

# Strategic Housing Market Assessment: Pilot study for Dorset

## Stakeholder Event



# Housing Market Assessment – Dorset

Stakeholder Event – Friday 1<sup>st</sup> December 2006.

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## Housing Market Assessment – Dorset

Stakeholder Event – Friday 1<sup>st</sup> December 2006.

### Introduction

Government guidance encourages Local Authorities to undertake strategic housing market assessments (HMAs) of their areas. The purpose of such an assessment is to:

- Estimate housing need and demand in terms of affordable and market housing.
- Determine how the distribution of need and demand varies across the plan area.
- Consider future demographic trends and identify the accommodation requirements of specific groups such as homeless households, first time buyers, older people, gypsies and travellers.

The Dorset authorities, including Poole and Bournemouth are working together to prepare such an assessment.

Initial analysis indicated two main market areas focussing on Poole / Bournemouth and Dorchester/ Weymouth. Further study has refined this to identify a third market area in the north of the County that focuses more on Yeovil in Somerset. The study covers all three areas.

One requirement of a HMA is that it should be prepared collaboratively with stakeholders. To help steer the project the Dorset authorities have established a working group (partnership) of housing and planning officers from each of the constituent authorities and two neighbouring authorities as well as representatives of GOSW, the South West Regional Assembly, South West Housing Corporation, local Housing Associations, the Home Builders Federation, National Landlords Association and local Estate Agents.

To raise awareness of the work that is going on and to involve a wider group of stakeholders, an event was held on Friday 1<sup>st</sup> December. Around 50 representatives of the development industry (house builders, planning and estate agents), housing associations, local members, community representatives, business, environmental and voluntary organisations attended.

This report summarises the outcomes of that event and how the proceeds will feed into the work on the HMA. Generally the event was considered successful and the feed back was positive. One concern however was that the workshop sessions did focus heavily on local needs rather than the broader economic and general housing market issues. Despite a wide range of participants, the views of the development and business interests were perhaps not as clearly heard as those of the community interests.

## Purpose of the Stakeholder event

There were two main purposes of the event:

- First to inform the wide group of invitees of the purpose of an HMA, the programme for the preparation of the Dorset assessment and the findings of the research work that has gone on so far.
- Secondly to invite participants to discuss the main issues facing the housing market from their perspective – be they a developer, agent, housing association, community or voluntary group representative. Also to examine how the issues raised impacted on the different market areas operating in Dorset.

Feedback after the event indicated that participants found the presentations good (69%) or excellent (31%) and the format of the breakout sessions fair (19%), good (50%) and excellent (31%). While the information pack was found good or excellent by 87% of respondents there were comments that the text/graphs should have been larger.

A list of participants is included as Appendix A.

Three area profiles and the accompanying Plan that were made available to participants are included as Appendix B.

The outcomes of the working groups are included as Appendix C.

## Summary of the Workshop Conclusions

Of the issues raised in the first breakout session there was clearly some overlap between the different interest groups. Land availability is seen as a concern by both planners/developers and community groups. The high level of environmental constraints in Dorset (AONB, SSSI, conservation areas, as well as green belt designation), affect all areas of the county but limit the expansion of the Poole/Bournemouth core in particular.

The costs of land and other infrastructure requirements including affordable housing were raised by both developer/planner groups. Clearly there is an issue around the viability of development and ensuring that requirements placed on developers will not stifle all development. On the other hand, community interests were keen to see higher proportions of affordable housing coming forward in the future, as well as more innovative local solutions such as the use of Community Land Trusts that do not require government subsidy.

A third common issue was the questioning of what makes a “sustainable community”? Both the housing and community interests considered that definitions of sustainability should be more flexible. The social aspects of sustainability (which are often quite subtle and not easy to measure), should be taken into account and the need for car journeys

in rural areas recognised. Sustainability should not be defined by commuting issues alone. Remedies such as road pricing were more likely to provide an answer to the commuting problem than restrictive planning policies.

The needs of young people and the problem of the lack of appropriate skills in the development industry were highlighted. As were the needs of migrant workers. Somewhat surprisingly however, the needs of other groups, (particularly the elderly) were seldom mentioned.

In the second breakout session, these issues were examined for each of the sub market areas. As there were more delegates with an interest in the Poole/Bournemouth HMA, there were three groups considering this area, with one for each of the Dorchester/Weymouth and North-West Dorset HMAs.

Bournemouth/Poole HMA (covering the Local Authority areas of Bournemouth, Poole, Christchurch, Purbeck, East Dorset and the Blandford area of North Dorset.)

Here land availability was a particular issue mentioned by all three groups. It was considered that the restrictions on land supply were forcing higher density development and encouraging the development of flats. There was agreement of the need for more flexible forms of housing – family housing and lifetime homes to help build communities and more energy efficient and modern forms of construction (such as IKEA homes).

Regarding the issue of affordable housing for young people there was recognition that there was a need for good quality rented accommodation, particularly in the periphery and a better choice of accommodation all round to try and keep young people in the area once they have finished their education.

There were concerns around the amount of affordable housing that could be provided on any site and recognition that it is often easier to get higher proportions on larger sites but that these were hard to find. It was questioned whether trying to achieve 50% affordable would push up the price of the remaining market housing.

