

Executive Summary

This Executive Summary is intended to be read in conjunction with the South Hams Overview Report and Strategic Housing Market Needs Assessment (SHMNA) Main Report.

This evidence base has been developed to support the development of the preparation of a new Local Plan with West Devon. Initial public consultation on the new Local Plan is currently scheduled for Winter 2013/14.

In presenting the findings, the Executive Summary is structured around four separate themes which reflect the requirements of the NPPF and are intended to provide a clear read-across to future published policy and strategy.

The study has included the analysis of a range of datasets, including travel to work, house price, household characteristic, income and migration, to assess the market linkages within and between the Plymouth, Cornwall, South Hams, West Devon and Dartmoor National Park sub-regional area.

This analysis has looked at both strategic market geographies and local market geographies. The former represents an important consideration in the development of policies which align with the ethos of the NPPF, which encourages strategic planning across local boundaries.

This Executive Summary uses a similar structure to the Main SHMNA Report with the analysis presented under two sections:

- [The Current Housing Market](#)
- [The Future Housing Market](#)

South Hams District has 6 distinct sub-market areas, which are based on the main towns and surrounding rural areas which relate to them. The Dartmoor Fringe sub-market area lies within the Dartmoor National Park and there is a recognised importance to disaggregate the Dartmoor National Park from the remainder of the authority, particularly in relation to the separate role of the National Park authority.

The Scale of Housing Required

A detailed analysis of demographic, market and economic drivers has been undertaken in order to identify a proposed dwelling requirement for South Hams over the period 2011 to 2031.

The number of households is forecast to grow over the period 2011 and 2031 by between 3,930 and 15,630. The lower level of projected household growth is based upon a demographic trend based scenario (Re-based SNPP 2010) which uses the latest demographic data available at the time of the research. The higher level of household change is estimated through the application of an employment-led constraint on the demographic projections (Employment-led LEFM scenario).

Within South Hams, internal migration (movement in and out of the authority from other parts of the UK) has represented a fundamental driver of change in population over recent years. The trend-based projections assume that this migration pattern will continue in the future.

Under the Re-based 2010 scenario the labour-force would contract by some 2,500 people as a result of a general ageing of the population. This does not align with the outputs of the two economic forecasts, which predict an increase in employment of between 5,870 (Experian forecast) and 13,165 jobs (LEFM forecast) or between 295 and 660 new jobs per annum on average between 2011 and 2030. This forecast level of job growth within the modelling assumptions is assumed to result in a higher level of in-migration into the authority, rather than commuting levels increasing, which drives the higher levels of projected household growth noted within the Overview Report.

The Type and Size of Housing Required

In line with the NPPF, it is important to understand the type and size of housing likely to be required over the plan period. This provides an important evidence base, not only for the development of policy, but also one to which developers and house builders can consult to assist in understanding the long term needs to which housing developments should respond.

It should be noted that wider market factors will have an impact on the ability of households to realise their aspirations, i.e. the availability of mortgage finance, economic security and wider changes to linked financial factors, such as the cost of energy and Council Tax variations.

Whilst the uncertainties around these factors highlights the importance of allowing a degree of flexibility in the housing market, in terms of the mix of housing required, it is important to consider the implications of the long-term projections in a strategic sense, in particular set against the current stock profile. The following are therefore important considerations:

- The types of household are projected to change, with the ageing population noted as one influencing factor. Primarily, the projections show a notable uplift in single person and couple households with this driven in significant part by the increasing number of older person households.
- The analysis suggests that there may be a high demand for smaller properties suitable for meeting the needs of older person households within the authority. Under the Employment-led scenario the growth in family households, aged 35 – 44 in particular is relatively significant, suggested a sustained demand under this scenario for traditional family housing (3 and 4 bedroom), recognising that moderate and larger properties represent the aspirations for many households of different ages.

Households in Housing Need

The analysis has also included an assessment of the breakdown of future needs for different tenures of housing. The emphasis within the DCLG Guidance is on understanding these tenure requirements over a shorter time frame of 5 years.

There is a recognition that the balance of tenures across the authority has not to date fully met the housing needs of households. The market position summarised in the South Hams Current Market section highlighted the affordability issues facing many households, in particular newly forming households.

- The analysis of the current need for affordable housing in the authority over the next five years indicates a high demand for this tenure. An annual need of 242 affordable properties is calculated as being required to meet the future needs over the next five years and the existing backlog (with 22 of these required within the Dartmoor Fringe sub-market in the Dartmoor National Park). This reflects the impact of rising house prices over the first half of the last decade and the continued pressures on wages as well as the availability of mortgage finance. It

also reflects the fact that affordable housing makes up a relatively low proportion of the overall stock in South Hams currently, approximately 11%, a proportion which is considerably below the national average of 17%.

- Overall the number of older persons (i.e. those aged 75 and over) is projected to increase significantly, indeed the projections suggest that older persons will make up approximately between 14% and 17% of the total population by 2031 (depending on the scenario considered) compared to just over 11% now.
- In addition to older person households, the projections also indicate that in order to maintain a level of working age population to match employment opportunities that there will be a sustained need for family housing within the authority.
- Specifically in terms of affordable housing the analysis indicates that there will be a high demand for smaller properties, 1 – 2 bed, with need for this size of property making up 78% of total need (in the sub-markets excluding the Dartmoor National Park). Importantly, however, the lower levels of turnover in larger properties also suggests that in order to address future need and the current backlog new larger affordable properties will also be required.

The impact of current housing market conditions

The following recommendations need to be considered in the setting of policy:

- Reduction in the availability of grant monies to aid in the delivery of affordable housing places greater pressure on delivering affordable housing tenures through traditional Planning Obligation approaches. This requires a pro-active and responsive approach to enabling more viable housing sites to come forward earlier in the plan period. A pro-active approach in encouraging the delivery of more viable housing sites will be important in addressing the wider demand for all tenures of housing and assist in ensuring that the ability of households to purchase housing is not further worsened through a continued lack of supply, which is likely to continue to drive up house prices.
 - A careful balance is required in terms of other competing requirements through Planning Obligations if the delivery of affordable housing is to be prioritised. This
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includes the future setting of CIL targets and the balancing of aspirations to deliver other linked improvements for example green space or off-site community benefits.

- The recognition that the needs of households will need to be met through a spectrum of different affordable housing products. The SHMNA analysis has indicated that whilst a notable proportion of households in need will require social housing other affordable products including Intermediate tenure properties will be able to address the needs of some households and should therefore form part of any new provision delivered across South Hams.