the market sector the average size of accommodation rises over time to typically reach a peak around the 45-54 age groups. In the affordable sector this peak appears earlier. After sizes peak, the average dwelling size decreases – possibly linked to some households down-sizing as they get older. It is also notable that the average size for affordable housing dwellings are lower than those for market housing whilst in market housing, male HRPs typically live in larger accommodation for all age groups (with no strong trend being seen in the affordable sector).

Figure 52: Average Bedrooms by Age, Sex and Tenure



Source: Derived from ONS Commissioned Table C1213 and 2011 Census

Establishing a Baseline Position

- 9.8 As of 2013 it is estimated that there were 47,996 households living in the Study area. Analysis of Census data linked to the demographic baseline provides us with an estimate of the profile of the housing stock in 2013, as shown in Table 45. The table shows that an estimated 14% of households live in affordable housing with 86% being in the market sector (the size of the affordable sector has been fixed by reference to an estimate of the number of occupied social rented and shared ownership homes in the 2011 Census, updated to take account of estimated changes over the previous two years). The data also suggests that homes in the market sector are generally bigger than in the affordable sector with 72% having three or more bedrooms compared to 36% for affordable housing.
- 9.9 These figures are for households rather than dwellings due to information about the sizes of vacant homes across the whole stock (i.e. market and affordable) not being readily available. For the purposes of analysis this will not make any notable difference to the outcome. We have however translated the household projections into dwelling figures by including a 6% vacancy allowance when studying the final outputs of the market modelling.

Table 45: Estimated Profile of Dwellings in 2013 by Size

Size of housing	Market		Affordable		Total	
	Number	%	Number	%	Number	%
1 bedroom	2,481	6.0%	1,920	29.2%	4,400	9.2%
2 bedrooms	9,263	22.4%	2,313	35.2%	11,576	24.1%
3 bedrooms	15,489	37.4%	2,128	32.4%	17,618	36.7%
4+ bedrooms	14,189	34.3%	214	3.3%	14,403	30.0%
Total	41,421	100.0%	6,575	100.0%	47,996	100.0%
% in tenure	86.3%		13.7%		100.0%	

Source: Derived from 2011 Census

Tenure Assumptions

- 9.10 The housing market model has been used to estimate future requirements for different sizes of property over the 20-year period from 2013 to 2033. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier). Thus it is necessary to consider what the mix of future housing will be in the market and affordable sectors.
- 9.11 The key assumption here is not a policy target but possible delivery. Our assumption is influenced by a range of factors. The analysis of affordable housing need provides clear evidence of the need to promote and enhance delivery of affordable housing, although the viability of providing affordable housing may limit the amount that can be delivered.
- 9.12 The SDNPA's Viability Assessment for CIL and Affordable Housing, prepared by Dixon Searle Partnership, sets out that the Authority could seek provision of up to 40% affordable housing on sites on schemes of 10 or more dwellings; with a sliding scale of reducing requirements for smaller development schemes. A financial contribution equivalent to 10% affordable housing of schemes of 1-4 and 20% on schemes of 5-10 dwellings might be sought. However the Study sets out that not all development schemes will be able to provide affordable housing at these levels, taking account of site-specific circumstances and scheme viability.
- 9.13 Taking account of this evidence, it is reasonable to consider (for modelling purposes) that potentially 35% of new housing **delivered** in the SDNP might be affordable housing (based on the NPPF definition). This figure has been used for modelling purposes in assessing the potential mix of market and affordable homes of different sizes needed. It should be stressed that this is not a policy position and has been applied simply for the purposes of providing outputs from the modelling process.

Key Findings: Affordable Housing

- 9.14 Table 46 and Figure 53 estimate the need for different sizes of affordable housing, based on our understanding of demographic trends. The data suggests in the period between 2013 and 2033 that around three-quarters of the total affordable housing need is for homes with one- or two-bedrooms; with around a quarter of the requirement being for larger homes with three or more bedrooms.
- 9.15 This analysis provides a long-term view of the need for different sizes of affordable housing and does not reflect any specific policy priorities such as to meet the needs of family households in need rather than single people. We would note that smaller properties (i.e. one bedroom homes) typically offer limited flexibility in accommodating the changing requirements of households, whilst delivery of larger properties can help to meet the needs of households in high priority and to manage the housing stock by releasing supply of smaller properties. These are relevant considerations in translating figures for housing need into policies for housing provision. This said, there may in the short-term be an increased need for smaller homes as a result of welfare reforms limiting the amount of housing benefit being paid to some working-age households.

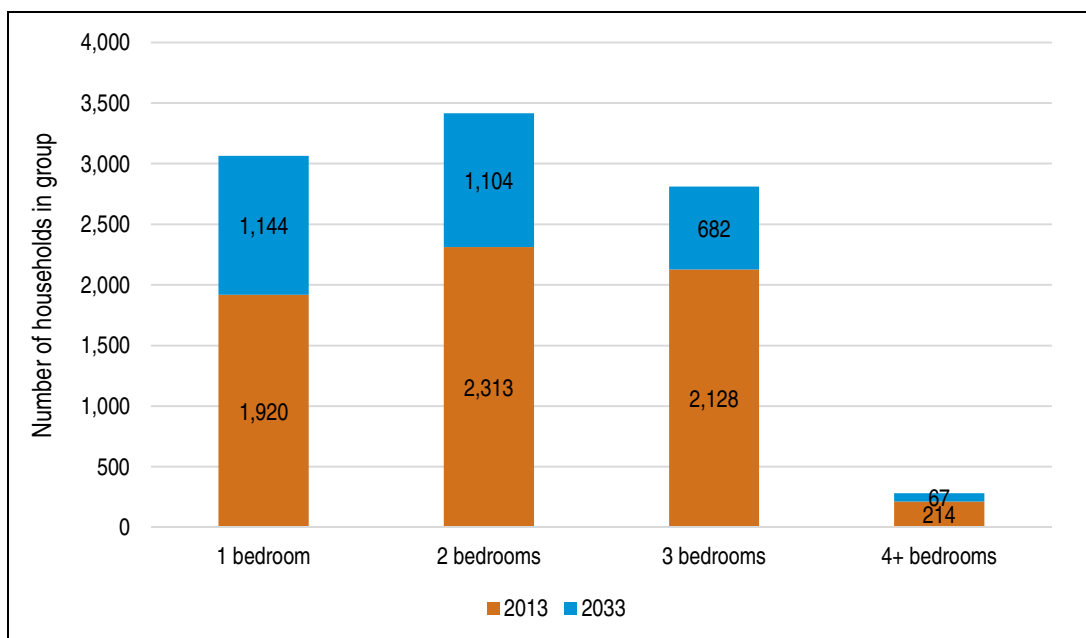
Table 46: Estimated Need for Different Sizes of Dwellings, 2013 to 2033 – Affordable Housing

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	1,920	3,063	1,144	38.2%
2 bedrooms	2,313	3,418	1,104	36.8%
3 bedrooms	2,128	2,811	682	22.8%
4+ bedrooms	214	281	67	2.2%
Total	6,575	9,572	2,997	100.0%

Source: Housing Market Model

- 9.16 Figure 53 shows how our estimated profile of need for different sizes of affordable homes compares with the stock of affordable housing in 2013 – the figures are based on households (i.e. before adding in a vacancy allowance). Again, the data shows that relative to the current stock there is a slight shift towards smaller homes being required – this makes sense given that in the future household sizes are expected to drop whilst the population of older people will increase – older person households (as shown earlier) are more likely to occupy smaller dwellings.

Figure 53: Impact of Demographic Trends on Affordable Housing Need by House Size, 2013 to 2033



Source: Housing Market Model

Key Findings: Market Housing

- 9.17 As we have previously identified there are a range of factors which can be expected to influence demand for market housing. This analysis specifically looks at the implications of demographic drivers. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 20-year period from 2013 to 2033.
- 9.18 Table 47 and figure 54 show estimates of the sizes of market housing required from 2013 to 2033 based on the projection linked to population growth trends over the past five years for the SDNP (and linked to the part-return to trend headship methodology). The data suggests that the majority of the need for market housing (modelled on a 'policy off' basis) is likely to be for two- and three-bedroom homes.
- 9.19 The analysis also suggests a limited need for additional 4 or more bedroom homes – reflecting the ageing population within the SDNP, with previous analysis indicating that older people tend to live in smaller homes. The analysis does not mean that there will be no demand for 4 or more bedroom homes - but indicates that the existing stock of market housing should be broadly sufficient to satisfy this. It provides potential evidence to support policies seeking to focus market housing towards smaller properties, which are likely to be more affordable for younger households and those working locally, as opposed to those who might commute out to work.

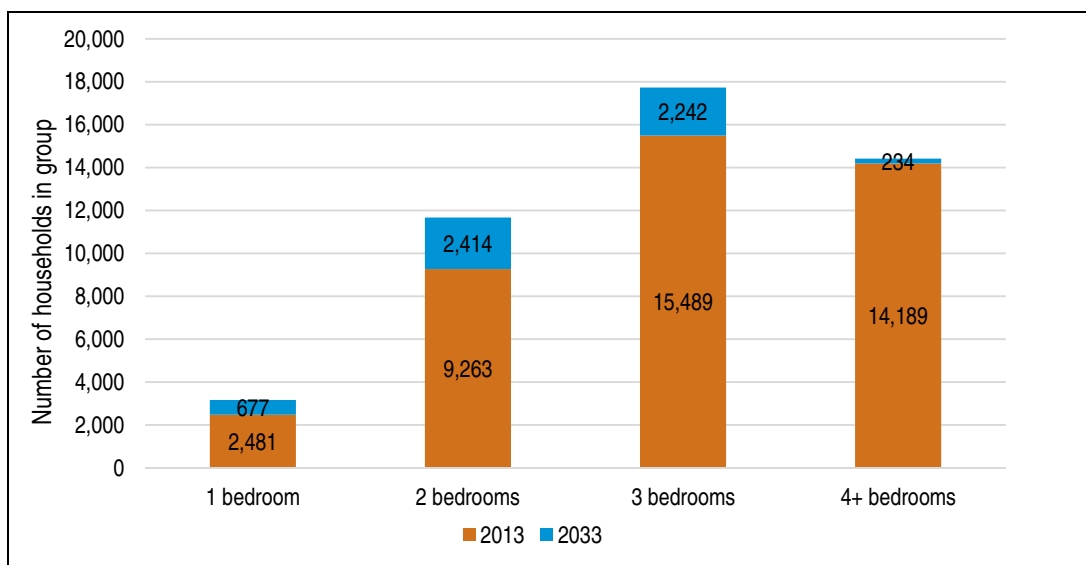
Table 47: Estimated Size of Dwellings Needed 2013 to 2033 – Market Housing

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	2,481	3,158	677	12.2%
2 bedrooms	9,263	11,676	2,414	43.4%
3 bedrooms	15,489	17,731	2,242	40.3%
4+ bedrooms	14,189	14,422	234	4.2%
Total	41,421	46,988	5,566	100.0%

Source: Housing Market Model

9.20 Figure 54 shows how our estimated profile of need for market housing compares with the current stock of housing (based on households (i.e. excluding the 6% vacancy allowance)). The data suggests that housing demand can be expected to reinforce around the existing profile of stock, but with a shift towards a requirement for smaller dwellings relative to the distribution of existing housing. This is understandable given the fact that household sizes are expected to fall slightly in the future (which itself is largely due to the ageing of the population).

Figure 54: Impact of Demographic Trends on Need for Market Housing by House Size, 2013 to 2033



Source: Housing Market Model

9.21 The graphs and statistics are based upon our modelling of demographic trends. It should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand; this may include an increased demand in the private rented sector for rooms in a shared house due to changes in housing benefit for single people. In determining policies for housing mix, policy aspirations are also relevant.

Sub-Area Housing Market Modelling Outputs

- 9.22 Whilst the analysis above has focussed on outputs for the whole National Park area the data itself has been built up from analysis at a smaller area level. Table 48 and 48 provide the outputs of this analysis in terms of the sizes of accommodation estimated to be required in each of the affordable and market sectors for the two different sub-areas used in this report.
- 9.23 There are some differences shown in different areas and this will be linked to both the current stock of housing and future expected demographic change. Overall however the patterns shown in each area are broadly similar (i.e. majority need for two- and three-bedroom homes in the market sector and one- and two-bedroom homes in the affordable sector). The SDNP-wide conclusions about the mix of housing by tenure may therefore be appropriate at a smaller area level.

Table 48: Estimated Need for Affordable Housing by number of bedrooms (2013 to 2033) – Affordable Sector

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Central Hampshire	38.8%	33.3%	25.3%	2.6%
Other Parts of SDNP	37.7%	39.0%	21.2%	2.0%
SDNP	38.2%	36.8%	22.8%	2.2%

Source: Housing Market Model

Table 49: Estimated Profile of Need for Market Housing by number of bedrooms (2013 to 2033)

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Central Hampshire	14.3%	42.8%	41.8%	1.0%
Other Parts of SDNP	10.8%	43.7%	39.3%	6.2%
SDNP	12.2%	43.4%	40.3%	4.2%

Source: Housing Market Model

Indicative Targets by Dwelling Size

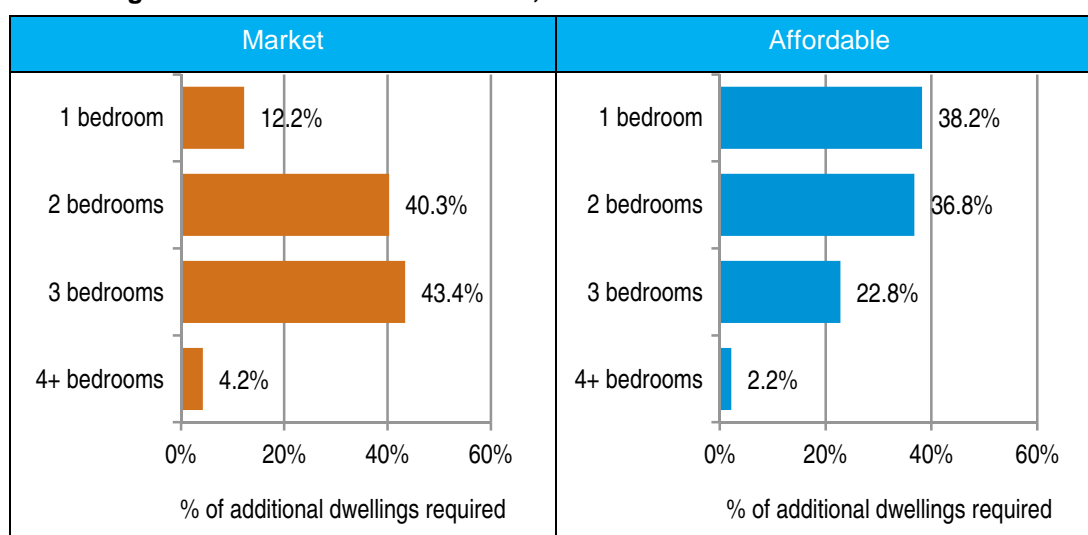
- 9.24 Table 50 and Figure 55 summarises the above data in both the market and affordable sectors under the modelling exercise. We have also factored in a 6% vacancy allowance in moving from household figures to estimates of need for dwellings.

Table 50: Estimated Need for Dwellings by number of Bedrooms (2013 to 2033)

Number of bedrooms	Market			Affordable		
	Households	Dwellings	% of dwellings	Households	Dwellings	% of dwellings
1 bedroom	677	718	12.2%	1,144	1,212	38.2%
2 bedrooms	2,414	2,558	43.4%	1,104	1,170	36.8%
3 bedrooms	2,242	2,376	40.3%	682	723	22.8%
4+ bedrooms	234	248	4.2%	67	71	2.2%
Total	5,566	5,899	100.0%	2,997	3,177	100.0%

Source: Housing Market Model

Figure 55: Sizes of Homes Needed, SDNP 2013 to 2033



Source: Housing Market Model

9.25 Whilst the outputs of the modelling provide estimates of the proportion of homes of different sizes that are needed there are a range of factors which should be taken into account in setting policies for provision. This is particularly the case in the affordable sector where there are typically issues around the demand for and turnover of one bedroom homes. We also need to consider that the stock of four bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for four or more bedroom homes is typically quite small the ability for these needs to be met is even more limited.

9.26 It should also be recognised that local authorities have statutory homeless responsibilities towards families with children and would therefore prioritise the needs of families over single person households and couples. On this basis the profile of affordable housing to be provided would be further weighted to two or more bedroom housing. In the short-term however there may be a need to increase the supply of one-bedroom homes due to the social sector size criteria.

- 9.27 For these reasons we would suggest in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of one bedroom homes required is reduced slightly from these outputs with a commensurate increase in four or more bedroom homes also being appropriate.
- 9.28 There are thus a range of factors which are relevant in considering policies for the mix of affordable housing sought through development schemes. Considering the SDNP as a whole, the analysis would support policies for the mix of affordable housing of:
- 1-bed properties: 35%
 - 2-bed properties: 35%
 - 3-bed properties: 25%
 - 4-bed properties: 5%
- 9.29 Our strategic conclusions recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.
- 9.30 The need for affordable housing of different sizes will vary by area across the SDNP and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties and/or evidence from local housing needs surveys.
- 9.31 In the market sector we would suggest a profile of housing that closely matches the outputs of the modelling. The recommendations take some account of the time period used for the modelling and the fact that the full impact of the ageing population will not be experienced in the short-term. On the basis of these factors we consider that the provision of market housing should be more explicitly focused on delivering smaller family housing for younger households. On this basis we would recommend the following mix of market housing be sought:
- 1-bed properties: 10%
 - 2-bed properties: 40%
 - 3-bed properties: 40%
 - 4-bed properties: 10%
- 9.32 Although we have quantified this on the basis of the market modelling and our understanding of the current housing market, we would recommend that the SDNPA considers whether such prescriptive figures should be included in the plan making process and that the 'market' is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time. The

figures could however be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

Summary

- 9.33 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. Our analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes:

	1-bed	2-bed	3-bed	4+ bed
Market	10%	40%	40%	10%
Affordable	35%	35%	25%	5%
All dwellings	15%-20%	35%-40%	35%	5%-10%

- 9.34 Our strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.
- 9.35 The mix identified above should inform strategic National Park-wide policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need (including local housing needs surveys where available) as well as the existing mix and turnover of properties at the local level.
- 9.36 Based on the evidence, we would expect the focus of new market housing provision to be on two and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2 and 3 beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.

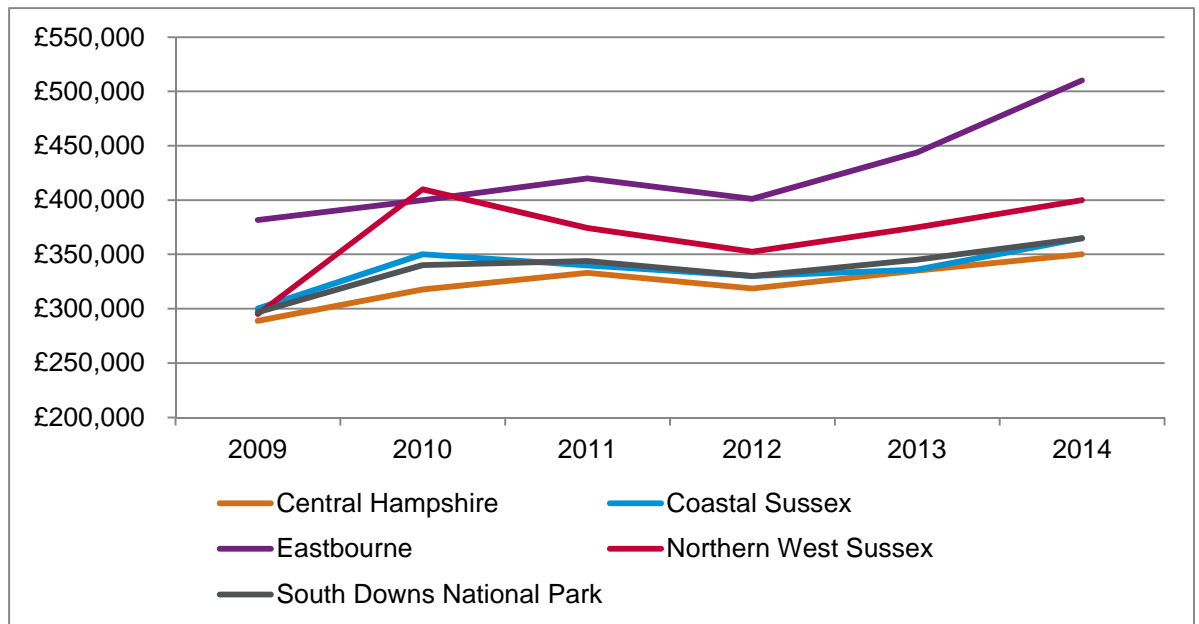
10 HOUSING MARKET DYNAMICS

- 10.1 This section reviews housing market dynamics within the South Downs National Park. As set out in Section 1, due to the nature of the National Park, data for certain housing market indicators are not available at National Park level. In this section we use the most accurate geographical area that the data allows. Where it exists we have used data for the National Park. However, as the South Downs National Park was established in 2009, there is limited historic data available. Furthermore, certain key statistics are only available at local authority level. In such cases we have assessed data for the four Housing Market Areas (HMAs) which collectively cover the National Park. Data from the census is available at Mid Super Output Area (MSOA) level which aligns with our best fit methodology to the National Park Boundary – where this is used, we refer to this area as the Wider South Downs Area.