Regarding the links with employment needs it was recognised that migrant workers were helping to meet employee shortages in the area and that there was a need to recognise their housing requirements.

It was also noted that, although better in the core area than elsewhere, transport links were still expensive for those on lower incomes. It was considered that public transport links needed to improve to/from and within the core, but that car use was still likely to be preferred in the periphery.

Dorchester/Weymouth HMA (Covering the Local Authority areas of Weymouth and Portland and the majority of West Dorset).

Here again, land availability was seen as a major issue due to the number of environmental constraints in the area. It was also noted that Local Authorities now had limited opportunities to develop their own land. The need to be more flexible in defining sustainability in relation to rural settlements was an issue here. It was recognised that it was impossible to control commuting through planning policy, but road pricing might prove more effective in making people really consider the cost of living at a distance from their workplace.

Planning policy (both regional and local) could be a hindrance to the development of affordable housing in some cases. There was a need for better communication and flexibility of approach.

It was recognised that a range of lower- middle market housing was needed in both core and periphery areas to help keep a local workforce. The implications of an ageing population in the periphery in particular should be considered, since they would generate needs for health and social care that would be difficult to meet.

In conclusion it was recognised that more homes (particularly affordable homes) were needed but that it wasn't easy to define exactly how many/what types in total, or how much should be affordable without affecting the viability of a development.

North-West Dorset HMA (Covering the North of West Dorset and North Dorset Districts, including the market towns of Gillingham, Shaftesbury, Stalbridge, Sturminster Newton and Sherborne.)

Here the issue of self containment/ sustainability was more dominant than land availability. It was considered important for the wider issues around the sustainability of settlements to be considered, not just commuting / transport issue. It was recognised that public transport links were poor and unlikely to improve significantly. The implications of road pricing were also considered here.

It was agreed that the rural economy needed scope to grow, but that this would not necessarily mean large new employment land allocations. In the future more live-work units and "ladder" accommodation to enable firms to grow was likely to be needed.

Affordable housing was needed throughout the area and should not be limited to the market towns or larger villages. In smaller villages sites as small as two dwellings should be considered. There was also a need to provide incentives (in the form of some open market housing) to encourage the release of sites for a high proportion of affordable.

What happens next?

The issues raised in these workshops will be used to steer further research by the HMA Project Team. It is suggested this should cover for instance:

- The housing needs and opportunities for the younger working age population. (This could involve discussion with Bournemouth University as well as examination of the latest work by the Joseph Rowntree Foundation.)
- The implications of the land supply likely to be available in different areas under the proposals of the Draft Regional Spatial Strategy.
- A more local look at future employment opportunities in the different areas. (This could involve discussion with Local Authorities on the outcomes of their Employment Land Reviews).
- An examination of proposals for future transport expenditure in each area. (An examination of Local Transport Plan proposals.)

The Survey of Housing Need and Demand being undertaken by Fordham Research will help to fill in information on local housing needs and affordability.

The Gypsy and Traveller Needs Assessment will provide information on the particular needs of this group.

Further research is also needed on the particular needs of older people and other hard to reach groups.

Most recent population and household projections need to be examined to help determine future housing requirements.

The implications on this work of the recently published PPS3 on Housing and the Barker Review should also be assessed.

As much as possible of this work should be undertaken during January / February to feed into evidence being prepared for the Examination in Public of the Regional Spatial Strategy.

## APPENDIX A

## List of Attendees

<u>Name</u>	<u>Job Title</u>	<u>Organisation</u>
Don Gobbett	Head of Policy	Dorset County Council
Maxine Bodell	Group Manager, Spatial Planning	Dorset County Council
Gill Smith	Senior Affordable Housing Officer	Dorset County Council
Helen Owens	Principal Researcher	Dorset County Council
Anne Gray	Senior Research Officer	Dorset County Council
David Williams	Planning Associate	Tanner & Tilley
Dennis Stanley	Senior Sales Negotiator	House & Son
David Cobb	Senior Sales Negotiator	House & Son
R S Conibear	Poundbury Development Manager	Duchy of Cornwall
Philip Fry	Managing Director	C G Fry & Son Ltd
Eric Holloway	Estate Agent	Holloway Estate Agents
Cllr Michael Goodman	Housing Briefholder	Weymouth & Portland B C
Karyn Punchard	Principal Planning Officer	Weymouth & Portland B C
Tim Davis	Principal Housing Officer	West Dorset D C
Malcolm Woodward	Principal Planning Officer	West Dorset D C
Sarah Ward	Community Protection Manager (Housing)	West Dorset D C
Nigel Lester	Development Manager	Bournemouth Churches Housing Association
Nick Fry	Managing Director	East Dorset Housing Association
Hilary Chittenden	Chairman, Environment Theme Action Group	East Dorset Community Partnership
Ann Evans	Homelessness Prevention Supervisor	Purbeck and Dorchester C A B
Janet Healy	Member of Housing Group	Campaign to Protect Rural England
Rob Murray		C P R E
Cllr Mike Lovell	Housing and Social Issues Spokesperson	Purbeck DC
Cllr Gloria Marsh	Deputy Housing and Social Issues Spokesperson	Purbeck DC
Cari Wooldridge	Planning Policy Officer	Purbeck DC
Sheila Owen	Planner	Level
Chris McDermot	Housing Officer	Purbeck DC



