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Dartmouth Housing Needs Assessment (HNA)

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Quality information

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Revision History

Revision	Revision date	Details	Authorized	Name	Position
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List of acronyms used in the text:

HNA	Housing Needs Assessment
HRP	Household Reference Person (head of household)
LPA	Local Planning Authority
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area (Census)
ONS	Office for National Statistics
PPG	Planning Practice Guidance
RQ	Research Question
SHDC	South Hams District Council
SHMA	Strategic Housing Market Assessment
VOA	Valuation Office Agency

1. Executive Summary

1.1 Population and housing statistics

1. The Office for National Statistics (ONS) mid-2019 population estimate for Dartmouth parish is 5,427 people, indicating population decline of around 178 individuals since the 2011 Census. Data provided by the Valuation Office Agency (VOA) indicates that there are currently 3,400 homes at present in Dartmouth.
2. For the purpose of this study, the designated Neighbourhood Plan Area (NA), is divided into two sub-areas, referred to as Upper Town and Lower Town. Maps and explanations are provided in the Context chapter. The population of Dartmouth is evenly split between the two, however population density (relative to the number of dwellings rather than land area) is significantly higher in Upper Town – with 2.56 individuals per dwelling compared with 1.26 in Lower Town.
3. This points to an important fact with regard to vacant and second homes. Dartmouth had 766 dwellings without a usual resident in 2011, 96% of which were located in Lower Town. Second home ownership is prevalent in Dartmouth, and highly concentrated in one part of the NA. More evidence on second home ownership is gathered in a topic paper prepared to support the Neighbourhood Plan, and therefore not considered in detail here.
4. The Plymouth and South West Devon Joint Local Plan (JLP) allocates two sites for residential development in Dartmouth totalling 576 new homes. These are located outside or adjacent to the NA boundary but are considered to have the function of meeting some of Dartmouth's housing needs.

1.2 Conclusions- Tenure and Affordability

The current tenure mix and affordability issues

5. Dartmouth's current tenure mix exhibits a lower rate of home ownership than South Hams and England, correspondingly more social renting and similar amounts of private renting and shared ownership. More striking is the data for each sub-area: there is an opportunity to lift rates of home ownership in Upper Town, including through affordable routes to ownership, and to address the undersupply of social rented accommodation in Lower Town.
6. Between the 2001 and 2011 Censuses, Upper Town experienced a significant 134% increase in private renting. This trend, which exceeds the pattern nationwide, is often an indicator of the declining affordability of home ownership – either because of rising house prices or stagnating incomes. While rates of private renting are not especially low in Dartmouth, high-quality and affordable private renting can perform an important function in the market for key workers, young households, and others.
7. Home values in Dartmouth have increased over the last ten years, with the result that the median home now costs around £55,000 more than in 2011. The current median house price is £335,000 for Dartmouth as a whole, but this average obscures wide variation between the sub-areas: the median is £185,000 in Upper Town and £430,000 in Lower Town.
8. The median house price rose by 39% or £120,000 in Lower Town during the period compared with 24% and £36,000 in Upper Town. While the lower rate of increase in Upper Town is beneficial for affordability, £36,000 remains a significant increase in relation to wages and the generally low rate of wage inflation in the period. The greater challenge is the soaring price increases in Lower Town, which further exaggerate the distinction between the two areas and the affordability barrier that obstructs moves between them.
9. Land Registry data suggests that only 19 newly built properties were sold in Dartmouth since 2012, and only one since 2018. All of these transactions were flats in Lower Town, with the most recent development comprising five units ranging in price from £712,500 to £1,295,000. New developments in previous years have, however, been more affordable.
10. There was a limited number of rental listings in Dartmouth at the time of writing in April 2021, with just seven properties listed at that time. It is important to highlight that only one of these listings remained available, with all of the others already let. This is an indication of intense competition for rental properties in Dartmouth. The speed at which new lettings are taken up, being a signal of demand outstripping supply, is closely associated with price increases. However, it also presents a broader problem: even if rents were to be affordable, there may simply not be enough rented housing to meet local needs.

Incomes

11. The average household income in Dartmouth is £35,600, and the lower quartile income (per person) for former South Hams was £10,667 in 2019. Doubling this figure to £21,324 can serve as an indicator of a household with two lower earners and also a more conservative indicator of an average household income.

12. Unfortunately it is not possible to disaggregate income statistics to the sub-areas of the NA. However, there is a clear contrast between areas of Dartmouth in terms of indices of deprivation (as measured by ONS for 2019), with the LSOA covering urban Townstal among the 30% most deprived neighbourhoods in the country, while the rest of Dartmouth is in the 50% least deprived in the country (with the rural area to the south being in the 20% least deprived areas). In terms of income deprivation, Urban Upper Town performs particularly badly compared both with its immediate surroundings and the country as a whole.

13. While it is not possible to use this information to quantify the average income in Upper and Lower Town, it does suggest that the average income in Upper Town is likely to be close to the lower quartile income for South Hams, while residents of Lower Town are more likely to be earning at or above the median.

Tenure options

14. AECOM has estimated the annual income required to afford various tenures of housing in the NA. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward.

15. It was found that local households on average incomes are unable to access even an entry-large home unless they have the advantage of a very large deposit. Even a household with an average income for the whole of Dartmouth cannot afford an entry-level home in comparatively more affordable Upper Town. Market housing in Lower Town, even with the benefit of a higher income, is likely to remain out of reach to most. The median house price in Lower Town would require an annual income three times the current average, a fact that may be both a cause and an effect of the rise in second home ownership.

16. Private renting is broadly affordable in Dartmouth, with lower earners potentially able to access entry-level homes and average earners able to afford a variety of types and sizes. That said, the affordability calculations here rely on a relatively small sample size and relate to a snapshot in time, which may be giving a more optimistic picture. The small sample size (and high rate of lets agreed) does, however, speak to a general lack of available rental properties, which may be the greater challenge for those who can theoretically afford them and potentially a driver of further price increases in future.

17. There is a relatively large group of households in Dartmouth who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £21,000 per year (at which point entry-level rents become affordable) and £41,000 (at which point entry-level market sale homes become affordable – in Upper Town only). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

18. All of these products would provide value to different segments of the local population, with shared ownership (25%) and rent to buy potentially allowing lower earning households to get a foot on the housing ladder, while First Homes – which should be delivered at the maximum possible discount level of 50% – provide better long-term support to those with slightly higher incomes.

19. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling or additional subsidy, need to live in a room in a shared house using housing benefit.

20. While the detailed benefits arrangements offered by South Hams and pricing of specific Live West housing units have not been interrogated here, the evidence in this chapter suggests that the affordable rented sector performs a vital function in Dartmouth, and that social rent is more urgently needed than affordable rent.

Quantity of Affordable Housing needed

21. It is also possible to understand the broad scale of the need for Affordable Housing tenures in Dartmouth. This can, together with the evidence presented above, help to evidence policy around Affordable Housing in the Neighbourhood Plan.

22. With reference to the 2017 SHMA, it can be roughly estimated that Dartmouth will require around 6.5 units of affordable rented housing per year. This equates to roughly 85 units over the Neighbourhood Plan period to 2034.

23. Despite turnover in the existing stock in the region of 36 units during 2020, there remain 121 Dartmouth households on the waiting list for Affordable Housing. This backlog is growing because of the mismatch between some of the properties needed and those available, as well as the fact that Dartmouth (like South Hams as a whole) is not meeting its annual need for new Affordable Housing delivery. Only 1 unit of Affordable Housing has been built in Dartmouth since 2011/12.

24. It is also important to emphasise that not every household in Dartmouth will be captured by the HomeChoice register – a fact that SHDC acknowledge. This is largely due to a lack of awareness and low expectations among relevant households that they will be determined to be eligible, since eligibility is conferred using a points-based system that is not particularly flexible to individual circumstances and tends to accord higher priority to those with additional health and social problems, making access relatively less achievable for those simply in financial difficulty. This is primarily a function of difficult decisions that need to be made in a context of scarcity.

25. There is also an extent to which higher priority households from elsewhere in South Hams may be allocated properties in Dartmouth rather than local households in lower priority bands, and it is likely that some of the 36 lettings in 2020 were allocated to non-local people.

26. The quantity of expected Affordable Housing delivery (primarily from the site at Cotton Farm) will go some way towards meeting the needs of Dartmouth households, although it leaves a shortfall of approximately 40 units – a conservative figure that does not take into account the tendency of local households to be considered ineligible or not apply, nor the mismatch between the need and supply of affordable rented homes by size. There is therefore a strong case to maximise the delivery of affordable rented housing in Dartmouth wherever possible, as part of Section 106 obligations on allocated sites and any potential community-led or exception schemes.

27. Generally, the size mix of any new affordable rented housing should be determined with reference to the need or eligibility captured on the HomeChoice register either at an appropriate point in time or using a multi-year average to smooth out any temporary anomalies. This will in turn reflect any imbalances or gaps in the existing stock. What this looks like using the current snapshot from the register is given in section 4.4.1.

28. The HNA calculates that around 25 (rounded) households per year may be interested in affordable home ownership (or 321 for the entirety of the Plan period). This is more than half of the total number of homes on sites adjacent to the NA expected to come forward during the Plan period overall, and represents a clear signal of the scale of the affordability challenge in Dartmouth.

Policy considerations

29. On the balance of factors listed in section 4.4.3 of this report, AECOM recommends that Dartmouth follows the existing Affordable Housing tenure mix set out in the South Hams SPD: 65% of Affordable Housing units should take the form of rented tenures such as social and affordable rent, with the remaining 35% as affordable routes to home ownership, focused on First Homes in line with the recently confirmed policy requirement.

30. It is considered that Dartmouth has a more urgent need for affordable rented housing than affordable home ownership. However, there is scope to provide slightly more affordable home ownership than nationally mandated minimum requirements because Dartmouth is a location with such high house prices and high inequality between residents in its sub-areas that could be addressed through more ownership.

31. The tenure mix proposed in the SPD already fulfills these imperatives in a relatively balanced way. Given the advantages of alignment with the LPA and ease of policy application, to rely on the existing guidance for South Hams rather than specify a different mix through the neighbourhood plan may well be sufficient and appropriate in this case. However, relevant considerations for this issue are set out in the HNA so that the Steering Group can specify a different mix that better aligns with the objectives and wishes of the community.

32. It is understood that the Steering Group is exploring the possibility of influencing the way that Affordable Housing allocations are made in Dartmouth in order to accommodate more households who currently live in or are connected to the area.

33. Because South Hams already operates a Local Allocations Policy, it would appear that there are two ways in which more local households could be given preference than are at present. These are: to increase the proportion of affordable lettings on larger sites in Dartmouth that will go to households with a local connection; and to define what constitutes a local connection in a more stringent or targeted way. This might take the form of a separate local lettings plan rather than a policy in the Neighbourhood Plan, but in either case would require the support of SHDC.

34. In terms of the degree of justification for action on this point, the data from the HomeChoice register and other sources gathered here certainly shows an unmet need among Dartmouth households. There are knock-on implications from

this on the local services (such as schools) that depend on key workers and others to be able to find suitable affordable accommodation in reasonable proximity to their place of work, as well as on social conditions in the NA overall.

35. However, the decision to accord such households higher priority would potentially come at the expense of households who are considered to be in more urgent need from elsewhere in the district. The overall impact of such a decision and whether this would be appropriate is beyond the scope of this study.

36. It is advised that discussions with SHDC about the available options should continue and that, if further justification is sought, primary survey evidence may be the best way to identify how many local households in priority need are being passed over for Affordable Housing and what are the wider repercussions of this on the community.

1.3 Conclusions- Type and Size

The existing stock and occupancy patterns

37. Dartmouth has a relatively imbalanced stock of housing: it is characterised by a large proportion of flats and terraces (particularly in Lower Town), and the vast majority of homes have 2 or 3 bedrooms (with Upper Town featuring a particularly low proportion of larger homes with 4 or more bedrooms). JLP Policy DEV8 allows the size and type of new dwellings to be controlled in order to redress existing imbalances in the stock. There is potential justification for this in Dartmouth.

38. Two key potential gaps in the market are bungalows, which exist at less than half the rate of South Hams as a whole and are the most popular typology on new development sites (which is not surprising given Dartmouth's age profile and status as a destination for retirees), and large properties accessible to those with less financial means – especially in Upper Town.

39. Discrepancies in data sources over time due to the high number of vacant or second homes in Dartmouth make it difficult to draw conclusions about the impact of recent development on the housing stock, but transactions data suggests that the vast majority of new development in recent years has delivered flats.