House Prices

- 10.2 Across the SDNP, the average (mean) house price (Q2 2014) is slightly over £474,500 whilst the median is £365,000. This disparity in values indicates the presence of some disproportionately expensive properties within the National Park. This is ratified by data taken from the Land Registry which shows that since the start of 2013 around 3% of all residential sales since 2013 have been on properties worth £1 million or more.
- 10.3 Figure 56 profiles house prices in the SDNP over the most recent 5 year period from 2009 to 2014. Over this period median house prices in the National Park have grown by £68,250 – an increase of 23% on the average 2009 value. Prices dipped slightly in 2012 but have registered steady growth in 2013 and 2014.

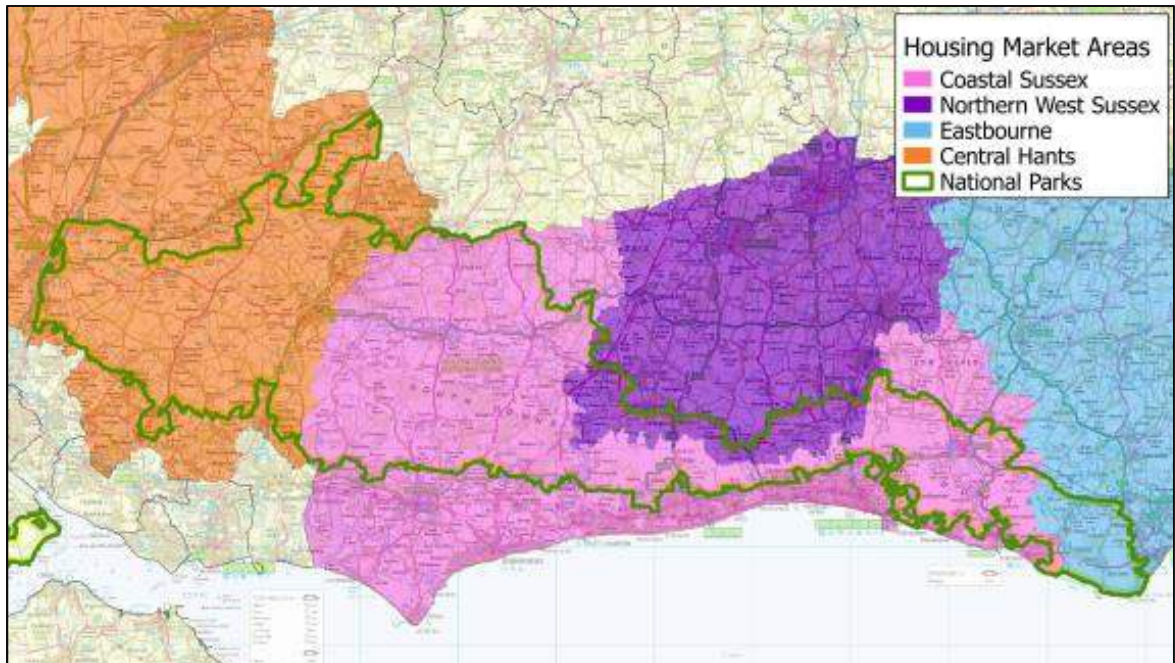
Figure 56: Median House Prices in the National Park by HMA Area, 2009-2014



Source: HM Land Registry, 2014

- 10.4 Figure 56 also shows the median house price growth in those parts of the National Park which fall within each of the Housing Market Areas. Although the four Housing Market Areas (Central Hampshire, Coastal Sussex, Northern West Sussex, and Eastbourne) extend beyond the National Park's boundaries, (as shown in Figure 38) the data taken from the Land Registry allows us to analyse just those parts of the HMAs within the National Park which fall within each HMA.

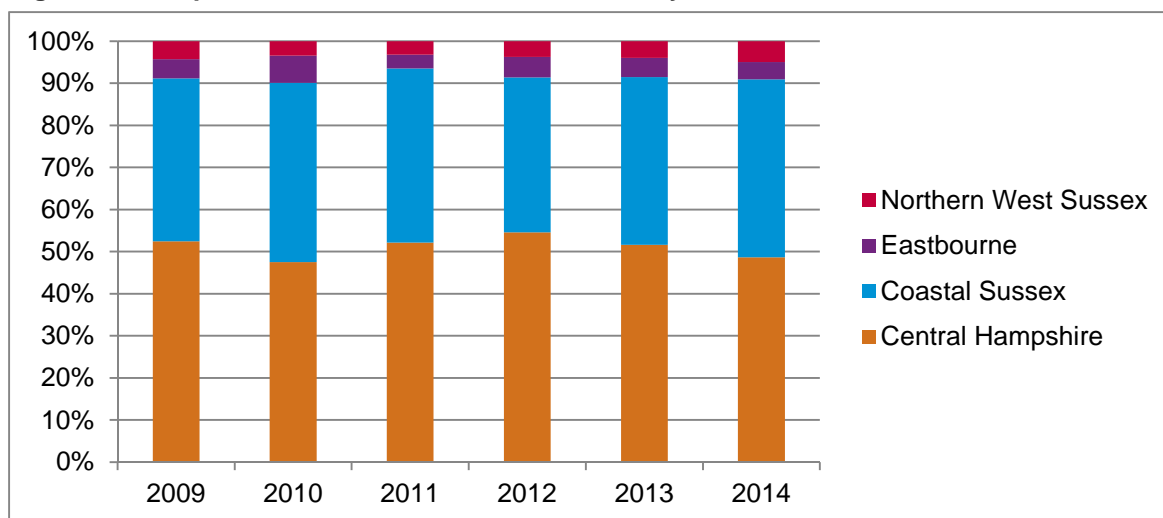
Figure 57: Housing Market Areas Across the South Downs National Park



Source: GL Hearn, 2014

- 10.5 Figure 58 shows that house prices in the National Park are highest in the Eastbourne HMA where the median house price is £510,000. Median house prices are considerably lower in the other HMAs. In the Northern West Sussex HMA the median house price is £400,000 and in the Coastal Sussex and Central Hampshire HMAs the median prices were £365,000 and £350,000 respectively.
- 10.6 It is likely that the Central Hants and Coastal West Sussex median house prices are reduced by a higher number of properties generally and more specifically smaller properties located in the major urban areas of Petersfield, Midhurst and Lewes. This is also evidenced in the overall number of residential property sales per HMA as shown in Figure 39. This shows that 51% of sales in the National Park over this period were in Central Hampshire HMA and 40% were in Coastal Sussex.

Figure 58: Proportion of residential sales in SDNP by HMA, 2009 - 2014

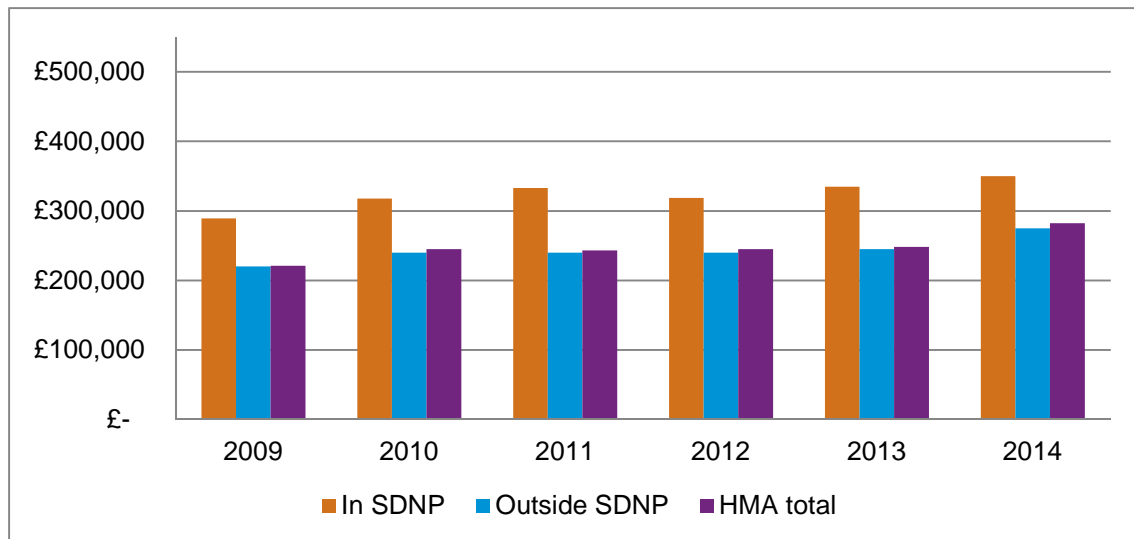


Source: HM Land Registry, 2014

Central Hampshire HMA

- 10.7 Figure 59 compares the median house price in the parts of Central Hampshire HMA within and outside of the National Park and for the HMA as a whole. This shows that median prices for properties within the SDNP are much higher than those outside of it, within the same HMA.
- 10.8 Over this period median house prices in the HMA within the SDNP were an average of 31% higher than HMA house prices outside the SDNP. However, this price difference was less in 2014 (24%) than in 2009 (31%).

Figure 59: Median House Prices in Central Hampshire HMA, 2009-2014

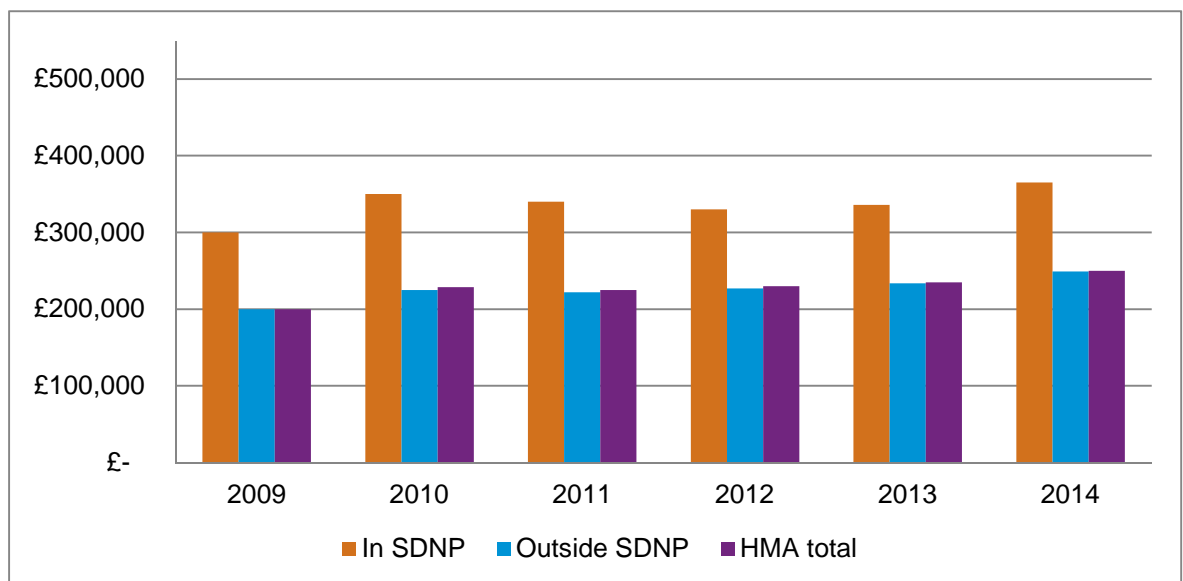


Source: HM Land Registry, 2014

Sussex Coast HMA

- 10.9 There is a similar picture in the other HMAs. Figure 60 compares the median house price in the parts of Coastal Sussex HMA within and outside of the SDNP, and for the HMA as a whole. This shows that median prices for properties within the SDNP are much higher than those outside of the National Park but within the same HMA.

Figure 60: Median House Prices in Sussex Coast HMA, 2009-2014



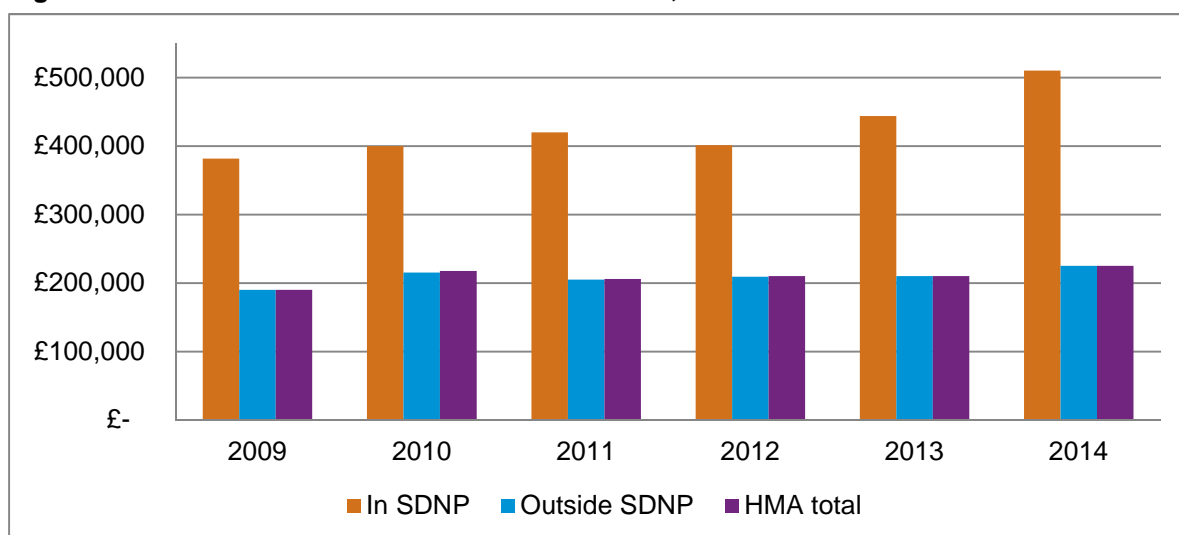
Source: HM Land Registry, 2014

- 10.10 Over this period median house prices within the SDNP were on average 48% higher than the average across the Sussex Coast HMA average. Although there has been a narrowing of the difference which decreased from 50% in 2009 to 46% in 2014.

Eastbourne HMA

- 10.11 As illustrated by Figure 61, in the Eastbourne HMA the median prices for properties within the SDNP were an average of 103% higher than the Eastbourne HMA as a whole. Between 2009 and 2014 the difference in median house price in and out of the SDNP grew – with prices in areas outside of the SDNP increasing by 104% between 2009-14, whilst those for properties inside the SDNP grew more strongly, by 127% over this period.

Figure 61: Median House Prices in Eastbourne HMA, 2009-2014



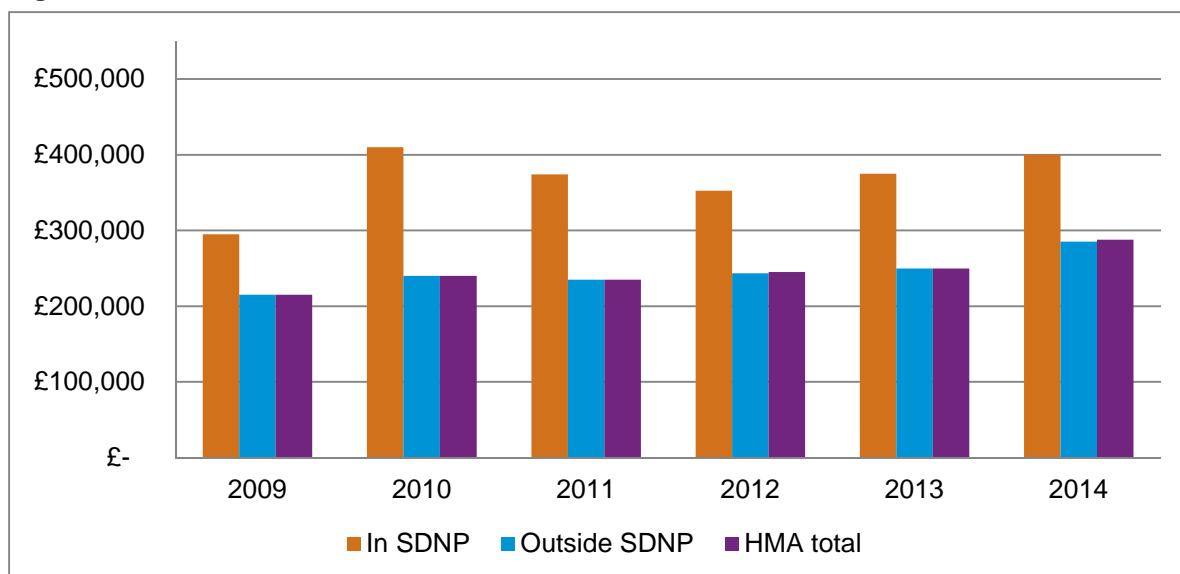
Source: HM Land Registry, 2014

- 10.12 It should be noted that the overall median house price in Eastbourne HMA is notably lower than in the other HMAs.

Northern West Sussex HMA

- 10.13 In the Northern West Sussex HMA the median price for properties within the SDNP is an average of 37% higher than the wider HMA average in 2009. This difference grew considerably during the first part of this period but by 2014 the differential was 39%, 2% higher than the 2009 figure (See Figure 62).

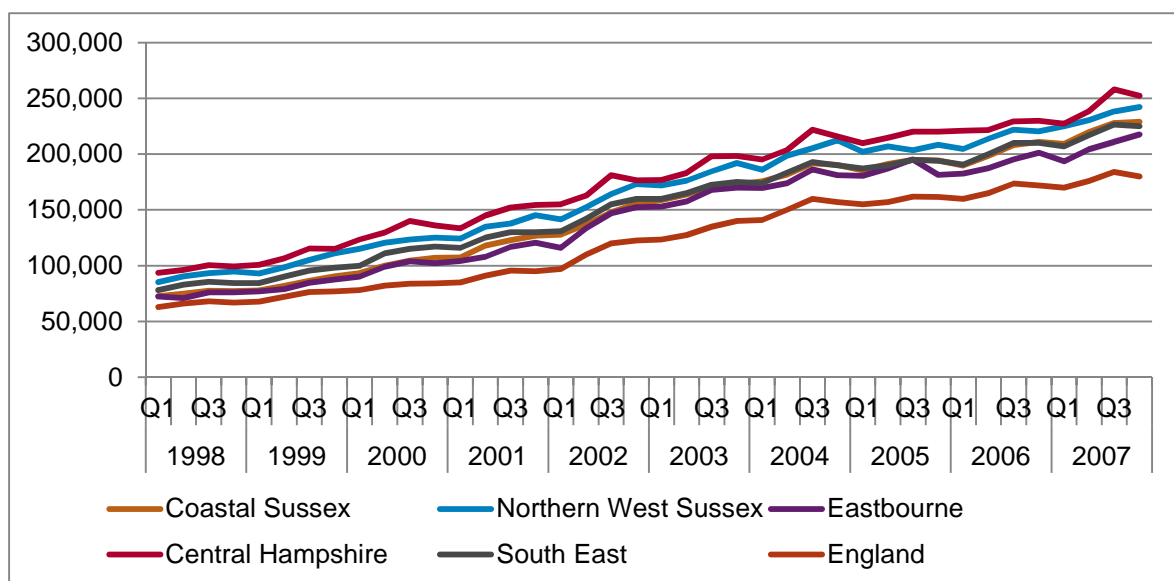
Figure 62: Median House Prices in Northern West Sussex HMA, 2009-2014



Source: HM Land Registry, 2014

- 10.14 It should be noted that in the Eastbourne and North West Sussex HMAs case, the difference between the wider HMA and the area outside the SDNP but within the HMA is barely noticeable. This is due to the vast majority of sales taking place outside the SDNP.
- 10.15 Whilst there is no published historic data available for house prices in the SDNP authority area, we have considered the historic trend at wider levels which shows the general trends in house price growth since 1998. This provides a picture of pre- and post-recession house price trends.
- 10.16 Figure 63 shows the average pre-recession growth in median house prices in each of the HMAs (including parts of HMA inside and outside the National Park) as well as regional and national trends. All HMAs and the wider comparators show steady growth over this period with prices in Coastal Sussex growing particularly strongly with a 215% increase over the 1998-2007 period. Prices in the Eastbourne/ Wealden HMA grew by 201%, Northern West Sussex HMA by 184%, and Central Hampshire HMA by 169%. Nationally house prices increased by 186% over this period. By the end of 2007 median house prices were considerably higher in all four HMAs than the national median. High housing costs are a key contributory factor to affordability pressures across these HMAs.

