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Report

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Strategic Housing Market Needs Assessment (SHMNA)

Main Report

Plymouth City Council, South Hams District
Council, West Devon Borough Council, Cornwall
Council and Dartmoor National Park Authority
July 2013

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For and on behalf of GVA Grimley Ltd

1. Introduction

- 1.1 Plymouth City Council commissioned GVA and Edge Analytics on behalf of South Hams District Council, West Devon Borough Council, Cornwall Council and Dartmoor National Park Authority (hereafter referred to as the Local Authorities) to prepare a Strategic Housing Market Needs Assessment (SHMNA) in November 2012.
- 1.2 It should be noted that the SHMNA forms a part of the evidence base for Local Plans and does not constitute policy.

Purpose of the SHMNA

- 1.3 A number of drivers including significant changes in national planning and housing policy and structural changes in the housing market justify the preparation of a new SHMNA. The SHMNA will provide part of the evidence base to inform the development of planning policy, and to underpin local housing strategies in the Local Authorities. Specifically it will:
- Enable the Local Authorities to make more informed decisions regarding the targeting of housing related resources.
 - Enable the Local Authorities to adopt an integrated approach to housing and planning strategy, policy development and review.
 - Assist in developing housing and planning policies at the local and sub-regional level.
- 1.4 The SHMNA report will replace the previous Strategic Housing Market Assessments that have been completed for this peninsula sub-region of the South West.
- In 2006 a Housing Market & Needs Assessment was undertaken for the Plymouth Housing Market Area which identified levels of housing need in the partnering authorities of Plymouth, South Hams, West Devon, the former Cornwall district of Caradon and Dartmoor National Park.
 - The remainder of Cornwall was covered by three other SHMAs: a West Cornwall SHMA in 2008 covering the former local authorities of Penwith, Kerrier, Carrick and Restormel and part of North Cornwall; the 'Northern Peninsula' SHMA, also 2008, covering the former local authority of North Cornwall; and a local Housing Needs Assessment in 2006 covering the south-western parts of North Cornwall.

- In 2010 a refreshed SHMA was completed for Cornwall, updating and harmonising the previous SHMA reports and producing a new housing needs model to inform housing and planning policy.
- 1.5 This report is the overall SHMNA Main Report for this peninsular sub-region of the South West. Headline data is presented for the individual component authorities. The report is accompanied by Overview Reports, one for each Local Authority. These Overview Reports focus on key areas of the analysis and present a more detailed individual authority narrative – including analysis of housing sub-markets where applicable.
- 1.6 In order for the findings of the SHMNA to continue to inform and help shape policy, it will be necessary to continually monitor changes in the housing market and the underlying drivers examined in this assessment. Arrangements for monitoring and updating the SHMNA research are provided in Section 9 of this report.

SHMNA Requirements: The NPPF (2012) and DCLG SHMA Guidance (2007)

- 1.7 The Government has made a commitment to reforming the planning system. The publication of the National Planning Policy Framework (NPPF) in March 2012 sets out the direction of policy change for the reformation of the planning system and forms an important consideration for this SHMA research.
- 1.8 At the heart of the NPPF is the presumption in favour of sustainable development. This includes ensuring a positive planning system which does everything it can to support sustainable economic growth.
- 1.9 Core planning principles are set within the NPPF. One of these in particular represents an important consideration with regards to this evidence base document. This states that planning should:
- Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.
- 1.10 Importantly the NPPF states that local planning authorities should have a clear understanding of housing requirements in their area. They should:

- Prepare a Strategic Housing Market Assessment to assess their full housing requirements, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to require 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 (such as families with children, older people, disabled people, service families and people wishing to build their own homes); and
 - caters for housing demand and the scale of housing supply necessary to meet this demand.

- 1.11 The DCLG released its most recent SHMA guidance 'Strategic Housing Market Assessments – Practice Guidance' in August 2007 (hereafter 'the Guidance'). The Guidance sets out a framework that local authorities and regional bodies can follow to develop a good understanding of how housing markets operate. It remains the most up-to-date Guidance for undertaking research of this kind.
- 1.12 The Guidance recognises that housing markets are dynamic and complex and as a result strategic housing market assessments are not intended to provide definitive estimates of household need, demand and market conditions. SHMAs can, however, provide valuable insights into how housing markets operate both now and in the future. They should also provide a fit for purpose basis upon which to develop planning and housing policies by considering the characteristics of the housing market, how key factors work together and the probable scale of change in future housing need and demand.
- 1.13 The approach taken within this SHMNA follows this guidance and addresses each of the core outputs set out in Table 1.1 and the process checklist set out in Table 1.2. Table 1.1 from the Guidance is replicated in Figure 1.1 below with an additional column outlining within which section of this SHMNA report the core output is addressed.

Figure 1.1: Compliance with DCLG Guidance Core Outputs

SHMA Guidance – Core Outputs Table 1.1	Report Section in which Key Outputs are presented and analysed
Output 1 - Estimates of current dwellings in terms of size, type, condition, tenure	Section 3
Output 2 – Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market.	Sections 4 and 5
Output 3 – Estimate of total future number of households, broken down by age and type where possible	Sections 6
Output 4 – Estimate of current number of households in housing need	Section 7
Output 5 – Estimate of future households that will require affordable housing	Section 7
Output 6 – Estimate of future households requiring market housing	Sections 6 and 9
Output 7 – Estimate of the size of affordable housing required	Section 7
Output 8 – Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people, etc...	Section 8

Source: GVA, 2012

Methodological Approach

- 1.14 The turbulent economic climate and housing market context at the point in which this research is undertaken (2012/13) makes it an extremely interesting time to evaluate the extent to which the market has evolved, but also presents significant obstacles in forecasting likely trajectories of change.
- 1.15 In order to reflect these issues, this SHMNA provides the Local Authorities with a detailed analysis of key indicators, using a number of models and approaches and seeking opportunities to triangulate a range of data sources wherever possible to construct scenarios of likely change. The scenarios therefore present a set of evidence based parameters to help inform policy development.

Data Sources – A secondary data based assessment

- 1.16 The SHMNA has utilised a range of robust methodological approaches drawing upon secondary data sources. This research has not involved the undertaking of a new household survey. This approach aligns with the Guidance, which advocates that the SHMA research can draw from a range of primary and/or secondary data sources:

“Whether a strategic housing market assessment is based upon secondary or survey data should not be a factor in determining whether an assessment is robust and credible. No one methodological approach or use of a particular dataset(s) will result in a definitive assessment of housing need and demand. The quality of the data used is the important consideration in determining whether an assessment is robust and credible rather than its nature” (DCLG Strategic Housing Market Assessments Practice Guidance – Version 2, 2007, pg 11).

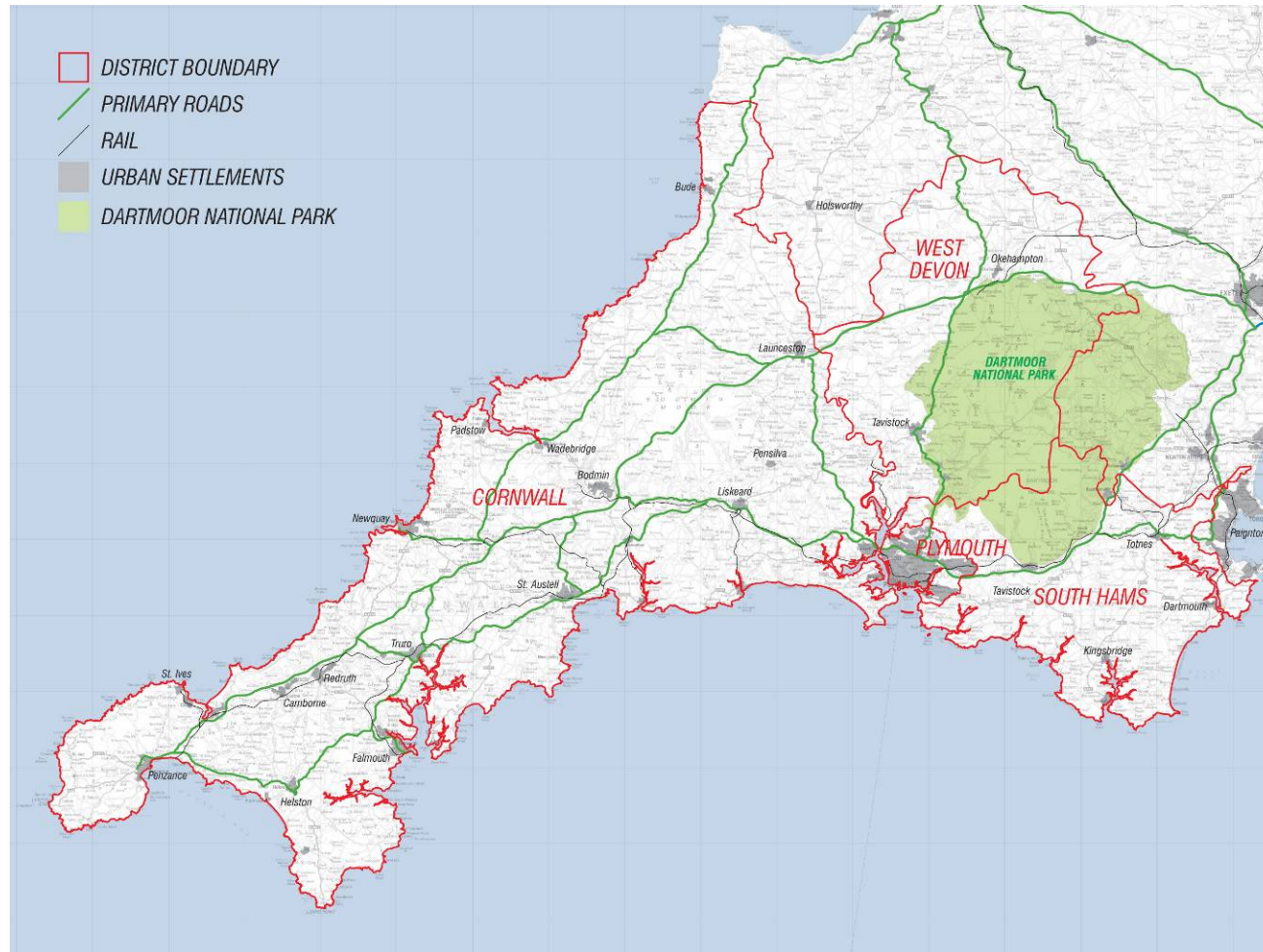
- 1.17 The approach undertaken within this research has been to use new and updated secondary data to develop a robust understanding of the operation of the housing markets across the Local Authorities.
- 1.18 Where data is available from a number of sources a process of triangulation has been conducted. The purpose of triangulation in qualitative research is to increase the credibility and validity of the results. Triangulation is a technique that facilitates validation of data through cross verification from more than two sources. In particular, it refers to the application and combination of several research methodologies in the study of the same topic.
- 1.19 Throughout the assessment the application of this technique has involved comparing, contrasting and, where relevant, aligning information from a mixture of sources to ensure that the most up-to-date and locally reflective information has been utilised - based on the professional judgement of the research team and agreed by the Local Authorities. This serves to further ensure that the findings of the SHMNA are robust and credible.

The Spatial Housing Geographies of the Research

- 1.20 Where data is available, the SHMNA presents spatial analysis using a range of Geographical Information Systems (GIS) and mapping graphics. This has been undertaken using GIS mapping data obtained directly from Ordnance Survey during the course of the SHMNA research.

- 1.21 Recognising the importance of developing an evidence base which enables strategic analysis to be undertaken alongside local analysis, the SHMNA uses a range of geographies.
- 1.22 Within this SHMNA Main Report, data is presented at the local authority scale, recognising that this forms the key spatial geography for the development of policy and strategy.
- 1.23 Importantly, where possible, the analysis presented in the SHMNA reports deviates from the recognised ONS statistical Local Authority boundaries to enable analysis to disaggregate the Dartmoor National Park from its constituent Local Authorities of West Devon Borough and South Hams District. This utilises Parish boundary designations, in order to replicate the Local Planning Authority (LPA) boundaries. A full definition of the Parishes making up the Dartmoor National Park is included within the Dartmoor National Park Overview Report.
- 1.24 In order to provide a more localised level of analysis, where data can be disaggregated, analysis is also presented at a functional sub-market scale in West Devon, South Hams and Cornwall within their respective Authority Overview Reports (which accompany this SHMNA report). The process for identifying the local housing market areas, and analysis of the characteristics of these areas, is presented within the respective Authority Overview Reports.
- 1.25 The geography considered within this SHMNA is presented spatially in Figure 1.3.

Figure 1.3: SHMNA Geography



Source: GVA, 2013

Report Structure

1.26 This SHMNA report is structured around the following sections, where appropriate reflecting the steps set out in the Guidance to assist in extracting key information from the report:

- **2: Placing the SHMNA Research in Context** – This section considers the complexities, priorities, opportunities and challenges across the Local Authorities as articulated through current and emerging national, regional and local strategy and policy which are considered likely to have an impact on the future housing market;

Part 1: The Current Housing Market

- **3: The Housing Stock** – This section provides an assessment of the current profile of the housing stock across the Local Authorities. This includes estimates of the current 'housing offer' in terms of the number of current dwellings broken down by size, type, condition and tenure;
- **4: Demographic and Economic Drivers of the Market** – While the dynamics of the housing market are complex the demographic and economic context represents a fundamental foundation upon which to understand supply and demand currently and in the future. This section presents an assessment of key demographic and economic drivers concluding with analysis of the functional relationships which define the spatial geographies of the housing market across the Local Authorities;
- **5: The Active Market** – The relationship between supply and demand manifests itself in the operation of the active housing market. House prices, rental levels and key measures of demand including the number of households on waiting lists are all symptoms of market behaviour which are clear indicators of the current health of the market and the future direction of travel. A comprehensive assessment of the active market is undertaken, with key issues around affordability examined in detail;

Part 2: Future Housing Market and Need

- **6: The Future Housing Market** – Drawing on the evidence assembled in the preceding sections within Part 1 of the SHMNA, a range of population and household projections are presented. These scenarios have been built through an examination of a number of drivers including migration trends and future

estimates of employment opportunities. The impact of households change in terms of the future demand for all tenures of housing is considered. The section concludes with an examination of long-term impacts of demographic and household structure changes on the types and sizes of properties required between 2011 and 2031;

- **7: Meeting the Needs of Households** – A calculation of the short-term level of housing need for affordable housing has been undertaken following the stepped process set out in the DCLG Guidance. Data to populate the model has been drawn from a range of secondary data sources. Income and housing costs are considered in order to assess the role of different ‘affordable’ products in meeting need, including intermediate housing. The section concludes with an estimation of the breakdown by size of the affordable housing identified as being required over the next five years at local authority level;
- **8: Housing Requirements of Specific Household Groups** – The analysis focuses on the information collected through secondary sources, as well as dedicated focus groups with local stakeholders, to draw out specific conclusions related to a series of household groups with particular housing requirements; and
- **9: Drawing the Evidence Together – Conclusions** – The SHMNA concludes with a section outlining the conclusions and recommendations arrived at through the research. Conclusions are presented to directly respond to the core outputs set out in Figure 1.1 of the DCLG Guidance.

2. Placing the SHMNA Research in Context

Introduction

- 2.1 Planning to meet housing need and demand is currently high on the national agenda as a result of significant market changes over recent years and a national mismatch between supply and demand. Subsequently, there has been a significant amount of policy debate emerging related to increasingly detailed analysis of evidence.
- 2.2 In recognition of the Local Authorities' unique housing market challenges and opportunities this section provides an important wider context to the research. This is important to frame the conclusions reached in relation to the SHMNA research objectives through the subsequent sections.
- 2.3 The period since the publication of previous SHMA evidence (most recently in 2010), has witnessed a significant amount of upheaval and change both in terms of the evolving policy and strategy framework and the wider economic and financial market. A short summary of the fundamental changes in these areas considered at a national level is therefore provided in this section. This is not intended to be an exhaustive review, but rather to focus on the key drivers that are likely to influence housing market operation and performance.

Changing Policy & Strategy Priorities

Current National Policy and Strategy

- 2.4 The Coalition Government is currently in the process of introducing reforms that are significantly altering the planning system. The Localism Act was given Royal Assent on the 15th November 2011. The Act includes measures which are aimed at empowering local communities and underpin the Government's approach to decentralisation.
- 2.5 The Localism Act provides a legal foundation to the revocation of Regional Spatial Strategies (following a series of legal challenges from CALA Homes on the initial revocation of the regional tier of planning in June 2010). The Act imposes a duty on local planning authorities to co-operate and provide constructive, active and ongoing engagement in decisions relating to sustainable development or strategic infrastructure. Authorities maintain their strategic responsibilities in setting Planning Policy which plans for future growth.

The National Planning Policy Framework (NPPF) (2012)

- 2.6 The NPPF, published in March 2012, represents a major component of this reform of the planning system - replacing former national planning policy guidance.
- 2.7 As noted in the introductory chapter of this SHMNA report, the NPPF reinforces and re-affirms the importance of undertaking SHMAs, maintaining the principles of the revoked Planning Policy Statement 3: Housing (PPS3), in order for authorities to evidence need and demand for housing over the Local Plan period.
- 2.8 The principle of a presumption in favour of sustainable development sits at the heart of the NPPF, the rationale being to ensure that the planning system does everything it can to support sustainable development and sustainable economic growth.

The New Homes Bonus

- 2.9 In addition, the Government also announced the introduction of the New Homes Bonus in April 2011. This is intended to incentivise local authorities to encourage housing development and will provide additional funding for each new home and property brought back into use, for a period of six years.

Affordable Rent and Local Housing Allowance Changes

- 2.10 The NPPF included a new definition of the Affordable Rent product following its inclusion within the revoked PPS 3 published in 2011:

“Affordable rented housing is 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)” (NPPF, Annex 2, March 2012)

- 2.11 In February 2011, the Homes and Communities Agency (HCA) published a Framework setting out the details of the new Affordable Homes Programme of investment, inviting Registered Providers (RPs) to put forward proposals for £2.2bn of funding (out of the overall £4.5bn funding pot) for affordable housing during the 2011-15 Spending Review period. The Framework outlines the changes in affordable housing provision being introduced for 2011-15, and how this new approach will meet the Government’s ambition to deliver up to 150, 000 new homes over this period¹.

¹ It is important to note that the overall level of funding available to support the delivery of affordable housing has been reduced

- 2.12 The Affordable Rent model is key to this programme – aiming to provide a more flexible form of social housing that enables Registered Providers to charge up to 80% of market rent on properties, with the potential to increase RP revenues and reduce the level of Government grant subsidy and investment in affordable homes. As part of the funding offer, RPs also have the flexibility to convert a proportion of their social rented homes to Affordable Rent as part of a package agreed by the HCA.
- 2.13 The final product includes the following parameters:
- The capping of affordable rent at 80% of market rent, overriding the Retail Price Index (RPI) + 0.5% maximum annual rent increase (which is required to rebase the rent every time a new tenancy agreement is completed) ensuring that the rent set at the beginning of a tenancy does not exceed this and remains affordable (Localism Bill and Social Housing, 2010); and
 - Move away from every social tenancy being for life, regardless of the households particular circumstances (although these tenancies will still be available). Instead, the Government wishes to encourage affordable rent on fixed term tenancies to contribute to cohesive communities (Localism Bill and Social Housing, 2010).
- 2.14 In addition to the introduction of a new affordable housing product the Government announced a series of changes to Local Housing Allowance (LHA) in the Emergency Budget on 22nd June 2010, considered necessary in order to “provide a fairer and more sustainable housing benefit scheme”.
- 2.15 Commencing April 2011 the following changes have been introduced:
- Removal of £15 weekly excess;
 - Restriction of the bedroom entitlement from five bedrooms to a maximum of four;
 - Introduction of capping of weekly LHA rates so they cannot exceed £250 for a one bedroom property, £290 for a two bedroom property, £340 for a three bedroom property, and £400 for a four bedroom property; and
 - LHA rates to be set at the 30th percentile² of Private Rented Sector (PRS) rents.
- 2.16 The Coalition Government has also committed to triple its contributions over three years to local authority funding for Discretionary Housing Payments. They have increased from £20 million to £30 million in 2011/12, and to £60 million from 2012/13.

² Note: a percentile is the value of a variable below which a certain percent of observations fall. For example, the 20th percentile is the value below which 20 percent of the data falls.

2.17 The following bullet points summarise some key implications of changes to LHA:

- Under the changes to LHA, 3 in 10 properties are now affordable in an area for people on housing benefit, rather than the current 5 in 10. The new rates mean that the housing choice available for housing benefit recipients align more closely with the choice of housing affordable to low income working households not on benefits³;
- The removal of the five-bedroom rate is intended to increase alignment between those on housing benefits seeking affordable housing and the choices of larger households who do not claim benefits⁴;
- Through the increased Central Government funding to local authorities under Discretionary Housing Payments there will be an opportunity to support those most negatively impacted following the changes to the LHA; and
- Extension of the Shared Room Rate (SRR) to people aged up to 35 – the shared room rate previously applied to under 25s who were single and live alone. Housing Benefit is now based upon a single room in a shared house as opposed to a self-contained 1 bedroom property for all single persons living alone up to the age of 35. Evidence has suggested a lack of suitable accommodation and a mismatch between benefits and rental levels⁵. It is expected to result in increased demand for shared properties and increase affordability challenges for households where there are limited numbers of low priced smaller properties.

2.18 The Department for Work and Pensions (DWP) estimate that the impact of the measure as set out in the June 2010 Budget includes a total number of people who will see a benefit decrease will be 642,160, with an average loss of £9 a week, with a total of 297,050 not being affected⁶.

2.19 The Valuations Office Agency (VOA) is responsible for calculating LHA. In calculating LHA, the VOA use a list of rents that are paid for private sector tenancies across the Broad Rental Market Area (Broad Rental Market Area Local Reference Rent) (BRMALRR) for each category of property including those from high-end and low-end

³ Valuation Office Agency, The Rent Office and Local Housing Allowance fact sheet

⁴ Department for Work and Pensions (2010), The Impacts of Housing Benefit Proposals: Changes to the Local Housing Allowance to be introduced in 2011-12

⁵ 'Single room rent – the case for abolition' Citizens Advice

⁶ Ibid.

of the market. The LHA is then determined by taking the 30th percentile of these figures for each category⁷.

Regional Policy & Strategy

- 2.20 In June 2010 the regional policy tier was revoked and then reinstated in November 2010 following the CALA decision⁸. The granting of Royal Assent to the Localism Act in November 2011 provides the Secretary of State with the power to revoke the whole or part of any Regional Strategy. At the time that this SHMA has been researched the Government are still consulting on the environmental impacts of realising this power.
- 2.21 The subsequent revocation of the Regional Policy tier presents an opportunity for Local Authorities to establish new locally derived targets based on a thorough understanding of local housing need, demand and supply factors. The research and analysis presented within this SHMNA will be used as an important contributing factor to the development of evidence and the setting of future housing targets for the Local Authorities.

Local Policy Context

Cornwall Council

- 2.22 Cornwall Council is currently preparing the Cornwall Local Plan – Strategic Policies (formerly known as the Core Strategy), which has been subject to two rounds of consultation since 2011.
- 2.23 The emerging Local Plan sets out the authorities main planning approach and policies that will help to manage development to 2030. Policy 2 – Key targets and Spatial Strategy sets out that new development should provide the most sustainable approach to accommodating growth; making the best use of infrastructure and services whilst respecting the character of Cornwall. Overall, development should seek to provide for 42,250 homes over the plan period at an average rate of about 2,100 per year to 2030.

⁷ Source: Valuation Office Agency, Local Reference Rent Scheme, http://www.vo.gov.uk/rent_officer_functions/LRR-FAQs.htm

⁸ On 6 July 2010, the revocation of Regional Strategies was announced with immediate effect further to section 79(6) of the Local Democracy, Economic Development and Construction Act 2009. The 6 July revocation decision was then subject to challenge in the Cala Homes (South) Ltd case (2010 EWHC 2866). This was decided on 10 November 2010 and the outcome was to quash the 6 July revocation. On 7 February 2011 the High Court dismissed a judicial review challenge by Cala Homes to the effect that the Secretary of State's statement of 10 November 2010 and the letter of the Chief Planner of the same date, referring to the proposed revocation of Regional Strategies were immaterial to the determination of planning applications and appeals before the formal revocation of Regional Strategies. Source - Advice produced by The Planning Inspectorate for use by its Inspectors - 8 February 2011 Regional Strategies – Impact of CALA Homes Litigation

- 2.24 Until the Local Plan for the Cornwall Council planning authority is adopted, planning policy in use within each District and the County Council at the 31st March 2009 will continue to have some weight.

Plymouth City Council

- 2.25 The Plymouth Core Strategy sets out the overall planning vision and framework for the city from 2006 to 2021 and beyond. Plymouth's Core Strategy was formally adopted by Full Council on 23 April 2007.
- 2.26 The Core Strategy includes an outline for delivering strategic development needs for Plymouth's future, including housing, employment, leisure and retail.
- 2.27 The city's housing requirement, as set out in the Core Strategy, is aligned with the draft RSS, which indicates that some 1,150 dwellings per annum should be allocated within the city boundary – equating to 17,250 dwellings over the LDF period 2006-21.
- 2.28 The draft RSS also provides phasing guidance that over the period 2006-16 some 10,000 (1,000 per annum) new homes should be allocated in the city, but that beyond 2016, it is assumed that there will be an increased demand for some 1,450 dwelling per annum - equating to an additional 7,250 new homes over the period 2016-21 – reflecting the city's aspirations for higher economic growth.

South Hams District Council

- 2.29 South Hams District Council adopted its Core Strategy document in 2006. The Core Strategy sets out the key elements of the planning framework for the district, and sets out the long-term spatial vision for South Hams and the strategic policies to deliver that vision.
- 2.30 The Core Strategy excludes the area that lies within the Dartmoor National Park, which is included within the Dartmoor National Park Local Development Framework (LDF).
- 2.31 The Core Strategy sets out a housing target for South Hams to deliver 6,000 new homes by 2016.
- 2.32 The Local Authority is currently in the early stages of preparing a new Local Plan. The intention is for this new Plan to refresh the vision and strategy for the area and create policies fit for the future. It will:
- Make provision for new homes, jobs and community facilities.
 - Consider what types of development constitute sustainable development and how this can be achieved.

- Contain policies for how we manage all types of development.

2.33 Initial public consultation on the new Local Plan is currently scheduled for winter 2013/14.

West Devon Borough Council

2.34 The Local Authority adopted the West Devon Core Strategy in April 2011. It presents a long-term vision for sustainable development in West Devon alongside objectives and policies for delivering that vision.

2.35 The Core Strategy is intended to be a locally distinctive policy document which allocates sites for housing, employment and other development, reflects local people's wishes for the district, promotes sustainable policies to safeguard the environment, meets local needs, and encourages greater access to a range of services and facilities for all individuals and communities.

2.36 The scale of housing development for West Devon has been based on the original requirements set out in the draft South West RSS, which was to provide at least 4,400 dwellings in the Borough for the period 2006-2026. This equates to a target of 220 homes per annum.

2.37 The Core Strategy refers only to the area of West Devon that lies outside of the Dartmoor National Park. The Dartmoor National Park Authority (DNPA) has produced its own Core Strategy and Management Plan within its LDF.

2.38 As noted above the new Local Plan will replace existing planning documentation.

Dartmoor National Park Authority

2.39 Adopted in April 2008, the Dartmoor National Park Core Strategy Development Plan Document (DPD) is the principal document in the Dartmoor National Park Development Plan, setting out the vision for development in the National Park and a strategy and policies to help meet that vision between 2006 and 2026.

2.40 Policy COR15 (part) states that:

'The Authority will work with the local housing authorities to provide for the housing needs of communities within the Dartmoor National Park, with a strong priority for the provision of affordable housing to meet identified local needs. The rate, number, type and location of houses provided during the period of this Strategy will be dictated by the extent and nature of local need identified by the local housing authority, housing market assessments and parish housing needs surveys, and by the ability of each community to absorb development satisfactorily without harm to the local

environment. It will have regard to the levels of development anticipated in the emerging Regional Spatial Strategy (50 per year between 2006 and 2026), which is an estimate of provision against local needs only'.

- 2.41 The 2004 Local Plan contains a number of saved policies that will be replaced when the Development Management DPD (DMD) is adopted. Until that time the Local Plan and Core Strategy contain current adopted policies.
- 2.42 The 'DMD' contains detailed policies for making planning decisions and identifies areas of land in the larger settlements that could provide for development in the future. When adopted it will replace the remaining policies in the 2004 Local Plan. The DMD was submitted for examination on the 14 May 2012.

Bringing the Evidence Together

- 2.43 The purpose of this section has been to provide a context for the SHMNA research by establishing the policy and strategy priorities that will require consideration in developing future policy within the Local Authorities. The key elements are as follows:
- Nationally there has been an increasing emphasis placed on the need to have a detailed understanding of housing markets in order for local authorities to plan effectively and this is reflected in the NPPF. The latest SHMA DCLG guidance, released in August 2007, provides clear instructions to guide local authorities in assessing housing need and demand and understanding the characteristics of their housing markets and how they function. This SHMNA follows the latest guidance.
 - At the regional scale, the South West RSS was never formally adopted. The granting of Royal Assent to the Localism Act in November 2011 heralds the eventual complete revocation of the regional planning tier. This SHMNA is therefore intended to provide an evidence base to support the development of policies within the development plan in the absence of this tier of planning. This includes analysis to underpin locally evidenced housing targets and tenure requirements.
 - There are strong functional links between the local authorities. This sub-regional geography is arguably of greater importance going forward with the removal of the regional tier of planning.
 - The NPPF requires local authorities to prepare Local Plans which must be prepared with the objective of delivering sustainable development in the area. Amongst other things, the Local Plan should set clear strategic priorities and policies to deliver the homes needed in the area. The local authorities within the Plymouth

HMA are at different stages in preparing new Local Plans, although all authorities do currently have adopted Core Strategy documents in place.

3. The Housing Stock

In order to identify areas where change is required it is important to understand the position from which you are starting. An understanding of the current 'housing offer' is fundamental to arriving at conclusions and recommendations regarding future requirements.

This section uses the latest information available to create a concise update of the current housing stock across the Local Authorities utilising key indicators. This includes an estimation of the total number of dwellings in each of the authorities. The mix of housing in terms of tenure and type is then considered, benchmarked against a range of comparators. Quality of the housing stock as well as quantity is assessed.

Research findings relate directly to:

Core Output 1: Estimates of Current Dwellings in Terms of Size, Type, Condition, Tenure

The Housing Stock – Current Dwelling Position and Vacancy

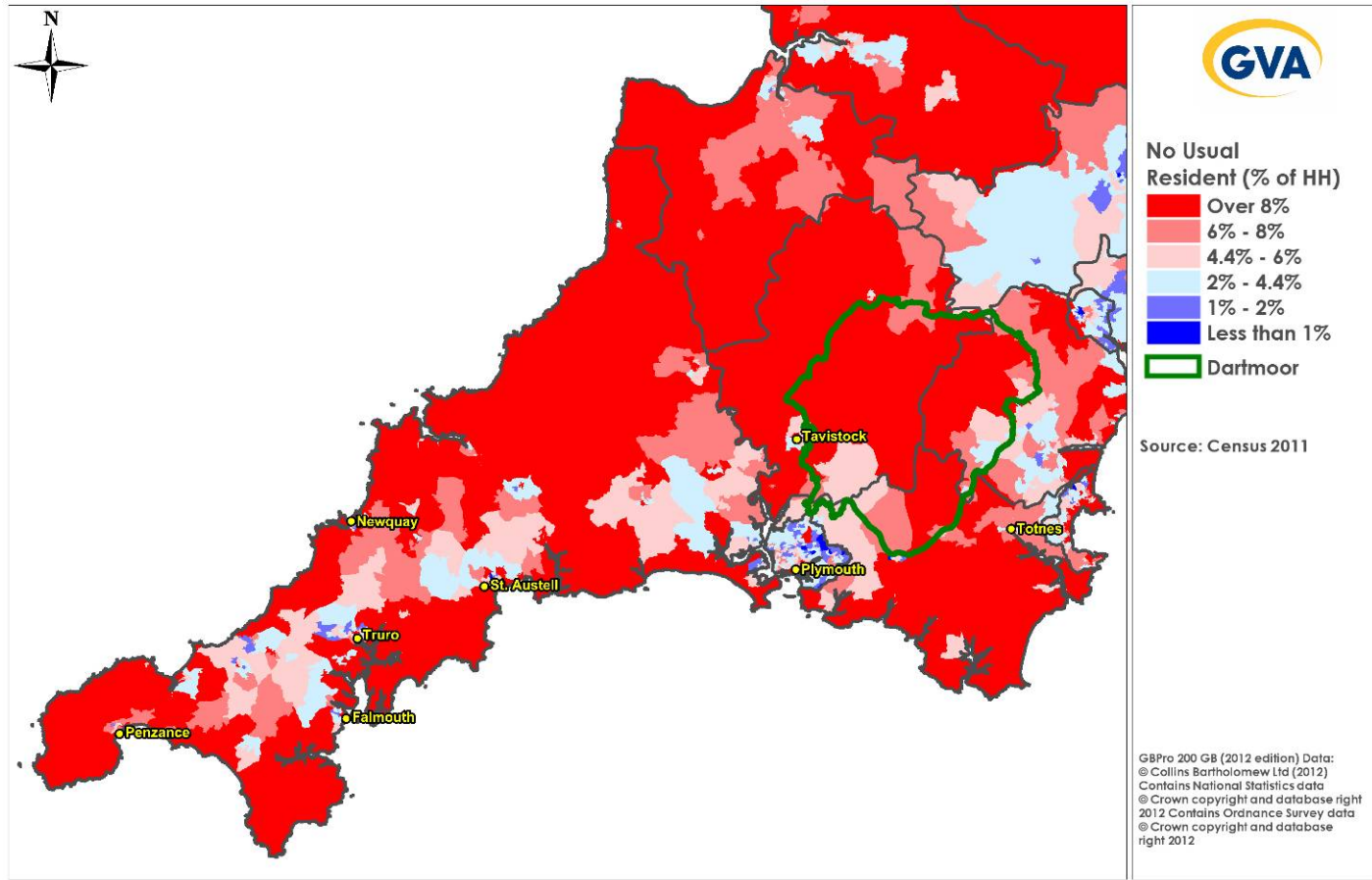
- 3.1 Each of the Local Authorities monitors a large amount of data relating to the housing market as part of their submissions of datasets to the DCLG as well as the monitoring of planning policies and housing strategy objectives. The intention in this section is not to replicate all of this information but to provide a summary picture of the key defining elements of the stock profile as set out in the Guidance.

Current Dwelling Position and Vacancy

- 3.2 The 2011 Census provides the last definitive recording of dwellings (household spaces) across the Local Authorities. A detailed breakdown is presented in Figure 3.1. This disaggregates analysis into the South Hams and West Devon LPA areas internal and external to the Dartmoor National Park, as well as a composite calculation for the Dartmoor National Park areas within South Hams and West Devon.
- 3.3 Figure 3.1 also presents the proportion of household spaces with no usual resident within each Local Authority and demonstrates that South Hams, Cornwall and West Devon all have relatively high levels of household spaces without a usual resident which are in excess of the regional and national average levels.

Figure 3.1: All Household Spaces and Census Household Space with no Usual Resident

2011 Census Analysis	Plymouth	Cornwall	South Hams (excluding Dartmoor National Park)	South Hams (within Dartmoor National Park)	West Devon (excluding Dartmoor National Park)	West Devon (within Dartmoor National Park)	Dartmoor National Park	South West Region	England
All Household Spaces	113,528	259,346	40,715	2,530	17,963	6,734	15,546	2,408,437	23,044,097
Household Spaces With No Usual Residents	4,221	28,957	6,204	183	1,383	589	1,301	143,796	980,729
% No Usual Residents	3.7%	11.2%	15.2%	7.2%	7.7%	8.7%	8.4%	6.0%	4.3%



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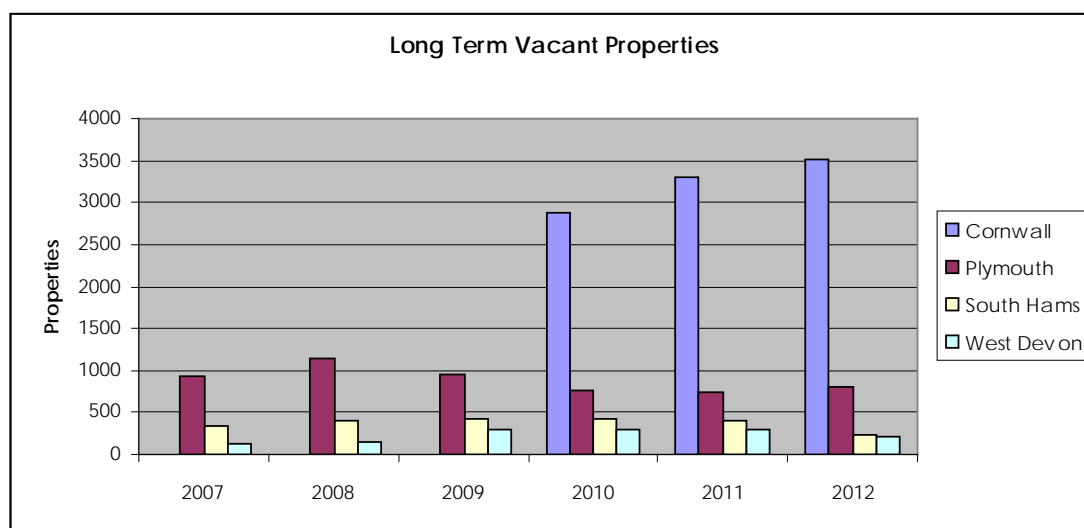
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Source: Census 2011

3.4 Figure 3.2 presents an assessment of the trends in the numerical level of vacancy within the dwelling stock in each of the Local Authorities. Long term vacancy trends are presented in graph form covering the period 2007-2012 (inclusive of data collected for the unitary authority of Cornwall).

Figure 3.2: Dwelling Stock Vacancy (Empty Property) Rates

Local Authority	Total Vacancy 2007-2012					
	2007	2008	2009	2010	2011	2012
Cornwall ⁹						
Plymouth	2,272	2,279	2,409	2,170	2,244	2,615
South Hams	989	1,033	1,082	1,047	1,006	910
West Devon	529	566	775	772	716	679
Local Authority	Long-term Vacant Properties (6+ Months) 2007 - 2012					
	2007	2008	2009	2010	2011	2012
Cornwall				2,880	3,312	3,516
Plymouth	940	1,140	952	769	745	814
South Hams	336	405	425	421	412	238
West Devon	131	148	299	303	300	208



Source: Local Authority Council Tax

3.5 However, a considerable number of vacant properties in each of the Local Authorities will be second (or holiday) homes. This is reinforced by evidence from the 2011 Census, shown in Figure 3.3, which records the level of second home ownership by people living outside of the Local Authority. It should be noted that second homes are

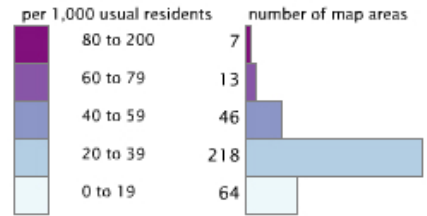
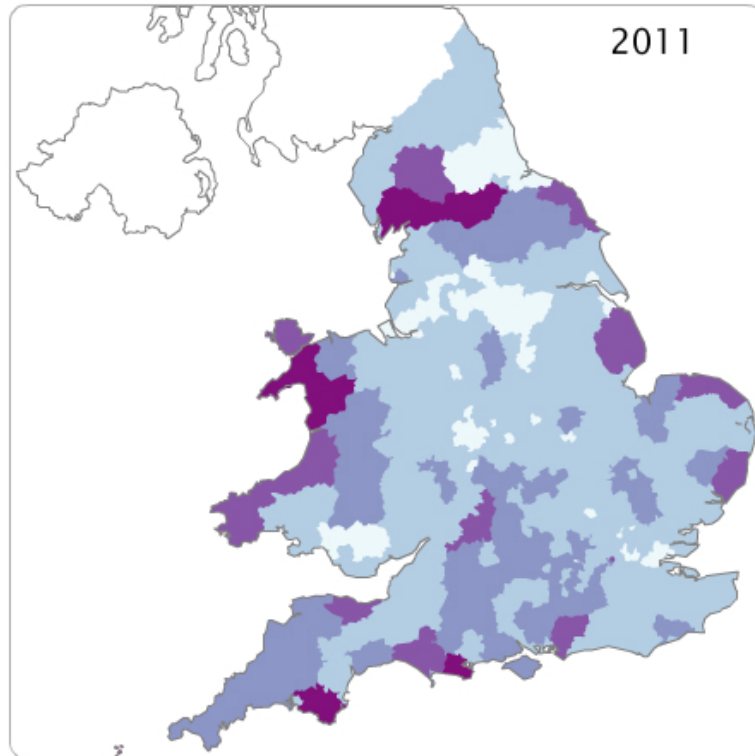
⁹ Note: Total vacancy figures for Cornwall, equivalent to those presented for other local authorities are not available for the period dating from 2007 due to the change to a unitary authority that occurred during this time.

not “vacant” in the sense of being available for occupation by a household requiring housing, or in terms of providing available choice within the housing market.

- 3.6 This issue is shown to be particularly acute within South Hams which represents one of the areas across the UK with the highest levels of second home ownership. West Devon and Cornwall also show comparatively high proportions, explaining the comparatively high levels of household spaces without a usual resident as shown in Figure 3.1.

Figure 3.3: Usual Residence & Second Addresses – 2011 Census

Usual residence and second addresses – 2011 Census
Outside of LA, with 2nd address in LA
 England and Wales (E&W), local authorities (LA)



Usual res outside of LA, with 2nd address in the LA
 per 1,000 of the LA's usual residents

This variable shows the percentage of people who have a second address located in the local authority, but who are usually resident in a different local authority. It is shown per 1,000 of the local authorities usual residents.

Source: Office for National Statistics. 2011 Census.
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Graphic by: ONS Data Visualisation Centre
 Office for National Statistics, UK

Dwelling Stock Type & Size

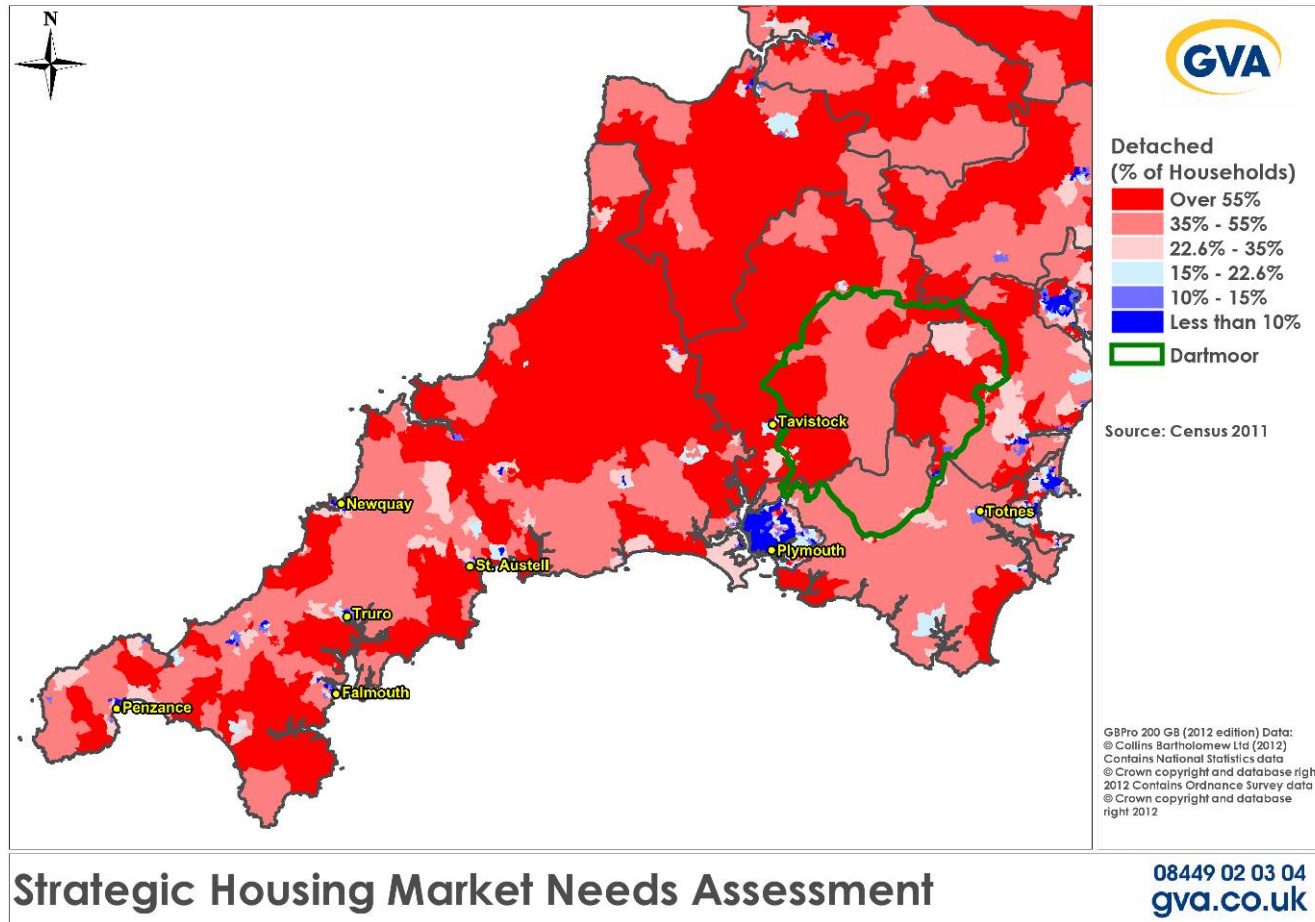
- 3.7 In understanding the relationship between the supply of housing and demand, it is important to understand the mix of the housing offer by both type and size.
- 3.8 The 2011 Census provides a comparatively up-to-date actual count of properties by type. Figure 3.4 compares dwelling stock profile of each of the Local Authorities with the average for England. This shows that:
- Plymouth has the highest proportion of flatted and terraced property across the Local Authorities – also exceeding the national average. All other Local Authorities demonstrate very low levels of flatted property – below the national average.
 - Cornwall, South Hams, West Devon and the Dartmoor National Park demonstrate a profile skewed more towards larger stock – with considerable proportions of detached property, in excess of the national average level. This feature of the local housing stock is representative of the historical development of the area, including the importance of the agricultural industry with associated larger detached farm houses, as well as the predominantly rural nature of the area.
- 3.9 The stock profile across the Local Authorities has changed as a result of delivery of flatted properties between the 2001 and 2011 Census recordings. In 2011 in Plymouth flats accounted for 26.2% of stock, up from 23.5% in 2001. This represents a similar increase to the national rate for England of 2.9%. All other Local Authorities experienced smaller changes in the stock profile, with factors such as the conversion of hotels into dwellings as one contributory factor.
- 3.10 Figures 3.5 to 3.8 subsequently demonstrate the spatial concentration of property types across the Local Authorities.

Figure 3.4: Stock Type / Size Profile – 2011

2011 Census Analysis	Plymouth %	Cornwall %	South Hams % (excluding Dartmoor National Park)	South Hams % (within Dartmoor National Park)	West Devon % (excluding Dartmoor National Park)	West Devon % (within Dartmoor National Park)	Dartmoor National Park %	England %
Detached	10.8%	37.6%	38.3%	41.3%	40.8%	49.5%	43.6%	22.3%
Semi-detached	29.3%	24.4%	25.4%	28.0%	25.2%	24.7%	25.1%	30.7%
Terraced	33.5%	22.8%	21.6%	24.8%	22.0%	18.0%	22.8%	24.5%
Flat, Maisonette or apartment	26.2%	13.5%	14.0%	5.1%	11.2%	7.3%	7.4%	22.1%
Other	0.3%	1.7%	0.7%	0.8%	0.8%	0.5%	1.1%	0.4%
Total	100%	100%	100%	100%	100%	100%	100%	100%

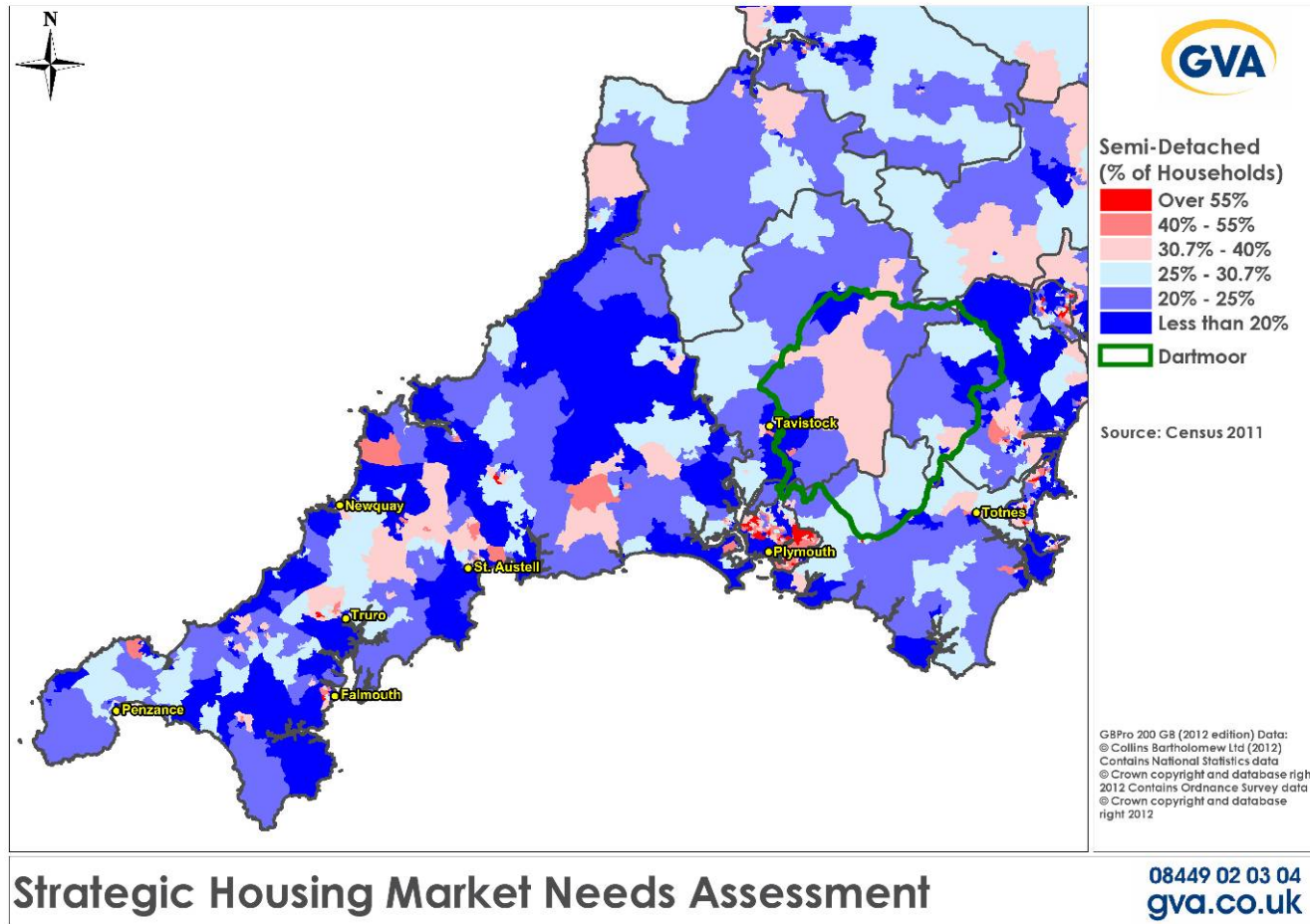
Source: Census 2011

Figure 3.5: Detached Dwelling Stock



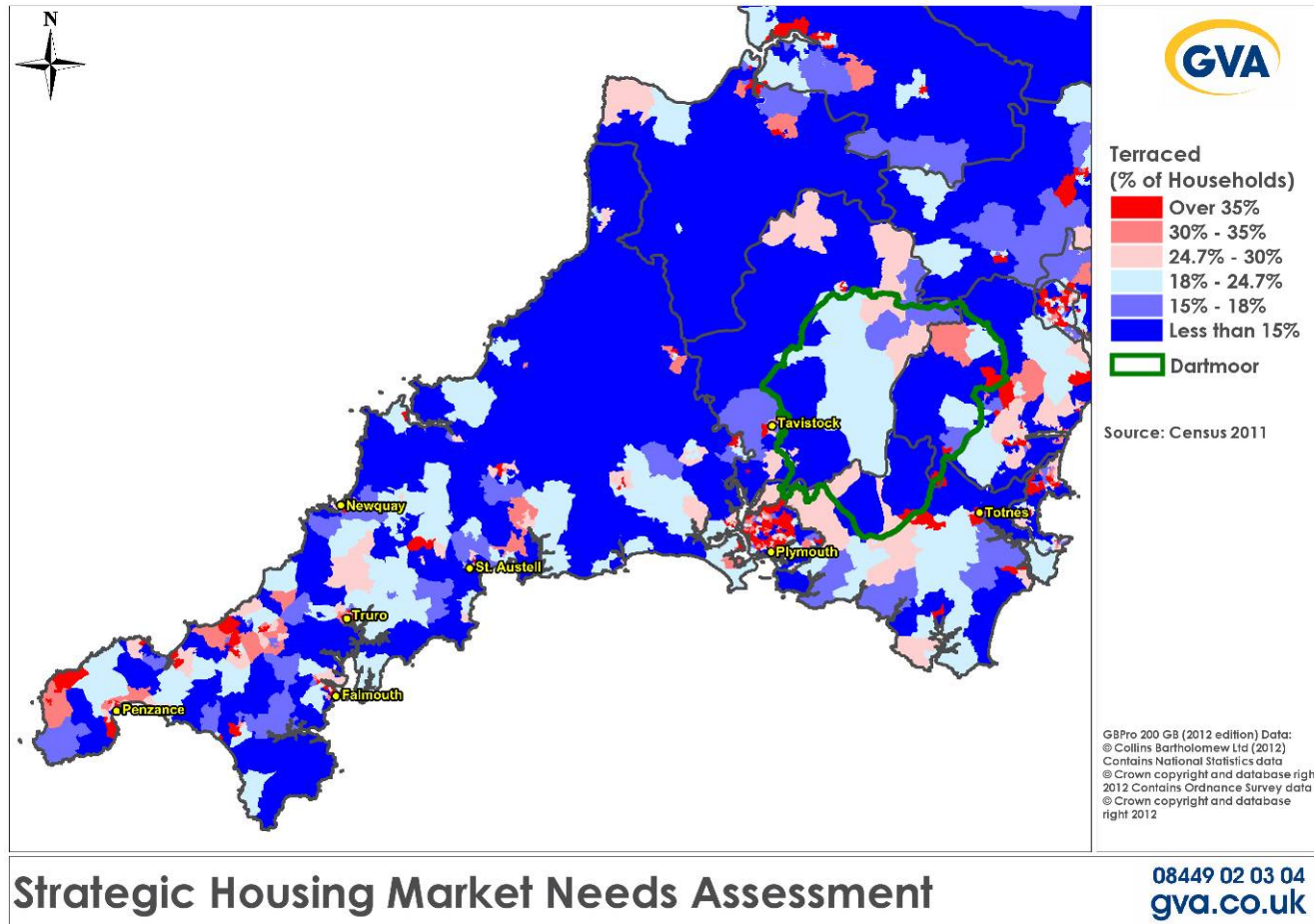
Source: Census, 2011

Figure 3.6: Semi-detached Dwelling Stock



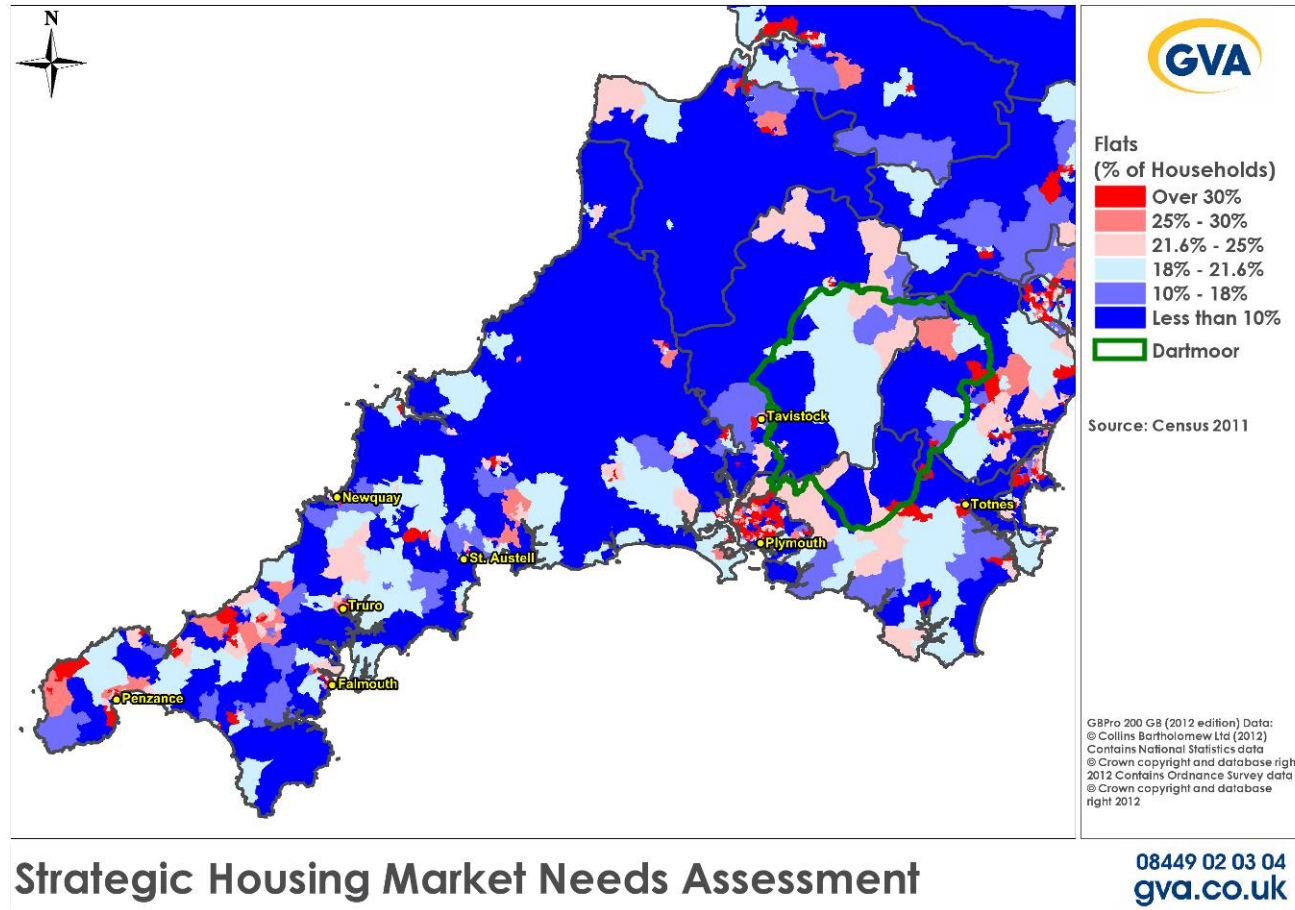
Source: Census, 2011

Figure 3.7: Terraced Dwelling Stock



Source: Census, 2011

Figure 3.8: Flatted Dwelling Stock



Source: Census, 2011

- 3.11 The Census 2011 also included questions around the size of households' property in terms of both the number of rooms¹⁰ and the number of bedrooms¹¹. Figure 3.9 compares the Local Authorities' statistics with the regional and national averages.
- 3.12 This demonstrates that, with the exception of Plymouth, all Local Authorities have a higher average number of both rooms in total and bedrooms than the national average for England. This reinforces earlier conclusions regarding the larger size of dwelling stock within these Local Authorities.
- 3.13 In contrast, Plymouth demonstrates a trend towards slightly smaller dwelling stock, which is befitting of its urban context, and reflects the larger proportion of flatted and terraced dwelling stock within the City.