40. Households in Dartmouth are more likely to contain only one person than in South Hams or England, and this is particularly so in Lower Town where 42% are single households. The overall proportion of households with children is correspondingly lower in Dartmouth than wider geographies, though again there is a contrast between the sub-areas: 31% of Upper Town households include dependent children compared to just 10% in Lower Town. Upper Town also saw significant growth to 2011 in non-dependent children living at home, possibly because they were unable to afford independent accommodation.

41. In terms of under-occupancy of housing, a substantial 70% of Dartmouth residents lived in a home with at least one more bedroom than their household might be expected to need. There is again a difference between sub-areas, with 43% of Lower Town residents having two or more spare bedrooms, compared with 24% in Upper Town. The rate of overcrowding in Upper Town was higher than Lower Town but at 5.4% the number of people living in homes with at least one bedroom too few was not particularly significant, pointing to a small but important segment of the population potentially living in poor housing conditions.

42. There are strong correlations between this data and demographics, with those aged 50 or over much more likely to under-occupy their homes in Dartmouth and 8.5% of children living in over-occupied homes – the highest rate of any age group and a concerning statistic.

43. Given the characteristics of the housing stock noted above, there is an apparent mismatch here in that Upper Town is home to more children but fewer large homes and consequently sees more overcrowding. Conversely, Lower Town has larger, more expensive housing that tends to be under-occupied by residents.

Demographics

44. The age structure of the population is a key indicator of the future need for housing. As of 2019 Dartmouth has a relatively well-balanced population, with similar proportions falling into the 16-44, 45-64 and 65-84 age bands. That said, the population profile is older than that of South Hams or England. Since the 2011 Census the population has continued to age, with all of the 0-64 age groups declining while the 65+ age groups have expanded.

45. Though recent population estimates cannot be broken down to Dartmouth's sub-areas, 2011 Census data reveals strong contrasts: 62% of Upper Town residents were aged under 44 at that time, compared with just 30% for Lower Town. Correspondingly, 36% of Lower Town residents were aged 65+ compared with 14% for Upper Town.

46. This is a further key distinction between the two areas. The older population of Lower Town is correlated with the higher costs of housing in that location (established in the previous chapter), and vice versa. If there is an imperative to create more demographically balanced communities in Dartmouth, the range of housing choices and financial barriers to housing access across the two sub-areas are highly relevant factors. There may be a need to provide more affordable typologies and tenures within Lower Town to accommodate younger households and families currently priced out of the market, while expanding the number of larger family homes and typologies sought by retirees in Upper Town.

47. Despite this distinction, for Dartmouth as a whole older people are likely to become the largest source of demand for housing in future years, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. Applying South Hams household projections to the Dartmouth population suggests that by 2034 the 65+ group could increase by nearly two thirds while all other age groups decline or remain flat.

The future dwelling mix

48. The results of a life stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period in order to understand what should be built, suggests that new development should be focused strongly on the larger end of the size spectrum.

49. This result may initially be surprising: if the population is expected to age dramatically and older households tend to occupy slightly smaller homes than the average (notwithstanding the under-occupancy of older age groups in Dartmouth specifically), it would follow that slightly smaller homes would be needed. However, the effects of demographic change are in this case outweighed by the impact of Dartmouth's slightly unusual starting mix.

50. To a degree, the need for more affordable options for young families and downsizers is in conflict with the imperative to widen housing choice by delivering size categories that are less abundant at present (particularly 4+ bedrooms).

51. This size mix recommendation conveys an important finding: housing choices would be widened and families better accommodated if larger homes were delivered in Dartmouth – particularly in Upper Town where the starting dwelling mix is smaller and the population is younger (thus more likely to have more children in future). However, it is not recommended as the sole basis on which to plan for the community's emerging needs. Further relevant considerations that would justify departing from this relatively imbalanced recommended mix are summarised below.

Further considerations

52. The Neighbourhood Plan objective for a more balanced demographic mix (and other place-shaping priorities): The mix presented here embeds the current demographic profile and existing trends towards ageing. For Dartmouth as a whole the demographic mix is imbalanced in favour of older households (when compared to the district and country). Therefore to attain greater balance between population age brackets, an intervention would be needed to favour the dwelling sizes preferred by younger people. As is evident in Figure 5-2, these are homes with fewer bedrooms. As such, the recommended mix might be balanced out to promote more smaller properties (chiefly those with 2 bedrooms since 1 bedroom homes are well supplied already).

53. The contrast between the Upper and Lower Town in terms of both demographics and housing stock: To a degree, the balance discussed in the point above could be achieved through greater circulation of Dartmouth households between and around the two sub-areas, rather than through new construction. While this is not a matter the Neighbourhood Plan can directly control, any efforts to dissolve the affordability barrier between the two sub-areas or to provide diversity by directing larger homes to Upper Town and more affordable options to Lower Town, could be beneficial.

54. The high rate of under-occupancy among older households: While it is certainly the case that many older households wish to under-occupy their homes in order to accommodate guests and possessions, and will have the financial capability to do so, there may also be an opportunity to improve Dartmouth's offering to older households through new developments aimed at downsizers with well thought-out, adaptable and high-quality designs.

55. It is worth noting that there is already a plentiful stock of 2 and 3 bedroom homes in the NA, and 1 bedroom homes are unlikely to be appealing to most older households. To best meet their needs it should therefore be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. If not, further 2-3 bedroom homes, if well-designed, would make a valuable contribution to the existing mix.

56. Such efforts could facilitate moves within the community that may free up larger homes for occupancy by larger families if this is within their buying power. The provision of specialist accommodation for older households with

emerging support needs may also result in moves out of the generally larger dwellings such households occupy at present (see the subsequent chapter for more on this segment of need).

57. The form that dwellings in particular size categories tend to take: For the Neighbourhood Plan to encourage 4+ bedroom homes may be to invite development schemes offering 'executive' housing aimed at the luxury and second home end of the market. This HNA argues that the future size mix of housing should be influenced by demographics, affordability, and gaps in the existing stock. Given the evidence on those points gathered here, larger housing should rather be designed to accommodate families with less buying power (particularly in Upper Town).

58. The serious and worsening challenge of housing affordability: While this can be combatted through the provision of subsidised tenures (as described in the previous chapter), the affordability of market housing can be generally improved by delivering smaller and/or denser housing types.

59. The size mix for Affordable Housing: While the size mix for market housing given here, being driven by demographics, theoretically applies to the total population (regardless of tenure), it stands apart from the size mix for Affordable Housing, which should generally be informed by the size needs of households on the Devon HomeChoice register. To a degree, the finding presented here may justify a future-proofing increase in the number of larger affordable rented properties.

    The size mix of affordable home ownership is typically more limited because such dwellings are aimed at newly forming households looking for 2-3 bedrooms. However, as noted in the preceding chapter, such products will primarily serve more established households with greater buying power who may indeed need larger homes to accommodate their families.

60. The need for balance: More generally, given the limited expected volume of new development during the Plan period, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way (i.e. with too much emphasis on large homes). Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices.

61. In conclusion, there are good reasons for all sizes of home to be encouraged in Dartmouth in future years. It is recommended that the Neighbourhood Plan encourage additional provision of appropriately priced larger homes to address the present undersupply and smaller homes to accommodate young families' budgets and older people. However, this should be done as part of a dwelling size mix that is balanced overall and which meets the needs all household life stages and circumstances.

62. It is also important that consideration is given to qualitative evidence about the needs of local people and the community's wider priorities. It may well be the intention of the community to intervene to produce a different outcome than is suggested in the secondary evidence gathered here, and that would be more in line with their place- and community-shaping objectives. In addition, issues of design, character and topography will necessarily play a part in decisions about what new development in Dartmouth should look like. The recommendations in this section represent a starting point for further thought and consultation.

1.4 Conclusions- Specialist housing for older people

Demographic trends and the quantity of housing needed

63. There are approximately 95 units of specialist accommodation in Dartmouth at present. These are exclusively for social rent or almshouses for those in financial need, with no private rent or market purchase options available. This equates to roughly 127 units per 1,000 of the current 75+ population (a common measure of the rate of specialist housing provision).

64. ONS 2019 population estimates suggest that there are currently around 747 individuals aged 75 or over in Dartmouth. This is projected to increase to 1,135 by 2034 (an increase of 388 older people).

65. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

66. These two methods of estimating the future need in Dartmouth produce a range of 98 to 126 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

67. It is important for specialist housing for older people to be provided in sustainable locations that offer access to amenities and public transport for residents as well as enabling staff to live nearby. The suitability of Dartmouth for older people's accommodation is beyond the scope of this study, but its size and clear evidence of existing specialist housing suggest that it is suitable. However, there may be other settlements nearby that are less suitable, with older residents who may look to places like Dartmouth to meet their needs. This possibility might also be factored into efforts to increase provision in the NA.

68. It has been assumed that the needs of older households in either Lower or Upper Town could reasonably be met by new specialist accommodation in either area or by policy promoting accessibility and adaptation across the NA as a whole. That said, the previous chapter has established a clear distinction between the demographic profiles of the two sub-areas, with most of the older population residing in Lower Town.

69. While this does suggest that focusing the provision and adaptation of age-friendly housing in Lower Town would best serve the very local population and avoid moves away from existing social and support networks, there is also an opportunity to create more balanced communities by delivering such housing in Upper Town as though to encourage circulation of age groups between the two areas. Which of these two imperatives is appropriate is not a determination for the HNA to make, but it is worth considering the implications of each.

Characteristics of need for specialist housing

70. The overall range described above includes housing at various levels of support as well as both market and affordable housing. It can therefore be broken down into ranges for each of those categories as follows. Note that these ranges should be thought of as two pairs (one concerning level of care and another concerning tenure), with the totals of each pair overlapping rather than additional to one another.

- Extra care housing: 28-55 units;
- Sheltered housing: 70-71 units;
- Affordable specialist accommodation: 35 units;
- Market specialist accommodation: 63-91.

71. The estimate of need for extra care housing (28-55 units) is high in relation to the projected need for 322 units of extra care housing for South Hams as a whole identified in the South Hams Refresh of the Commissioning Strategy for Extra Care Housing (2015). If that figure is prorated to Dartmouth (6.7% of the South Hams population live in Dartmouth) the result is 22 units, which both estimates here exceed. To some degree this reflects the ageing of the population that has occurred in the intervening period since the strategy was refreshed, but it may also be a result of the different methodologies used. 22 units may well be considered a more appropriate lower bound for the range.

72. The JLP allocation for Land at Cotton (TTV4) is understood to include extra-care provision, although publicly available documents do not appear to show how many units are expected at this time. Depending on the size of this scheme it may be possible for the extra-care needs identified here to be met. Given that the current stock of specialist housing is focused on sheltered accommodation, this would be a valuable injection of supply for those with more acute needs.

73. The larger quantity of need for sheltered housing, around 70 units, may therefore be the focus of any additional provision in the area beyond the existing allocations. That said, this need is by definition driven by those with less severe support needs, which have the potential to be met though adaptations to the existing housing stock.

74. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the JLP, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).

75. JLP Policy DEV9 requires that at least 20% of dwellings on schemes of 5 or more dwellings should meet national standards for accessibility and adaptability (Category M4(2)), and at least 2% of dwellings on schemes of 50 or more dwellings should meet national standard for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify seeking a higher target in Dartmouth where viable.

76. The split between affordable and market provision, averaged across the two ranges, is 32% affordable to 68% market accommodation. This finding is aligned with the proportion of all housing that SHDC expects to be affordable (30%), and would anyway not generally justify a departure from that strategic policy. It is not known what proportion of the extra care provision at Cotton will be affordable, but the relatively strong existing provision of socially rented specialist

accommodation and the larger need for market housing estimated here suggests that there is a potential gap in the market.

77. Future development proposals might usefully be encouraged to include a proportion of provision aimed exclusively at the older market, particularly the segment already holding housing equity and therefore having the desire and ability to buy a home better suited to their evolving needs. As noted in the previous chapter, this may satisfy demand among downsizing older households and potentially release under-occupied larger units in the existing stock for occupation by larger families.

2. Context

2.1 Local context

79. Dartmouth is a Neighbourhood Plan Area (NA) located in the District of South Hams.

80. The NA boundary aligns with the existing boundary of the Civil Parish of Dartmouth, and was formally designated by South Hams Council (SHDC) in December 2014. It is located at the mouth of the River Dart on the South Devon Coast. Around two thirds of the NA on its eastern side falls within the South Devon Area of Outstanding Natural Beauty (AONB).