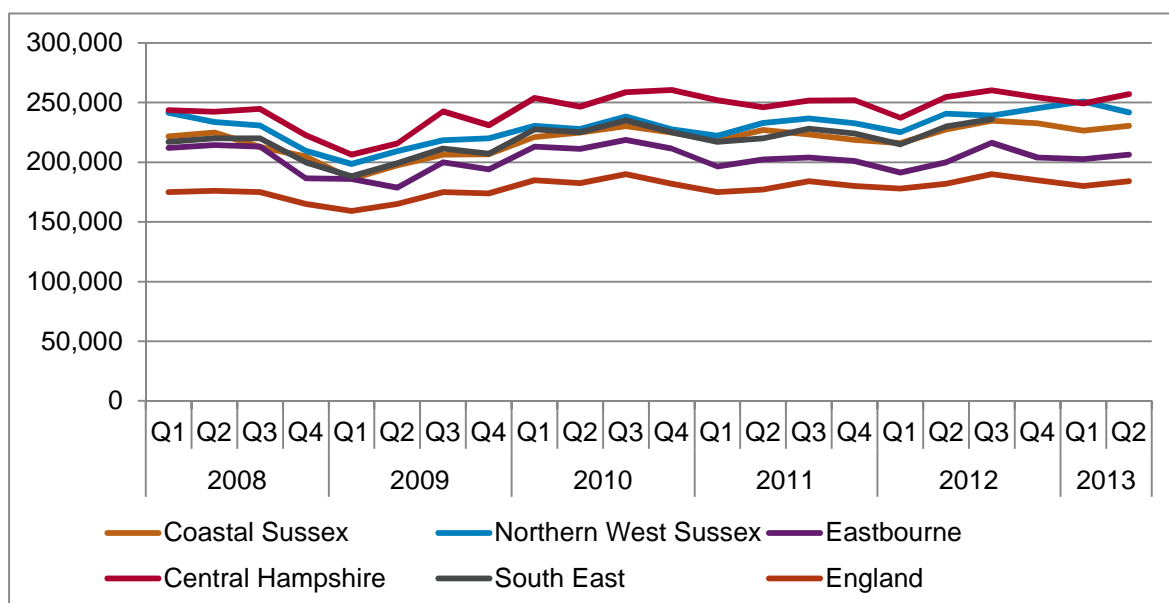
Figure 63: Median House Price Trend in HMAs, 1998-2007



Source: DCLG Live Tables

- 10.17 As shown in Figure 64, each of the HMAs experienced a fall in house prices throughout 2008 and into 2009. This was followed by a 'bounce-back' with prices returning to pre-recession levels by mid-2010. Between 2010 to 2013 house prices plateaued, remaining at a similar level.

Figure 64: Median House Price Trend in HMAs, 2008-2013



Source: DCLG Live Tables

- 10.18 Over the 2008-2013 period median house prices in the Coastal Sussex and Central Hampshire HMAs saw modest growth (4% and 6% respectively) - in line with national growth of 5%. The

median house price in Northern West Sussex HMA was unchanged. The median house price in Eastbourne HMA was 3% lower in 2013 than the pre-recession high.

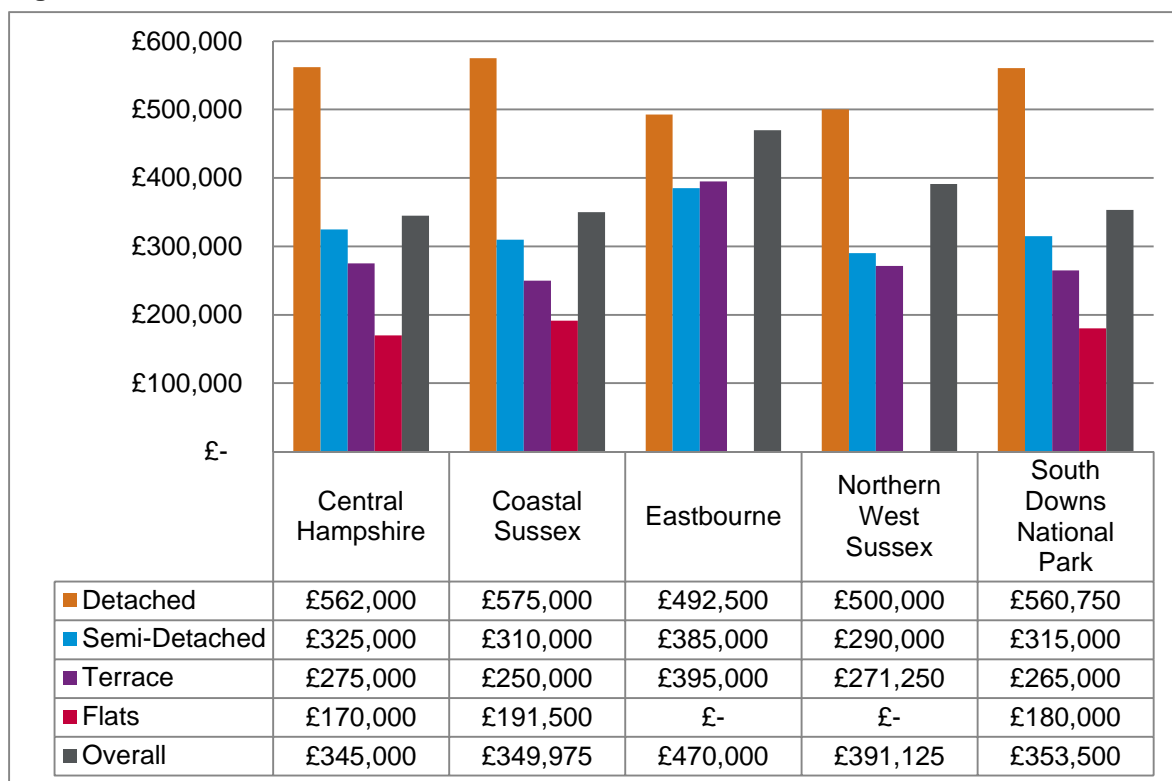
- 10.19 Looking at the SDNP more specifically, research undertaken by Nationwide indicates that there is a “price premium” associated with being in the National Park. The research calculated that the price of an average property within the SDNP at £318,000 which was calculated as £57,000 above a similar property outside of the National Park. This 22% price premium contributes to particular affordability pressures¹¹.

House Prices by Type

- 10.20 We have analysed house prices achieved from January 2013 to November 2014 in more detail to gain an understanding of the very latest dynamics for different property types within the SDNP. Figure 65 shows the median house price by dwelling type within the National Park overall and for each of the four HMAs.
- 10.21 As illustrated, median house prices for detached houses are very high in all of the HMAs, with the National Park average of just over £560,000. The median house prices for semi-detached and terrace houses are considerably lower at £315,000 and £265,000 respectively, and median price for flats is £180,000.

¹¹ <http://www.nationwide.co.uk/~/-/media/MainSite/documents/about/house-price-index/national-parks-special-hpi-report.pdf>

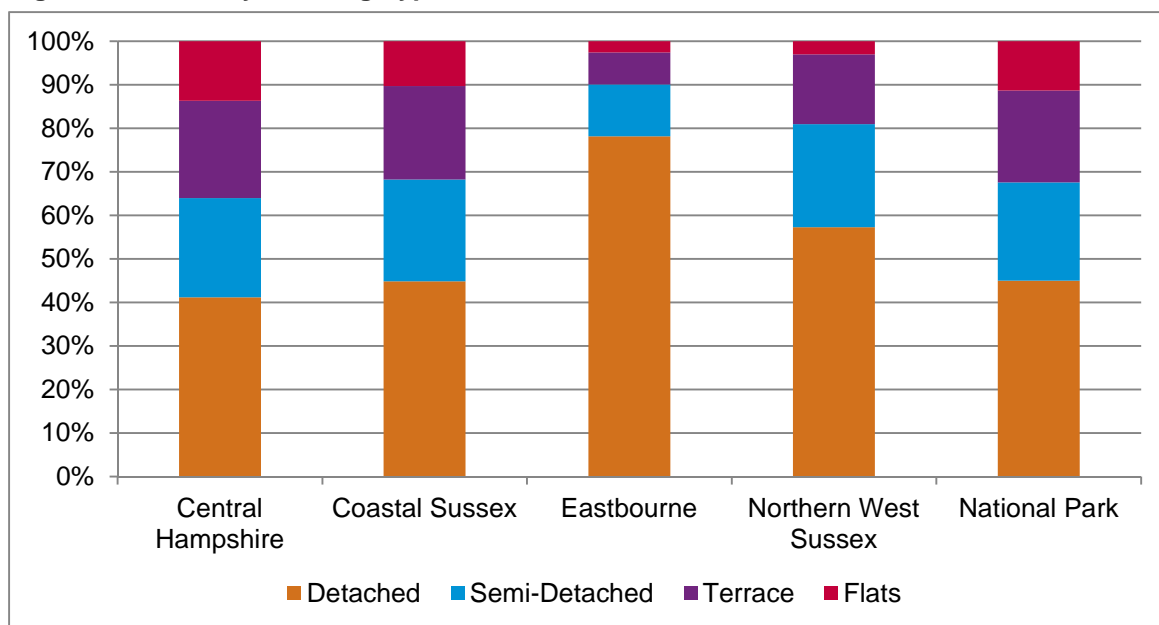
Figure 65: Median House Prices in SDNP, Jan 2013 - Nov 2014



Source: GLH Analysis: Land Registry Price Paid Data

- 10.22 Prices in the National Park as a whole are particularly driven by prices in the Central Hampshire and Coastal Sussex HMAs which together constitute the majority of the National Park's dwelling stock. Median prices in these two HMAs are very similar for each dwelling type with only the median price for flats having a variance of more than 10% between the HMAs.
- 10.23 There is greater variance in prices in the Eastbourne and Northern West Sussex HMAs but it is noted that this is based on much smaller sample sizes. The sample size for flats sales in these HMAs is too small to be statistically robust.
- 10.24 The median house prices reflect the proportions of sales for each dwelling type, which is shown in Figure 66. This reflects the nature of the housing stock in the SDNP. The Eastbourne and Northern West Sussex HMAs saw a greater proportion of sales of detached houses whereas the Central Hampshire and Coastal Sussex HMAs saw larger proportions of semi-detached, terrace, and flats sales. The lower median price in these HMAs reflects this.

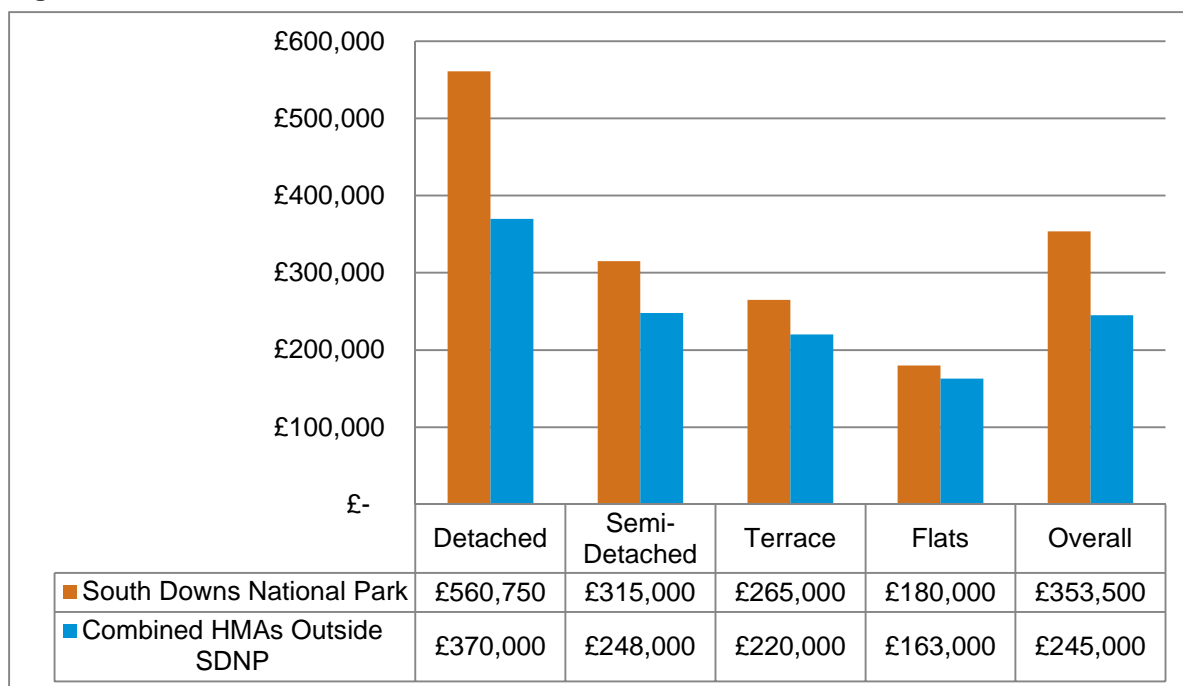
Figure 66: Sales by Dwelling Type in SDNP, Jan 2013 - Nov 2014



Source: GLH Analysis: Land Registry Price Paid Data

- 10.25 Figure 67 compares the median house prices for each dwelling type for the area within the SDNP against the parts of the four HMAs which fall outside of the SDNP. As illustrated the median price for detached properties is much higher within the SDNP than outside it, on average £190,750 more (34%).
- 10.26 The variance is lower, both in absolute and percentage terms, for the other property types within the four HMAs. Semi-detached houses within the SDNP are on average £67,000 more expensive (21% of house price) than those outside the National Parks boundary. Terrace houses are on average £45,000 (17%) more expensive while flats show the smallest variance at £17,000 (9%).

Figure 67: Median House Prices in SDNP vs outside SDNP, Jan 2013 - Nov 2014

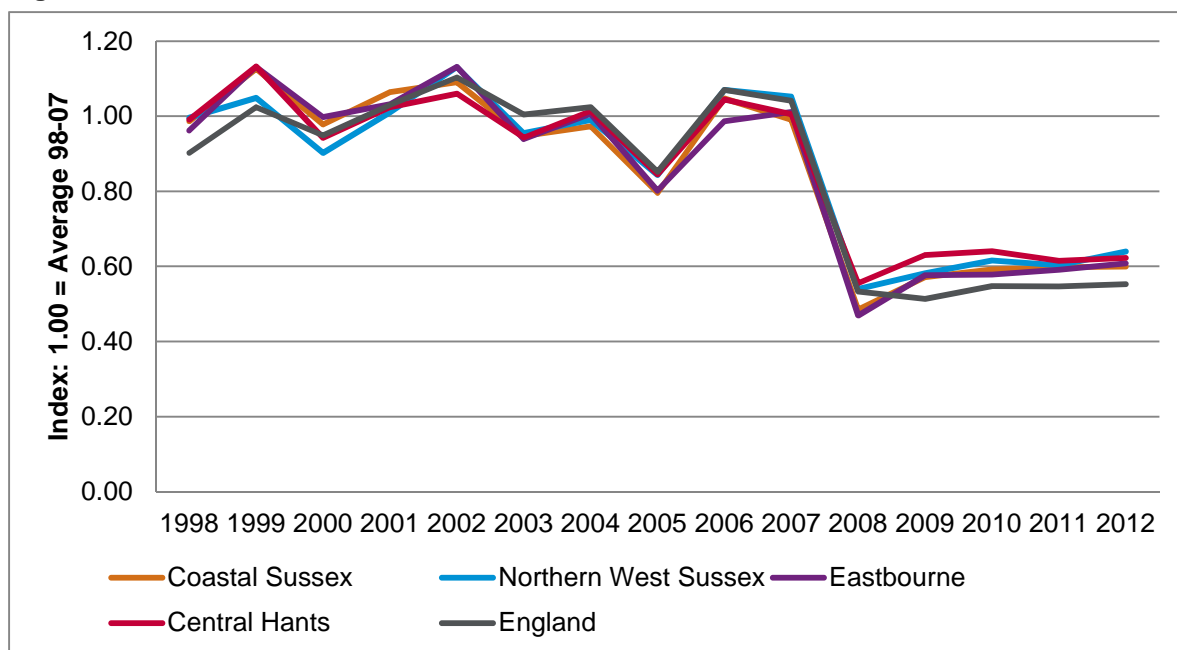


Source: GLH Analysis: Land Registry Price Paid Data

Sales Volumes

- 10.27 Sales volumes are an important indicator of effective demand for market housing. Again there is no historic data available for the SDNP as a whole. We have therefore looked at the four HMAs (including areas within and outside the SDNP) to examine the long term trend in sales volume. This is illustrated in Figure 68, with the numbers indexed to the average annual figure for the pre-recession decade (1998-2007). As shown the recession had a significant impact on sales volumes - the influence of the macro-economic climate on the local property markets is clear.

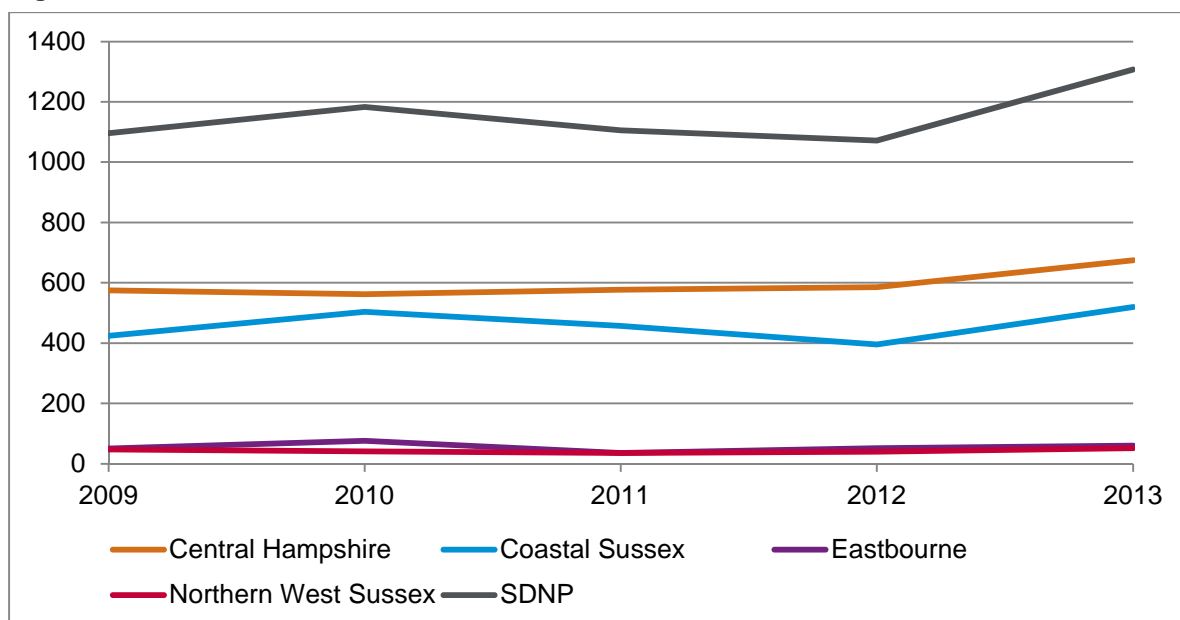
Figure 68: Sales Volume in HMAs, 1998-2012



Source: DCLG Live Tables

- 10.28 More local data is available for transactions within the SDNP since 2009. Figure 69 shows the sales volumes in each of the Housing Market Areas within the National Park from 2009 to 2013.

Figure 69: Sales Volume Within SDNP, 2009-2013



Source: HM Land Registry, 2014

- 10.29 Table 51 shows the static sales volume seen in the HMAs since 2009 has also been seen in the SDNP. However, since 2012 there has been an increase in sales volume in the SDNP with a 22% growth in sales volume in 2013. This reflects recovering market demand.
- 10.30 Each of the HMAs has seen growth in sales volume over this period. The Coastal Sussex HMA has seen a 23% increase and the Central Hampshire HMA has seen 17% growth. Over the same two year period since 2012 the Northern West Sussex HMA has seen an 11% increase in sales and the Eastbourne/ Wealden HMA a 20% growth, although it should be noted that total sales numbers in these two HMAs constitutes a very small number of sales in the SDNP.
- 10.31 In general, the number of sales within the SDNP constitutes a very small proportion of the total sales volume in the wider HMAs. In 2013 and 2014 only 4.2% of sales within the 4 HMAs which include part of the SDNP were within the National Park's boundary with 95.8% falling outside the National Park (see Table 51). This was slightly higher in Central Hampshire HMA where 8.9% of sales were within the SDNP. The Coastal Sussex HMA saw 4.2% of all sales being of homes within the SDNP. Only 1% of sales within Eastbourne and Northern West Sussex HMAs were within the SDNP. These sales proportions have remained fairly steady over the study period 2009 to 2014.