Figure 3.9: Number of rooms / bedrooms per household

Spatial Area	Average number of rooms per household	Average number of bedrooms per household
England	5.4	2.7
Plymouth	5.1	2.6
Cornwall	5.6	2.8
South Hams	5.8	2.9
South Hams excluding National Park	6.3	3.2
South Hams within National Park	6.5	3.2
West Devon	6.0	3.0
West Devon excluding National Park	6.8	3.3
West Devon within National Park	6.9	3.4
Dartmoor National Park	6.1	3.0

Source: Census 2011¹²

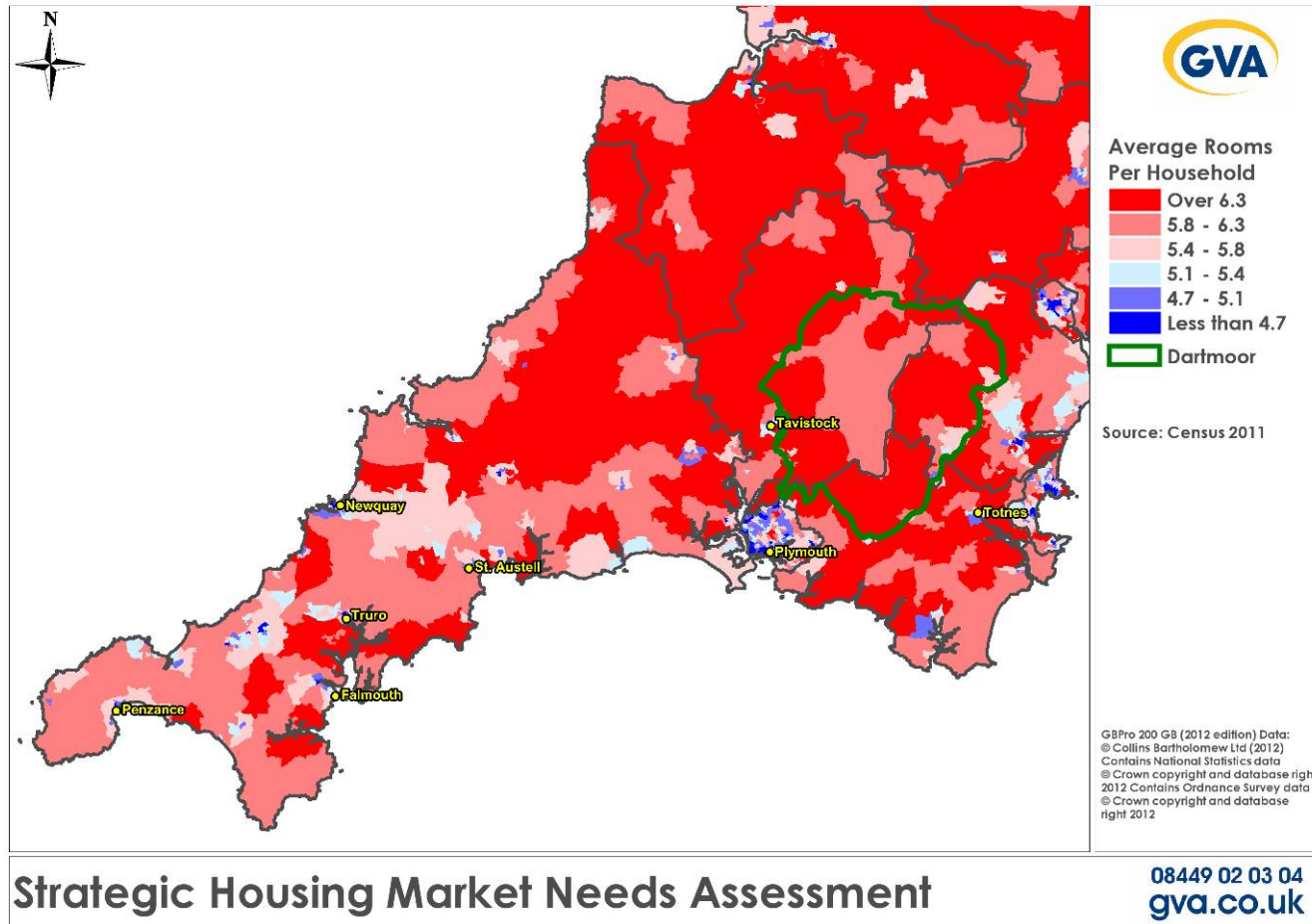
- 3.14 Figures 3.10 and 3.11 present the 2011 Census data referenced in Figure 3.9 spatially in mapped format.

¹⁰ Note: The Census 2011 provides the following definition of a room - The definition of a room does not include bathrooms, toilets, halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between a number of households, for example a shared kitchen, are not counted.

¹¹ Note: The Census 2011 provides the following definition of bedrooms - A bedroom is defined as any room that was intended to be used as a bedroom when the property was built, or any room that has been permanently converted for use as a bedroom. It also includes all rooms intended for use as a bedroom even if not being used as a bedroom at the time of the Census. Bedsits and studio flats are counted as having one bedroom.

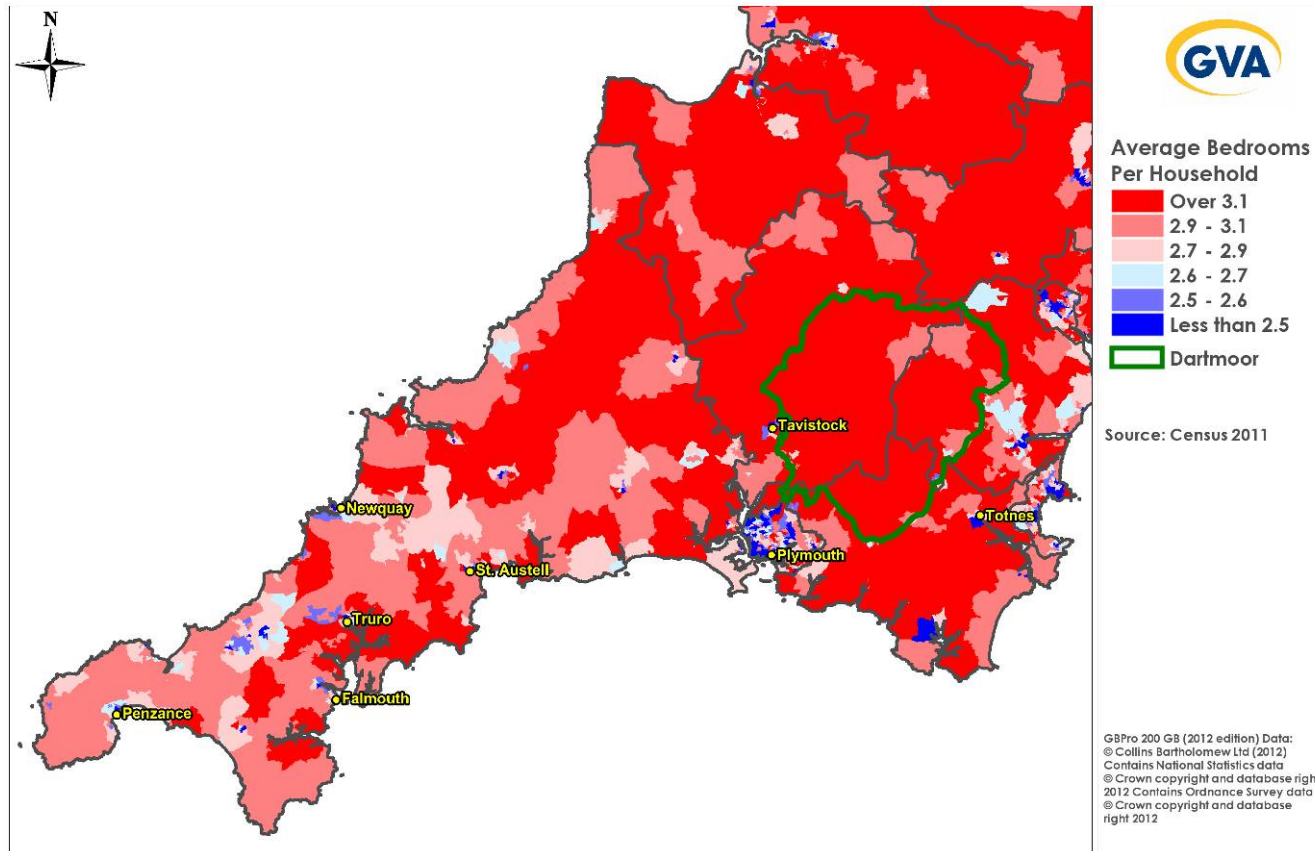
¹² Note: a number of Parishes do not have data recorded against this indicator. This means the breakdown of figures for South Hams / West Devon in and out of the Dartmoor National Park are unlikely to truly reflect all properties.

Figure 3.10: Number of rooms per household



Source: Census 2011

Figure 3.11: Number of bedrooms per household



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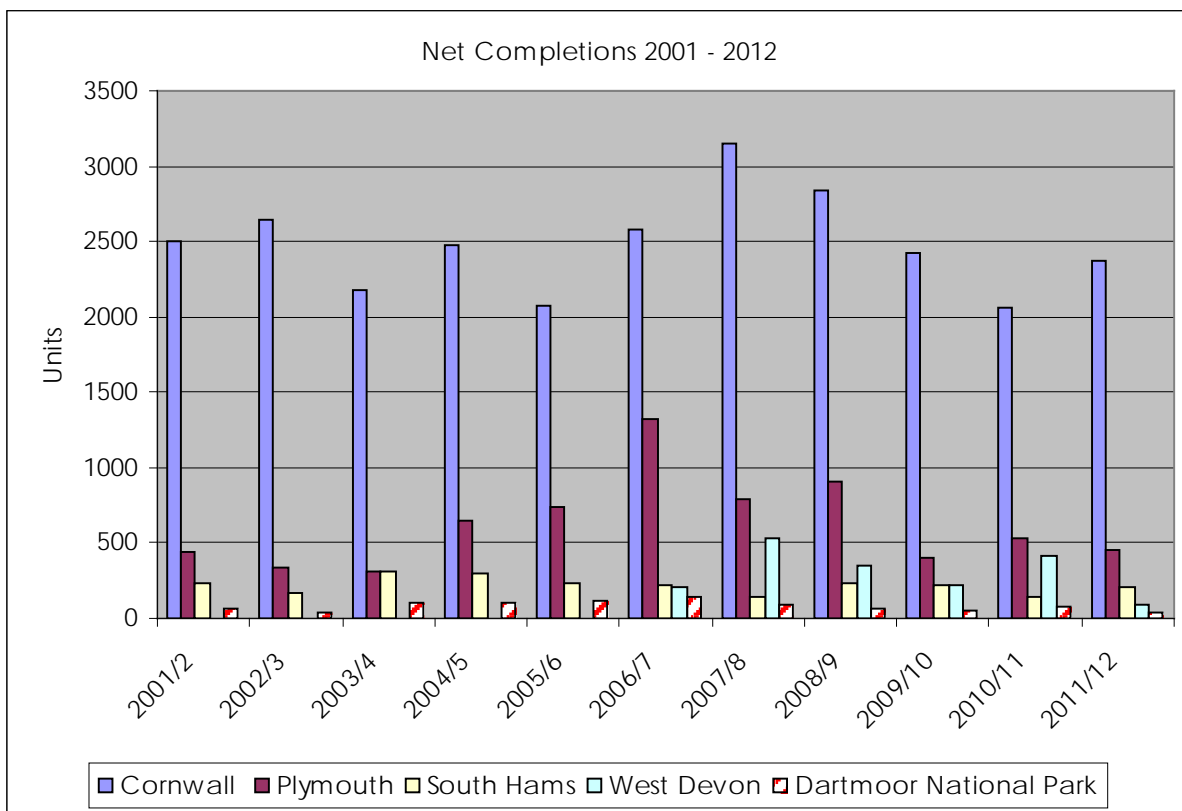
Source: Census 2011

Recent Development Trends

- 3.15 Understanding the trends in recent newly built dwellings provides further information around the changing shape of the stock profile within the Local Authorities. Each Council has monitored net dwelling completions up to 2011/12. This is set out in Figure 3.12.
- 3.16 In total, 40,265 net dwellings were delivered across the SHMNA study area Local Authorities between 2001/02 and 2011/12.
- 3.17 It is evident that the number of net dwelling completions peaked in 2007/08, and has generally declined and showed a more variable trend since, which is reflective of the 'credit crunch' and recessionary economic climate thereafter. Completions in many authorities now mirror the levels in evidence in the early 2000s.
- 3.18 When considering performance against housing delivery targets, it is evident that the housing market and economic context since 2007/08 has made it particularly challenging for Plymouth and South Hams to meet their respective targets (as set out in Section 2). However, delivery levels in Cornwall and West Devon have remained relatively stable and in line with, or in excess of, housing targets set.

Figure 3.12: Net Dwelling Completions – 2001/02 – 2011/12

Local Authorities	Net Dwelling Completions 2001/02 - 2011/12										
	2001/2	2002/3	2003/4	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11	2011/12
Cornwall	2501	2650	2181	2473	2076	2579	3148	2840	2420	2062	2375
Plymouth	436	334	313	644	737	1316	790	910	401	535	456
South Hams	229	172	317	297	235	222	144	232	217	145	210
West Devon	168	176	226	193	171	204	530	356	225	415	93
Dartmoor National Park	69	42	107	109	115	139	91	71	47	77	44



Source: Local Authorities

Overcrowding

3.19 The 2011 Census provides an update on the occupancy rating for households within the Local Authorities, based on the number of bedrooms in a household's accommodation. An occupancy rating of minus 1 implies that a household has one less room/bedroom than required and is overcrowded. The national average is included for context.

Figure 3.13: Proportion of Overcrowded Households

Spatial Area	Proportion of Overcrowded Households (Occupancy rating of -1 or less) Bedrooms	Average number of bedrooms per household
England	4.8%	2.7
Plymouth	4.0%	2.6
Cornwall	2.6%	2.8
South Hams	1.7%	2.9
South Hams excluding National Park	1.7	3.0
South Hams within National Park	2.1%	3.2
West Devon	1.7%	3.0
West Devon excluding National Park	1.7%	3.3
West Devon within National Park	1.5%	3.4
Dartmoor National Park	1.9%	3.0

Source: Census 2011

- 3.20 The 2011 Census demonstrates that all Local Authorities have a level of overcrowding below the national average for England, with Plymouth having the largest level of overcrowding at 4% of households.
- 3.21 An alternative measure reported in the Census is that of occupancy rating. The “occupancy rating” measures the relationship between the total number of rooms and the total required by the household. For example, an occupancy rating of -2 rooms would imply that there are two rooms too few for the size of the household and that it is overcrowded. Conversely, an occupancy rating of +2 would imply that there is an excess of two rooms over and above those required to house the household, and it is therefore under-occupied. This data is presented for each local authority at Figure 3.14 below.

Figure 3.14: Occupancy Rating (rooms) 2011

Measure	All categories: Occupancy rating (rooms)	Occupancy rating (rooms) of +2 or more	Occupancy rating (rooms) of +1	Occupancy rating (rooms) of 0	Occupancy rating (rooms) of -1	Occupancy rating (rooms) of -2 or less
Unit	Number	Percentage				
England	22,063,368	49.7	22.9	18.6	6.4	2.3
South West	2,264,641	55.1	22.1	16.5	5.0	1.4
Cornwall	230,389	56.2	22.7	15.3	4.6	1.1
Plymouth	109,307	45.0	24.0	22.4	6.9	1.7
South Hams	36,858	61.0	21.0	14.0	3.4	0.7
West Devon	22,725	63.9	19.5	13.1	2.9	0.5

Source: Census 2011

3.22 The following patterns are in evidence from the 2011 Census data:

- All authorities with the exception of Plymouth show elevated incidences of Occupancy Ratings of +2 or more, when compared against the national benchmark of 49.7%. South Hams and West Devon in particular exhibit high levels of properties with +2 or more occupancy ratings. As noted in the analysis above, this is likely to be linked to the historic stock structure of the area, as well as the age profile of households in each local authority area.
- The local authorities are broadly in line with the national average in terms of the proportion of households with occupancy ratings of -1 room. Plymouth exhibits the highest levels of household spaces with -1 room (comprising 24% of all dwellings).
- In terms of household spaces classified as overcrowded and with an occupancy rating of -1 rooms, Plymouth exhibits proportions (6.9% household spaces) which are above the national average of 6.4%). The other authorities have relatively lower rates of household spaces with ratings of -1 room, with all exhibiting rates below the national and South West averages.
- The pattern in evidence in relation to household spaces with an occupancy rating of -2 rooms is one of all local authorities exhibiting rates below the national average (of 2.3% all household spaces). As noted above this is likely to be partially driven by the demographic structure of the area, as well as the availability of larger properties to cater for large households.

3.23 Looking at change over the period 2001 and 2011 between the two census point, a comparative analysis is presented at Figure 3.15, focusing on measures of total overcrowding.

Figure 3.15: Comparison of Occupancy Rating 2001/2011

Measure	2011 Total Occupancy rating of -1 room or more	2001 Total Occupancy rating of -1 room or more	Change (2001-2011)
Unit	%	%	%
England	8.7	7.13	1.57
South West	6.4	5.01	1.39
Cornwall	5.7	Pre formation of unitary authority	5.70
Plymouth	8.6	6.23	2.37
South Hams	4.1	3.75	0.35
West Devon	3.4	3.54	-0.14

Source: ONS (2001/2011)

- 3.24 The analysis of occupancy rating data over time demonstrates a national trend of increase incidence of overcrowding (as measured by occupancy ratings of -1 rooms or more). For those authorities for which there is comparable data across the two census, Plymouth and South Hams have seen an increase in overcrowding. West Devon has seen a modest decrease in proportions of overcrowded accommodation over the 2001-2011 period.

Tenure

- 3.25 Obtaining a full, and robust, up to date measure of the tenure profile of dwelling stock is difficult to achieve using readily available datasets. The balance of tenures is dependent upon a number of factors, including new development, properties purchased under right to buy and properties converted to the private rental market, all of which are hard to robustly quantify.
- 3.26 The 2011 Census represents the last statistically robust complete count of dwellings by tenure. Figure 3.14 shows the split in tenures across each of the Local Authorities in 2011.
- 3.27 All Local Authorities, with the exception of Plymouth, demonstrate a high proportion of households who own their home outright – exceeding the South West regional and national English average levels for this tenure. Plymouth and Cornwall have the largest private rented sectors, exceeding the national average. Plymouth also has the largest proportional representation of social stock of the Local Authorities, with the other areas containing relatively low levels of this tenure – below the regional and national averages.

3.28 The highest growth in the Local Authorities between the 2001 and 2011 Census has been within the private rented sector. Nationally, the sector has grown to represent almost 16% of households by 2011, which has increased 3.8% since 2001 (from 11.9%). Specifically:

- Plymouth has seen an above average increase. The 2011 Census recorded 20.2% of households in this tenure – up by 5.2% from 15% in 2001.
- Cornwall has seen an increase to 16.7% of households in this tenure in 2011 (was 15.9% in 2001).
- Similar scales of increases have been seen in South Hams and West Devon, but remain lower than national average in 2011.

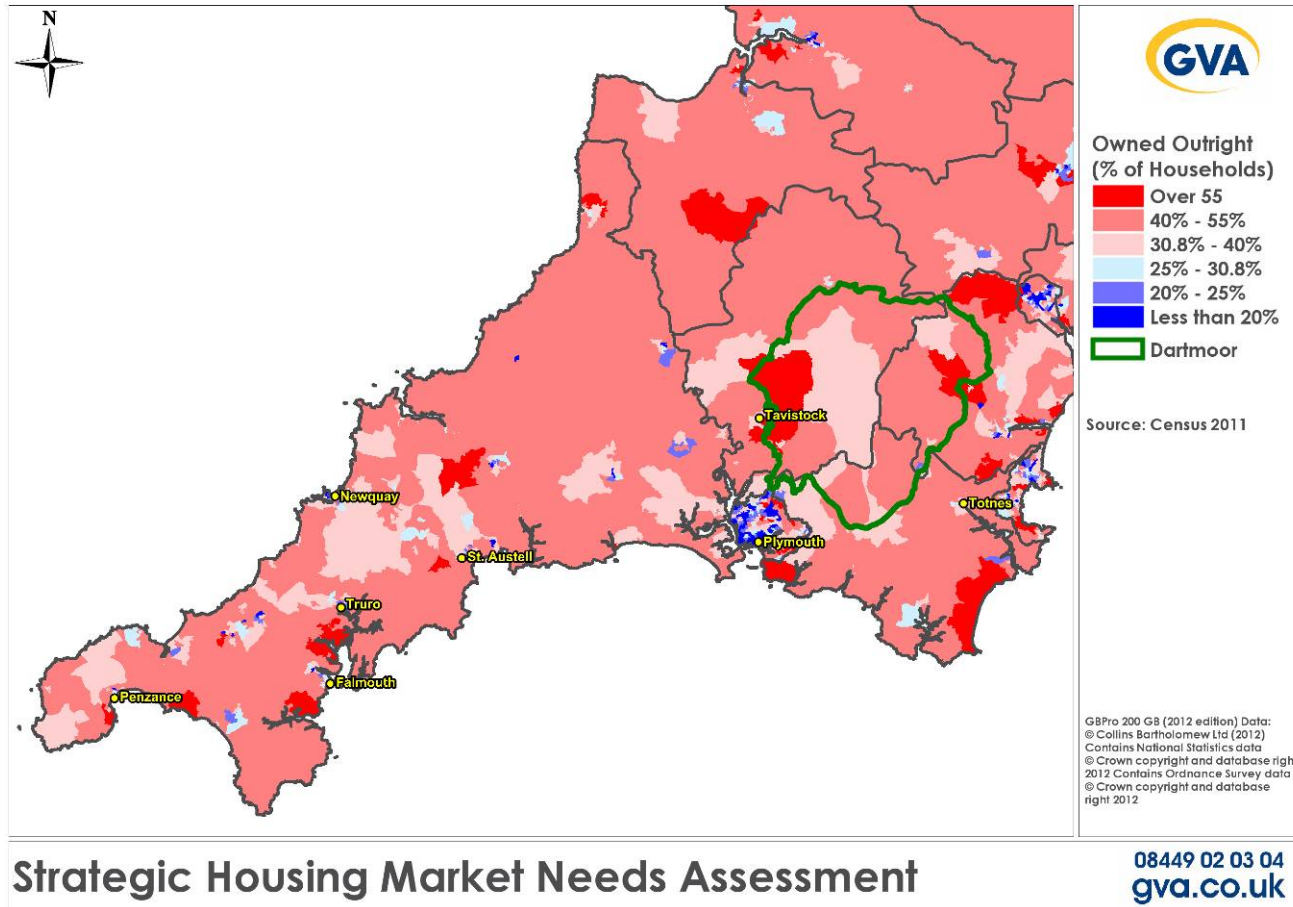
3.29 Figures 3.16 to 3.20 subsequently present the spatial concentrations of each tenure across the Local Authorities in 2011 drawing on the Census.

Figure 3.16: Dwelling Tenure – 2011 Census

2011 Census Analysis	Plymouth %	Cornwall %	South Hams % (excluding Dartmoor National Park)	South Hams % (within Dartmoor National Park)	West Devon % (excluding Dartmoor National Park)	West Devon % (within Dartmoor National Park)	Dartmoor National Park %	South West Region %	England %
Owned: Owned outright	27.2%	40%	42.8%	42.7%	43.1%	46.6%	43.8%	35.4%	30.6%
Owned: Owned with a mortgage or loan	31.5%	28.8%	29.0%	28.7%	29.4%	28.6%	28.4%	32%	32.8%
Shared ownership (part owned and part rented)	0.8%	0.8%	1.1%	1.3%	0.7%	0.5%	0.8%	0.8%	0.8%
Social rented	19.3%	12.0%	11.3%	12.1%	9.5%	9.5%	10.9%	13.3%	17.7%
Private Rented: Landlord or Letting Agency	17.8%	14.7%	12.6%	12.0%	14.2%	10.9%	12.6%	15.2%	15.4%
Private Rented: Other	2.4%	2.0%	1.7%	1.4%	1.5%	2.2%	1.9%	0.3%	0.3%
Living rent free	1.1%	1.7%	1.5%	1.7%	1.6%	1.8%	1.6%	1.4%	1.3%

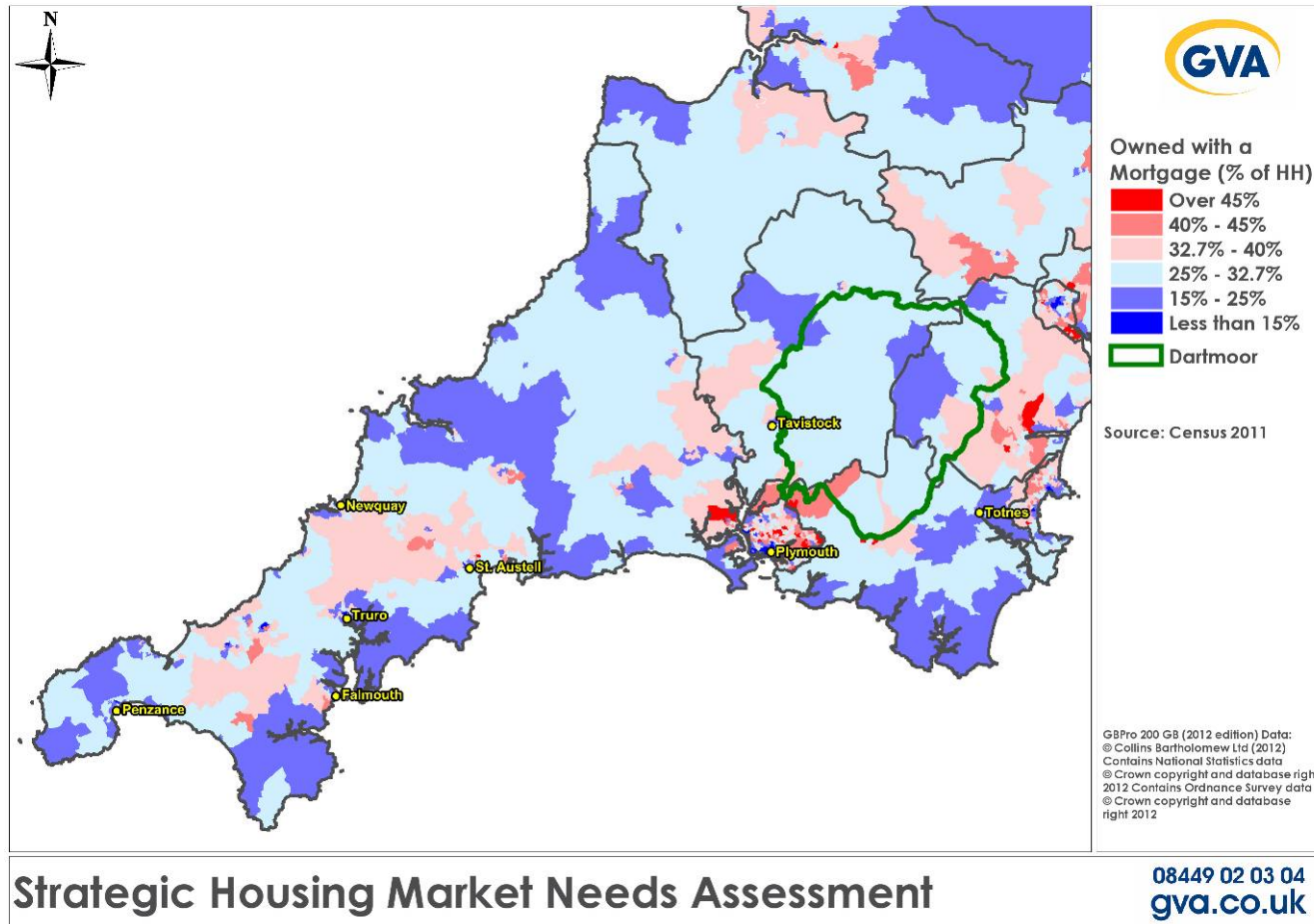
Source: Census 2011

Figure 3.17: Tenure - Owned Outright



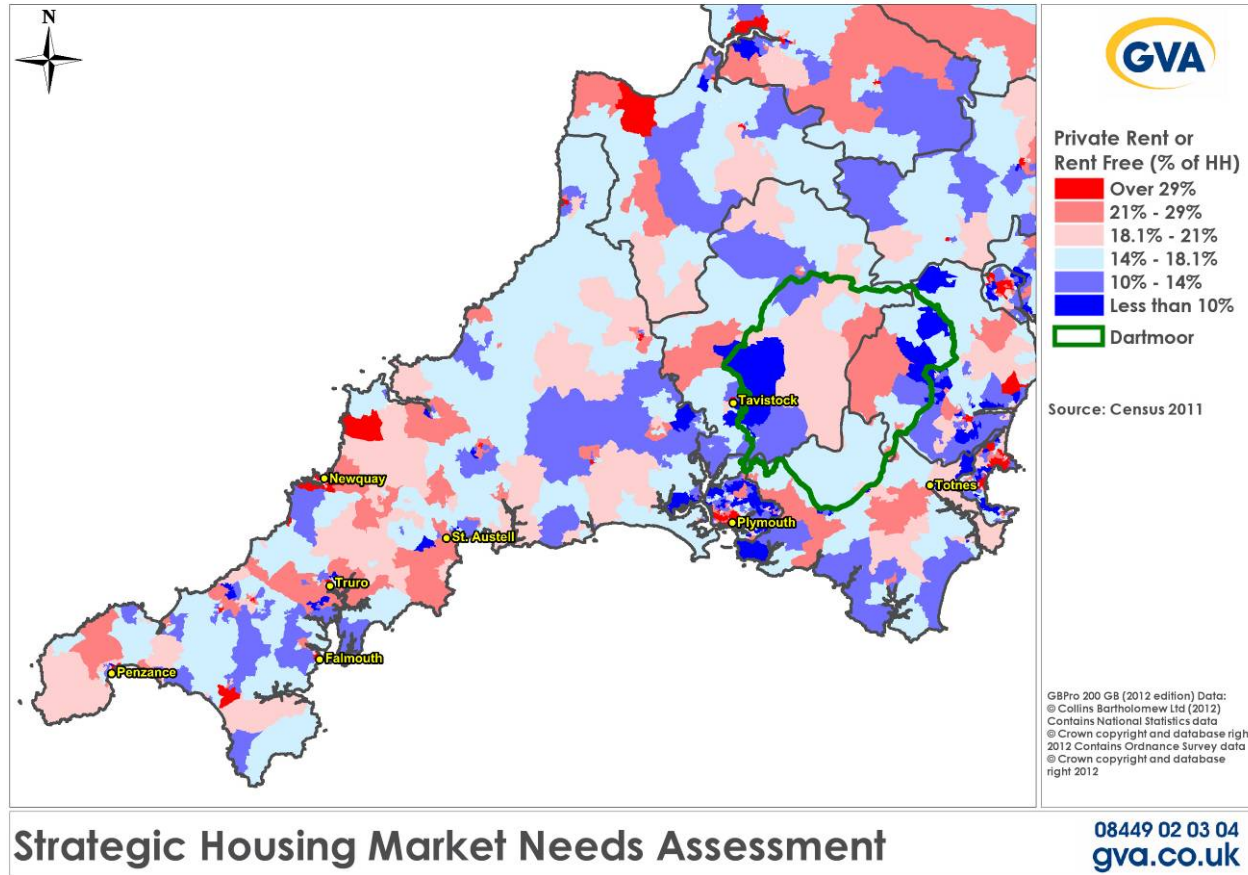
Source: Census 2011

Figure 3.18: Tenure - Owned with a Mortgage or Loan



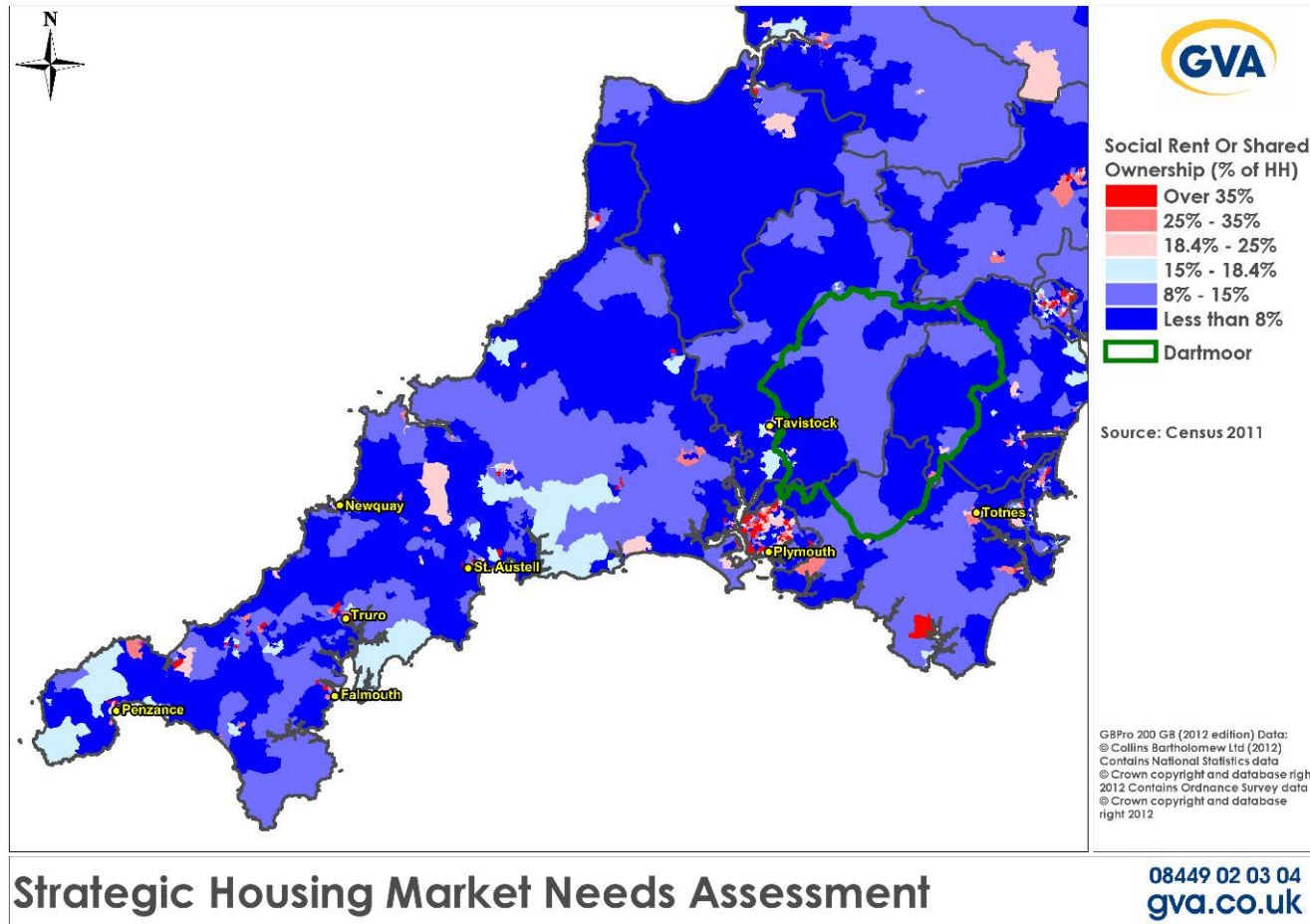
Source: Census 2011

Figure 3.19: Tenure - Private Rent or Rent Free



Source: Census 2011

Figure 3.20: Tenure – Social Rent & Shared Ownership



Source: Census 2011

Property Condition and Quality

- 3.30 The quality of the housing stock represents an additional layer of information in understanding its capacity to match demand currently, and in the future.
- 3.31 Across the authorities social rented stock has been improved through the delivery of Decent Homes investment. This has led to a significant improvement in the quality of stock. The quality of privately owned or rented stock is more difficult to assess in detail, with investment and improvements dependant upon investment by owners or landlords.
- 3.32 The 2011 Census releases available at the time of producing this research do not include any key indicators of property condition. Other recent studies have therefore been used to profile this element. As relevant census data is published this will be considered by each local authority and implications for the local housing stock assessed.
- 3.33 The South West Regional Assembly published its report – *The Condition of Private Sector Housing in the South West Region* – in March 2009. This undertook an analysis of private sector stock across all local authorities in the South West region. It specifically excluded local authority and Registered Social Landlord stock, and did not disaggregate analysis to the geography of the Dartmoor National Park. However, it forms the best source of information to understand the quality of private sector stock across the Local Authorities.
- 3.34 The ‘Decent Homes Standard’, as defined by Government Policy, stipulates that there are four broad criteria that a property should adhere to in order to be classified as decent:
- A – be free from Category 1 hazards (as defined by the Health and Safety Rating System – HHSRS), and
 - B – be in a reasonable state of repair, and
 - C – have reasonably modern facilities (such as kitchens and bathrooms) and services, and
 - D – provide a reasonable degree of thermal comfort (effective insulation and efficient heating).
- 3.35 If a dwelling fails any one of these criteria it is considered to be ‘non-decent’. A detailed definition of the criteria and their sub-categories are described in the ODPM guidance: ‘A Decent Home – The definition and guidance for implementation’ (June 2006).
-

- 3.36 Figure 3.21 presents the results of the 2009 private sector stock condition survey for the SHMNA Local Authorities.

Figure 3.21: Private Sector Stock Condition – ‘Decent Homes’

Meeting the Decent Homes Standard	Overall Non-Decent Homes (%)	Vulnerable Households in Decent Homes (%)	Reasons for Non-Decency			
			Repair	Thermal	Modern	Cat 1 Hazards
Plymouth	32.0%	66.60%	11.90%	22.40%	0.70%	7.70%
Cornwall ¹³	55.0%	48.20%	10.80%	31.0%	4.10%	41.50%
South Hams	40.00%	47.80%	7.90%	37.90%	0.50%	19.70%
West Devon	37.30%	46.80%	8.50%	33.10%	0.60%	4.10%

Source: SWRA

- 3.37 The survey assessment concluded that 30% of private sector homes in the South West region failed to meet the decent homes standard. This compares with a figure of 35% for England. Figure 3.19 shows that all of the Local Authorities demonstrated a proportion of non-decent private sector stock, which exceeded the regional average. Cornwall demonstrated the highest proportion of non-decency stock across the SHMNA Local Authorities, at 55%.

Bringing the Evidence Together

- 3.38 This section has provided an updated assessment of the current housing stock across the Local Authorities. This has included analysis of recent development trends and the impact these are likely to have had on the overall stock offer.
- 3.39 In order to present an understanding of the capacity of the existing stock, analysis has been undertaken of empty properties. Additional layers of analysis have considered the make-up of the stock including a breakdown by size, type and tenure, as well as an overview of the quality of stock.
- 3.40 The conclusions of this analysis present key informing factors in relation to future housing needs and clearly establish the relationships at the current point in time between supply and demand. Key findings from this section are set out below:

¹³ Note: Cornwall's 2010 Stock Condition Survey provides a more up to date local baseline of property condition. This study reported Category 1 hazards affecting the following proportions of stock: Owner occupied (31.3%); privately rented (36.8%); all private sector stock (32.3%). The stock condition survey also highlights primary hazard failures in Cornwall being attributable to excess cold, falling on stairs and falling on level surfaces as well as radon levels.

- **Recent Housing Supply** – Between 2001/02 and 2011/12, over 40,200 net properties have been delivered across the SHMNA Local Authorities. There has been a drop off in the levels of completions towards the latter end of this period. This reduction in development outputs reflects national trends, with the house building industry significantly affected by the onset of the economic downturn and subsequently recessionary economic climate.
- **Vacancy** – South Hams, Cornwall and West Devon all have levels of empty properties considerably in excess of the regional and national average levels. The Census 2011 indicates that a considerable number of vacant properties in each of the Local Authorities will be second (or holiday) homes.
- **Housing Type Profile** - The 2011 Census shows that Plymouth has the highest proportion of flatted and terraced property across the Local Authorities – also exceeding the national average. All other Local Authorities demonstrate very low levels of flatted property – below the national average. Cornwall, South Hams, West Devon and the Dartmoor National Park demonstrate a profile skewed more towards larger stock – with considerable proportions of detached property, in excess of the national average level. The stock profile across the Local Authorities has changed as a result of delivery of flatted properties between the 2001 and 2011 Census recordings. In 2011 in Plymouth flats accounted for 26.2% of stock, up from 23.5% in 2001. This represents a similar increase to the national rate for England of 2.9%. All other Local Authorities experienced smaller changes in the stock profile.
- **Tenure Profile** – The 2011 Census demonstrates that all the SHMNA Local Authorities, with the exception of Plymouth, display a high proportion of households who own their home outright – exceeding the South West regional and national English average levels for this tenure. Plymouth and Cornwall have the largest private rented sectors, exceeding the national average. Plymouth also has the largest proportional representation of social stock of the Local Authorities, with the other areas containing relatively low levels of this tenure – below the regional and national averages. The highest growth in the Local Authorities between the 2001 and 2011 Census has been within the private rented sector. Nationally, the sector has grown to represent almost 16% of households by 2011, which has increased 3.8% since 2001 (from 11.9%).
- **Overcrowding** – The 2011 Census provides an update on the occupancy rating for households within the Local Authorities, based on the number of bedrooms in a household's accommodation. An occupancy rating of minus 1 implies that a household has one less room/bedroom than required and is overcrowded. The 2011 Census demonstrates that all Local Authorities have a level of overcrowding

below the national average for England, with Plymouth having the highest level of overcrowding at 4% of households.

- **Stock Condition** –The South West Regional Assembly report – *The Condition of Private Sector Housing in the South West Region* (March 2009) concluded that 30% of private sector homes in the South West region failed to meet the decent homes standard. This compares with a figure of 35% for England. All of the SHMNA Local Authorities demonstrated a proportion of non-decent private sector stock, which exceeded the regional average. Cornwall demonstrated the highest proportion of non-decency stock across the SHMNA Local Authorities, at 55%.

4. Demographic and Economic Drivers of the Market

The relationship between the economy, household composition and the housing stock represents a key driver in determining the balance between supply (section 3) and demand.

This section examines the two principle long-term drivers of demand, the demography of an area and the health of the economy to present clearly how the housing markets across the Local Authorities have evolved in response.

The changing demography (population, household size, age structure etc...) of an area impacts strongly on the housing market and the type and quantity of housing required.

The role of the economy in shaping demand is also important with, for example, the level and type of employment available in an area playing an important role in determining the levels of disposable income available to households, and therefore their ability to exercise choice in the market - an issue which is considered in greater detail within sections 5 and 7. The linkage between employment opportunities and the housing offer also manifests itself in the relationship between work and home. The section concludes with analysis of commuting patterns to demonstrate current levels of containment within and between the Local Authorities and the relationships with surrounding authorities.

Demographic Drivers of Change

- 4.1 Traditionally demographics have been a key component of determining both the current shape of housing markets and their future trajectory. Since the 1950s planning for housing policy has combined demographic projections with supply side information. This approach has recognised that changing demographic conditions strongly influence the housing market, including the overall housing stock required and the requirements of the stock to meet the needs of specific groups, for example the elderly.

Population

- 4.2 According to the Office of National Statistics (ONS) the population of the authorities within the study area have grown, with the exception of the Dartmoor National Park. This is illustrated through the following table which compares the 2001 and 2011 ONS published Mid Year Estimate (MYE) datasets. This data is presented for statistical authority areas with South Hams and West Devon figures including parts of the Dartmoor National Park.

Figure 4.1: Population growth 2001 to 2011

Authority	Total Population		Population Change 2001 - 2011	% Change 2001 - 2011
	2001 MYE (ONS)	2011 MYE (ONS)		
Cornwall	500,000	533,800	33,800	6.8%
Plymouth	241,000	256,600	15,600	6.5%
South Hams	81,900	83,600	1,700	2.1%
West Devon	48,900	53,700	4,800	9.8%
Dartmoor National Park	33,600	33,600	0	0.1%

Source: ONS, 2013

- 4.3 In proportionate terms West Devon has seen the largest growth in population, with a growth of almost 10%. Cornwall and Plymouth have also seen notable levels of growth, both over 6.5% but South Hams only saw a 2.1% growth in its population over this ten year period.
- 4.4 Using Parish geographies a breakdown of the population living inside and outside of the Dartmoor National Park has been estimated from the 2011 Census. This is shown in the following table.

Figure 4.2: Population living inside and outside of the Dartmoor National Park in West Devon / South Hams

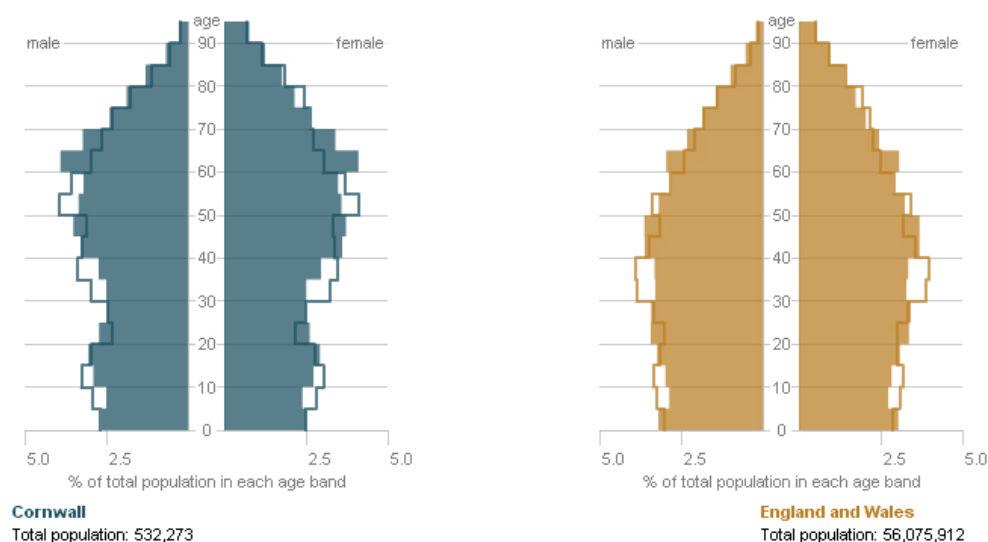
2011 Census Analysis	South Hams (excluding Dartmoor National Park)	South Hams (within Dartmoor National Park)	West Devon (excluding Dartmoor National Park)	West Devon (within Dartmoor National Park)
Total Population	77,641	5,499	38,694	14,859
% of Authority	93.4%	6.6%	72.3%	27.7%

Source: 2011 Census

- 4.5 This shows that in South Hams only approximately 6.6% of the population live within the National Park area, by contrast the proportion is far higher in West Devon with approximately 27.7% living in the National Park.
- 4.6 The growth in population seen between 2001 and 2011 has resulted in changes to the age profile of the population of each authority. This is illustrated in the following charts produced by the ONS. For each chart the shaded area represents the age profile in 2011. The outline highlights the age profile of the population in 2001.

Figure 4.3: 2011 Census Population estimates for England & Wales and Cornwall (outlines show 2001 Census data)

2011 Census: population estimates for England and Wales (outlines show 2001)



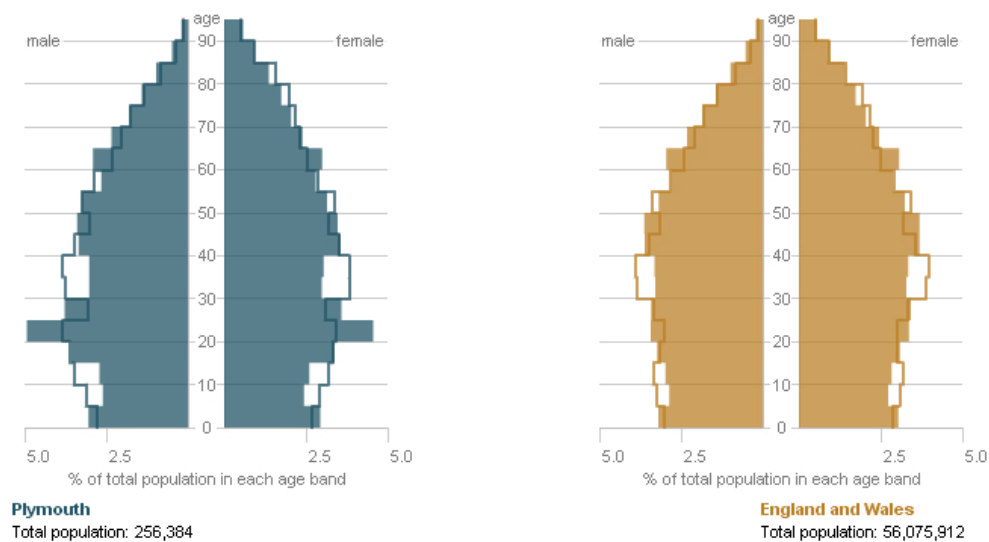
Source: 2011 Census, 2001 Mid-Year Population Estimates
Graphic by ONS Data Visualisation Centre

Source: 2011 Census, 2001 Mid-Year Population Estimates. Graphic by ONS Data Visualisation Centre

- 4.7 The chart shows that compared to the England and Wales profile Cornwall’s population profile is skewed more towards those aged above 60. Significantly it also shows that this ageing has continued over the last ten years with key working age groups such as those aged 30 – 40 showing a proportionate fall in the share they make up of the overall population.

Figure 4.4: 2011 Census Population estimates for England & Wales and Plymouth (outlines show 2001 Census data)

2011 Census: population estimates for England and Wales (outlines show 2001)



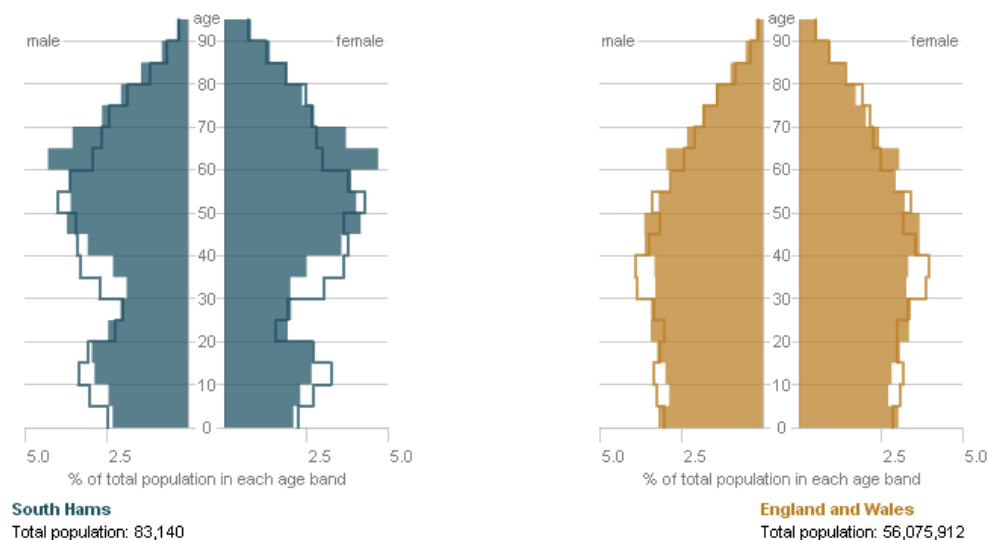
Source: 2011 Census, 2001 Mid-Year Population Estimates
Graphic by ONS Data Visualisation Centre

Source: 2011 Census. 2001 Mid-Year Population Estimates. Graphic by ONS Data Visualisation Centre

4.8 The charts show that compared to the England and Wales profile Plymouth’s population has a number of distinct features. This includes a notably high proportion of people aged 20 to 25 with this having increased significantly between 2001 and 2011. By contrast the authority has lower proportions of people aged 30 to 40, with this age group seeing a notable contraction between 2001 and 2011.

Figure 4.5: 2011 Census Population estimates for England & Wales and South Hams (outlines show 2001 Census data)

2011 Census: population estimates for England and Wales (outlines show 2001)



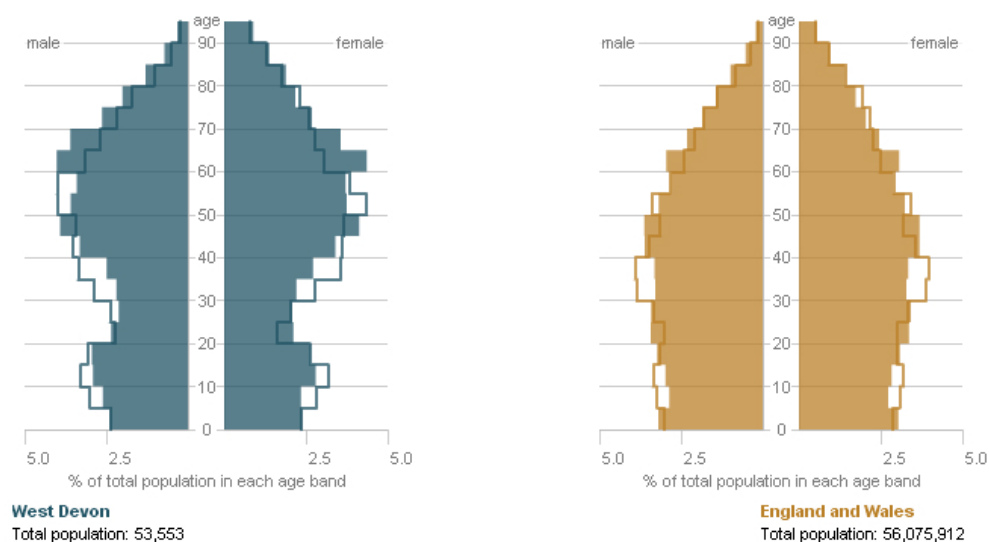
Source: 2011 Census, 2001 Mid-Year Population Estimates
Graphic by ONS Data Visualisation Centre

Source: 2011 Census. 2001 Mid-Year Population Estimates. Graphic by ONS Data Visualisation Centre

- 4.9 The charts show that compared to the England and Wales profile South Ham's population has a number of distinct features. This includes a notably high proportion of older persons, those aged 60+. In particular the pyramid shows a notable increase in the proportion of people aged 60 – 70 between 2001 and 2011 in the authority.
- 4.10 South Hams population profile also shows a sustained low proportion of people aged 20 to 30. This has been consistent historically with the low proportion of this age group in 2001 moving through to result in a notable decline in the proportion aged 30 – 40 between 2001 and 2011. The contraction of people aged 30 – 50 over the last ten years as a proportion of the population as a whole has also resulted in a reduction in the proportion of children in the authority.

Figure 4.6: 2011 Census Population estimates for England & Wales and West Devon (outlines show 2001 Census data)

2011 Census: population estimates for England and Wales (outlines show 2001)



Source: 2011 Census, 2001 Mid-Year Population Estimates
Graphic by ONS Data Visualisation Centre

Source: 2011 Census. 2001 Mid-Year Population Estimates. Graphic by ONS Data Visualisation Centre

- 4.11 The charts show that compared to the England and Wales profile West Devon's population has a number of distinct features. This includes a notably high proportion of older persons, those aged 60+. In particular the pyramid shows a notable increase in the proportion of people aged 60 – 70 between 2001 and 2011 in the authority.
- 4.12 West Devon population profile also shows a sustained low proportion of people aged 20 to 30, although the proportion of females aged 20 – 25 has increased between 2001 and 2011. The overall low proportion comparative representation of this age group would appear to have existed over a period of time with the low proportion of this age group in 2001 moving through to result in a notable decline in the proportion aged 30 – 40 between 2001 and 2011. The contraction of people aged 30 – 45 over the last ten years as a proportion of the population as a whole, similar to South Hams, has also resulted in a reduction in the proportion of children in the authority.

- 4.13 Comparable charts are not available for Dartmoor National Park, however, the Census has published data showing the change in broader age bands within the National Park. These are shown in the following table.

Figure 4.7: Change in broad age bands 2001 – 2011 Dartmoor National Park

	Percentage change in population 2001 - 2011					
	0 - 14	15 - 29	30 - 44	45 - 59	60 - 74	75 and over
Dartmoor National Park	-13.8	2.5	-20.4	1.4	31.2	9.7

Source: ONS, 2013

- 4.14 It is evident that the National Park has seen a fall in its younger working age population, those aged 30 – 44. This age bracket has reduced by almost 20% over the ten year periods with this fall also leading to a reduction in the number of children, 13.8% fewer 0 – 14 year olds in 2011 than 2001. By contrast there is a clear growth in those aged 60 – 74, over 30% with almost a 10% increase in those aged 75 and over. This changing profile clearly has potential implications for the mix of ages within settlements across the area and the dependency on different services e.g. health / education. This issue is considered in further detail throughout the SHMA and within the Dartmoor National Park Overview Report.
- 4.15 The 2011 Census provides further details of the age structure of each authority which can be broken down spatially. The following table provides a breakdown for each area as well as a disaggregation of the National Park areas within South Hams and West Devon.