81. The town is an important service hub for the surrounding rural area with a wide variety of amenities. This, together with its natural beauty and rich heritage, has established Dartmouth as a popular tourist destination. In addition to its role as an important economic driver, tourism also impacts on the local housing market through demand from purchasers of second homes and holiday home operators.

82. Development in the NA is constrained in a variety of ways, including restrictions operative in the AONB and Conservation Area, the natural barrier of the river, and topographical features that make construction challenging and costly.

83. Partly as a result of topographical factors, there is a relatively clear distinction between the lower town centre and the upper area around the ward of Townstal. This distinction is also evident in indicators of deprivation, which are unequal across the two areas – an issue it is a key ambition of the neighbourhood plan to address.

84. The town's expansion in recent years has taken place predominantly to the south-west in and beyond Townstal, and SHDC recognise that this will remain the primary direction of growth going forward.

85. The proposed Neighbourhood Plan period extends to 2034, in alignment with the Plymouth and South West Devon Joint Local Plan (JLP), and for the purpose of this assessment is assumed to begin in 2021, therefore comprising a planning period of 13 years.

The NA boundary

86. Data for Dartmouth parish was captured in the 2011 Census. However, parishes were not used as units of analysis in the 2001 Census. When looking at that older data, the parish needs to be recreated using statistical units called Output Areas (OAs).

87. In the 2001 Census, Dartmouth NA is composed of a single Medium Super Output Area (MSOA) with the code number E02004195. This has been used as a statistical proxy when gathering data from the 2001 Census for the entire NA.

88. MSOAs are also used in other datasets beyond the Census, the most relevant here being up-to-date information on local incomes provided by the Office for National Statistics (ONS) and on the housing stock gathered from council tax receipts by the Valuation Office Agency (VOA). The NA being perfectly aligned with an MSOA makes it possible to use this data assuming a high degree of geographical accuracy.

89. While the designated NA as a whole will be the main unit of analysis throughout this report, it is also possible to make comparisons at a smaller scale. Though discussion with the Steering Group it has been agreed that the most important distinction is between the upper and lower town areas, which are relatively distinct geographically and in terms of relevant factors such as incomes and home values.

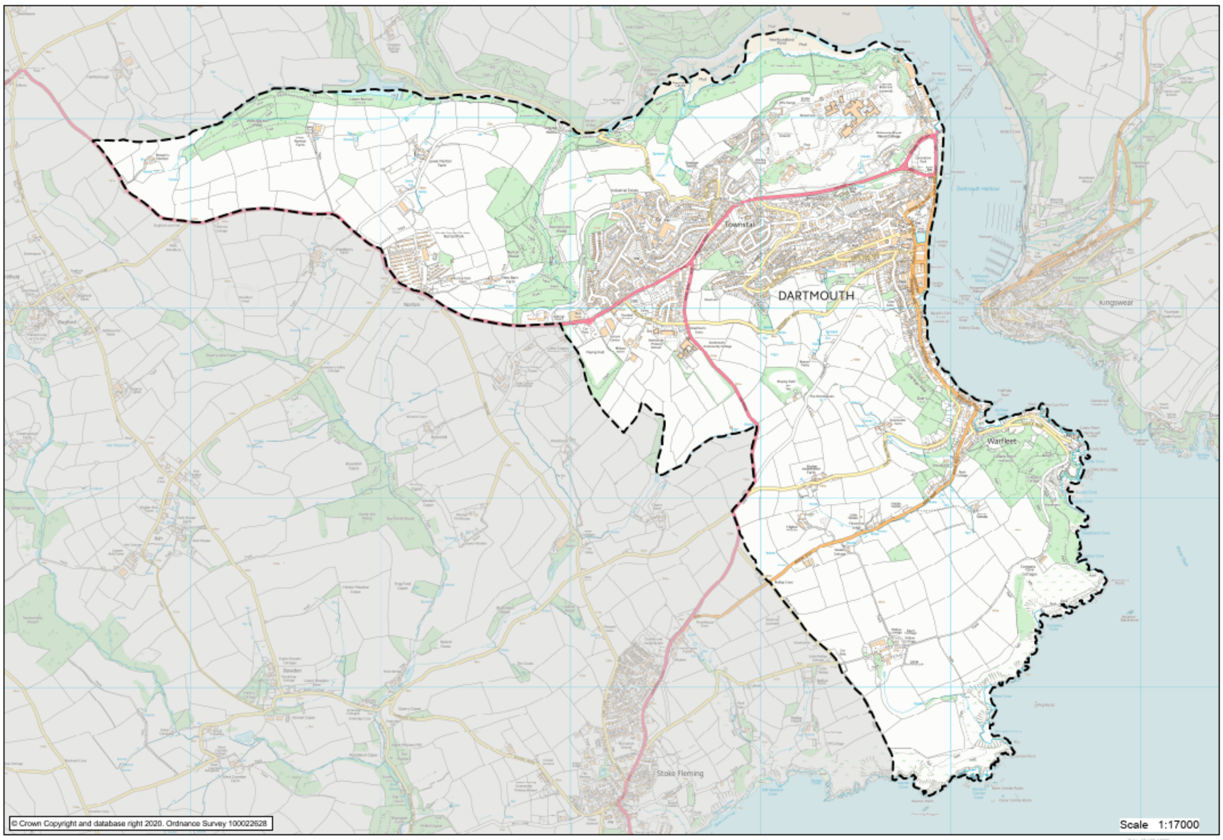
90. The best way to divide the NA so that the two sub-areas will remain consistent across different data sources is by their component Lower Super Output Areas (LSOAs). This is the geographical scale below MSOAs and the lowest scale that is covered by the VOA and other datasets. LSOAs can in turn be broken down further into the smallest OAs, however this is only possible for Census data and the information is also randomly adjusted to preserve anonymity, weakening its accuracy to some degree.

91. The Dartmouth NA is composed of four LSOAs. These can be combined in such a way as to roughly separate the Townstal ward and rural area to the north from the town centre and rural area to the south. This is an imperfect solution, chiefly because parts of Townstal are grouped together with the rural area west of the town centre. However, it is the best division available given the limitation of LSOAs being the lowest scale for important data sources. Even if the Neighbourhood Plan proposes housing policies that apply differently to sub-areas, this proxy division in the supporting evidence is likely to be considered sufficient and proportionate.

92. A map of the designated NA appears below in Figure 2-1, along with the two sub-areas in Figure 2-2. The two LSOAs shaded in pink represent the upper town (including most of Townstal, the Naval College and the rural area to the east – LSOAs E01020154 and E01020155) and the two unshaded LSOAs represent the lower town (town centre, port and rural area to the south – LSOAs E01020151 and E01020152). These will be referred to as simply Upper Town and Lower Town throughout this report.

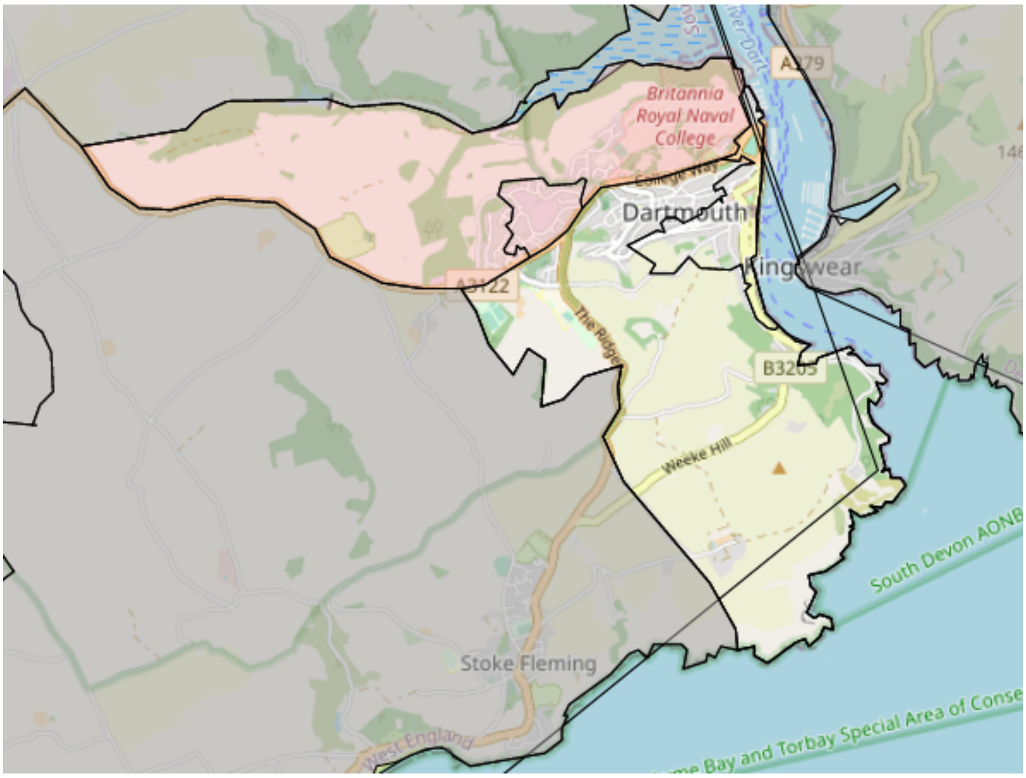
93. It is worth noting that the inclusion of the Britannia Royal Naval College in the NA is unlikely to skew the data relating to housing in any significant way. While much of the student and live-in staff population would have been counted in the Census and will therefore impact on demographic data, they are also counted as living in a communal establishment and therefore are not counted within data on households (occupancy, house type etc.). Fully 17% of the population in the relevant LSOA were recorded as living in a communal establishment. Because such institutions do not pay residential council tax, this will not skew the data on the housing stock. However, depending on where staff live they may be captured in income data, which is considered appropriate.

Figure 2-1: Map of the Dartmouth designated Neighbourhood Area



Source: Ordnance Survey

Figure 2-2: Map of the upper and lower town sub-areas by LSOA



Source: Nomis

Headline population and housing statistics

94. The statistics show that at the time of the 2011 Census Dartmouth had a total of 5,605 residents, formed into 2,635 households, and occupying 3,401 dwellings. There were therefore 766 dwellings in 2011 (23% of the total) with no usual residents. The primary reason for this anywhere in the UK is second home ownership, a phenomenon that is particularly prevalent in Dartmouth as evidenced in a topic paper prepared to support the Neighbourhood Plan.

95. The population of Dartmouth is split relatively evenly between the upper and lower town (as defined for the purpose of this study above): the 2011 population was 2,597 for upper town and 3,008 for lower town. This is unsurprising as LSOAs are drawn to represent a roughly equivalent number of people. However, the statistics on households and dwellings reveal sharp contrasts between the two sub-areas.

96. Despite having nearly as many individual residents, Upper Town has far fewer household groups. The average household size is consequently fairly high at 2.64 compared with the much lower figure of 1.82 for Lower Town. Upper Town has 46% of the population but only 37% of Dartmouth households (groups of people living together).

97. In terms of dwellings with no usual residents (likely to be second homes), the comparison is starker: there are only 34 in Upper Town compared to 732 in Lower Town; nearly 96% of vacant or second homes are in lower town. As a result of this, in combination with the smaller average household size, there are only 1.26 individuals per dwelling (occupied or otherwise) in Lower Town compared with 2.56 in Upper Town. Upper Town is thus much more densely populated in relation to the number of dwelling units (though likely not in terms of land area).

98. There appears to have been relatively little new development in the NA since 2011. According to VOA data for 2020, Dartmouth contains 3,400 residential dwellings (compared with 3,401 at the 2011 Census). As VOA data is rounded to the nearest 10 in each size/type category, it is likelier that the total has grown slightly rather than declined slightly. The VOA data also depends on council tax reporting, meaning that the count changes when residential dwellings enter commercial use (thereby becoming liable for business rates rather than council tax) and vice versa. Given that Dartmouth is experiencing growth in the number of second homes, it is plausible that the number of dwellings has increased but the VOA total has remained similar to the 2011 figure because of the reclassification of some existing homes for commercial use.

99. The total number of homes is a fact that is primarily useful for context here. For the purpose of this report, the breakdown of dwelling types and sizes provided by the VOA is more important.

100. The Office for National Statistics (ONS) produces mid-year population estimates for parishes throughout the country. The mid-2019 population estimate for Dartmouth parish is 5,427 indicating population decline of around 178 individuals since 2011. (Note that these estimates cannot be broken down to sub-areas.) This level of population decline (3.2%) is broadly consistent with the lack of growth in the number of dwellings in residential use, along with the trends of under occupation and population ageing explored elsewhere in this report.