<u>Name</u>	<u>Job Title</u>	<u>Organisation</u>
Sue Bellamy	Community Strategy Officer	Purbeck DC
Andy Lloyd	Rural Housing Enabler	Dorset Community Action
Derek Blake	Chairman	Older Peoples Forum
Cllr John Little	Lead Member – Health and Housing	East Dorset District Council
Richard Henshaw	Policy Planning Team Leader	East Dorset District Council
Lucy Cooper	Planning Officer	Poole Borough Council
Alan Cheesman	Principal Planning Officer	Bournemouth Borough Council
Hugh Lambourne	Regional Development Manager	Spinnaker Housing Group
Cllr A H Gibb	Chairman	DAPTC
Glenda Llewellyn	Housing and Community Care Officer	Dorset Supporting People
Andrew Williams	Chief Executive	Connexions
Robert Aspray	Director	Kindle Homes Ltd
Alexander Bateman	Planner	The Planning Bureau
Kate Hindson	Dorset Strategic Partnership Manager	Dorset Strategic Partnership
Val Stevens		Federation of Small Businesses
Sylvia Leonard	Planning Manager	Bellway Homes (Wessex)
Martin Miller	Associate Director	Terence O' Rourke
V. R. Lake	Development Manager	Hastoe Housing Association
Cllr Hilary Cox	Portfolio Holder for Environment	Dorset County Council
Dave Ayre	Head of Environmental Business Support	Dorset County Council
Jo Rickman	Housing Enabling Officer	North Dorset District Council
Jo Rose	Partnership Manager	Shaftesbury District Task Force Ltd
Lesley Gasson	Parish Councillor	DT11 and Shillingstone Parish Council
Marion Britton	Principal Policy officer (Housing)	South West Regional Assembly
Ian Cambrook	General Manager	Bournemouth Dorset & Poole Economic Partnership

## Appendix B Area Profile – Bournemouth / Poole Housing Market Area

The Bournemouth/Poole HMA covers the urban areas of Bournemouth, Poole and Christchurch with its hinterland extending across East Dorset, Purbeck and the southern half of North Dorset around Blandford. The core urban area has a population of 350,000 with a further 157,000 living in the periphery.

With the exception of Christchurch, the core area generally has a younger population profile than the periphery. Almost 20% of Bournemouth's population are aged 16-29, clearly indicating the influence of the University. Christchurch has a much higher proportion of older households (30% compared to 16% nationally). The core area also has a higher proportion of single households than nationally, and more of these are pensioner households.

With around 210,400 employees and 21,460 firms, the core area offers a range of employment opportunities. The employment structure is service sector led (82%). Manufacturing matches the national and regional averages across the HMA but is higher in the periphery and low in Bournemouth. Higher paying jobs in the knowledge-based sector are well represented in the core, particularly in Bournemouth and Christchurch, but less so in the periphery. Over the five year period to 2004 the HMA saw a growth in jobs in line with national performance, but below that of the SW Region, with above average growth in Bournemouth and the periphery and a decline in Christchurch.

Productivity, measured by gross value added (GVA) per resident head shows strong performance in Bournemouth and Poole between 1995 and 2003 but well below the national and regional average in Dorset County Council area. Using GVA per full time equivalent employee (as opposed to resident), shows a much better performance in Dorset CC. This approach removes the distortions caused by commuting and demographics, however Dorset is still falling behind national performance.

Looking to the future, three out of five new jobs across the Bournemouth, Poole, Dorset sub-region are likely to be located in the B/P core in the next ten years, amounting to some 15,300 new jobs, predominantly in the service sector. A further 10,900 may be needed in the core area over the 2016 – 26 period as well as around 9,000 in the periphery over the 20 year period. On top of this, replacement demand – filling the jobs of people who will leave through retirement or ill health is likely to have a significant impact here, particularly as those leaving work are unlikely to move away and vacate a house. Across Dorset, Bournemouth and Poole as a whole it is estimated that this could give rise to around six times the number of new jobs needed, a large proportion of which are likely to be needed in the B/P HMA. The type of jobs that will need to be filled cover all sectors of the economy

ranging from some of the less well paid sectors such as caring /personal services and sales up to corporate managers.

The core area has a relatively high level of self containment (83% live and work in the area). This drops to 60% in the periphery where roughly one in four commute to the core area. Although the core area is a magnet for employment, those in higher level occupations are more likely to be living in the peripheral region. This may indicate a lack of property of the right size/type to attract those in higher paid jobs in the core. It is evident that migrant workers have been attracted to Dorset in recent years. In the last year those from the European "accession" countries increased around 40% faster across the Bournemouth, Poole, Dorset sub-region than nationally.

Both residence based and workplace based earnings are below the national average, with North Dorset (-18%) and Bournemouth (- 15%) having the lowest (work place based).