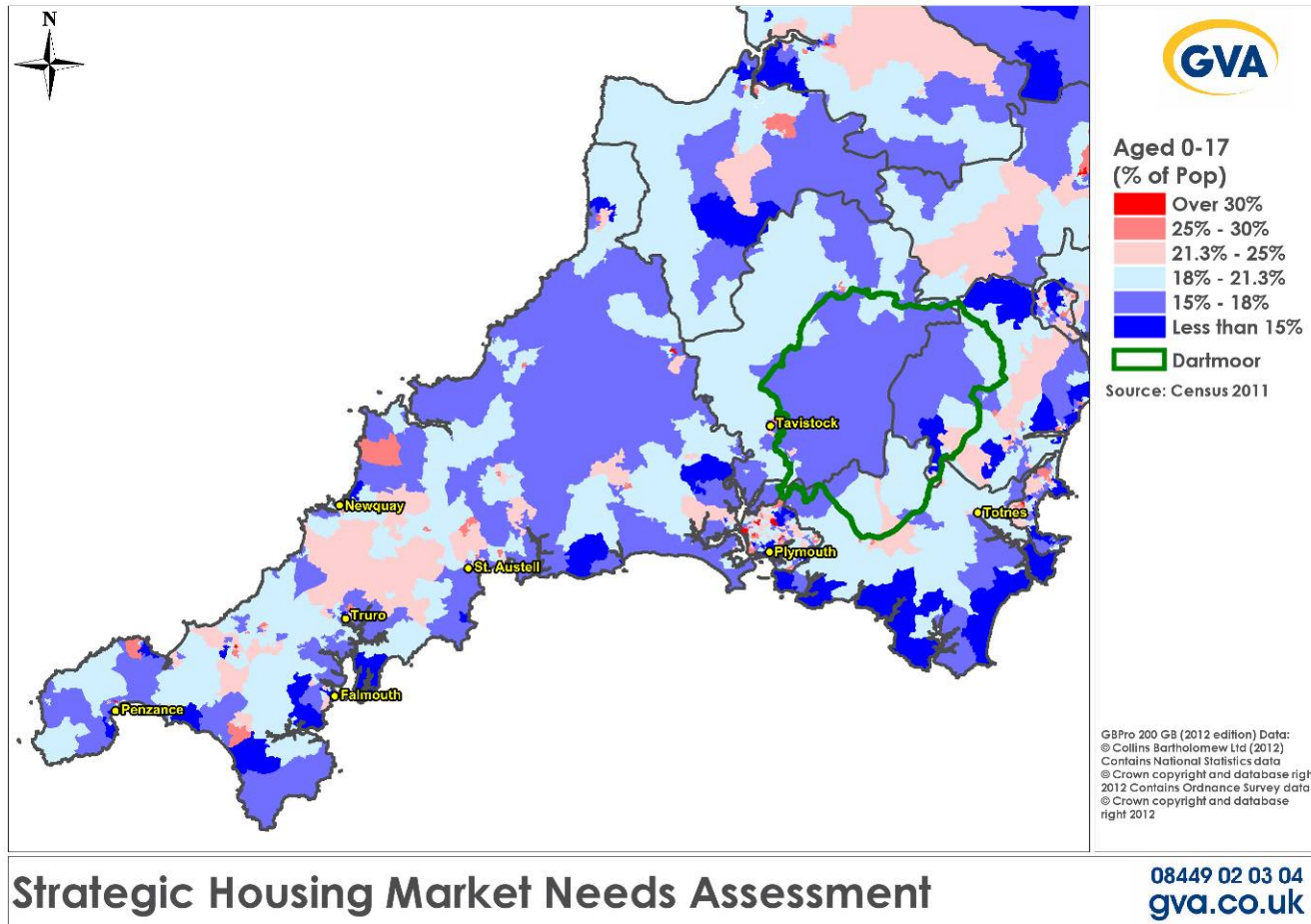
Figure 4.8: Census Population Age Structure 2011

2011 Census Analysis	Proportion of Persons							
	Plymouth	Cornwall	South Hams (excluding Dartmoor National Park)	South Hams (within Dartmoor National Park)	West Devon (excluding Dartmoor National Park)	West Devon (within Dartmoor National Park)	Dartmoor National Park	England
0 – 17	19.9%	19.3%	18.3%	18.8%	19.5%	17.9%	18.6%	21.4%
18 – 29	20.3%	12.7%	10.6%	9.3%	11.0%	9.6%	9.7%	16.3%
30 – 64	43.6%	46.4%	47.3%	49.0%	46.7%	48.5%	48.9%	46.0%
65+	16.3%	21.7%	23.8%	22.8%	22.8%	23.9%	22.9%	16.3%
Total	256,384	532,273	77,641	5,499	38,694	14,859	33,596	53,012,456

Source: ONS, 2011 Census

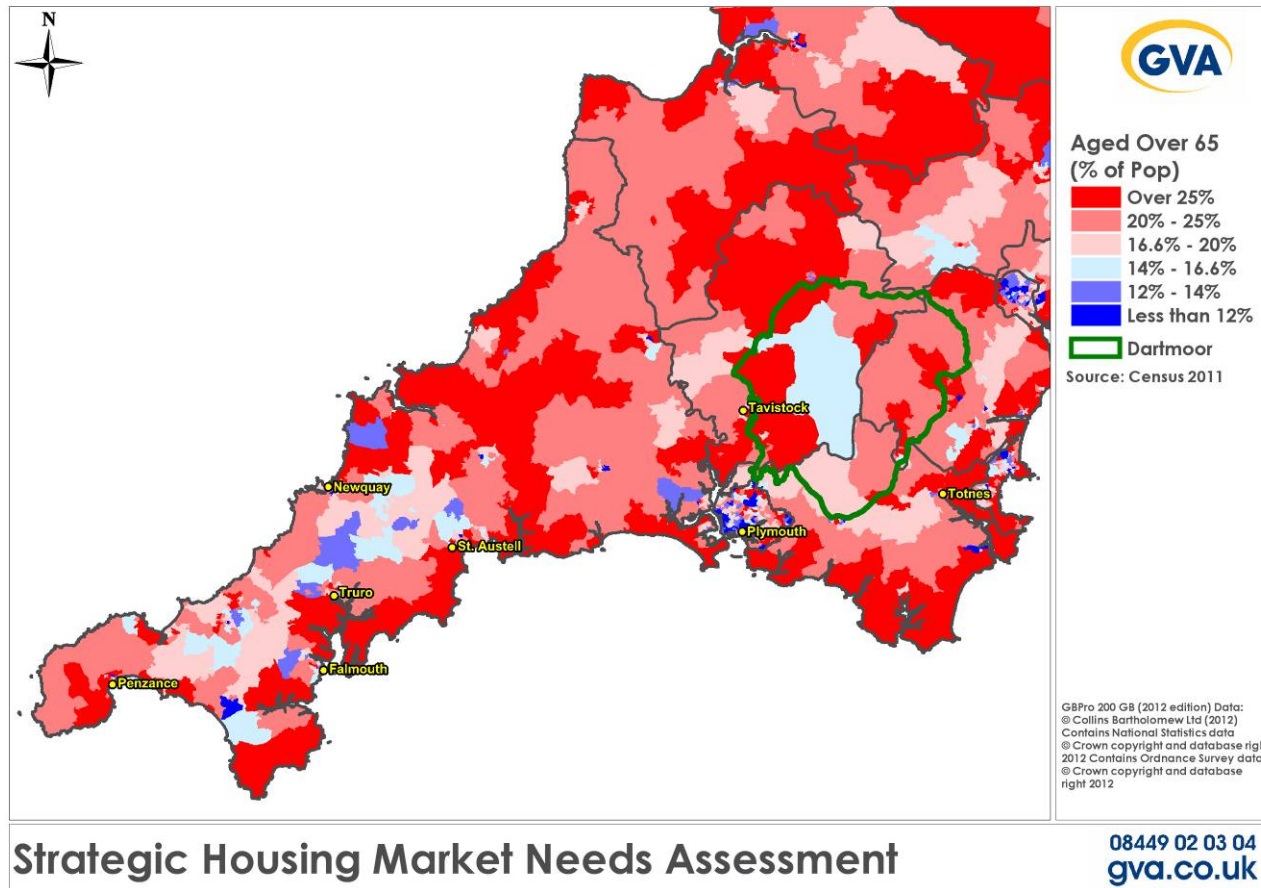
- 4.16 The analysis shows Plymouth, Cornwall and West Devon (excluding the National Park) contain higher proportions of children, although still lower than the national average. The other areas have lower proportions of this age group with the area of the Dartmoor National Park in West Devon including the lowest proportion.
- 4.17 Plymouth has a notably higher proportion of persons aged 18 -29, reflecting the relatively large student population. By contrast the two Dartmoor National Park areas and the Park as a whole have a notably low proportion of this age group.
- 4.18 Looking at the older person age cohort, Plymouth has a proportion which is in line with the national average but all other authorities, as demonstrated through the age pyramid charts have populations which are skewed towards this age group. This is particularly pronounced in South Hams (excluding the Dartmoor National Park and West Devon (within Dartmoor National Park).
- 4.19 Maps of the proportion aged 0-17 and 65+ are presented over the following pages which show the localised spatial distribution of differing age profiles. Further analysis and individual authority area maps are included within each of the Overview Reports.

Figure 4.9: Census 2011 proportion of residents aged 0 – 17 years



Source: Census 2011

Figure 4.10: Census 2011 proportion of residents aged 65+



Source: Census 2011

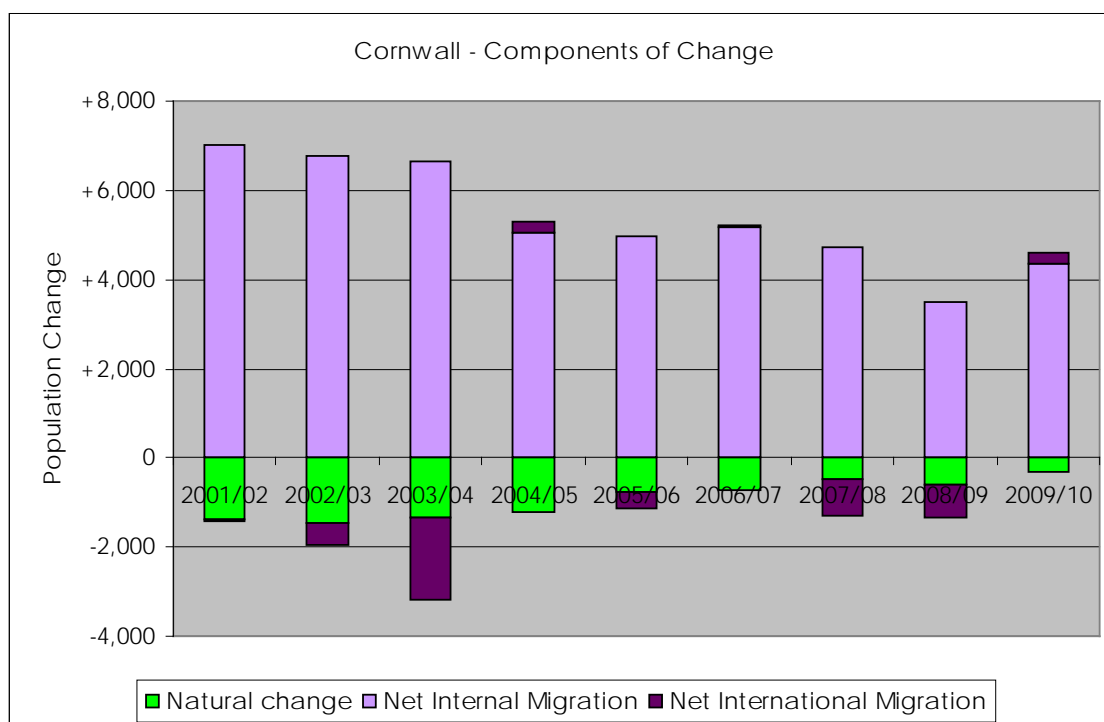
4.20 When considering population change the ONS considers two principal factors:

- Natural change – the net residual left when the number of deaths is detracted from the number of births; and
- Migration – the difference between the total people entering the local authority and the total number leaving the local authority

4.21 In terms of migration the ONS makes a distinction between internal migration, that is the movement of people into and out of the authorities in the study area from other parts of the UK, and international migration – relating specifically to immigration and emigration flows.

4.22 The following charts illustrate the annual net impact of each of these factors on the changing population of each of the authorities. The data is presented to cover whole administrative geographies with comparative data not published for the Dartmoor National Park area separately.

Figure 4.11: Components of Population Change Cornwall 2001/02 – 2009/10

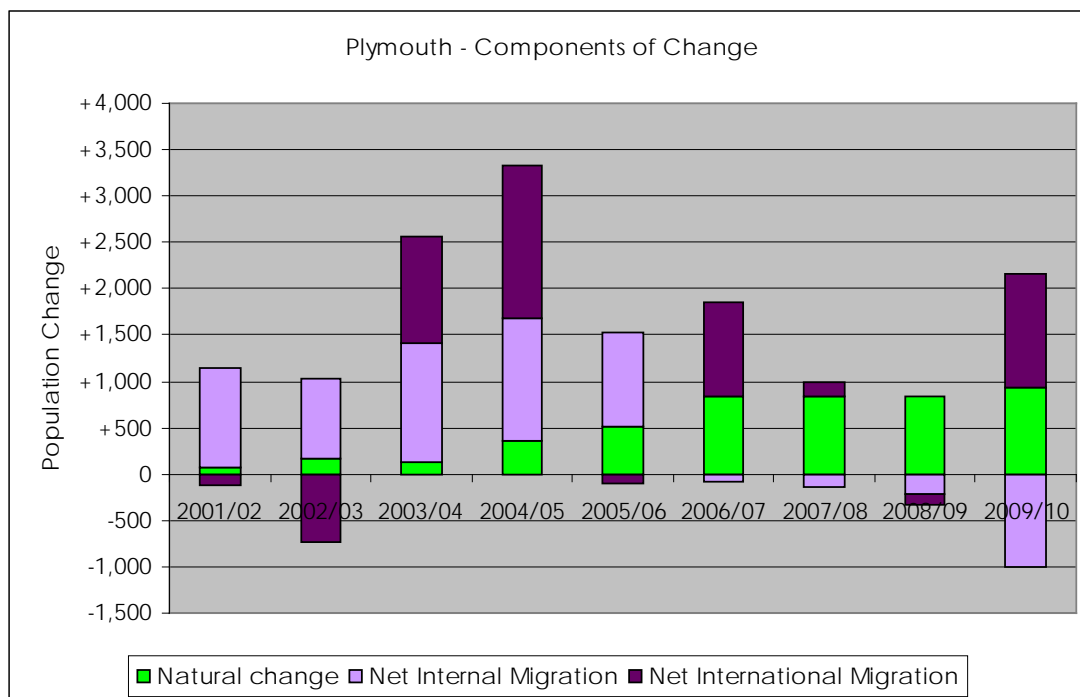


Source: ONS mid-year estimates, Edge Analytics, 2013

4.23 The chart clearly shows that internal net migration has played a significant part in driving population growth in Cornwall. Over the nine years considered, with the exception of 2008/09 the net flow has exceeded 4,000 people. Natural Change by

contrast has year on year resulted in a net loss in population, although the data would suggest that this has increasingly moved towards a balanced picture over this time period. International migration appears to have varied year on year, although it is important to note that the methodology in attributing immigration and emigration relies on less accurate datasets.

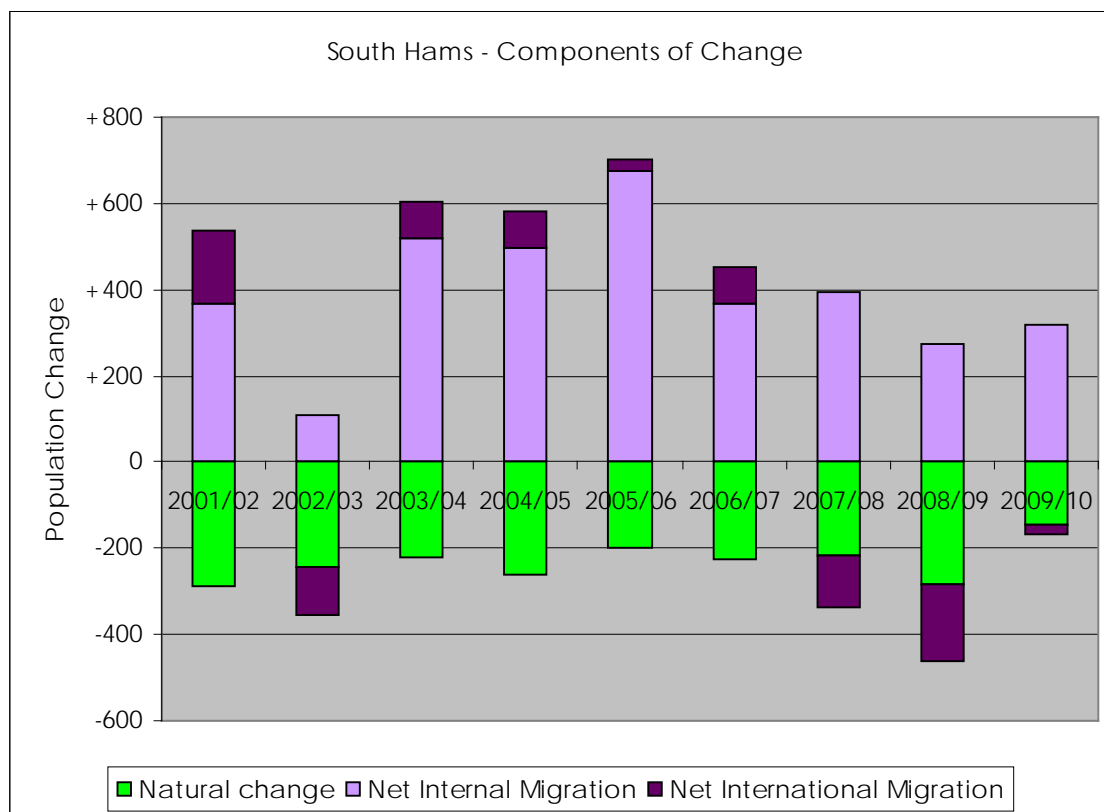
Figure 4.12: Components of Population Change Plymouth 2001/02 – 2009/10



Source: ONS mid-year estimates, Edge Analytics, 2013

4.24 The chart for Plymouth shows a contrasting picture over the first five years and the last four. At the start of the period of analysis net internal migration played a positive part in population growth, with notably high levels seen in 2003/04 and 2004/05. Between 2005/06 and 2009/10 this component has seen a reversal with net out-migration shown over this period. Natural change by contrast has seen a steady increase in its significance, moving from a balanced picture in 2001/02 to a notable positive component by 2009/10. Over the whole period international migration has varied but overall provided a positive contribution to population growth.

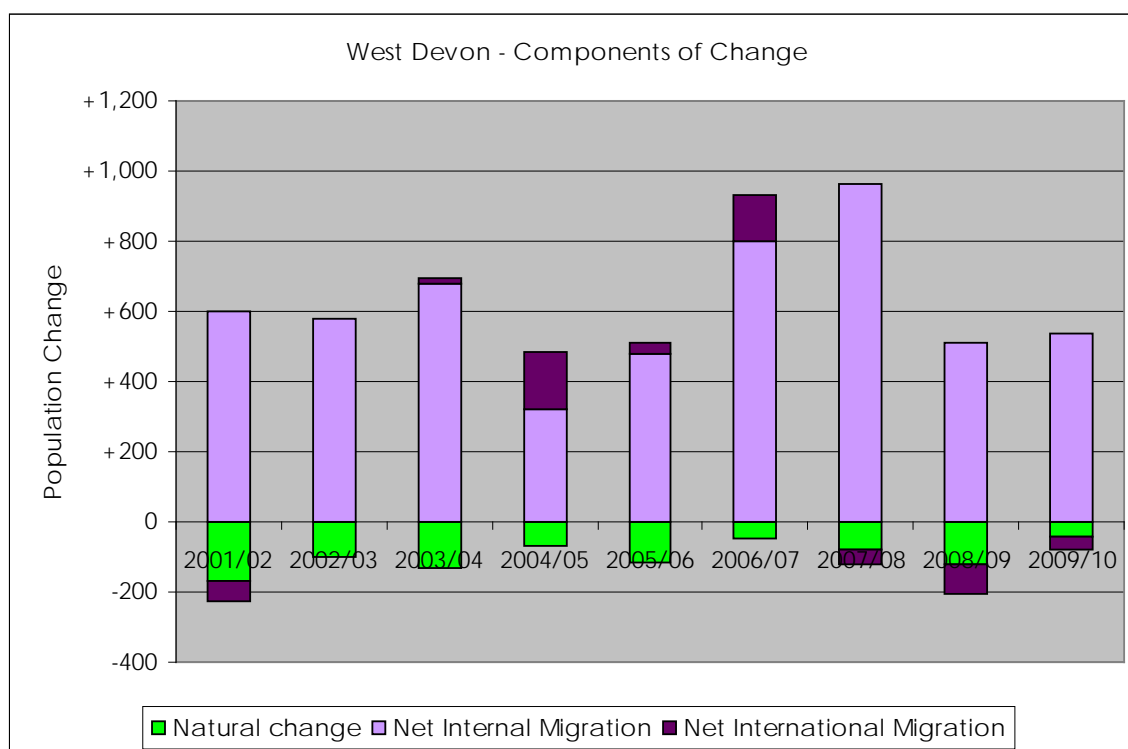
Figure 4.13: Components of Population Change South Hams 2001/02 – 2009/10



Source: ONS mid-year estimates, Edge Analytics, 2013

4.25 As with Cornwall population growth has primarily been driven in South Hams by internal migration flows. The net growth linked to this component has varied over the nine years considered with the last four years suggesting a reduction in the scale of net in-,migration, in particular compared to the period between 2003/04 – 2005/06. Natural change has consistently been negative reflecting the age profile considered earlier in the section with comparatively high proportions of older persons and lower numbers of younger working age people. International migration appeared to play a positive role in population growth up until 2006/-7 with subsequent years showing a net out-flow from this component.

Figure 4.14: Components of Population Change West Devon 2001/02 – 2009/10



Source: ONS mid-year estimates, Edge Analytics, 2013

4.26 Again West Devon’s population growth, similar to Cornwall and South Hams has been driven by strong net internal migration flows. These flows appeared to peak in 2007/08 and have subsequently dropped to levels comparable to the years preceding this peak. Natural change has consistently represented a negative component of change with international migration again showing more variance but with a clear outward flow seen over the period 2007/08 to 2009/10.

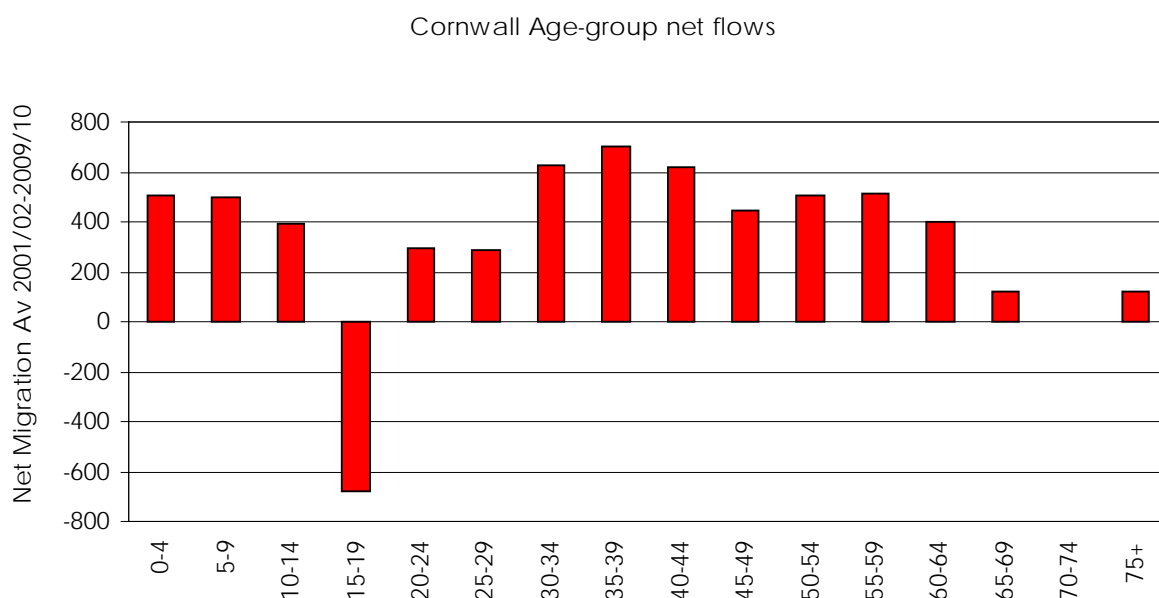
The Credit Crunch, the Recession and Implications

4.27 The impact of the credit crunch and recessionary climate is likely to have influenced a number of the changes to the impact of migration in particular from 2007 onwards. This is considered in more detail through the analysis of the economy in the second half of this section. Prior to this greater consideration is given to internal migration factors, including an understanding of the age of migrants and the spatial flows of people.

Considering Internal Migration

- 4.28 The analysis of the components of change has clearly indicated that internal migration flows have played a fundamental part in the growth of the populations of the authorities across the study area.
- 4.29 The ONS publishes additional detailed data underpinning the Mid Year Estimate (MYE) and projection datasets showing both the directional nature and the age profile of people moving.
- 4.30 The following charts show the average age of people moving in and out of each authority between 2001 and 2010.

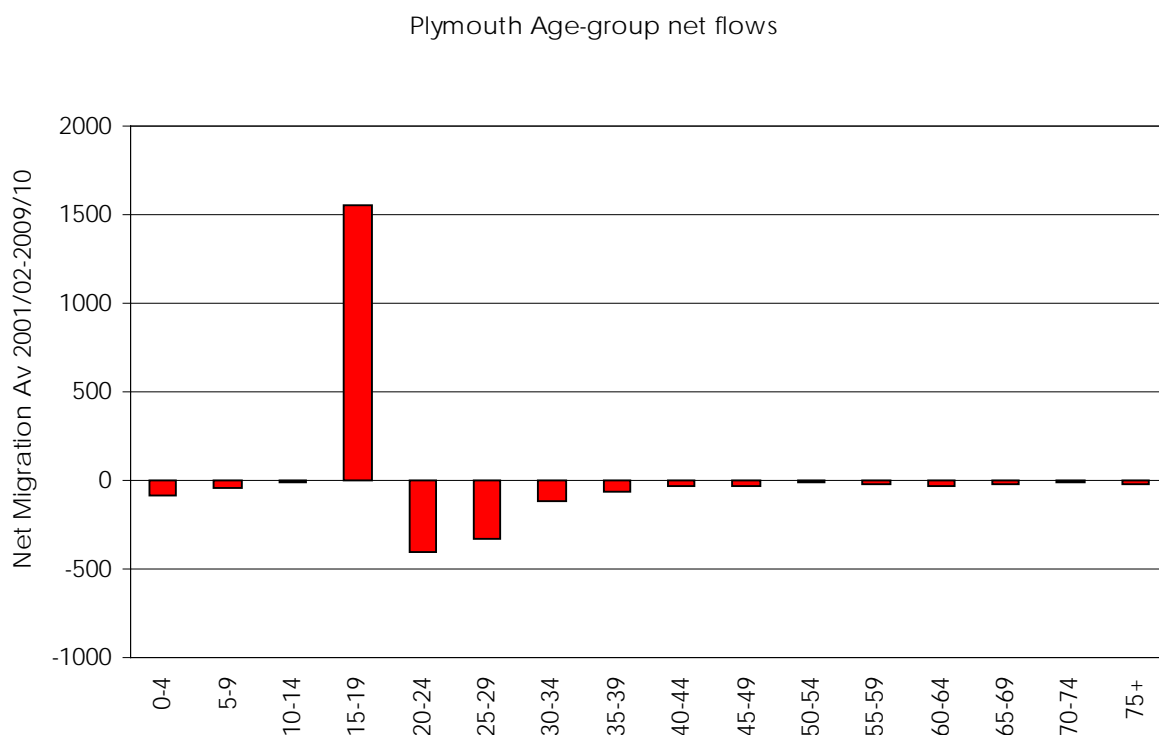
Figure 4.15: Age group net flows of internal migrants – Average 2001 – 2010 - Cornwall



Source: Edge Analytics, 2013

- 4.31 It is evident, that with the exception of the age group 15 – 19 Cornwall’s inflow of migrants span most age groups. There is a significant inflow of people aged between 30 and 64 (working age) who also serve to create an inflow of children. The flow out of those aged 15 – 19 reflects a movement of student aged populations to larger further and higher education establishments, including Plymouth and Exeter in the South West. This highlights the dynamic nature of the Cornwall population over the last ten years with regards the flow of people choosing to live in the area.

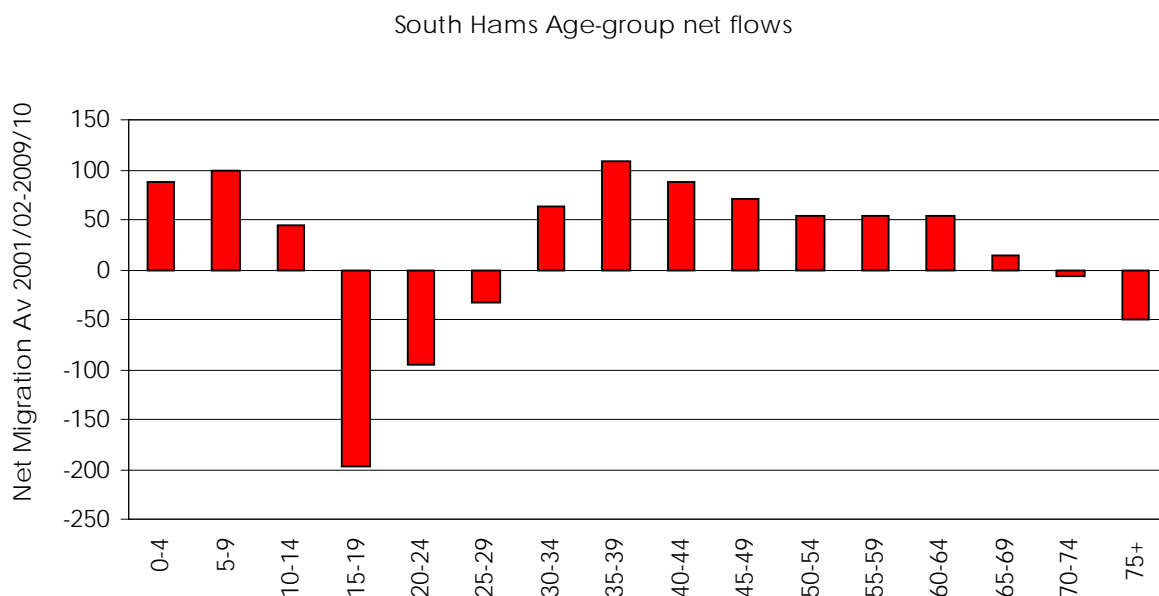
Figure 4.16: Age group net flows of internal migrants (persons) – Average 2001 – 2010 - Plymouth



Source: Edge Analytics, 2013

- 4.32 In direct contrast to Cornwall's migration by age chart Plymouth has only one age group where it has seen significant in-flows, that being those aged 15 – 19. This reflects the attraction of Plymouth University. Interestingly, as noted in the components of change analysis there is a net outflow of internal migrants from Plymouth. The analysis by age shows that this outflow is largely driven by younger working age households and people with this also reflected in a net outflow of young children. This suggests a relationship with Cornwall and the other authorities as shown in the charts below which is explored in more detail when looking at the spatial direction of movements.

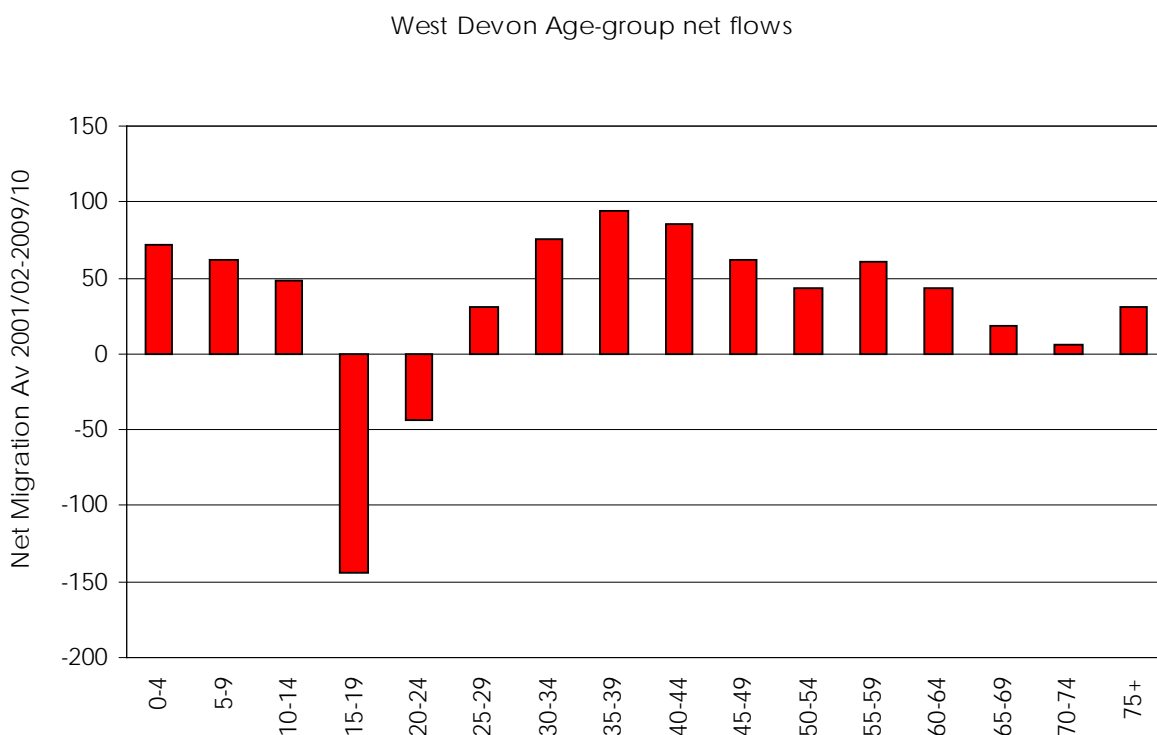
Figure 4.17: Age group net flows of internal migrants (persons) – Average 2001 – 2010 – South Hams



Source: Edge Analytics, 2013

- 4.33 South Hams age group migration flows more closely resemble Cornwall with a strong net out-flow of people aged 15 – 19 again reflecting the absence of further/ higher education choices in the authority. Interestingly though there is also a net outflow of people aged 20 – 29 with this likely to be linked to both the availability of employment opportunities compared to other proximate more urban areas and the comparative affordability of housing. As with Cornwall there is a strong net in migration of people aged 30 – 64 with this highlighting a desire for more mature working age households to locate to the area. There is a net outflow of people in the age groups of 70 years and more. This trend could be attributable to factors such as older people migrating out of the area to be closer to family members or due to care requirements.

Figure 4.18: Age group net flows of internal migrants (persons) – Average 2001 – 2010 – West Devon



Source: Edge Analytics, 2013

4.34 West Devon age profile migration chart shows very similar characteristics to the South Hams chart with an outflow of those aged 15 -25, although an inflow of those aged 25 – 29 perhaps linked to the slightly more affordable nature of stock and the relationship with areas of Plymouth examined later. Unlike South Hams there is a net inflow of people aged 75+ perhaps reflecting again the comparative affordability of stock.

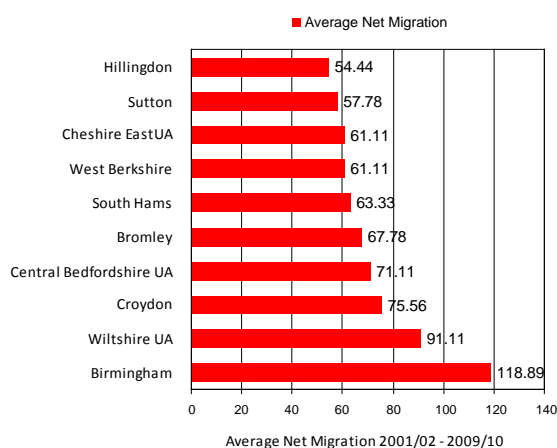
Internal Migration – Spatial Flows

4.35 As well as the scale and age profile of migration it is also important, in terms of understanding the spatial nature of housing markets, to understand the origin and destination of flows of people from each authority. The following analysis examines both gross in and out flows of people as well as the net flows. Analysis is undertaken using statistical local authority definitions due to the manner in which data is published by the ONS with comparable data therefore not being available for the Dartmoor National Park. Consideration is given to the implication of flows in and out of West Devon within the Dartmoor National Park Overview Report. Each local authority is considered in turn below.

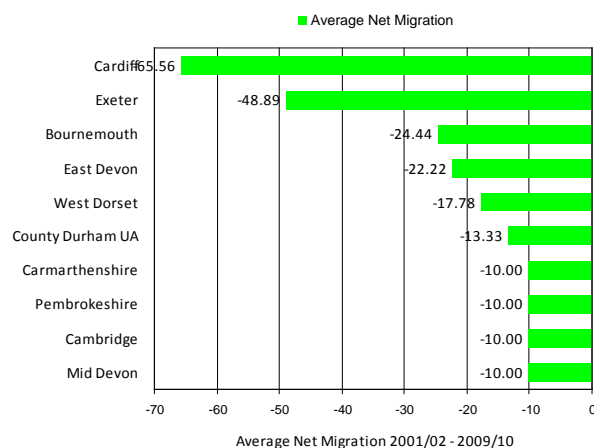
Figure 4.19: UK migration flows – Cornwall (Gross flows)

Top Ten Inflows		Top Ten Outflows	
average 2001/02-2009/10		average 2001/02-2009/10	
Plymouth	1,657	Plymouth	1,637
Bristol, City of	450	Bristol, City of	427
West Devon	389	West Devon	394
Torrige	361	Exeter	359
Wiltshire UA	361	Torrige	320
Exeter	310	Wiltshire UA	270
Birmingham	280	Cardiff	263
South Hams	274	East Devon	239
East Devon	217	South Hams	211
South Gloucestershire	210	Bath and North East Somerset	208

Average Net In Migration



Average Net Out Migration



Source: Edge Analytics, ONS, 2013

- 4.36 The analysis of migration flows uses data which precedes the creation of the Cornwall Unitary authority and therefore data for Cornwall and the other authorities includes references to former local authority districts.
- 4.37 Looking firstly at the top ten net inflows it is clear that there are relationships with authorities outside of Cornwall. The largest net inflow over this period has been with Birmingham, with on average almost 120 persons per annum net. Other significant net inflows are from areas including Wiltshire, Croydon and Central Bedfordshire. These net flows are noteworthy as they largely suggest one-way flows as shown by the Gross flows with relatively few people moving from Cornwall to the identified local authorities.
- 4.38 Examining the Gross flows shows more clearly the strength of the relationships with the immediate areas with flows of people both ways. The top in and outflow in gross terms

are with Plymouth. This explains, at least in part, the contrasting age profile migration charts with this likely to include a significant outflow of student / younger persons from Cornwall into Plymouth and a flow the other way of working age people / households and their children¹⁴. Similar driving factors are likely to be at play with Bristol which has the second most significant in and out gross flows with Cornwall, noting that the scale of flow is about a quarter of the size of the flow with Plymouth.

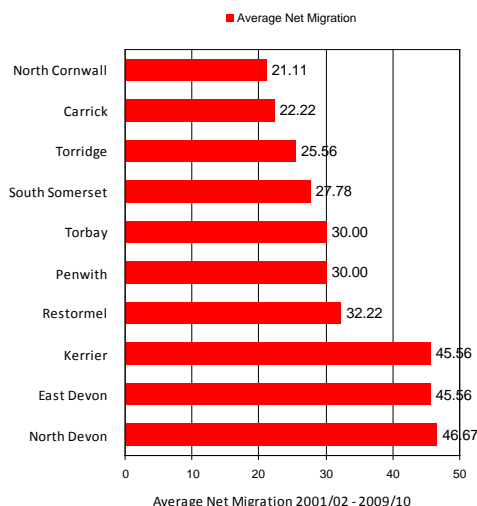
- 4.39 Notable flows are also evidenced with West Devon, showing an inter-relationship in housing market terms between the two authorities. The flows of people in and out of South Hams are less significant suggesting a weaker relationship between the two areas.

¹⁴ Note: Investment in the higher education offer in Cornwall made over the last three years will potentially lead to greater levels of population retention in the 15-19 years age group in future years. Such changes, attributable to capital investments, will not necessarily be reflected in the trend based data presented in this report.

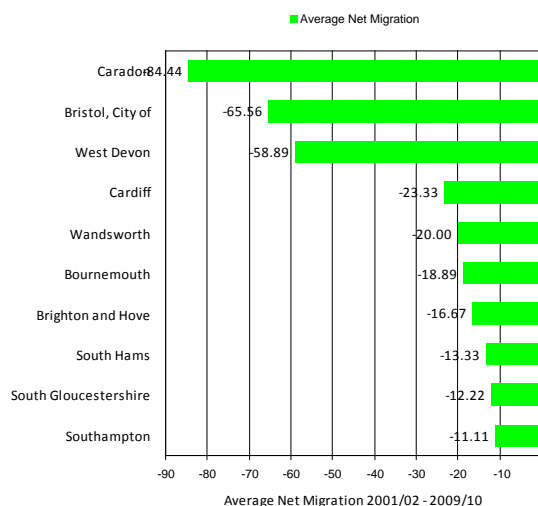
Figure 4.20: UK migration flows – Plymouth(Gross Flows)

Top Ten Inflows		Top Ten Outflows	
average 2001/02-2009/10		average 2001/02-2009/10	
South Hams	972	South Hams	986
Caradon	613	Caradon	698
West Devon	294	West Devon	353
Exeter	249	Bristol, City of	296
Torbay	239	Exeter	256
Bristol, City of	230	Torbay	209
Teignbridge	196	Teignbridge	188
East Devon	179	South Gloucestershire	160
North Devon	166	North Somerset	144
North Somerset	154	East Devon	133

Average Net In Migration



Average Net Out Migration



Source: Edge Analytics, ONS, 2013

- 4.40 In considering the flows in and out of Plymouth it is important to note that the scale of flows into Cornwall is underplayed as a result of it being split into the former local authority districts. The former district of Caradon shows a significant gross in and out flow with Plymouth with the other former districts of Cornwall showing smaller individual flows but based on the analysis of the flows in Plymouth clearly cumulatively represent an important dynamic.
- 4.41 Gross in and out flows are strongest with South Hams, with this likely to reflect the location of settlements in on the border of the two authorities in particular. Gross flows are also significant with West Devon although they are around a third of the size of flows with South Hams. These flows again explain the contrasting age profile migration charts with a large amount of the inflows into Plymouth from these two authorities

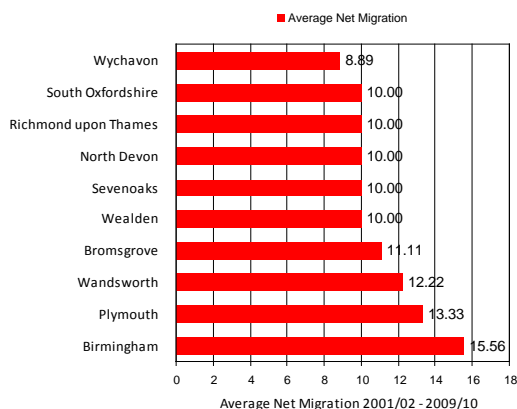
likely to include student / younger persons moving for educational and/or employment / affordable housing reasons. The flows the other way represent the aspiration of many households to live in the smaller urban /rural areas with the housing market area clearly spanning all three authorities in terms of the movement of people.

4.42 The net flows again show the wider relationships with larger urban conurbations outside of the immediate study area with strong outflows to both Bristol and Cardiff, Bournemouth and Brighton and Hove. Net inflows are more strongly influenced by other parts of Devon showing the inter-related nature of the housing market across much of the South West.

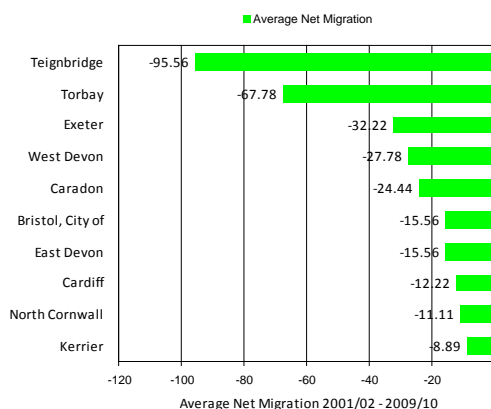
Figure 4.21: UK migration flows – South Hams (Gross Flows)

Top Ten Inflows		Top Ten Outflows	
average 2001/02-2009/10		average 2001/02-2009/10	
Plymouth	986	Plymouth	972
Torbay	404	Torbay	472
Teignbridge	333	Teignbridge	429
Bristol, City of	102	Exeter	120
West Devon	90	West Devon	118
Exeter	88	Bristol, City of	118
East Devon	72	Caradon	94
Caradon	70	East Devon	88
Birmingham	47	Cardiff	53
Bath and North East Somerset	44	Bath and North East Somerset	47

Average Net In Migration



Average Net Out Migration



Source: Edge Analytics, ONS, 2013

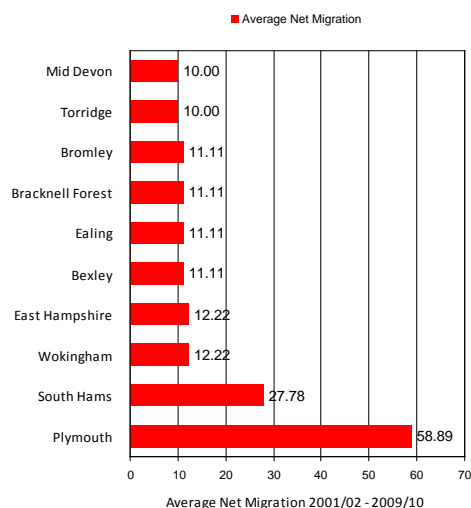
4.43 As noted in the analysis of Plymouth, South Hams has a significant relationship with the City and surrounds. This flow is relatively balanced in net terms. Interestingly the gross flows show a relatively weak relationship with West Devon with less than a 100 people moving from South Hams to West Devon and a slightly larger flow the other way.

4.44 Examining the net flows, as with Cornwall there is evidence of the impact of flows of people in from other parts of the UK. Again Birmingham shows the highest net inflow into the area with approximately 16 people moving in per annum in net terms. Overall the net inflows are relatively small. The net outflows are slightly larger in scale with stronger relationship with authorities to the east, namely Teignbridge, Torbay and Exeter. This highlights the importance of linkages with the authorities to its east, as well as with the other authorities in the study area.

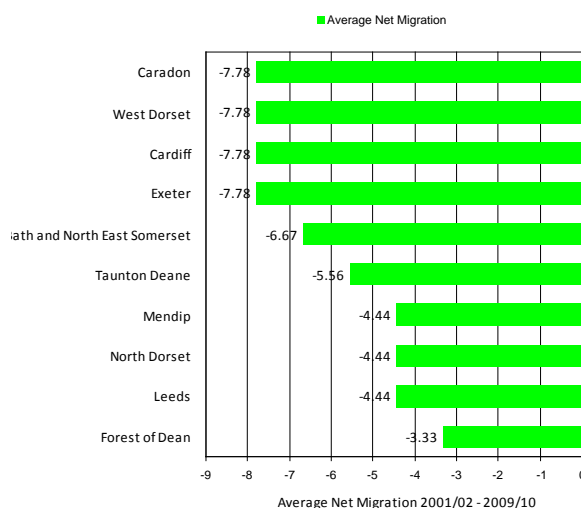
Figure 4.22: UK migration flows – West Devon(Gross Flows)

Top Ten Inflows		Top Ten Outflows	
average 2001/02-2009/10		average 2001/02-2009/10	
Plymouth	353	Plymouth	294
Torridge	136	Caradon	130
Teignbridge	128	Torridge	126
Caradon	122	Exeter	121
South Hams	118	Teignbridge	120
Exeter	113	North Cornwall	111
Mid Devon	110	Mid Devon	100
North Cornwall	110	South Hams	90
East Devon	71	East Devon	72
Bristol, City of	44	Bristol, City of	47

Average Net In Migration



Average Net Out Migration



Source: Edge Analytics, ONS, 2013

4.45 Finally the analysis of West Devon reinforces a number of the relationships highlighted with the other authorities. The strong relationship with Plymouth is highlighted through the scale of gross in and out flows as well as the considerably weaker relationship with South Hams.

- 4.46 The only significant net inflows are with Plymouth and South Hams. This reinforces the role of internal migration in driving population change in the authority and the importance of the comparative balance of demand and supply for housing from these two authorities. In terms of net outflows the flows are notably smaller with all net flows less than 8 people on average from an authority.

Households

- 4.47 Household numbers are directly related to housing stock and the supply of housing. Examining the change in household numbers is therefore a critical element of assessing the dynamics of the housing market.

Household Change and Current Structure

- 4.48 An increase in population in all of the authorities has also been reflected in an increase in the number of households. This is illustrated in the following table which compares the number of households in each authority as recorded through the 2001 and 2011 Census.

Figure 4.23: Change in Household Numbers 2001 – 2011

Authority	Total households		Change in Households 2001 - 2011	% Change 2001 - 2011
	2001 Census	2011 Census		
Cornwall	214,815	230,389	15,574	7.2%
Plymouth	102,540	109,307	6,767	6.6%
South Hams	34,810	36,858	2,048	5.9%
West Devon	20,188	22,725	2,537	12.6%
Dartmoor National Park	n/a	14,245	n/a	n/a

Source: ONS Census 2001 / 2011

- 4.49 The table shows that all of the authorities have seen a growth in households over the ten year period. In proportionate terms West Devon has seen the largest growth, almost 13%, which is more than double the rate of growth seen in both Plymouth and South Hams. The proportionate changes are significant in that they are higher than the comparable figures for the change in population shown in figure 4.1. This is the result of a general trend to reduced housing sizes linked to an ageing population, an issue considered in the next section looking at changing household sizes.
- 4.50 In absolute terms Cornwall has seen the largest growth in households, with almost 15,600 new households forming over this ten year period, or on average 1,560

households per annum. Plymouth has seen on average a growth of 680 households per annum, South Hams 205 and West Devon just over 250 per annum on average.

4.51 Using Parish geographies, as with data presented in this section and section 3 the distribution of households within West Devon and South Hams and the Dartmoor National Park has been estimated. This is shown in the following table.

Figure 4.24: Distribution of Households within and outside the National Park in South Hams / West Devon

2011 Census Analysis	South Hams (excluding Dartmoor National Park)	South Hams (within Dartmoor National Park)	West Devon (excluding Dartmoor National Park)	West Devon (within Dartmoor National Park)
Total Households	34,511	2,347	16,580	6,145
% of Authority	93.6%	6.4%	73.0%	27.0%

Source: 2011 Census

4.52 Within South Hams, the distribution is similar to the population split with just 6.4% of households within the authority located in the National Park. Within West Devon the proportion is considerably higher with approximately 27% of households in the Dartmoor National Park area.

4.53 The 2011 Census also provides an indication of the average size of households. This information is compared with the 2001 Census in the following table. Household Size in 2011 has been calculated as follows using Census 2011 data:

- Household Size = All usual residents living in a household / All household spaces with at least one usual resident

4.54 The results of this calculation are shown at Figure 4.25. It should be noted in interpretation of these figures that household size is not the determinant of household formation, with household formation being influenced by “headship rates”¹⁵.

¹⁵ Note: A Headship Rate identifies the percentage of each age-sex population category that are ‘head’ of a household. Headship rates by age and sex are applied to the population by age and sex to derive a total number of households (by household type).

Figure 4.25: Changing household size 2001 / 2011

	Plymouth	Cornwall	South Hams	West Devon
2001 Census	2.29	2.28	2.29	2.34
2011 Usual Resident Population in Households	251,100	523,400	81,800	51,900
2011 Occupied Household Spaces	109,307	230,389	36,858	22,725
2011 Census derived household size	2.29	2.27	2.21	2.28
Change 2001-2011	0.01	-0.01	-0.07	-0.06

Source: 2001, 2011 Census

- 4.55 Across all local authorities, average household sizes have been relatively constant over the 2001-2011 period, with changes ranging from 0.01 to 0.07 persons over the period. However, this stability in average household size needs to be understood in the context of prevailing market and economic conditions, particularly in the four years preceding the Census 2011 date. This period has been generally characterised by a deep period of recession, sluggish income growth and limited net new employment opportunities. On the housing supply side, the same period has been characterised by low levels of private completions and a reduction in affordable housing funding and ergo new supply. The combination of these trends has meant that many households have been unable to form during this period for reasons of affordability and confidence, with a resultant concealment trend a likely contributor to rising average household size. Caution therefore needs to be applied in the interpretation of rising household sizes on their own as a leading indicator for housing demand, as these data do not provide an indication of the propensity or likeliness of

households to form in the future and in the context of improved economic and supply side conditions.

- 4.56 Where average household sizes have fallen at the top end of the range identified above (ie. South Hams and West Devon) a contributory factor is likely to be the ageing of the population over this period as evidenced earlier in this section with older person households generally forming single or couple households.

Economic Drivers of Change

- 4.57 The relative health of the economy has an important relationship with population and housing market dynamics. Firstly, as noted previously within this section the availability of employment opportunities can serve as an important motivating factor for people choosing to migrate between different areas. Secondly, since employment status is linked to a households available income to spend on housing costs, this has an important bearing again on choices exercised by households around moving house and the location, type and tenure of housing they select.
- 4.58 The table below shows the changing numbers of jobs (total employment expressed in Full Time Equivalent jobs) in each authority. It should be noted that comparable data is not available to disaggregate employment data to within and outside of the National Park area over the period 2001 to 2010. Data is also presented for 2007 as this represents a pre-recession base date for employment which followed a period of sustained economic growth across England. This data is sourced from up-to-date economic forecasting data made available by each authority.

Figure 4.26: Changing employment levels 2001 – 2010

Authority	Total Employment					
	2001	2007	2010	Change 2001 – 2010	Average per annum 2001 - 2010	% Change 2001 - 2010
Cornwall	205,900	242,800	225,400	19,500	2,167	9.5%
Plymouth	126,672	127,101	119,840	-6,832	-759	-5.4%
South Hams	36,178	41,589	39,117	2,940	327	8.1%
West Devon	17,703	19,684	18,764	1,061	118	6.0%

Source: LEFM model (2012) for South Hams, West Devon and Cornwall, Oxford Econometrics model (2012) for Plymouth.

- 4.59 Analysis of total employment in the authorities between 2001 and 2010 highlights that, with the exception of Plymouth, all other authorities have seen an increase in jobs. In

terms of proportionate change Cornwall has seen the highest growth with South Hams also recording a high job growth rate. Cornwall's growth has included the addition of approximately 19,500 additional jobs over this nine year period or on average almost 2,200 jobs per annum. However it should be noted that the employment figures have fluctuated over time as demonstrated in Figure 4.26. It should also be noted that the changes in total employment do not reveal the quality of employment opportunities being created or wage potential. .

- 4.60 South Hams has also seen a substantial growth in jobs, with almost 3,000 new jobs created or approximately 330 new jobs per annum on average between 2001 and 2010. Again this is likely to have been an important factor in the high levels of net in-migration into the authority over this period. West Devon's growth of 6% is more modest but shows an increase of over 1,000 jobs over this period or approximately 120 new jobs on average per year, although even this more modest level of job growth is likely to have contributed to people attracted to move into the authority.
- 4.61 Plymouth has, over the period 2001 to 2010, seen a drop in levels of employment. Examining the level of employment in 2007, however, shows that prior to the recession the authority had seen a modest level of job growth with the impact of the national recession evidently having a significant impact on the authority.
- 4.62 Analysis of the levels of employment in the authorities in 2007 also reveals an even more positive picture of job generation. Comparing these two years shows that Cornwall had, over this six year period generated 36,900 additional jobs (over 6,000 per annum), South Hams just over 5,400 jobs (900 per annum) and West Devon almost 2,000 additional jobs (330 per annum). This highlights the economic success of these areas over the recent past.

Economic Futures

- 4.63 The above review of the economy has considered historical trends but it is also important to understand how the health of the economy of the authorities may change in the future.
- 4.64 The SHMA provides analysis of the future need for housing, with analysis in section 6 presenting a range of different population and household projections. In order to objectively assess need for housing the analysis in the SHMNA makes a distinction between the level of need and demand based on a continuation of trends and baseline economic futures.
- 4.65 The analysis in this section therefore presents the outputs of a series of economic projections sourced from the Local Authorities. These are intended to provide an indication of the future direction of economic change. In considering the projection

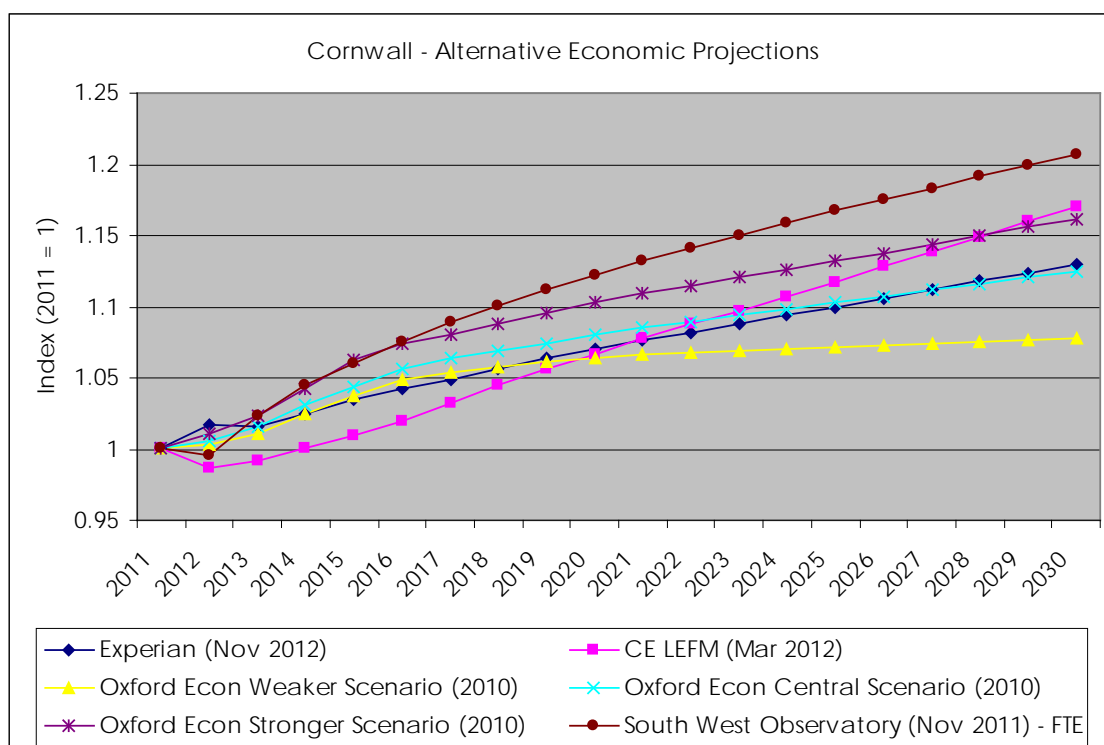
datasets it is important to acknowledge that they assess future change based on historic performance and the assessed relative comparative strengths of the economic structure of the area in the context of forecast changes to UK wide economic sectors. The projections do not claim to integrate planned policy interventions and/or undefined programmes or projects of economic investment. They do however, represent a good starting point in understanding the potential of the economy and the potential impact this will have on changing population and household growth.

4.66 The following economic projections have been provided to the research team or are directly available to GVA:

- [Experian UK Local Markets Bi-annual – November 2012 \(all authorities\)](#)
- [Cambridge Econometrics LEFM model – March 2012 \(Cornwall, South Hams, West Devon\)](#)
- [Heart of the South West LEP Oxford Economics – 2012 \(Plymouth, South Hams, West Devon\)](#)
- [South West Observatory \(Experian\) – November 2011 \(Plymouth and Cornwall\)](#)
- [South West Observatory \(Experian\) – November 2010 \(Plymouth and Cornwall\)](#)
- [South West Observatory \(Experian\) – Spring 2010 \(Plymouth and Cornwall\)](#)
- [Oxford Economics \(Three Scenarios – Weaker, Central and Stronger\) produced for the region – 2010 \(Plymouth and Cornwall\)](#)

4.67 The following pages include charts showing the projected change in jobs for each authority using the forecasts available. The section then concludes with a table showing the forecast change in jobs between 2011 and 2031 for the latest sets of forecasts produced for each authority. Projections have been indexed to remove any discrepancies in the estimation of job numbers in 2011 and to indicate comparative rates of change.