101. These more recent data sources for the population and existing housing stock will be used wherever possible in this report. However, Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot be accurately be brought up to date. Such patterns are instead assumed to persist to the present day.

2.2 Planning policy context

102. Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.[1]

103. For the District of South Hams in which Dartmouth sits, the relevant planning policy context is contained in the following documents:

104. The **Plymouth and South West Devon Joint Local Plan (JLP)**, adopted by South Hams District Council on 21 March 2019, Plymouth City Council on 26 March 2019 and West Devon Borough Council on 26 March 2019. The JLP provides an overarching strategic framework for sustainable growth and the management of change for South Hams and the other districts. It covers the period 2014-2034.

105. The **Plymouth and South West Devon Supplementary Planning Document (SPD)**, adopted by Plymouth City Council on 22 June 2020, West Devon Borough Council on 9 June 2020 and South Hams District Council on 16 July 2020. The purpose of the SPD is to give guidance on the implementation of the strategic policies of the JLP for applicants.

106. Policies directly relevant to housing need in Dartmouth are reviewed below. The review is structured around the JLP, with additions taken from the SPD included and labelled as such where appropriate.

Table 2-3: Summary of relevant policies in the JLP

Policy	Provisions
Policy SPT2	Neighbourhoods and communities are expected to have a good balance of housing types and tenures to support a range of household sizes, ages and incomes to meet identified housing needs.
Policy SPT3 – Provision for new homes	Provision is made for at least 26,700 dwellings (net) in the Plan Area from 2014 to 2034. In the Thriving Towns and Villages Policy Area, the relevant target is at least 7,700 new homes, of which 2,050 should be affordable.

[1] Available at https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum

Policy	Provisions
Policy TTV1 – Prioritising growth through a hierarchy of sustainable settlements	A hierarchy of settlements is established: • Main towns will be prioritised for growth, enabling them to thrive and provide a broad range of services for the wider area, yet remain self-contained; • Smaller towns and key villages have support for growth commensurate with their roles in supporting nearby small villages and hamlets; • Sustainable villages have support for development to meet locally identified needs and sustain limited services; and; • Smaller villages, hamlets and the countryside, where development is only permitted if it can be demonstrated to support principles of sustainable development and communities. In the supporting text for this policy, Dartmouth is defined as one of the six main towns, which are the most suitable locations for growth after Plymouth and support large rural hinterlands. The main towns are allocated a total of 4,417 new homes in the Plan period 2014-2034.
Strategic Objective SO7 – Maintaining a strong network of main towns	The quantity and mix of new homes in main towns should respond positively to local housing needs.
Spatial Priority SP1 – Spatial priorities for development in Dartmouth	Mixed use development is supported to help meet local housing need and increase employment opportunities. This is in service of enhancing its vibrancy, sustainability and long-term resilience. The supporting text highlights the spatial constraints on development in the town itself, particularly topography, and states that growth to support Dartmouth's future needs will continue to the south-west of the town.
Policy TTV4 – Land at Cotton	This site is allocated for residential led mixed-use redevelopment including provision for around 450 new homes, in addition to employment floorspace.
Policy TTV5 – Noss on Dart	This site is allocated for mixed-use development, primarily employment uses but enabling residential development in the order of 126 homes.
Policy DEV8 – Meeting local housing need in the thriving towns and villages policy area	A wide choice of high-quality homes that widen opportunities for home ownership, meet needs for social rented housing and create sustainable mixed communities will be sought. A mix of housing sizes, types and tenure appropriate to the area and as supported by local housing evidence should be provided, to ensure that there is a range of housing, broadening choice and meeting specialist needs for existing and future residents. Key needs include homes that redress and imbalance in the existing housing stock, housing suitable for those with specific needs, and dwellings suited to younger people, working families and older people. The SPD adds further detail, highlighting the oversupply of 4+ bedroom homes, high levels of under-occupancy, and the benefit of churn in the market expected from increased provision of smaller homes. Across the policy area, a minimum of 30% on-site affordable housing will be sought for schemes of 11 or more dwellings. In rural areas with special designations, all residential developments of 6 to 10 dwellings should provide an off-site commuted sum to deliver affordable housing equivalent to 30% of the dwellings in the scheme. The preferred tenure mix within affordable housing is set out in the SPD. It should split between social rented homes (65%) and affordable home ownership tenures (35%), in line with housing needs evidence.

Policy	Provisions
Policy DEV9 – Meeting local housing need in the Plan Area	The policy outlines further provisions for the delivery of a range and mix of housing to meet local needs: • Affordable housing may include social and affordable rent, shared ownership, and innovative housing models that meet the local demand/need, such as rent-to-buy, starter homes and shared equity as appropriate. • Self and custom build housing will be generally be supported. • Development that increases housing choice through the private rented sector is supported. • At least 20% of dwellings on schemes of 5 or more dwellings should meet national standards for accessibility and adaptability (Category M4(2)), and at least 2% of dwellings on schemes of 50 or more dwellings should meet national standard for wheelchair users (Category M4(3).
Policy DEV25 – Nationally protected landscapes	The highest degree of protection is given to the South Devon AONB, Tamar Valley AONB and Dartmoor National Park. Potentially damaging or inappropriate development may not be permitted within protected landscapes or their settings, unless in exceptional circumstances.

2.2.1 Quantity of housing to provide

107. The NPPF 2019 (paragraphs 65 and 66) requires Local Authorities to provide neighbourhood groups with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

108. SHDC has fulfilled this requirement by allocating two sites to the Dartmouth area in the JLP totaling 576 new homes. Neither site falls within the Dartmouth NA boundary (other than the eastern margin of the Cotton site). SHDC have identified the scale of expected growth for Dartmouth, but this is expected to take place outside of the existing settlement boundary. As such, the NA itself has an implied minimum housing requirement of 0 homes. Although there may be scope for brownfield infill development in addition to windfall delivery, this is not required or quantified by SHDC.

3. Approach

3.1 Research Questions

109. The scope of this HNA can be defined by three research questions (RQs) that serve to direct the research and structure the report. These are listed below.

3.1.1 Tenure and Affordability

110. This considers the needs of the community for housing of varying tenures, as well as the relative affordability of those tenures that should be provided to meet local need now and into the future.

111. It also includes consideration of the potential justification and process for policy intervention on local lettings.

112. The Steering Group is interested in exploring the need for Affordable Housing for sale (also known as affordable home ownership) and are therefore eligible for support under the Affordable Housing for sale element of the Neighbourhood Planning Technical Support programme. Analysis and commentary on this issue is provided under the remit of this research question.

RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

3.1.2 Type and Size

113. The aim of this research question is to provide the Steering Group with evidence on the types and sizes of new housing needed by the local community. This will help to shape future development so that it better reflects what residents need.

114. While this study is not able to advise on space standards or home configurations, it may reveal imbalances between the available stock and demographic trends.

115. Note, however, that the evidence gathered here takes the current population as its starting point and projects forward trends that exist today. It therefore risks embedding features of the housing stock and occupation patterns that the community may actually wish to change. In that sense, the findings in this report might be viewed as the baseline scenario on top of which the community's objectives and primary evidence should be layered to create a more complete picture and vision for the future.

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

3.1.3 Specialist Housing for Older People

116. This chapter supplements the demographic evidence relating to Type and Size, including the potential demand for downsizing, to consider the quantity and characteristics of need for housing for older people with some form of additional care.

RQ3: What provision should be made for specialist housing for older people and those with support needs over the Neighbourhood Plan period?

3.2 Relevant Data

117. This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the Neighbourhood Plan level and is locally specific. This includes data from both Census 2001 and 2011, as well as from a wide range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;

- Rental prices from Home.co.uk;
- Local Authority housing waiting list data; and
- The Plymouth and South West Devon Strategic Housing Market Assessment 2017 (SHMA).

4. RQ 1: Tenure, Affordability and the Need for Affordable Housing

RQ 1: What quantity and tenures of Affordable Housing should be planned for over the Neighbourhood Plan period?

4.1 Introduction

118. This section approaches the question of affordability from two perspectives. First, it examines what tenure options are currently available in Dartmouth and which of them might be most appropriate going forward, based on the relationship between how much they cost and local incomes. Second, it estimates the quantity of Affordable Housing that might be required during the Neighbourhood Plan period. The scale of need for these homes can justify planning policies to guide new development.

119. Tenure refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership). We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF. A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.

120. The definition of Affordable Housing set out in the 2019 NPPF makes clear the Government's commitment to home ownership by broadening the definition to include a range of low-cost housing opportunities for those aspiring to own a home. As part of this effort, the Government has recently confirmed the introduction of First Homes to provide at least a 30% discount on new market housing for sale.[2]

4.2 Current tenure profile

121. The current tenure profile is a key feature of the Neighbourhood Plan Area (NA). Patterns of home ownership, private renting and affordable/social renting reflect demographic characteristics including age (with older households more likely to own their own homes), and patterns of income and wealth which influence whether households can afford to rent or buy and whether they need subsidy to access housing.

122. Table 4-1 below presents data on tenure in Dartmouth and its sub-areas compared with former South Hams and England from the 2011 Census, which is the most recent available source of this information. The NA as a whole has a lower rate of home ownership than South Hams and England, more social renting and similar amounts of private renting and shared ownership.

123. SHDC indicate that since the 2011 Census there has only been one new Affordable Housing completion in Dartmouth, a 3 bedroom house for affordable or social rent delivered in 2011/12. Given this fact and the relatively minimal volume of new market housing in the same period, it is likely that the tenure mix in Dartmouth is relatively similar today. There may be changes in occupancy between market ownership and private renting (as well as holiday rentals), but these are not recorded in any datasets other than the Census. The upcoming 2021 results will give the best indication of more recent changes.

124. The clearest available conclusions from this data relate to the sub-areas: there is an opportunity to lift rates of home ownership in Upper Town, including through affordable routes to ownership like shared ownership (which appears to have good take-up, with 17% growth 2001-11), and to boost the provision of social rented accommodation in Lower Town.

125. While rates of private renting are not especially low in Dartmouth, high-quality and affordable private renting can perform an important function in the market for key workers, young households, and others. Between the 2001 and 2011 Censuses, Upper Town experienced a highly significant 134% increase in private renting. This trend, which reflects but exceeds the pattern nationwide, is often an indicator of the declining affordability of home ownership – either because of rising house prices or stagnating incomes.

[2] Local authorities and neighbourhood plans may have discretion to increase the discount to 40% or 50%, where suitably evidenced.

Table 4-1: Tenure (households), Dartmouth, 2011

Tenure	Upper Town	Lower Town	Dartmouth	South Hams	England
Owned; total	45.7%	67.4%	59.3%	71.7%	63.3%
Shared ownership	2.1%	0.2%	0.9%	1.1%	0.8%
Social rented; total	38.5%	11.6%	21.6%	11.4%	17.7%
Private rented; total	12.6%	18.9%	16.5%	14.3%	16.8%

Sources: Census 2011, AECOM Calculations

4.3 Affordability

126. This section begins with an understanding of local incomes, before reviewing current statistics and trends in the costs of various forms of housing and estimating the annual income that would be required to afford each tenure. The estimates of what income levels are needed can then be compared to one another and actual income levels to get a sense of what is and is not realistically affordable in Dartmouth.

4.3.1 Incomes

127. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for Affordable Housing products. Two sources of data are used to examine household incomes in Dartmouth:

- The first source is ONS's estimates of incomes in small areas. This is locally specific to MSOAs but limited to the overall average income (i.e. it does not provide the average income of lower earners).
  - The average total household income before housing costs for the Dartmouth MSOA was £35,600 in 2019. This total (gross) income figure is typically used by mortgage lenders to assess a household's ability to afford to borrow.
- The second source is ONS's annual estimates of UK employee earnings (ASHE tables). This provides both median and lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to individual earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning.
  - South Hams' gross median earnings per person in 2019 was £20,110, which is significantly lower than the MSOA average. While this may be due to real differences between incomes at the two scales, the two data sources are also calculated differently and frequently show discrepancies.
  - The lower quartile annual earnings for South Hams were £10,662 in 2019. To estimate the income of households with two lower quartile earners, this figure is doubled to £21,324. Since this is very similar to the South Hams median from this dataset, it can serve as an indicator of a household with two lower earners and also a more conservative indicator of an average household income.

128. It is immediately clear from this data that there is a large gap between the spending power of average earning households and those earning the lowest 25% of incomes, particularly where the household in question has one earner only.