However, earnings alone do not reflect the true picture of income in the sub-region. Gross disposable household income per head suggests that in Bournemouth, Poole and Dorset household incomes are above the national and regional averages. This could reflect the attractiveness of the area as a retirement destination. Those with higher disposable income may be moving into the area pushing up house prices and making it difficult for working residents in lower paid jobs to afford a home.

In terms of its housing stock the core is characterised by high proportions of flats and detached houses with relatively few terraced or semi-detached properties (the type that often provide the first step on the housing ladder for those on lower earnings.)

House prices across this HMA are above the national average, with the highest in East Dorset at 138% of the national figure. The average house price: earnings ratio varies between 10.3 in Bournemouth to 12.8 in East Dorset compared to the national average of 8.5. London is the only region in the country with a higher figure (13).

The core area has the widest range of property available to buy with average prices<sup>1</sup> ranging from under £150,000 in central Bournemouth to over £500,000 around Sandbanks. In the periphery prices are generally higher and availability (particularly of flats and terraced properties) is reduced, particularly in Purbeck and East Dorset.

The same pattern can be seen in the price of property to rent. One bed flats range from £275 per calendar month in central Bournemouth up to £775 pcm in Sandbanks. In the periphery a 1 bed property can be £400-6000 pcm, but there is limited availability. A similar pattern can be seen for all sizes of

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Land Registry: April – June quarter 2006.

property. For the largest (5 bed) properties, rents start at £940 pcm in the core and £1500 in the periphery.

In recent years, new housing development has been dominated by small (1 or 2 bed) dwellings, predominantly flats. This has been at its most extreme in Bournemouth where last year just under 1000 new flats were built and there was a net loss of 43 houses. In Poole and Christchurch a more even distribution of flats and houses has occurred. In the periphery there has been a marked contrast in new provision with over 60% being 3 or 4+ bed size dwellings and only 10% flats.

Affordable housing has only made up 12% of the total new house building over the last 10 years. The number of households on the housing register has increased by over 15,000 over the last 5 years with a particularly high level of increase in Christchurch. Most households registering are in need of small, (1 or 2 bed) property. Surprisingly, the number of homeless households has fallen by around 50% over the same period.

#### Conclusions/Questions

- What implications will the ageing population, particularly in the periphery and Christchurch have on the demand for housing?
- Will we be able to fill the jobs that arise over the next 20 years, particularly those in the lower paid sectors such as care/personal services if house prices continue to rise?
- Are we building the right types of dwelling in the right places – do we need more flats in Bournemouth? Would smaller houses be more appropriate and/ or larger properties to house higher paid workers and reduce commuting?
- Is family wealth helping younger family members get onto the housing ladder?

## Area Profile – Dorchester / Weymouth Housing Market Area

The Dorchester/Weymouth HMA covers the urban areas of Dorchester and Weymouth with a hinterland extending from the Isle of Portland across to Lyme Regis in the west. The core urban areas have a total population of 72,300, with around 16,200 in Dorchester and 56,200 in Weymouth. A further 66,800 people live in the periphery.

As in the Poole/Bournemouth area the core areas generally have a younger population profile than the periphery. In Dorchester almost 20% of the town's population are children aged 0-15. The periphery is dominated by older age groups, (28% 45 -64 and 23% aged 65+). Dorchester and Weymouth both have high proportions of single occupancy households and lone parents, and Dorchester also has a high proportion of lone pensioners.

With around 49,100 employees and 5,670 firms, employment is more evenly distributed between the core and the peripheral area than in Bournemouth & Poole. Just under 70% of employees and 50% of firms are located in the core areas. The industrial structure is again service sector based (85%) with larger firms in the core area. Productivity in Dorset CC area is generally below the national average and has been declining over the 1995 – 2003 period.

Dorchester is an employment centre attracting commuters from outside the town, many of whom work in higher level occupations particularly public administration, education and health. The manufacturing sector is poorly represented. Educational skill levels are relatively high.

Weymouth has a higher proportion of micro (1-10 employee) firms than Dorchester, but still not as high a proportion as the periphery (29%). 35% of employment is in distribution, hotels and restaurants. Skill levels in Weymouth are generally low.

Although earnings are below average, especially in Weymouth & Portland, disposable household income appears more in line with the national picture. Household income data is only available at Dorset CC level but shows that Dorset household incomes are generally above the national and regional averages. However other data<sup>2</sup> that shows that Weymouth and Portland have higher concentrations of households of "moderate means" and "hard pressed" than elsewhere in the County, whereas the periphery is characterised by "wealthy achievers" and "comfortably off." This may be linked to the attractiveness of the area as a retirement destination. Those with higher disposable income may be moving into the area pushing up house prices and making it difficult for working residents in lower paid jobs to afford a home.

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<sup>2</sup> ACORN classification compiled by CACI using over 400 relevant variables.

Average house prices are more than ten times median earnings in Weymouth and almost 12 times in West Dorset, well above the national average (8.5).