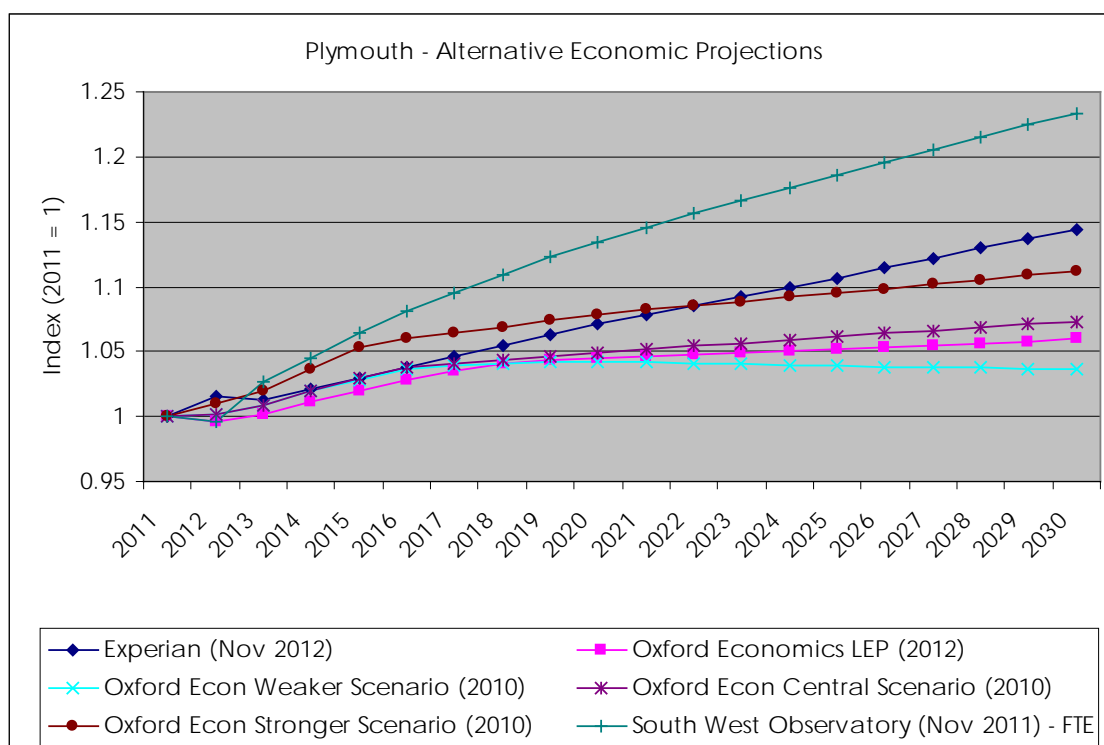
Figure 4.27: Range of Economic Projections – Cornwall



Source: Experian, 2013, Cambridge Econometrics, 2012, Oxford Economics, 2010, South West Observatory, 2011

4.68 It is evident that the different economic projections show a range of levels of growth for the Cornwall economy. The two latest forecasts, Experian and Cambridge Econometrics (CE) LEFM, both show a strong growth. Experian shows a slightly weaker overall employment growth to the CE projection with the projections varying from around 2020. The South West Observatory (2011) shows the highest forecast level of growth with this contrasting significantly with the lowest level of job growth projected under the Oxford Economics Weaker Scenario produced back in 2010. Overall it is evident that the projections show a relatively strong level of job growth, reflecting the recent historic performance of the authority.

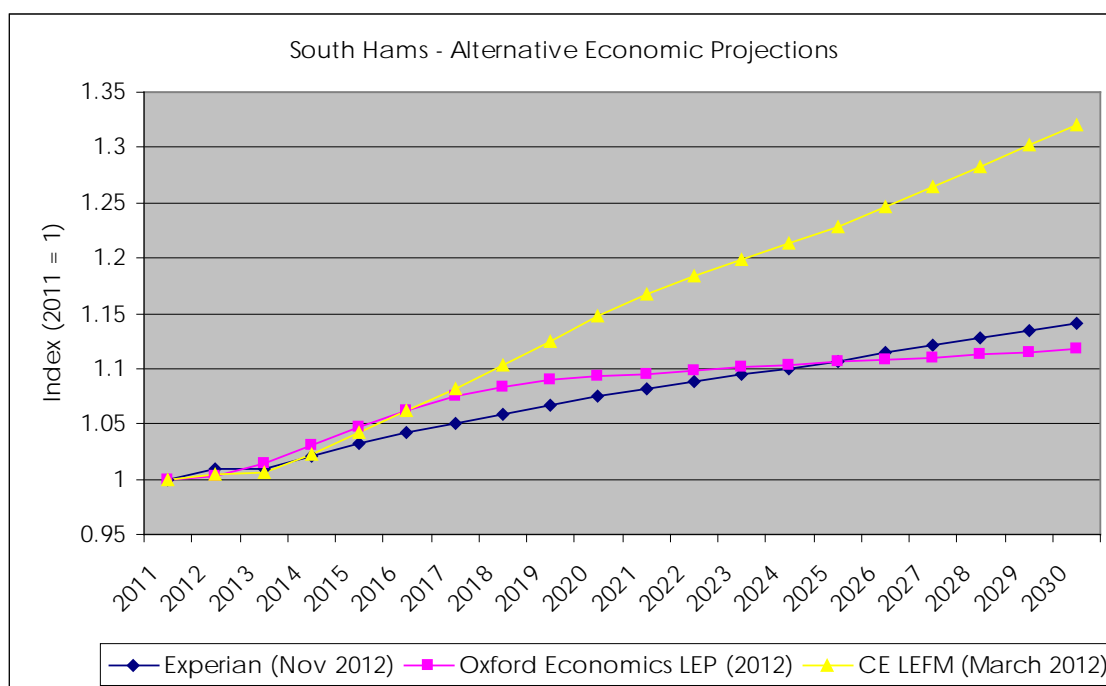
Figure 4.28: Range of Economic Projections –Plymouth



Source: Experian, 2013, Oxford Economics, 2012, Oxford Economics, 2010, South West Observatory, 2011

- 4.69 Plymouth’s economic projections, with the exception of the South West Observatory dataset, show a comparatively high level of consistency, all showing a departure from recent historic performance and showing an increase in jobs over this period.
- 4.70 The most recent Experian projections show the highest level of forecast job growth with the Oxford Economics projections also produced in 2012 showing a slightly more modest increase in employment. The Oxford Economic projections produced back in 2010 intersperse the more up-to-date forecasts with the weaker scenario in particular showing a differing trend of job reductions from around 2019.

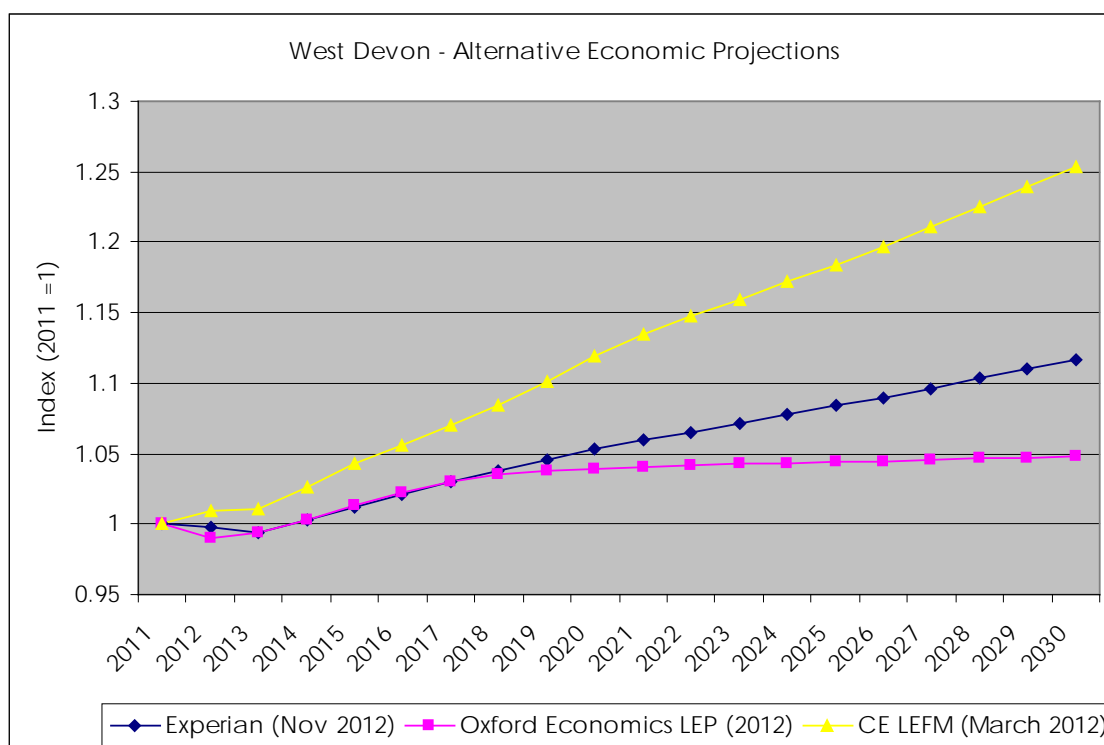
Figure 4.29: Range of Economic Projections – South Hams



Source: Experian, 2013, Oxford Economics, 2012, Oxford Economics, 2010, Cambridge Econometrics, 2012

4.71 The three projections for South Hams all date from 2012, although at different points through the year. The projections by Experian and Oxford Economics both show a moderate level of job growth, with the exact phasing of this pace of growth varying slightly between the projections. In contrast the Cambridge Econometrics projection suggests a far higher rate of growth in employment than the other two forecasting houses. This notable difference represents differing assumptions around the drivers of the economy in the future with CE suggesting that growth will be driven by an increase in labour and the other projections suggesting that increased productivity (higher value employment growth) will be the generator of increased economic output.

Figure 4.30: Range of Economic Projections – West Devon



Source: Experian, 2013, Oxford Economics, 2012, Oxford Economics, 2010, Cambridge Econometrics, 2012

- 4.72 The same projections are presented for West Devon as for South Hams. These show a similar picture with all of the projections showing a positive level of job growth in the future but with a notable divergence between the Cambridge Econometrics projections and the other two projections.
- 4.73 The following table brings together this analysis to show the absolute projected changes in employment in each authority. Rather than presenting all of the projections, two have been selected for each authority. Focus has been placed on the most up-to-date datasets. In order to ensure some consistency across the area the Experian datasets are presented as they are the only set which are available for all four authorities. For West Devon and South Hams the Cambridge Econometrics projections are compared against the Experian projections as they represent a differing picture of economic growth in the authorities and are currently being utilised by the Councils to inform other elements of the evidence base.

Figure 4.31: Range of Selected Economic Projections

Authority / Economic Projection	Projected Employment (Jobs)		Projected Change 2011 - 2031	Annual average per annum 2011 - 2031
	2011	2031		
Cornwall				
Experian	226,940	257,740	30,800	1,540
Cambridge Econometrics (LEFM)	218,600	258,300	39,700	1,985
Plymouth				
Experian	120,210	138,470	18,260	913
Oxford Economics	115,785	122,888	7,102	355
South Hams				
Experian	39,760	45,630	5,870	294
Cambridge Econometrics (LEFM)	38,863	52,028	13,165	658
West Devon				
Experian	18,330	20,570	2,240	112
Cambridge Econometrics (LEFM)	17,843	22,607	4,764	238

Source: Experian, 2013, Oxford Economics, 2012, Cambridge Econometrics, 2012

4.74 Comparing the levels of projected growth against historic employment job growth in each authority suggests:

- The projections for Cornwall suggest a level of per annum job growth in the authority which is slightly lower than that seen, on average, over the period 2001 – 2010 and substantially below the rate of job growth pre-recession;
- In Plymouth the projections suggest a substantial departure from historic employment trends with growth of between 400 and 900 jobs per annum. This compares with a period of job losses on average between 2001 and 2010 and is notably higher than the pace of job growth seen even pre-recession;
- A projected increase of between 200 and 660 jobs per annum in South Hams. On average between 2001 and 2010 the authority saw an increase of around 330 jobs per annum with the projection providing a range either side of this. The projections do not suggest a comparable increase in jobs as seen pre-recession (ie. 2001-2007); and
- A projected growth of approximately 110 to 240 jobs per annum on average in West Devon. Historic job growth between 2001 and 2010 was around 120 jobs per year on average which is at the bottom end of this range, although the projections do not as with the other authorities suggest a return to pre-recession levels of job growth.

- 4.75 The potential implications of these levels of jobs growth on future population dynamics are considered in more detail within section 6.

Travel to Work / Commuting

- 4.76 The relationship between work and home is played out on a daily basis and is able to be measured through commuting patterns. This represents an important linkage between the two key drivers of change considered within this section, demography and economics.
- 4.77 The encouragement of sustainable lifestyles and a reduction in the use of energy requires a shortening of commuting journeys and by default an increase in the level of containment of the labour force. This is an important consideration therefore in planning to match economic growth aspirations with the housing offer, with the latter playing an important defining role in achieving wider sustainability objectives.

Commuting Ratios

- 4.78 Journey to work statistics from the 2001 Census provide the most detailed evidence (until the release of 2011 Census data anticipated in October 2013) of the labour market within the study area.
- 4.79 Using 2001 Census data, the assumption for calculating a commuting ratio for an authority is based on the following:

Commuting Ratio = Employed Residents in Area / Jobs in the Area

= [(live and work in e.g. Cornwall) + (live in e.g. Cornwall, work elsewhere)] / jobs in area

- 4.80 The following table displays the calculated commuting ratios for each of the authorities based on 2001 Census data:

Figure 4.32: Commuting Ratios

Authority	Census 2001		
	Total Workers	Total Jobs	Commuting Ratio
Cornwall	216,297	204,276	1.06
Plymouth	108,379	116,197	0.93
South Hams	37,390	38,599	0.97
West Devon	22,213	18,624	1.19

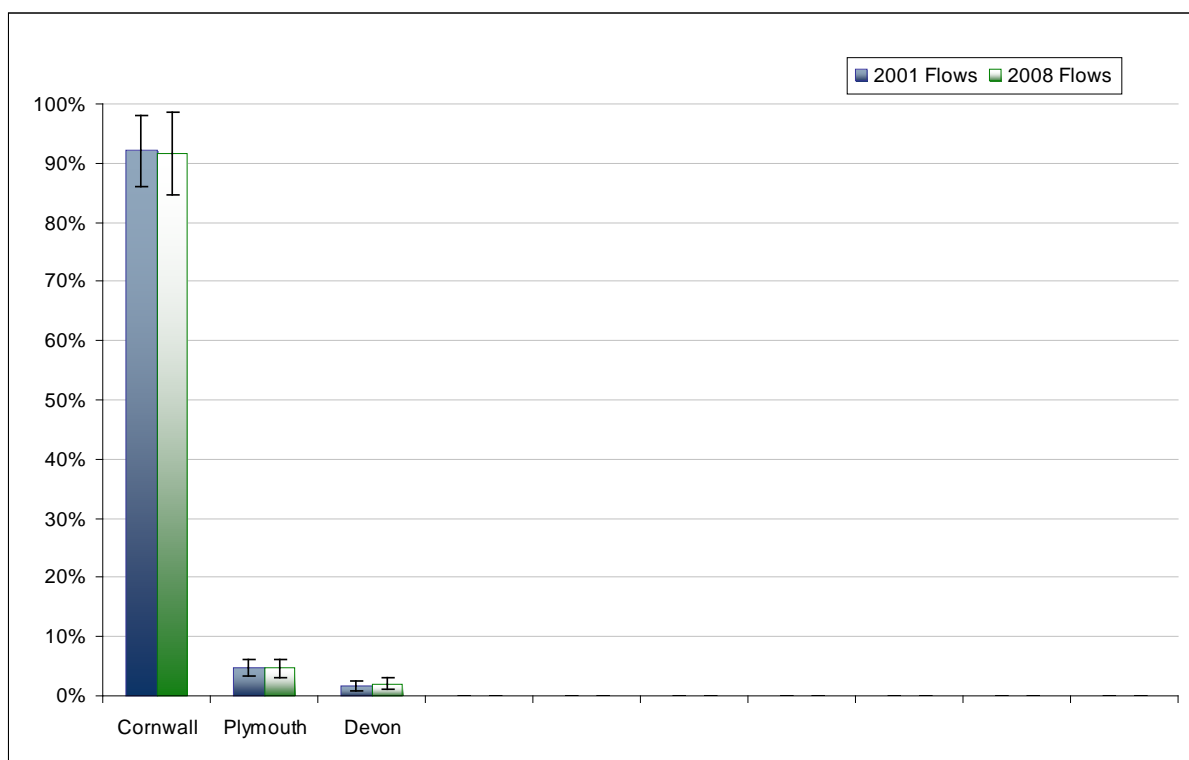
Source: 2001 Census, Edge Analytics, 2013

- 4.81 The analysis shows that both Cornwall and West Devon were in 2001 net exporters of labour. In contrast Plymouth and to a lesser extent South Hams are net importers of

labour. It is important to note that this analysis considers net flows i.e. the total effect of flows in and out. The overall commuting pattern is more complex in terms of where people travel to and from. For example an area with a commuting ratio of 1 will still have a significant flow of commuters in and out but the total net flows cancel one another out.

4.82 In considering the travel to work data it is important to understand the flows of commuters between different authorities. The following charts draw on ONS published 2008 updated travel to work statistics which are built upon a partial sample (using the Labour Force Survey), with the 2001 Census data also included for reference, to show where the residents of each authority work.

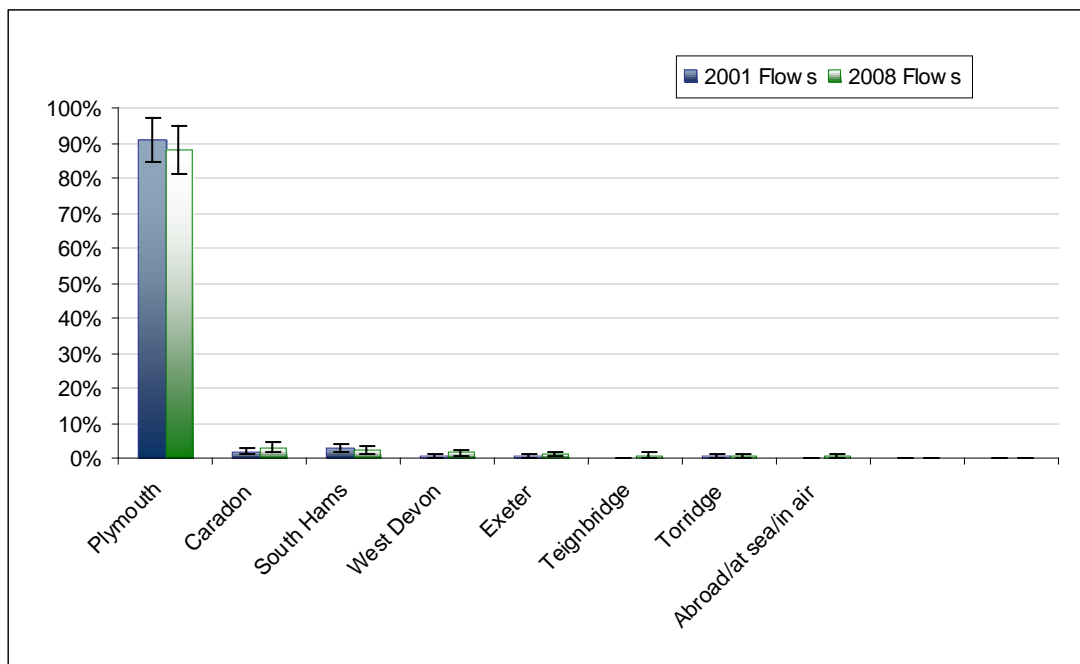
Figure 4.33: Local authority of work for Cornwall Residents – Largest Flows



Source: ONS Commute APS model, 2010 (Labour Force Survey)

4.83 It is evident that Cornwall has a high level of self-containment with over 90% of people within the authority living and working there. Other commuting links are primarily with Plymouth and to a lesser extent Devon (noting this is the County area).

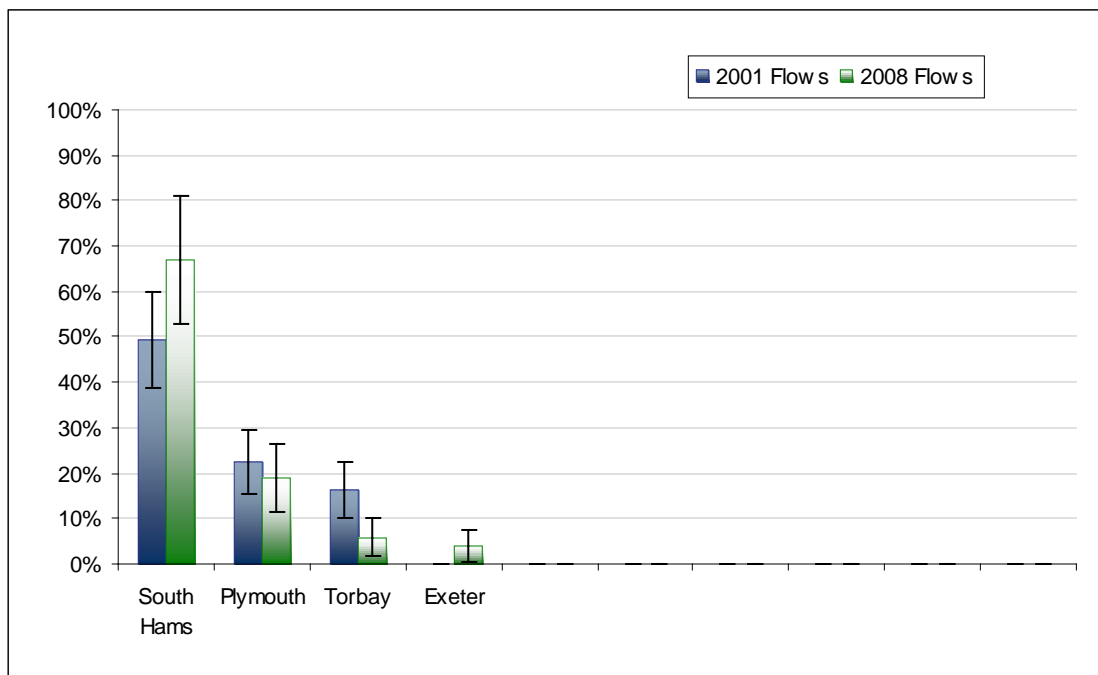
Figure 4.34: Local authority of work for Plymouth Residents – Largest Flows



Source: ONS Commute APS model, 2010 (Labour Force Survey)

4.84 For a constrained urban area Plymouth has a very high level of self-containment with almost 90% of people living and working within the authority. People who do travel out generally go to Cornwall (Former district of Caradon), South Hams, West Devon and Exeter. This reinforces the spatial geographies of the study area and the inter-relationships between the four authorities, with commuting relationships also to the east.

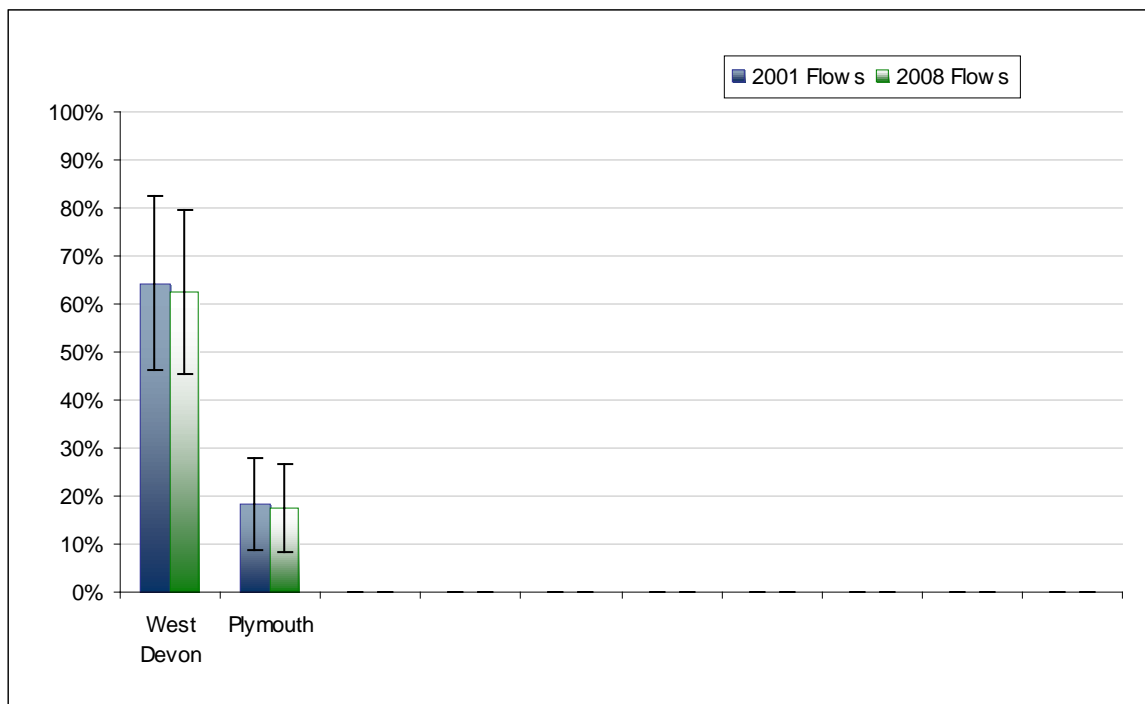
Figure 4.35: Local authority of work for South Hams Residents – Largest Flows



Source: ONS Commute APS model, 2010 (Labour Force Survey)

4.85 South Hams shows a far lower level of self-containment. There is a strong flow of people travelling out to work in Plymouth and to a lesser extent Torbay. The analysis from 2008 suggests a slightly growing relationship with Exeter.

Figure 4.36: Local authority of work for West Devon Residents – Largest Flows



Source: ONS Commute APS model, 2010 (Labour Force Survey)

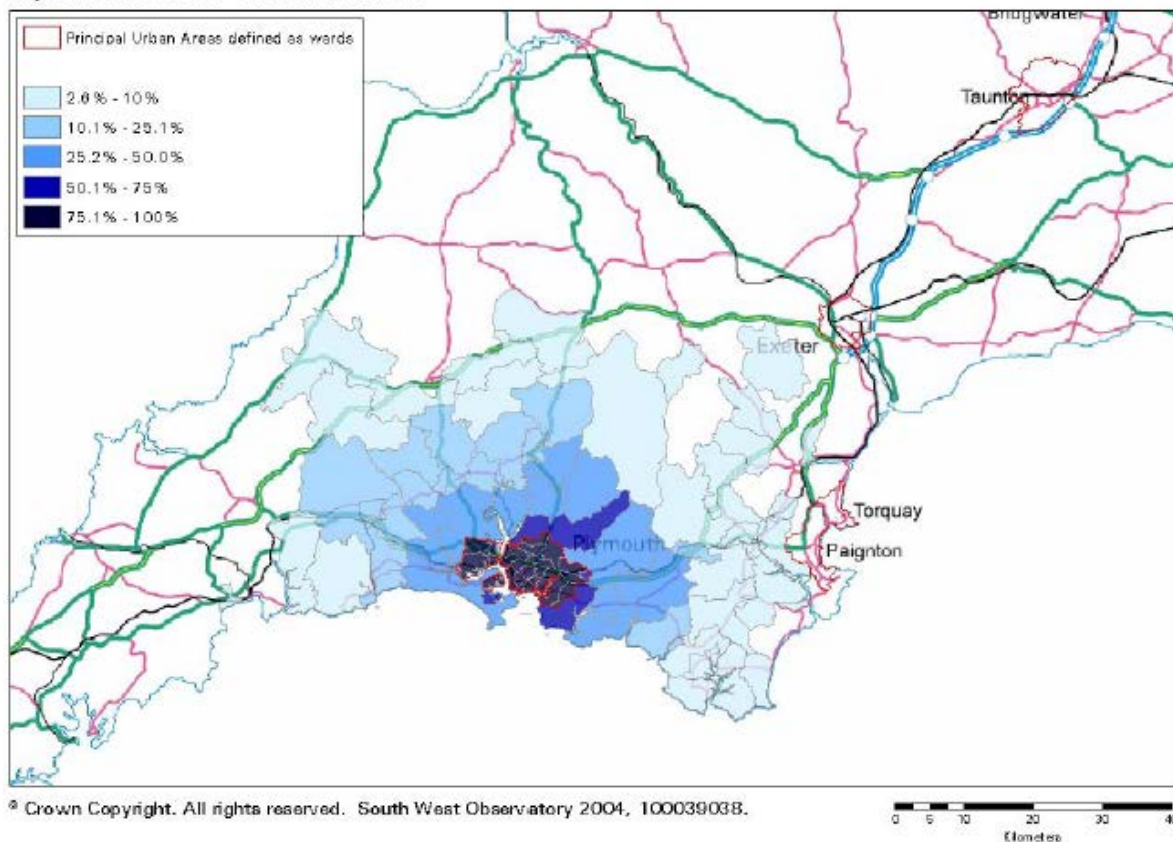
4.86 As with South Hams, West Devon has a comparatively low level of self-containment in commuting terms. The only significant flow for residents out of the authority is into Plymouth, reinforcing the analysis within this section which has highlighted the important relationship between these two authorities.

Spatial Analysis of Travel to Work Flows

4.87 In 2005 The South West Observatory undertook local spatial analysis of travel to work flows of the major conurbations in the region using Census 2001 data. The following plan extracted from this work shows the travel to work 'zone of influence' of Plymouth.

Figure 4.37: Plymouth Zone of Influence – Travel to Work

Plymouth Zone of Influence.

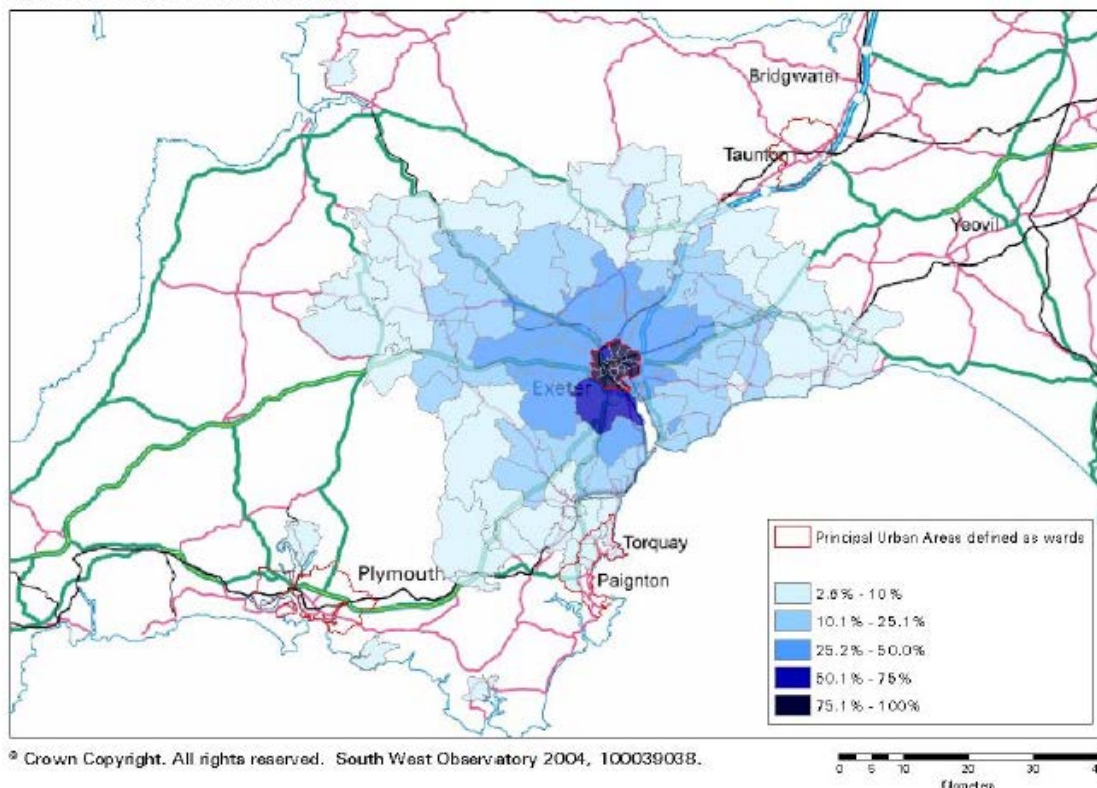


Source: Extracted from the South West Observatory 'Travel to Work Mapping', (2005), Census 2001

- 4.88 This reinforces the analysis in the charts above and shows the outward spread of the commuting zone of influence out from a core focus around the urban area into in particular parts of South Hams around the edge of the Plymouth authority area. It is evident that the zone of influence extends into the eastern parts of Cornwall as well as stretching north into West Devon.

Figure 4.38: Exeter Zone of Influence – Travel to Work

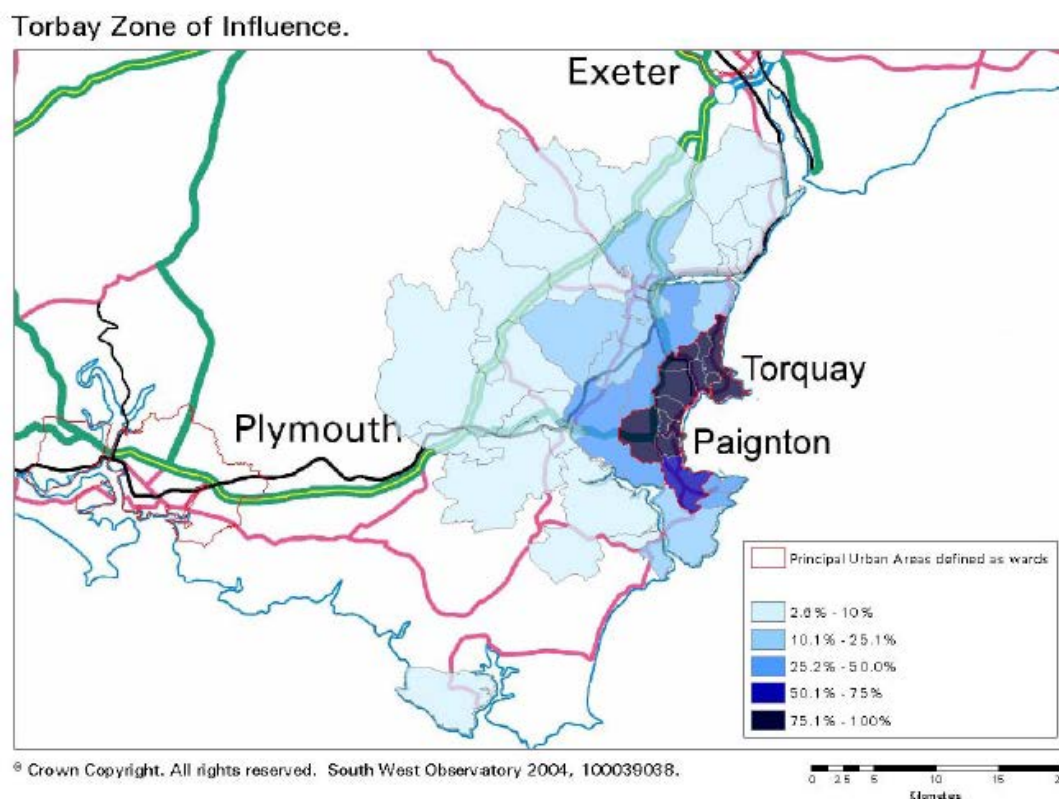
Exeter Zone of Influence.



Source: Extracted from the South West Observatory 'Travel to Work Mapping', (2005), Census 2001

4.89 As the analysis above shows there is a slight overlap in terms of Exeter's commuting zone of influence into South Hams. This only really extends into the eastern parts of the authority. It should also be noted that Exeter's commuting zone also extends to cover the Okehampton area

Figure 4.39: Torbay Zone of Influence – Travel to Work



Source: Extracted from the South West Observatory 'Travel to Work Mapping', (2005), Census 2001

- 4.90 Again the Torbay zone of influence illustrates the encroachment of the commuting area from Torbay into South Hams, reinforcing the relationship of certain parts of the authority to larger centres to the east.
- 4.91 Further consideration is given to the impact of the travel to work spatial dynamics on the existence of sub-markets within South Hams, West Devon and the Dartmoor National Park within the respective Overview Reports.
- 4.92 Analysis of 2011 Census based travel to work data will be undertaken as part of the monitoring process for the SHMNA.

Bringing the Evidence Together

- 4.93 This section has explored the fundamental drivers of the housing market, looking at both demographic and economic factors. The conclusions of this analysis present key informing factors in relation to future housing needs. Key findings from this section are set out below:

- **Recent Population Change** – According to ONS data all of the authorities have seen a growth in population between 2001 and 2011, with the exception of Dartmoor National Park. In proportionate terms West Devon has seen the largest growth in population, with a growth of almost 10%. Cornwall and Plymouth have also seen notable levels of growth, both over 6.5%, but South Hams only saw a 2.1% growth in its population over this period. With the exception of Plymouth the authorities have seen a further skewing of their populations towards older age groups. This is reflected in natural change (births minus deaths) showing a negative contribution towards population growth year-on-year in all three of these authorities and the opposite being true in Plymouth;
- **Migration** – In terms of the other significant demographic component of change, migration, year on year Cornwall, South Hams and West Devon have seen significant net inflows from internal migration. The scale of migration is particularly pronounced in Cornwall where, with the exception of 2008/09, the net flow has exceeded 4,000 people per annum. Plymouth, by contrast, whilst seeing a net inflow of migrants from the UK between 2001 and 2006 has seen a net outflow over more recent years, 2006 – 2010. The age profile of these UK migrants shows again a contrasting picture between Cornwall, South Hams and West Devon and Plymouth. The first three authorities have all seen a net out-flow of younger persons and a strong inflow of working age persons (and their children), whereas Plymouth has seen a strong inflow of younger persons, attracted by the University and comparatively affordable housing and an out-migration of older working households. The analysis of the spatial flows of people has reinforced the relationships between the authorities with these age dynamics having a bearing on the movement of people. The analysis also illustrated the flows of people from further afield in the UK with net inflows from the West Midlands and the South East into Cornwall, South Hams and West Devon in particular;
- **Changing household numbers** – The increase in population in each authority has been reflected in an increase in the number of households. Significantly in proportionate terms in all of the authorities, but in particular in South Hams and West Devon this growth has exceeded the growth in population with this reflecting a fall in average household sizes in these two authorities;
- **Recent economic trends** – Examining changing employment levels shows that Cornwall in particular has seen a very strong growth in its economy over recent years. Between 2001 and 2010 the authority saw the addition of approximately 19,500 jobs with this concealing the far greater increase up to 2007 prior to the recession. West Devon and South Hams also saw substantial increases in employment over this period with the impact of the recession again moderating high levels of job generation between 2001 and 2007. Plymouth, in contrast, has

seen a fall in employment levels between 2001 and 2010. This fall has been driven by a significant contraction in jobs post 2007 with the authority generating a modest level of employment prior to this event;

- **The economic future** – A number of economic forecasts have been sourced from the authorities to evaluate alternative economic futures, with changing employment levels evidently having an impact on population change linked to migration. These forecast all show an increase in employment across the authorities, albeit with some notable variances in terms of the scale of this growth. Two economic forecasts have been selected for each authority as showing up-to-date analysis of future growth in the economy and providing a range to assess the implications on future housing demand through population / household growth. The outputs of this modelling are included within section 6.

5. The Active Market

The final component of evaluating the current housing market requires an understanding of the actual cost of buying or renting a property, and the level of housing need which relates to the ability of households to access different tenures of housing.

The DCLG SHMA Guidance (2007) states that understanding house price change is key to understanding the housing market. It represents a direct indicator in relation to the supply and demand balance. For example, at a basic level, where demand is lower than supply the price will fall; where demand is higher than supply, the price will rise. While this formula is overly simplistic and in reality house price levels are influenced by a complexity of factors, the economic downturn has illustrated the vulnerability of the dynamics of the market to external factors, including the availability of mortgage finance and the attitudes of lenders.

This section therefore concludes the assessment of the current housing market through a summary assessment of a number of key indicators.

- 5.1 The significant changes to the housing market, in terms of property sales and prices, have been well documented over recent years. A wealth of information and publications exist and continue to be produced providing detailed analysis of the operation of the housing market. This section examines a number of key indicators and draws together the evidence to focus on the impact market changes have had on the ability of households to access housing. This is an important area of analysis having implications both for overall market demand but also particularly the assessment of the number of households that are currently in need of affordable housing or will be in the future.
- 5.2 An overview of the active housing market across the Local Authorities is presented within this section. Market performance of different tenures represents a key indicator of the balance between housing demand and housing need.
- 5.3 Evaluating the active housing market requires an understanding of the actual cost of buying or renting a property and the level of housing need which relates to the ability to access housing. This review of the active market therefore includes a review of the key indicators of market performance for each of the tenures:
- The Owner Occupier Sector – house price analysis, examination of the relative change in house prices and the current housing markets across the Local

Authorities including a consideration of more affordable (low cost / lower quartile) elements of market housing as well as a review of mortgage finance to identify the barriers to access for first time buyers;

- Private Rented Sector – examination of rental levels of different components of the private rented sector which forms an important component of the overall housing offer; and
- Affordable Housing Sector – review of the changes in demand as recorded through the Housing Register (waiting list) for social rented properties and an assessment of current average rental levels.

5.4 The section concludes by drawing together the analysis of the different tenures to assess the functionality of the market in terms of the ability of households to access housing based upon analysis of income and housing costs.

The Owner Occupier Sector

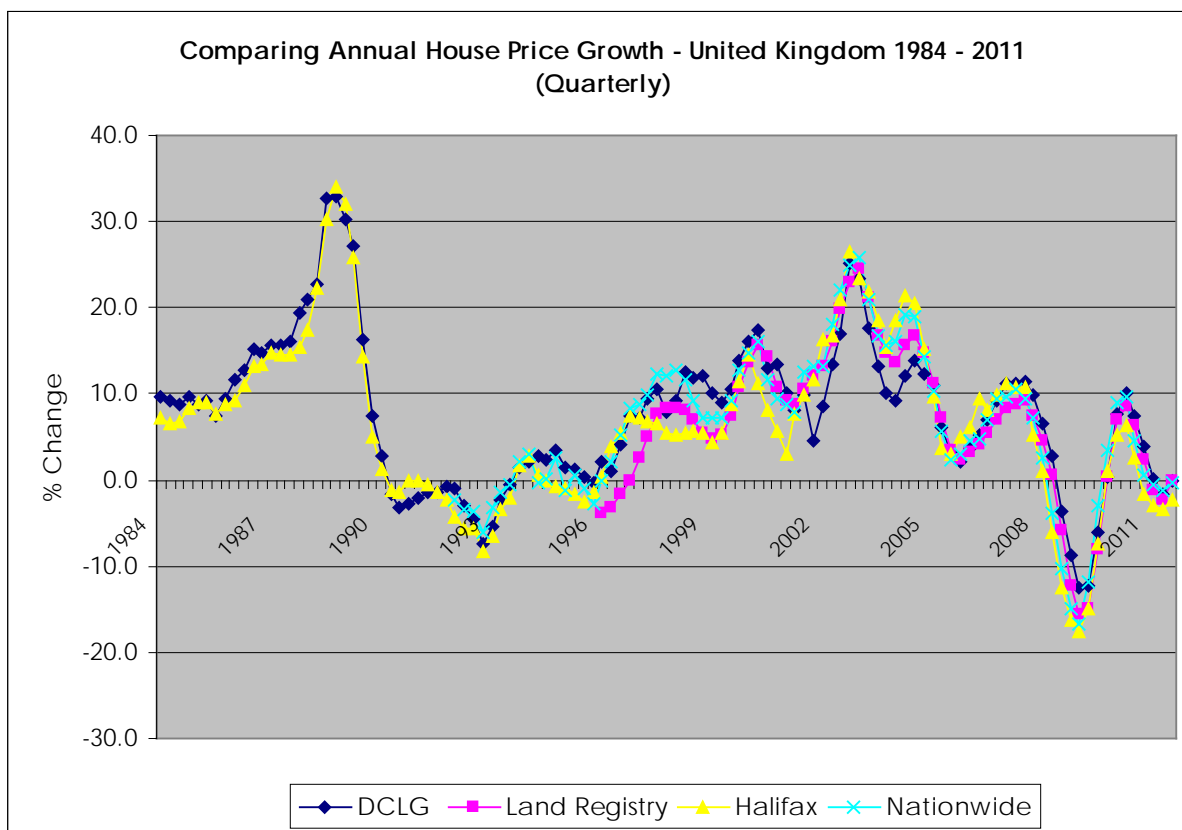
5.5 The following sub-sections analyse the private sector value and sales context by firstly tracking change historically over time before bringing the assessment up to date through consideration of the current housing market.

House Price Trends

5.6 Figure 5.1 presents a quarterly overview of annual house price growth between 1984 and 2011, and provides comparison between CLG, Land Registry, Halifax and Nationwide records.

5.7 This shows that the UK had enjoyed varying rates of consistently positive house price growth since 1996, lasting until 2008 where house prices declined rapidly as a result of the 'credit crunch' and subsequent recessionary economic climate. House price growth rebounded in 2011, and has since stabilised.

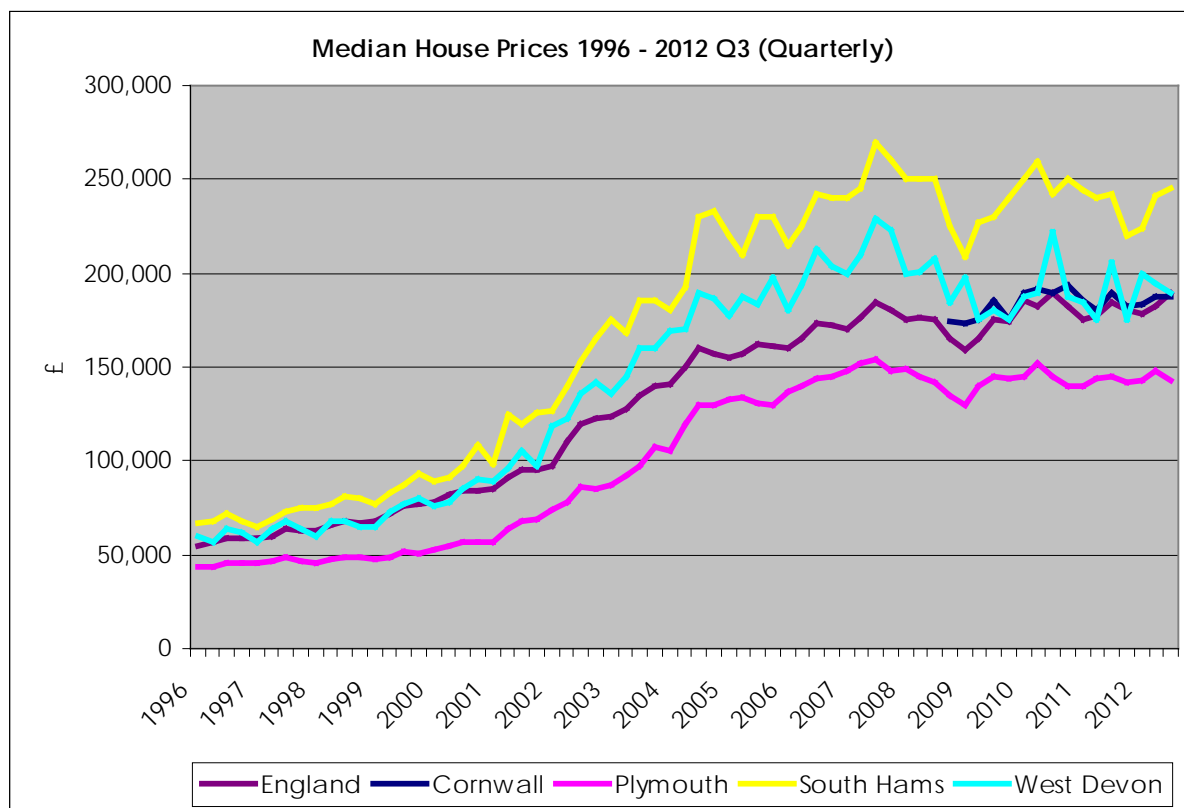
Figure 5.1: House Price Trends – UK Annual Growth 1984-2011



Source: DCLG / Land Registry, 2013

- 5.8 Figure 5.2 shows the trend in average (median) house prices within the Local Authorities between Quarter 1 1996 and Quarter 3 2012, and compares this to the national average for England.
- 5.9 It is evident that Plymouth has consistently remained the most affordable of the Local Authorities, with median house prices tracking below the national average. However, this is likely to reflect its urban nature – and consequently its concentration of smaller housing stock.
- 5.10 Cornwall has tracked the national average house price very closely since 1996. In contrast, both South Hams and West Devon demonstrate average house prices in excess of the national average. South Hams, in particular, has average house prices that have consistently and significantly exceeded the national average – recorded at £245,000 in Q3 2012 compared to £190,000 for England as a whole.

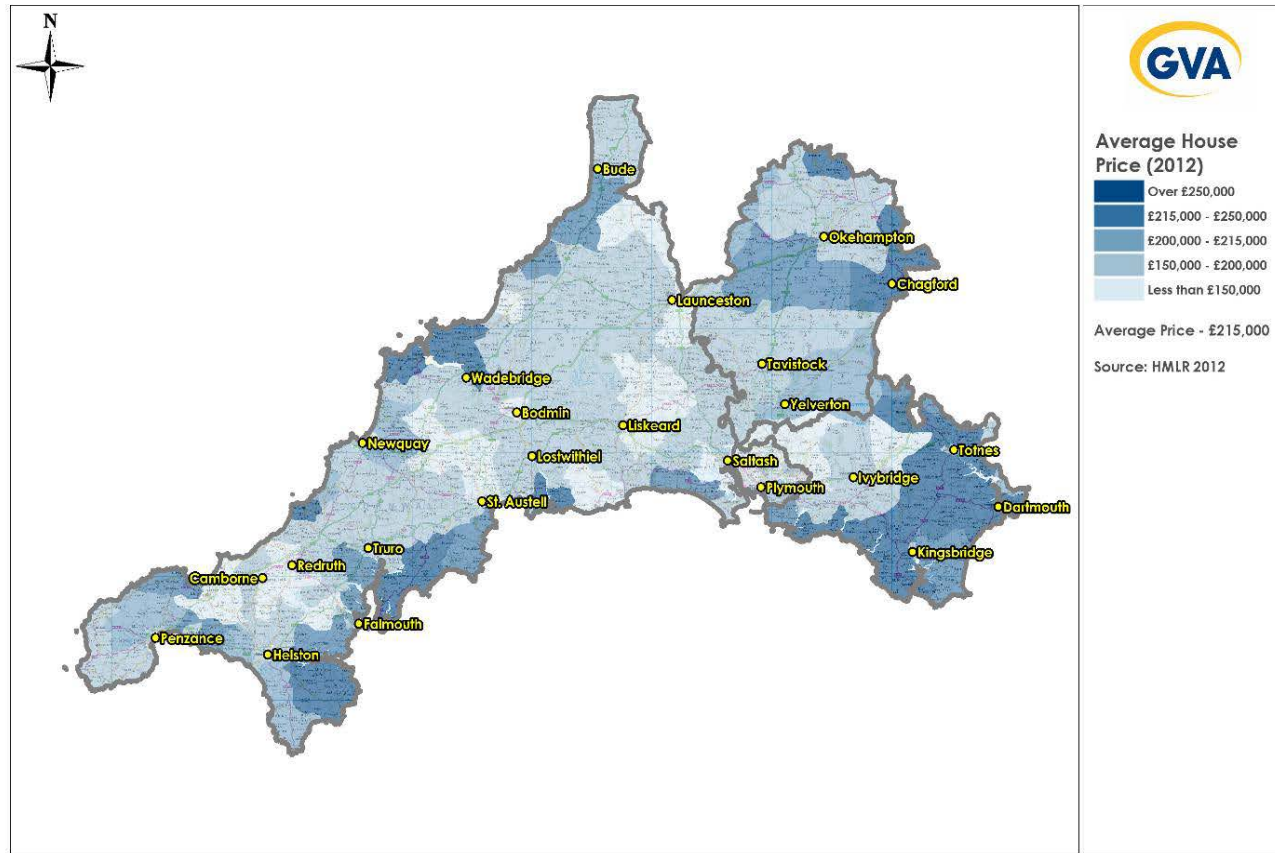
Figure 5.2: House Price Change (Quarterly) 1996-2012 Q3



Source: DCLG / Land Registry, 2013

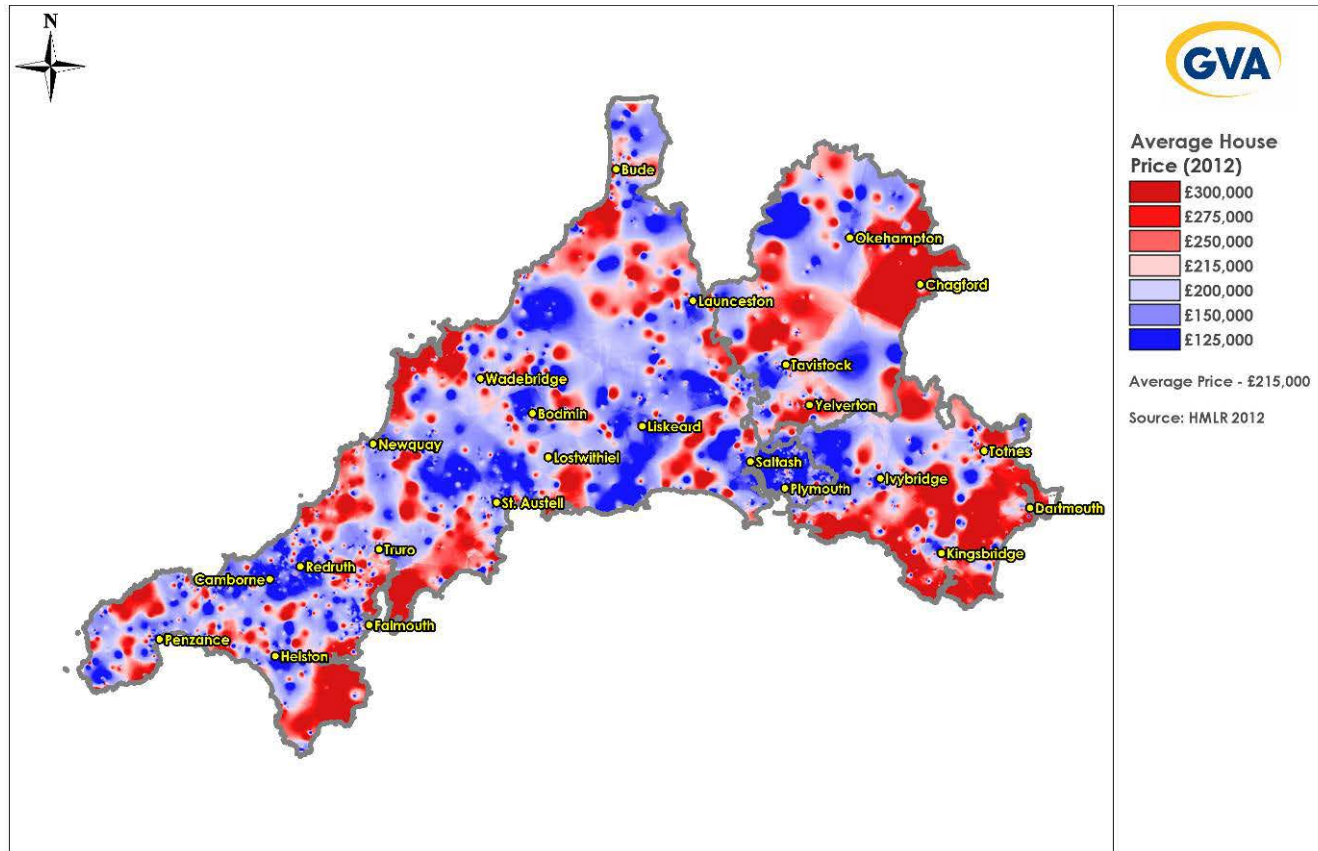
- 5.11 Figure 5.3 uses Land Registry data to demonstrate the pattern of average house prices across the Local Authorities in 2012.
- 5.12 Figure 5.4 subsequently draws out the trends further using a 'heat map' technique.
- 5.13 Figure 5.3 and 5.4 both demonstrate the concentration of high house prices covering much of the South Hams District, as well as other concentrations of high value in, and surrounding, Chagford in West Devon Borough, along much of Cornwall's south coast and in pockets along the north coast. Plymouth, is highlighted as having comparably low house prices.
- 5.14 Further detailed analysis at the Local Authority scale is presented within the respective Local Authority SHMNA Overview Reports.

Figure 5.3: Average House Price (2012)



Source: Land Registry, 2013

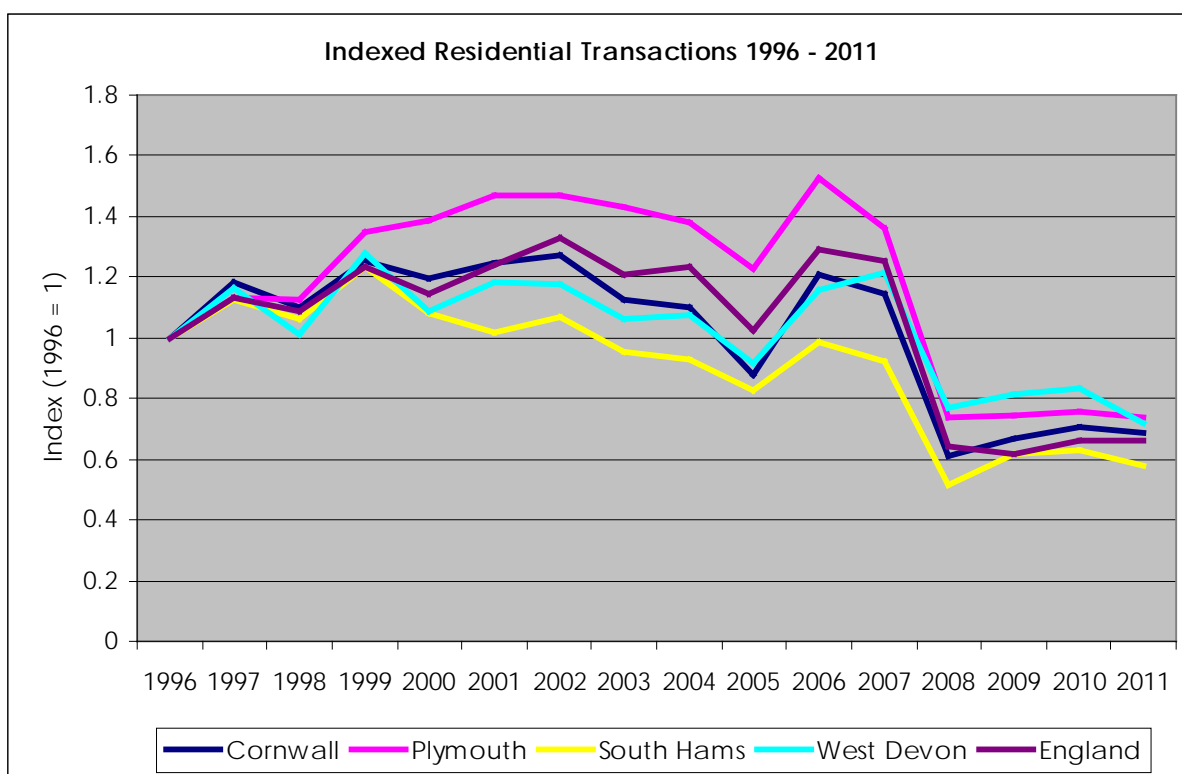
Figure 5.4: Average House Price – Heat Map (2012)



Source: Land Registry, 2013

- 5.15 Although house prices have not considerably declined, in spite of the ‘credit crunch’ and recession in the late 2000’s, the volume of residential dwelling transactions has contracted significantly since 2008. This is demonstrated in Figure 5.5, which indexes transactions from 1996 to 2011 – enabling comparable assessment of the trend.
- 5.16 As a result, it is clear that the volume of transactions in the market reached its lowest point since 1996 in 2008, having rebounded slightly by 2011. Albeit, the market remains ‘thin’, with transactions some 20-30% lower than in 1996, and some 50-60% below the peak in transaction volumes seen in 2006 and 2007. Notably, the Local Authorities have closely mirrored the national trend in transaction volumes.