129. Unfortunately it is not possible to disaggregate income statistics to the sub-areas of the NA. However, there is a clear contrast between areas of Dartmouth in terms of indices of deprivation (as measured by ONS for 2019), with the LSOA covering urban Townstal among the 30% most deprived neighbourhoods in the country, while the rest of Dartmouth is in the 50% least deprived in the country (with the rural area to the south being in the 20% least deprived areas).

130. It is worth looking more closely at this data, which can be separated into distinct categories of deprivation including low incomes and barriers to housing and services. Table 4-2 below compares each of Dartmouth's LSOAs on these measures. Note that 10% most deprived is the worst possible scoring, while 90% or 100% most deprived indicates that the area is not deprived.

131. It is interesting that housing deprivation is generally low in Dartmouth, and is worse in Lower Town than Upper Town – presumably because of the lower availability of social rented accommodation. In terms of incomes, Urban

Upper Town performs particularly badly compared both with its immediate surroundings and the country as a whole.

132. While it is not possible to use this information to quantify the average income in Upper and Lower Town, it does show suggest that the average income in Upper Town is likely to be close to the lower quartile income for South Hams, while residents of Lower Town are more likely to be earning at or above the median.

133. When, in subsequent parts of this chapter, we refer to households on lower incomes and households on average incomes, it can be assumed that there will be more of the former living in Upper Town and more of the latter in Lower Town. Thus, housing costs in Upper Town will need to be in range of the lower quartile income to be considered affordable.

Table 4-2: Indices of deprivation, Dartmouth sub-areas, 2019

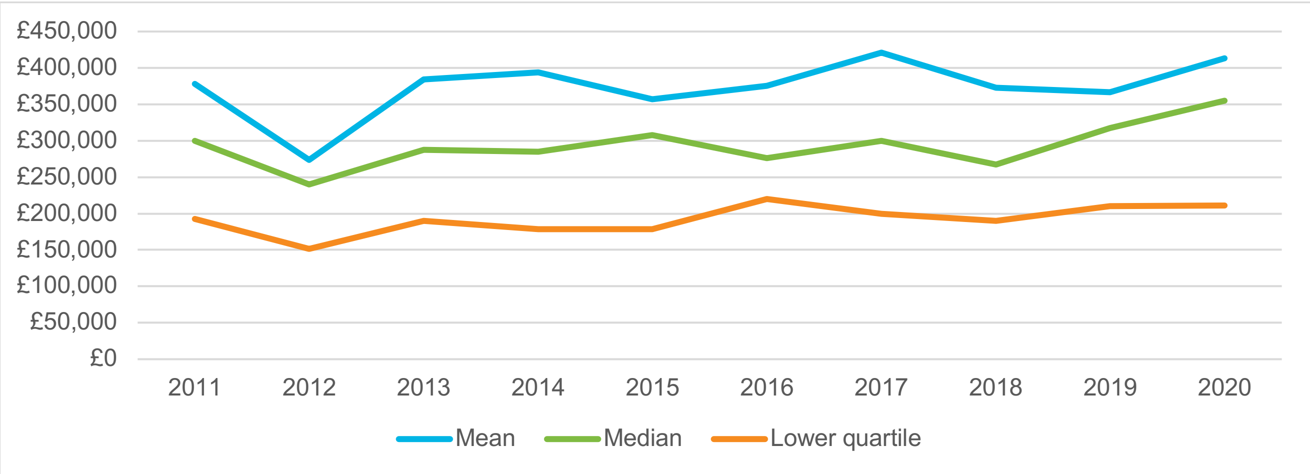
LSOA	Index of multiple deprivation	Income deprivation	Housing deprivation
Rural Upper Town	70% most deprived	50% most deprived	90% least deprived
Urban Upper Town	30% most deprived	20% most deprived	90% least deprived
Rural Lower Town	90% most deprived	90% most deprived	100% most deprived
Urban Lower Town	60% most deprived	50% most deprived	60% most deprived

Source: ONS

4.3.2 Market home ownership

134. Figure 4-1 below presents selected measures of house prices in Dartmouth over time. This gives a relatively striking picture of volatility, with year-on-year changes frequently exceeding £50,000. This is unusual for a location with a fairly large sample size of 755 transactions during the period (even after 68 properties of the 'other' type, ranging in price from £500 to £2,000,000 are excluded). Nevertheless, the overall trend is toward price inflation, with the median property appreciating by £55,000 and the lower quartile by £19,000 over the ten-year period.

Figure 4-1: House prices by quartile in Dartmouth, 2011-2020



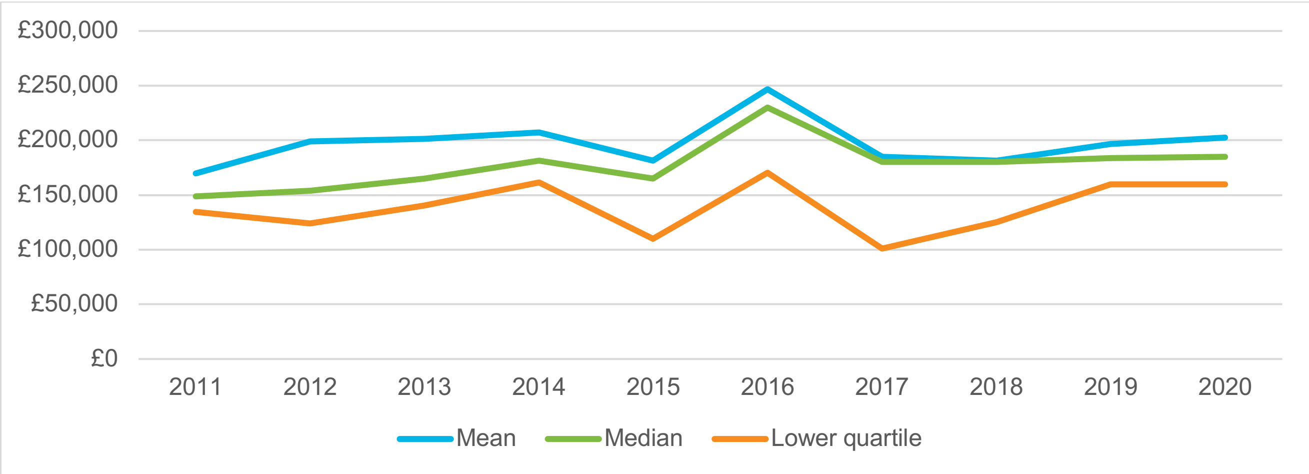
Source: Land Registry Price Paid Data (PPD)

135. It is helpful to consider the same data for each of the sub-areas. The charts below show that it is generally Lower Town driving the apparent volatility of house prices in Dartmouth. This is likely a function of the somewhat polarized mix of housing in Lower Town, which includes highly valued waterfront properties as well as a large number of flats at the lower end of the value scale. Among the 50-70 homes bought and sold each year in Lower Town, the ratio of much more expensive homes to cheaper flats (intermixed with other dwelling types) is changeable from year to year and has a big influence on the average. It is not likely that if the same typical home were repeatedly sold every year, its value would follow a similar path to the mean plotted here.

136. That said, Upper Town has also experienced notable price movement, particularly in the 2015-2017 period. The sample size for transactions in Upper Town is smaller (around 15-20 sales per year), which is expected given the lower number of properties and lower rates of home ownership, and this produces greater volatility. 2016 saw the sale of the highest value property sold in Upper Town during the period (£575,000), and was followed by a year in which four flats ranging in price from £63,000 to £80,000 had a dampening effect on the average.

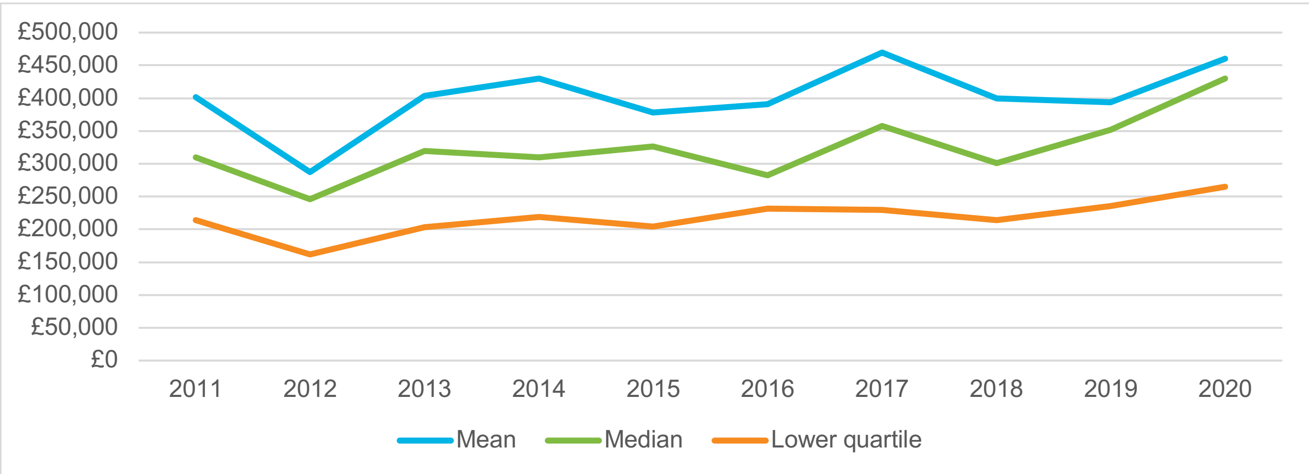
137. The more important point is that the overall upward trajectory is stronger for Lower Town than Upper Town: the median house price rose by 39% or £120,000 in Lower Town during the period compared with 24% and £36,000 in Upper Town. While the lower rate of increase in Upper Town is beneficial for affordability, £36,000 remains a significant increase in relation to wages and the generally low rate of wage inflation in the period. An even greater challenge is the soaring price increase in Lower Town, which is further exaggerating the distinction between the two areas and the affordability barrier that obstructs moves between the two.

Figure 4-2: House prices by quartile in Upper Town, 2011-2020



Source: Land Registry Price Paid Data (PPD)

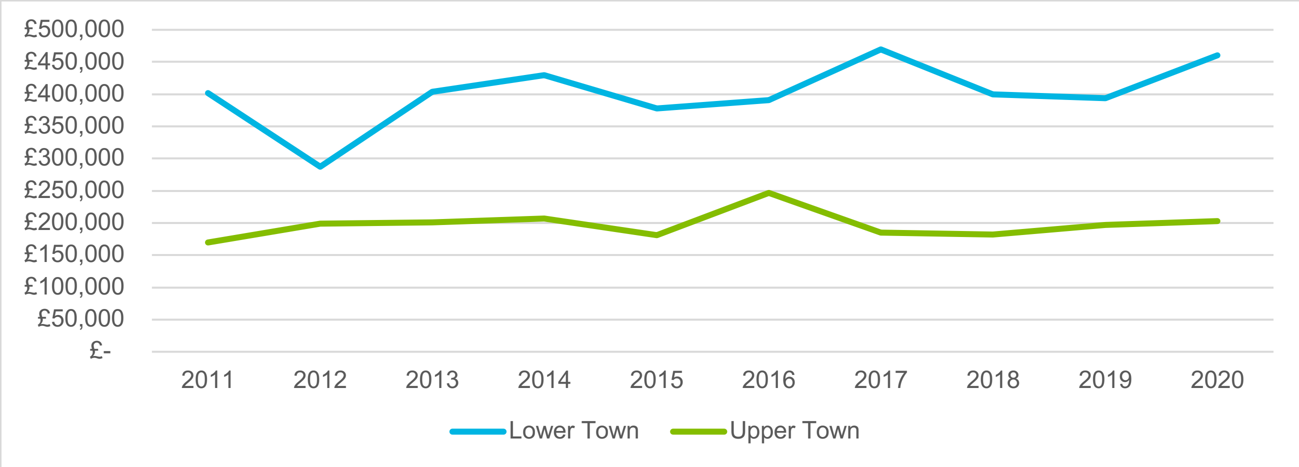
Figure 4-3: House prices by quartile in Lower Town, 2011-2020



Source: Land Registry Price Paid Data (PPD)

138. For clarity, Figure 4-4 below presents the mean house price over time in the two locations side-by-side.

Figure 4-4: Mean house prices, Upper Town and Lower Town, 2011-2020



Source: Land Registry Price Paid Data (PPD)

139. The current median house price in Dartmouth is £355,000. For Lower Town it is £430,000 and for Upper Town it is £185,000. This is partly a function of the lack of (conventionally more expensive) detached homes in Upper Town, but the contrast remains when comparing the areas by dwelling type, as can be seen in Table 4-3 below. Housing can roughly be said to be twice as expensive in Lower Town than Upper Town. Again this has the effect of seeming to provide a wide range of price points in Dartmouth as a whole, but also creates a significant affordability barrier between the two sub-areas. When averaged across Dartmouth as a whole, housing is generally more expensive in the NA than in the wider district.