Apart from Weymouth where 2,600 new jobs were provided, employment growth over the last five years has been low (0.3% compared to 0.9% nationally). In the periphery there was a loss of almost 2,000 jobs. Looking ahead, one in five new jobs created in the next decade in the Dorset sub-region are likely to be located in the Dorchester & Weymouth HMA. Around 5,300 new jobs are projected in this period, largely service sector based. A further 4,200 jobs are anticipated from 2016 – 2026. Many of these jobs will require higher level skills which are currently under represented, particularly in Weymouth.

On top of this many more jobs will be required through replacement demand - filling the jobs of people who will leave through retirement or ill health. Across Dorset, Bournemouth and Poole as a whole it is estimated that this could give rise to around six times the number of new jobs needed, a proportion of which are likely to be needed in the D/W HMA. The type of jobs that will need to be filled cover all sectors of the economy ranging from some of the less well paid sectors such as caring /personal services and sales up to corporate managers.

The area is relatively well self contained with two thirds of people living in the core areas also working there. However, more than 1 in 10 Weymouth residents travel to Dorchester to work. A higher proportion of young workers (aged 25 – 34) commute in than live and work in Dorchester. This could reflect the difficulty for younger households of finding cheaper housing in the town. National insurance registrations show that migrant workers from the "accession" countries have been attracted to the area in recent years, particularly Weymouth where they comprised 64% of all those registering in 2005/6.

Dorchester's housing stock is dominated by smaller properties and it is the only area where detached properties are not the most common feature of the stock. It also has the highest proportion of publicly rented property in the County (19%). House prices are generally lower in Dorchester than in the periphery, but higher than Weymouth or the Bournemouth / Poole core. Availability of property at the bottom end of the market is a problem.

Weymouth has a fairly even spread of all house types, including around 22% flats. Private and publicly rented properties are both around 13%. Prices are cheaper here than in Dorchester or Poole/Bournemouth, with average prices in central Weymouth just over £150,000.

In the periphery around 39% of properties are detached, significantly less than in the B/P periphery (52%). This area also has a higher proportion of privately rented properties than the other periphery areas. Prices are higher

than in the core areas but not as extreme as further east in the county. Second homes are much more prevalent in the periphery than any other part of the County, with heavy concentrations in the coastal areas. Across the HMA rental prices start higher than in Bournemouth and there is far less property available.

Over the last ten years new development in Weymouth has been fairly evenly split between houses and flats, with more small than large dwellings. In Dorchester (unlike the other core areas) more houses than flats were built and these were predominantly 3 or 4+bed size. In the periphery houses and bungalows made up three quarters of all new development.

Weymouth achieved the highest proportion of new affordable housing of all sub-market areas between 1996 and 2006 (17%). However loss of stock through right to buy has been heavy across the whole HMA.

There are now over 4,000 households on the waiting list across the whole of West Dorset and Weymouth and Portland, just over 60% of whom require 1 bed accommodation. However the number of homeless households has gone down by 25% between 2001 and 2005.

#### Conclusions/Questions

- An area of contrasts: Weymouth - lower earnings/incomes, cheaper housing and a faster growing economy; Dorchester - higher level occupations, higher house prices and limited availability of housing; periphery - weak economy, low wages and high house prices, pushed up by demand for second homes.
- How can we improve the economy and raise wages in Weymouth? Will Olympic investment help?
- Are we building enough flats and small houses in Dorchester? It has a strong employment base but relatively high in-commuting.
- Can we improve job opportunities and the supply of cheaper housing in the market towns to attract younger age groups to the periphery?

## Area Profile - North/West Dorset (Yeovil periphery) HMA

This area comprises the northern parts of North and West Dorset, including the market towns of Gillingham, Shaftesbury, Sturminster Newton, Stalbridge and Sherborne. The urban centre with the largest influence on this area is Yeovil (although Salisbury also has some influence). Transport links are east-west biased (A 30 and A 303, Exeter-Waterloo railway), with hourly bus services between Gillingham, Shaftesbury and Sherborne and Yeovil.

The population of the area is around 50,500. This sub-market area has the highest proportion of older people (65+) at 24%. It also has a much higher proportion of single occupancy households than other areas with over 30% having just one occupant. Lone pensioners make up almost one in five households, almost 5% above the national average. On the other hand this area has the lowest proportion of lone parent households (5.9%) which is well down on the national average of 9.5%.

With around 16,600 employees working in 2,350 firms, employment density is low (7.1 employees per firm). Here the proportion working in the service sector is slightly lower than in the other HMAs but it still provides over three quarters of local jobs. 30% work in public administration, education and health and almost the same proportion in distribution, hotels and restaurants. Manufacturing jobs are in line with the national average, but the knowledge based sector is poorly represented. Productivity in Dorset CC area is generally below the national average and has been declining over the 1995 – 2003 period.

The area is characterised by small firms. More than three quarters of all firms employ just 1-4 employees, well above the national average of 69%. These firms provided 20% of all employment. Fewer than 20 firms provide 200 or more jobs.

Self employment is high at 14%, 6% above the national average. Economic inactivity (of those aged 16 – 74) through retirement at 20% was also 6% above the national average and typical of the other periphery areas.

Average earnings (work place based) are low, particularly in North Dorset where they are 18% below the national average. Residence based earnings are higher, suggesting people are commuting out of the area to find better paid jobs, but even using this measure earnings are still 10% below the national average. Average house prices are almost 12 times median (work based) earnings in both North and West Dorset Districts.