Figure 5.5: Residential Transactions (Indexed) 1996 - 2011



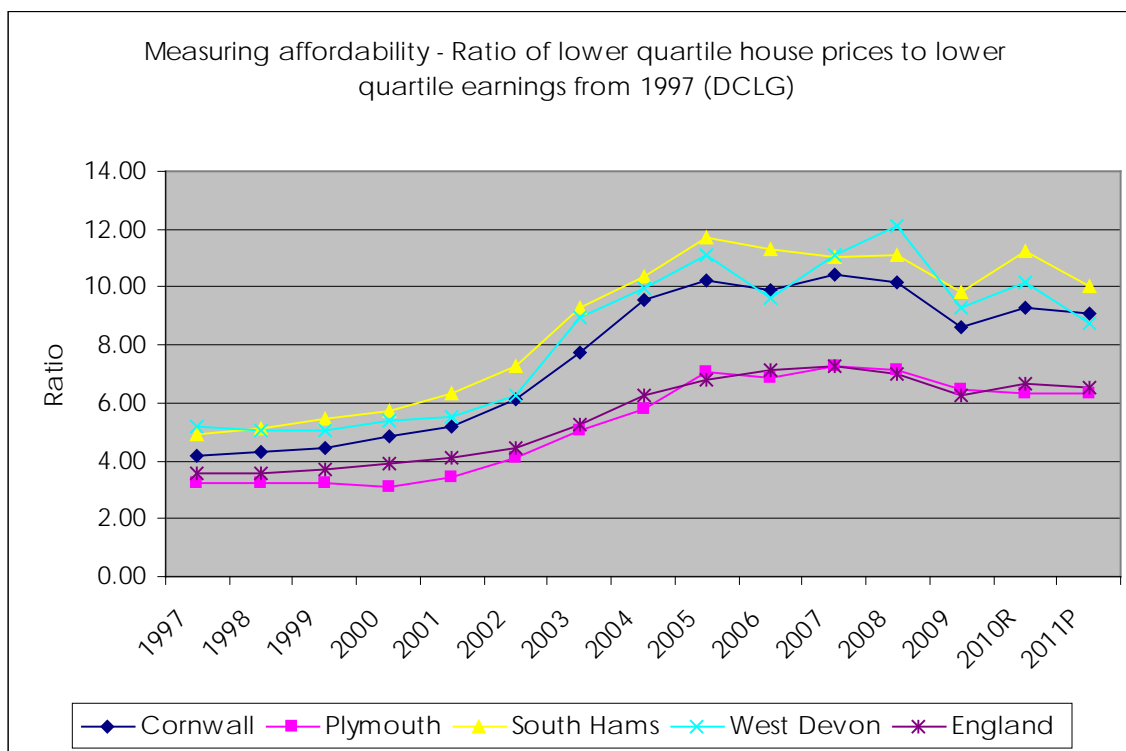
Source: DCLG / Land Registry, 2013

- 5.17 As demonstrated throughout this section, despite the ‘credit crunch’ and recession, house prices across the Local Authorities have remained relatively resilient and, rather than continuing in an upwards trajectory, have stabilised in recent years with only limited fluctuations.
- 5.18 Figure 5.6 examines the ratio of lower quartile house prices to lower quartile household incomes between 1997 and 2011. This demonstrates that affordability issues have not considerably eased across the Local Authorities – due to the ongoing resilience in

house prices even at the most affordable entry level (i.e. lower quartile) end of the property market coupled with low average earnings.

- 5.19 As a result, in 2011 in South Hams, a lower quartile house will cost approximately 10 times the income of a household earning the lower quartile salary. This significantly exceeds the national benchmark, with a ratio of 6.5. The ratio is also high in Cornwall and West Devon respectively, at 9.08 and 8.75 respectively. The result is that many lower income households will be priced out of entering the private housing market, unless they save considerable deposits.
- 5.20 Plymouth, in contrast, is the most affordable Local Authority with a ratio of 6.32 – which falls slightly below the national average.

Figure 5.6: Measuring Affordability – Ratio of Lower Quartile House Prices to Lower Quartile Incomes



Source: DCLG / Land Registry, 2013

Private Rented Sector

- 5.21 Nationally the private rented sector has undergone a period of significant expansion over recent years and now plays an important role in the operation of the wider market, offering an alternative to owner-occupation and the social rented sector.
- 5.22 The Valuation Office Agency (VOA) produces a series of data entitled 'Private Market Rental Statistics' which collates information provided by private rental landlords. The latest available data provides both lower quartile and median rents for the Local Authorities for the period October 2011 to September 2012. The data is broken down by property size as defined by the number of bedrooms, with both the median and lower quartile rents shown in Figure 5.8.
- 5.23 Figure 5.7 shows that, by the 'all properties' measure, South Hams is the most expensive of the Local Authorities to rent privately – either by the median measure or for entry-level lower quartile properties. Moreover, prices in South Hams consistently sit above the national benchmark. In contrast, Plymouth is the most affordable of the Local Authorities if renting privately.
- 5.24 The VOA does not provide data at the Dartmoor National Park scale. Data for South Hams and West Devon will include the constituent overlapping areas of the Dartmoor National Park.

Figure 5.7: VOA Private Rental Levels – October 2011 – September 2012

Size of Property	Private Rental Levels 2011/2012 – Per Calendar Month									
	Lower Quartile					Median				
	Plymouth	Cornwall	South Hams	West Devon	England	Plymouth	Cornwall	South Hams	West Devon	England
1 bedroom	£400	£430	£433	£395	£400	£440	£475	£475	£400	£495
2 bedroom	£525	£535	£525	£500	£475	£550	£585	£575	£528	£570
3 bedroom	£595	£625	£628	£585	£550	£650	£675	£695	£650	£650
4+ bedroom	£800	£760	£850	£800	£795	£900	£850	£1,000	£895	£1,100
All Properties	£385	£500	£525	£498	£450	£475	£595	£625	£560	£575

Source: VOA, 2013

Private Rented Sector Landlords Forum

5.25 To gain a more in-depth understanding of the dynamics within the private rented sector, GVA held a focus group workshop with the Plymouth Private Rented Forum on the 6th March 2013. Representative landlords attending owned stock across the Local Authorities including Cornwall, West Devon and South Hams. A key point summary of the discussion is provided here with a full account which is appended to this report. It should be noted that the views expressed are those of the participants in the discussion and do not necessarily reflect those of the reports authors or the local authorities. Key points discussed include:

- Historic rates of market growth are unlikely to be repeated in the next 10 years due to the changes in the buy-to-let mortgage market and reluctance of lenders in relation to this market;
- Investment in new private rented stock has been targeted at the higher end of the market as returns are now seen as poor;
- Difficulties in attracting institutional investment to the area and a continuing reliance on Government funding to make new private rented sector stock work at a larger scale in the market;

Understanding demand and supply in the private rental market

- Affordability pressures faced by households unable to purchase has been a fundamental driver of demand for private rented stock across the Local Authorities.
- This has particularly affected those aged 16 – 24 across all local authorities who are unable to save a deposit. It was suggested that there had been a perception shift in this cohort with people expecting to rent rather than buy and actually seeing it as an attractive option.
- It was noted that wages across the Local Authorities are comparatively low and this has further been compounded by the recession. By contrast house prices have remained high in certain areas, creating barriers to home ownership and increasing the attractiveness of the private rented sector.
- The view was shared that high demand from households receiving housing benefits did not reflect a desire to be in the tenure, but the impacts of a shortage of appropriate Council / RSL owned stock.

Student rental market

- The student market is considered to be a significant component of demand for private rented stock.
- The student market was considered to have changed fundamentally over recent years. Expectations of the quality / type of product have risen. Essentially students moving to Plymouth are expecting hotel room style accommodation.
- The view was that this market for student private rented accommodation is quickly becoming saturated. A key concern around the implications of oversupply of this product type was its lack of flexibility should student demand continue to fall short of supply.
- Overall the impact of increases to student fees and an increase in student drop out rates has further served to reduce the scale of demand for student rental housing, particularly in Plymouth. The suggestion was made within the group discussion that students are commuting greater distances to access the University rather than pay housing costs.

Impacts of Welfare Reform

- The Single Room Rent (SRR) was noted as creating a strong demand for what were previously student houses in multiple occupation (HMO) on the peripheral areas of the market. This highlighted the evolution of the market and was highlighted as an impact of policy reform which needed to be carefully monitored to ensure that the impact of changing tenants / market demand didn't have a detrimental impact on the wider operation of the housing market in those affected areas.
- Overall the view was shared that the impact of policy reforms to date including the SRR had created a strong demand for HMO accommodation across Plymouth where this stock type was well represented. The view was made that many landlords of this stock (much of which was previously student lets) were willing and prepared, however, to pull out of the market as it was felt that it (housing benefit driven private rented market) was a very hard market to make money in.
- The view was expressed that as a result of the planned changes to policy including the introduction of Universal Credit (and the intention to pay housing benefit direct to individuals rather than landlords) that the lower end of the private rental market, across the area, will disintegrate as landlords will not be able to make any money.

- The main area of concern associated with the introduction of welfare reform was the plan to make tenants responsible for paying rent. This had created a strong feeling of 'fear' amongst landlords around the management of stock and the ability to make a return in this market sector.
- It was suggested that currently 14% of rents at the low-end of the market go towards management costs (collecting rents / managing tenants / addressing damage to stock etc...). The impact of reforms will be that this figure rises further squeezing the return that landlords can get from the sector therefore again acting as a motivation for landlords to exit this part of the market.
- It was noted that there was already evidence of landlords moving away from accepting housing benefit claimants in blocks of multiple lettings as it was felt that they had a negative impact on other tenants.

Considering the Views of Stakeholders Active in the Market

- 5.26 In order to gain an in depth understanding of the current operation of the housing markets across the Local Authorities, a number of telephone interviews were also conducted with local Registered Providers, estate agents and house builders active across the Local Authorities.
- 5.27 The following stakeholders were consulted as part of this research during February 2013, with their views summarised by Local Authority below:
- Acorn Property Group
 - Alan Cummings
 - Barratt Homes
 - Bibio
 - David Ball
 - Devington Homes
 - Falcoln Family
 - First Step Homes
 - G B Property Lettings
 - Godfrey Short & Squire

- Guinness Hermitage
- J K Lettings
- Kimberley's
- Luscombe May
- Maze Development Consultancy
- Ocean Housing
- Percy Williams
- Stags Lettings
- Sunnybank Homes
- Tor Homes
- Walker Developments SW Ltd
- Wombwell Homes

5.28 A summary of findings from the above consultations are presented by each Local Authority, with a separate section for agents and developers.

Plymouth

Agents

- 5.29 Agents were keen to stress that in terms of market demand there are a number of popular areas in Plymouth, particularly to the north of the city, near to the hospital. Specifically, the areas of Peverell and around Beacon Park were noted as areas of particular market strength / high demand. The former area contains many period, mid-terrace properties, which continue to attract a premium due to the appeal of the stock. Elburton was also highlighted as an area of high demand with prices driven as a result of its popularity with elderly people, and as a result bungalows are highly sought after in the area.
- 5.30 The areas of Mannamead and Hartley were named as highly desirable areas for families, due to good local schools and large attractive properties. One agent reported that a 3 bedroom semi-detached house could sell for around £250,000 in these areas, compared with around £180,000 if it were located elsewhere in Plymouth.

Indeed generally, areas of Plymouth which are located near to good schools were identified as being in high demand. Three and four bedroom family properties were suggesting as registering the highest levels of interest across the authority. Other areas with comparatively high perceived demand included the postcode area PL9 – to the east of the city

- 5.31 Areas to the west of Plymouth, including North Prospect and Devonport, were cited as having reputations as less sought after locations. Cited drivers of the comparative weaker nature of the markets in these areas included the distance from the city centre, the perceptions of these areas and the large amount of less attractive / poorer quality housing, including a high proportion of ex-Local Authority stock. However, it was noted that lower demand meant that these areas have lower house prices and so people tend to get more for their money, making them attractive to some segments of the market, particularly in the current climate.
- 5.32 Agents suggested that there continued to be considerable interest from investors active in the market in Plymouth; particularly those involved in the student let market. Investors are not drawn to one particular property type and they tend to buy any property which will provide a good return. Investors also buy run-down properties, in areas such as Plymstock, for renovation. The properties are bought at a low price and renovated. These properties then tend to sell quickly, particularly if they are family sized dwellings.
- 5.33 Linked to the above agents stressed that the rental market is strong in Plymouth. It was suggested that many rent because they cannot afford the deposit for a house. Estate agents stated that if the deposit were available, many would choose to own their own home. This is related to the fact that following the payment of the deposit, mortgage payments tend to be lower than rental payments.
- 5.34 Agents noted that market activity arose from a range of different market segments. They noted that over the last twelve months there had been more First-Time Buyers active in the market, compared with recent years. One agent suggested that First-Time Buyers are taking longer to save a deposit but are buying higher value housing, as opposed to initially buying a lower value, small 1 or 2 bedroom house. It was suggested that First-Time Buyers are therefore skipping smaller housing and buying family housing c. £200,000 at a later period in their life.
- 5.35 Generally there was a perception that the sales market appeared fairly stable in Plymouth. One agent reported that if properties are placed on the market at a reasonable price for the size/area/quality of the property, it tends to achieve close to the asking price.
-

- 5.36 It was noted that there is a healthy pipeline of new build developments occurring in Plymouth, for example in Devonport, Mill Bay and Derriford. The majority of the properties being developed are 3-4 bedrooms and are often townhouses. One agent reported that large 4-5 bedroom properties are being built in Oreston, and selling for up to £450,000.

Developers

- 5.37 There are several developers who are currently active in Plymouth and build out rates for larger construction sites vary between 30 and 50 dwellings per annum (dpa). However, some developers have changed the product that they offer, due to market circumstances. For example, one developer is moving towards redevelopment and refurbishment of hotels to create apartment blocks, as opposed to new build residential properties.
- 5.38 Developers supported the agents' views that selling prices are currently fairly static. Despite the lack of volatility in the market developers confirmed that prices close to the asking price are often attained, particularly on new stock. Higher house prices are typically achieved along the coast, including near to Hoe Park, and in areas on the outskirts of the city.
- 5.39 The market is very mixed, with one developer estimating that around 25% of buyers are second home or holiday home owners; although this number has decreased in recent years.
- 5.40 In terms of households moving to the area developers suggested that the majority of house buyers appear to be contained from within the South-West; one developer stated that the furthest that people move from is often Bristol.
- 5.41 Apartments located near to the coast are particularly popular with older people who are attracted by the maintenance free aspect of the properties. This 'lock up and leave' mentality also suits the second home/holiday home owners market in Plymouth.
- 5.42 The perception was that First-Time Buyers and younger people tend to be attracted to the housing in the regeneration areas of Plymouth, where house prices are more achievable.
- 5.43 The developers who were consulted were not aware of any self-build housing schemes in Plymouth, with one developer reporting that the planning process does not currently serve to sufficiently support this method of delivery. Large scale developers are not interested in self-build and there is a perceived lack of planning and building expertise on a smaller scale to encourage self-build.

- 5.44 The majority of developers in Plymouth are reasonably optimistic about the future and many are seeing signs of improvements already, including a greater number of sales completing. However, from a more conservative perspective a number of developers noted that they anticipate that the market may take 5 or more years to improve significantly.

South Hams & West Devon

Agents – South Hams

- 5.45 In headline terms within South Hams, the housing market was perceived as holding up well. Agents in particular pointed to a number of market ‘hotspots’ serving to underpin this perception of comparative high demand, with prices actually falling in other lower demand areas. In terms of the rental market agents noted that rental levels have been fairly static over the past 2 years.
- 5.46 Newton Ferrers was noted in particular as one of these ‘hotspot’ locations. Agents suggested that people perceive the area to be picturesque and safe but also within easy access of Plymouth and the A38 and the associated employment / retail offer. Agents noted that families looking to move to Newton Ferrers often found properties with a garage or driveway and a view of the sea as particularly desirable.
- 5.47 Agents suggested that the market consists of a range of people buying and renting in South Hams and as a result there is no single stand-out popular property type. Buyers include those looking for a second/holiday home, people up-sizing, people down-sizing and people retiring to the area.
- 5.48 In terms of the second and holiday home buyer market, properties on the coast with 2 bedrooms represent the most sought after properties. Picturesque ‘cottages’ also remain popular with this market segment, with availability of supply continuing to drive demand.
- 5.49 The only group which are marked in their absence in terms of a significant scale of market activity in the South Hams market is the First-Time Buyer cohort. The absence of this segment of the market was perceived as particularly apparent in those areas where prices have remained high, such as Newton Ferrers, where prices are beyond the reach of those looking to purchase for the first time.
- 5.50 Agents suggested that investor activity still remained in the market, although there are fewer enquiries now than in previous years. Totnes remains a popular area with investors, with a high confidence in the strength of the rental market in the area. A number of factors were noted in driving this ‘demand’ in Totnes, not least the stronger rail links from the locality.

- 5.51 Across South Hams, agents reported that there remained some new build development activity over recent years, with new properties coming forward, for example, in Avonwick. One agent stated that a significant amount of new build is on a small scale, which often involves developers knocking down an existing property and replacing it with another, rather than multiple unit plots.

Agents – West Devon

- 5.52 Agents perceived the settlements of Okehampton and Tavistock as particularly in high demand, with the market driven primarily by retirees and families. The latter are attracted by the good schools in the area. Within Tavistock, the areas of Whitchurch and Deacons Green are particularly popular with families.
- 5.53 Sales prices have fluctuated slightly, on a slight downward trend, which one agent estimates was in line with the majority of the rest of Devon. Rents, however, have remained fairly static for the past 1 – 2 years. Agents feel that a proportion of renters wish to buy but are unable to do so as a result of the current barrier imposed by requirements for higher deposits and a lack of mortgage availability. It was noted by a number of agents that currently, there appears to be a lack of urgency amongst potential buyers to purchase a property. Instead, they are often tending to ‘bide their time’ and wait for the best deal possible.
- 5.54 Agents stressed that there remains a lack of First-Time Buyers within the market in West Devon.
- 5.55 One agent reported that location preferences change noticeably alongside changes in the economy. During periods of economic stability, people can afford to live in the more remote rural areas and can afford additional fuel costs. However, in the recession, people looking to buy are often drawn to the towns, where there are more facilities available within the local area.
- 5.56 Buy-to-Let investors are active in the area and are reportedly interested in any property with a minimum return of 5%, regardless of property type or location. Agents felt that their core market of interest was represented by properties priced between £150,000 and £160,000.

Developers – South Hams & West Devon, including Dartmoor National Park

- 5.57 There are several developers active in South Hams and West Devon at the moment, including in Ermington and Brixton and a range of small, rural exception sites. Larger scale developers are seeing unit build out rates of around 50 dpa in the first year, which decreases to 30 dpa in the remaining years of the construction period. The

reason for the higher initial dpa is related to the tendency to construct the affordable housing in a project within the first 12 months of the build period.

- 5.58 In terms of the delivery of affordable housing one developer stated that there was reluctance by developers / house-builders in South Hams to construct affordable housing in the rural areas, with many developers risk averse to this type of development. It was noted that there is a perceived reluctance amongst Housing Associations to become involved in cross-subsidy schemes in order to deliver the much needed affordable housing in South Hams. It was also noted that specific risks were perceived in constructing larger affordable homes due to the changes to Housing Benefit, being introduced by the Government. Developers recognised a high demand for 1 bedroom units but that currently they are generally in short supply.
- 5.59 One developer explained that shared ownership schemes and dwellings for affordable rent in West Devon and South Hams are popular with a range of people, including young professionals, dual income households, families and households that are separating and so downsizing.
- 5.60 A number of developers noted that shared ownership schemes are particularly affected by the lack of mortgage lenders in South Hams and West Devon – one developer reported that there are only 2 active mortgage lenders in the area. Mortgage availability for open market housing was identified as being particularly problematic in West Devon and South Hams. Without an improvement in the availability of mortgages, developers could not see an improvement in the market until the long-term, i.e. over the next 10 to 20 years.
- 5.61 In contrast to the views of a number of developers, one specific developer, specialising in affordable homes, noted that they were currently involved in six schemes across South Hams and West Devon, which typically involve around 15 affordable properties each and construction periods are anticipated to last between 8 months and 17 months.
- 5.62 Broadly developers felt that across the market, 2 and 3 bedroom properties with a garden and parking space are popular, whereas apartments tend to be less popular. Generally, the market towns within the two authorities are in high demand, including Totnes and Tavistock. Larger villages with more facilities are also popular, and the more rural areas tend to have narrower, more localised demand.
- 5.63 Housing development in the National Park was perceived as being more difficult due to planning constraints with this limiting supply coming forward.

Cornwall

Agents

- 5.64 Agents were keen to emphasise that the housing market varies greatly across Cornwall, however the comments made focus on a small number of specific settlements. The analysis is therefore presented below in relation to a small number of key settlements and surrounding local market areas. Generally, house prices and rents have been over recent years and continue to be fairly static, although there are many exceptions at a local level which have seen higher signs of market volatility. Rents in general are perceived as not significantly changing for the last 1 to 2 years.

Truro

- 5.65 Within Truro, there is a diverse mix of people looking to buy and rent in the market. As a result, a range of property types remain in comparatively high demand. However, there are fewer people looking for holiday or second homes, compared with settlements on the outskirts of Truro and further afield. In addition, there are fewer investors, compared with recent years. The majority of investors have very small portfolios and many are home-owners who cannot sell their property and so are forced to rent it to tenants.

Falmouth

- 5.66 Conversely, in Falmouth there is a strong investor market, which has grown following the expansion of the University campus in the town. Tremough and areas within walking distance of Falmouth town centre attract investors who are looking for student properties. Many investors purchase 3 bedroom homes and convert a ground floor room into an additional bedroom. This is resulting in an increasing demand for 3 bedroom homes from families. There are also many cases of parents buying houses for their children to live in whilst they are studying with other rooms let out to friends.
- 5.67 In terms of other local market areas agents noted that investors have also retained an interest in other property types, including ex-local authority housing in Penryn and any property type along the sea front, especially Gyllyngvase. Even previously unpopular areas, such as Old Hill, are in higher demand now. This area contains cheaper properties but has good views and people realise that they could get a lot for their money in this area.
- 5.68 There are many different types of people looking to buy in Falmouth – including people downsizing, upsizing and increasing numbers of First-Time Buyers. The cause of the latter trend is linked to a perception that people are more willing to take risks, and invest in property, compared with the earlier years of the recession. Furthermore,

following the initial deposit, it seems that it is generally cheaper to service a mortgage, as opposed to renting a property.

- 5.69 However, there does appear to be fewer second or holiday home owners active in the market in Falmouth, at present.

Newquay

- 5.70 Within Newquay, the market is mixed, but mostly localised, although the agents did note that there remains some interest from investors active in the market which are located outside Cornwall. The Buy-to-Let market in Newquay is particularly strong, with investors typically looking for lower value, 2 bedroom properties. There are still a significant number of second home/holiday home owners in Newquay, but this market is not as strong as it has been in the recent past.

- 5.71 The rental market in the town is driven by both people / households who cannot own their own home, due to the barriers of deposits and mortgage availability and also those who are expressing a preference to rent for a variety of other reasons. Recently, there has been a growth in people opting to rent due to the benefits of reduced exposure to market changes and an increasing uncertainty surrounding the benefits of home ownership.

New-build

- 5.72 Agents suggested that across the authority that there are many new build developments occurring across Cornwall, with a significant amount including 3 and 4 bedroom properties.
- 5.73 Again market segmentation was identified with agents noting that Newquay in particular had a number of schemes currently building out which involve smaller properties, including 1 and 2 bedroom flats. At the other end of the spectrum one agent reported that the construction of executive style 4-5 bedroom housing is taking place in Swan's Reach, in Falmouth catering for a very different market segment.

Developers

Market sentiment and geographies

- 5.74 It was evident through the consultation that a large number of developers are active in Cornwall – either building properties or looking for potential new development sites.
- 5.75 House prices appear to have been fairly static over the past 2 years in Cornwall. One developer reported that generally they have experienced a slower sales rate in Cornwall, compared with Devon.

- 5.76 Considering the responses of a range of developers there is a perceived polarised market in Cornwall, with affluent and desirable development areas including Truro, Penryn, Fowey, Mevagissy, St Agnes and areas along the coast. By contrast there was a perception that less desirable areas include inland locations, such as Bugle, St Stephen, Nanpean, Camborne and parts of Redruth.
- 5.77 One developer consulted noted that they were currently active in Lostwithiel, which is an area of growing demand. This is because properties are cheaper than Fowey but still within a similar setting and with a direct train link to London Paddington. The developer estimated that within Lostwithiel, around 10% of buyers are holiday home owners and a further 10% are Buy-to-Let investors. Apartments are particularly popular in this area, especially with older people, who see the benefits of the maintenance of their property being provided.

New-build development

- 5.78 Developers stated that build out rates vary greatly dependent on the size of the developer and the location of sites. Some developers anticipate an 18-20 d.p.a build out rate; whereas others predict up to 120 d.p.a. could be constructed on the right site in a strong market location given the scale of demand.
- 5.79 Whilst the messages around the strength of the market were consistent, developers did note that there were a number of obstacles impacting on the delivery of new housing. This included high land prices, low household incomes in some areas, high construction costs and a low rate of sales in weaker market areas..
- 5.80 Problems for small scale developers include a lack of finance. Small scale developers identified the public sector as being very risk averse in the current economic climate and developers are suffering from a shortage of liquidity. Borrowing rates from banks were noted as too high and one developer had explored central government funding as an option. However, the bidding process was identified as being prohibitive as a result of the upfront associated costs, with successful bids not resulting in schemes receiving as much funding as anticipated.

Understanding the market

- 5.81 Developers suggested that market demand is driven from a range of market segments including households currently residing within and also from households currently residing outside Cornwall. The significance of these market segments is perceived to vary by location across Cornwall and is far from a uniform position. People aged 55+ have a strong presence in the buyers' market. As a result, bungalows are often in high demand. Family housing, between 3 and 4 bedrooms, is

also in high demand with many areas perceived as having good quality services and infrastructure to bring up families.

- 5.82 Developers noted that they perceive a number of issues surrounding the development of affordable housing in Cornwall. These include a perceived declining interest from Registered Providers due to lack of funding and uncertainty about the type of property that should be delivered. Developers felt that affordable housing providers are concerned about the issue of under-occupation and changes to the Housing Benefit system. Going forward market sentiment anticipated that there may be an increase in the number of 1-2 bedroom affordable housing being developed, although it was recognised that there will still be a continued demand for larger housing.
- 5.83 Although there has been a reported decrease in the number of people looking for holiday homes, some developers are still constructing holiday lets and finding reasonably high occupation rates throughout the year.

Self-build

- 5.84 Developers had varying experiences of self-build housing. One significant issues raised by developers is the possibility that build out rates differing greatly leading to some houses being occupied, whereas other dwellings on the same site could be at varying stages of construction. Construction periods on self-builds are relatively uncontrollable and construction could stall or fail. One developer suggested that self-build could work if the Council was in control of the plots; however he recognised that this would restrict the freedom of self-build developments and may impact on viability.
- 5.85 Although many developers could not see self-build working on a large scale, due to a lack of accountability and control, they predicted that a small scale model, such as 2 or 3 dwellings at a time, could be popular in Cornwall. One developer felt that many people in Cornwall would be interested and have necessary construction skills to become involved in self-build. Demand could be present but existing self-build plots are currently too expensive.

Future Market

- 5.86 Developers had mixed views about the future housing market in Cornwall. The majority agreed that the market will not improve until mortgage availability increases. At present, many people in Cornwall are struggling to save for a deposit and acquire a mortgage. Developers reported that they are increasingly looking to incentivising schemes, such as First Buy and Home Buy, and one developer stated that house sales are often dependent on the ability to offer the benefits of these government funded schemes.

- 5.87 Developers highlighted the importance of recognising that there are clear differences across Cornwall. The market in coastal areas has always been strong and so many high demand areas have mostly survived the recession. On the other hand, developers felt that central areas will take longer to recover, and recovery is largely dependent on the availability of developer finance.
- 5.88 Other developers were more optimistic and have witnessed early signs of market improvement towards the end of 2012.

Social Rented Sector / Affordable Housing

- 5.89 The social rented sector by its nature operates differently from both of the market tenures examined in this section. The tenure is intended to serve those households whose household financial circumstances prevent access to other tenures.
- 5.90 At the time of the publication of this research, the Government is in the process of transforming the way in which the tenure operates in terms of rental levels and the allocation process for households. The delivery of new policy directives will fundamentally impact on the role of the tenure in relation to, in particular, the private rented sector and this will need to be considered as the research is monitored and updated in the future.

Social Housing Register

- 5.91 There are two principal Choice Based Lettings (CBL) Housing Registers in operation across the SHMNA Local Authorities. These are Devon Home Choice, which covers the Local Authorities of Plymouth, South Hams and West Devon (and areas of the Dartmoor National Park therein), and Cornwall Home Choice, which covers Cornwall in its entirety.
- 5.92 Both systems each provide a single Housing Register for social housing, and cover both Council stock and homes owned by Registered Providers (RPs).
- 5.93 All household applications to register for either Housing Register are assessed and placed in one of five priority bands. This is based on an assessment of housing need, and whether or not the household has a local connection to the area. The bands are:
- [Band A: Emergency Housing Need](#)
 - [Band B: High Housing Need](#)
 - [Band C: Medium Housing Need](#)

- Band D: Low Housing Need
- Band E: No Housing Need

5.94 The affordable housing needs assessment included within Section 7 of this SHMNA (and respective Local Authority Overview Reports) includes Bands A-D within the calculations. Band E is excluded based on the policy definition of households allocated to this band being evaluated as adequately housed within their current accommodation.

5.95 The Devon Home Choice and Cornwall Home Choice Housing Registers recorded the following position as 3rd January 2013.

Figure 5.8: Households on Waiting List in Housing Need (by band) – January 2013

Local Authority	Band A		Band B		Band C		Band D		Total
	No	%	No	%	No	%	No	%	
Plymouth	12	0%	1186	19%	1,517	24%	3,627	57%	6,342
South Hams	2	0%	171	19%	268	30%	448	50%	889
West Devon	1	0%	115	12%	289	30%	547	57%	952

Local Authority	Band A		Band B		Band C		Band D		Total
	No	%	No	%	No	%	No	%	
Cornwall	174	1%	2,246	19%	6,309	53%	3,268	27%	11,997

Source: Devon Home Choice / Cornwall Home Choice, 2013

- 5.96 Figure 5.8 demonstrates that Cornwall has almost 12,000 households on the waiting list which are evaluated as within Bands C and D.
- 5.97 Within Devon Home Choice, Plymouth has the highest volume of households registered on the Housing Register – at almost 6,350, of which the majority of households are within Band D – low housing need.
- 5.98 Figure 5.9 presents the same information as Figure 5.8, but provides a breakdown by the evaluated number of bedrooms (in the property) required by each household.

Figure 5.9: Households on Waiting List in Housing Need (by band) & Bedroom Requirement – January 2013

Local Authority	Bands A-D: Maximum Dwelling Size Requirement								Total
	1 Bedroom		2 Bedrooms		3 Bedrooms		4+ Bedrooms		
	No	%	No	%	No	%	No	%	
Plymouth	3913	62%	1575	25%	662	10%	192	3%	6,342
South Hams	518	58%	244	27%	95	11%	32	4%	889
West Devon	597	63%	214	22%	110	12%	31	3%	952

Local Authority	Bands A-D: Maximum Dwelling Size Requirement								Total
	1 Bedroom		2 Bedrooms		3 Bedrooms		4+ Bedrooms		
	No	%	No	%	No	%	No	%	
Cornwall	5459	46%	3,679	31%	1,766	15%	1,093	9%	11,997

Source: Devon Home Choice / Cornwall Home Choice, 2013

- 5.99 Figure 5.9 demonstrates that the greatest level of housing need at present within all Local Authorities is for smaller 1 bedroom dwelling stock, followed by 2 bedroom stock.
- 5.100 Section 7 uses this information to provide a future looking assessment of the need for affordable housing. This includes a disaggregation of the above data for the Dartmoor National Park and the Local Planning authority areas of West Devon and South Hams.

Access to Market Housing

- 5.101 The operation of the active housing market is dependant upon households being able to move both within and between tenures. It is widely accepted that the recent national economic downturn, and constraints on mortgage finance (including increases in required mortgage deposits), have significantly reduced the volume of household movement in the housing market nationally – particularly outside of London and the wider South East region.
- 5.102 First-time buyers, and those households purchasing at the peak of the market cycle (circa 2006/2007), now find themselves in a much more challenged position when looking to either buy a home or move home, due to the heightened value of mortgage deposits required and/or issues of negative equity in the owner-occupied sector. As a result, many younger households are turning to parents for deposit contributions, or are looking to alternative housing products with lower deposit

requirements (such as intermediate and/or shared ownership homes). Overall, the result has been a considerable reduction in transaction volumes nationally, as many households either save for deposits, choose to remain in their current home due to economic insecurity or look to the social rented or private rented sectors as an alternative option.

- 5.103 Moreover, a recent report by the charity Shelter, entitled *Shelter Private Rent Watch – Report 1* (October 2011) highlights the affordability challenges faced by households both within, and looking to enter, the private rented sector nationally. This is reinforced by Shelter’s follow-on research report *Sustain: a longitudinal study of housing wellbeing in the private rented sector - Interim report* (2012), which focuses on the experiences of households in need entering the private rented sector. The report highlights the challenges and barriers faced by households including debt accrued in previous tenancies causing negative credit checks, as well as high deposits and the frequent requirement to pay rent up front / in advance, which makes accessing private rented housing very difficult for households with low incomes or in receipt of Housing Benefit.
- 5.104 Hence, the ability of households to exercise choice and realise their aspirations for moving is increasingly predicated upon the relationship between both the active market elements assessed above, but also income and importantly the availability of finance.
- 5.105 This in turn places increasing pressure on both the private rented and social rented market, as noted in the analysis above. The number of households on the Housing Register shows that the reality of this position is likely to have remained the same, despite slight falls in property prices over recent years. Key drivers behind this include job security issues and the constrained nature of the current market for mortgage finance.
- 5.106 These factors are considered in this sub-section using the market data presented. The analysis concludes with an assessment of affordability benchmarking.

Mortgage Finance

- 5.107 One of the underlying drivers behind the lack of mobility in the housing market, in particular the owner-occupier market, remains the tightening of mortgage finance by financial lending institutions (banks and building societies) since the start of the economic downturn in 2008, with the subsequent removal of all 100%, 95% and the majority of 90% mortgage products from the market.
- 5.108 The result has been that prospective purchasers have had to raise increased deposits to access mortgage products, which has had a limiting effect on the ability of those

households with low incomes and savings (for example first time buyers) to access the owner occupied sector. Research (Savills, 2011) indicates that the average deposit required by a first time buyer needing a mortgage is £26,500, but their annual income is on average £32,500, which illustrates the scale of the difficulties that first time buyers are experiencing in funding deposits. Similar issues are faced at a local level within the South West authorities as profiled below.

5.109 As at March 2013, a number of 90% and 95% mortgage products are beginning to reappear in the national mortgage market – driven by the Government’s Funding for Lending scheme and improved lender confidence. However this is an emerging trend at the time of the SHMNA research and it is therefore prudent to take account of more cautious approaches to lending as described below.

5.110 Figure 5.10 shows monthly repayment and endowment mortgage costs, and weekly repayment mortgage costs for 25 year mortgages for a lower quartile house in each of the Local Authorities. This calculation assumes:

- Lenders require a 10% deposit
- Interest rates of 5 APR%¹⁶
- 25 year repayment period

Figure 5.10: Mortgage Repayments on a Lower Quartile House

Authority	Mortgage Repayments for Lower Quartile Property (March 2013)					
	Lower Quartile House Price (Q3 2012)	Deposit required assuming 90% mortgage (25 year term)	Repayment mortgage		Interest only mortgage	
			Monthly payments	Weekly payments	Monthly payments	Weekly payments
Plymouth	£116,000	£11,600	£611	£141	£435	£100
Cornwall	£144,950	£14,950	£760	£175	£542	£125
South Hams	£178,000	£17,800	£936	£216	£667	£154
West Devon	£141,000	£14,100	£742	£171	£529	£122

Source: DCLG; Money Advice Service Mortgage Calculator.

¹⁶ Note: 5% APR based on a review of 90% loan-to-value (LTV) mortgages available from lenders as advertised on Moneysupermarket.co.uk as at March 2013.

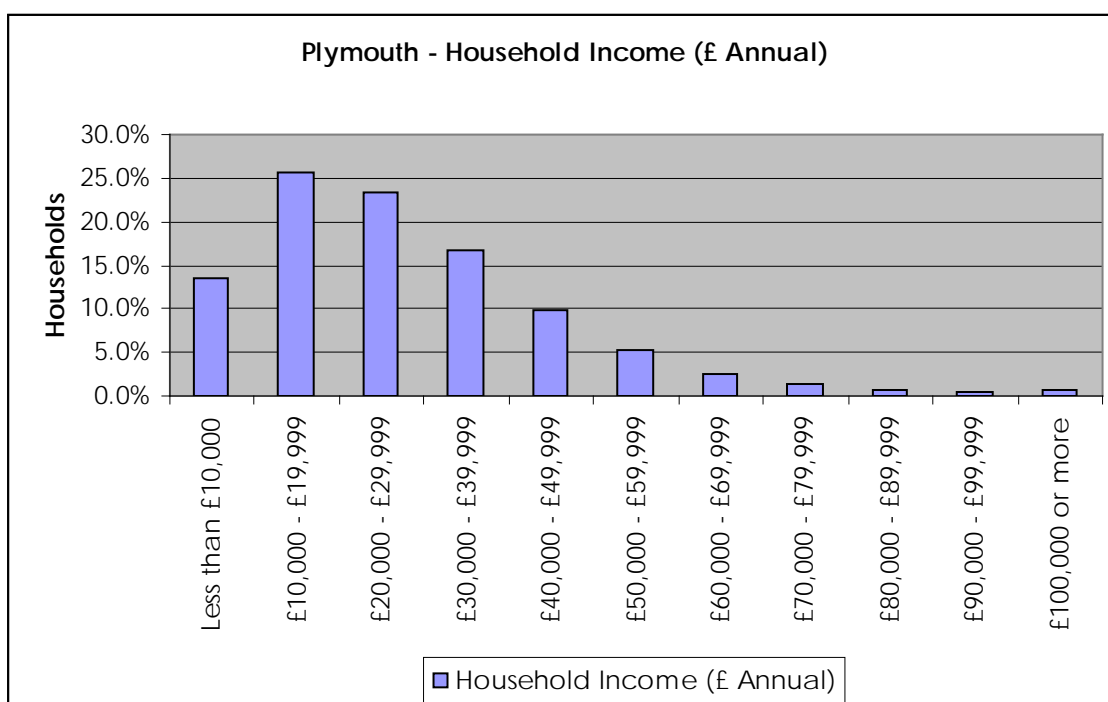
5.111 Assuming a 10% deposit, at present the average home buyer purchasing a lower quartile property would require a substantial deposit within each of the Local Authorities. Generating this level of savings for a deposit is likely to make purchasing a property very challenging for low income and first-time buyer households.

Incomes

5.112 Income levels are directly related to employment opportunities and have an important relationship with the ability of households to exercise choice in the housing market and indeed the level of need for affordable housing products. The analysis below considers the income profile of each of the authorities in turn.

5.113 Figure 5.11 illustrates the gross household income of residents across Plymouth using the 2012 Experian income dataset held by the City Council. Almost 40% of households have an annual gross household income below £20,000. This highlights the challenge for a considerable proportion of households in Plymouth of saving a 10% deposit to purchase a lower quartile priced entry-level home in the city when considered in conjunction with Figure 5.10.

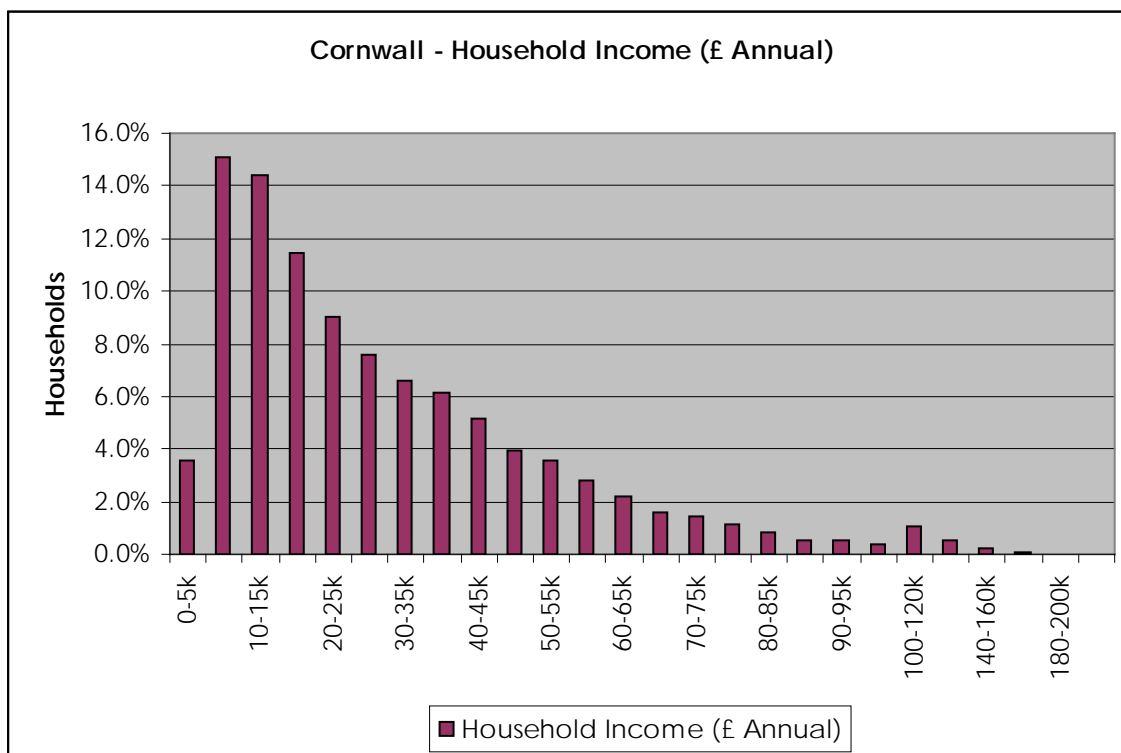
Figure 5.11: Plymouth - Household Income Profile (2012)



Source: Experian, 2012

5.114 Figure 5.12 illustrates the gross household income of residents across Cornwall using the 2012 CACI income dataset held by the Council. Almost 35% of households have an annual gross household income below £15,000. This highlights the challenge for a considerable proportion of households in Cornwall of saving a 10% deposit to purchase a lower quartile priced entry-level home when considered in conjunction with Figure 5.10, which highlights mortgage repayment affordability indicators.

Figure 5.12: Cornwall - Household Income Profile (2012)



Source: CACI, 2012

- 5.115 It is important to note that these datasets includes all types of household incomes including wages, investments and other forms of household income.
- 5.116 Comparable up-to-date household income profile information was not available at the time of writing for the areas of South Hams, West Devon and the Dartmoor National Park. Further contextual information around incomes using datasets held by these Local Authorities is included within the individual local authority Overview Reports.

Benchmarking Access to Different Housing Tenures

- 5.117 The data assembled above has been drawn together in this final sub-section to present an indication of the relative affordability of different tenures of housing in relation to the financial capacity of households in each of the Local Authorities.
- 5.118 The DCLG Guidance suggests a number of critical levels to test against income in order to evaluate the extent of the issue of affordability. The two core elements are:
 - Assessing whether a household can afford to buy a home; and

- Assessing whether a household can afford to rent a home.

5.119 A series of key assumptions used in the benchmarking assessment of these elements are set out in the following textbox.

Key Affordability Benchmarking Assumptions

Within its guiding methodology for assessing affordability, the Guidance recommends the following standardised assumptions when assessing affordability (this is utilised within the calculation of housing need in Section 6):

- Lower Quartile (LQ) house prices are utilised to represent lower market entry properties (these are taken from DCLG representing Quarter 3 2012);
- Lower Quartile (LQ) private rent prices are utilised to represent entry into the private rented sector (with data sourced from data released by VOA);
- An individual with a single income is considered able to buy a home if it costs 3.5 times the gross household income;
- A household is considered able to afford market housing in cases where the rent payable would constitute no more than 25% of their gross household income;
- 'Rent payable' is defined as the entire rent due, even if it is partially or entirely met by housing benefit; and
- Annual social housing rents are calculated from an average taken of RSL rental levels (HCA SDR dataset).

5.120 Figure 5.13 illustrates the levels of income required to enter different tenures through the application of these assumptions in each of the Local Authorities.

Figure 5.13: Incomes Required to Enter different Tenures – Affordability Benchmarking

Authority	Affordability Benchmarks – Annual Income Required				
	To purchase LQ House (3.5 * income – 10% deposit)	Private Rented LQ 2-bed Dwelling (25% income)	Private Rented LQ 3-bed Dwelling (25% income)	Social Rented – 2 Bed Dwelling (25% income)	Social Rented – 3 Bed Dwelling (25% income)
Plymouth	£29,829	£25,200	£28,560	£12,888	£14,445
Cornwall	£37,273	£25,680	£30,000	£15,451	£16,959
South Hams	£45,771	£25,200	£30,144	£16,448	£18,390
West Devon	£36,257	£24,000	£28,080	£15,679	£17,650

Source: DCLG, HCA SDR, 2012, VOA, 2013

- 5.121 It is evident that there exists a considerable gap between the income required to afford social rented property and market property – particularly for purchase. This reinforces the preceding analysis in demonstrating the considerable challenge for households across the Local Authorities in climbing the housing ladder from social rented property into open market housing.
- 5.122 The private rented sector is illustrated as representing a ‘stepping stone’ between ownership and social rented properties. This has an important bearing on understanding the levels of need for different tenures of housing in the short-medium term as considered within section 7.

Bringing the Evidence Together

- 5.123 This section has provided an updated assessment of the functionality of the active housing market across the SHMNA Local Authorities.
- 5.124 The conclusions of this analysis present key informing factors in relation to future housing needs and clearly establish the relationships at the current point in time between supply and demand. Key findings from this section are set out below:
- **House Prices** - Between Quarter 1 1996 and Quarter 3 2012 Plymouth has consistently remained the most affordable of the Local Authorities, with median house prices tracking below the national average. However, this is likely to reflect its urban nature and concentration of smaller housing stock. Cornwall has tracked the national average house price very closely since 1996. In contrast, both South Hams and West Devon demonstrate average house prices in excess of the national average. South Hams, in particular, has average house prices that have

consistently and significantly exceeded the national average – recorded at £245,000 in Q3 2012 compared to £190,000 for England as a whole.

- **Affordability** - Affordability issues have not considerably eased across the Local Authorities – due to the ongoing resilience in house prices – even at the most affordable entry level (i.e. lower quartile) end of the property market. As a result, in 2011 in South Hams, a lower quartile house will cost circa 10 times the income of a household earning the lower quartile salary. This significantly exceeds the national benchmark, with a ratio of 6.5. The ratio is also high in Cornwall and West Devon respectively, at 9.08 and 8.75 respectively. The result is that many lower income households will be priced out of entering the private housing market, unless they save considerable deposits.
- **House Transactions** - Although house prices have not considerably declined, in spite of the ‘credit crunch’ and recession in the late 2000’s, the volume of residential dwelling transactions has contracted significantly since 2008. The volume of transactions in the market reached its lowest point since 1996 in 2008, having rebounded slightly by 2011. Albeit, the market remains ‘thin’, with transactions some 20-30% lower than in 1996, and some 50-60% below the peak in transaction volumes seen in 2006 and 2007. Notably, the Local Authorities have closely mirrored the national trend in transaction volumes.
- **Private Rented Sector** - Nationally, and in each of the SHMNA Local Authorities, the private rented sector has undergone a period of significant expansion over recent years and now plays an important role in the operation of the wider market, offering an alternative to owner-occupation and the social rented sector. The VOA ‘Private Market Rental Statistics’ data provides both lower quartile and median rents for the Local Authorities for the period October 2011 to September 2012. By the ‘all properties’ measure, South Hams is the most expensive of the Local Authorities to rent privately – either by the median measure or for entry-level lower quartile properties. Moreover, prices in South Hams consistently sit above the national benchmark. In contrast, Plymouth is the most affordable of the Local Authorities if renting privately. The analysis of affordability benchmarking highlights the role that the private rented sector provides as an intermediary tenure in terms of housing costs between owning and renting socially within each of the authorities.
- **Access to different tenures** – The analysis has clearly demonstrated the current issues facing mobility between the social sector, private rented and owner occupier sectors across each of the Local Authorities. The benchmarking of access to different tenures has highlighted that a significant proportion of households are essentially unable to exercise genuine choice in the market as a result of their financial capacity. The additional impact of tightening mortgage

lending regulations in recent years means that new households whose incomes are relatively healthy, but who have limited savings for a deposit, are also likely to be excluded from the owner occupier market. Moreover, it is anticipated that the Government's programme of Welfare Reforms may place greater pressure on households with already limited incomes, reducing their choice of tenures and properties further, particularly in the private rented sector.

6. The Future Housing Market

Household Growth Projections and Policy Development

- 6.1 Section 2 has set out the existing policy positions of each of the authorities in relation to the level of housing which are currently being planned for. These requirements have been driven by the levels of demand evidenced through regionally assembled analysis. This process considered the latest available forecast and projection data for the two fundamental drivers of overall population demand, demographic and economic factors. The attributing of housing requirement figures through the RSS also involved a consideration of the potential available supply of land and the sub-regional market linkages between different authorities.
- 6.2 Both Cornwall and Plymouth have recently undertaken research to assess the objectively assessed need for housing in each authority as required under the NPPF and in anticipation of the planned revocation of the regional tier of planning. The outputs of the modelling presented within this section cannot directly be compared with these research outputs as alternative methodologies have been applied with the work presented in this section using a demographic model to project changing population and household levels. The conclusions of these pieces of work are set out below for reference:
- Plymouth: 'Housing Requirement for Plymouth' (Baker Associates, May 2012) – 'This study concludes, based on current evidence, that the range of 16,377 – 20,477 dwellings (between 2011 and 2031) is considered as a starting point for setting the housing requirement' (Para 9.19, Baker Associates, 2012); and
 - Cornwall: 'Housing Requirement for Cornwall' (Peter Brett Associates, October 2012) – 'This study concludes, based on current evidence and all the information discussed in this report that the range of 49,700 to 68,600 dwellings (between 2010 – 2030) is considered as a starting point for setting the housing requirement' (Para 5.2.2, Peter Brett Associates, 2012).;
- 6.3 This section uses the most up-to-date datasets (at the time of the research January 2013) to provide a comparable analysis of demographic and economic factors to assess the level of demand for housing (all tenures). The analysis is presented over the time period 2011 – 2031 in order to inform the development of future policy and strategy documents for each of the authorities. This analysis is undertaken in line with the expectations of a Local Plan evidence base as set out in the NPPF and the DCLG SHMA Guidance.
-

- 6.4 The analysis serves to establish the overall level of demand but also importantly provides greater detail around the sizes of property likely to be required. This is then complemented through the outputs in section 7 which provides an assessment of the likely need for different tenures of housing linked to market and affordability factors.
- 6.5 Population trends influence both the level and, as a result of a changing age structure and household composition, the types and sizes of housing which will be required in the future. As illustrated through the analysis within section 4 employment trends also influence both the level and type of migration. In turn, migration trends are very important in that they influence the future level of population and age structure of the total population.
- 6.6 Nationally population projections indicate that the population is rising, with this growth in the overall number of people being compounded further in demand for housing by falling average household sizes across many areas. The result nationally is a well documented apparent mismatch between current and future supply and demand for housing.
- 6.7 The modelling of population and household change presented in this section uses official datasets and the POPGROUP model¹⁷.

The POPGROUP modelling approach

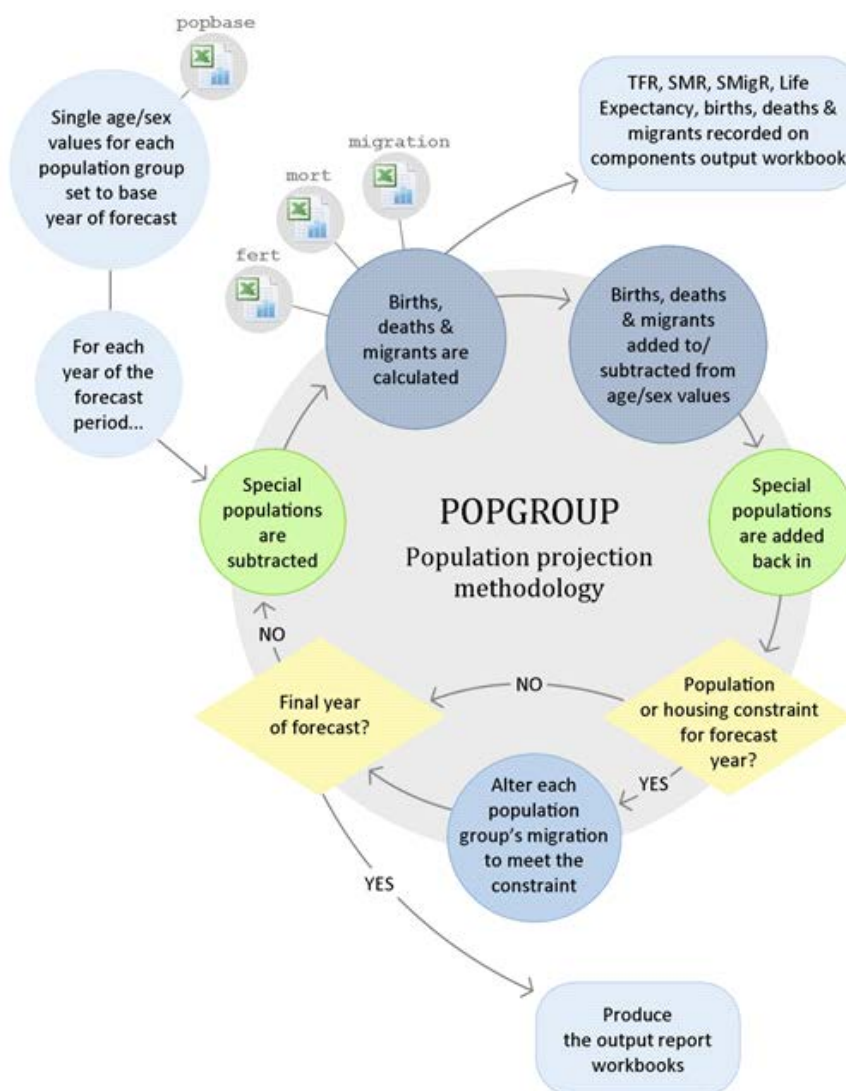
- 6.8 POPGROUP and the Derived Forecast software component are used to develop a series of population and linked household projections for the authority.
- 6.9 Population projections delivered using POPGROUP use a standard cohort component methodology (the methodology used by the UK statistical agencies). The household projections use a standard household headship rate as employed by the Communities and Local Government (CLG) for its household projection statistics.
- 6.10 In order to align population projections with different forecast levels of job change the model integrates labour force projections. These labour force projections use a standard economic activity rate methodology. A more detailed description of the population and household projection methodologies is available from the User Guide

¹⁷ POPGROUP is used by over 90 local and regional organisations in the UK and has been subject to extensive enhancement and development over the last ten years. It uses MS Excel workbooks to manage its data inputs and outputs and provides great flexibility to enable users to experiment and analyse alternative forecasts. A more detailed description of the population and household projection methodologies is available from the User Guide and Reference Manual on the POPGROUP website. The mathematical calculations for each method are documented at the end of each of the manuals. www.ccsr.ac.uk/popgroup/about/manuals.html

and Reference Manual on the POPGROUP website
www.ccsr.ac.uk/popgroup/about/manuals.html.

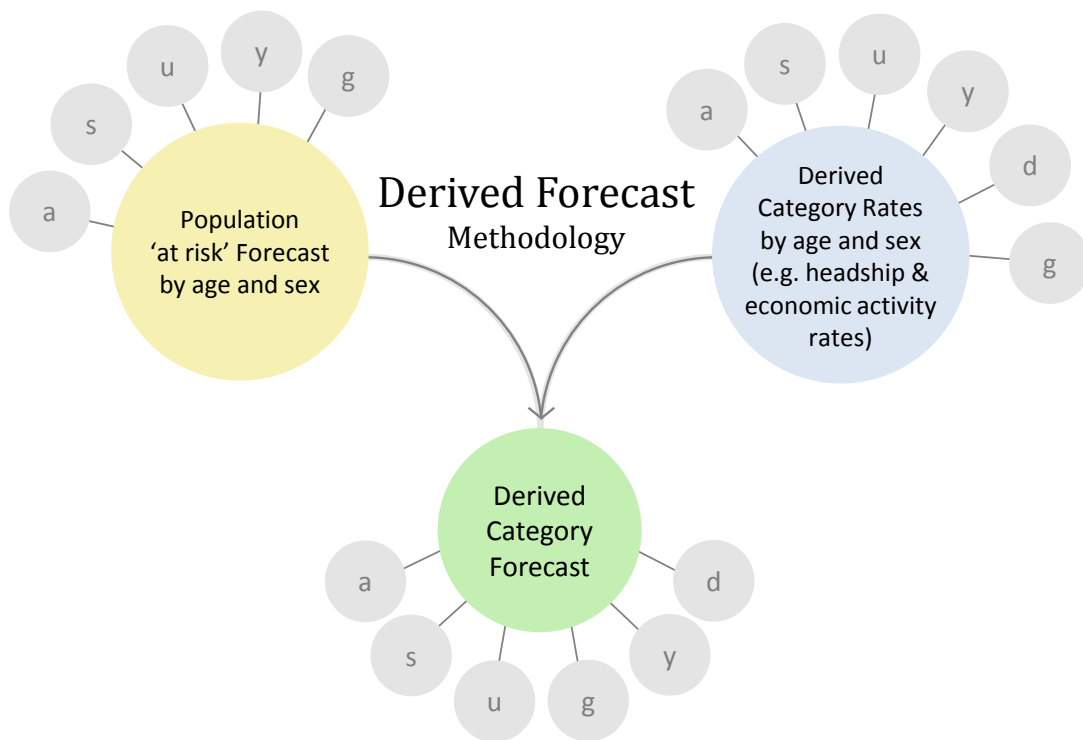
6.11 The following graphics provide a schematic illustration of the operation of the POPGROUP and Derived Forecast methodologies.