Table 51: Proportion of HMA Sales Within SDNP, 2013-2014

HMA	Percentage of total HMA Sales Within SDNP
Central Hampshire	8.9%
Coastal Sussex	4.2%
Eastbourne	1.1%
Northern West Sussex	0.9%
All	4.2%

Source: HM Land Registry, 2014

- 10.32 Table 52 compares the post-recession growth in sales volume within the SDNP against the growth across the wider HMAs. This shows that the 19% growth in sales volume in the HMA areas within the National Park is similar to the 20% growth in the HMAs outside the SDNP boundaries.

Table 52: Growth in Sales Volume Within SDNP and the Wider HMAs, 2009-2013

	Within SDNP	HMAs Overall
Central Hampshire	17%	18%
Coastal Sussex	23%	18%
Eastbourne	20%	24%
Northern West Sussex	11%	28%
Total	19%	20%

Source: HM Land Registry, 2014

- 10.33 In the Coastal Sussex HMA there has been a stronger growth in sales volume within the SDNP(23%) than outside it (18%). In Central Hampshire growth within the SDNP (17%) is slightly below growth outside of it (18%). Eastbourne and Northern West Sussex HMAs have seen stronger

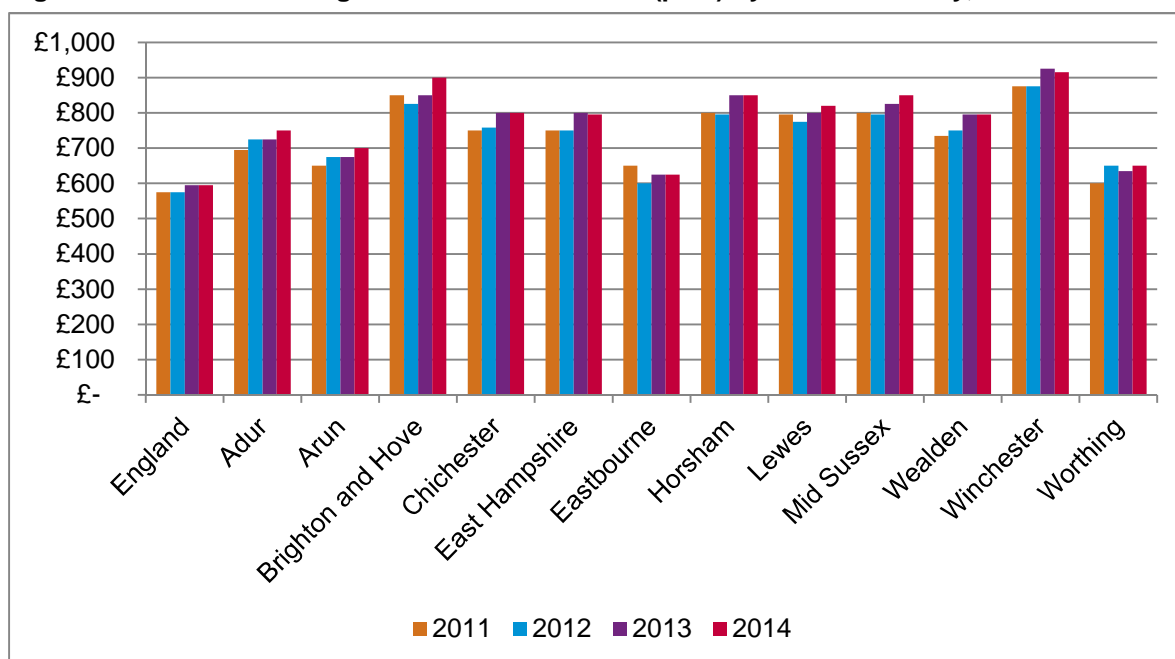
growth in sales volume in areas outside of the SDNP than within it, although it should be noted that there have been only a very small number of sales within the SDNP in these HMAs.

Rental Trends

10.34 There is no data published for private rental values across the SDNP as a whole. Private rental data is published at local authority level. In this section we have assessed the data for the local authorities who are co-located within the SDNP. This provides a broad picture of the private rental sector across these authorities and shows the variances between the different authority areas. However, as noted previously, this will not provide an accurate representation for the SDNP and it should not be assumed that the local authority wide averages apply to the areas of those local authorities within the SDNP.

10.35 Figure 70 shows the median private rental values for each of the local authorities whose areas overlap the SDNP. The highest median rental values are seen in Brighton and Hove and Winchester with rental values at £900 and £915 per calendar month (pcm) respectively.

Figure 70: Trend in Average Private Rental Values (pcm) by Local Authority, 2011-2014

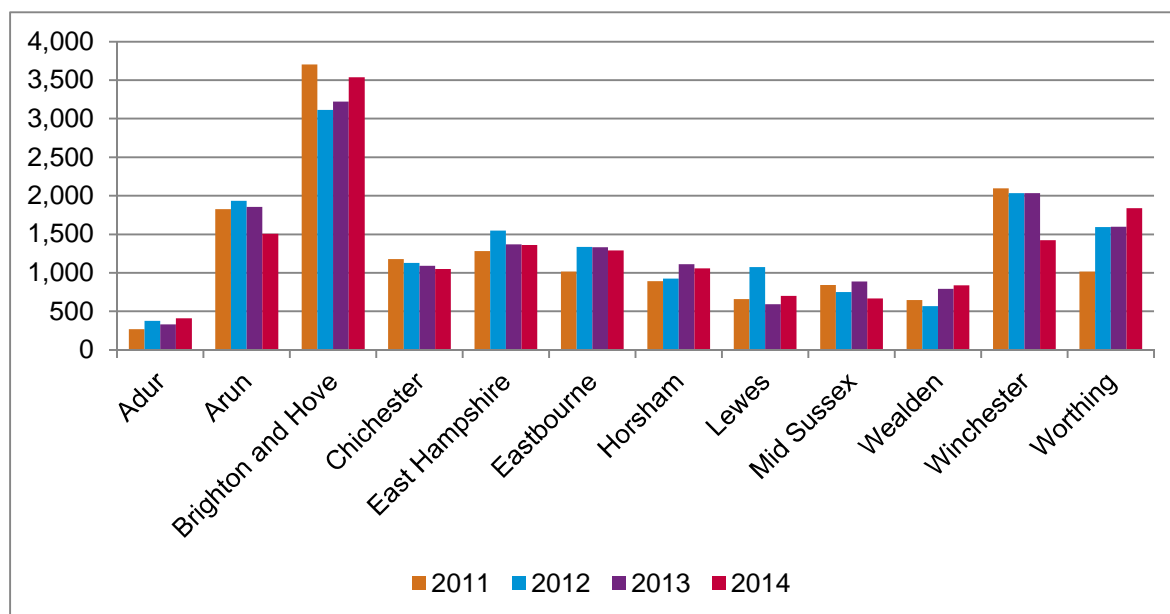


Source: VOA Private Rental Data

10.36 The lowest median rental values are in Eastbourne (£625 pcm) and Worthing (£635 pcm) local authorities. By comparison, even these lowest values are above the England average of £595 pcm. In the majority of local authorities median rental values have increased over the 2011-2014 period. Only Eastbourne has a lower 2014 median rental value than 2011 value.

- 10.37 Figure 71 outlines the trends in the annual number of rental transactions recorded by the Valuation Office Agency (VOA), over the 2011 to 2014 period. As illustrated, the total number of private rental transactions across all listed authorities grew 6.2% between 2011 and 2012 before falling by 1.0% from 2012 to 2013 and by 3.3% from 2013 to 2014.

Figure 71: Trend in Private Rental Transactions by Local Authority, Sep 2011 - Jun 2014



Source: VOA Private Rental Data

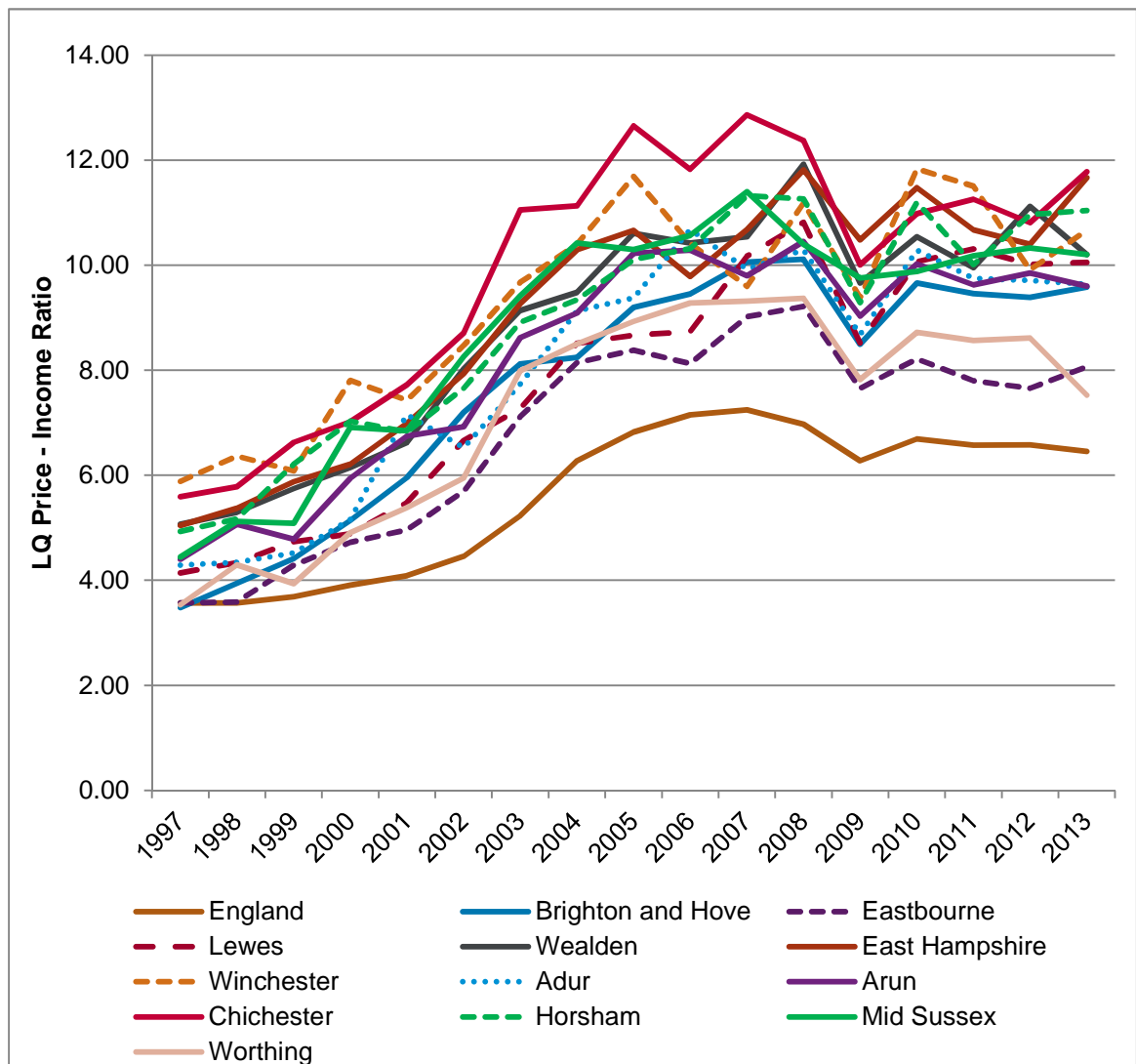
- 10.38 Over this period the largest growth in the number of private rental transactions has been in Worthing where the 2014 figure represents an 81% increase on the 2011 figures. There has also been a significant growth in rental transactions in Adur (53% increase since 2011), Wealden (29%), and Eastbourne (27%).
- 10.39 Over this period the largest fall in the number of private rental transactions has been seen in Winchester (32% decrease since 2011). There has also been notable decline in Mid Sussex (21%) and Arun (17%).

Affordability of Market Housing

- 10.40 Consistent with the Planning Practice Guidance, we have considered evidence of the affordability of market housing by looking specifically at the relationship between lower quartile and median house prices and the equivalent for incomes. Again, this data is published at a local authority level and is not available across the SDNP as a whole.
- 10.41 Figure 72 outlines the lower quartile affordability ratio for each of the local authorities and how in all cases there has been a significant increase between 1997 and 2013. Although quite detailed we

can see that the East Hampshire and Chichester local authorities are the most un-affordable of those we have analysed. In contrast, Eastbourne and Worthing are the most affordable. This is a reflection of the nature of the housing stock, comparative housing costs and local earnings.

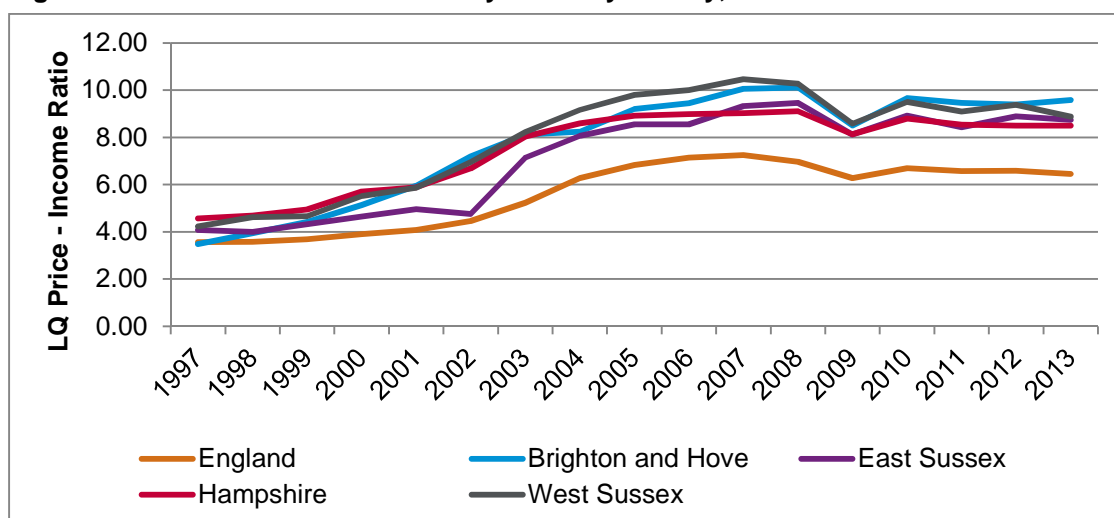
Figure 72: Lower Quartile Affordability Trend by Local Authority, 1997-2013



10.42 Perhaps a clearer picture is offered by Figure 73 which shows the lower quartile affordability ratios for the counties and unitary authorities which are within the SDNP. This shows that as of 2013 the lower quartile house price across East Sussex, West Sussex, Hampshire, and Brighton and Hove is between 8.5 and 9.5 times the lower quartile income in these areas. This is considerably higher than the England ratio of 6.5. The evidence particularly highlights the unaffordability of market housing for sale, particularly considering the premium on prices within the SDNP itself.

- 10.43 As a general observation, we can see that across all areas the affordability of property has worsened quite markedly over the past 15 years. The ratio of lower quartile house prices to earnings peaked in 2007. It fell modestly in 2009 as a result of a fall in house prices. Overall, the lower quartile house price to income ratio has remained relatively consistent between 2004-13; however ratios remain notably above long-term averages and typical levels of around 3.5 which might be considered to be affordable.

Figure 73: Lower Quartile Affordability Trend by County, 1997-2013



Source: DCLG Live Tables

- 10.44 We have also considered the median house price-earnings ratio to identify whether affordability is an issue across the market or within a particular segment. In Brighton and Hove and Wealden the median ratio is slightly higher than the lower quartile ratio, indicating that the problem of affordability in these areas is slightly less severe at the lower end of the market. This is similar to the situation nationally (see Table 53)

Table 53: Comparison of Lower Quartile and Median Affordability by District, 2013

	Lower Quartile Ratio	Median Ratio	Difference
Chichester	11.8	10.6	-1.2
Eastbourne	8.1	7.0	-1.1
Lewes	10.1	9.0	-1.0
Mid Sussex	10.2	9.8	-0.4
East Hampshire	11.7	11.3	-0.4
Winchester	10.7	10.3	-0.3
Horsham	11.0	10.9	-0.2
Adur	9.6	9.6	0.0
Arun	9.6	9.7	0.1
Worthing	7.5	7.8	0.3
England	6.5	6.7	0.3
Brighton and Hove	9.6	10.1	0.5
Wealden	10.2	11.0	0.8

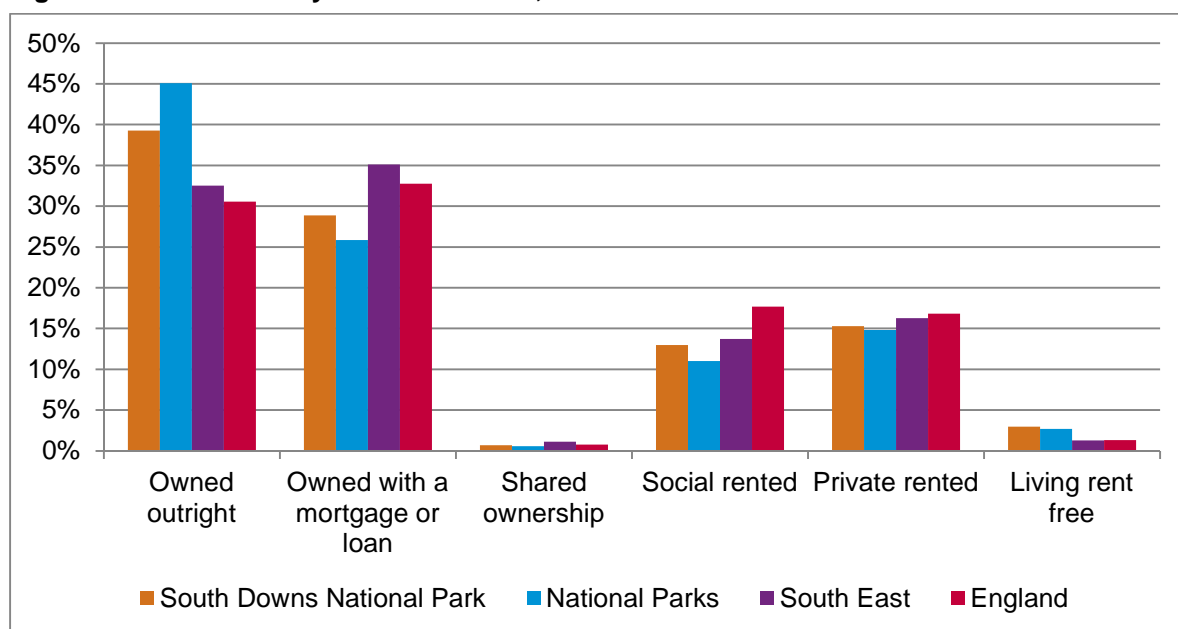
Source: DCLG Live Tables

- 10.45 Conversely the lower quartile ratio is higher in Chichester, Eastbourne and Lewes indicating stronger affordability pressures at the lower end of the market. This is likely to reflect in part the housing offer. In all areas, both the lower quartile and median affordability ratios are considerably higher than the national average highlighting the relative unaffordability of market housing.

Tenure

- 10.46 Approximately 39% of households in the SDNP own their property outright. This is a higher proportion than seen regionally or nationally, but is low when compared to the average of all National Parks in England and Wales.
- 10.47 A further 29% of households own their homes with a mortgage or loan which is below the national and regional levels but above the national parks average. 13% of households in SDNP rent in the Social Rented Sector and 15% rent in the Private Rented Sector. Again, these proportions are below regional and national rates but higher than the average of all National Parks in England and Wales (see Figure 74). It is however worth remembering that the South Downs National Park is far larger than the other National Parks and that each of them have their own unique circumstances and development pressures.