However looking at earnings alone does not reflect the true picture of income in the area. Household income data is only available at Dorset CC level but shows that Dorset household incomes are above the national and regional



averages. This is reinforced by other data<sup>3</sup> that shows North/ West Dorset characterised by “wealthy achievers” and “comfortably off.” This reflects the elderly structure of the population and attractiveness of the area as a retirement destination. Those with higher disposable income may be moving into the area, pushing up house prices and making it difficult for those in lower paid jobs to afford a home.

North/West Dorset currently has around the average proportion for the County of working age population with degree level skills (19%) but this will fall far short of requirements in the future when across the Dorset sub region around 32% will need to be skilled to this level.

This area is not quite so self contained as the other HMAs. 63% of residents live and work within the sub-market area. Almost 27% commute outside the area, of which 14% commute to South Somerset, 6% to Salisbury district and 5.6% to Bournemouth/Poole periphery. This emphasises the links between this area and the Yeovil/South Somerset area.

In recent years the rate of increase in the number of migrant workers registering in Dorset has been similar to that across GB however growth in the number of migrants from the “Accession” (A8) countries of the EU was over 50% higher than nationally. In North and West Dorset A8 registrants made up almost half of all registrations in 2005/6.

This area has seen the highest growth in jobs of all the sub-market areas at 2.0% per annum. Growth here was more in line with that in South Somerset (2.4%)

Over the next 20 years around 7,000 new jobs are anticipated in the Yeovil Travel to Work area (this includes part of Somerset), split evenly between the two ten year periods. Replacement demand – filling the jobs of people who will leave through retirement or ill health is also likely to have a significant impact here, particularly as those leaving work are unlikely to move away and vacate a house. Across Dorset, Bournemouth and Poole as a whole it is estimated that this could give rise to around six times the number of new jobs needed, a proportion of which are likely to be needed in this area. The type of jobs that will need to be filled cover all sectors of the economy ranging from some of the less well paid sectors such as caring /personal services and sales up to corporate managers.

The housing stock in this area is mainly detached/semi detached properties, with the lowest proportion of flats (less than 10%). Most housing is owner occupied or being bought. Public rented housing is slightly higher than the other periphery areas but still well below the national average whereas private rented accommodation at 12% is similar to that nationally.

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<sup>3</sup> ACORN classification compiled by CACI using over 400 relevant variables.

This area has the largest properties of all sub-market areas, with almost 30% with 7 or more rooms and only 8% with 1-3 rooms. This pattern has been reinforced by more recent development with over 85% of new development being houses and over 72% of 3 or 4+ bed size. Reflecting the availability of larger properties, overcrowding is low. However with a large proportion of older, single occupancy households, under occupation is likely to be more of an issue here.

The range of property available to buy<sup>4</sup> or rent is low compared to the other areas (reflecting the smaller property base) and is dominated by larger properties. In general, prices are slightly lower than the other periphery areas, particularly in Gillingham. The lowest priced flats, (£105,000) terraced (£148,000) and semi-detached properties (£166,000) were all in Gillingham. These prices compare well with those in the larger core areas. Gillingham has seen rapid growth in recent years and this may be helping to keep prices down. Looking across the County boundary to Yeovil, the core area of this HMA, average house prices are lower still. In one postcode sector the average price of flats falls below £100,000. Privately rented property in this area has the narrowest price range of all HMAs (£425 - £900 pcm) and there are far fewer properties available

Just under 16% of all housing built in the area between 1996 and 2006 was affordable, slightly higher than the other periphery areas. The number of households on the housing registers of North and West Dorset Districts has increased by over 1500 – a proportion of whom will be seeking homes in this area. A large majority of those seeking homes require 1 or 2 bed property. Homelessness in this area has remained relatively stable.