Figure 6.1: POPGROUP population projection methodology



Source: Edge Analytics, 2012

Figure 6.2: Derived Forecast Model: household & labour force projection methodology



$$D_{a,s,u,y,d,g} = \frac{P_{a,s,u,y,g} R_{a,s,u,y,d,g}}{100}$$

<i>D</i>	Derived Category Forecast
<i>P</i>	Population 'at risk' Forecast
<i>R</i>	Derived Category Rates
<i>a</i>	age-group
<i>s</i>	sex
<i>u</i>	Sub-population
<i>y</i>	year
<i>d</i>	derived category
<i>g</i>	group (usually an area, but can be an ethnic
ethnic	group or social group)

Source: Edge Analytics, 2012

Outputs of the Population and Household Modelling Analysis

- 6.12 This section presents a number of scenarios of projected population change in each of the authorities over the plan period. The outputs of the modelling use ONS and DCLG data sets which are only available for statistical authority areas. Data is therefore presented for the four authority areas, however, in order to assess the differing implications for the planning authorities of West Devon, South Hams and Dartmoor National Park a sub-section uses the current distribution of the population (as presented in figure 4.1) to show a disaggregated level of analysis.
- 6.13 Three scenarios are presented within the section, these being:
1. Re-based ONS 2010-based Sub-National Population Projections (SNPP). This dataset is presented throughout as a benchmark against which to compare alternative scenarios. The projection is essentially 'trend-based' as the ONS methodology projects forward future change based on recent historical trends. The projections have been re-based to reflect the 2011 Census population count. The derived household projections use household formation rates (headship rates) from the 2008 Sub-National Household Projections (SNHP), which, until the release of the 2010 base dataset remain the most up-to-date data source available. The modelling process has factored in the 2011 Census household counts although due to the modelling processes may not match exactly for all of the scenarios;
 2. Employment-led Scenario (Experian) – This represents a 'constrained' rather than a trend based projection. This scenario takes the ONS 2010 SNPP data as its base and constrains the population to the latest employment forecasts published by Experian. These forecasts are the November Experian Quarterly Forecast results as analysed in section 4 and are a baseline run with no modifications incorporated to reflect policy aspirations. The scenario assumes that unemployment rates and the commuting ratio for the authority continue to reflect average recent performance levels. The scenario incorporates an uplift in economic activity rates of older working age groups to reflect rising pension ages; and
 3. Employment-led Scenario (LEFM or Oxford Economics) – A similar scenario to the Employment-led (Experian) scenario with the job constraints derived from the alternative economic forecasting house (LEFM or Oxford Economics) as presented within figure 4.31).

Demographic Projections: Re-based Sub-national Population Projection

- 6.14 On the 21st March 2012 the Office of National Statistics (ONS) released the latest full set of official Sub National Population Projections (SNPP) data¹⁸. These have a 2010 base and replace the 2008 base sub-national population projections.
- 6.15 The ONS notes within an accompanying 'methodology document'¹⁹ the detailed data sources and methodology used to generate the population projections. These are however, summarised based on the accompanying 'frequently asked questions'²⁰ note:

"Registrations of births and deaths collected by the civil registration system at the General Register Office are used to calculate fertility and mortality rates. Internal migration estimates and cross-border migration estimates are based on administrative data. International migration estimates are based on data from the International Passenger Survey, together with asylum seeker data from the Home Office and National Asylum Support Service." (ONS, SNPP 2010 – Frequently Asked Questions)

- 6.16 A number of methodological changes have been integrated in the latest projections which have an impact both at a national and a sub-national level. These changes are primarily related to the treatment of projections of international migration flows and changes to fertility rates reflecting recent national trends. These are explored in more detail below.

Projecting International Migration

- 6.17 ONS has an ongoing programme of 'improvement' to its estimation methodologies to ensure the most accurate data on immigration and emigration is used in its estimation of the population. In 2010, ONS released a set of 'revised' Mid Year Estimates (MYE) for 2001-2009 and a revised 2008-based population projection, which took account of a number of such improvements; specifically, the improved handling of onward student moves and the integration of administrative data sources to better estimate the local impact of international migration.

¹⁸ Note: In September 2012 the ONS published an Interim 2011 base SNPP dataset. This doesn't represent a full official SNPP with the projections only running to 2021. This dataset is considered in more detail throughout this section but does not form a separate considered scenario.

¹⁹ ONS, (2012) Methodology: 2010 Sub-National Population Projections, 21st March 2012
<http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2010-based-projections/rpt-snpp-2010-based-methodogy-report.html>

²⁰ ONS, (2012) Frequently Asked Questions: 2010-based Sub-National Population Projections, 21st March 2012
<http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2010-based-projections/rpt-snpp-2010-based-faq.html>

- 6.18 In November 2011, ONS released further revisions to MYE for 2006-2010, using a revised methodology for international migration estimates based upon an approach developed by Dr Peter Boden and Professor Phil Rees working at the University of Leeds²¹.
- 6.19 These latest MYE revisions, although yet to be made 'official statistics', have been used as the basis for ONS' latest 2010-based SNPP, released in March 2012. The 2010 base SNPP include within their long-term estimates of projected international migration trends a substantial increase in net flows at a national UK level.
- 6.20 The new projections also include updated assumptions around fertility rates. Recent evidence at a national level suggests a rise in fertility rates, this again impacts on local level projections,²², this is explained by the ONS below:

"Compared to the 2008-based projections, the long-term fertility assumption has remained the same. However higher fertility rates are assumed in the short-term, with the assumed UK fertility rates set to increase from current levels to a high of 2.02 (children per women) in 2013 before decreasing to the long-term assumption of 1.84 by 2027. These short-term assumptions are very different to those used in the 2008-based projections which assumed a decreasing fertility rate and reached the long-term within five years. The 2010-based assumptions are higher and stay higher for longer reflecting the current relatively high trends in fertility." (ONS, SNPP 2010 – Frequently Asked Questions)

²¹ Boden P and Rees P (2010) Using administrative data to improve the estimation of immigration to local areas in England, Statistics in Society – Series A, Volume 173 Issue 4m, p707-731, October 2010
<http://onlinelibrary.wiley.com/doi/10.1111/j.1467-985X.2009.00637.x/abstract>

ONS (2011) Improved Immigration Estimates to Local Authorities in England and Wales: Overview of Methodology
<http://www.ons.gov.uk/ons/guide-method/method-quality/imps/improvements-to-local-authority-immigration-estimates/index.html>

²² Note: Further information on the national assumptions can be found at the following link:
<http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2010-based-projections/rep-2010-based-npp-fertility-assumptions.html#tab-Principal-assumptions>

Taking account of the 2011 Census data

- 6.21 In July 2012 the ONS published the first phase release of data from the 2011 Census. This included estimates of the population and the number of households for each authority in England and Wales as well as a breakdown by age. This data has been analysed in section 4. In order to ensure the analysis takes account of this data release all of the modelled scenarios have been rebased to reflect the 2011 Census population count.
- 6.22 This exercise is very similar to that undertaken by the ONS in the publication of the 2011 based Interim sub-national population projections. These are described in the text box below.

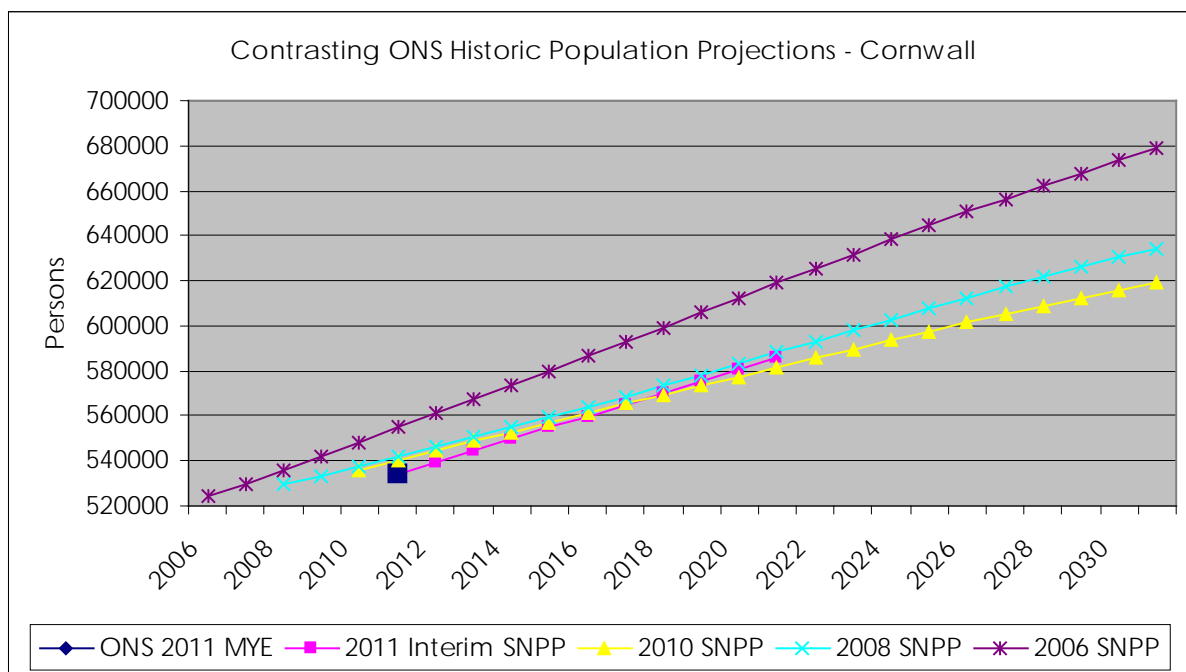
Interim 2011 based Sub-National Population Projections

The ONS published a 2011 based Interim set of sub-national population projections (SNPP) on the 28th September 2012. These projections were produced ahead of the usual schedule of releases in order to provide an indication of the impact of the integration of available data from the 2011 Census.

It is important to recognise that these projections do not take into account all of the data usually required to update trends in the ONS projection model. Assumptions around future fertility, mortality and migration levels are based on the trends calculated for the 2010-based SNPP. This is because a revised back series for the rolled forward mid-2002 to mid-2010 population estimates taking account of the 2011 Census is not yet available to update the assumptions. The projections do however, give an indication of the possible size and structure of the future population based upon and updated base position regarding the structure of the population in terms of age and sex as of the 2011 Census date.

- 6.23 The following charts show the position of the 2011 Census count in the context of the latest four ONS published SNPP datasets for each authority, with this including the 2011 Interim SNPP dataset.

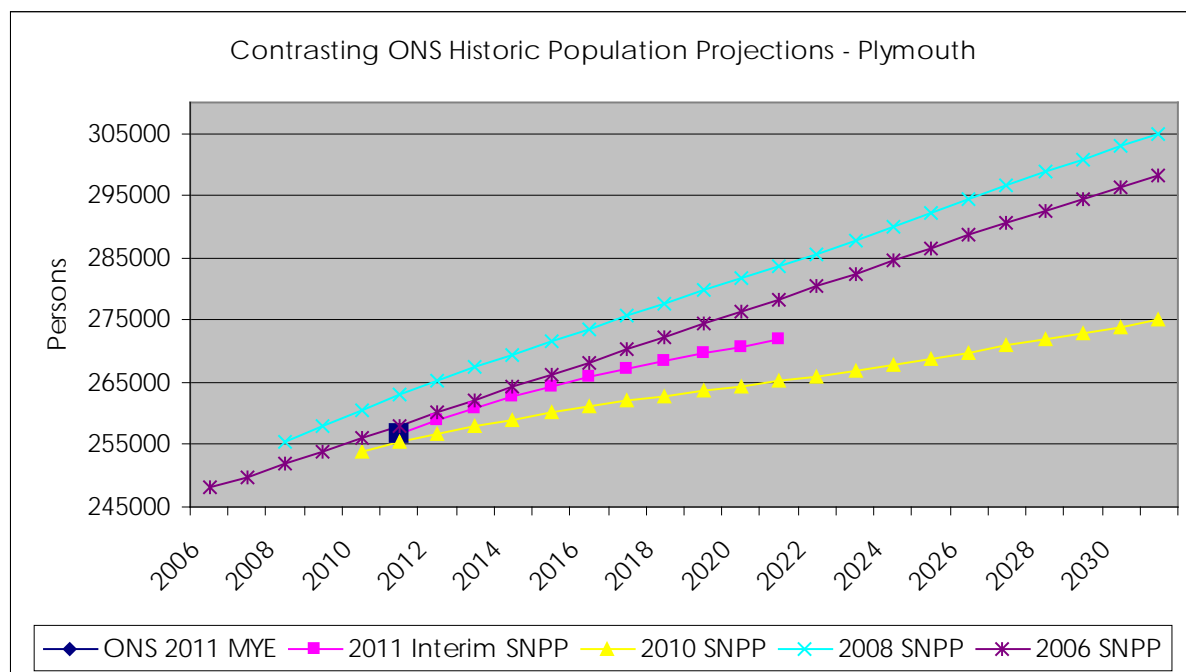
Figure 6.3: Contrasting ONS historic and current SNPP datasets and the 2011 Census - Cornwall



Source: ONS various dates

- 6.24 The data on the chart indicates that the results of the 2011 Census suggested that the population of Cornwall had not grown to the extent anticipated through the most up-to-date official SNPP projections (2010 base).
- 6.25 The latest two official SNPP datasets, 2010 and 2008 base, show a comparable projection trajectory, both showing steady growth over the forecast period. By contrast the 2006 base dataset projected a much greater level of growth.
- 6.26 The Interim 2011 projections released by the ONS, whilst re-based to the lower population count in 2011 appear to show a higher rate of growth over the next ten years than either of the most recent official SNPP datasets.

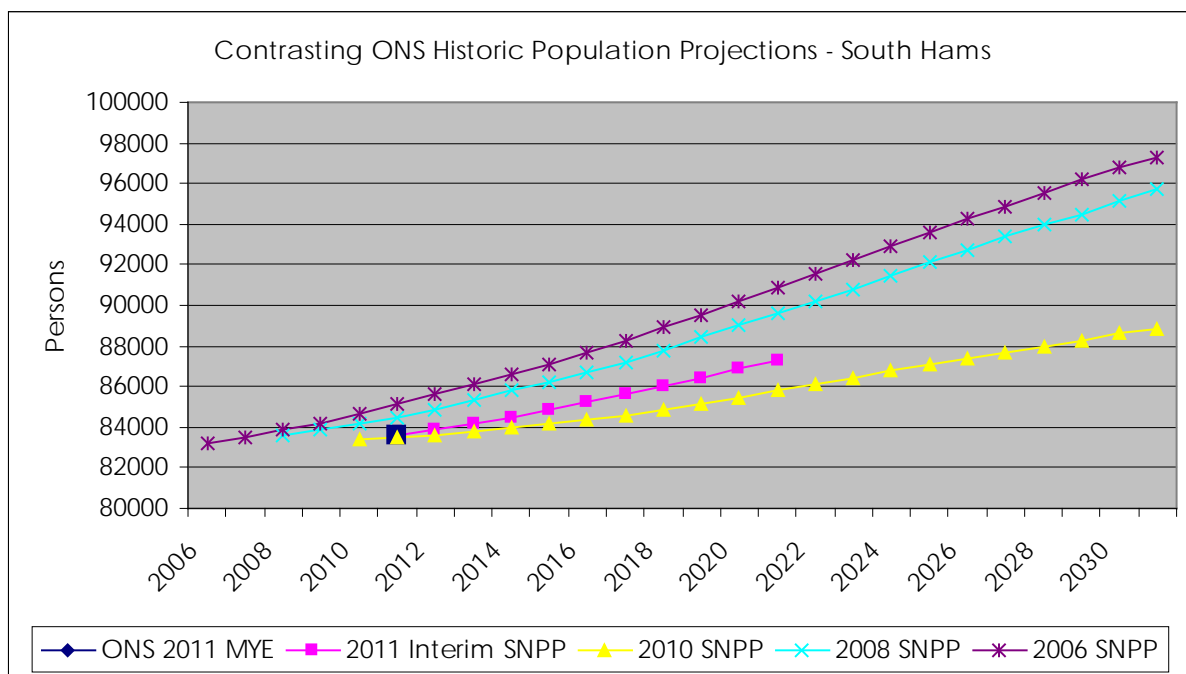
Figure 6.4: Contrasting ONS historic and current SNPP datasets and the 2011 Census - Plymouth



Source: ONS various dates

- 6.27 The data on the chart indicates that the results of the 2011 Census suggested that the population of Plymouth has grown at a slightly faster rate than anticipated through the most up-to-date official SNPP projections (2010 base). Interestingly though the Census derived 2011 MYE figure shows a lower count than was projected under both the 2008 and 2006 based SNPP datasets.
- 6.28 The latest two official SNPP datasets, 2010 and 2008 base, show a different projection trajectory, with the latter showing a stronger rate of growth leading to the projection of a much larger population. The actual count evidenced by the 2011 Census suggests that the 2008 projection represented an over optimistic growth picture but the 2010 projection went too far in the other direction. The 2011 interim projection shows a middle ground, noting, however that this still retains the assumed growth assumptions in the 2010 base projections albeit from an updated 2011 base.

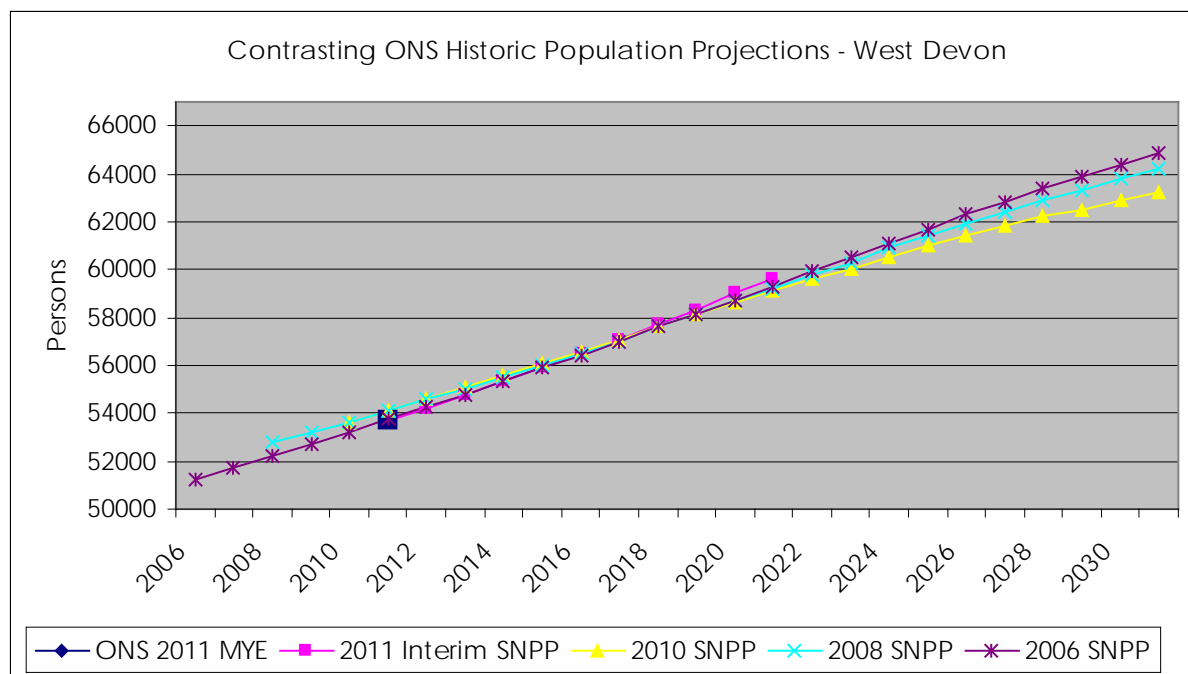
Figure 6.5: Contrasting ONS historic and current SNPP datasets and the 2011 Census – South Hams



Source: ONS various dates

- 6.29 The data on the chart indicates that the results of the 2011 Census suggested that the population of South Hams has grown in line with the projection set within the 2010 SNPP. The 2010 SNPP dataset projected a population of 83,500 in 2011 and the Census 2011 based MYE revealed a population of 83,600.
- 6.30 Interestingly the two earlier ONS projections, the 2006 and 2008 based datasets; both projected a far higher population growth.

Figure 6.6: Contrasting ONS historic and current SNPP datasets and the 2011 Census – West Devon



Source: ONS various dates

- 6.31 The data on the chart indicates that the results of the 2011 Census suggested that the population of West Devon has grown in line with previous ONS forecasts (400 fewer persons recorded within the 2011 Census than projected under the 2010 base ONS SNPP). Indeed there is a notable level of consistency between the different iterations of the projections for the authority. The latest 2011 Interim projections appear to show a slightly greater rate of population increase which if extrapolated forward would appear to suggest a projected higher level of population growth than previous datasets.

Taking Account of 2011 Data

- 6.32 Reflecting on the charts above aligning the projections to a 'known' 2011 base is clearly important. The GVA modelled Rebased SNPP scenario presented in this subsection therefore takes the 2011 Census data as a start point and applies the projected rate of change assumed through the 2010 base dataset (ONS long-term assumptions on fertility and mortality change).
- 6.33 The 'corrections' applied through the various ONS SNPP published datasets highlights the impact of varying assumptions and highlights the importance of considering a range of scenarios recognising that projecting forward data over the long-term always come with a level of uncertainty. Further updates will be available through

future information releases by the ONS. This includes a 2010 based release of the Sub-National Household Projections (SNHP) and in March / April 2013 a release of further migration and fertility assumptions linked to the 2011 Census. It will be important for the Local Authorities to monitor the implications of the release of these datasets for the analysis presented within this SHMA report.

Rebased SNPP 2010 Scenario Projected Population Change

- 6.34 The projected impact of the rebasing of the 2010 base SNPP for each authority to include the 2011 Census outputs is illustrated in the following table.

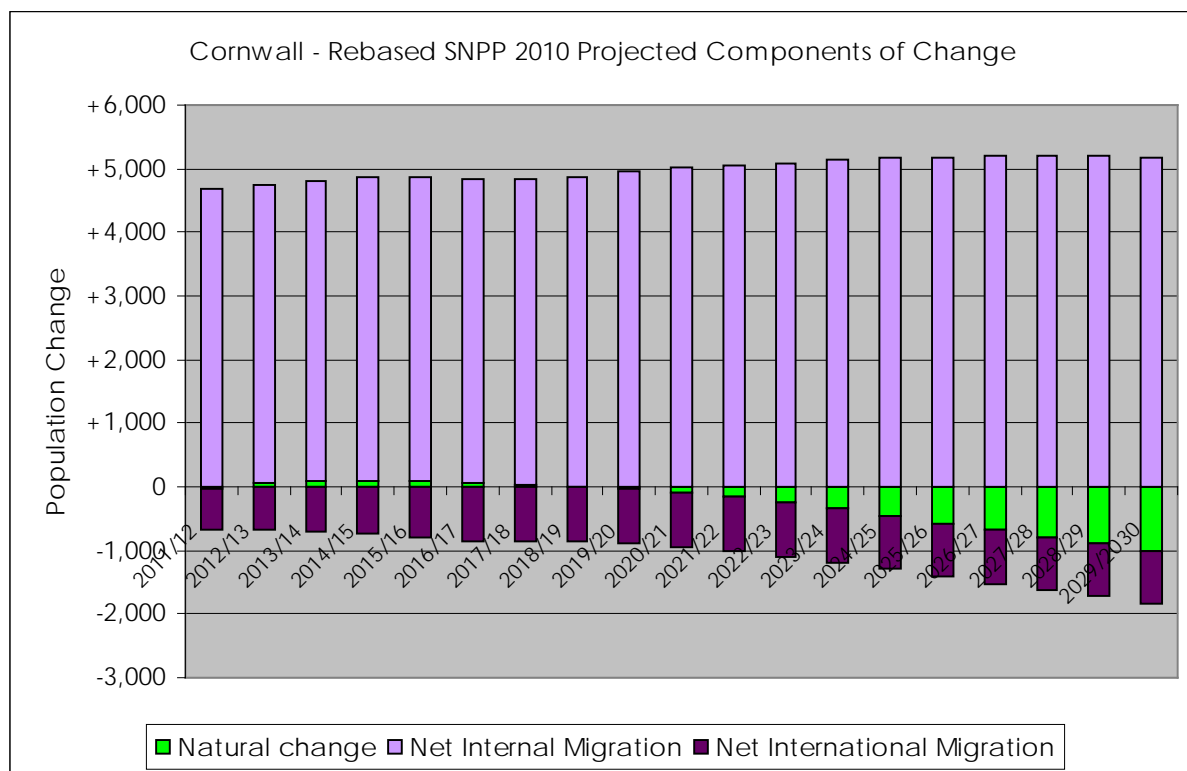
Figure 6.7: Projected Population Rebased SNPP 2010

Re-based SNPP 2010 Scenario	Number of Persons		Change in Population 2011 - 2031	Annual Average Change 2011 - 2031 (20 years)
	2011	2031		
Cornwall	533,760	611,309	77,549	3,877
Plymouth	256,589	276,214	19,625	981
South Hams	83,563	88,875	5,312	266
West Devon	53,655	62,673	9,018	451

Source: Edge Analytics, GVA, 2013

- 6.35 This trend based projection suggests that the population of each of the authorities will continue to grow between 2011 and 2031. This reflects the fact that as evidenced in figure 4.1 all of the authorities have seen a growth in population between 2001 and 2011. The trend based projection essentially bases future population growth on the last five years from the projection base point. This explains why Plymouth's growth in particular is comparatively low when set against the average trend between 2001 and 2011 with the last half of this period showing a lower level of population growth linked to a reversal of the flow of internal migration to a net outflow position.
- 6.36 The analysis in section 4 showed that for the other three authorities net internal migration flows had remained relatively strong over the last half of the previous decade, driving population growth. The levels of population growth shown above therefore retain this assumed strong flow of net in-migration serving to drive comparatively strong levels of population growth.
- 6.37 The following charts illustrate this point showing the assumed net impact of the three components of change on annual population change for each authority under this scenario.

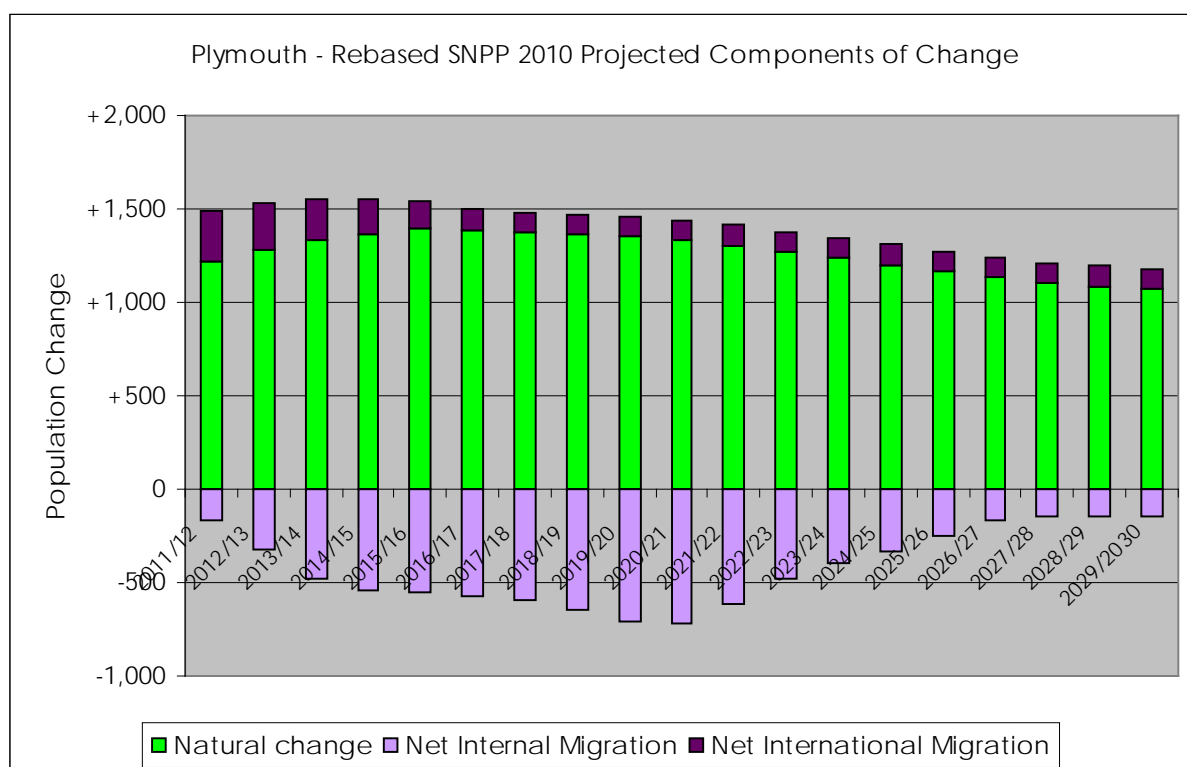
Figure 6.8: Components of Change Rebased 2010 SNPP - Cornwall



Source: Edge Analytics, 2013

6.38 The assumed continuation of a strong level of net in-migration from other parts of the UK (internal) is evident in figure 6.8. This reflects the strong levels of migration evidenced over recent years and considered in section 4. The projection assumes a relative balance in terms of the natural Change component over the first half of the projection period reflecting the move towards this balance over recent years. This component ultimately becomes negative again towards the end of the projection period reflecting a continued ageing of the population. International migration is assumed to represent a negative flow over the projection period again based on ONS calculated net outflows over recent years.

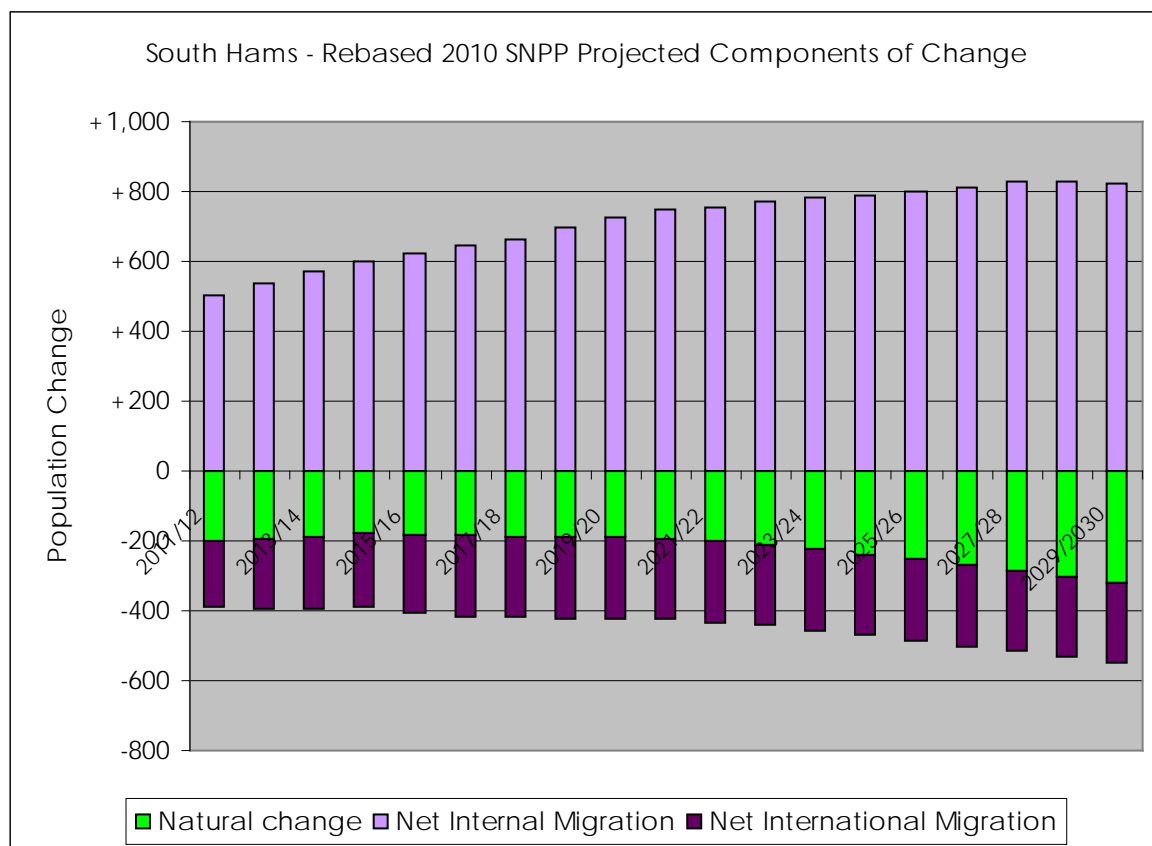
Figure 6.9: Components of Change Rebased 2010 SNPP - Plymouth



Source: Edge Analytics, 2013

6.39 The Plymouth components of change chart shows a very different picture than Cornwall's. The analysis in section 4 highlighted the strong role that Natural Change has played historically in Plymouth reflecting the comparatively youthful population profile of the authority. The projection assumes a continuation of this trend going forward, with a slight curbing of the scale of growth associated with Natural Change towards the end of the projection period. Importantly, the projection assumes a continuation of the evidenced net out-migration of people to other parts of the UK which has been seen over the last five years or so but was not the case going over a longer period. This serves, as noted previously in this section, to moderate the scale of population growth and has an important impact on the changing age profile of the authority, and in particular its working age population, an issue returned to throughout the analysis in the rest of this section.

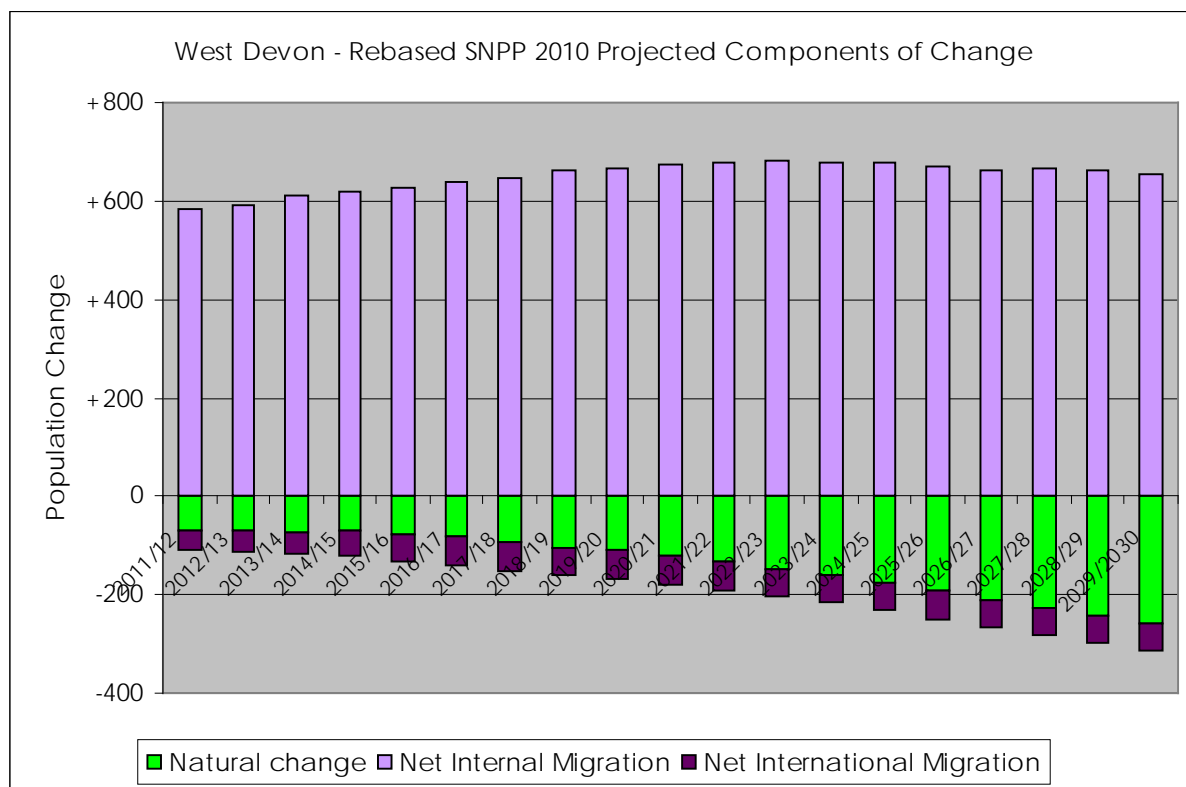
Figure 6.10: Components of Change Rebased 2010 SNPP – South Hams



Source: Edge Analytics, 2013

6.40 The components of change underpinning South Hams demographic trend based projection show similarities with Cornwall. There is an assumed strong flow of internal migrants into the authority, with the ONS assuming that this will increase over the projection period to reach a net per annum total of around 800 persons. The projection assumes a continuation of the trend of net international outmigration which has been seen over recent years, noting that this position was reversed in the authority pre-recession.

Figure 6.11: Components of Change Rebased 2010 SNPP – West Devon



Source: Edge Analytics, 2013

6.41 West Devon’s components of change are also comparable with Cornwall and South Hams with an assumed continuation of strong net in migration from other parts of the UK but a small outflow of international migration flows. Natural Change is projected to increasingly play a negative role in terms of population change reflecting a continuation of a trend of an ageing population evidenced in section 4 as occurring over recent years.

Employment Constrained Projections

6.42 The remaining scenarios presented in this section differs from the previous one in that rather than projecting forward changes to the future population on the basis of historical trends it constrains the population to an economic forecast which is forward looking.

Methodology / Assumptions

6.43 The population projected under the Rebased SNPP 2010 scenario has been aligned with both of the selected economic forecasts presented in figure 4.31 to produce two alternative employment-led projection scenarios.

- 6.44 The construction of these scenarios is achieved by applying parameters which measure the relationship between the population and the labour-force (economic activity rate) and between the labour force and the number of jobs in an area (labour force: jobs conversion factor). This takes into account the level of unemployment but also the degree to which residents live and work within the area in question. In an employment constrained scenario, net in-migration will occur if the size of the labour-force is insufficient to match the number of jobs forecast to be created.
- 6.45 The scenario assumes that commuting and unemployment rates remain constant over the projection period. In the case of commuting the ratios presented in section 4 are used (built from the 2001 Census) but in terms of unemployment more up-to-date data is available and the assumed rate is built upon a five year average²³. The same approach is applied to economic activity rates²⁴, the only variation on these assumptions is a varying of older person activity rates to reflect changes to pension ages over the long-term, with the following assumption applied:
- 50 – 64 and 65 – 74 year age groups: Economic activity rates incrementally increased by 10% between 2011 and 2030. An incremental approach is applied to reflect the gradual impact of this employment factor.
- 6.46 Importantly as noted above the assumed economic activity rates and unemployment levels, as presented in section 3, are based on averages over a 5 year period. This is important both in terms of smoothing out estimation errors in the published datasets which are based on sampling analysis but also in terms of the relative health of the economy which is projected forward. Projecting current rates forward over a twenty year period would compound any current issues linked to the recession and present a particularly negative outlook in employment terms. The averaging out of rates incorporates the current economic climate as well as more positive economic periods therefore achieving a more balanced perspective for projecting forward.

Employment Constrained Projections Projected Population Change

- 6.47 The following table illustrates the impact of this exercise of aligning the population with alternative economic forecasts for each authority on total population estimates.

²³ Commuting rates are held constant based on analysis of Census 2001 data and shown in figure 4.32. Unemployment rates are held constant based on the 5 year average with underpinning data included in the individual Local Authority Overview Reports.

²⁴ Economic activity rates are held constant based on average figures built using up-to-date NOMIS data and attributed to individual age groups by sex. These are referenced within the Individual Local Authority Overview Reports

Figure 6.12: Projected Population – Employment-Led Projections

Employment-led Scenarios	Number of Persons		Change in Population 2011 - 2031	Annual Average Change 2011 - 2031 (20 years)
	2011	2031		
Cornwall				
Employment-led Experian	533,760	656,343	122,583	6,129
Employment-led LEFM	533,760	674,708	140,948	7,047
Plymouth				
Employment-led Experian	256,589	309,173	52,584	2,629
Employment-led OE	256,589	289,173	32,584	1,629
South Hams				
Employment-led Experian	83,563	105,727	22,164	1,108
Employment-led LEFM	83,563	120,045	36,482	1,824
West Devon				
Employment-led Experian	53,655	66,615	12,960	648
Employment-led LEFM	53,655	72,774	19,119	956

Source: Edge Analytics, GVA, 2013

- 6.48 It is evident from the above that for all of the authorities the derived employment-led projections show a considerably higher projected growth in population. This is driven by the need to balance the working-age population with levels of projected employment growth. The analysis of the changing age structure of the authorities between the last two Census years in section 4 indicated that there had been a notable reduction in the size of the traditional working age population as the 'baby boom' generation from the 50s and 60s starts to move into retirement age. Moving forward over the next twenty years this picture becomes increasingly pronounced. Therefore in order to maintain a balance the projections assume a significant sustained in-migration of new persons of working age attracted to each authority based on the assumed growth in employment opportunities.
- 6.49 In order to understand the implications of this relationship more clearly the following tables show the implied size of the labour-force (economically-active population) under both the employment-led scenarios but also the trend-based Re-based SNPP 2010 scenario for each authority. This is particularly important in considering the implications of the population growing in relation to each authority's employment base and its capacity to accommodate growth and investment.

Figure 6.13: Projected Labour-force: All Scenarios - Cornwall

Scenario	Size of Labour-force Persons		Change in Labour-force 2011 - 2031
	2011	2031	
Re-based SNPP 2010	247,620	262,635	15,015
Employment-led Experian	248,682	283,418	34,736
Employment-led LEFM	248,682	293,455	44,773

Source: Edge Analytics, GVA, 2012

- 6.50 It is evident that the projections for Cornwall show a growing labour force under all of the scenarios, this reflects the assumed in-migration of working age people into the authority. It is evident, however, that under a continuation of trends that this growth in the labour-force would not match the levels of employment forecast by Experian or Cambridge Econometrics. This is evidenced by the differing sizes of labour-force assumed under the two employment-led scenarios. It is important to note that both the employment-led scenarios show a growth in the labour-force which exceeds the forecast levels of job growth with this reflecting the assumption that Cornwall continues to export labour to serve other employment locations across the area.

Figure 6.14: Projected Labour-force: All Scenarios - Plymouth

Scenario	Size of Labour-force (Persons)		Change in Labour-force 2011 - 2031
	2011	2031	
Re-based SNPP 2010	128,110	128,686	576
Employment-led Experian	127,796	146,036	18,240
Employment-led OE	127,796	134,890	7,095

Source: Edge Analytics, GVA, 2012

- 6.51 The analysis of the underpinning change to the labour force under the three scenarios shows a greater deviation for Plymouth. The trend-based projection shows a very limited growth in the labour-force. This is driven by the assumption, under this scenario, that the authority continues to see an out-migration of working age residents as has been evidenced over recent years. As the analysis in section 4 identifies one of the likely drivers of this out-migration of people has been the fall in the number of jobs in the authority, evidently under both the employment-led scenarios this position is reversed with the forecasting houses suggesting a much more optimistic economic future for the authority. The scale of this increase in jobs obviously has a bearing on the changing size of the labour-force with the higher growth in jobs assumed under the Experian scenario translating into a requirement for a larger growth in the labour-force.

Figure 6.15: Projected Labour-force: All Scenarios – South Hams

Scenario	Size of Labour-force (Persons)		Change in Labour-force 2011 - 2031
	2011	2031	
Re-based SNPP 2010	39,932	37,433	-2,500
Employment-led Experian	39,810	45,684	5,874
Employment-led LFM	39,810	52,984	13,173

Source: Edge Analytics, GVA, 2012

- 6.52 Unlike Cornwall and Plymouth in South Hams the trend based projection would actually result in a contraction in the size of the labour force, by some 2,500 people. This is a result of the significant ageing of the population which whilst offset to some extent by an assumed continuation of migration flows into the authority still results in a reduction in this part of the population. This would obviously have impacts for existing businesses and future investment potential. This contraction also sits in contradiction to the levels of employment growth forecast by both Experian and Cambridge Econometrics. These forecasting houses both assume a significant growth in jobs in the authority with this requiring a significant in flow of working age people reflected in the size of the labour-force increase under the two employment-led scenarios.

Figure 6.16: Projected Labour-force: All Scenarios – West Devon

Scenario	Size of Labour-force (Persons)		Change in Labour-force 2011 - 2031
	2011	2031	
Re-based SNPP 2010	25,586	26,531	945
Employment-led Experian	25,727	28,506	2,779
Employment-led LFM	25,727	31,638	5,911

Source: Edge Analytics, GVA, 2012

- 6.53 Unlike South Hams even under the trend based projection West Devon is projected to see an increase in its labour-force, albeit by a limited amount. The economic forecasts suggest more limited levels of job growth in the authority with the difference between the scale of growth in the labour-force less pronounced than in South Hams.
- 6.54 Importantly in considering the above there are a number of uncertainties in considering this direct alignment between the two factors, including:
- Commuting rates – the modelling assumes that 2001 commuting ratios are sustained. These could vary depending on the future balance of employment growth and housing provision. If employment opportunities increase as forecast under the various economic forecasts and the working age population does not

grow to match it in each authority the difference would be likely to result in an increased level of net in-commuting;

- Economic activity rates of older persons – the modelling has made a reasonable assumption that there will be increased numbers of people working for longer. A moderate view has been taken and in reality the actual increase in the average age of retirement could grow significantly further over the next twenty years; and
- Unemployment / economic activity rates all ages – averages for these factors have been assumed based over the last five years which has included both the tail end of a period of sustained economic growth and the recession. Actual levels of unemployment could vary significantly over the projection period. If there is a rapid return to lower unemployment rates /higher economic activity rates quickly which is then sustained this would reduce the scale of in-migration of new working age residents to balance with employment opportunities.

6.55 The above highlight the need to apply caution in considering the scale of population growth linked to the economic forecasts. Careful consideration needs to be given by each authority as to the level of employment growth likely to be supported through policy and the realisation of the use of available employment land resources. The outputs of the scenarios above should therefore be considered to represent part of a potential spectrum of future population pressures linked to alternative ‘forward looking’ scenarios. They do represent an important alternative picture to that projected simply through the trend-based projection which may not reflect the aspirations of wider strategy and policy ambitions.

6.56 In considering the outputs of the above scenarios it is also important to recognise that the impact of all of the authorities increasing levels of net migration of people to match job opportunities would have to be an increase in the outflow of migrants from other authorities in the UK in order to arrive at a balanced position. The alternative being that the gap is bridged through increased levels of international migration. Certainly these points highlight the importance of considering wider duty to cooperate positions with other authorities outside of the study area and considering through policy development in more detail the implications / consequences of planning for differing levels of employment growth.

Translating Projected Population Growth into Household Growth

6.57 Whilst the ONS have released a 2010 base SNPP, the DCLG have not at the time of researching the SHMNA released a sister Household Projection dataset (Sub-National Household Projection). Edge Analytics have therefore converted the population

projections presented in the preceding analysis utilising the headship rate²⁵ assumptions included within the 2008 DCLG projections (household headship rates by household type, age and sex)²⁶.

- 6.58 This set of household projections assumes a fall in household size over the projection period. The analysis in section 4 around changing household sizes showed that in Cornwall and Plymouth household sizes have not fallen over the last ten years to the same extent as in South Hams and West Devon where there has been a notable reduction. The analysis identified that a key contributing factor behind these alternative results was the age profile of the population with the increased ageing of the population in West Devon and South Hams driving a reduction in household size. The analysis in section 5 also showed the affordability challenges facing many new households looking to form currently. This is also likely to have played a role in moderating the fall in household sizes across all authorities. The significant issues currently faced by new households in gaining mortgages and rising rental costs have been relatively short-lived in that they have been directly driven by the repercussions of the credit crunch. These conditions are unlikely to be sustained throughout a 20 year projection period with this likely to return to longer term trends of increased household formation amongst younger age cohorts including more single and couple households.
- 6.59 As previously noted, caution needs to be applied in the interpretation of household sizes on their own as a leading indicator for housing demand, as these data do not provide an indication of the propensity or likeliness of households to form in the future and in the context of improved economic and supply side conditions.
- 6.60 Again the above elements highlight the need to build a set of assumptions into the modelling but also recognise that these are likely to change in reality based on the impact of different drivers. Later in this section a series of sensitivity scenarios are presented with the impact of 'fixing' headship rates rather than assuming the continuation of historic trends considered as part of this analysis.
- 6.61 For the 2010 SNPP Scenario the headship rates have been rescaled to align with the 2011 Census population profile. Rescaled headship rate assumptions at the start of the projection period are then applied consistently to the other scenarios with the household count also constrained to the 2011 Census results.

²⁵ A Headship Rate identifies the percentage of each age-sex population category that are 'head' of a household. Headship rates by age and sex are applied to the population by age and sex to derive a total number of households (by household type).

²⁶ Once the 2010 base DCLG household projections are released consideration will need to be given as to the level of change from the 2008 base projections with regards the applied headship rates. Where there is a notable difference in the two datasets the Council may wish to update the modelling analysis of translating population into households.

6.62 The following tables illustrate the projected level of household change resulting from the population projections presented within this section. Tables are presented for each authority separately to allow comparisons to be made between scenarios.

Figure 6.17: Projected Household: Cornwall

Scenario	Households 2011	Projected Households 2031	Change in Households	
			2011 - 2031	Annual Average (20 years)
Re-based SNPP 2010	229,571	275,473	45,901	2,295
Employment-led Experian	230,389	293,154	62,765	3,138
Employment-led LFM	230,389	300,272	69,883	3,494

Source: Edge Analytics, GVA, 2013

- 6.63 The scenarios show a projected growth of between 45,900 and 69,900 households between 2011 and 2031. This scale of growth will ensure an increase in employment levels of between approximately 13,500 and 40,000 jobs.

Figure 6.18: Projected Household: Plymouth

Scenario	Households 2011	Projected Households 2031	Change in Households	
			2011 - 2031	Annual Average (20 years)
Re-based SNPP 2010	107,414	116,821	9,407	470
Employment-led Experian	109,307	131,410	22,103	1,105
Employment-led OE	109,307	123,789	14,482	724

Source: Edge Analytics, GVA, 2013

- 6.64 A growth of between 9,400 and 22,100 households are projected for Plymouth between 2011 and 2031. This is underpinned by the potential to deliver between 600 and 18,200 jobs over this period. This significant difference reflects the transition assumed from a trend-based projection built from a historic period of job losses and out-migration to a very different employment-led future of significant job growth and in-migration of persons.

Figure 6.19: Projected Household Change: South Hams

Scenario	Households 2011	Projected Households 2031	Change in Households	
			2011 - 2031	Annual Average (20 years)
Re-based SNPP 2010	36,354	40,286	3,932	197
Employment-led Experian	36,858	47,071	10,213	511
Employment-led LFM	36,858	52,488	15,630	781

Source: Edge Analytics, GVA, 2013

- 6.65 As with Plymouth the scenarios show a significant variation of the scale of household generation in South Hams, with between 3,900 and 15,600 households projected. Significantly this is underpinned by very different levels of potential employment change with the trend based projection actually likely to result in a contraction in the number of jobs (around 2,500 fewer jobs able to be met by the labour-force) and the upper end showing a growth in the employment base by an additional 13,000 jobs.

Figure 6.20: Projected Household Change: West Devon

Scenario	Households 2011	Projected Households 2031	Change in Households	
			2011 - 2031	Annual Average (20 years)
Re-based SNPP 2010	22,762	28,113	5,351	268
Employment-led Experian	22,725	29,432	6,707	335
Employment-led LFM	22,725	31,790	9,065	453

Source: Edge Analytics, GVA, 2013

- 6.66 The range of household growth projected is narrower for West Devon with between 5,350 and 9,100 additional households projected between 2011 and 2031. These levels of household change support a growth in employment of between 760 and 4,750.

Considering the Scenarios

- 6.67 The NPPF identifies the importance of ensuring that the objectively assessed need for housing recognises household and population projections, taking account of migration and demographic change. Clarification of the interpretation of Paragraph 159 of the NPPF confirmed that the official ONS / DCLG datasets should form a starting base point for this assessment.
- 6.68 On this basis the Re-based SNPP 2010 scenario outputs should be considered to represent a minimum for understanding the housing pressures likely to result from the growth in households, considering the latest demographic evidence at the time of the research.
- 6.69 In using this scenario as a base point it is important to acknowledge:
- This assumes a continuation of recent trends with this including an assumed net outmigration of working age people from Plymouth into other parts of the UK, including based on historical trends, the other authorities in the study area;
 - An assumed on going net in-migration of people into the other authorities of working age, partially but not wholly offsetting a continued ageing of the population of these authorities. This is most pronounced in South Hams where this

level of population / household change actually results in a notable contraction of the working age population; and

- Importantly that the level of population and household growth assumed under these trend-based projections does not match the more aspirational / levels of job growth forecast by a range of forecasting houses for each authority.
- 6.70 Based on the above it is considered sensible to view the employment-led projections as an important benchmark for understanding the potential further growth of the authorities recognising this will be driven by a continued in-migration of people from outside of the study area looking to take up new employment opportunities. The consideration and treatment of factors such as unemployment / economic activity rates etc... suggests that these will be upper levels assuming the underpinning levels of job growth are not exceeded over the projection period.
- 6.71 This range is therefore presented when these levels of household growth are translated into dwelling requirements later in the section. The exact level of housing provided for through Local Plan policy development should highlight the alignment with the levels of population change and the level of employment this supports evidenced through the scenarios presented within this section. Additional considerations such as the impact on environmental factors, the availability of land and policy aspirations around the economic growth of authorities will also need to be taken into account in the development of policy.

Understanding the distribution of growth within the Dartmoor National Park and the West Devon and South Hams local planning areas

- 6.72 The analysis in the preceding sections of this SHMNA has, wherever possible, recognised the importance for South Hams and West Devon to understand the geographic dimension of the housing market within the National Park and outside of it. This recognises the different Local Planning areas defined by these geographies.
- 6.73 In considering the current demographics of the area figure 4.2 showed the proportion of the estimated population of each authority which lived in the Dartmoor National Park and outside of it. The analysis also showed that whilst there were some differences in the age profile of the population within and outside of the National Park there was a relatively strong level of alignment. Without doing sub-local authority demographic projections this section therefore uses the current population proportional split to examine the projected level of growth within the different planning areas.
- 6.74 The following tables show the projected population and household growth assumed under each of the scenarios using these geographies. It is important to note that these

are demand based assessments and take no account of supply constraints with this being particularly important within the National Park area.

Figure 6.21: Projected population and household change – South Hams planning area / Dartmoor National Park planning area

Projected Growth 2011 - 2031	South Hams Planning Authority	Dartmoor National Park Planning Authority (South Hams area)	Total South Hams Statistical Area
Re-based SNPP 2010			
Population	4,960	351	5,312
Households	3,671	260	3,932
Employment-led (Experian)			
Population	20,698	1,466	22,164
Households	9,538	676	10,213
Employment-led (LEFM)			
Population	34,069	2,413	36,482
Households	14,596	1,034	15,630

Source: GVA, Edge Analytics, 2013

- 6.75 It is evident from the above that the South Hams planning area is projected to see an increase in households of between 3,670 and 14,600. This translates into a per annum figure (on average) of between 184 and 730 households per annum.
- 6.76 The area of the Dartmoor National Park within South Hams is projected to see an increase of between 260 and 1,030 households or 13 to 52 households per annum between 2011 and 2031.

Figure 6.22: Projected population and household change – West Devon planning area / Dartmoor National Park planning area

Projected Growth 2011 – 2031	West Devon Planning Authority	Dartmoor National Park Planning Authority (West Devon area)	Total West Devon Statistical Area
Re-based SNPP 2010			
Population	6,516	2,502	9,018
Households	3,866	1,485	5,351
Employment-led (Experian)			
Population	9,364	3,596	12,960
Households	4,846	1,861	6,707
Employment-led (LEFM)			
Population	13,814	5,305	19,119
Households	6,550	2,515	9,065

Source: GVA, Edge Analytics, 2013

- 6.77 It is evident from the above that the West Devon planning area is projected to see an increase in households of between 3,870 and 6,550. This translates into a per annum figure (on average) of between 193 and 330 households per annum.
- 6.78 The area of the Dartmoor National Park within West Devon is projected to see an increase of between 1,485 and 2,515 households or 74 to 126 households per annum between 2011 and 2031.
- 6.79 Taking the Dartmoor National Park figures collectively, recognising that a proportion of the Park falls outside of these two authorities, suggests an average per annum growth of between 87 and 178 households between 2011 and 2031 depending on the level of employment growth assumed across the authorities within which it is located.

Assessing the impact of changing headship rates – Sensitivity Testing

- 6.80 The analysis above and in section 4 highlighted the impact of the slow down in new development, affordability challenges and an ageing population in affecting average household sizes. This research has been undertaken in advance of the DCLG publishing the anticipated 2011 SNHP dataset which will integrate findings from the 2011 Census.
- 6.81 In order to understand the implication of headship rates departing from assumed trends based on the trend based 2008 SNHP a sensitivity analysis has been run which fixes headship rates over the projection period.
- 6.82 Headship rates are applied in population data in order to derive a total number of households. They refer to the percentage of each age/ sex population category that are the “head” of a household.
- 6.83 Under this sensitivity headship rates for each age group / gender have been fixed to a 2011 base rather than following the trend projected by the DCLG in the 2008 SNHP dataset. The population growth projected therefore remains the same but the derived number of households which form from this population each year varies. This sensitivity has only been applied to the Re-based SNPP 2010 scenario. It is not considered appropriate to apply it across all scenarios given the non evidenced nature of the assumption being applied.
- 6.84 The following table contrasts the Re-based SNPP 2010 scenario presented above with the sensitivity scenario which assumes a fixed headship rate for each authority.

Figure 6.23: Impact of fixed headship rates on household projections

Scenario	Households 2011	Projected Households 2031	Change in Households	
			2011 – 2031	Annual Average (20 years)
Cornwall				
Re-based SNPP 2010	229,571	275,473	45,901	2,295
Re-based SNPP 2010 Fixed Headship Rate	229,571	272,283	42,712	2,136
Plymouth				
Re-based SNPP 2010	107,414	116,821	9,407	470
Re-based SNPP 2010 Fixed Headship Rate	107,414	115,427	8,013	401
South Hams				
Re-based SNPP 2010	36,354	40,286	3,932	197
Re-based SNPP 2010 Fixed Headship Rate	36,354	39,921	3,567	178
West Devon				
Re-based SNPP 2010	22,762	28,113	5,351	268
Re-based SNPP 2010 Fixed Headship Rate	22,762	27,952	5,190	259

Source: Edge Analytics, GVA, 2013

- 6.85 The analysis in the table shows that the impact of an assumption of fixed headship rates serves to slightly reduce the level of projected household growth linked to population change for each authority. Significantly the scale of the impact of the application of this assumption is relatively limited highlighting the important driver that the overall ageing of the population has on falling household size over the next twenty years.