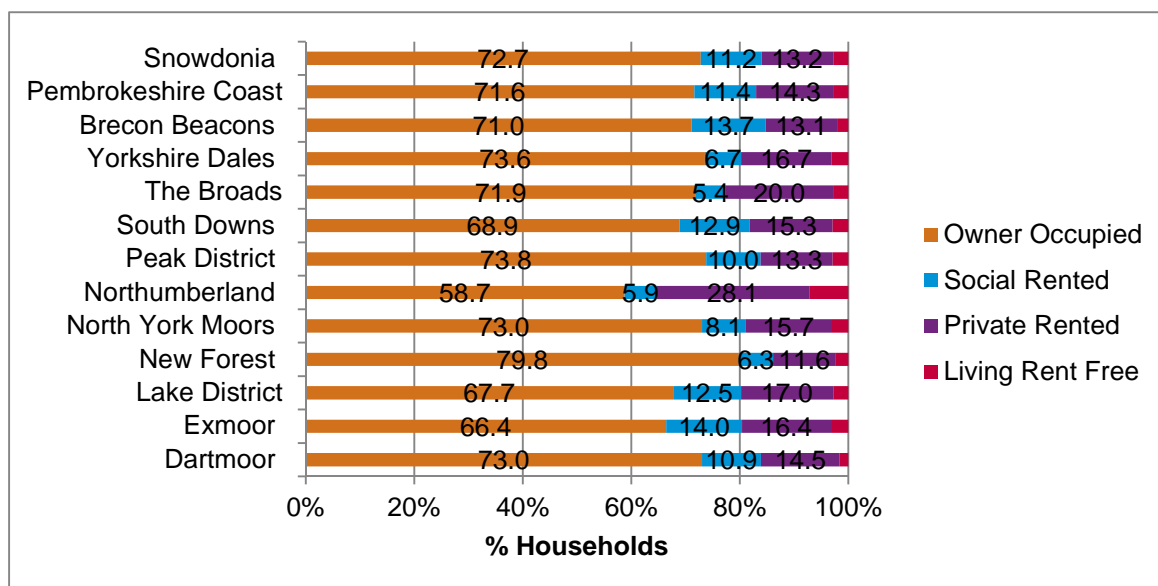
Figure 74: Household by Tenure in SDNP, 2011



Source: Census 2011

- 10.48 Figure 75 compares the tenure profile in the SDNP with other National Parks. The SDNP has a slightly higher proportion of social rented housing and slightly lower owner occupation relate to the average across the national parks. Each national park has a unique set of circumstances and development pressures.

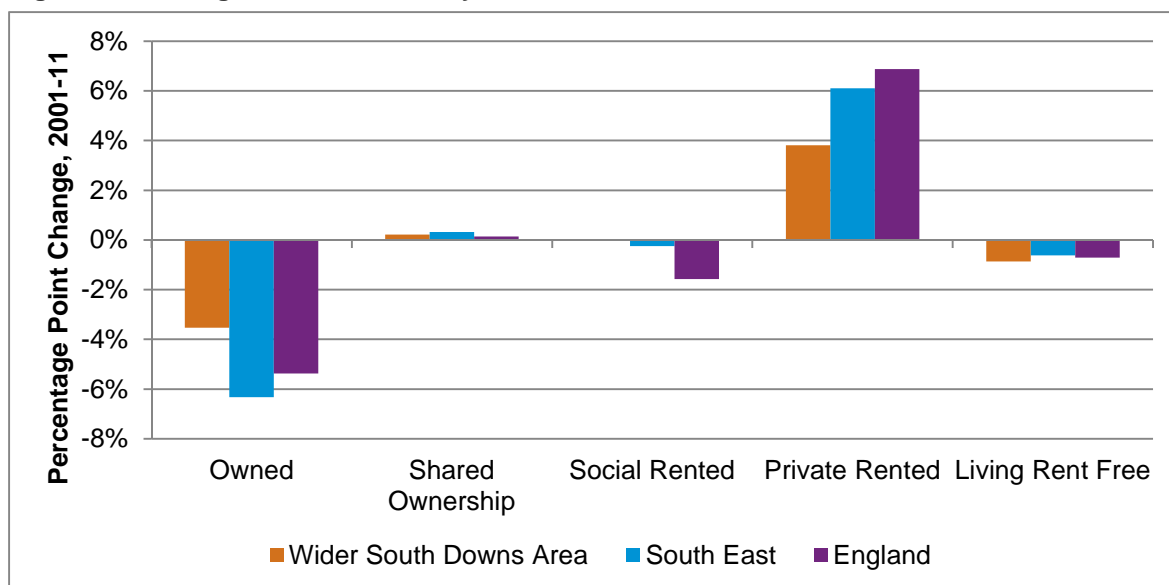
Figure 75: Tenure Profile in National Parks, 2011



Source: Census 2011

- 10.49 At a national level, the tenure profile shifted over the 2001-11 decade with an increase in private renting and fall in owner occupation.. Unfortunately historic data is not available for the SDNP specifically, therefore we have reviewed tenure changes across the Wider South Downs Area. As Figure 76 shows, owner occupation in the Wider South Downs Area fell by just under 4 percentage points between 2001 and 2011 while there was a similar growth in the Private Rented Sector over this period. This trend was also seen regionally and nationally but was actually less pronounced in the Wider South Downs Area than in these wider geographies.

Figure 76: Change in Households by Tenure in Wider South Downs Area, 2001-2011



Source: 2001 & 2011 Censuses

- 10.50 Figure 77 shows the change in households by tenure between 2001 and 2011 in the Wider South Downs Area. It clearly indicates the significant growth in households living within the Private Rented Sector over this period.

Overcrowded and Shared Households

- 10.51 We have also assessed trends in over-occupied properties, (dwellings that are deemed to have fewer rooms than meet the household's requirements) and Houses in Multiple Occupation (such as unrelated adults sharing a home). Both these indicators reflect a general lack of ability for households to form properly due to a lack of suitable property for them to do so – typically as a function of housing affordability pressures. This reflects both a lack of suitable accommodation and a lack of available properties for sale.
- 10.52 Around 4.1% of residents living in the Wider South Downs Area live in Houses in Multiple Occupation (HMOs). By comparison, the proportion of residents living in HMOs is larger in the South East region (5.4%) and England (5.8%). The proportion of such residents in the Wider South Downs Area has increased by 0.8 percentage points since 2001 – a smaller growth than seen regionally (0.9 percentage points) or nationally (1.3 percentage points) over this period.
- 10.53 Over occupied dwellings represent around 4.6% of all households in the SDNP and 4.4% in the Wider South Downs. Both these figures are higher than the average figure across national parks in England and Wales of 3.7%, but lower when compared to the South East level of 7.5% and the England rate of 8.7%.

- 10.54 To assess the change in over occupation over time we have used census data for the Wider South Downs Area as there is no historic data for the SDNP available. This data is shown in Table 54. The proportion of households in the Wider South Downs Area residing in over occupied dwellings has increased by 0.6 percentage points between 2001 and 2011. This increase is smaller than the regional increase of 1.5 percentage points or the national increase of 1.6 percentage points.
- 10.55 The increase in over-occupied households over the 2001-11 period in the Wider South Downs Area reflects an increase of 1,300 households (24% growth).

Table 54: Change in Over Occupied and Houses in Multiple Occupation in Wider South Downs Area, 2001-2011

	Over Occupied			HMOs		
	2001	2011	Change	2001	2011	Change
WSDA	3.8%	4.4%	+0.6pp	3.3%	4.1%	+0.8pp
South East	5.9%	7.5%	+1.6pp	4.5%	5.4%	+0.9pp
England	7.1%	8.7%	+1.6pp	4.5%	5.8%	+1.3pp

Source: 2001 & 2011 Censuses

- 10.56 Conversely, 82% of households in the Wider South Downs Area currently reside in properties with at least one more room than 'required'. Of this 21% of households reside in properties with one more room than 'required' – a smaller proportion than seen regionally or nationally – and this percentage has fallen since 2001 – in line with the national trend. In addition 61% of households have two or more rooms more than 'required'. This is well above the regional and national figures of 53% and 50% respectively. Since 2001 there has been an increase of 3 percentage points of such households in the Wider South Downs Area – greater than the increases seen regionally and nationally.

Table 55: Change in Under Occupied Houses in Wider South Downs Area, 2001-2011

	1 room more than required			2+ rooms more than required		
	2001	2011	Change	2001	2011	Change
Wider South Downs Area	25%	21%	-3%	58%	61%	+3%
South East	24%	22%	-2%	53%	53%	0%
England	26%	23%	-3%	49%	50%	+1%

Source: 2001 & 2011 Censuses

Housing Delivery

- 10.57 Affordability issues are likely to be exacerbated by low housing delivery. In the last full year 132 dwellings were completed in the SDNP. The largest delivery was seen in East Hampshire, Chichester and Lewes. There is no specific SDNP data recorded for housing delivery prior to this.

Table 56: Housing Delivery in the South Downs Area, 2013-2014

Local Authority	Dwellings
Lewes	24
East Hants	38
Winchester	17
Chichester	28
Horsham	1
Arun	8
Mid Sussex	5
Wealden	4
Brighton and Hove	7
Total	132

Source: SNDPA, 2015

Summary and Implications

- 10.58 Overall the analysis suggests that over the longer term we have seen in the National Park:
- A notable increase in housing costs;
 - A deterioration in the affordability of market housing for sale;
 - A notable increase in the proportion of people renting privately;
 - Growth in the number of overcrowded and shared homes.
- 10.59 Generally speaking, these issues were influenced by strong and steady growth in the pre-recession years and a subsequent fundamental shift in housing market conditions nationally since 2007, particularly in relation to confidence and credit availability.
- 10.60 Following the recession the economy and housing market has consolidated but remained fairly static. In recent years the market has begun to show signs of recovery and as a result house prices in South Downs National Park have increased. Following a modest dip in 2012 there has been a steady increase in prices (and market activity) across the National Park throughout 2013 and 2014.
- 10.61 For each of the four HMAs which collectively cover the SDNP we have compared residential prices for properties within the SDNP and outside of it. In all four HMAs, average house prices are considerably higher within the SDNP than outside it. This is particularly stark in the Eastbourne HMA where the median price of properties within the SDNP is more than double the median price for properties outside the SDNP.
- 10.62 This disparity in prices is partly due to the higher proportion of detached properties – which are generally more expensive – within the SDNP compared to the surrounding areas. However, by comparing the median prices of different dwelling types we can see that properties of each type – detached, semi-detached, terrace, and flats – are all on average more expensive within the SDNP than an equivalent property outside it. There is a “price premium” of living in the SDNP. Research

by Nationwide points to a premium of £57,200 for living in the SDNP compared to purchasing a comparable property in areas outside it. Of the different dwelling types the biggest price difference – both in monetary and percentage terms – is between detached houses inside and outside of the SDNP.

- 10.63 In line with national trends, the volume of house sales in the SDNP remains well below pre-recession levels. In recent years there have been signs of the sales numbers beginning to improve; although recent growth in sales numbers within the SDNP is similar to that seen across the wider HMAs.
- 10.64 House price to income affordability ratios have followed the same general trend as house prices. Houses in all four HMAs are considerably less affordable than the national average with house prices (as of 2013) being between 8 to 10 times average incomes. Furthermore the evidence points to a price premium in the SDNP. The strong affordability pressures emphasise the need to prioritise the delivery of affordable housing.
- 10.65 The SDNP has a higher than average proportion of residents who are owner occupiers, although the proportion is low compared to other National Parks. This is influenced in part by the age structure.
- 10.66 This notwithstanding, the Wider South Downs Area has seen a substantial growth in households living in the Private Rented Sector since 2001.
- 10.67 Over this period there has also been an increase in the proportion of residents living in over occupied properties or houses in multiple occupation – influenced by affordability pressures. Conversely, the Wider South Downs Area has a notably larger proportion of under-occupied homes with over 60% of homes having two or more bedrooms more than required.

11 NEEDS OF SPECIFIC GROUPS

Introduction

- 11.1 We have considered the overall need for different sizes of homes over the next 20-years, however there can be specific groups within the population who require specialist housing solutions or for whom housing needs may differ from the wider population. These groups are considered within this section.
- 11.2 Estimates of household groups who have particular housing needs is a key output of the SHMA Guidance. The National Planning Policy Framework identifies that local planning authorities should plan for a mix of housing which takes account of the needs of different groups in the community.
- 11.3 The following key groups have been identified which may have housing needs which differ from those of the wider population:
- Older Persons;
 - People with disabilities;
 - Black and Minority Ethnic (BME) households;
 - Households with children;
 - Young people; and
 - Custom/Self-Build.

Housing Needs of Older People

- 11.4 The PPG recognises the need to provide housing for older people as part of achieving a good mix of housing. A key driver of change in the housing market over the next 20-years or so is expected to be the growth in the population of older persons.
- 11.5 Indeed as population projections show, the number of older people is expected to increase significantly over the next few years. In this section we draw on a range of sources including our population projections, 2011 Census information and data from POPPI (Projecting Older People Population Information).
- 11.6 The context to older persons housing provision can be summarised as below:
- A need to provide housing for older people as part of achieving a good mix of housing, but recognizing that many older people are able to exercise choice and control over housing options – e.g. owner occupiers with equity in their homes;
 - Falling demand for residential care in some areas, and a rapidly rising average age of people living in sheltered housing and requiring higher levels of support. Many local authorities have struggled to contain expenditure on services for older people;

- New models of enhanced and extra care housing have emerged. These aim to meet the needs of those who require high levels of care and support alongside those who are still generally able to care for themselves. These models often allow for changing circumstances in situ rather than requiring a move; and
- Providing choice, including supporting people to stay in their own homes including through supporting adaptations to properties and through provision of floating support.

Current Population of Older Persons

- 11.7 Below we have provided some baseline population data about older persons and compared this with other areas. The data for this has been taken from the published ONS Mid-Year Population Estimates and is provided for age groups from 55 and upwards. In reality, those aged 55 might not be considered as 'old' but we have started the analysis from this age group due to the fact that some housing developments are specifically targeted at the over 55 age group.
- 11.8 The data shows that, when compared with the South East region and England that the SDNP has a relatively old population – some 38% of people are aged 55 and over compared with around 30% in other areas. All age groups from 55 and above show higher proportions of the population than is seen either regionally or nationally (See Table 57).

Table 57: Older Person Population (2013)

Age group	SDNP		South East	England
	Population	% of popn	% of popn	% of popn
Under 55	70,968	62.4%	70.3%	71.5%
55-64	16,063	14.1%	11.5%	11.2%
65-74	14,203	12.5%	9.7%	9.3%
75-84	8,654	7.6%	5.9%	5.7%
85+	3,868	3.4%	2.6%	2.3%
Total	113,756	100.0%	100.0%	100.0%
Total 55+	42,788	37.6%	29.7%	28.5%

Source: 2013 ONS Mid-Year Population Estimates

Future Changes in the Population of Older Persons

- 11.9 As well as providing a baseline position for the proportion of older persons in the study area we can use published population projections to provide an indication of how the numbers might change in the future compared with other areas. The regional and national data provided below is based on the 2012-based SNPP which is the latest source available consistently across areas. Data for SDNP is based on our main demographic projection (using population trends over the past 5-years).
- 11.10 The data shows that the SDNP (in line with other areas) is expected to see a notable increase in the older person population with the total number of people aged 55 and over expected to increase by 37% over the next 20-years. This figure is lower than projected for the South East region but

above the equivalent national figure. As with other areas there is expected to be particularly strong growth in the population aged 85 and over (see Table 58).

Table 58: Projected Change in Population of Older Persons (2013 to 2033)

Age group	SDNP	South East	England
Under 55	-5.2%	3.8%	4.3%
55-64	-0.4%	16.9%	12.6%
65-74	34.1%	38.0%	34.5%
75-84	63.4%	55.5%	50.2%
85+	139.2%	114.5%	105.6%
Total	10.5%	13.5%	12.2%
Total 55+	36.6%	37.5%	32.6%

Source: ONS 2012-based SNPP and projection modelling

Characteristics of Older Persons Households

- 11.11 We have used 2011 Census data to explore in more detail the characteristics of older person households in SDNP (based on the population aged 65 and over). Table 59 shows the number of households compared with the South East region and England. The data shows that in 2011 around 27% of households were comprised entirely of people aged 65 and over. This is notably above the figure for the South East and England.

Table 59: Pensioner Households (Census 2011)

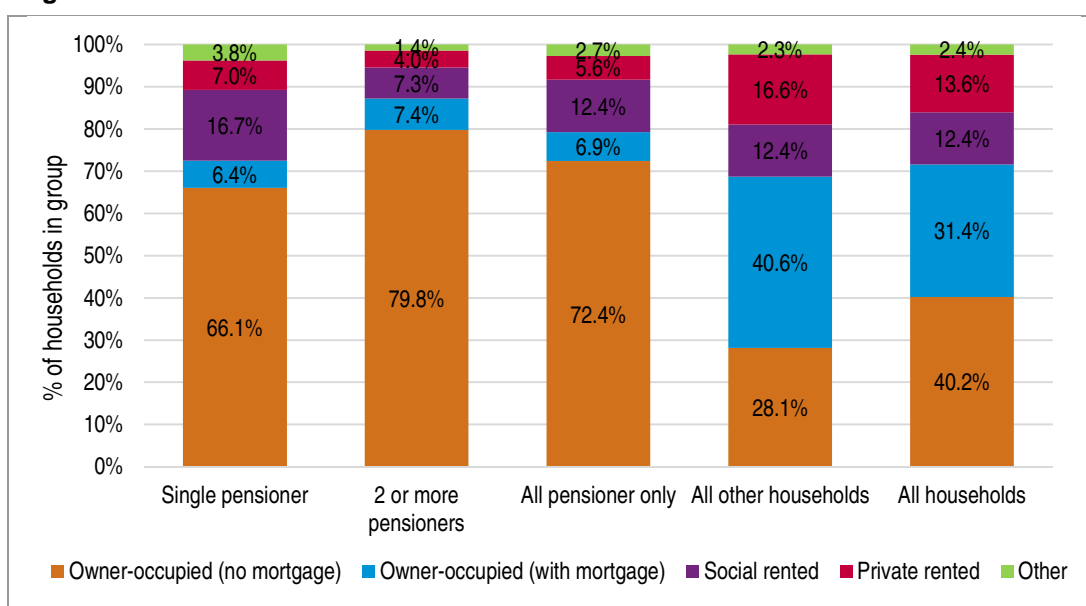
Pensioner households	SDNP	South East	England
Single pensioner	7,100	449,969	2,725,596
2 or more pensioners	5,825	329,263	1,851,180
All households	47,273	3,555,463	22,063,368
Single pensioner	15.0%	12.7%	12.4%
2 or more pensioners	12.3%	9.3%	8.4%
All households	100.0%	100.0%	100.0%
Total % pensioner only	27.3%	21.9%	20.7%

Source: 2011 Census

- 11.12 Figure 77 shows the tenure of older person households – the data has been split between single pensioner households and those with two or more pensioners (which will largely be couples). The data shows that pensioner households are relatively likely to live in outright owned accommodation (73%) and are as likely as other households to be in the social rented sector. The proportion of pensioner households living in the private rented sector is relatively low (6% compared with 14% of all households in the SDNP).

- 11.13 There are however notable differences for different types of pensioner households with single pensioners having a lower level of owner-occupation than larger pensioner households – this group also has a much higher proportion living in the social rented sector.
- 11.14 Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population. That said, the proportion of older person households who are outright owners (with significant equity) may mean that market solutions will also be required to meet their needs. This is considered later in this section.

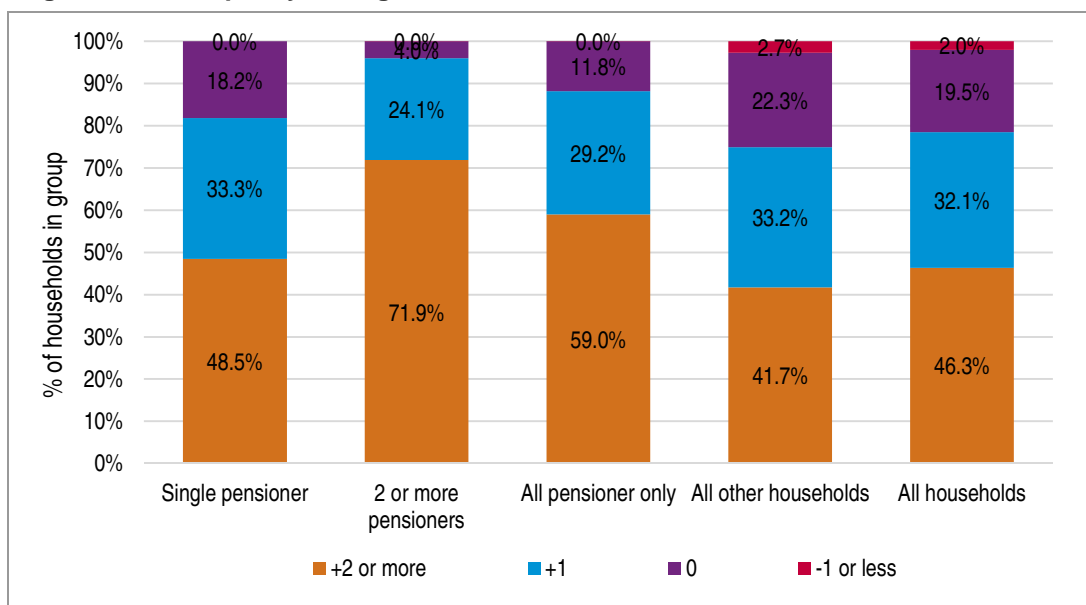
Figure 77: Tenure of Older Person Households – SDNP



Source: 2011 Census

- 11.15 A key theme that is often brought out in SHMA work is the large proportion of older person households who under-occupy their dwellings. Data from the Census allows us to investigate this using the bedroom standard. The Census data does indeed suggest that older person households are more likely to under-occupy their housing than other households in the Study area (See Figure 78). In total 59% have an occupancy rating of +2 or more (meaning there are at least two more bedrooms than are technically required by the household). This compares with 42% for non-pensioner households. Further analysis suggests that under-occupancy is far more common in households with two or more pensioners than single pensioner households.