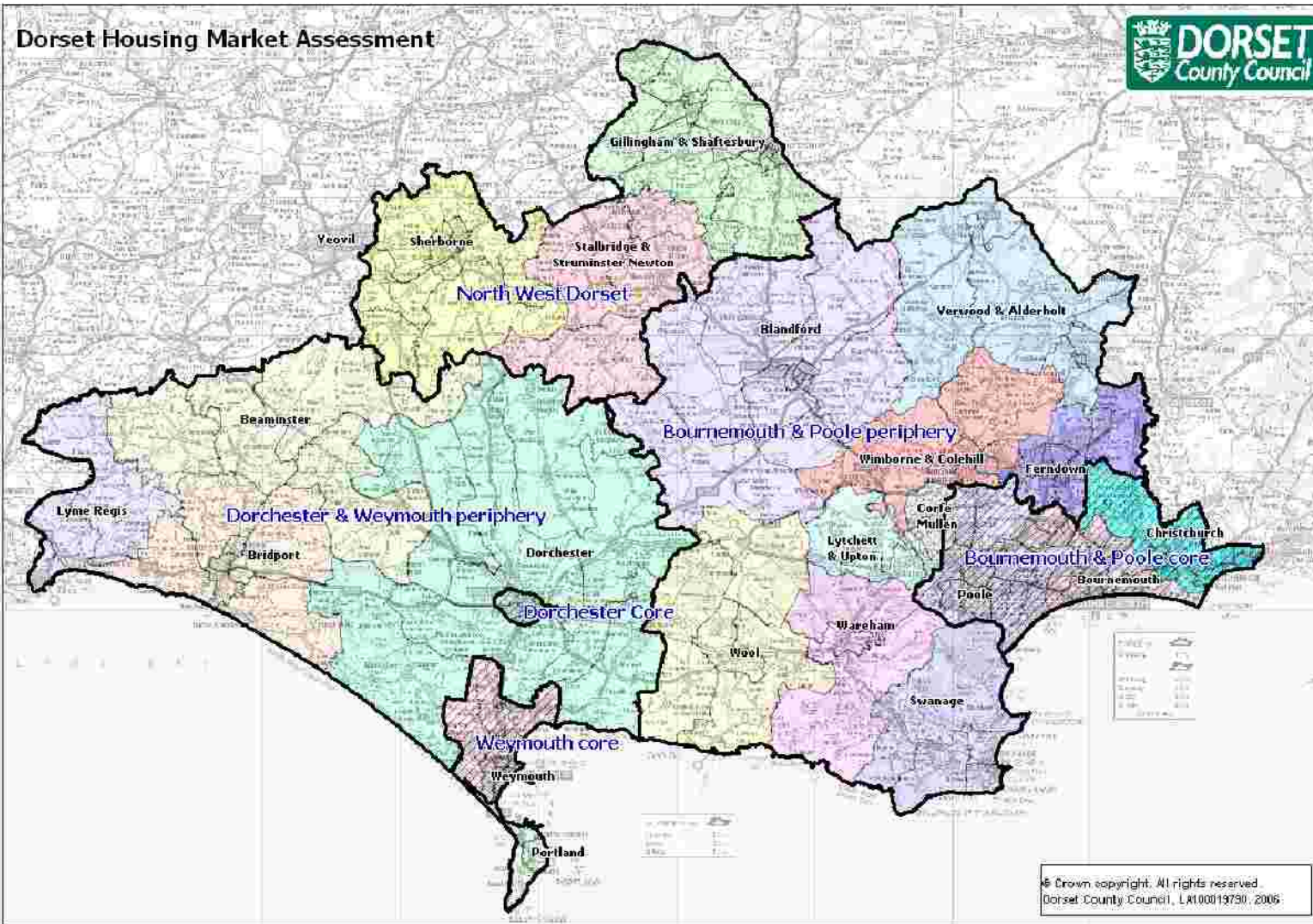
#### Conclusions/Questions

- What implications will the high proportion of elderly have on this area? Demand for care homes/sheltered housing/care services?
- Will the economy be able to expand/replace workers needed in lower paid jobs with current house prices?
- Is the market over supplied with large properties bearing in mind the population profile?
- Should the market towns become a focus for new accommodation for the elderly?
- Is family wealth helping younger family members onto the housing ladder?

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<sup>4</sup> Land Registry, April- June 2006 quarter.

# Dorset Housing Market Assessment



Results of Workshop 1:

What are the main issues facing the housing market from your perspective?

Delegates were asked to discuss 6-10 main issues and prioritise their top three.

Group 1 (Planners/developers/agents)

- Land availability – difficulty of finding suitable sites.
- Affordable housing for the young in particular and families.
- Costs of land – impact of developer contributions making sites unviable.

Group 2 (Planners/developers/agents)

- Lack of self-containment / sustainability (imbalance between jobs and housing).
- Uncertainties in the planning process – more complex processes and greater expectations on developers.
- Proportion of affordable housing required – can we achieve 50%?

Group 3 (Housing Officers/Housing Associations)

- Employment skills and shortages (should look at development industry needs.)
- Urban: Rural issues – need care not to over-emphasise urban development at expense of rural areas. (RSS issue).
- Need for certainty – eg allocating sites for affordable housing rather than relying on exception sites.

Group 4 (Community/Councillors/Business)

- Conflict between regional guidance (RSS) and local requirements (in terms of housing numbers).
- Land availability – problem of so many environmental designations.
- Need to make more of local opportunities/ solutions to the affordable housing problem (eg Community Land Trusts.)

Group 5 (Community/Councillors/Business)

- Local affordable housing policy has insufficient bite – thresholds too high/ proportion of affordable housing too low/ insufficient government funding to back it up.
- Mismatch between where people live and work.
- Transport links poor / too expensive/ infrequent.

## Results of Workshop 2.

How do the issues identified in Workshop 1 impact on the different sub market areas in Dorset? How can they be resolved? Are there other issues that affect the area being considered?