Table 4-3: House prices by type, Dartmouth and sub-areas, 2020

Type	Upper Town	Lower Town	Dartmouth	South Hams
Detached	N/A	£893,889	£893,889	£550,324
Semi-detached	£197,667	£406,244	£335,079	£328,029
Terraced	£205,100	£361,066	£306,999	£287,972
Flats	£204,100	£392,806	£382,129	£317,461
All Types	**£202,738**	**£460,693**	**£413,389**	**£406,213**

Source: Land Registry PPD

140. This analysis is not able to include information on the costs of newly built housing because Land Registry data shows only 19 newly built properties being sold in Dartmouth since 2012, and only one since 2018. However, it is important to have an understanding of the costs of new build housing because it is primarily new build housing that neighbourhood plan policies can have control over.

141. It is notable that all of the 19 new build transactions in Dartmouth during the period were flats in Lower Town. The most recent development in College Way comprised five units ranging in price from £712,500 to £1,295,000. The previous development, also five units and located in Victoria Road, was more affordable with sold prices ranging from £285,000 to £334,500 in 2014/15. The lowest cost new build unit transacted since 2011 was sold for £245,000 in 2012.

142. While some of the recent new build housing has clearly been aimed at the top end of the market, other historic figures cited above fall slightly below the average cost of all flats in Lower Town in the same years (the 2014 average was £375,500 for example), suggesting that there is also potential for new build housing to be offered at lower than average price points.

143. On this basis and in the absence of more accurate data, it is reasonable to assume that the current average price for each type of dwelling is an appropriate benchmark for the cost of new build housing in the near future. While it is distinctly possible and would be advantageous if new properties could be brought forward at lower than average price points, taking into account the inevitable new build premium the current average for all housing represents a conservative picture of what might be expected.

144. The above data can be used to estimate the annual costs of home ownership, which is termed the 'purchase threshold'.

145. The starting point for calculating the affordability of a dwelling for sale is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5.

146. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Dartmouth, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. For the purposes of these calculations, an assumption is therefore made that a 10% purchase deposit is required and that this is available to a prospective buyer who can afford to service the mortgage.

147. The calculation for the purchase threshold for a median market home in Upper Town is as follows:

- Value of median house price (2020) = £185,000;
- Purchase deposit at 10% of value = £18,500;
- Value of dwelling for mortgage purposes = £166,500;
- Divided by loan to income ratio of 3.5 = purchase threshold of £47,571.

148. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in Upper Town in 2020 was £160,000, and the purchase threshold is therefore £41,143.

149. These calculations are repeated for Lower Town prices, producing the following income thresholds:

- Lower Town median: £110,571;
- Lower Town entry-level: £68,143.

150. Finally, it is worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. The same calculation is repeated for the average price of each dwelling type for the two sub-areas as presented in Table 4-3 above, which is used as a proxy for the conservative cost of new build homes of each type (as explained above). The purchase thresholds are as follows.

Table 4-4: Estimated new build income thresholds by dwelling type, Dartmouth sub-areas

Type	Upper Town	Lower Town
Detached	N/A	£229,857
Semi-detached	£50,829	£104,463
Terraced	£52,740	£92,846
Flats	£52,483	£101,007

Source: Land Registry PPD, AECOM Calculations

151. These thresholds will be compared along with local incomes the other tenures considered below in a subsequent section.

4.3.3 Private renting

152. Income thresholds are used to calculate the affordability of rented and affordable housing tenures. The Plymouth and South West Devon Strategic Housing Market Assessment 2017 (SHMA) assume that rented housing is generally affordable if the annual rent does not exceed 35% of a household's gross annual income. While higher than assumptions used in SHMAs in the past (typically 25% or 30%), in practice households are having to dedicate increasing proportions of their incomes to housing costs as those costs rise out of step with incomes. 35% is therefore the benchmark used here. However, it should be emphasised that what rental price level is deemed 'affordable' on this basis is flexible depending on individual circumstances. In practice many households may be willing or forced to exceed this level in order to remain in the area. For comparison with a less desirable

upper bound, income thresholds for private rent if households can afford to spend 50% of their incomes on housing costs are also calculated.

153. The property website Rightmove can be interrogated for rental listing data. There was a limited number of rental listings at the time of writing in April 2021, with just seven properties listed at that time. It is important to highlight that only one of these listings remained available, with all of the others already let. This is an indication of intense competition for rental properties in Dartmouth. The speed at which new lettings are taken up, being a signal of demand outstripping supply, is closely associated with price increases. However, it also presents a broader problem: even if rents were affordable, there may simply not be enough rented housing to meet local needs.

154. Given the small sample size it is unsurprising that clear comparisons cannot be drawn between Upper and Lower Town. Upper Town had two listings: a 2 bedroom terrace for £700 per month and a 1 bedroom flat for £600 per month. These prices are not far out of step with equivalent entry-level homes for rent in Lower Town, with two 2 bedroom flats let at £650 and £725. The average of these four dwellings, at £669 per month, provides a reasonable benchmark for the cost of entry-level housing across Dartmouth, with little need to distinguish between the two sub-areas.

155. The remaining three listings were for a spacious 2 bedroom apartment and two 3 bedroom houses, all in Lower Town, with rental prices of £925, £900 and £850 per month respectively. The average of £892 per month provides a reasonable benchmark for the cost of a mid- to high-value property in Lower Town. It was unfortunately not possible to determine the price difference for equivalent sized properties in Upper Town.

156. For the purpose of estimating the costs of renting, thresholds are calculated with reference to these two averages for entry-level and higher value properties.

157. The calculation for the higher value private renting income threshold is as follows:

- Annual rent = £892 x 12 = £10,704;
- If no more than 35% of income can be spent on rent) = income threshold of £30,583;
- If no more than 50% of income can be spent on rent) = income threshold of £21,408.

158. The equivalent income thresholds for entry-level rent are £22,937 (at 35% of income) and £16,056 (at 50% of income).

4.3.4 Affordable Housing

159. There are a range of tenures that constitute the definition of Affordable Housing within the 2019 NPPF: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced to replace Starter Homes. Each of the affordable housing tenures are considered below.

Social rent

160. Rents in socially rented properties reflect a formula based on property values and average earnings in each area, resulting in substantial discounts to market rents. As such, this tenure is suitable for the needs of those on the lowest incomes and is subject to strict eligibility criteria.

161. To determine social rent levels, a statistical data return from Homes England is used. This data is only available at the Local Authority level, so South Hams must act as a proxy for Dartmouth. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for South Hams in the table below.

162. To determine the income needed, it is assumed that no more than 35% of household income should be spent on rent. Because those eligible for social rent are by definition on lower incomes than those seeking housing in the private rented sector, and because they may be in receipt of other benefit arrangements, it is not considered realistic that such households will be able to spend up to 50% of their incomes on rent.

163. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level.

Table 4-5: Social rent levels, South Hams, 2019

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£85.16	£92.78	£102.84	£113.70	£95.07
Annual average	£4,428	£4,825	£5,348	£5,912	£4,944
Income needed	£12,652	£13,784	£15,279	£16,893	£14,125

Source: Homes England, AECOM Calculations

Affordable rent

164. Affordable rent is controlled at no more than 80% of the local market rent. However, even a 20% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered providers who own and manage affordable rented housing may therefore also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000). This may mean that the rents are actually 50-60% of market levels rather than 80%.

165. In South Hams, affordable rents should be set at least 20% below the equivalent private rents but also not exceed Local Housing Allowance (LHA) rates – the maximum benefit that might be paid for tenants renting accommodation from a private landlord.[3] LHA rates are set at the level of the broad rental market area (BRMA). South Hams straddles two BRMAS: South Devon and Plymouth. Dartmouth is located within the South Devon BRMA. The relevant weekly LHA rates effective from April 2021 are provided in Table 4-5 below.

166. The private rent for an entry-level dwelling in Dartmouth (£669, as above) reduced by 20% would result in an affordable rent of £535 per month. The weekly LHA rate for a 2 bedroom property (£138.08) multiplied by 4 to produce an equivalent monthly rate is £552. This suggests that LHA rates are similar to 80% of private rents. Nevertheless, given the small sample size for private rents, it is safer to assume that the maximum LHA rent will be used to set affordable rents in Dartmouth. There may however be circumstances where 80% of private rents is achievable or where even LHA levels cannot be achieved, for example due to viability negotiations between the registered provider and the Council.

167. The LHA rates can be used as a basis to understand the likely costs of this tenure, and are converted to annual figures and income thresholds (again assuming that 35% of earnings is the feasible maximum for eligible households) in Table 4-6 below.

Table 4-6: Affordable rent levels, South Devon BRMA, 2021

Size	1 bed (shared facilities)	1 bed (self-contained)	2 beds	3 beds	4 beds
Average affordable rent per week	£65.00	£103.56	£138.08	£168.00	£207.12
Annual average	£3,380	£5,385	£7,180	£8,736	£10,770
Income needed	£9,657	£15,386	£20,515	£24,960	£30,772

Source: VOA, AECOM Calculations

Affordable home ownership

168. Affordable home ownership tenures include products for sale and rent provided at a cost above social rent, but below market levels. The three most widely available are discounted market housing (a subset of which is the new First Homes product), shared ownership, and rent to buy. These are considered in turn below.

169. In paragraph 64 of the NPPF 2019, the Government introduces a recommendation that “where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.” The recently adopted proposals for ‘Changes to the current planning system’

[3] SPD paragraphs 4.83, 4.88

require that 25% of all Affordable Housing should be First Homes – the Government's new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

Discounted market housing

170. Whether to treat discounted market housing as affordable or not depends on whether discounting the asking price of new build homes of a size and type suitable to first time buyers would bring them within reach of people currently unable to buy market housing. It is therefore appropriate to focus the two types offering this market segment the best chance of accessing home ownership, namely terraced and flatted housing.

171. Looking at the average price of terraces and flats in the two sub-areas (as presented in Table 4-2 above), we see that flats and terraces are very similarly priced in Upper Town (with just £1,000 separating the two averages) and that terraces are actually cheaper on average than flats in Lower Town. In this context, it is considered appropriate to take the price of terraces as a proxy for new build entry-level housing in each location.

172. As noted above, an average new build terraced house in Upper Town can be expected to cost £205,100 (which is very similar to the overall lower quartile price for Dartmouth in 2020 of £211,500). In Lower Town, a similar property can be expected to cost £361,066 (which is similar to the overall median house price for Dartmouth in 2020 of £355,000).

173. For a discount of 30% – as in the Government's new First Homes product – the purchase threshold for Upper Town can be calculated as follows:

- Estimated value = £205,100;
- Discounted by 30% = £164,080;
- Purchase deposit at 10% of value = £16,408;
- Value of dwelling for mortgage purposes = £147,672;
- Divided by loan to income ratio of 3.5 = purchase threshold of £42,192.

174. 30% is the minimum discount for the First Homes product, but this could be increased up to 50% where necessary and viable. It is therefore useful to repeat this calculation for discount levels of 40% and 50%. This would require an income threshold of £31,644 and £26,370 respectively.

175. The same calculations are repeated for the estimated entry-level new build price in Lower Town, with the following income thresholds required:

- 30% discount: £64,992 annual income required;
- 40% discount: £55,707 annual income required;
- 50% discount: £46,423 annual income required.

176. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq m and a build cost of £1,500 per sq m) would be around £105,000. This cost excludes any land value or developer profit. This would not appear to be an issue in Dartmouth.

Shared ownership

177. Shared ownership involves the purchaser buying an initial share in a property, typically of between 25% and 75% (but recently set at a minimum of 10%) and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rental payable on the share retained by the provider. Both of these are variable. The share owned by the occupant can be increased over time through a process known as 'staircasing'.

178. In exceptional circumstances (for example, as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own. Shared equity is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose annual household income does not exceed £80,000.

179. To determine the affordability of shared ownership, calculations are again based on the estimated value of a new build terrace and a new build flat. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price, though this may also be linked to the LHA rate for an equivalent property in practice.