Figure 78: Occupancy Rating of Older Person Households – SDNP



Source: 2011 Census

- 11.16 It should however be recognised that many older households in the private sector will have built up equity in their existing homes. In the private sector many older households may be able to afford a larger home than they need (and thus under-occupy housing). Some may look to downsize to release equity from homes to support their retirement (or may move away from the area); however we would expect many older households to want to retain family housing with space to allow friends and relatives to come to stay. Data about household ages and the sizes of homes occupied in the previous section does indicate that some households do typically downsize, however, a cautious view should be taken about the willingness of households to move to smaller homes and the extent to which this can be influenced through policy.

Health-related Population Projections

- 11.17 In addition to providing projections about how the number and proportion of older people is expected to change in the future we can look at the likely impact on the number of people with specific illnesses or disabilities. For this we have used data from the Projecting Older People Information System (POPPI) website which provides prevalence rates for different disabilities by age and sex. For the purposes of the SHMA the analysis has focused on estimates of the number of people with dementia and mobility problems.
- 11.18 For both of the health issues analysed the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates from a range of different sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.

- 11.19 Table 60 shows that both of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing population. In particular there is projected to be a large rise in the number of people with dementia (up 97%) along with an 80% increase in the number with mobility problems.

Table 60: Modelled Growth in Population with Dementia and Mobility Problems (2013 to 2033)

Type of illness/disability	2013	2033	Change	% increase
Dementia	1,930	3,805	1,875	97.2%
Mobility problems	4,956	8,932	3,976	80.2%

Source: Data from POPPI and demographic projections

Indicative Need for Specialist Housing for Older People

- 11.20 Given the ageing population and higher levels of disability amongst older people there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with our demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.
- 11.21 The Housing LIN website identifies a prevalence rate of around 170 units of specialist accommodation per 1,000 population aged 75 and over. In this instance specialist accommodation includes sheltered and Extra-care housing in both the market and affordable sector. In projecting forward (at a national level) the Housing LIN works on the basis of a requirement for 125 sheltered housing units per 1,000 population, 20 enhanced sheltered units and 25 Extra-care units. It also suggests a broad tenure split of 40% rented housing (affordable housing) and 60% in the market¹². The higher proportion in the market reflects the fact that the majority of older person households are currently owner-occupiers (as is the case in the SDNP).
- 11.22 For the purposes of our analysis we have used the Housing LIN prevalence rates to estimate how much specialist provision might be needed in the future. The analysis should be considered as indicative and interpreted with the following considerations:
- The analysis takes no account of whether or not there is a shortfall (or surplus) of specialist housing at the base date of 2013;
 - Locally, the figure of 170 per 1,000 may be considered too high given that older people in the SDNP shows lower levels of disability than nationally. However this is to some degree offset by the higher proportion of older people who are in older age bands;
 - The national tenure split of 60% market housing may be considered too low given the relatively high level of owner-occupation in SDNP. Analysis above shows some 72% of pensioner households to be outright owners; this compares with 67% across England; and

¹² See: http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Reports/MCGVdocument.pdf

- Whilst the analysis is split between sheltered, enhanced sheltered and extra-care housing in the same proportions as shown nationally, it may be the case that there will over time be a shift away from conventional sheltered housing to reflect the demand profile in the sector and a possible requirement for higher levels of care as the population ages.

11.23 Table 61 therefore shows an estimate of the potential demand for different types of specialist housing for older people. Across the whole SDNP area the number of people aged 75 and over is projected to increase by around 10,900 people and with a rate of 170 units per 1,000 population this leads to an estimated demand for 1,848 specialist homes for older people – 92 per annum. The figure of 92 per annum represents some 20% of the total housing need derived from the demographic projections (454 dwellings per annum linked to population growth trends over the past five years).

Table 61: Estimated Need for Specialist Housing for Older People, SDNP 2013-33

	Affordable		Market		Total	
	2013-33	Per Annum	2013-33	Per Annum	2013-33	Per Annum
Sheltered	544	27	815	41	1,359	68
Enhanced sheltered	109	5	109	5	217	11
Extra-Care	136	7	136	7	272	14
Total	788	39	1,060	53	1,848	92

Source: Derived from demographic projections and Housing LIN (numbers may not add due to rounding)

Need for Registered Care Accommodation

- 11.24 As well as the need for specialist housing for older people, the analysis needs to consider Registered Care. Given new models of provision (including extra-care housing), it may be the case that an increase in this number would not be required. There will however need to be a recognition that there may be some additional need for particular groups such as those requiring specialist nursing or for people with dementia.
- 11.25 The demographic modelling includes estimates of the number of people expected to be living in 'institutions'. Between 2013 and 2033, this number (based on the population aged 75+) is expected to increase by 779 people (39 per annum). These persons form part of an 'institutional population' which is separate from the household population which is used in the development of the demographic projections herein. The need for residential care accommodation is not captured within the demographic projections set out in Section 6.

- 11.26 This figure is important to note if there is an intention to include C2 class uses in assessments of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation.

People with Disabilities

- 11.27 This section concentrates on the housing situation of people/households that contain someone with some form of disability. We have again drawn on Census data although it should be recognised that an analysis of people with disabilities is very strongly linked with the above analysis about older people.
- 11.28 Table 62 shows the proportion of people with a long-term health problem or disability (LTHPD) and the proportion of households where at least one person has a LTHPD. The data suggests that across SDNP some 23% of households contain someone with a LTHPD. This figure is lower than the equivalent figure for each of the South East region and England. The figures for the population with a LTHPD again show a lower proportion when compared with the other areas studied (an estimated 15% of the population of SDNP have a LTHPD).

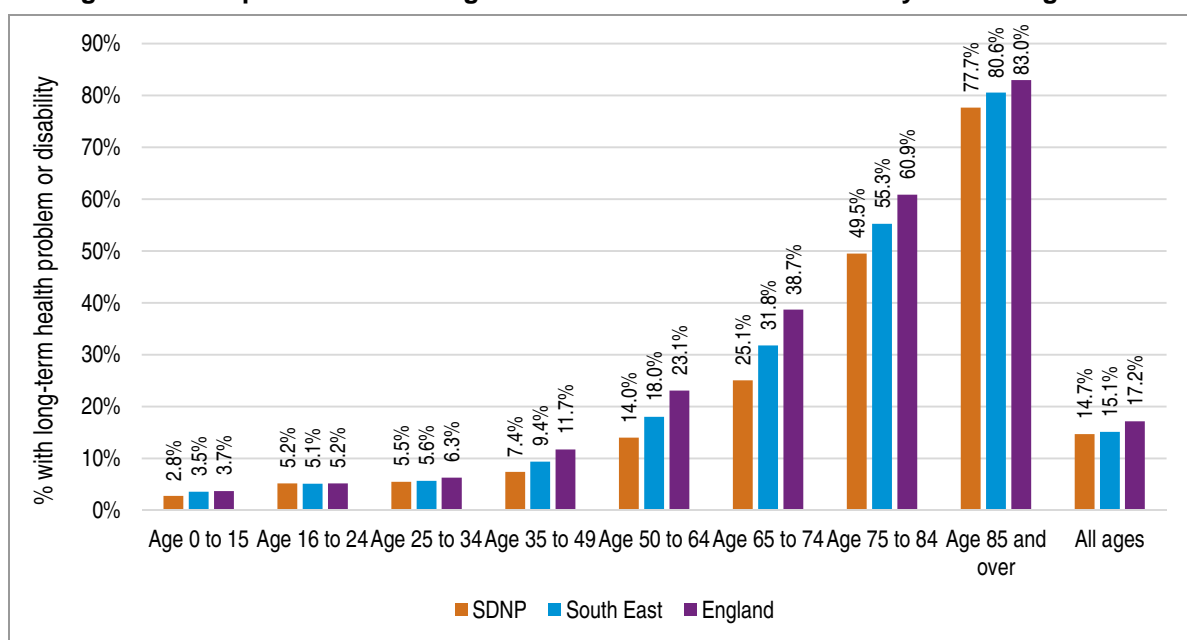
Table 62: Households and People with Long-Term Health Problem or Disability (2011)

Area	Households containing someone with health problem		Population with health problem	
	Number	%	Number	%
SDNP	10,707	22.6%	17,326	15.4%
South East	839,086	23.6%	1,356,204	15.7%
England	5,659,606	25.7%	9,352,586	17.6%

Source: 2011 Census

- 11.29 To some degree the finding of a lower level of people/households with a LTHPD in SDNP is surprising, this is because health issues are strongly linked to age and previous analysis has shown that the Study Area has an older population when compared with many areas. Therefore Figure 79 shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD – for example some 78% of people aged 85 and over have a LTHPD. It should be noted that the base for Figure 79 is slightly different to the above table in that it excludes people living in communal establishments.
- 11.30 When compared with other areas it is notable for all age groups that levels of LTHPD are low and so the finding that a lesser proportion of the population has a LTHPD in SDNP is due to age specific disability rates despite the relatively old population.

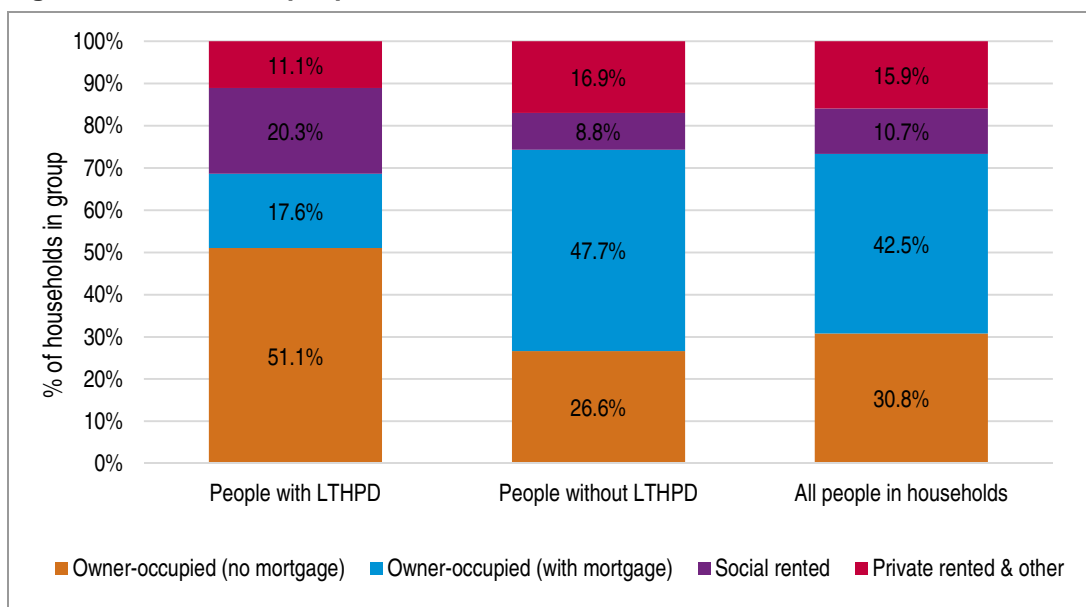
Figure 79: Population with Long-Term Health Problem or Disability in each Age Band



Source: Census (2011)

- 11.31 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to our projection linked to 5-year population growth trends it is estimated that the number of people with a LTHPD will increase by around 7,600 (a 43% increase) from 2013 to 2033. All of this increase and more (106%) is expected to be in age groups aged 65 and over. The population increase of people with a LTHPD represents 64% of the total increase in the population projected by the demographic modelling.
- 11.32 Figure 80 shows the tenures of people with a LTHPD – it should be noted that the data is for population living in households rather than households and is therefore not comparable with other tenure analysis provided in this section. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing and are also more likely to be outright owners (this will be linked to the age profile of the population with a disability). Given that typically the lowest incomes are found in the social rented sector and to a lesser extent for outright owners the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population.

Figure 80: Tenure of people with LTHPD – SDNP



Source: 2011 Census

BME Households

- 11.33 Black or Minority Ethnic (BME) households, as a group, are quite often found to have distinct characteristics in terms of their housing needs, or may be disadvantaged in some way.
- 11.34 From 2011 Census data we find that around 6.5% of the population of the SDNP came from a non-White (British/Irish) background. This figure is significantly below that found nationally (figure for England of 19%) and also below the South East average (of 14%). The key BME group in the SDNP is Other: White, which makes up 3.3% of all people in the Study Area.

Table 63: Black and Minority Ethnic Population (2011)

Ethnic Group	SDNP	South East	England
White: British	92.8%	85.2%	79.8%
White: Irish	0.7%	0.9%	1.0%
White: Gypsy or Irish Traveller	0.2%	0.2%	0.1%
White: Other White	3.3%	4.4%	4.6%
Mixed: White and Black Caribbean	0.2%	0.5%	0.8%
Mixed: White and Black African	0.2%	0.3%	0.3%
Mixed: White and Asian	0.5%	0.7%	0.6%
Mixed: Other Mixed	0.3%	0.5%	0.5%
Asian: Indian	0.3%	1.8%	2.6%
Asian: Pakistani	0.1%	1.1%	2.1%
Asian: Bangladeshi	0.1%	0.3%	0.8%
Asian: Chinese	0.4%	0.6%	0.7%
Asian: Other Asian	0.4%	1.4%	1.5%
Black: African	0.2%	1.0%	1.8%
Black: Caribbean	0.1%	0.4%	1.1%
Black: Other Black	0.0%	0.2%	0.5%
Other ethnic group: Arab	0.1%	0.2%	0.4%
Any other ethnic group	0.1%	0.4%	0.6%
Total	100.0%	100.0%	100.0%
Total population	112,343	8,634,750	53,012,456
% non-White (British/Irish)	6.5%	13.9%	19.3%

Source: 2011 Census

- 11.35 Since 2001 the BME population in the Study area can be seen to have increased significantly as shown in Table 63. We have condensed some categories together due to a slightly different list of potential groups being used in the 2011 Census when compared with 2001 data. The data shows that whilst the overall population of the SDNP has increased by 5,700 over the 10-year period there has been a notable increase in BME groups (all groups other than White (British/Irish)) of 2,400. The White (British/Irish) population has increased by 3% compared to an increase of 54% in BME groups (all combined).
- 11.36 Looking at particular BME groups we see that the largest rise has been for the White: Other population – increasing by 1,060 over the ten years. The Asian or Asian British population has increased by a lesser amount (620) but does reflect nearly a doubling in the number of people from this ethnic group.
- 11.37 It should be noted that the figures in Table 64 do not exactly match those above. This is due to information being estimated from ward data which is not co-terminus with the actual boundary of the SDNP area. Such analysis is necessary to ensure consistency of approach for 2001 and 2011. The

total population in each case is based on an estimate of mid-year figures (which in the case of 2011 data is taken from ONS estimates).

Table 64: Change in BME groups 2001 to 2011 – SDNP

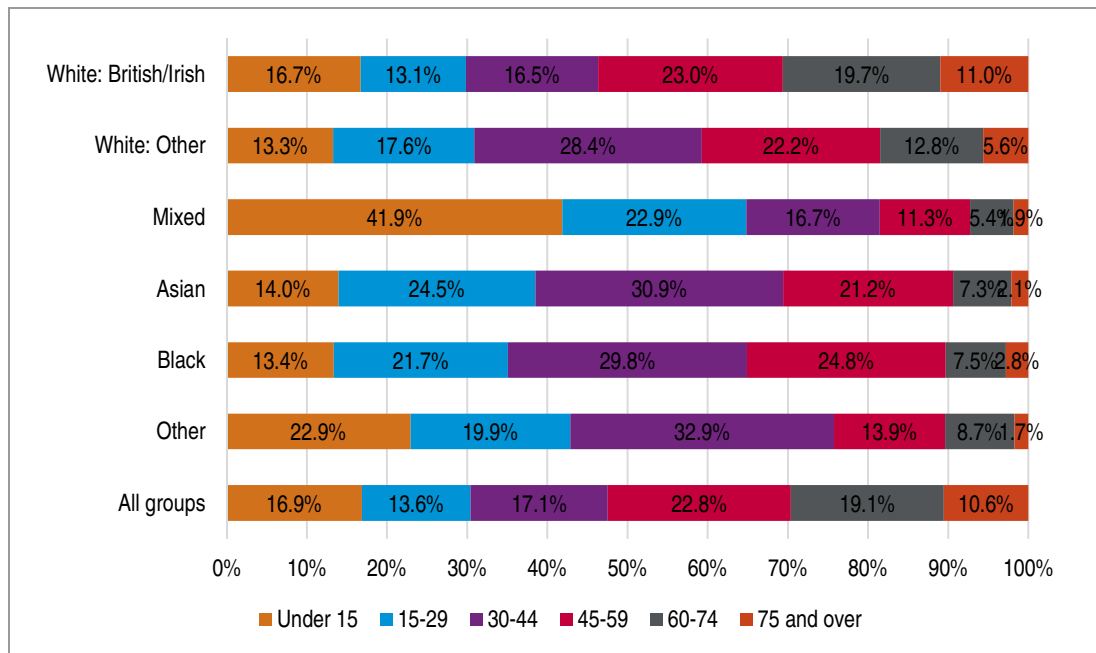
Ethnic Group	2001	2011	Change	% change
White (British/Irish)	102,372	105,673	3,302	3.2%
White - Other	2,642	3,697	1,055	39.9%
Mixed	729	1,306	577	79.1%
Asian or Asian British	645	1,266	621	96.4%
Black or Black British	183	334	151	82.2%
Other	217	215	-2	-0.9%
Total	106,788	112,492	5,704	5.3%
All BME groups	4,416	6,819	2,402	54.4%

Source: Census 2001 and 2011

BME Household Characteristics

- 11.38 Census data can also be used to provide some broad information about the household and housing characteristics of the BME population in the Study area. Figure 81 looks at the population age structure of six broad age groups using data from the 2011 Census.
- 11.39 The age profile of the BME population is striking when compared with White: British/Irish people. All BME groups are considerably younger than the White (British/Irish) group with people from a Mixed background being particularly likely to be aged under 15 when compared with any other group. The proportions of older persons are also notable with 31% of White; British/Irish people being aged 60 or over compared with BME groups (apart from White: Other) showing proportions of no more than 10%.

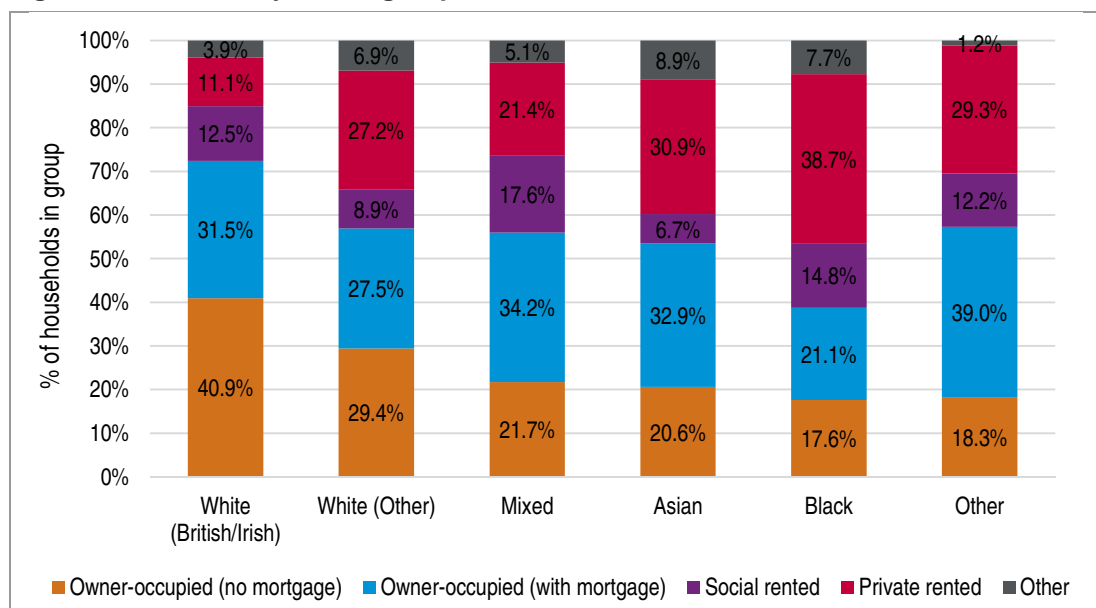
Figure 81: Population age profile (2011)



Source: Census (2011)

- 11.40 There are notable differences between the household characteristics of BME households compared with the White: British population. Figure 82 indicates that all BME groups are significantly less likely to be owner-occupiers and all groups are far more likely to live in private rented accommodation. Arguably the starkest trend is the 39% of Black households living in the private rented sector.