Translating household growth into hypothetical dwelling requirements

- 6.86 The levels of household growth projected under the various scenarios have been translated into hypothetical dwelling requirements within this section.
- 6.87 It is important to recognise when considering the findings presented in this section that the research has been conducted at a sub-regional scale. Individual authorities will be further developing their own evidence bases to reflect local policy and supply factors, neither of which have been considered in detail within this section. The

intention here is therefore not to arrive at a 'preferred' scenario of household growth for each authority but to present a range of potential growth rates illustrating the spectrum within which policy will need to arrive at an evidenced position.

- 6.88 In calculating dwelling requirements from household projections a standard uplift of 3% has been applied to allow for 'churn' or turnover within the housing market. This could alternatively be thought of making an allowance for vacant and available housing stock within the housing market. A factor of 3% was commonly used in the evidencing supporting the regional tier of planning. The analysis in section 5 highlighted the fact that the inflated levels of properties with no usual residents across many of the authorities was the result of high levels of second home ownership. It is recommended that this factor be removed in the translation of locally generated objectively assessed need for housing into dwelling requirements in line with the interpretation of the NPPF which does not include second home ownership as one of the specific types of housing which should be addressed in the calculation of need.
- 6.89 The following tables present the range of dwelling requirements calculated for each area. The split between the South Hams, West Devon and Dartmoor National Park planning areas is included within the relevant tables.

Figure 6.24: Hypothetical dwelling requirements – 2011 to 2031 - Cornwall

Scenario	Change in Households 2011 - 2031	Dwellings Required 2011 - 2031 (3% vacancy assumed)	Net annual average dwelling requirement (20 years)
Re-based SNPP 2010	45,901	47,278	2,364
Employment-led Experian	62,765	64,648	3,232
Employment-led LFM	69,883	71,980	3,599

Source: GVA, Edge Analytics, 2013

Figure 6.25: Hypothetical dwelling requirements – 2011 to 2031 - Plymouth

Scenario	Change in Households 2011 - 2031	Dwellings Required 2011 - 2031 (3% vacancy assumed)	Net annual average dwelling requirement (20 years)
Re-based SNPP 2010	9,407	9,689	484
Employment-led Experian	22,103	22,766	1,138
Employment-led OE	14,482	14,916	746

Source: GVA, Edge Analytics, 2013

Figure 6.26: Hypothetical dwelling requirements – 2011 to 2031 – South Hams

Scenario	Change in Households 2011 - 2031	Dwellings Required 2011 - 2031 (3% vacancy assumed)	Net annual average dwelling requirement (20 years)
Re-based SNPP 2010			
South Hams (excluding NP)	3,671	3,782	189
South Hams (Within NP)	260	268	13
Employment-led Experian			
South Hams (excluding NP)	9,538	9,824	491
South Hams (Within NP)	676	696	35
Employment-led LFM			
South Hams (excluding NP)	14,596	15,034	752
South Hams (Within NP)	1,034	1,065	53

Source: GVA, Edge Analytics, 2013

Figure 6.27: Hypothetical dwelling requirements – 2011 to 2031 – West Devon

Scenario	Change in Households 2011 - 2031	Dwellings Required 2011 - 2031 (3% vacancy assumed)	Net annual average dwelling requirement (20 years)
Re-based SNPP 2010			
West Devon (excluding NP)	3,866	3,982	199
West Devon (within NP)	1,485	1,529	76
Employment-led Experian			
West Devon (excluding NP)	4,846	4,991	250
West Devon (within NP)	1,861	1,917	96
Employment-led LFM			
West Devon (excluding NP)	6,550	6,746	337
West Devon (within NP)	2,515	2,591	130

Source: GVA, Edge Analytics, 2013

- 6.90 It is important to note that these projections have a base date of 2011. The net delivery rates for 2011/ 12 should be netted from the overall level of dwellings required in order to arrive at an updated per annum figure taking account of the backlog built up over this year in translating them into policy.

Understanding the implications of a changing population and household structure

- 6.91 Each of the scenarios explored above is built using a detailed breakdown of the population by age and then a breakdown of households by specific household types. Within this section the profiles generated under the two Employment-led scenarios and the Re-based SNPP 2010 scenario are shown to illustrate the impact of population change in each of the authority's going forward. As recognised at the beginning of this section, the age and make-up of the population have an impact on the types and sizes of property which are likely to be required over the plan period.

A Changing Age Structure – The Implications

- 6.92 Firstly, looking at the age profile of the population the following tables show the projected change in key age bands over the period 2011 and 2031 under the Rebased SNPP 2010 scenario and the two Employment-led Scenarios for each authority.

Figure 6.28: Projected change in the age profile of the population 2011 – 2031 - Cornwall

Scenario	Projected Change in Population 2011 - 2031		
	0 - 17	18 - 74	74+
Re-based SNPP 2010	12,512	23,250	41,787
Employment-led Experian	25,594	52,101	44,888
Employment-led LEFM	29,778	65,730	45,439

Source: Edge Analytics, GVA, 2013

Figure 6.29: Projected change in the age profile of the population 2011 – 2031 - Plymouth

Scenario	Projected Change in Population 2011 - 2031		
	0 - 17	18 - 74	74+
Re-based SNPP 2010	7,868	1,484	10,272
Employment-led Experian	13,471	27,170	11,942
Employment-led OE	8,551	12,543	11,490

Source: Edge Analytics, GVA, 2013

Figure 6.30: Projected change in the age profile of the population 2011 – 2031 – South Hams

Scenario	Projected Change in Population 2011 - 2031		
	0 - 17	18 - 74	74+
Re-based SNPP 2010	730	-1,688	6,269
Employment-led Experian	6,446	8,454	7,265
Employment-led LEFM	10,992	17,657	7,833

Source: Edge Analytics, GVA, 2013

Figure 6.31: Projected change in the age profile of the population 2011 – 2031 – West Devon

Scenario	Projected Change in Population 2011 - 2030		
	0 - 17	18 - 74	74+
Re-based SNPP 2010	1,098	2,367	5,553
Employment-led Experian	2,907	4,450	5,603
Employment-led LEFM	4,707	8,455	5,957

Source: Edge Analytics, GVA, 2013

- 6.93 It is striking for all of the authorities that under all of the projections there is a significant projected increase in older person households. The ageing of the population of all of the authorities has particular implications for the provision of suitable accommodation to match aspirations and needs of this group in the future. This is considered in greater detail within section 8.
- 6.94 The relative increase in children and working age populations are intrinsically linked and as explored throughout this section are linked to the levels of employment opportunities assumed to be available in each authority over the projection period.
- 6.95 The changing age structures under each scenario do have an impact on the changing household profile of each authority. This is considered in the final sub-section.

Requirements for different sizes of property

- 6.96 The POPGROUP household projections (as per the DCLG sub-national household projections) break the data down into 17 household groupings. The following tables present analysis which has joined a number of these groups to illustrate the projected changing household profile under the three scenarios.

Figure 6.32: Projected change in household types 2011 – 2031 - Cornwall

Broad Household Type	Projected Change 2011 - 2031		
	Re-based SNPP 2010 Scenario	Employment-led (Experian) Scenario	Employment-led (LEFM) Scenario
Single Person	36,200	42,920	45,470
Couple	10,950	16,040	17,730
Family	3,440	7,510	9,910
Other and multi-adult household	-4,700	-3,710	-3,210

Source: Edge Analytics, GVA, 2013

Figure 6.33: Projected change in household types 2011 – 2031 - Plymouth

Broad Household Type	Projected Change 2011 - 2031		
	Re-based SNPP 2010 Scenario	Employment-led (Experian) Scenario	Employment-led (OE) Scenario
Single Person	10,540	16,380	13,320
Couple	-1,160	2,040	840
Family	2,830	5,410	2,700
Other and multi-adult household	-2,800	-1,730	-2,390

Source: Edge Analytics, GVA, 2013

Figure 6.34: Projected change in household types 2011 – 2031 - South Hams

Broad Household Type	Projected Change 2011 - 2031		
	Re-based SNPP 2010 Scenario	Employment-led (Experian) Scenario	Employment-led (LEFM) Scenario
Single Person	3,190	5,110	6,730
Couple	1,650	3,360	4,720
Family	110	2,550	4,800
Other and multi-adult household	-1,020	-800	-620

Source: Edge Analytics, GVA, 2013

Figure 6.35: Projected change in household types 2011 – 2031 – West Devon

Broad Household Type	Projected Change 2011 - 2031		
	Re-based SNPP 2010 Scenario	Employment-led (Experian) Scenario	Employment-led (LEFM) Scenario
Single Person	3,550	3,870	4,580
Couple	1,880	2,130	2,780
Family	370	1,090	1,970
Other and multi-adult household	-450	-390	-260

Source: Edge Analytics, GVA, 2013

6.97 It is evident from this analysis that there are some important trends to take account of across all authorities when considering the demand for different sizes / types of property based on the changing population and household profile:

- A significant increase in single person households, a notable proportion of which are older person households. This will place increased pressure or demand for smaller housing stock;
- The projected increase in couple households is also comparatively significant. Again this suggests a future demand for a range of smaller housing. Examination of the surveyed results of the aspiration of households often shows that couples desire to have housing which has additional space and flexibility. This therefore suggests a level of demand for smaller 'family' size housing;
- A moderate growth in family households. This suggests a sustained demand for moderate to larger family housing within each authority; and
- A fall in 'other' and multi-adult households. This grouping includes a number of household types including for example student households. This projected fall appears to reflect a national trend and presumably is based on assumptions of preferences for individuals to form their own households rather than share accommodation. It also reflects an assumption within the projection that 'concealed households' emerge through the projection period, for example multi-adult households which include an individual or couple who will emerge as their own household. Issues around affordability and factors such as welfare reform may have an impact on this projected trend in the future²⁷

²⁷ Note: The DCLG are due to publish 2011 base Sub-National Household Projections in 2013. The implied household composition trends will need to be considered in light of this new dataset.

Bringing the Evidence Together

6.98 The analysis and findings of the research presented in this section contribute to a number of the core outputs set out in the DCLG Guidance. As noted in the introduction to the section the research has primarily focussed on demographic analysis of population and household projections intended to highlight the changing 'underlying demand' over the projection period. The work is therefore intended to complement evidence previously prepared for the authorities and that compiled to underpin the Regional Spatial Strategy using the latest up-to-date information and datasets. A summary of the key points drawn out through this section are set out below:

- In order to understand the likely projected change in the number of households across the authorities, i.e. the level of underlying demand for new housing, three population and household projection scenarios have been presented. One of these scenarios is a trend based projection which forecasts forward historical components of change using a range of assumptions. The other two scenarios by contrast constrain the future population change to two different economic forecast positions for each authority;
- The NPPF identifies the importance of ensuring that the objectively assessed need for housing recognises household and population projections, taking account of migration and demographic change. Clarification of the interpretation of Paragraph 159 of the NPPF confirmed that the official ONS / DCLG datasets should form a starting base point for this assessment. On this basis the Re-based SNPP 2010 scenario outputs should be considered to represent a minimum for understanding the housing pressures likely to result from the growth in households, considering the latest demographic evidence at the time of the research.
- This projection shows that the population of all of the authorities will grow over the projection period. The scale of the population growth in Plymouth is relatively low with this reflecting recent years evidence of a year on year outflow of migrants from the city. By contrast Cornwall is projected to have a comparatively strong level of population growth with the assumption being that recent trends of high levels of in-migration are sustained. South Hams and West Devon also have projections which assume a continued inflow of migrants which serves to continue levels of population growth which reflect recent trends;
- The Employment-led scenarios show higher levels of growth for each of the authorities as that projected under the Re-based SNPP 2010 scenario. This illustrates that increased levels of in migration of working age people and households would be required to match support current economic forecasts

without a notable increase in commuting and/or increases to older person activity rates; and

- Analysis of the changing age and household composition profile identified a number of important projected changes which will have implications for the types and sizes of property likely to be required over the projection period. This included the identification of a strong growth in single person households across all authorities which consist of a mix of younger individuals as well as older persons reflecting the wider changes to the age profile. Importantly the analysis also showed a moderate projected growth in family households.

7. Meeting the Needs of Households

Appropriately identifying the scale of affordable housing need over the next 5 years is a key requirement of the NPPF. A detailed examination of the short-term level of households in affordable housing need therefore forms an important component of this research.

In line with the current DCLG SHMA Guidance (August 2007) this report assesses need under a series of stages, to arrive at a short-term (five years) assessment of the level of need for affordable housing across Plymouth. These stages include; current need, future need and the supply of affordable housing available.

The role of affordable housing; both rented and intermediate products, is explored to understand the potential for these forms of affordable housing to meet needs.

In addition the analysis examines the relative levels of need and demand for different property sizes drawing on stock and lettings data supplied by each of the authorities and partners.

Research findings within this chapter relate directly to:

Core Output 4: Estimate of households in housing need

Core Output 5: Estimate of future households requiring affordable housing

Core Output 7: Estimate of the size of affordable housing required

- 7.1 Housing affordability has, over the last decade, become a well recognised challenge to the operation of the housing market. The ability of households to access housing in which they aspire to live, and are indeed able to afford, is fundamental in ensuring that the housing objectives of each local authority are achieved.
- 7.2 The NPPF places emphasis on local planning authorities to assess the number of affordable homes that are evidenced as being needed within their Strategic Housing Market Assessments. Delivery of housing is recognised as a core strand of the NPPF with one of the expectations of local planning authorities including:

“Where they have identified that affordable housing is needed, set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be

sufficiently flexible to take account of changing market conditions over time” (NPPF, 2012)

- 7.3 This is both reflective of the changing political and market context, where meeting ‘local’ housing requirements is becoming increasingly important and is equally challenging due to the current economic and housing market conditions.
- 7.4 It is therefore vital that Local Planning Authorities undertake a robust and evidenced approach in assessing affordable housing need within their authorities – in line with the DCLG SHMA Guidance (August 2007). The analysis within this section follows this general principle and recognises the increasing pressures on establishing both realistic assessments of need and the wider challenges of delivery of non-market housing in the current property and economic climate.
- 7.5 It is important to recognise that these delivery challenges are likely to represent an obstacle over a number of years based upon the current financial and property climate. While the analysis in this section presents an assessment of the levels of affordable housing required to address future needs, in reality a proportion of these needs could be met through alternative approaches depending on the availability of public funding.

Defining Affordable Housing Needs

- 7.6 ‘Housing need’ refers to households who lack their own housing or live in unsuitable housing and who cannot afford to meet their needs in the open market. It is for those in housing need (i.e. those who cannot meet their housing requirements in the private sector) that the state needs to intervene in the market to ensure that all households have access to suitable housing.
- 7.7 The NPPF defines affordable housing as follows:
- “Affordable Housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.” (NPPF, March 2012)*
- 7.8 Nationally looking at indicators of demand by tenure, while housing supply has been falling, the need for affordable housing has clearly increased.

Ascertaining Affordable Housing Need utilising Secondary Data

- 7.9 The current DCLG SHMA: Practice Guidance (August 2007 Version 2) advocates an approach to calculating housing need that moves away from a purely primary survey based approach to one which includes secondary data sources.
- 7.10 This methodology satisfies the requirements of the DCLG SHMA Guidance to include secondary information. The collation and 'cleaning' of secondary data sources includes waiting list data, lettings records and planned new affordable housing as well as details of future stock intervention to produce a comprehensive affordable housing needs assessment with a late 2012 base date.

The Housing Need Calculation

- 7.11 The calculation of affordable housing need is intended to provide a short-term assessment to estimate the volume of affordable housing required on an annual basis to meet need across a 5-year period. This conforms to the DCLG SHMA Guidance²⁸, which states:

'Partnerships should avoid using a period of less than five years in which to meet unmet current need. If a five-year period is used, this means that 20 per cent of current unmet need should be addressed each year. The output of this should be an annual quota of households who should have their needs addressed'.

- 7.12 It should be noted that the SHMA Guidance does not specifically reference the viability challenges that face many local authorities in terms of delivering new housing development and achieving new affordable housing units. These challenges are therefore not a determinant of the requirement to meet backlog over a 5 year period.
- 7.13 The DCLG 2007 SHMA Guidance (August 2007) does however provide a steer as to the inputs and analysis required under each of the stages of the housing need calculation as well as identifying potential data sources.
- 7.14 As new data sources have emerged and in response to a changing economic and financial context for the housing market the approach to specific inputs to the

²⁸ SHMA Practice Guidance Version 2 (August 2007) CLG p.52

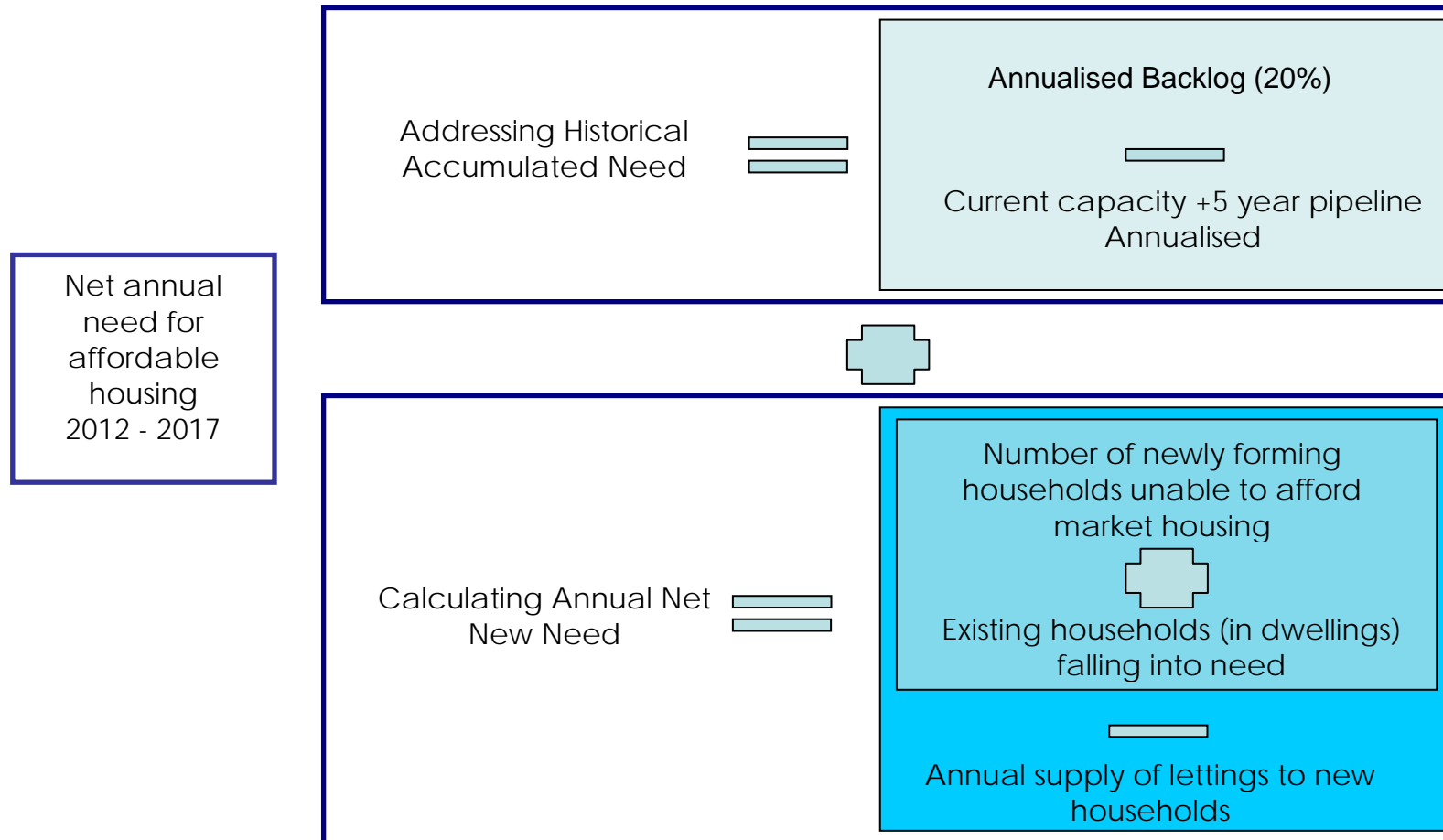
calculation have continued to evolve and improve. Within this section we clearly set out the data used to drive the analysis and the underpinning assumptions.

7.15 There are two primary stages used in the process to assess the overall surplus or shortfall of affordable housing over the next 5 years. These are:

- **Addressing historical accumulated affordable housing need (i.e. the 'backlog').** At the current point in time as a result of sustained affordability issues over a number of years the majority of areas have an existing 'backlog' of households classified as in need. This backlog can be considered to be made up of a range of types of household in 'need', from those in urgent need of housing i.e. without a current permanent home, to those who are living in overcrowded or substandard homes, and those who have an aspiration to live in non-market housing but are not in urgent need of re-housing.
- **Calculating annual net new need.** As with market housing there is an underlying level of demand as new households form and require a property. In the context of the current economy and the housing market a significant proportion of these newly forming households face significant challenges in gaining entry to market housing therefore driving demand for affordable housing. In addition to new households, existing households also 'fall into' affordable housing need as households circumstances change resulting in their current housing situation no longer being appropriate and a requirement for affordable housing arising. This needs to be balanced against the supply of affordable housing available in an area to meet these needs.

7.16 The final element of the analysis is the identification of the Total Affordable Housing Need (net annual). The process is illustrated in a flow diagram, presented overleaf.

Figure 7.1: Housing Needs Calculation



Source: GVA, 2013

- 7.17 The datasets used in the calculation of need presented below are described in detail within the individual Overview Reports for each authority.

Addressing Historical Accumulated Need

- 7.18 This first part of the assessment calculates the volume of affordable housing currently required to address the 'backlog' of need that has historically accumulated.
- 7.19 The calculation examines the scope of the existing available affordable housing stock, as well as committed new affordable housing development over the next 5 years, to meet the current 'backlog' of households registered as in affordable housing need (within Bands A-D) on the Devon Home Choice Housing Register and Cornwall Home Choice Housing Register.
- 7.20 The DCLG 2007 SHMA Guidance (August 2007) recommends that a 5 year period is permitted for the Local Authority to remove any 'backlog' that has arisen. This is recognised within the calculation, which is presented in Figure 7.2.

Figure 7.2: - Addressing Historical Accumulated Need

Stage 1 – Current Housing Need (Gross Backlog)						
Step	Methodology / Source	Plymouth	Cornwall	South Hams (Excl. DNP)	West Devon (Excl. DNP)	Dartmoor National Park (DNP)
1.1 Number of Homeless households and those in temporary accommodation	Housing Register - Statutory Homeless / Temp Accommodation	110	285	9	3	1
1.2 Number of Overcrowding and concealed households	Housing Register - Band A-D	5,182	7,313	593	485	185
1.3a Other Groups						
1.3b Other Groups – Transfers	Transfers - current occupiers of social housing in Band A-D of Housing Register	1,436	2,118	171	107	36
1.4 Total current housing need (gross) = (1.1 + 1.2 + 1.3a) - 1.3b	(1.1 + 1.2 + 1.3a) - 1.3b	3,856	5,480	431	381	150
Stage 2 - Affordable Housing Supply (Annual)						
Step	Methodology / Source	Plymouth	Cornwall ²⁹	South Hams (Excl. DNP)	West Devon ³⁰ (Excl. DNP)	Dartmoor National Park (DNP)
2.1 Affordable dwellings occupied by households in need	Figure relates to number of households identified in 1.3b which are transfers	Accounted for at Step 1.3b				
2.2 Surplus Stock	Long-term Vacant (i.e. 6 months plus)	0	8	0	0	0
2.3 Committed supply of new affordable housing	Social Housing & Affordable Rent (Committed for next 5 years) - 2012/13 +	403	904	155	23	7
2.4 Units to be taken out of management	RTB sales (next 5 years) - (estimated based on trend)	205	64	10	4	4
2.5 Total affordable housing stock available	=2.1 + 2.2 + 2.3 - 2.4	198	848	145	19	3
Stage 3 – Historical Accumulated 'Backlog' Need (Net Annual)						

²⁹ Note: Cornwall's Proposed Investment Plan for Housing 2012-2015 aims to provide a minimum of 4,000 affordable homes, including 3,000 affordable homes to rent. While this ambition has not been factored into the committed supply, once delivered this additional supply could make a significant contribution to reducing the "Shortfall of Affordable Housing to Meet Current Backlog"

³⁰ Note: Subsequent to the SHMNA research being undertaken in March 2013 a data clarification was received highlighting additional committed supply of 74 rented units and 27 shared ownership units in the Okehampton sub area of West Devon (101 units in total).

Step	Methodology / Source	Plymouth	Cornwall	South Hams (Excl. DNP)	West Devon (Excl. DNP)	Dartmoor National Park (DNP)
3.1 Shortfall in Affordable Housing to meet Current 'backlog' housing need (annual)	(1.4 - 2.5) / 5	732	926	57	72	147

Source: GVA, 2013

- 7.21 Figure 7.2 demonstrates that a significant 'backlog' of historically accumulated affordable housing need has been generated in each Local Authority.
- 7.22 This 'backlog' cannot be met in the next 5 years based on the re-use of empty stock and current commitments for new affordable housing development. As a result, there remains a shortfall in the availability of affordable housing. Therefore, when the recommended allowance of a 5 year period for each Local Authority to remove the 'backlog' is applied, this demonstrates a requirement for new affordable homes to be delivered annually for the next 5 years.

Understanding the Role of the Private Rented Sector in Meeting the 'Backlog'

- 7.23 Of the households that currently represent the 'backlog' of households in historically accumulated affordable housing need (as per Figure 7.2), a considerable proportion are currently residing in the private rented sector.
- 7.24 This emphasises the important role that the private rented sector is currently providing in acting as an informal supply of housing to meet affordable housing needs – albeit recognising that such households do currently consider their housing to be unsuitable (and hence are on the Housing Register).

Calculating Annual Net New Need

- 7.25 Calculating the annual net level of new affordable housing need enables the establishment of the annual 'delivery gap' of new affordable housing required to meet newly emerging affordable housing need over the next 5 years.
- 7.26 This therefore forms a separate element of the calculation to that presented for addressing the existing 'backlog'. Instead, this element of the calculation evaluates the volume of households projected to form annually³¹ over the next 5 years alongside the volume of existing households expected to 'fall into' affordable housing need, and tests these elements against the number of affordable (social) lettings available to meet this need on an annual basis.
- 7.27 If there is a deficit of social lettings available to meet the annual level of new affordable housing need arising annually, this presents the annual 'delivery gap' of new affordable housing required over the next 5 years.
- 7.28 The calculation is presented in figure 7.3.

³¹ Note: the DCLG SHMA guidance specifies use of gross household formation rates which have been sourced from the Natural Change scenario in order to best reflect locally derived need.

Figure 7.3: - Calculating Annual Net New Need

Stage 4 - Future Housing Need (Annual)						
Step	Methodology / Source	Plymouth	Cornwall	South Hams (Excl. DNP)	West Devon (Excl. DNP)	Dartmoor National Park (DNP)
4.1 New Household formation (annual)	Household Projections (Gross Formation - Natural Change)	3,001	4,376	588	290	143
4.2 Newly forming households in need (annualised)	Proportion of households unable to afford to privately rent in the open market (LQ Private Rent)	39%	54%	60%	50%	53%
	Number of households unable to afford to privately rent in the open market (LQ Private Rent)	1,177	2,346	353	145	76
4.3 Existing households falling into need	Lettings - Households registering in Band A-D (annual) from other tenures and receiving letting	177	310	35	26	10
4.4 Total newly arising need (gross per year) = (4.1 x 4.2) + 4.3	(4.1 x 4.2) + 4.3	1,354	2,656	388	171	86
Stage 5 - Affordable Housing Supply (Annual)						
Step	Methodology / Source	Plymouth	Cornwall	South Hams (Excl. DNP)	West Devon (Excl. DNP)	Dartmoor National Park (DNP)
5.1 Annual supply of social re-lets (annual net)	Lettings to newly registering households from other tenures (January 2012 – Dec 2012)	729	1,259	146	98	30
5.2 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels	Intermediate Dwellings committed for development (committed / annualised)	34	83	79	6	2
5.3 Annual supply of affordable housing	=5.1 + 5.2	763	1,342	225	104	32
Stage 6 – Annual Net New Need						
Step	Methodology / Source	Plymouth	Cornwall	South Hams (Excl. DNP)	West Devon (Excl. DNP)	Dartmoor National Park (DNP)
6.1 Net New Need (annual)	(4.4 - 5.3)	591	1,314	163	67	54

Source: GVA, 2013

- 7.29 The calculation demonstrates that there is a deficit of social lettings available to meet the annual level of new affordable housing need arising annually across all the Local Authorities. This presents the annual 'delivery gap' of new affordable housing required, in order to meet annual net new affordable housing need.

Total Affordable Housing Need (Net Annual)

- 7.30 The DCLG 2007 SHMA Guidance (August 2007) requires that a final step is taken in calculating the total net annual affordable housing need for the next 5 years. This requires the combination of both component parts of the calculation set out above.
- 7.31 In doing so, both the removal of the 'backlog' of historical accumulated need and the requirements of future arising annual new need, are accounted for in arriving at a total affordable housing need (net annual) for the next 5 years.
- 7.32 Importantly, the DCLG 2007 SHMA Guidance (August 2007) does not take into account the role of the private rented sector in meeting affordable housing need. The calculation for this is presented in figure 7.4.

Figure 7.4: - Total Affordable Housing Need (Net Annual) ³²

Stage 7 - Total Housing Need (Net Annual)						
Step	Methodology / Source	Plymouth	Cornwall	South Hams (Excl. DNP)	West Devon (Excl. DNP)	Dartmoor National Park (DNP)
3.1 Shortfall in Affordable Housing to meet Current 'backlog' housing need (annual)	3.1	732	926	57	73	29
7.2 Newly Arising (Future) Need (Net Annual)	6.1	591	1,314	163	67	54
7.3 Net Annual Affordable Housing Need	= 3.1 + 6.1 (Annual)	1,323	2,240	220	140	83

Source: GVA, 2013

³² Note – Figures subject to rounding.

- 7.33 The housing needs analysis indicates that each Local Authority will be required to provide for a considerable total **net annual affordable housing need, over the next 5 years**, in order to both clear the existing 'backlog' and meet future arising household need³³.

Understanding the Role of the Private Rented Sector in Absorbing Total Affordable Housing Need

- 7.34 As referenced earlier in this section, the most recent data release from the DWP enables estimation that there are large numbers of housing benefit recipients residing in households within the private rented sector across the Local Authorities.
- 7.35 Utilising the DWP data, this suggests that up to half of the affordable housing need currently arising across the Local Authorities is being met within the private rented sector. This falls to circa 30% when the 'backlog' of households unsuitably housed in the private rented sector is included in consideration. It should be noted that this data does not factor in changes to Welfare Reform and potential impacts upon household's propensity to access housing in the private rented sector in the future.

Key Datasets informing the Housing Needs Calculation

- 7.36 A number of key datasets and sources are utilised to inform the affordable housing needs calculation and are presented in figure x for information and reference:

³³ Note – analysis excludes households where location of residence is unknown.

Figure 7.5: Summary of Key Datasets Utilised in Housing Needs Assessment

Summary of Key Datasets Utilised in Housing Needs Assessment		
Model Step	Data Source	Overview of Approach Followed
1.1-1.4	Devon Home Choice or Cornwall Home Choice Housing Registers	<p><u>Homeless Households & Households in Temporary Accommodation</u> - Households within local authority currently registered on the Housing Register for affordable housing that have been accepted as statutory homeless by Council and / or are currently accommodated within temporary accommodation.</p> <p><u>Overcrowded, Concealed Households & Other Groups in Unsuitable Housing</u> Households within local authority currently registered on the Housing Register for affordable housing that are currently designated as within 'priority need' of affordable housing (backlog) – in Bands A – D.</p>
2.1	Devon Home Choice or Cornwall Home Choice Housing Registers	<p><u>Affordable Dwellings Occupied By Households in Need</u> - Households within local authority currently registered on the Housing Register for affordable housing that are currently designated as within 'priority need' of affordable housing (backlog) – in Bands A – D already residing in affordable housing in local authority (i.e. requesting a transfer).</p>
2.2	Number of long-term vacant social sector dwellings (6+ months) – provided by Council and RSL partners	<p><u>Surplus Available Stock – Vacant Dwellings</u> - Utilised to calculate the current supply of social dwellings that could be brought back into use to accommodate households in need on an annual basis (i.e. only applicable where vacancy exceeds 6 months and is classed as a long-term vacancy. Short-term vacancy is seen as necessary to facilitate stock turnover).</p>
2.3	Committed forward supply of new affordable social and Affordable Rent dwellings (up to 5-year pipeline of committed supply) provided by Council and RSL partners	<p><u>Committed Supply of New Affordable Dwellings</u> - Utilised to estimate the future supply of social dwellings that could be used to accommodate households in need on an annual basis.</p>
2.4	Dwellings to be taken out of management (i.e. through Right to Buy (RTB) sale) provided by Council and RSL partners	<p><u>Affordable Dwellings to Be Taken Out of Management</u> - Discounted from the supply of social dwellings that could be used to accommodate households in need</p>
4.1	Annual Average Gross Household Formation (Edge Analytics supplied) – drawing on Natural	<p><u>Annual New Household Formation</u> Utilised to estimate the number of newly forming households in local authority on an annual basis. This</p>

	Change Scenario	utilises a Natural Change scenario modelled using the POPGROUP software, which excludes migration trends to establish the internal level of new household formation ³⁴ . New household formation is constrained to households aged 15-44 years.
4.2	Housing market information – DCLG/Land Registry Lower Quartile House Prices (Q3 2012)	<u>New Households Unable to Access Open Market Housing</u> - Utilised to calculate the proportion of newly forming households unable to afford low cost (lower quartile) private sector private rental or owner occupied property (i.e. access open market) and therefore requiring subsidised affordable housing.
4.2	Household income - Household income sourced from Council	
4.3	Cornwall Home Choice or Devon Home Choice affordable housing lettings data	<u>Existing Households Falling into Need</u> - Calculation of the number of households registering for, and moving into, affordable housing in local authority from other tenures in past 1 year
5.1	Cornwall Home Choice or Devon Home Choice - affordable housing lettings data	<u>Future Annual Supply of Social Re-lets</u> - Affordable housing re-let to a new household in need each year (supply – excluding transfers) using data from January 2012 – December 2012.
5.2	Committed forward supply of new Intermediate rent/sale dwellings (5-year pipeline of committed supply) provided by Council and RSL partners	<u>Future Annual Supply of Intermediate Housing</u> - Future annual supply of intermediate dwellings available for sale or let at sub-market levels

Source: GVA, 2013

³⁴ Note The Natural Change scenario represents a ‘trend-based’ scenario. Under this scenario population projections are modelled based on the impact of ‘no migration’, where the only drivers of growth are births and deaths in an authority. This represents a hypothetical position as this set of circumstances could never be reasonably expected to occur. However, it provides an important insight into the anticipated levels of population change which will occur from locally generated demographic pressures alone which are important in considering local generated housing need.

Need for Affordable Housing by Dwelling Size

- 7.37 Core Output 7 of the DCLG SHMA Guidance (August 2007) requires an estimate of the breakdown of the sizes of property required by households identified in need of affordable housing. The intention is to estimate the relative pressure on different property sizes. In particular this analysis will help to further understand how policy should be structured to assist in alleviating the current backlog of housing need and provide a profile of affordable housing which responds to the future need over the short-term.
- 7.38 In order to arrive at this estimate, the housing needs assessment model shown in Figure 7.2 – 7.4 has been replicated, with analysis broken down by dwelling size using the number of bedrooms. Analysis has drawn on secondary data, including social lettings, the size of existing surplus stock, units to be taken out of management (trend), and the sizes of affordable dwellings committed for development. The dwelling size requirements of newly-forming households in need of affordable housing has been estimated by matching household typologies within the projected gross household formation (i.e. estimated occupancy versus bedroom requirement).
- 7.39 This is presented in Figure 7.5.

Figure 7.5: Housing Needs Assessment Model – Dwelling Size³⁵

Total Housing Need (Annual) %	Housing Need by Dwelling Size (Bedrooms)				
	1	2	3	4+	Total
Plymouth	59%	21%	14%	6%	100%
Cornwall	64%	18%	11%	8%	100%
South Hams (Excl. DNP)	56%	22%	16%	6%	100%
West Devon (Excl. DNP)	62%	12%	18%	8%	100%
Dartmoor National Park (DNP)	57%	27%	10%	6%	100%

Source: GVA, 2013

- 7.40 Figure 7.5 demonstrates that there is a predominant requirement for smaller properties to be sized at least 1 bedroom or 2 bedrooms over the next 5 years in order to meet the majority of affordable housing needs. There is also a lesser requirement for new affordable housing to be sized 3 or 4+ bedrooms to meet the needs of larger, family households.
- 7.41 However, while this reflects a pure interpretation of the housing needs data, this is not necessarily reflective of viability or deliverability considerations associated with

affordable housing. In translating the housing need/ housing size findings into policy and housing strategy local authorities will need to have regard to local affordable housing viability evidence along with evidence included in their respective Strategic Housing Land Availability (SHLAA) documents.

Impact of Housing Benefits Changes

- 7.42 Importantly, Figures 7.2 to 7.5 do not fully take into account the impact of the Government's programme of Welfare Reforms due to the timescale over which the study has been conducted overlapping with, and utilising some data that pre-dates, the introduction of the reform process.
- 7.43 Within the October 2010 Spending Review the Government confirmed that the age at which the Shared Accommodation Rate (SAR) applies would be extended from single persons up to 25 years to cover single persons under the age of 35 from April 2012.
- 7.44 Implementation was brought forward, with the changes applying from January 1st 2012. The SAR limits the amount of HB a claimant can receive to the average Local Reference Rent (LRR) or the Local Housing Allowance (LHA).
- 7.45 In practice across each local authority this now means:
- single claimants under age 35 making new claims to HB on or after 1 January 2012 are entitled to the shared accommodation rate rather than the one-bedroom self-contained rate;
 - existing claimants receiving transitional protection from the April 2011 LHA changes will move to the shared accommodation rate at the same time as their transitional protection ceases;
 - existing claimants not receiving transitional protection will move to the shared accommodation rate on the anniversary date of their claim; and
 - pre-LHA cases will move to the shared accommodation rate (previously known as the single room rent) on the annual review of their case.
- 7.46 The calculation of affordable housing need (as presented in Figures 7.2-7.5) uses data that pre-dates the changes to HB and therefore does not take into complete account the impact of the extension of the SAR to single persons under 35 years of age.

³⁵ Note: Figure 7.3 and Figure 7.4 may not provide exactly corresponding results due to rounding processes.

- 7.47 However, it is likely that their ability to afford a 1 bedroom tenancy would have been reduced if the extension of the SAR was applied with the result being an increased requirement for smaller shared accommodation (bedsits or studios).
- 7.48 In addition, the changes to HB will also impact on current tenants within affordable housing as the Government has proposed measures from April 2013 to reduce Housing Benefit to households in affordable housing under-occupying their home.
- 7.49 It is anticipated that, as a result of these reforms, substantial greater pressure will be applied on the availability of studio/bedsit and other smaller 1 bedroom and 2 bedroom affordable dwellings than is presented in Figure 7.5. It will therefore be necessary for the Local Authorities and RP partners to continue monitor this situation as data comes available and both effectively prepare for and record the impacts of reform.

Intermediate Housing

- 7.50 Intermediate housing products can provide an important role in bridging the gap between social renting and owner-occupation, some of which allow households to 'staircase' towards owner-occupation by renting alongside acquiring equity in their property. As a result, this type of housing tenure can provide an important step on the housing ladder, and is particularly appealing to first-time buyers and lower-income households.
- 7.51 The current DCLG SHMA Guidance (August 2007) cites that the number of households whose needs could be met by intermediate affordable housing is likely to fluctuate, reflecting the changing relationship between market rents, social rents and incomes alongside the variance in intermediate products available. Intermediate affordable housing includes:
- Shared equity products (e.g. HomeBuy); and
 - Other low cost homes for sale and intermediate rent
- 7.52 Importantly intermediate affordable housing products do not include Affordable Rent housing which is defined as a separate sub-sector of affordable housing. In addition the definition for intermediate affordable housing does not include homes provided by private sector bodies or provided without grant funding that does not meet the definition above, for example, 'low cost market' housing.

Affordability of Intermediate Dwellings

- 7.53 This section considers the potential role of intermediate housing in meeting affordable housing need through analysis of demand for intermediate products and the relative affordability of intermediate products within the Local Authorities utilising secondary data.
- 7.54 The analysis draws on the income tests presented earlier in Figure 7.3 to establish the number, and proportion, of households in need of affordable housing that are likely to be able to afford an intermediate housing product, and those for which only social rented housing is affordable.
- 7.55 To establish the income threshold within which households in need could afford access to intermediate housing, the analysis has set the upper limit at the income required to access the private market (in line with the housing needs assessment) – as the income required to purchase a dwelling at the lower quartile with a 10% deposit and 3.5x income limit. The lower limit was set at the income required to afford a 55% equity share in a house at the lower quartile price within each of the Local Authorities. This has been set to allow for a 50% equity purchase alongside a 5% deposit.
- 7.56 It is therefore considered appropriate that the income parameters applicable to intermediate tenure housing products are constrained to fall between the income required to access open market housing (upper threshold) and the income below which social housing is required (lower threshold).
- 7.57 Figure 7.6 illustrates the upper and lower income thresholds within which it is assumed households can afford intermediate housing within each Local Authority.

Figure 7.6: Income Thresholds for Affording Intermediate Tenure Housing

Authority	Intermediate Tenure Thresholds	
	Upper Threshold: Household Income Required to Access Open Market	Lower Threshold: Household Income below which Social Housing Required
Plymouth	£29,829	£18,229
Cornwall	£37,273	£29,464
South Hams (Excl. DNP)	£45,771	£27,971
West Devon (Excl. DNP)	£36,257	£22,157
Dartmoor National Park (DNP)	£36,257	£22,157

Source: GVA, 2013

- 7.58 Utilising the thresholds set out above, the following figure sets out the estimated net annual affordable housing requirement in each Local Authority by social rented and intermediate tenure.
- 7.59 The analysis utilises the same calculations as within Figures 7.2-7.4 to arrive at the net housing need position (per annum) although the structure of the model has had to be presented differently to ensure Figure 7.7 is easily readable.
- 7.60 The analysis in Figure 7.7 is driven by overall levels of need, as well as the availability of supply to meet needs (both existing and planned supply).

Figure 7.7: Annual Affordable Housing Need (5 Years) by Affordable Housing Type
(Intermediate / Social Rent)

Local Authority	Net Affordable Housing Requirement - by Tenure (Annual - next 5 Years)					
	Intermediate			Social Rented		
	Supply	Net Need (Total)	Net Need (%)	Supply	Net Need (Total)	Net Need (%)
Plymouth	34	243	18%	729	1,081	82%
Cornwall	83	144	6%	1,259	2,097	94%
South Hams (Excl. DNP)	79	-26	-12%	146	246	112%
West Devon (Excl. DNP)	6	23	16%	98	117	84%
Dartmoor National Park (DNP)	2	13	16%	30	70	84%

Source: GVA, 2013

- 7.61 When considering a suitable proportion of intermediate tenure dwellings to be sought as an affordable housing contribution within policy, it is recommended that the

economic viability of delivery is also considered in line with the requirements of the NPPF (2012).

Bringing the Evidence Together

- 7.62 This section has focussed on assessing the level of need for affordable housing over the next five years. Analysis has been undertaken using a range of data sources following the DCLG Guidance process for calculating need.
- 7.63 The findings of this section directly relate to a number of the core outputs set out in the DCLG Guidance. Key findings bringing the evidence and analysis together from this section are presented below:
- In order to meet total affordable housing need each Local Authority will be required to provide additional affordable dwellings each year over the next five years in order to both clear the existing backlog and meet future arising household need.
 - There is a predominant requirement for future affordable housing supply across the Local Authorities to be sized at 1 bedroom and 2 bedrooms over the next 5 years in order to meet the majority of affordable housing needs. There is also a requirement for larger 3 and 4+ bedroom affordable properties to be built to meet the needs of larger, family households.
 - Intermediate housing products could play an important role in improving housing choice and addressing an element of housing need – particularly for low-income households and first-time buyers. The potential for this affordable tenure type to accommodate housing need over the next 5 years varies between the Local Authorities. There does, however, remain a continued requirement to develop social rented housing to meet affordable housing need, across all Local Authorities.
 - The private rented sector has been demonstrated to play an important role in meeting affordable housing need in each of the Local Authorities. However, the DCLG 2007 SHMA Guidance (August 2007) does not take into account the role of the private rented sector in meeting affordable housing need.

8. The Housing Requirements of Specific Groups

The final section of analysis within the SHMNA focuses upon the housing requirements of specific groups. The intention in this section is to draw together existing research already produced by the Local Authorities alongside feedback from targeted focus groups as well as drawing upon updated analysis contained within the other sections of this Main SHMNA Report. This includes for example the future changes to the household and population profile as modelled through the work in section 6.

The outputs of this section should be read alongside the more detailed studies cited throughout but provide a useful drawing together of key information and insights into the requirements of those specific groups noted in the DCLG SHMA Guidance and identified by the Local Authorities as requiring specific attention.

Research findings relate directly to:

Core Output 8: Estimate of household groups who have particular housing requirements

- 8.1 The analysis presented within the preceding sections has set out the projected direction of travel for the housing markets in each Local Authority over the plan period to help inform the development of planning policy and housing strategy.
- 8.2 This analysis has clearly highlighted that the demographic and economic profile of each Local Authority is likely to change over this period, with the active housing market reacting and in part feeding back into these changes. Different parts of the housing market will be affected by these changes in different ways.
- 8.3 The final section of analysis focuses upon the housing requirements of specific groups within the community that have specific housing requirements that need to be carefully considered and includes groups that may be dynamically changing the overall community profile. The DCLG SHMA Guidance (August 2007) and NPPF (2012) recognise **that the SHMNA does not need to assess every group in detail.** Moreover, such groups do not necessarily align with the DCLG defined criteria of affordable housing need as set out earlier within this SHMNA Main Report, although specific policy or service provision requirements should be informed by an understanding of the specific housing requirements of groups represented across the Local Authorities.

- 8.4 The intention in this section is therefore to draw together existing research already produced by the Local Authorities alongside updated analysis contained within the other sections of this SHMNA Main Report (e.g. modelled future changes to the household and population profile) and qualitative focus group discussions held with local stakeholders in March 2013.
- 8.5 The outputs of this section should be read alongside the more detailed studies cited throughout but provide a useful drawing together of key information and insights into the requirements of those specific groups noted in the DCLG SHMA Guidance and identified by the Local Authorities as requiring specific attention.
- 8.6 The research findings within this section related directly to Core Output 8 of the DCLG SHMA Guidance – *‘Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, black and minority ethnic groups, disabled people, young people etc’*.
- 8.7 Through consideration of analysis presented in preceding sections the SHMNA Main Report examines the following specific groups in greater detail within this section:
- Older Persons – this particular group (aged 65+ years) is projected to grow strongly nationally. As the analysis in section 4 shows, the SHMNA Local Authorities are no exception. Older person households exhibit particular requirements and needs that require consideration by the Local Authorities, such as adaptations and support in the home to remain living independently. It is therefore important that the housing requirements of this group are understood. This section presents analysis of the projected growth in older person households drawing on the household projections set out in section 6.
 - Groups with Specific Support Needs – Analysis is undertaken of the longer-term projections from the Projecting Adult Needs and Service Information System (PANSI). A focus group was also held with representatives (including carers) of people with physical disabilities and learning disabilities in March 2013 in order to gain a greater understanding of their housing issues and needs.
 - Black and Minority Ethnic (BME) Groups and Migrant Workers – Migration has been identified through this SHMNA as a significant driver of population and household change across the Local Authorities. This section draws on the latest Census 2011 data to understand how the BME population has changed over the last ten years.
 - Younger Persons – Several focus groups were held with younger persons in both Plymouth and Cornwall in March 2013 to discuss their housing issues, needs and preferences. The outputs of this are summarised in this section.

- Custom / Self Build / Community Led Housing Development - A focus group was held in Totnes, South Hams, on the 7th March 2013 to discuss the views and experiences of delivering custom / self build / community housing development across both South Hams and West Devon.
- Gypsy and Travellers – In order to effectively understand demand for sites to accommodate the housing needs of these groups, a Gypsy and Traveller Accommodation Needs Assessment (GTANA) was undertaken alongside the SHMNA. The GTANA should be read alongside the SHMNA.

8.8 The analysis within this section draws on a range of sources of information, including the following:

- Housing Projections Data – the projections of household change set out in section 5 provide an important steer regarding the likely change in the types and age profile of households over the medium-longer term. This provides an important context for planning to meet the specific identified needs of particular household groups including, for example, older person households.
- Recently commissioned Local Authority research reports or strategies; and
- Other secondary data sources including the 2011 Census, PANSI and POPPI datasets which are built nationally.

Older People

8.9 It is necessary to provide housing for older people to enable them to live independently at home for as long as possible, as well as providing a choice of more specialist older persons accommodation, in the context of an ageing society in the UK.

8.10 The modelling underpinning the analysis in section 6 includes a detailed breakdown of the age of the population projected to change in the future. Examining the outputs of the modelling under the SNPP 2010 scenario, it is evident that the population across the Local Authorities is projected to include a growth in older persons to varying degrees.

8.11 This is illustrated in Figure 8.1, which shows the projected increase in people aged 65 - 74, 75-84 and 85+, under the SNPP Re-based 2010 scenario.

Figure 8.1: Projected Change in Older Persons (2011 - 2031) – Local Authorities

Cornwall	Population at mid-year		Change 2011 - 2031	% Change
	2011	2031		
Age Group				
65-74	84,959	103,097	18,138	21%
75-84	37,775	60,856	23,081	61%
85+	16,934	35,640	18,705	110%
Total Older Persons (65+)	139,669	199,593	59,925	43%

Plymouth	Population at mid-year		Change 2011 - 2031	% Change
	2011	2031		
Age Group				
65-74	29,215	33,985	4,769	16%
75-84	14,148	19,462	5,313	38%
85+	5,990	10,949	4,959	83%
Total Older Persons (65+)	49,353	64,395	15,042	30%

South Hams	Population at mid-year		Change 2011 - 2031	% Change
	2011	2031		
Age Group				
65-74	14,099	17,331	3,233	23%
75-84	6,321	10,048	3,726	59%
85+	2,796	5,339	2,543	91%
Total Older Persons (65+)	23,216	32,718	9,502	41%

West Devon	Population at mid-year		Change 2011 - 2031	% Change
	2011	2031		
Age Group				
65-74	9,118	11,781	2,663	29%
75-84	3,962	7,172	3,210	81%
85+	1,703	4,046	2,343	138%
Total Older Persons (65+)	14,783	23,000	8,217	56%

Source: Edge Analytics, GVA, 2013

- 8.12 It is evident that all Local Authorities are projected to see a considerable increase in the older person population by 2031, which will place greater pressures on existing services and stock.

- 8.13 The Projecting Older Person Population Information System (POPPI) developed by the Institute of Public Care (IPC) for the Care Services Efficiency Delivery Programme (CSED) provides a more detailed picture of the changing population age profile of the Local Authorities.
- 8.14 This dataset confirms that the number of older persons (aged 65+) living alone in the Local Authorities is forecast to increase significantly by 2020.

Figure 8.2: Forecast Population Aged 65+ Living Alone – Local Authorities, 2012 – 2020

Authority	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
Plymouth	15,978	16,583	17,116	17,600	18,229	2,251	14%
Cornwall	44,286	46,781	48,740	50,934	53,397	9,111	21%
South Hams	7,585	7,873	8,182	8,588	8,982	1,397	18%
West Devon	4,670	5,060	5,445	5,608	5,954	1,284	27%

Source: POPPI, 2013

- 8.15 The dataset also projects the number of people who will be living in a care home. This is presented in figure 8.3 and projects considerable growth in this segment of the market across all Local Authorities.

Figure 8.3: Forecast Population Aged 65+ Living in a Care Home – Local Authorities, 2012 – 2030

Authority	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
Plymouth	2,179	2,276	2,379	2,499	2,654	475	22%
Cornwall	4,766	5,065	5,382	5,730	6,122	1,356	28%
South Hams	892	926	954	993	1,070	178	20%
West Devon	573	602	653	694	758	185	32%

Source: POPPI, 2013

Households with Support Needs

- 8.16 Understanding the broad number of households with support, special and/or specific needs, and the breadth of their individual challenges, is crucial to determining where and how much purpose-built or adapted housing is required.
- 8.17 There is no single data source which enables a thorough assessment to be made of the scale of these issues. This analysis draws on longer-term projections of need from the Projecting Adult Needs and Service Information System (PANSI).
- 8.18 The Projecting Adult Needs and Service Information System developed by the Institute of Public Care (IPC) for the Care Services Efficiency Delivery Programme (CSED) provides projections of future numbers of households with physical and learning disabilities. In addition, the POPPI dataset provides similar information for older person households. These households, alongside others, are likely to require some form of support within their properties. This therefore provides a useful indication of the levels of demand on existing stock and future requirements to deliver new suitable properties and / or adaptations.
- 8.19 The POPPI dataset suggests that between 2012 and 2020 the number of individuals aged 65+ in the Local Authorities with learning difficulties is anticipated to rise considerably. This is presented in Figure 8.4.

Figure 8.4: Forecast Learning Disabilities Aged 65+ - Local Authorities, 2012-2020

Authority	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
Plymouth	896	941	969	1,001	1,026	130	15%
Cornwall	2,514	2,681	2,818	2,939	3,039	525	21%
South Hams	429	457	478	495	512	83	19%
West Devon	270	292	310	324	341	71	26%

Source: POPPI, 2013

- 8.20 The PANSI system suggests that the number of individuals aged 18+ with a learning disability will increase in all Local Authorities, with the exception of South Hams, between 2012 and 2020. In contrast, South Hams is projected to experience a slight

decline in the number of individuals aged 18+ with a learning disability³⁶. This is presented in Figure 8.5.

³⁶ Note: The PANSI data used in this report does not enable further interrogation of the casual factors in changing needs.

Figure 8.5: Forecast Population with Learning Disabilities – Local Authorities, 2012 – 2020

Plymouth	2012	2014	2016	2018	2020	Change 2012- 2020	% Change 2012- 2020
Learning Disability	4,036	4,070	4,100	4,106	4,090	54	1%
Moderate or Severe Learning Disability	905	914	925	928	927	22	2%
Severe Learning Disability	246	249	252	253	252	6	2%
Moderate or Severe Learning Disability & Living with Parent	362	370	376	377	374	12	3%

Cornwall	2012	2014	2016	2018	2020	Change 2012- 2020	% Change 2012- 2020
Learning Disability	7,583	7,619	7,690	7,757	7,811	228	3%
Moderate or Severe Learning Disability	1,700	1,713	1,734	1,753	1,770	70	4%
Severe Learning Disability	447	449	454	459	463	16	4%
Moderate or Severe Learning Disability & Living with Parent	593	600	609	614	616	23	4%

South Hams	2012	2014	2016	2018	2020	Change 2012- 2020	% Change 2012- 2020
Learning Disability	1,146	1,130	1,122	1,115	1,108	-38	-3%
Moderate or Severe Learning Disability	257	254	252	252	251	-6	-2%
Severe Learning Disability	67	66	65	65	65	-2	-3%
Moderate or Severe Learning Disability & Living with Parent	84	83	82	82	81	-3	-4%

West Devon	2012	2014	2016	2018	2020	Change 2012- 2020	% Change 2012- 2020
Learning Disability	740	740	740	745	753	13	2%
Moderate or Severe Learning Disability	166	166	167	168	171	5	3%
Severe Learning Disability	43	43	43	43	44	1	2%
Moderate or Severe Learning Disability & Living with Parent	54	54	54	54	55	1	2%

Source: PANSI, 2013

8.21 PANSI also provides projections on the change in population with both moderate, and serious, physical disabilities. As in the case of individuals aged 18+ with learning disabilities, the PANSI system suggests that the number of individuals aged 18+ with moderate, and serious, physical disabilities will increase in all Local Authorities, with the exception of South Hams, between 2012 and 2020. South Hams is projected to experience a slight decline in the number of individuals aged 18+ with moderate, and serious, physical disabilities. This is presented in Figure 8.6.

Figure 8.6: Forecasts of Population with: Physical Disabilities – Local Authorities, 2012 – 2020

	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
Plymouth							
Moderate Physical Disability	12,237	12,230	12,231	12,360	12,374	137	1%
Serious Physical Disability	3,535	3,514	3,538	3,553	3,573	38	1%

	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
Cornwall							
Moderate Physical Disability	26,329	26,282	26,514	26,851	27,179	850	3%
Serious Physical Disability	8,106	8,046	8,107	8,225	8,368	262	3%

	2012	2014	2016	2018	2020	Change 2012-2020	% Change 2012-2020
South Hams							
Moderate Physical Disability	4,247	4,179	4,152	4,143	4,136	-111	-3%
Serious Physical Disability	1,341	1,316	1,307	1,309	1,314	-27	-2%

West Devon	2012	2014	2016	2018	2020	Change 2012- 2020	% Change 2012- 2020
Moderate Physical Disability	2,700	2,714	2,721	2,765	2,803	103	4%
Serious Physical Disability	845	848	852	871	888	43	5%

Source: PANSI, 2013

- 8.22 Adults with physical disabilities require different levels of care depending on the severity of their disability. Individuals with a moderate personal care disability can perform tasks such as getting in and out of bed, dressing, washing and feeding with some difficulty. A severe personal care disability can mean that the task requires someone to help.
- 8.23 The number of individuals with moderate or serious personal care disabilities is predicted to increase by 2020 in all Local Authorities, with the exception of South Hams, where a small decline is projected. This is presented in Figure 8.7.

Figure 8.7: Forecasts of Moderate or Serious Personal Care Disability – Local Authorities, 2012 – 2020

Plymouth	2012	2020	Change 2012- 2020	% Change 2012- 2020
Moderate or Serious Personal Care Disability	7,131	7,201	70	1%

Cornwall	2012	2020	Change 2012- 2020	% Change 2012- 2020
Moderate or Serious Personal Care Disability	16,195	16,753	558	3%

	2012	2020	Change 2012- 2020	% Change 2012- 2020
South Hams				
Moderate or Serious Personal Care Disability	2,659	2,598	-61	-2%

	2012	2020	Change 2012- 2020	% Change 2012- 2020
West Devon				
Moderate or Serious Personal Care Disability	1,687	1,767	80	5%

Source: PANSI, 2013

- 8.24 On this basis it is likely that the overall capacity of suitable stock will need to continue to grow in Plymouth, Cornwall and West Devon in order to meet needs and this will require careful consideration at a strategic level – particularly in relation to the Dartmoor National Park.