### Group 1 (Bournemouth/Poole HMA)

- *Land availability* - Conservation designations are restricting availability around Bournemouth/Poole.
- We are not developing enough of the type of housing needed on the land that is available.
- *Affordable housing for young* – Cannot restrict eligibility for affordable housing by age, (young people often have low priority), but can by location. (Cascade mechanism).
- *Costs of land – impact of developer contributions* - There need to be different regimes for developer contributions for affordable and market housing.
- In a rising market developers are likely to hold onto their land holdings.
- *Uncertainties in the planning process* – there is still poor communication between Local Authorities and local communities and too much control by central government.
- “Nimby” influence affects decisions.
- *Proportion of affordable housing required – can we achieve 50%?* – Will this push up the cost of market housing?
- *Lack of self-containment / sustainability* – This may be due to the cheapness of commuting. No will to stop travelling. Road pricing may be the solution.
- *Employment skills and shortages* – Migrant workers are needed to help the economy. How do we house them? Should we dampen down the economy?
- *Urban: Rural issues* – RSS is too urban focussed.
- Need more live/work units in rural areas.
- *Need to make more of local opportunities* – LAs need to make better use of their own land/property resources.
- Local affordable housing policy has insufficient bite – thresholds too high – Need to require a proportion of land area not just the number of units.
- *Transport links poor / too expensive/ infrequent* – Need to invest in more public transport rather than new roads.

### Group 2 (Bournemouth/Poole HMA)

- *Land availability* -The lack of land due to environmental designations around Bournemouth/Poole is forcing the development of high density flats
- Design difficulties – flats can't easily be extended/ improved.
- Need for lifetime homes to build communities.

- Second homes – where problems occur (in periphery) we should consider restrictions (as in the Lake District.) Should use increase in Council Tax from second homes to fund more affordable housing.
- *Affordable housing for young* - Affordable quotas should cut across all sites (whatever size).
- Need to educate the wider public about the need for affordable housing and improve perception.
- *Employment skills and shortages* - Need to work with businesses/employers – encourage them to be responsible for up-skilling their workforce.
- *Need to make more of local opportunities/ solutions* - Need incentives for cheaper, but energy efficient, sustainable forms of building (eg eco-friendly IKEA home).
- Need to get the image right to overcome opposition.

#### Group 3 (Bournemouth/Poole HMA)

- *Land availability* – Need a strong vision / identity for the core area.
- Need high density development, but not all in form of flats.
- Need to consider ways of improving infill development in back gardens.
- *Affordable housing for the young people* – problem in the core is of poor standard accommodation.
- Lack of affordable rented accommodation in the periphery.
- Expensive transport links add to difficulties.
- Need a better balance in choice of accommodation to keep the young in the area.
- *Lack of self-containment / sustainability* – need for small scale solutions in the rural areas.
- Need for recognition of local needs at strategic level.
- *Proportion of affordable housing required* – Recognition that it is easier to achieve higher proportion of affordable housing on larger sites.
- Local authorities need to be more robust in negotiations.
- *Transport links poor / too expensive/ infrequent* – Recognition that links within B/P core are better than elsewhere, but still not that well used.
- Problem with conflicting aims of government policy – insufficient resources for infrastructure.
- *Need to make more of local opportunities (eg Community Land Trusts.)* – Recognition that these will have only a local impact.

#### Group 4 (Dorchester/Weymouth HMA)

- *Land availability* – The environmental designations are a constraining factor.
- Expectations of land owners are limiting rural exceptions sites.
- Local Authorities have few opportunities left on their own land.
- *Lack of self-containment / sustainability* – Recognition of need for development in rural areas.

- Need to re-define a rural settlement (move away from 3,000 population.)
- Cannot control commuting – need to change attitudes. Road pricing may provide a solution.
- *Proportion of affordable housing required* – Difficulties arise when Planners reluctant to accept some of the sites put forward by developers. Needs better communication.
- *Employment skills and shortages* – Need range of lower – middle market housing to keep employees in both core and periphery areas.
- Need to consider local markets in the future and what needs may arise – requirements are changing.
- Need to be aware of possible gentrification of the countryside.
- *Conflict between regional guidance (RSS) and local requirements* - Shortage of housing land partly the fault of past planning policies.
- National/regional planning is not responsive to local needs.
- Need more joint working with neighbouring authorities – common policies.
- *Conclusion* – we are building too few houses, but not easy to define what we need. Should it all be affordable? If yes, how do we finance it? Need some market housing to make it work.

#### Group 5 (North/West Dorset HMA)

- *Lack of self-containment / sustainability* – sustainability is about more than just transport. Need to look at employment/housing balance in rural areas as well as core.
- *Urban: Rural issues* - Need a better balance of development between urban and rural areas.
- *Employment skills and shortages* – Urgent need to retain young workforce.
- Need to allow ladder accommodation to enable small firms to grow.
- Broadband has improved accessibility of rural areas.
- *Proportion of affordable housing required* – Need to consider any size of village and any size of site (down to 2 houses if necessary). Affordable housing must be available in perpetuity.
- *Costs of land – impact of developer contributions making sites unviable* – Need to make developer contributions available to town/village where development occurs.
- *Transport links poor / too expensive/ infrequent* – Agree transport links poor in N.W Dorset. Need to balance costs of car and public transport.
- Road charging could have good and bad implications – keeping unnecessary traffic off rural roads, but adding to the costs of those on low earnings who have to travel to work etc.
- *Need for certainty* – agreed this is essential, along with the political will to develop more housing.
- Also need incentives for local land owners to bring sites forward – one or two market plots to off set more affordable.