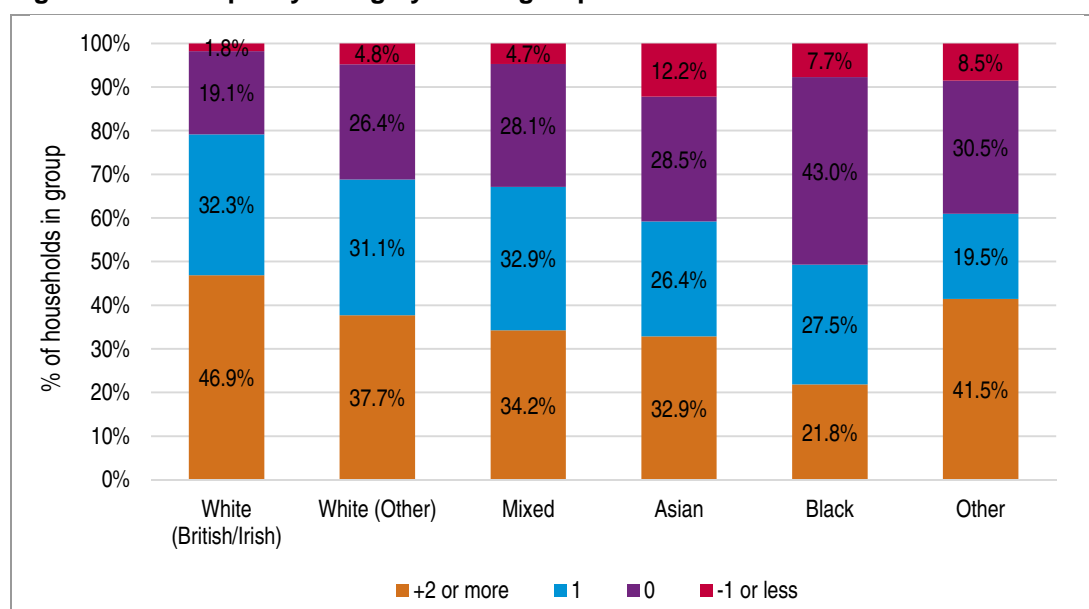
Figure 82: Tenure by ethnic group – SDNP



Source: 2011 Census data (from NOMIS)

- 11.41 The strong representation of BME households in the Private Rented Sector means that they are more likely to be affected by the changes discussed to Local Housing Allowance (particularly as the sector in the Study Area shows a strong representation of LHA Claimants).
- 11.42 As BME communities mature over time, the level of owner occupation may increase. The pace at which this happens may be influenced by economic opportunities available as well as the level of enterprise within the local community. For some communities there may be support mechanisms which can work within the community, such as availability of interest free loans or support raising a deposit to buy a home, depending on cultural factors.
- 11.43 Figure 83 shows 'occupancy ratings' by BME group; this is based on the bedroom standard where a positive figure indicates under-occupancy and negative figures suggest some degree of overcrowding. BME groups are more likely to be overcrowded (i.e. have a negative occupancy rating) than White (British) households. In particular, the Census data suggests that around 8% of Black households are overcrowded along with 12% of the Asian group – this compares with only 2% of the White (British) group. Levels of under-occupancy amongst BME communities are generally low when compared with the White (British) group.

Figure 83: Occupancy rating by ethnic group – SDNP



Source: 2011 Census data (from NOMIS)

Family Households

- 11.44 The number of families in the SDNP (defined for the purpose of this assessment as any household which contains at least one dependent child) currently totals 12,600 accounting for 27% of households – a slightly lower figure than seen across both the South East and England. The demographic projection (linked to population growth over the past 5-years) suggests that the number of children (aged Under 15) is expected to increase by 3% from 2013 to 2033 (an increase of around 500). When compared with other areas the low proportion of lone parent households is particularly notable (at less than 5%).

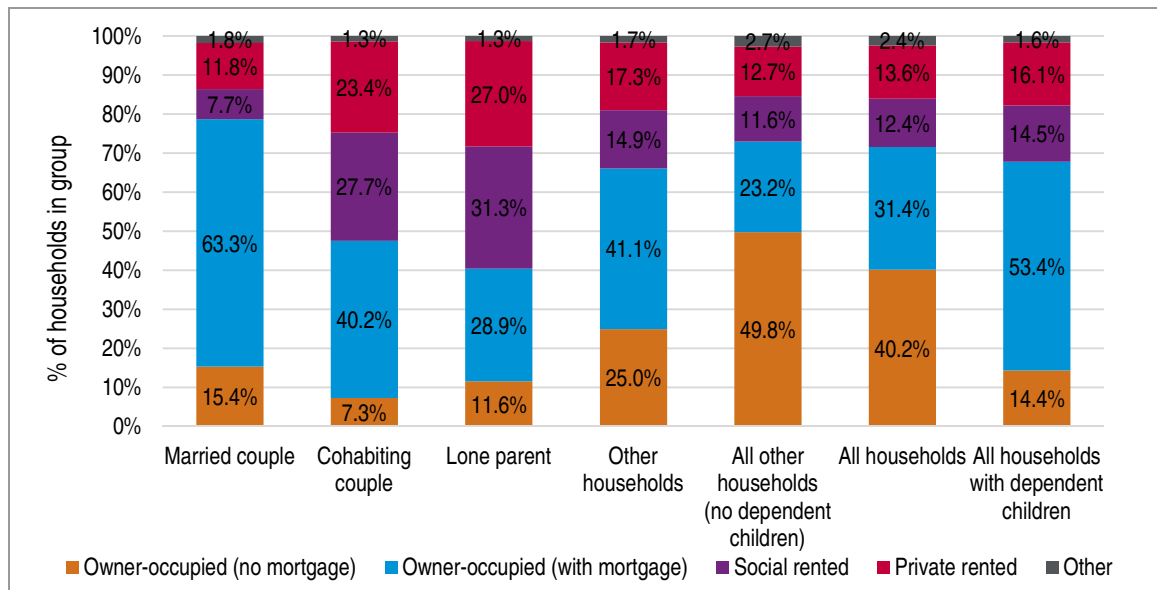
Table 65: Households with dependent children (2011)

Household Type	SDNP		South East	England
	Number	%	%	%
Married couple	8,158	17.3%	17.1%	15.3%
Cohabiting couple	1,475	3.1%	3.9%	4.0%
Lone parent	2,173	4.6%	6.1%	7.1%
Other households	755	1.6%	2.3%	2.6%
All other households (no dependent children)	34,712	73.4%	70.6%	70.9%
Total	47,273	100.0%	100.0%	100.0%
Total with dependent children	12,561	26.6%	29.4%	29.1%

Source: ONS (2011 Census)

- 11.45 Figure 84 shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only around 40% of lone parent households are owner-occupiers compared with 79% of married couples with children.

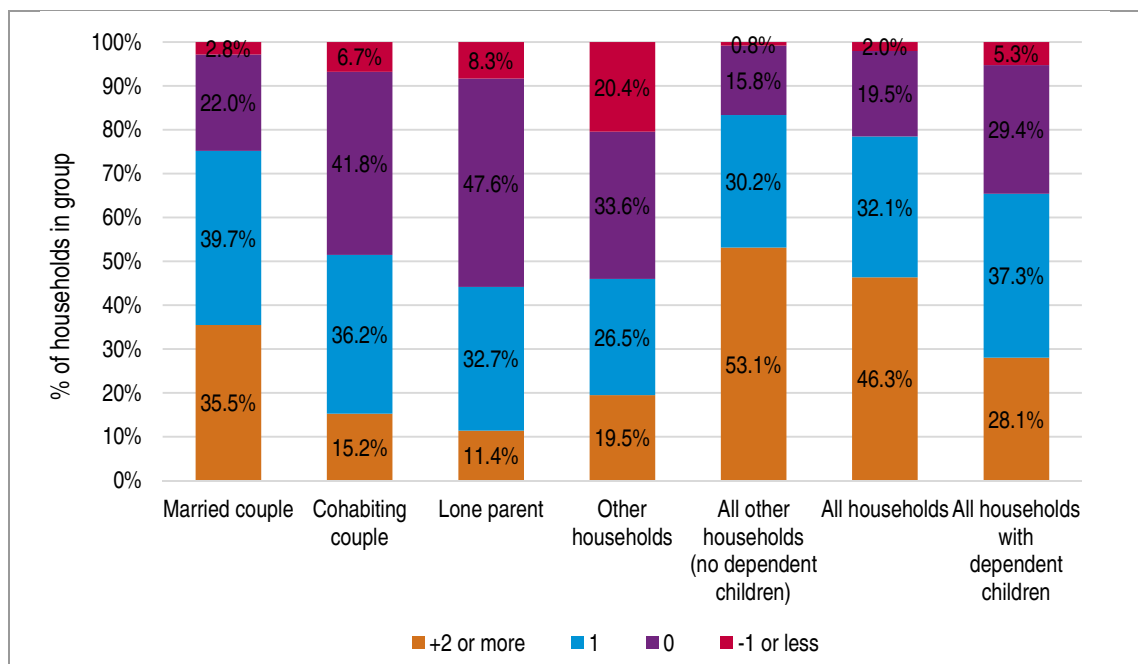
Figure 84: Tenure of Households with Dependent Children – SDNP



Source: 2011 Census

- 11.46 Overcrowding is often a key theme when looking at the housing needs of households with children and Figure 85 shows that households with children are about six times more likely than other households to be overcrowded. In total, some 5% of all households with dependent children are overcrowded and included within this the data shows 8% of lone parent households are overcrowded along with 20% of 'other' households with dependent children. Other than for married couple households levels of under-occupancy are also very low.

Figure 85: Occupancy rating and Households with Dependent Children



Source: 2011 Census data (from NOMIS)

Young People

- 11.47 Providing for the needs of younger person households is an important consideration for the SHMA. Given ageing populations, the ability to retain young people in an area can assist in providing a more balanced demographic profile as well as providing a vital part of the local workforce. Young people may however find barriers to accessing housing given typically low incomes and potential difficulties in securing mortgage finance due to deposit requirements. Additionally, LHA payments may limit choice for under-35s requiring private rented homes.
- 11.48 The demographic projections (linked to population trends over the past 5-years) suggest that in 2013 there were around 4,300 households headed by someone aged under 35 and that this is expected to increase by around 1,200 over the period to 2033.
- 11.49 As well as households headed by a younger person there will be others living as part of another household (typically with parents). Table 66 shows the number of households in the SDNP with non-dependent children. In total, some 8% of households (4,000) contain non-dependent children. This may to some degree highlight the difficulties faced by young people in accessing housing. Young people may be less likely to be eligible for social housing, have lower household incomes and have difficulty in accessing the owner-occupied sector due to mortgage constraints and deposit requirements. All of these factors contribute to the current trend for young people moving in with or continuing to live with parents.

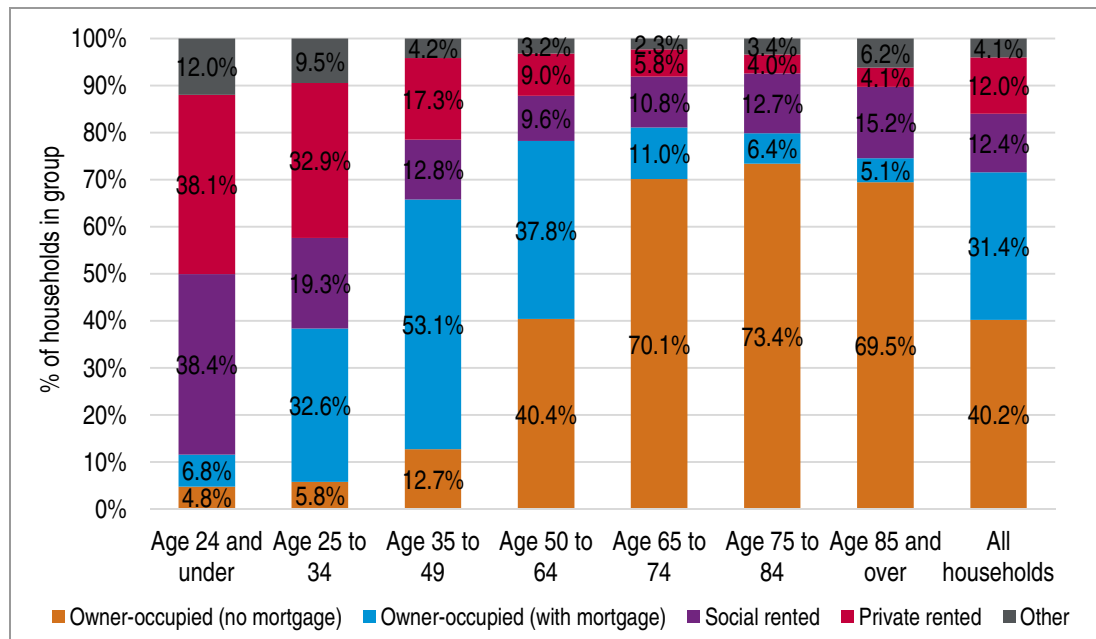
Table 66: Households with Non-Dependent Children (2011)

Household Type	SDNP		South East	England
	Number	%	%	%
Married couple	2,478	5.2%	5.5%	5.5%
Cohabiting couple	175	0.4%	0.5%	0.6%
Lone parent	1,306	2.8%	3.1%	3.2%
All other households	43,314	91.6%	90.9%	90.7%
Total	47,273	100.0%	100.0%	100.0%
Total with non-dependent children	3,959	8.4%	9.1%	9.3%

Source: ONS (2011 Census)

- 11.50 When considering households that are currently headed by a younger person we can use 2011 Census data to look at some key characteristics. Figure 86 shows the tenure groups of these households (compared with other age groups). The data clearly shows that very few younger households are owner-occupiers with a particular reliance on the private rented sector and to a lesser degree social rented housing.

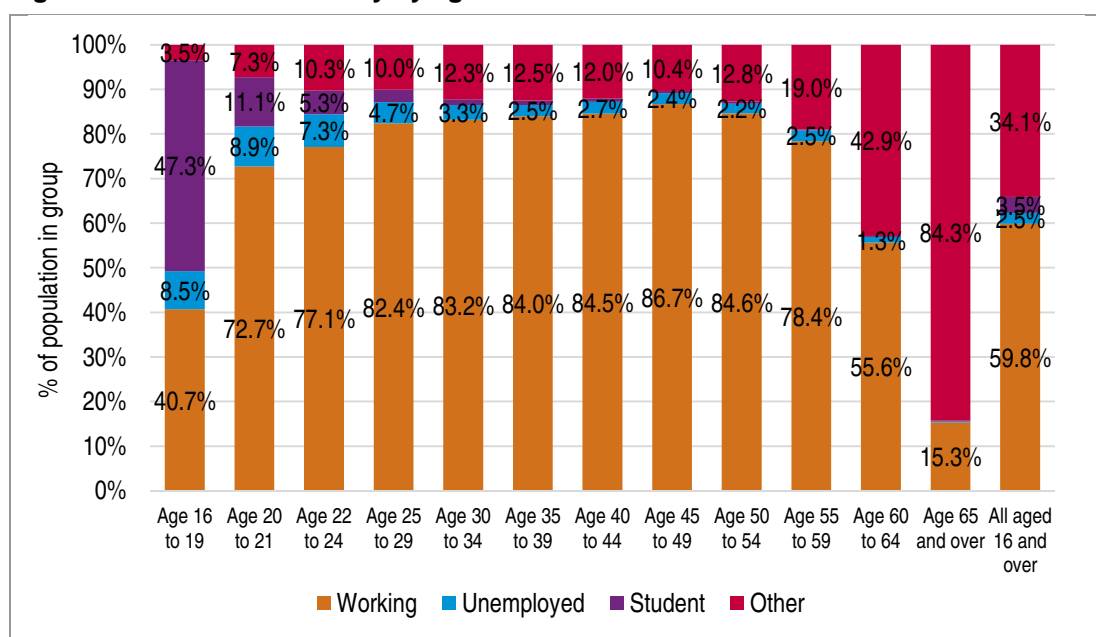
Figure 86: Tenure by Age of HRP – SDNP



Source: 2011 Census

11.51 Census data can also be used to look at economic activity rates; including employment and unemployment levels. Data about this is shown in Figure 87. The data shows that younger people are more likely to be unemployed than other age groups. The data shows that of the population aged 16-34 some 6% are unemployed – included within this we see an unemployment rate of 9% for those aged 16-21 and 8% in the 16-19 age group.

Figure 87: Economic activity by age – SDNP



Source: 2011 Census

Custom/Self-Build

- 11.52 SHMAs need to investigate the contribution that self-builds makes toward the local supply. Laying the Foundations – a Housing Strategy for England 2010 sets out that only one in 10 new homes in Britain was self-built in 2010 – a lower level than in other parts of Europe. It identifies barriers to self or custom-build development as including:
- A lack of land;
 - Limited finance and mortgage products;
 - Restrictive regulation; and
 - A lack of impartial information for potential custom home builders.
- 11.53 Government aspires to make self-build a 'mainstream housing option' by making funding available to support self-builders and by asking local planning authorities to champion the sector. Up to £30m of funding has been made available via the Custom Build programme administered by the HCA to provide short-term project finance to help unlock group custom build or self-build schemes. The fund can be used to cover eligible costs such as land acquisition, site preparation, infrastructure, S106 planning obligations etc.
- 11.54 Quantitative information regarding levels of self-build is hard to come by. We have therefore reviewed a number of websites dedicated to advising and assisting people to self-build. Some assist in the brokerage of individual building plots and this is part of our SHMA information gathering. Their websites show very few opportunities (4 in Lewes 1 in Midhurst) for self-build within the SDNP. These will be stand-alone, self-contained dwellings and are often constructed for employees or family members some of whom may be frail or disabled in some way.
- 11.55 From a development point of view, key issues with this market are associated with skills and risk: whilst there may be notable number of people with an 'interest' in self-build, there is in some circumstances a significant financial outlay, risk and time-cost associated with self-build.
- 11.56 Government is keen to promote self-build, as a means of increasing housing delivery. There is potential for small-scale development through self and custom-build within the National Park. Policy should seek to support this.

12 CONCLUSIONS

Considering Housing Need within the National Park

- 12.1 The South Downs National Park Authority has two statutory Purposes, 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 national park by the public. In pursuit of these purposes, The SDNPA also has a duty to foster the social and economic well-being of local communities within the National Park. The emphasis for housing is squarely on delivery of affordable housing and meeting the need of communities within the SDNP. This is set out clearly in the National Parks and the Broads: UK Government Vision and Circular 2010 which emphasises that in regard to housing provision this in particular means meeting local housing needs with a particular focus on delivery of affordable housing, supporting local employment opportunities and key services.
- 12.2 The NPPF sets out that local planning authorities should work together to identify HMAs and to assess the full objectively-assessed housing needs arising in these areas. The SDNPA has been a partner in the preparation of a number of such studies, including studies for the Sussex Coast HMA. The emphasis within the NPPF is on authorities working collaboratively to seek to meet housing needs across HMAs, where it is sustainable to do so.
- 12.3 Paragraph 14 in the NPPF sets out a presumption in favour of sustainable development whereby local plans should meet objectively assessed needs unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits, or policies within the Framework indicate that development should be restricted. The footnote to this Paragraph clearly outlines that the Framework accepts the designation of a National Park may restrict development, where appropriate if it fails to conserve landscape and scenic beauty – and thus there is not an expectation that the SDNPA will seek to meet its objectively assessed housing needs in full. Instead, as set out above, the policy focus is on meeting local needs with a specific focus on providing affordable housing within the SDNP; and working with local authorities to plan to meet housing needs across the wider HMAs.
- In consideration of national planning policy, we therefore consider that: The SDNPA should plan to meet a proportion of these housing needs within the National Park itself, in particular to meet the local affordable housing need;
 - This proportion would be defined (for the purposes of the SDNPA's Local Plan) taking account of the statutory Purposes and Duty and 2010 Circular based on:
 - Meeting local housing needs, particularly for affordable housing;
 - Supporting local employment opportunities and key services;
 - Landscape impact and development constraints.