180. The income required to cover the rental component of the dwelling is based on the assumption that a household can spend no more than 35% of their income on rent. The affordability threshold for an entry-level new build shared ownership home in Upper Town is calculated as follows:

- A 25% equity share of £205,100 is £51,275;
- A 10% deposit of £5,128 is deducted, leaving a mortgage value of £46,148;
- This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £13,185;
- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £153,825;
- The estimated annual rent at 2.5% of the unsold value is £3,846;
- This requires an income of £10,988 (so that no more than 35% of income is spent on rent).
- The total income required is £24,173 (£13,185 plus £10,988).

181. The same calculation is repeated for equity shares of 50% and 75%, producing affordability thresholds of £33,695 and £43,218 respectively.

182. Again the process is replicated for the estimated cost of a new shared ownership property in Lower Town, producing the following affordability thresholds:

- 25% equity share: £42,554 annual income required;
- 50% equity share: £59,318 annual income required;
- 75% equity share: £76,082 annual income required.

183. It has recently been announced that the minimum equity share for shared ownership may fall to just 10% of the property value. If this can be delivered, the income required would be lower still. However, it is worth emphasising that the transition from 10% to 100% ownership would be long, and during this period the rent on the 90% unsold value would not be subsidised. This product would therefore only be a realistic route to full ownership for households prepared to take a very long-term view.

Rent to buy

184. Rent to buy is a relatively new and less common tenure, which through subsidy allows the occupant to save a portion of their rent to build up a deposit to eventually purchase the home. It is therefore estimated to cost the same as private rents – the difference being that the occupant builds up equity.

4.3.5 Affordability Thresholds

185. Having reviewed and estimated the annual costs of various forms of housing, these can now we compared to the measures of local incomes set out at the start of this chapter. Table 4-7 overleaf summarises the estimated cost of each tenure and sub-category, the annual income required to support these costs within Dartmouth, and indicates whether local incomes are sufficient.

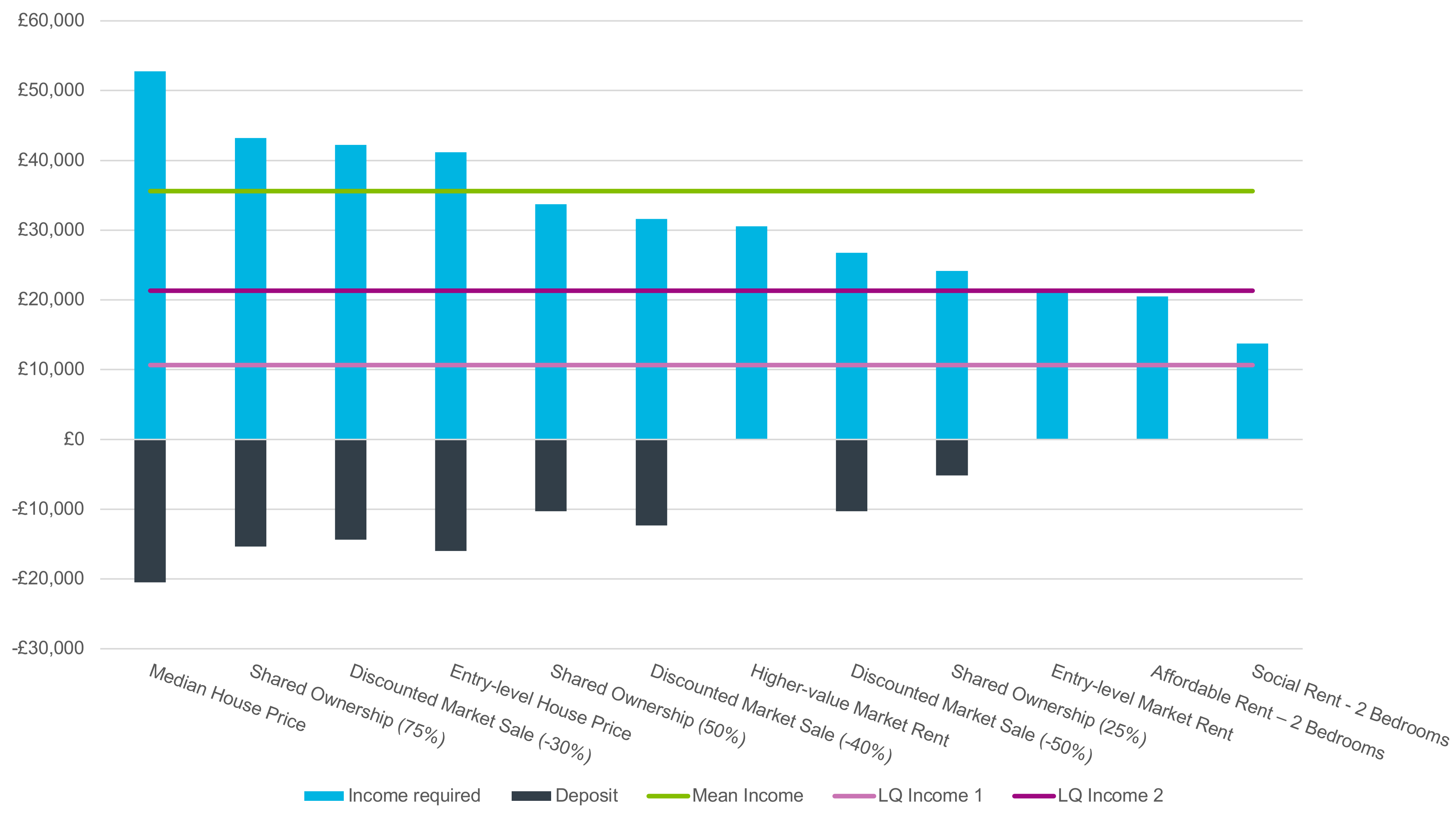
186. The income required column does not reflect the cost of a deposit (which we have assumed to be 10% of the value to be purchased) or the possibility that households may already hold equity from an existing property. The same information is simplified form in two graphs covering selected categories and displaying the one-off additional cost of the deposit, for Upper and then Lower Town, on the subsequent pages. Analysis follows the charts.

Table 4-7: Affordability thresholds, Dartmouth

Tenure	Mortgage Value (90% of price)	Rent	Income required	Affordable on average incomes? £35,600	Affordable on LQ earnings (single earner)? £10,662	Affordable on LQ earnings (2 earners)? £21,324
Market home ownership						
Upper Town median home	£166,500	-	**£47,571**	No	No	No
Upper Town entry-level home	£144,000	-	**£41,143**	No	No	No
Lower Town median home	£430,000	-	**£110,571**	No	No	No
Lower Town entry-level home	£265,000	-	**£68,143**	No	No	No
Private renting						
Dartmouth higher value home (35% of income)	-	£10,704	**£30,583**	Yes	No	No
Dartmouth entry-level home (35% of income)	-	£8,028	**£21,408**	Yes	No	Marginal
Dartmouth higher value home (50% of income)	-	£10,704	**£22,937**	Yes	No	No
Dartmouth entry-level home (50% of income)	-	£8,028	**£16,056**	Yes	No	Yes
Affordable home ownership						
Upper Town discounted market sale (30%)	£143,570	-	**£42,192**	**No**	No	No
Upper Town discounted market sale (40%)	£123,060	-	**£31,644**	Yes	No	No
Upper Town discounted market sale (50%)	£102,550	-	**£26,370**	Yes	No	No
Lower Town discounted market sale (30%)	£252,746	-	**£64,992**	No	No	No
Lower Town discounted market sale (40%)	£216,640	-	**£55,707**	No	No	No
Lower Town discounted market sale (50%)	£180,533	-	**£46,423**	No	No	No
Upper Town shared ownership (75%)	£138,443	£1,282	**£43,218**	No	No	No
Upper Town shared ownership (50%)	£92,295	£2,564	**£33,695**	Yes	No	No
Upper Town shared ownership (25%)	£46,148	£3,846	**£24,173**	Yes	No	No
Lower Town shared ownership (75%)	£243,720	£2,257	**£76,082**	No	No	No
Lower Town shared ownership (50%)	£162,480	£4,513	**£59,318**	No	No	No
Lower Town shared ownership (25%)	£81,240	£6,770	**£42,554**	No	No	No
Affordable rented housing						
South Hams 4 bedroom affordable rent	-	£10,770	**£30,771**	Yes	No	No
South Hams 3 bedroom affordable rent	-	£8,736	**£24,960**	Yes	No	No
South Hams 2 bedroom affordable rent	-	£7,180	**£20,515**	Yes	No	Yes
South Hams 1 bedroom affordable rent	-	£5,385	**£15,386**	Yes	No	Yes
South Hams 4 bedroom social rent	-	£5,912	**£16,893**	Yes	No	Yes
South Hams 3 bedroom social rent	-	£5,348	**£15,279**	Yes	No	Yes
South Hams 2 bedroom social rent	-	£4,825	**£13,784**	Yes	No	Yes
South Hams 1 bedroom social rent	-	£4,428	**£12,652**	Yes	No	Yes

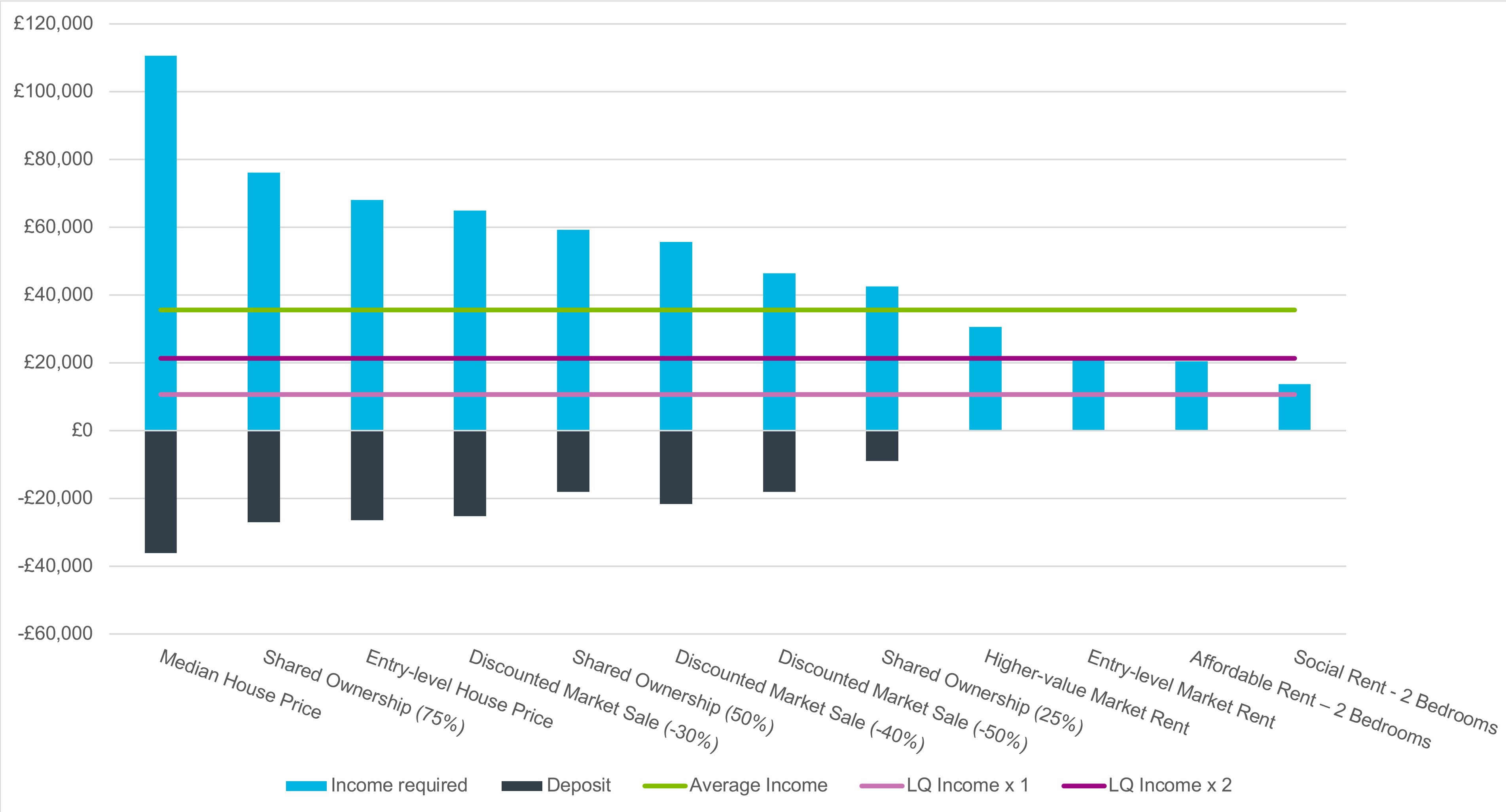
Source: AECOM Calculations

Figure 4-5: Affordability thresholds, Upper Town, income required (additional cost of deposit in black)



Source: AECOM Calculations

Figure 4-6: Affordability thresholds, Lower Town, income required (additional cost of deposit in black)



Source: AECOM Calculations

187. Before considering each tenure category in turn, it is important to stress the likely difference in income levels between Upper and Lower Town. As noted in the incomes section, it is not possible to determine exact income levels for each area, but the income indicator of deprivation serves as a guide. Because deprivation on this metric is so acute in the urban area of Upper Town, and much less so elsewhere in Dartmouth, the affordability thresholds of each tenure in Upper Town really need to be compared with lower quartile incomes for South Hams rather than the overall average for Dartmouth – an income level that is likelier to represent wealthier residents of Lower Town.