Stakeholder Views

- 8.25 As part of the SHMNA a focus group was also held in March 2013 with a group of persons with, and representing those with (i.e. carers of), physical and / or learning difficulties currently living in Plymouth. The purpose of the focus group was to discuss, and gain further understanding of, their housing issues, needs and aspirations. The key discussion points and recommendations from this are summarised in the following paragraphs.
- Participants raised concerns regarding the availability of information relating to Devon Home Choice for those with physical and / or learning disabilities, and their carers. The importance of Plymouth City Council maintaining and enhancing face to face services for people with physical and/or learning disabilities was emphasised in the context of accessing homes.
 - Service partners were noted to be providing information from a single point going forward via Advice Plymouth, which was seen as beneficial. However, participants cited that they were unaware exactly which services were to be provided from this source – and recommended that the Council, and partners, provide appropriate advertising and marketing to avoid confusion.

- There were some concerns raised with regard to the extent to which more independent living solutions are encouraged or supported where appropriate.
- Participants were concerned regarding the limited availability of affordable, and adaptable / adapted homes, for persons with physical and / or learning disabilities. The delivery of new affordable homes in Plymouth to meet these needs was stressed as very important.
- Changes to the Benefits system were also cited as likely to represent a considerable challenge for people with physical and / or learning disabilities. Participants made reference to the shift to Universal Credit, as well as the introduction of the occupancy tests (commonly referred to as the “Bedroom Tax”)– the latter in particular was expected to have a punitive impact on people with physical and / or learning disabilities with a spare bedroom, who would be required to downsize or make up the shortfall in housing benefit to continue to pay their rent. It was highlighted that many persons with physical and / or learning disabilities were unaware of where to get advice regarding their options in such circumstances.
- The private rented sector was recognised as an alternative to the social sector for people with physical and / or learning disabilities in Plymouth. However, participants believed there was only a limited supply of housing in the private rented sector appropriate to their needs and in appropriate locations. Moreover, for those reliant on housing benefits in particular, being able to afford access to such properties was also cited as a major barrier. Employment insecurity and reductions to housing benefits were seen as factors exacerbating this problem at the current time.

Younger Persons

- 8.26 The affordability issues facing younger person households (i.e. first-time buyers and low income households) have been well documented throughout the SHMNA Main Report. In order to gain a greater understanding of the housing issues and aspirations of younger persons facing housing challenges in the sub-region, a series of focus groups were undertaken in both Plymouth and Cornwall. A summary of the key issues raised by stakeholder groups is provided below.

Focus Group 1 – Plymouth

- 8.27 A focus group was held with a group of younger persons from Plymouth currently living in Plymouth Foyer³⁷ in March 2013. The purpose of the focus group was to discuss, and gain an understanding of, their housing issues, needs and aspirations. The key discussion points and recommendations from this are summarised.
- 8.28 Participants were asked for their views on the positive and negative points about living in The Foyer, and Plymouth more generally. The participants stated that the Foyer provides an extremely important housing service for them – as it enables them to avoid homelessness. There are also support staff on hand to provide housing advice as well as guidance on wider issues including benefit claiming, job searching, and CV writing / job applications. The benefits of living in Plymouth, and in the Foyer, also included its central location in the city – nearby to ‘The Zone’ and Careers South West offices. It was noted, however, that travelling beyond the city centre is difficult (if needing to go for job interview / to visit family or friends / use other services), as the cost of bus travel is high – and free bus passes are available only to those attending college.
- 8.29 Participants were aware that the Foyer provides only a short-term solution to their housing needs (maximum 12 month stay), and that after that there is a need to ‘move on’. It was stated by all participants that this is a difficult process. Most had registered on Devon Home Choice, but found that because they were not officially homeless, and did not have any dependent children, this limited their priority for social housing. As a result, several participants had bid for many properties unsuccessfully. Others cited that the process of registering, and then changing details (i.e. an address etc) takes a long time (several weeks), which is too long given their circumstances. It was recommended that more social housing is built to provide for housing needs.
- 8.30 The preferred alternative for those ‘moving on’ from the Foyer was to enter the private rented sector – either renting a room in shared accommodation or, ideally, renting a 1 bedroom flat. However, all participants felt that ‘affordable living’ in Plymouth was difficult as they are priced out of the market given their current income. Moreover, saving for deposits (1-2 months rent up front typically) was very challenging, and some landlords will not accept them all together if they are claiming housing benefit. Others cited that shared houses are not ideal – given that they often do not know other people living there.
- 8.31 Participants also highlighted the current challenges faced in gaining employment in Plymouth, with several citing experience of applying for a large number of entry level jobs without success. It was also highlighted that many advertised jobs, which

³⁷ Note: The Foyer Federation is a not-for-profit organisation which aims to transform the lives of young people that have faced barriers in their lives. The Federation operates 120 accredited learning and accommodation centres known as “Foyers”

participants felt they could do, were only accepting people with NVQ qualifications and/or employment experience. This made it very challenging for young people looking for employment – particularly their first job if they do not have NVQ qualifications. This had considerable consequences – for relying on benefit payment for income limited their ability to exercise housing choice and enter the private sector.

- 8.32 Several participants were enrolled in college and/or undertaking apprenticeships. This was seen as a key route into employment. However, it was noted that if people are 19 years old or over, they are required to sign-on for Job Seekers Allowance and find employment at the same time as attending college, which was challenging. It was recommended that this requirement was removed or put back several years to enable young people to focus on their studies.
- 8.33 Participants recommended that there should be a greater level of support and information available to young people regarding their life choices, routes into employment and housing, as well as advice on the preparation of CV's. Participants felt that this would be appropriately provided at secondary school from an early age. It was offered that persons staying at the Foyer could attend local secondary schools to provide short talks to students to explain to them the options available – and the challenges faced should they not consider their options from an early stage. Participants felt, from their own experience, this would be better received than if teachers were to provide this advice.
- 8.34 When asked about their future plans, the majority of participants expressed a willingness to move into their own accommodation.
- 8.35 When asked about the type and tenure of home participants wished to live in, there were mixed opinions with only half of participants expressing an ambition to own their own home. This was seen as an achievement and symbol of success. They did, however, cite the costs of obtaining and paying a mortgage as a significant barrier.
- 8.36 Participants also stated that they would also be happy to rent a home – privately or socially – and saw the financial benefit of this as avoiding the costs of home repairs and maintenance. This included staying with relatives or friends and informally paying rent.
- 8.37 However, participants highlighted that they felt the information available regarding the various housing options open to young people is limited and poorly co-ordinated and publicised. Participants were not aware of the implications of the Universal Credit on their benefits, which would significantly increase their responsibility for budgeting and payment of their housing rental costs. Equally, participants found the various housing options and benefits systems hard to understand and navigate –
-

with considerable administration (forms / telephone calls) required to register correctly, which all stated they found daunting, laborious and time-consuming until they had 'learned the rules'.

- 8.38 Participants recommended that young people should be better signposted to information about the housing options open to them – with this starting at secondary school with advice provided personally through letters, via the internet and on bulletin boards at the places younger persons frequent – 'The Zone' and Careers South West offices were recommended venues. Providing information on the internet alone was not seen as appropriate as none of the participants had regular internet access.

Focus Group 2 – Truro, Cornwall

- 8.39 A focus group was held with a group of younger persons currently living in the Truro Young Women's Centre and in the Truro Foyer in March 2013. The purpose of the focus group was to discuss, and gain an understanding of, their housing issues, needs and aspirations. The key discussion points and recommendations from this are summarised.
- 8.40 Participants were asked for their views on the positive and negative points about living in the Young Women's Centre, The Foyer, and Truro more generally. The participants stated that both the Young Women's Centre and the Foyer provide an extremely important housing service for them – enabling them to avoid homelessness. There are also support staff on hand to provide housing advice as well as guidance on wider issues including benefit claiming, job searching, and CV writing / job applications. The benefits of the location included its proximity to support services and employment opportunities.
- 8.41 Participants were aware that their current accommodation provides only a short-term solution to their housing needs. It was stated by all participants that this is a difficult process. Most had registered on Cornwall Home Choice, but found that because they were not officially homeless, and did not have any dependent children, this limited their priority for social housing. As a result, several participants had bid for many properties unsuccessfully. It was felt that homes often went to people who 'know how to work the system'. Overall, it was felt that there simply weren't enough social homes in Cornwall and more needed to be provided.
- 8.42 Other participants cited that the process of registering as daunting for young people in their situation, with the forms proving complex and difficult to fill out fully and correctly. It was recommended that the forms are provided in a more easily understandable format, and with improved explanatory supporting text. Participants highlighted the important role of services management at the Young Women's Centre in helping them complete forms for Cornwall Home Choice, housing benefit and JSA.

- 8.43 In the short-term, all participants aspired to living in 1 or 2 bedroom self-contained accommodation. When asked about their future plans, the majority of participants expressed a willingness to move into their own accommodation, with the majority of participants expressing an ambition to own their own home. This was seen as an achievement of independence, and a symbol of success. The stability brought about by owning their home was also an important factor. They did, however, cite the costs of obtaining and paying a mortgage as a significant barrier. Participants also highlighted that this was made more challenging by the influx of people purchasing second homes, which inflated house prices out of the reach of local people.
- 8.44 Several participants cited bad experiences with unscrupulous private landlords, which had put them off privately renting in future. A number of participants also reported having bad experiences when living in shared private rented accommodation (not getting on with other persons / disputes etc). As a result, all were keen to avoid shared accommodation.
- 8.45 Affordability in the private rented sector was also cited as a major obstacle. Prices for a 1 bedroom flat in Truro were quoted at £500 per calendar month, and upwards. This was seen as being unaffordable to most participants.
- 8.46 From a location perspective, the views of participants differed. Several aspired to remain living in Truro – albeit in a more suburban location – to enable them to travel into the town centre to use services and access employment opportunities. Other participants, who had been on the Housing Register for an extended period of time, were simply keen to find a suitable home, providing it wasn't too far from friends and family and provided a safe environment.
- 8.47 Participants also highlighted the current challenges faced in gaining employment in Truro, with several citing experience of applying for a large number of entry level jobs without success. Others had gained employment, but at the minimum wage and with limited hours. This had considerable consequences – for relying on benefit payment for income limited their ability to exercise housing choice and enter the private sector.
- 8.48 Participants noted a 'catch 22' situation, where the low paid jobs achieved or achievable often resulted in a lower income than to remain unemployed and claim benefits. One participant stated that this made her feel 'worthless'.
- 8.49 Budgeting was seen as critical by all participants. All found it challenging, and several had experience of personal debts, with saving up for deposits (for rental) particularly difficult.

Focus Group 3 – Newquay, Cornwall

- 8.50 *To be added following focus group on 21st March.*
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Black and Minority Ethnic (BME) Households

- 8.51 Figure 8.8 identifies the ethnic composition of the Local Authorities using the 2011 Census. Figure 8.8 demonstrates that all the Local Authorities have a high proportion of White British residents, which significantly exceeds the national average rates. All other ethnicities are proportionally under-represented when compared to the national averages.

Figure 8.8: Ethnic Groups – Local Authorities, 2011

Census 2011	White British	White Irish (including Gypsies or Irish Travellers)	White Other	Mixed ethnicity	Asian or Asian British (Pakistani, Bangladeshi, Indian, other Asian)	Black or Black British	Chinese	Other ethnic group
England	79.8%	1.1%	4.6%	2.2%	7.0%	3.4%	0.7%	1.0%
Plymouth	92.9%	0.5%	2.7%	1.3%	1.0%	0.6%	0.5%	0.4%
Cornwall	95.7%	0.5%	2.0%	0.8%	0.5%	0.2%	0.2%	0.1%
South Hams	95.8%	0.5%	2.0%	0.8%	0.4%	0.1%	0.1%	0.2%
West Devon	96.4%	0.4%	1.6%	0.7%	0.3%	0.0%	0.2%	0.2%

Source: Census, 2011

8.52 Figure 8.9 presents the country of birth of residents drawing on the 2011 Census data.

Figure 8.9: Country of Birth – All Residents – Local Authorities, 2011

	UK	Ireland	Other EU: Member countries in March 2001	Other EU: Accession countries April 2001 to March 2011	Other countries
England	86.2%	0.7%	1.7%	2.0%	9.4%
Plymouth	92.8%	0.4%	1.3%	1.7%	3.7%
Cornwall	95.6%	0.3%	1.0%	0.8%	2.4%
South Hams	94.5%	0.4%	1.3%	0.6%	3.1%
West Devon	95.2%	0.3%	1.0%	0.7%	2.7%

Source: Census, 2011

8.53 Figure 8.9 shows Plymouth to have the highest proportions of residents with a country of birth other than the UK, of the SHMNA Local Authorities. However, all Local Authorities have proportions of residents with a country of birth other than the UK significantly below the national average level for England.

8.54 Figure 8.10 presents the length of UK residence for all residents drawing on the 2011 Census data. This demonstrates that, with the exception of Plymouth, the highest proportions of non-UK origin residents within the Local Authorities are long-term residents (10+ years in the UK). Very small proportions of residents have recently moved to the UK and taken up residence in South Hams, Cornwall or West Devon. In comparison, the rate of residents have recently moved to the UK and taking up residence in Plymouth is slightly higher – which is reflective of its status as an

employment hub for the region as well as the presence of the University, which will act as a draw for international migrants, including students, with some likely to remain in the city following completion of their studies.

Figure 8.10: Length of UK Residence – All Residents

	All categories : Length of residence in the UK	Born in the UK	Resident in UK: Less than 2 years	Resident in UK: 2 years or more but less than 5 years	Resident in UK: 5 years or more but less than 10 years	Resident in UK: 10 years or more
England	53,012,456	86.2%	1.8%	2.2%	2.9%	7.0%
Plymouth	256,384	92.9%	1.0%	1.4%	1.5%	3.2%
Cornwall	532,273	95.6%	0.5%	0.6%	0.7%	2.7%
South Hams	83,140	94.6%	0.4%	0.5%	0.7%	3.75
West Devon	53,553	95.2%	0.4%	0.6%	0.6%	3.1%

Source: Census, 2011

- 8.55 Figure 8.11 overleaf presents the year of arrival in the UK for all residents drawing on the 2011 Census data. This indicates that 1991-2009 formed the peak years of international migration into the Local Authorities of Plymouth and Cornwall – in line with the national trend. South Hams and West Devon appear to have been unaffected by national trends, with little change in the level of international migration across the period.
- 8.56 Figure 8.12 overleaf subsequently presents the age of arrival in the UK for all residents drawing on the 2011 Census data. It is clear from this data that the Local Authorities follow the national trends in the age at arrival of their international migrant residents. The largest proportions of international migrant residents arrive between the ages of 20-44 which is linked to University study (in Plymouth) and migration for employment reasons. Accompanying persons of this age, where they are families, are dependent children aged 0-15 years, which explains the high proportions in this age group.

Figure 8.11: Time (year) of Arrival for Residents – All Residents – Local Authorities, 2011

	All categories: Year of arrival in the UK	Born in the UK	Arrival Timescale										
			pre 1941	1941-1950	1951-1960	1961-1970	1971-1980	1981-1990	1991-2000	2001-2003	2004-2006	2007-2009	2010-2011
England	53,012,456	86.2%	0.1%	0.2%	0.7%	1.2%	1.2%	1.2%	2.3%	1.5%	2.1%	2.3%	1.1%
Plymouth	256,384	92.9%	0.1%	0.2%	0.4%	0.6%	0.5%	0.5%	0.9%	0.6%	1.3%	1.4%	0.6%
Cornwall	532,273	95.6%	0.1%	0.2%	0.4%	0.5%	0.4%	0.4%	0.6%	0.3%	0.6%	0.6%	0.3%
South Hams	83,140	94.6%	0.2%	0.4%	0.5%	0.7%	0.6%	0.5%	0.7%	0.3%	0.5%	0.6%	0.2%
West Devon	53,553	95.2%	0.2%	0.3%	0.5%	0.7%	0.4%	0.4%	0.6%	0.2%	0.5%	0.6%	0.3%

Source: Census, 2011

Figure 8.12: Age (years) of Arrival for Residents – All Residents – Local Authorities, 2011

	All categories: Age of arrival in the UK	Born in the UK	Age of Arrival in UK								
			0 to 15	16 to 17	18 to 19	20 to 24	25 to 29	30 to 44	45 to 59	60 to 64	65+
England	53,012,456	86.2%	4.0%	0.6%	1.0%	2.9%	2.3%	2.4%	0.5%	0.1%	0.1%
Plymouth	256,384	92.9%	3.9%	0.6%	1.0%	2.9%	2.3%	2.4%	0.5%	0.1%	0.1%
Cornwall	532,273	95.6%	2.8%	0.3%	0.5%	1.2%	0.9%	1.1%	0.2%	0.0%	0.0%
South Hams	83,140	94.6%	2.0%	0.1%	0.2%	0.7%	0.5%	0.7%	0.2%	0.0%	0.0%
West Devon	53,553	95.2%	2.6%	0.2%	0.3%	0.7%	0.6%	0.8%	0.2%	0.0%	0.0%

Source: Census, 2011

Custom / Self Build / Community Led Housing Development

- 8.57 A focus group was held in Totnes, South Hams, on the 7th March 2013 to discuss the views and experiences of delivering custom / self build / community housing development across both South Hams and West Devon.
- 8.58 In total, 15 people took part in the focus group. This included a range of local residents, and community groups, Parish Council's, architects/planners, landscape architects, the Commission to Protect Rural England (CPRE), a developer/builder, and representatives from South Hams District Council / West Devon Borough Council, and the Dartmoor National Park Authority.
- 8.59 Due to the number of participants, the focus group was split into two separate discussion groups. The key points of discussion have been consolidated under several emerging themes:

The Supply and Acquisition of Appropriate Land

- 8.60 Availability of land was cited as a major fundamental problem in realising the potential contribution of self build. Competition was faced from major house builders in obtaining and financing land, leading self builders to struggle to meet open market values for land. Equally due to misconception and confusion around self-build, landowners were sometimes reluctant to enter into discussions around the sale of land.
- 8.61 Large house builders were felt to dominate the market for land within settlement boundaries, limiting the opportunities for those interested in self-build to access sites. This further served to highlight the need to identify separate policy supporting self-builders to promote small scale development opportunities outside of settlement boundaries.
- 8.62 The issue of development finance was also discussed as to whether it represented a challenge for self-builders to develop. It was felt by the group that this was not generally the case. Banks were felt to generally be supportive of well developed plans. This required the securing of planning permissions and properly costed schemes. As with general mortgage financing it was recognised that there is a requirement for healthy deposits, which was recognised as a potential obstacle for younger elements of the market.
- 8.63 It was suggested by the Focus Group that the Councils should consider providing opportunities to financially support self build. This could include gifting or reduced rate sale of public land to self-builders, or the Council setting up a partnership

arrangement with Community Land Trusts. Examples of good practice in similar schemes were cited with Swindon Council and Teignbridge Council.

8.64 The establishment of a revolving self-build fund was also recommended by the Focus Group, which could potentially be used to cover pre-development costs (i.e. planning and other professional fees). This was cited as a current gap in the funding offer for self build projects. It was noted by the Focus Group that the HCA self-build funding administered by the HCA requires planning permission to be granted on the site.

8.65 Moreover, the existing Community Land Trust (CLT) Fund, which was established in 2008 and is funded by the Tudor Trust, the Esmee Fairbairn Foundation, the Charities Aid Foundation and the Nationwide Foundation is coming to a close. The CLT Fund provides grants and loan capital and is split into four tranches, to reflect the different stages in establishing and developing a CLT:

- [Feasibility Fund](#)
- [Technical Assistance Fund \(TAF\)](#)
- [Investment Fund – pre-development finance](#)
- [Investment Fund – development finance](#)

8.66 The National CLT Network administers the Feasibility Fund and the Technical Assistance Fund. Venturesome at the Charities Aid Foundation administers the Investment Fund. To be eligible to apply for funding projects must have a minimum of 50% housing content, be located in England or Wales, and (at the TAF and Investment stages) meet the legal definition of a CLT.

8.67 It was suggested by the Focus Group that local authorities could fill the gap left when the CLT Fund closes by redirecting a proportion of affordable housing S106 payments into funding a similar revolving fund.

8.68 A further option suggested by the Focus Group was that of local authorities acting as an intermediary to promote to landowners the inclusion of self-build on sites.

[National Planning Policy Framework](#)

8.69 Participants wanted to understand in more detail the local authorities knowledge and understanding of the impact of the NPPF on the sector. In particular there was an interest in understanding how local authorities will integrate the policy stipulations in the NPPF regarding self build / community housing in new policy locally. It was their understanding that the NPPF encouraged the provision of sustainable development which it was felt that self-build proposals positively aligned with.

Local Planning Policy and Planning Process

- 8.70 The other perceived major barrier currently was policy and the application of, for example, exception policies.
- 8.71 Points around the confusion associated with exception sites was articulated with conflicting requirements between developers and self-builders making existing policy too unwieldy/ inflexible to recognise differences. For example it was understood that exception policies needed to be in place to limit large scale inappropriate development applications by major house builders, but this also served to restrict the potential for smaller self-build developments which could genuinely serve to meet local needs. It was recognised that policy would need to have very specific criteria to set out where self-build could be supported in order to ensure that it didn't create an invitation for development being promoted from other house builders / developers.
- 8.72 Participants felt that the exception policy is more important to self-builders and there should be an allowance made in the wording of future policy in Core Strategy / Local Plan documents to encourage and support small scale self-building in the rural areas.
- 8.73 Overall there was a strong feeling that there is a need for consistency in the application of planning policy in relation to self build applications across local authority planning committee areas. It was suggested that there is a need to provide greater support and informing evidence regarding self build in order to dispel myths and enable consistent and informed decision making.
- 8.74 It was also recommended that planning policy for affordable housing could potentially be modified to facilitate a proportion of self build housing on sites larger sites.
- 8.75 The potential to exempt self-build properties from S106 costs was also highlighted as an area in which policy could positively support the delivery of increased housing outputs from self-build.

The Role of Self Build Housing in the Housing Market

- 8.76 It was felt that a healthy proportion of demand for self build will come from people starting to plan for retirement and wanting to design a house which will meet their needs and be affordable. Equally it was felt that there was a strong demand for executive homes and larger family housing in the sector.
- 8.77 One representative also suggested that if the market was better understood that there would be a high demand from first time buyers / younger people who would be enthused at the opportunity to build the property they would then live in. The scale of demand for self-build products was explored with a representative in the group citing

an example in the area where six properties had been granted permission with all properties sold-off plan.

- 8.78 It was also highlighted that understanding the scale of need for, and interest in, self build / community led housing was a potential challenge for local authorities. It was recommended that the Registration Form for the Housing Register (Devon Home Choice; South West Homes) includes additional questions related to household's interest in pursuing self build / community led housing. It was noted that Teignbridge Council have a separate waiting list of the Council's website to enable them to register their interest in self build. The Council has also introduced a requirement in the Core Strategy for 10% of housing to be self built, of which 50% is affordable and 50% is open market.
- 8.79 The issue of cumulative impact of self-build was discussed. It was recognised that individual small scale applications and developments would not make a big impact. However, if considered in a wider scale, in terms of the cumulative impact of many proposals, the impact on meeting housing demand and need could be more significant. Importantly again this would clearly meet local needs and not the needs of households moving into the area. Each development ensures that a local person is able to stay in their local community and area rather than being forced to move elsewhere.
- 8.80 In discussing the scale of appetite for self-build across the area a figure of 10% was quoted as the proportion of people who want to self build. It was noted however, that evidencing this demand was a current area of weakness. It was highlighted that estimating this demand would probably need to be done through an exercise to gather specific site proposals from self-builders as it done for all site through the SHLAA call for sites exercise.
- 8.81 It was recommended that a specific exercise by the Council to undertake a call for self-build sites / plots would help to gauge the actual appetite across the authorities. It was felt that this would need to be distinct and separate from the SHLAA call for sites and would probably need to be undertaken on a regular basis. The advertising of this process would be important with it requiring more than simply an invitation on the website for people to submit sites and expressions of interest.

Design Standards

- 8.82 Self-builders would like to build to their own high standard to increase sustainability; use renewable energy (e.g. Passivhaus) and feel that building regulations should include these as a standard for all and not differ between developers and self-build. Importantly it was felt that current building regulations served to stifle the potential innovation and high standards that self-builders would like to pursue.

- 8.83 It was highlighted that the average self builder stays in their home for 25 years – indicating a long-term ownership and stability, which makes design quality and Lifetime Homes standards particularly important to enable properties to be versatile to meet changing needs.

Bringing the Evidence Together

- 8.84 This section has built upon the analysis concerning housing need in the preceding sections of the SHMA and focused on the needs of specific groups. This section has assessed the needs of older people, households with certain support needs, Black and Ethnic Minority (BME) groups and the Gypsy and Traveller community.
- 8.85 The key findings for each specific group are presented below, drawing together the data and other evidence discussed above:
- **Older persons** –The SNPP 2010 projection predicts a significant growth in the number of people aged 65+ to 2031. POPPI anticipate a large increase in the number of people aged 65+ who live alone by 2020 as well as an increase in the number of people aged 65+ who are living in a care home across all Local Authorities. It is clear that future demographic changes will have a profound impact upon housing need, with an increasing demand for accommodation for older people across all the SHMNA Local Authorities.
 - **Households with support needs** – The POPPI dataset suggests that between 2012 and 2020 the number of individuals aged 65+ in the Local Authorities with learning difficulties is anticipated to rise considerably. The PANSI system suggests that the number of individuals aged 18+ with a learning disability, and persons with moderate, and serious, physical disabilities will increase in all Local Authorities, with the exception of South Hams, between 2012 and 2020. In contrast, South Hams is projected to experience a slight decline in the number of such individuals. The number of individuals with moderate or serious personal care disabilities is also predicted to increase by 2020 in all Local Authorities, with the exception of South Hams, where a small decline is projected. On this basis it is likely that the overall capacity of suitable stock will need to continue to grow in Plymouth, Cornwall and West Devon in order to meet needs and this will require careful consideration at a strategic level – including in relation to the availability to suitable stock as appropriate within the Dartmoor National Park.
 - **Younger Persons** – The affordability issues facing younger person households (i.e. first-time buyers and low income households) have been well documented throughout the SHMNA Main Report. Both the focus group research and engagement with local agents and landlords (presented in section 5) has

highlighted that the obstacles facing younger households to purchase property has led to many either not forming a household (living with family/friends) or moving into private rented or social stock, with this placing increasing pressure on this tenure.

- **BME Populations & Ethnicity** – The Local Authorities have a high proportion of White British residents, which significantly exceeds the national average rates. All other ethnicities are proportionally under-represented when compared to the national averages. Plymouth has the highest proportion of residents with a country of birth other than the UK, of the SHMNA Local Authorities. However, all Local Authorities have proportions of residents with a country of birth other than the UK significantly below the national average level for England. With the exception of Plymouth, the highest proportions of non-UK origin residents within the Local Authorities are long-term residents (10+ years in the UK). Very small proportions of residents have recently moved to the UK and taken up residence in South Hams, Cornwall or West Devon. In comparison, the rate of residents having recently moved to the UK and taking up residence in Plymouth is slightly higher – which is reflective of its status as an employment hub for the region as well as the presence of the University, which will act as a draw for international migrants with some likely to remain in the city following completion of their studies. 1991-2009 formed the peak years of international migration into the Local Authorities of Plymouth and Cornwall – in line with the national trend. South Hams and West Devon appear to have been unaffected by national trends, with little change in the level of international migration across the period. The largest proportions of international migrant residents arrive between the ages of 20-44 – which is likely to be linked to University study (in Plymouth) and migration for employment reasons. Accompanying persons of this age – where they are families – are dependent children aged 0-15 years, which explains the high proportions in this age group.
- **Custom / Self Build / Community Led Housing Development** – Availability of land was cited as a major fundamental problem in realising the potential contribution of self build. The other perceived major barrier currently was policy and the application of, for example, exception policies. There was an interest in understanding how the Local Authorities will integrate the policy stipulations in the NPPF regarding self build / community housing in new policy locally. Participants felt that the exception policy is more important to self-builders and there should be an allowance made in the wording of future policy in Core Strategy / Local Plan documents to encourage and support small scale self-building in the rural areas. It was suggested by the Focus Group that the Councils consider providing opportunities to financially support self build. This could include gifting or reduced rate sale of public land to self-builders, or the Council setting up a partnership arrangement with Community Land Trusts. A revolving self-build fund was also

suggested for consideration by local authorities. This could be used to cover pre-development costs (i.e. planning and other professional fees). This was cited as a current / future funding gap. It was suggested that the Councils could fill the by redirecting a proportion of S106 payments. The waiving of S106 costs was also noted as an area in which policy could help support the delivery of increased housing outputs from self-build. This should recognise the role of housing in meeting local needs and other innovative building quality factors which exceed standard regulations. It was also recommended that planning policy for affordable housing is modified to facilitate a proportion of self build housing on sites. It was recommended that a specific exercise by the Council to undertake a call for self-build sites / plots would help to gauge the actual appetite across the authorities. It was felt that this would need to be distinct and separate from the SHLAA call for sites and would probably need to be undertaken on a regular basis.

- **Gypsy and Traveller communities** – an updated Gypsy and Traveller Accommodation Needs Assessment (GTANA) was undertaken alongside the SHMNA. For analysis and results, the GTANA should be read alongside the SHMNA.

9. Drawing the Evidence Together - Conclusions

9.1 This section brings together the conclusions from the analysis contained within this SHMNA report. The conclusions are presented to highlight the key findings for each of the authorities within the study area drawing upon the analysis in preceding sections. The conclusions presented here provide a headline overview with the individual Local Authority Overview Reports providing more detailed conclusions for each of the five local authorities.

Introduction / Scope of the Research

9.2 The approach to this research has been based on a number of principles, which have ensured that the assessment recognises this wider market context and represents a robust and sound evidence base:

- A number of models and approaches have been used, including the POPGROUP model, which constructs a range of scenarios of possible direction of change. The research has identified a range of 'probable' or 'realistic' projections in order to provide firm conclusions, however, the examination of sensitivities and highlighted areas of future update to informing assumptions means that monitoring will play an important part of ensuring that the research findings continue to be responsive to a range of changing macro drivers;
- The research has drawn on the latest and most up-to-date secondary data sources. A process of triangulation has been conducted to compare, contrast and, where relevant, align information to ensure inputs to the analysis represent the most comprehensive picture for the authorities;
- Analysis has been conducted at the authority level as well as a sub-local authority area level (market areas) to ensure that spatial variations in trends and characteristics are considered through the analysis. Details of the sub-local authority findings are presented within the appended individual Local Authority Overview Reports.

9.3 As set out in the introduction, the purpose of the assessment is to provide a strategic view of housing supply and demand in all housing sectors and to provide the Councils with a comprehensive understanding of the dynamics and segments of the functional housing market operating across each authority.

- 9.4 In this concluding section, in order to ensure compliancy with the current policy framework, we return to the core outputs of the DCLG Guidance and the wider research objectives introduced in section 1 of the SHMA.

Core Output 1: Estimates of current dwellings in terms of size, type, condition, tenure

- 9.5 An understanding of the profile of existing stock provides a valuable foundation from which to assess both the health of the current market and the capacity for the stock to match future requirements. Results for each authority are as follows.

Cornwall

- 9.6 Cornwall contains a total of 259,346 dwellings. Long-term stock vacancy (vacant for longer than 6 months) was provided through Council Tax data as at 2012. This data illustrates that there were 3,516 long term empty homes.
- 9.7 The 2011 Census demonstrates that the housing stock across Cornwall on average is larger in terms of accommodation size than national averages. On average, dwellings in Cornwall have 5.6 rooms per household of which 2.8 rooms are bedrooms per household (England average number of rooms 5.4 with 2.7 bedrooms).
- 9.8 The 2011 Census identifies 2.8% of households in Cornwall as being overcrowded based on the 'bedroom requirement' standard. This is lower than the national average overcrowding levels (4.8%) and is likely to reflect the average size of stock across the authority relative to prevailing household sizes.
- 9.9 The 2011 Census demonstrates that Cornwall has a pronounced over representation of detached properties relative to the national benchmark. Cornwall is also distinguished by the relatively low proportion of flatted properties (13.5%) when compared to the national benchmark of 22.1%. Cornwall is also distinguished by relatively low proportions of semi-detached stock (24.4%) compared to the national average (30.7).
- 9.10 The quality of the housing stock represents an additional layer of information in understanding the housing offer. The 2009 Private Sector Stock Condition Survey concluded that 55% of private sector dwellings were classified as non-decent with incidences of non-decent housing particularly high in relation to thermal issues and Cat 1 hazards.

Plymouth

- 9.11 Plymouth contains a total of 113,528 dwellings of which 2,615 were classified as currently empty (informed by 2012 Council Tax data). An updated long-term vacancy position (vacant for longer than 6 months) was provided through Council Tax data as at 2012. This calculated that there were 814 long term empty homes in Plymouth.
- 9.12 The 2011 Census demonstrates that the housing stock across Plymouth on average is smaller in terms of accommodation size than national averages. On average, dwellings in Plymouth have 5.1 rooms per household of which 2.6 rooms are bedrooms per household (England average number of rooms 5.4 with 2.7 bedrooms).
- 9.13 The 2011 Census identifies only 2.6% of households in Plymouth as being overcrowded based on the 'bedroom requirement' standard. This is lower than the national average overcrowding levels (4.8%) and is likely to reflect the average size of stock across the authority relative to prevailing household sizes.
- 9.14 The 2011 Census demonstrates that Plymouth has a slight under-representation of detached properties and a more notable over representation of terraced and flatted properties when compared to the wider average stock type distribution nationally.
- 9.15 The quality of the housing stock represents an additional layer of information in understanding the housing offer. The 2009 Private Sector Stock Condition Survey concluded that 32% of private sector dwellings were classified as non-decent with incidences of non-decent housing particularly high in relation to thermal and repair issues.

South Hams

- 9.16 South Hams (excluding the National Park) contains a total of 40,715 dwellings of which 910 were classified as currently empty (as of 2012 Council Tax data). An updated long-term vacancy position (vacant for longer than 6 months) was provided through Council Tax data as at 2012. This calculated that there were 238 long term empty homes in South Hams.
- 9.17 The 2011 Census demonstrates that the housing stock across South Hams on average is larger in terms of accommodation size than national averages. On average, dwellings in South Hams have 5.8 rooms per household of which 2.9 rooms are bedrooms per household (compared with an England average number of rooms of 5.4 and 2.7 bedrooms).
- 9.18 The 2011 Census identifies only 2.9% of households in South Hams as being overcrowded based on the 'bedroom requirement' standard. This is lower than the

national average overcrowding levels (4.8%) and is likely to reflect the average size of stock across the authority relative to prevailing household sizes.

- 9.19 The 2011 Census demonstrates that South Hams has an over-representation of detached properties (38.3%) compared to the national average (22.3%). The authority's stock profile is also characterised by under-representations against the semi-detached, terraced and flatted accommodation stock types.
- 9.20 The quality of the housing stock represents an additional layer of information in understanding the housing offer. The 2009 Private Sector Stock Condition Survey concluded that 40% of private sector dwellings were classified as non-decent with incidences of non-decent housing particularly high in relation to thermal and repair issues.

West Devon

- 9.21 West Devon (excluding the National Park) contains a total of 17,963 dwellings of which 679 were classified as currently empty (as informed by 2012 Council Tax data). An updated long-term vacancy position (vacant for longer than 6 months) was provided through Council Tax data as at 2012. This calculated that there were 208 long term empty homes in West Devon.
- 9.22 The 2011 Census demonstrates that the housing stock across West Devon on average is larger in terms of accommodation size than national averages. On average, dwellings in West Devon have 5.8 rooms per household of which 2.9 rooms are bedrooms per household (compared with an England average number of rooms of 5.4 and 2.7 bedrooms).
- 9.23 The 2011 Census identifies only 2.9% of households in West Devon as being overcrowded based on the 'bedroom requirement' standard. This is lower than the national average overcrowding levels (4.8%) and is likely to reflect the average size of stock across the authority relative to prevailing household sizes.
- 9.24 The 2011 Census demonstrates that West Devon has an over-representation of detached properties (40.8%) compared to the national average (22.3%). The authority's stock profile is also characterised by under-representations against the semi-detached, terraced and flatted accommodation stock types.
- 9.25 The quality of the housing stock represents an additional layer of information in understanding the housing offer. The 2009 Private Sector Stock Condition Survey concluded that 37.3% of private sector dwellings were classified as non-decent with incidences of non-decent housing particularly high in relation to thermal and repair issues.

Dartmoor National Park

- 9.26 Where data is available analysis has been disaggregated for the Dartmoor National Park. Information has been presented at both the whole National Park level, noting that the spatial area of the National Park extends beyond the Study Area authorities considered in this research, and for the parts of the National Park which fall within South Hams and West Devon authorities.
- 9.27 The whole Dartmoor National Park contains a total of 15,546 household spaces of which 1,301 were classified as having no usual resident (Census 2011). This is likely to include a proportion of second homes. Levels of household spaces with no usual residents vary across the spatial areas of Dartmoor National Park, ranging from 7.2% within the parts of the National Park in South Hams to 8.7% in West Devon.
- 9.28 The 2011 Census demonstrates that the housing stock across the Dartmoor National Park on average is larger in terms of accommodation size than national averages. On average, dwellings in the National Park have 6.1 rooms per household of which 3 rooms are bedrooms per household (compared with an England average number of rooms of 5.4 and 2.7 bedrooms). Again there is variation between the different parts of the National Park within South Hams and West Devon both of which appear to show that these areas include on average larger properties still³⁸.
- 9.29 The 2011 Census identifies only 1.9% of households in the Dartmoor National Park as being overcrowded based on the 'bedroom requirement' standard. This is significantly lower than the national average overcrowding levels (4.8%) and is likely to reflect the average size of stock across the authority relative to prevailing household sizes. Examining the differences between parts of the National Park in South Hams and West Devon suggests a slightly higher level of overcrowding of housing in those parts in South Hams (2.1%) and a lower proportion in West Devon (1.5%).
- 9.30 The 2011 Census demonstrates that the Dartmoor National Park has an over-representation of detached properties (43.6%) compared to the national average (22.3%) and an under representation of all other stock types when compared to the wider average stock type distribution nationally.

Core Output 2: Analysis of past and current housing market trends, including balance between supply and demand in different housing

³⁸ Note: The Census 2011 data used to derive figures for the parts of the National Park in each authority include missing data and averages may therefore be distorted

sectors and price / affordability. Description of key drivers underpinning the housing market.

- 9.31 According to ONS data all of the authorities have seen a growth in population between 2001 and 2011, with the exception of Dartmoor National Park. In proportionate terms West Devon has seen the largest growth in population, with a growth of almost 10%. Cornwall and Plymouth have also seen notable levels of growth, both over 6.5%, but South Hams only saw a 2.1% growth in its population over this period.
- 9.32 This growth in population across the authorities has been driven by a range of **demographic factors**. With the exception of Plymouth the authorities have seen a further skewing of their populations towards older age groups. This is reflected in natural change (births minus deaths) showing a negative contribution towards population growth year-on-year in all three of these authorities and the opposite being true in Plymouth.
- 9.33 In terms of the other significant demographic component of change, migration, year on year Cornwall, South Hams and West Devon have seen significant net inflows from internal migration. The scale of migration is particularly pronounced in Cornwall where, with the exception of 2008/09, the net flow has exceeded 4,000 people per annum. Plymouth, by contrast, whilst seeing a net inflow of migrants from the UK between 2001 and 2006 has seen a net outflow over more recent years, 2006 – 2010. The age profile of these UK migrants shows again a contrasting picture between Cornwall, South Hams and West Devon and Plymouth. The first three authorities have all seen a net out-flow of younger persons and a strong inflow of working age persons (and their children), whereas Plymouth has seen a strong inflow of younger persons, attracted by the University and comparatively affordable housing and an out-migration of older working households. The analysis of the spatial flows of people has reinforced the relationships between the authorities with these age dynamics having a bearing on the movement of people. Significantly the analysis also showed the importance of flows of people from further afield in the UK with strong net inflows from the Midlands and the South East into Cornwall, South Hams and West Devon in particular.
- 9.34 The increase in population in each authority has been reflected in an increase in the number of households. Significantly in proportionate terms in all of the authorities, but in particular in South Hams and West Devon this growth has exceeded the growth in population with this reflecting a fall in average household sizes in these two authorities.
- 9.35 **Income levels** are directly related to employment opportunities and have an important relationship with the ability of households to exercise choice in the housing
-

market and indeed the level of need for Affordable Housing products. The income profile for Cornwall shows a high proportion of households with lower incomes. The income profile shows that 35% of households have a gross annual income of less than £15,000. Plymouth also shows a high proportion of lower income households with 40% of households having incomes of less than £20,000. The analysis of other income datasets for South Hams and West Devon within the Overview Reports again reinforces the high proportion of low income households across the study area whilst also recognising that the whole profile includes a mix of income households.

- 9.36 Household growth, employment status and the income of households form important drivers in understanding the operation of the housing market. **House price transactions** and rental activity represent a direct indicator of the health of the market. Between Quarter 1 1996 and Quarter 3 2012 Plymouth has consistently remained the most affordable of the Local Authorities, with median house prices tracking below the national average. However, this is likely to reflect its urban nature and concentration of smaller housing stock. Cornwall has tracked the national average house price very closely since 1996. In contrast, both South Hams and West Devon demonstrate average house prices in excess of the national average. South Hams, in particular, has average house prices that have consistently and significantly exceeded the national average – recorded at £245,000 in Q3 2012 compared to £190,000 for England as a whole.
- 9.37 Affordability issues have not considerably eased across the Local Authorities – due to the ongoing resilience in house prices – even at the most affordable entry level (i.e. lower quartile) end of the property market. As a result, in 2011 in South Hams, a lower quartile house will cost circa 10 times the income of a household earning the lower quartile salary. This significantly exceeds the national benchmark, with a ratio of 6.5. The ratio is also high in Cornwall and West Devon respectively, at 9.08 and 8.75 respectively. The result is that many lower income households will be priced out of entering the private housing market, unless they save considerable deposits.
- 9.38 Nationally, and in each of the SHMNA Local Authorities, the private rented sector has undergone a period of significant expansion over recent years and now plays an important role in the operation of the wider market, offering an alternative to owner-occupation and the social rented sector. The VOA 'Private Market Rental Statistics' data provides both lower quartile and median rents for the Local Authorities for the period October 2011 to September 2012. By the 'all properties' measure, South Hams is the most expensive of the Local Authorities to rent privately – either by the median measure or for entry-level lower quartile properties. Moreover, prices in South Hams consistently sit above the national benchmark. In contrast, Plymouth is the most affordable of the Local Authorities if renting privately. The analysis of affordability benchmarking highlights the role that the private rented sector provides as an

intermediary tenure in terms of housing costs between owning and renting socially within each of the authorities.

Core Output 3: Estimate of total future number of households, broken down by age and type where possible

- 9.39 The SHMA research has involved a detailed and robust assessment of the likely future change in the number of households within each of the authorities. A range of population and household scenarios have been developed, taking account of demographic, economic and policy factors. This process has utilised the POPGROUP model (as described in section 6).
- 9.40 Three scenarios taking account of different drivers of the housing market relating to demographic and economic factors have been presented within the analysis. The modelling has integrated the latest official ONS and DCLG published datasets including the ONS 2010-based Sub-National Population Projections. The projections have been re-based to reflect the 2011 Census population and household count. The derived household projections use household formation rates (headship rates) from the 2008 Sub-National Household Projections (SNHP), which, until the release of the 2010 base dataset remain the most up-to-date data source available.
- 9.41 The approach of considering a range of potential projected futures and informing datasets follows the advice of the National Planning Policy Framework (2012) and is therefore intended to provide each of the Council's with a sound evidence base to inform future strategy and policy development.
- 9.42 The trend based projection, the re-based SNPP 2010 projection, uses the latest official sub-national population projection dataset released by the ONS and updates it to a new population and household base built from the results of the 2011 Census. This projection recognises recent historical growth in population and projects this forward using similar assumptions to those used by the ONS in the publication of their official sub-national projection datasets. This projection shows that the population of all of the authorities will grow over the projection period. The scale of the population growth in Plymouth is relatively low with this reflecting recent year's evidence of a year on year outflow of migrants from the city. By contrast Cornwall is projected to have a comparatively strong level of population growth with the assumption being that recent trends of high levels of in-migration are sustained. South Hams and West Devon also have projections which assume a continued inflow of migrants which serves to continue levels of population growth which reflect recent trends. The projected levels of household growth under this scenario are shown in the following table.

Figure 9.1: Projected Population Rebased SNPP 2010

Re-based SNPP 2010 Scenario	Number of Persons		Change in Population 2011 - 2031	Annual Average Change 2011 - 2031 (20 years)
	2011	2031		
Cornwall	533,760	611,309	77,549	3,877
Plymouth	256,589	276,214	19,625	981
South Hams	83,563	88,875	5,312	266
West Devon	53,655	62,673	9,018	451

Source: Edge Analytics, GVA, 2013

- 9.43 The Employment-led scenarios show higher levels of growth for each of the authorities as that projected under the Re-based SNPP 2010 scenario. This illustrates that increased levels of in migration of working age people and households would be required to support current economic forecasts without a notable increase in commuting and/or increases to older person activity rates.
- 9.44 Analysis of the changing age and household composition profile under the scenarios identified a number of important projected changes which will have implications for the types and sizes of property likely to be required over the projection period. This included the identification of a strong growth in single person households, which consist of a mix of younger individuals as well as older persons, reflecting the wider changes to the age profile. Importantly, the analysis also showed a strong projected growth in family households.

Core Output 4: Estimate of current number of households in housing need

- 9.45 At the current point in time, tightening mortgage lending criteria, coupled with the impact of the recession through income reduction and job losses, has created a significant demand pressure for non-market housing. The analysis around affordability benchmarking clearly illustrates this issue when comparing household income levels against the price of entry into different tenures within each authority.
- 9.46 Section 7 presents the assessment of housing need using the methodology set out in the DCLG guidance. In total in Stage 1 of the DCLG calculation of housing need, the following numbers of **households are identified as being in 'current need'** of Affordable Housing in each authority:
- Plymouth – 3,856 households
 - Cornwall – 5,480 households
 - South Hams (Excluding Dartmoor National Park) – 431 households

- West Devon (Excluding Dartmoor National Park) – 381
 - Dartmoor National Park (areas within South Hams and West Devon) - 150
- 9.47 These households include households classified as homeless or in temporary accommodation, yet exclude existing social tenants requesting a transfer from their current social dwelling.
- 9.48 In addition the DCLG calculation method identified that the following proportions of newly forming households were unable to access market housing based on incomes and entry level (lower quartile) house prices:
- Plymouth – 39%
 - Cornwall – 54%
 - South Hams (Excluding Dartmoor National Park areas) – 60%
 - West Devon (Excluding Dartmoor National Park areas) – 50%
 - Dartmoor National Park (areas within South Hams and West Devon) – 53%

Core Output 5: Estimate of future households that will require Affordable Housing

- 9.49 Stage 2 of the DCLG Guidance for assessing need focuses on estimating the number of households that will require Affordable Housing over the short-term (five years). The analysis presented in section 7 identifies a **total newly arising need** (gross per year) as follows for each of the authorities:
- Plymouth – 1,354 households
 - Cornwall – 2,656 households
 - South Hams (Excluding Dartmoor National Park areas) – 388 households
 - West Devon (Excluding Dartmoor National Park areas) – 171 households
 - Dartmoor National Park (areas within South Hams and West Devon) – 86 households
- 9.50 The above estimates of future demand do not take account of the supply of stock to absorb demand. Utilising the DCLG Guidance calculation process, and taking into account the supply available on an annual basis (re-lets / surplus stock / pipeline new

supply) the housing needs analysis indicates that each authority will be required to provide for a **net annual Affordable Housing need of:**

- Plymouth – 1,323 dwellings per annum over the next five years
- Cornwall – 2,240 dwellings per annum over the next five years³⁹
- South Hams (excluding areas in the Dartmoor National Park) – 220 dwellings per annum over the next five years
- West Devon (excluding areas in the Dartmoor National Park) – 140 dwellings per annum over the next five years
- Dartmoor National Park (areas within South Hams and West Devon) – 83 dwellings per annum over the next five years

- 9.51 Looking forward in the longer-term (i.e. beyond the next five years) it is difficult to accurately assess how house prices, and the financial requirements of households to obtain mortgage credit, will change. Arguably the low levels of supply of new housing, both Market and Affordable, are likely to result in sustained house prices; suggesting that over the short-term at least the demand for non-market housing is unlikely to abate. Moreover, the Government's ongoing programme of Welfare Reform is anticipated to put additional pressure on both the social rented and private rented stock within each authority. Clearly these are important informing influences on the future split of market and Affordable housing required.
- 9.52 The levels of job growth assumed under both of the Employment-led scenarios considered through the analysis in section 6 would be likely to increase demand for market housing but also include lower income households requiring Affordable Housing, recognising that growth will cover a range of employment sectors.
- 9.53 The analysis in the SHMA overall has, however, shown that currently and in the short-term that while a large proportion of need can only be addressed through traditional social housing products in each authority, there are a number of households in need who could have their needs met through other Affordable products. These could include various 'Intermediate' housing products – providing an important step onto the housing ladder in the future.

Core Output 6: Estimate of future households requiring market housing

³⁹ Note: The Cornwall Proposed Investment Plan for Housing 2012-2015 has not been factored into the housing need calculations herein, however once delivered will potentially make an important contribution to reducing levels of net annual affordable housing need.

- 9.54 One of the requirements of the DCLG Guidance is to understand the number of households requiring market housing over the plan period.
- 9.55 The research presented in section 6 translated the levels of projected household growth arrived at through the two scenarios of population and household change into hypothetical dwelling requirements (noting that the Natural Change scenario is removed given its hypothetical nature). This showed a range of requirements as presented in the following table:

Figure 9.2: Hypothetical dwelling requirements – 2011 to 2031 - Cornwall

Scenario	Change in Households 2011 - 2031	Dwellings Required 2011 - 2031 (3% vacancy assumed)	Net annual average dwelling requirement (20 years)
Re-based SNPP 2010	45,901	47,278	2,364
Employment-led Experian	62,765	64,648	3,232
Employment-led LFM	69,883	71,980	3,599

Source: GVA, Edge Analytics, 2013

Figure 9.3: Hypothetical dwelling requirements – 2011 to 2031 - Plymouth

Scenario	Change in Households 2011 - 2031	Dwellings Required 2011 - 2031 (3% vacancy assumed)	Net annual average dwelling requirement (20 years)
Re-based SNPP 2010	9,407	9,689	484
Employment-led Experian	22,103	22,766	1,138
Employment-led OE	14,482	14,916	746

Source: GVA, Edge Analytics, 2013

Figure 9.4: Hypothetical dwelling requirements – 2011 to 2031 – South Hams

Scenario	Change in Households 2011 - 2031	Dwellings Required 2011 - 2031 (3% vacancy assumed)	Net annual average dwelling requirement (20 years)
Re-based SNPP 2010			
South Hams (excluding NP)	3,671	3,782	189
South Hams (Within NP)	260	268	13
Employment-led Experian			
South Hams (excluding NP)	9,538	9,824	491
South Hams (Within NP)	676	696	35
Employment-led LFM			
South Hams (excluding NP)	14,596	15,034	752
South Hams (Within NP)	1,034	1,065	53

Source: GVA, Edge Analytics, 2013

Figure 9.5: Hypothetical dwelling requirements – 2011 to 2031 – West Devon

Scenario	Change in Households 2011 - 2031	Dwellings Required 2011 - 2031 (3% vacancy assumed)	Net annual average dwelling requirement (20 years)
Re-based SNPP 2010			
West Devon (excluding NP)	3,866	3,982	199
West Devon (within NP)	1,485	1,529	76
Employment-led Experian			
West Devon (excluding NP)	4,846	4,991	250
West Devon (within NP)	1,861	1,917	96
Employment-led LFM			
West Devon (excluding NP)	6,550	6,746	337
West Devon (within NP)	2,515	2,591	130

Source: GVA, Edge Analytics, 2013

- 9.56 Examining the drivers behind this projected level of growth, including an assumed increase in employment opportunities, suggests that there will be comparatively strong demand for market housing associated with people moving into each of the

authorities. This will include demand for owner-occupier as well as private rented housing given the current issues facing households accessing mortgage finance.

- 9.57 The previous Core Output suggested that over the short-term there would be a need for levels of affordable housing which for a number of authorities exceed or represent a very high proportion of the overall objectively assessed need for housing. In considering the implication of this it is important to recognise, however, that the direct comparison of the overall demand for housing over the 2011 – 2031 period and the short term annual requirement for Affordable Housing cited above is difficult. The assessment of the short-term need for Affordable Housing factors in addressing a backlog of need for Affordable Housing over what is in reality a short period of time, 5 years. It is more relevant to remove this backlog component when comparing with the overall level of demand for housing identified above.
- 9.58 The analysis in section 7 (step 3.1 of the housing needs calculation) identified that the per annum current net need for affordable housing was as follows:
- Cornwall: 926 households
 - Plymouth: 732 households
 - South Hams (excluding Dartmoor NP): 57 households
 - West Devon (excluding Dartmoor NP): 72 households
 - Dartmoor National Park (within South Hams and West Devon): 147 households
- 9.59 In order to put these figures in the context the following tables present the annual new need for affordable housing as a proportion of the overall estimated dwelling requirement (ie. the objectively assessed need). It should be noted that in a number of cases the annual net new need for affordable housing exceeds the overall calculated dwelling requirement. This highlights the potential challenge to the establishment of policy based on the lower spectrum of objectively assessed needs in these authorities where this occurs and aligns with other highlighted issues relating to the size of the labour-force projected as considered in section 6 in more detail.

Figure 9.6: Estimated split between the need for market and affordable housing – Cornwall

Scenario	Calculated Annual Net New Need (a)	Total Dwelling Requirement (b)	% Total Dwelling Requirement Market Housing (b-a/b)	% Requiring Affordable Housing (a/b)
Re-based SNPP 2010	1,314	2,364	44.4%	55.6%
Employment-led (LEFM)	1,314	3,599	63.5%	36.5%

Source: GVA, 2013

Figure 9.7: Estimated split between the need for market and affordable housing – Plymouth

Scenario	Calculated Annual Net New Need (a)	Total Dwelling Requirement (b)	% Total Dwelling Requirement Market Housing (b-a/b)	% Requiring Affordable Housing (a/b)
Re-based SNPP 2010	591	484	-22.0%	122.0%
Employment-led (Experian)	591	1,138	48.1%	51.9%

Source: GVA, 2013

Figure 9.8: Estimated split between the need for market and affordable housing – South Hams excluding the National Park

Scenario	Calculated Annual Net New Need (a)	Total Dwelling Requirement (b)	% Total Dwelling Requirement Market Housing (b-a/b)	% Requiring Affordable Housing (a/b)
Re-based SNPP 2010	227	189	-20.1%	120.1%
Employment-led (LEFM)	227	752	69.8%	30.2%

Source: GVA, 2013

Figure 9.9: Estimated split between the need for market and affordable housing – West Devon excluding the National Park

Scenario	Calculated Annual Net New Need (a)	Total Dwelling Requirement (b)	% Total Dwelling Requirement Market Housing (b-a/b)	% Requiring Affordable Housing (a/b)
Re-based SNPP 2010	67	199	66.4%	33.6%
Employment-led (LEFM)	67	337	80.1%	19.9%

Source: GVA, 2013

Core Output 7: Estimate of the size of Affordable Housing required

- 9.60 Core Output 7 of the DCLG Guidance requires an estimate of the breakdown of the sizes of property required by households identified in need of Affordable Housing. The intention is to estimate the relative pressure on different property sizes. In particular, this analysis will help to further understand how policy should be structured to assist in alleviating the current backlog of housing need and provide a profile of Affordable Housing which responds to the future need over the short-term.
- 9.61 Analysis of data within section 7 illustrates that a mixture of sizes of properties are required in each of the authorities. This is illustrated through the following table.

Figure 9.6: Affordable need by size

Total Housing Need (Annual) %	Housing Need by Dwelling Size (Bedrooms)				
	1	2	3	4+	Total
Plymouth	59%	21%	14%	6%	100%
Cornwall	64%	18%	11%	8%	100%
South Hams (Excl. DNP)	56%	22%	16%	6%	100%
West Devon (Excl. DNP)	62%	12%	18%	8%	100%
Dartmoor National Park (DNP)	57%	27%	10%	6%	100%

Source: GVA, 2013

- 9.62 Importantly, this assessment does not fully take into account the impact of the Government's ongoing programme of Welfare Reforms. The calculation of Affordable Housing need (in section 7) uses data that pre-dates the changes to Housing Benefit and therefore does not take into account the impact of the extension of the Shared Accommodation Rate (SAR) to single persons under 35 years of age. It is likely that their ability to afford a 1 bedroom tenancy would have been reduced if the extension of the SAR was applied with the result being an increased requirement for smaller shared accommodation (bedsits or studios).

- 9.63 In addition to new lettings, the changes to HB will also impact on current tenants within Affordable Housing as the Government has proposed measures from April 2013 to reduce Housing Benefit to households in Affordable Housing under-occupying their home.
- 9.64 It will therefore be necessary for the Council's and partners to continue to monitor this situation as data becomes available and both effectively prepare for and record the impacts of reform.

Core Output 8: Estimate of household groups who have particular housing requirements e.g. families, older people, black and minority ethnic groups, disabled people etc...

- 9.65 The SHMA analysis has identified that the demographic and economic profile of each authority in the study area is likely to change over the plan period, with the active housing market reacting, and in part feeding back, into these changes. Different parts of the wider housing market will be affected by these changes in different ways.
- 9.66 The analysis presented in section 8 identifies sections of the population considered to have specific housing needs which need to be carefully considered now and in the future, which are likely to represent a particularly dynamic part of the community profile. Details of groups with specific housing needs are described at paragraph 8.86 of this report.

Future Monitoring

- 9.67 In order for the findings of the assessment to continue to inform and help shape policy, it will be necessary for the Council's to monitor changes in the housing market and the underlying drivers considered in this assessment. Changes to the assumptions will have an impact on the short and long-term projections of household demand and the requirements for different tenures and sizes of housing.
- 9.68 There is an expectation that three future updates will be undertaken of the SHMNA research. The Monitoring Report (Appendix 1) provides an indication of the scope and timing of these updates which will focus on key areas of analysis and the release of important new data.
- 9.69 The figures presented within this report are based on up-to-date data and information as of January 2013. Evidence of market deviation from the future trends and assumptions presented will need to be taken into account in the development of policy. This approach is part of the plan, monitor and manage approach required for the New Local Plan evidence base.

9.70 This SHMA research has utilised a range of secondary data sources. The secondary information will continue to be refined and updated by data providers such as the ONS, DCLG, CACI, Hometrack and Land Registry. The use of secondary data sources makes monitoring a simpler process and will support the consistent production of updates of the SHMA. As noted within the SHMA an initial part of this updating process will include the production of supplementary analysis of the phase 3 Census 2011 outputs anticipated to be released in October 2013. This includes travel to work information which will be considered in relation to market geography analysis and the link between employment and housing growth.