- The SDNPA needs to work with local authorities to establish full housing need for the relevant Housing Market Areas which cut across the SDNP. These assessments should be free of constraints.

- 12.4 The expectation is therefore not that the SDNP will meet “full objectively assessed need” but that it will seek to meet “local needs” focused on supporting communities within the SDNP, rather than catering particularly for wider market demand, as far as is compatible with the designation of the landscape.
- 12.5 This does not however mean that no market housing provision will be necessary, not least given that some market housing provision may help to contribute to supporting local employment opportunities and services. However the expectation is not that “full needs” are met.
- 12.6 This report respects the specific policy context for national parks, reflecting the designation. National policy sets out the need to define the ‘full objectively assessed need’ for housing across the wider Housing Market Areas. The SDNP is part of several HMAs as described below:
- Central Hampshire area (which includes East Hampshire and Winchester parts of the SDNP)
 - Eastbourne (which includes Eastbourne and Wealden parts of the SDNP)
 - Northern West Sussex (which includes Horsham and Mid-Sussex parts of the SDNP)
 - Coastal Sussex HMA (which includes Adur, Arun, Brighton and Hove, Chichester, Lewes and Worthing parts of the National Park)
- 12.7 Strategic Housing Market Assessments (SHMAs) for these areas are intended to do this. The report seeks to consider and inform policies for housing provision within the SDNP itself.

Affordable Housing Need

- 12.8 The SHMA includes an assessment of the number of households each year who require some form of subsidy in meeting their housing needs – these households would be eligible for affordable housing. This is assessed using the Basic Needs Assessment Model and is a statutory requirement to support policies seeking affordable housing in new developments.
- 12.9 The SHMA analysis indicates that 294 additional households per year require affordable housing (using a 30% income threshold). This provides clear evidence of the need to increase the supply of affordable housing. Table 67 gives an indication of how the affordable housing need is distributed across the SDNP.

Table 67: Affordable Housing Need By HMA per annum

Area	Current need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Coastal Sussex	19	216	120	355	208	148
Eastbourne	1	15	3	19	5	14
Northern West Sussex	1	16	5	22	8	14
Central Hampshire	12	167	70	249	130	119
SDNP (Overall)	33	415	197	644	350	294

- 12.10 Prioritising the development of affordable housing within the SDNP is based on taking account of:
- The emphasis of national policy on seeking to meet local needs and deliver affordable homes;
 - A likelihood that housing supply will be limited given the National Park's designation;
 - Economic and sustainability benefits in enabling people to live locally and helping local businesses recruit staff;
 - Supporting vibrant local communities which include a mix of people of different ages;
 - High affordability pressures; and
 - A housing offer which is currently focused towards larger/ expensive property types.
- 12.11 Delivery of affordable housing is clearly established as an appropriate priority in the 2010 Circular.
- 12.12 Affordable housing provision will help to allow younger households to form and/or live within the National Park. Such households are important in supporting the vibrancy of the economy and local communities.
- 12.13 The affordable needs evidence provides a clear justification for seeking to maximise the delivery of affordable housing including through:
- Delivering affordable housing on mixed tenure development schemes through S106 and on sites owned by Registered Providers;
 - Use of public sector land (where available) and other public funding to subsidise affordable housing delivery;
 - 100% Rural Exception Sites; and
 - Potential policies where the starting point is to maximise affordable housing delivery (in much the same way as exception sites policies are applied).
- 12.14 In respect of the latter we consider that there may be potential to allocate sites for housing where the presumption is that affordable housing provision is maximised. Policy support is provided for this through Paragraph 54 in the NPPF.
- 12.15 Current percentage or tariff approach mechanisms for funding affordable housing provision are unlikely to deliver sufficient overall housing provision to meet the affordable housing need in full, particularly within the context of a designated landscape. In addition some households who in

theory are in need of affordable housing may find accommodation in the Private Rented Sector and supplement their income with Local Housing Allowance. This should be recognised.

- 12.16 Caution should be exercised in comparing the affordable housing need identified with the demographic projection. It is not comparing 'apples with apples' as it were; as the affordable need includes not just net additional households but existing households who are living in unsuitable accommodation (such as overcrowded homes or those where tenure is insecure) – these households will not result in an additional housing overall, but require a different form of accommodation which once provided would release their current affordable home.

Demographic Trends

- 12.17 We have also developed through this report a set of demographic projections for the SDNP. Population growth has historically been slower than has been seen across the South East Region or nationally, and this is projected forwards.
- 12.18 Leaving aside development constraint and land supply, if past population trends continued in line with five year trends, the SDNP's population would increase by 10.5% between 2013-33. 10 year migration trends results in slightly higher population growth of 12.5% over this period. In both scenarios, population growth sees natural decrease, with deaths exceeding births (as a function of the National Park's older age structure).
- 12.19 Zero net migration would see the SDNP's population fall by 6.1% (nearing 7,000 persons) between 2013-33 (Table 68). Net in-migration to the area is important in supporting growth in the National Park's economy and in maintaining the population base to support local services.

Table 68: Population Projections, 2013-33

	Population 2013	Population 2033	Change from 2013	% change from 2013
5-year trends	113,756	125,744	11,988	10.5%
10-year trends	113,756	127,952	14,196	12.5%
Zero net migration	113,756	106,873	-6,883	-6.1%
Zero population growth	113,756	113,756	0	0.0%

- 12.20 An ageing population within the National Park over the 2013-33 period in particular drives a fall in household sizes, as older people typically live in smaller households. This is an important driver of housing need.
- 12.21 GL Hearn has projected forwards population growth based on 5 year trends to understand the implications of this on housing need. This results in slightly lower levels of population growth,

relative to longer-term trends since 2002. To assess housing need it is necessary to consider how household formation rates may change. Given the degree of change over recent years, predicting future trends is not a straight forward process. A scenarios-based approach has therefore been used, with four scenarios developed (Table 69).

- 12.22 Applying the four scenarios for household formation to the 5-year trend population projection results in household formation of between 350 – 455 homes per year (rounded to the nearest 5 homes pa). The 2011 based headship rates project forward recent trends in which housing market activity and household formation has been subdued. It seems reasonable that over the longer-term household formation rates could be stronger than this. Moreover, the 2011-based rates assume that affordability deteriorates further with falling levels of household formation for younger households.

Table 69: Housing Need per Annum (2013-33)

	2011-based rates	Tracking 2008-based rates	Blended headship	Part-return to trend
Households 2013	47,996	47,996	47,996	47,996
Households 2033	54,593	56,388	55,841	56,560
Change in households	6,597	8,392	7,844	8,564
Per annum	330	420	392	428
Dwellings (per annum)	350	445	416	454

- 12.23 GL Hearn consider that it would be more reasonable to assume that should the population grow in line with 5 year trends, the need for housing would fall between 416 and 454 homes per year across the SDNP.
- 12.24 The lower end of this range is based on the 'blended headship' rate scenario which has been accepted as reasonable at a number of local plan examinations, including Derbyshire Dales. The higher end of the range models a more positive scenario for household formation, with household formation rates returning towards longer-term trends over the period to 2033. It is not the purpose of this report to assess issues relating to housing supply and the sustainability of accommodating this level of housing provision.
- 12.25 Latterly the CLG published a new set of (2012-based) household projections which are largely underpinned by the 2012-based subnational population projections. We considered the new projections and how they sit with the analysis in this report.
- 12.26 The key difference between the 2012- and 2011-based projections is that the newer projections take a more positive view about household formation/headship rates and typically suggest higher rates of household growth for a given population. Our analysis in SDNP shows a 19% uplift between using 2011-based headship rates over the 2013-33 period and our preferred 'blended' headship rates.

- 12.27 Overall, we would conclude that the blended rate used in analysis is more likely to over- than under-estimate housing need. However, any differences are likely to be fairly minor when account is taken of how the rates are projected to develop over time. Full modelling of the 2012-based data would be expected to confirm a housing need of about 416 dwellings per annum as being of the right order of magnitude.

Population Projections for Parts of the SDNP

- 12.28 Table 70 breaks down the main trend-based population projection (based on five year trends) within the SDNP by local authority area. This has been developed for comparison purposes, not least to support cross-referencing against SHMA studies which assess housing need across the wider HMAs which cut across the SDNP. Any need outlined over and above the affordable housing need should be the basis of duty to cooperate discussions between the SNDPA and the Local Authorities with comparisons made to locally assessed need.

Table 70: Estimated Housing Need within SDNP by Local Authority – 5 Year Trend based Projection

Area	Part-return to Trend	2011-based Rates	Blended Headship Rate	2008-based Tracking
Coastal Sussex	244	191	225	239
<i>Adur</i>	6	4	5	5
<i>Arun</i>	16	12	15	15
<i>Brighton and Hove</i>	17	13	15	16
<i>Chichester</i>	114	89	105	112
<i>Lewes</i>	90	71	83	88
<i>Worthing</i>	2	2	2	2
Eastbourne	17	14	16	17
<i>Eastbourne</i>	6	4	5	5
<i>Wealden</i>	12	9	11	12
Northern West Sussex	18	14	16	17
<i>Horsham</i>	14	11	13	13
<i>Mid Sussex</i>	4	3	4	4
Central Hampshire	175	131	158	171
<i>East Hampshire</i>	133	100	120	130
<i>Winchester</i>	42	31	38	41
Grand Total	454	350	416	445

Component Demographic Scenarios

- 12.29 Additional demographic scenarios have been developed in this report which seek to aid interrogation of demographic dynamics. From these scenarios we can draw the following conclusions:

- Net in-migration is necessary to support the population base and service provision within the SDNP. With Zero Net Migration, the population of the SDNP would fall notably, potentially undermining the viability of local services;

- We estimate that a minimum of around 175 homes per year would need to be provided in the National Park to maintain the size of the current population. This is based on seeking to maintain the current population and the blended approach to modelling household formation rates.
- To maintain the younger age population (secondary school age and younger) there is a need to deliver around 440 dwellings per annum. This would help support local schools and ensure they remain at current roll numbers.

Market Evidence

- 12.30 The SHMA evidence indicates that affordability pressures across the SDNP are significant in comparison to the wider region. This study shows that house prices in the National Park are substantially above those in the wider local authorities / housing market areas and entry level house prices in the constituent local authorities range from 7.5 to 12 times the typical earnings of younger households compared to a ratio of 6.4 nationally. House prices are on average 18% higher within the SDNP relative to surrounding areas.
- 12.31 Over the 2001-11 decade, housing costs increased relative to earnings; whilst household formation and home ownership both fell. An increasing number of households have been living in rented accommodation, shared homes and with parents. There are almost 4,000 family households in the SDNP which contain non-dependent children (such as adult children living with parents).
- 12.32 In the context of potentially constrained housing supply, this emphasises:
- The importance of prioritising delivery of affordable housing within the SDNP; and
 - Provision of market housing which is more accessible for local households – such as properties with between 1-3 bedrooms rather than 4+ bed homes.

Inter-relationship between Housing and the Economy

- 12.33 The economic-driven scenario results in a higher level of need than in the demographic scenario – for up to 555 homes per annum. This is principally a function of the age structure of the population in the National Park – because the age structure sees a higher proportion of people in older age groups, and some existing residents will move into retirement over the period to 2033, the expectation is that this would support limited growth in the workforce.
- 12.34 It should be remembered however that the SDNP relates closely to areas around its boundaries in functional terms; and that key settlements around the SDNP including Brighton and Hove and Winchester, have a younger population structure.
- 12.35 Understanding the relationship between homes and jobs is important – but it is not necessarily the case, given commuting dynamics and relationships between places within the FEMAs, that housing provision would necessarily constrain future economic performance. Should housing provision fall

short of levels shown in the modelling in this section, it would be reasonable to assume that we might see some changes in commuting patterns between the SDNP and surrounding areas. It seems reasonable to assume that given the demographic structure (i.e. a high percentage of older people), there will be limited growth in the workforce in the SDNP over the 2013-33 period over which the demographic projections are prepared.

- 12.36 The analysis further reinforces the need to encourage delivery of housing which is affordable to younger households. This is likely to include affordable housing likely to be occupied by younger households and those working locally, and can thus help to support the SDNP's economy.
- 12.37 It will also be important for the SDNPA to engage with the wider local authorities in each HMA in relation to the jobs and housing provision, recognising that population and housing growth around the SDNP boundary may help support the local economy within the SDNP; and that it may be reasonable to expect some local changes in commuting.
- 12.38 A reasonable policy approach within the SDNP would clearly be to prioritise housing provision which supports economic vibrancy through delivery of housing which is affordable for those living and working within the SDNP. This is supported by the 2010 Circular.

Bringing the Analysis Together

- 12.39 This report identifies that 294 affordable homes per annum are needed in the SDNP if the need for affordable housing is to be met in full. This provides a strong justification for policies seeking to maximise delivery of affordable housing within the SDNP.
- 12.40 The report identifies that should past population trends continue, between 350-455 homes per annum would be needed across the SDNP. GL Hearn consider that a reasonable assessment of housing need, leaving aside policy constraints, would be for around 420 homes per year in the SDNP, based on the blended approach to modelling household formation rates.
- 12.41 **It should be borne in mind that development potential in the SDNP is restricted, and the policy focus is on conserving the SDNP landscape; and meeting local need for affordable housing. Thus whilst the projections indicate what level of housing provision might be needed in the absence of development constraints, it may well be the case that housing provision falls below the projected level of need.**
- 12.42 Furthermore some stakeholders might argue that higher levels of provision should be considered to support more local living and working; or to seek to improve the affordability of market housing. Within the SDNP's specific circumstances these scenarios are not considered to be that realistic.

Conserving and enhancing the natural beauty, wildlife and cultural heritage is the primary policy objective within national parks.

- 12.43 National policy for housing provision in national parks emphasises meeting the need for affordable housing, and promotes a strategic focus on meeting local need and supporting the local economy and service provision. The analysis undertaken indicates that provision of between 175-205 homes per annum (overall) would be necessary to maintain current population levels within the SDNP. This would seem to be an appropriate benchmark to use as a starting point for considering housing provision, consistent with policy objectives for national parks.
- 12.44 The potential to accommodate housing provision consistent with the statutory purposes of the SDNPA will need to be considered by the Authority in bringing together the evidence and testing options in the development of its Local Plan
- 12.45 If housing need falls short of meeting the full need identified in the demographic projections (for between 416 – 454 homes per year, both market and affordable) and/or for affordable housing (294 affordable homes per year), the SDNPA would be justified in seeking through policy to prioritise delivery of housing which is affordable for local people such as through:
- A policy framework which specifically prioritises the delivery of affordable housing to meet local need (as considered above); and
 - Targeting provision of market housing if at all at small and medium-sized properties which are more likely to meet locally-based needs, rather than those of in-migrants/ out-commuters.

Need for Different Types of Homes

- 12.46 In addition to considering the overall full need for housing, the SHMA considers what types and sizes of homes – both market and affordable – will be needed.
- 12.47 The SHMA identifies that there is a need for a mix of house sizes across the SDNP, as Table 71 indicates. The conclusions drawn take account of how the structure of the population and households are expected to change over the period to 2033 and how people occupy homes.

Table 71: Need for Different Sizes of Homes across the National Park

	1-bed	2-bed	3-bed	4+ bed
Affordable	35%	35%	25%	5%
Market	10%	40%	40%	10%
All dwellings	15%-20%	35%- 40%	35%	5%-10%

12.48 The above conclusions are based on the outcomes of the demographic modelling and do not assume that there is a particular constraint on housing supply. GL Hearn consider that it may be appropriate to adjust the mix of market housing to more strongly emphasise the delivery of housing which is more likely to meet the needs of households working locally, rather than commuting out of the area to work. This might be as follows:

- 20% 1-bed;
- 45% 2-bed;
- 30% 3-bed;
- 5% 4+ bed.

12.49 However, it should be noted that this analysis is aimed at informing strategic policies over the plan period and there will be a range of factors which will influence demand for different sizes of homes over time, particularly demographic changes, growth in real earning/savings, housing affordability and wider economic performance.

12.50 Policies for what proportion of homes in new development schemes should be affordable need to take account of evidence both of housing need and of the viability of residential development. The NPPF sets out that percentage targets for affordable housing need to take account of viability evidence.

12.51 Our assessment of affordable housing needs indicates that, in delivering affordable units, a SDNP-wide mix target of 33% intermediate and 66% social or affordable rented homes would be appropriate. Any strategic policy should however retain a degree of flexibility both to take account of local level variations which we have identified, as well as any site specific issues with deliverability (i.e. grant funding availability).

12.52 In the affordable sector, we recommend that the focus of provision is on smaller properties. However, the recommended mix also recognises the potential role which delivery of larger family homes (3 and 4 bedrooms) can play in releasing supply of smaller properties for other households together with the limited flexibility which one-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. These have been balanced against the recent Government reforms to social housing and welfare, including issues

associated with the changes introduced by Government to housing benefit eligibility for working-age households in the social housing sector.

- 12.53 The mix identified above should inform strategic SDNP-wide policies and help to inform the 'portfolio' of sites which are considered and ultimately allocated through the Local Plan process.

Policy Implications: Specific Groups of the Population

- 12.54 This section of the report has studied the housing circumstances of various different groups of the population. These are:

- Older people
- People with disabilities
- The Black and Minority Ethnic population
- Households with children (family households)
- Young households
- Custom Self-Build

Older Persons Housing Needs

- 12.55 Over the period to 2033 the population of older persons in the SDNP is expected to grow, with the population aged over 55 expected to increase by 37%. Many older households will remain in homes which they have lived in for many years. However some may wish to downsize, and this has been taken into account in the conclusions drawn on the mix of homes needed.
- 12.56 Some older households will require specialist housing or support. Others may need to adapt their homes to meet their changing needs. It is expected that a growing older population may result in an increase in the number of people with dementia by over 1,800 between 2013-33, with growth in the number of persons with mobility problems of almost 4,000.
- 12.57 Some older households will require specialist housing solutions. The SHMA identifies a need for a 1,848 additional specialist units of housing (92 per annum) for older people between 2013-33, including sheltered and extra care homes. These units fall within a C3 use class.

Table 72: Need for Specialist Housing for Older Persons, 2013-33

2013-33	Market	Affordable	Total
SDNP	788	1,060	1,848

- 12.58 In addition, the SHMA indicates a need for 779 bed-spaces in residential care homes. This does not form part of the household population and so is separate to the need identified for housing based on the demographic projections. It falls within a C2 use class.

Needs from Other Groups within the Population

- 12.59 Analysis of demand for self-build / custom-build is not significant within the National Park. However demand for this type of property should be monitored in case there are any significant changes to legislation. People with disabilities – the number of people with disabilities is closely related to the age of the population and many of the conclusions related to older persons are relevant for this group. Demographic projections suggest a 139% increase in the population aged over 85 from 2013 to 2033 with Census data suggesting that 78% of this age group have some level of disability.
- 12.60 BME groups – the BME population of SDNP is relatively small in national terms. It has however grown significantly over the past decade. Characteristics of BME groups (including tenure profiles and occupancy patterns) suggest that such households may be disadvantaged in the housing market. Where possible advice should be provided to BME groups to ensure that accommodation quality (particularly in the private rented sector) can meet the needs of such households which are disproportionately likely to contain children.
- 12.61 Family households – data about family households suggests that lone parents are particularly disadvantaged with a high reliance on rented housing. Projections suggest an increase in the number of children in the Study Area over the next few years and if past trends are repeated there will be a notable increase in the number of lone parents. Again advice about housing options and maintaining a good quality of accommodation will be critical to ensure that such households' needs are best met.
- 12.62 Young person households – young people (aged under 35) are important for any area due to the long-term economic potential they can bring. As with other groups there are some indications of this group being disadvantaged with a reliance on rented accommodation and higher levels of unemployment. Given that the housing options for young people may be more limited than for other groups it will be important to monitor the accommodation quality – this will need to focus on HMOs given general trends of an increase in house sharing over time
- 12.63 For all of the above groups, with the exception of residential care homes the need for these properties will be met as part of the general supply, they are not in addition to it.

Monitoring and Review

- 12.64 Through a proactive monitoring process it will be possible to maintain and develop understanding of the housing market, building on the outcomes of the SHMA. It will allow the implementation of policies to be tailored to evolving circumstances and inform future policy development.

- 12.65 Long-term monitoring which addresses indicators of housing need, market signals relating to supply-demand balance, and the housing supply trajectory can inform future development and implementation of planning policies for housing provision.