188. Figure 4-5 above presents a far different picture of affordability if the green line showing the Dartmouth average income is ignored, leaving the relationship between the purple lines (lower quartile incomes for single and dual earning households) as a more realistic expression of what local people can afford. Seen in this way, both graphs convey the same conclusion: local people in each area (represented by the purple lines in Figure 4-5 and the green line in Figure 4-6) can only afford affordable rent, private rent and, at a stretch, shared ownership at a low equity share.

Market home ownership

189. Thinking about housing for purchase on the open market, it appears that local households on average incomes are unable to access even entry-large homes unless they have the advantage of a very large deposit. Even a household with an average income for the whole of Dartmouth cannot afford an entry-level home in comparatively more affordable Upper Town. Market housing in Lower Town, even with the benefit of a higher income, is likely to remain out of reach to most. The median house price in Lower Town would require an annual income three times the current average, a fact that may be both a cause and an effect of the rise in second home ownership.

Private renting

190. Private renting is broadly affordable in Dartmouth, with lower earners potentially able to access entry-level homes and average earners able to afford a variety of types and sizes. That said, the affordability calculations here rely on a relatively small sample size and relate to a snapshot in time, which may be giving a more optimistic picture.

191. The small sample size (and high rate of lets agreed) does, however, speak to a general lack of available rental properties, which may be the greater challenge for those who can theoretically afford them and potentially a driver of further price increases in future.

192. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life aspects and cannot be assumed to suit all individuals' circumstances.

193. Households with just one lower earner have very few options. They appear unable to afford any rental property even if able to dedicate 50% of earnings to rent. Single households in this position must either apply for affordable rented housing or remain in the private rented sector while relying on housing or other benefits.

Affordable home ownership

194. There is a relatively large group of households in Dartmouth who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £21,000 per year (at which point entry-level rents become affordable) and £41,000 (at which point entry-level market sale homes become affordable – in Upper Town only). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

195. First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). The discount level demanded of developers can be increased if this is suitably evidenced.

196. We have estimated the income required to afford First Homes in each location at 30%, 40% and 50% discount levels, and found that only 40% and 50% discounted properties in Upper Town would be affordable for those on average incomes. The people living in Upper Town at present are assumed to have, on average, much lower incomes than this (according to deprivation indices).

197. First Homes that are located in Upper Town but generally affordable to households from elsewhere in the NA would not be a positive outcome. They should be tested against average incomes on Lower Town prices, and against lower incomes on Upper Town prices. Seen in this way, even a 50% discount is generally insufficient to make First Homes affordable: a 60% discount would be needed to bring an Upper Town First Home within reach of a household with two lower earners, and a 62% discount would be needed to bring a Lower Town First Home within reach of an average earning household. As such, the maximum possible discount for First Homes should be

sought in Dartmouth. Even though the resulting product will still not be officially affordable, it would widen access to home ownership to a larger cohort of people who have no other option but to rent.

198. Shared ownership appears to be generally more affordable than First Homes in Dartmouth, with 25% equity share options affordable or nearly so in both locations (relative to the appropriate income level). However, at equity shares higher than this, First Homes become much more competitive and suitable to local people’s needs.

199. The income required to access rent to buy is assumed to be the same as that required to afford market rents. At around £21,500 for an entry-level home (though the new build premium might result in higher rents in practice), this would be the most affordable route to home ownership.

200. However, these three products need to be considered in relation to what they offer occupants in the long term beyond simply appearing affordable or not. First Homes allow for the greatest build-up of equity, while rent to buy results in a slower accumulation of the funds for a deposit, and shared ownership at low equity shares means that monthly outgoings remain high and predominantly lost to rent and service charges rather than savings to the occupant.

201. In conclusion, all of these products would provide value to different segments of the local population, with shared ownership (25%) and rent to buy potentially allowing lower earning households to get a foot on the housing ladder, while First Homes at a 50% discount provides better long-term support to those with slightly higher incomes.

Affordable rented housing

202. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units.

203. Many such individuals will, if unable to secure a social rented dwelling or additional subsidy, need to live in a room in a shared house using housing benefit.

204. While the detailed benefits arrangements offered by South Hams and pricing of specific Live West housing units have not been interrogated here, the evidence in this chapter suggests that the affordable rented sector performs a vital function in Dartmouth, and that social rent is more urgently needed than affordable rent.

4.4 Affordable housing- quantity needed

205. It is also possible to understand the broad scale of the need for Affordable Housing tenures in Dartmouth. This can, together with the evidence presented above, help to evidence policy around Affordable Housing in the Neighbourhood Plan.

4.4.1 Affordable rent

206. Because of the detail of its model and the strength of the underlying data provided by the councils, the 2017 SHMA provides the best indication of the scale of need for affordable rented housing across South Hams, which can be prorated to Dartmouth.

207. The SHMA finds in Table 5.10b that 98 units of affordable rented housing are required per year across South Hams. While this total is described as the need for Affordable Housing in general, affordable home ownership was not formally part of the definition of Affordable Housing at the time the SHMA was produced, so this should be understood as the need for affordable rented housing.

208. Dartmouth was home to 6.7% of the population of South Hams at the time of the 2011 Census. On this basis, it can be roughly estimated that Dartmouth will require around 6.5 units of affordable rented housing per year (6.7% of 98). This equates to roughly 85 units over the Neighbourhood Plan period to 2034.

209. SHDC have also provided detailed data on the current waiting list of applicants to the Devon HomeChoice register who reside in Dartmouth. (It was unfortunately not possible to disaggregate this information to sub-areas). This has been analysed as part of the existing evidence base for the Neighbourhood Plan but it is worth noting the total of 121 households. While this appears to suggest annual need is well in excess of 6.5 units, it is important to remember that much of the newly arising need in any given year is satisfied by turnover in the existing stock. SHDC also report 36 re-lets in the existing stock from March 2020 to March 2021.

210. The backlog of need is able to grow, however, for a number of reasons. First, because Dartmouth (like South Hams as a whole) is not meeting its annual need for new Affordable Housing delivery. As noted above, since the

2011 Census there has only been one new Affordable Housing completion in Dartmouth, a 3 bedroom house for affordable or social rent delivered in 2011/12. In effect, average annual delivery over the past decade has been 0.1 unit, compared with a likely need of 6.5 ('likely' because the SHMA calculation is not retrospective to 2011 but does give a good indication of the scale of need in recent and future years).

211. The backlog also grows because the vacancies from turnover in the existing stock tend not to be perfectly aligned with the need at that time. Certain categories are undersupplied and households in need cannot be housed on other, more plentiful categories.

212. It is possible to compare the proportion of eligible households by the number of bedrooms they are eligible for with the proportion of lettings for each size of dwelling in Dartmouth in 2020 (using data supplied by SHDC). The proportions are relatively well-aligned, in that 59% of the need is for 1 bedroom properties, and this category represented 64% of lettings. The equivalent figures are 27% to 25% for 2 bedroom dwellings, and 9% to 11% for 3 bedroom dwellings. However, 5% of the need at present (6 households) is for dwellings with 4 bedrooms or more, and there were no lettings in 2020 in this category because the stock is limited.

213. It is also important to emphasise that not every household in Dartmouth will be captured by the HomeChoice register – a fact that SHDC acknowledge. This is largely due to a lack of awareness and low expectations among relevant households that they will be determined to be eligible, since eligibility is conferred using a points-based system that is not flexible to unique individual circumstances and tends to accord higher priority to those with additional health and social problems, making access relatively less achievable for those simply in financial difficulty. This is primarily a function of difficult decisions that need to be made in a context of scarcity.

214. There is also an extent to which higher priority households from elsewhere in South Hams may be allocated properties in Dartmouth rather than local households in lower priority bands, and it is likely that some of the 36 lettings in 2020 were allocated to people from elsewhere in the district. This issue and the options around it are discussed in a subsequent section.

215. If, hypothetically, the total need for the Plan period of 85 units (arguably plus the difference between supply and need over the years previous to the Plan period) were to be delivered instantly and with reference to imbalances in the types existing at present and the backlog of need on the waiting list, it is plausible that newly arising need in future years could be satisfied through vacancies in the (now larger) existing stock.

216. The development at Cotton Farm is currently proposed to deliver 89 affordable homes, of which 50% or 45 units will be for affordable rent. The other allocated site at Noss will provide a financial contribution in lieu of onsite provision, which may eventually be collected by Kingswear or Dartmouth.

217. This quantity of expected delivery will go some way towards meeting the needs of Dartmouth households, although it leaves a shortfall of approximately 40 units – a conservative figure that does not take into account the tendency of local households in need to be ineligible or not apply, nor the mismatch between the need and supply of affordable rented homes by size.

218. There is therefore a clear case to maximise the delivery of affordable rented housing in Dartmouth wherever possible, as part of Section 106 obligations on allocated sites and any potential community-led or exception schemes.

219. Generally, the size mix of any new affordable rented housing should be determined with reference to the need or eligibility captured on the HomeChoice register either at an appropriate point in time or using a multi-year average to smooth out any anomalies existing at that time. This will in turn reflect any imbalances or gaps in the existing stock. The current snapshot would suggest a size mix as follows:

- 1 bedroom: 59%
- 2 bedrooms: 27%
- 3 bedrooms: 9%
- 4+ bedrooms: 5%

220. The current proposed size mix for Affordable Housing (as a whole, not only affordable rent) for the scheme at Cotton skews larger than this. That would seem sensible given the small but persistent need for larger units that are not frequently coming vacant in Dartmouth, as well as the fact that larger units could accommodate smaller households if necessary, and that affordable ownership units tend to have 2-3 bedrooms in line with the preference of their target market of starter families.

4.4.2 Affordable home ownership

221. Turning now to Affordable Housing providing a route to home ownership, this category is not estimated in the SHMA. Table 4-8 below is therefore used to estimate the potential demand for such tenures in Dartmouth.

222. This model aims to estimate the number of households might wish to own their own home but cannot afford to. This group are typically thought of as those who 'can rent, can't buy', which is certainly present in Dartmouth as noted above.

223. This model is consistent with methods used at Local Authority scale in taking as its starting point households currently living in or expected to enter the private rented sector who are not on housing benefits. There may be other barriers to these households accessing home ownership on the open market, including being unable to save for a deposit, or being unable to afford a home of the right type/size or in the right location. The model discounts a relatively arbitrary 25% of these households, assuming a proportion will be renting out of choice. The result of the calculation is around 25 (rounded) households per year who may be interested in affordable home ownership (or 321 for the entirety of the Plan period).

224. The potential current and future demand is fairly large. It is more than half of the total number of homes on sites adjacent to the NA expected to come forward during the Plan period overall. It is therefore not realistic to expect this demand to be met. However, this is – in combination with the income thresholds analysis above – a very clear signal of the scale of the affordability challenge in Dartmouth.

225. It is important to keep in mind that the households identified in this estimate are, by and large, adequately housed in the private rented sector, Affordable Housing, or living in other circumstances. They do not necessarily lack their own housing but would prefer to buy rather than rent. They have been included in the national planning definition of those in need of Affordable Housing, but their needs are generally less acute than those on the waiting list for affordable rented housing.

Table 4-8: Estimate of the potential demand for affordable housing for sale in Dartmouth

Stage and Step in Calculation	Total	Description
STAGE 1: CURRENT NEED		
1.1 Current number of renters in parish	531.5	Census 2011 number of renters x national % increase to 2018
1.2 Percentage renters on housing benefit in LA	23.9%	% of renters in 2018 on housing benefit
1.3 Number of renters on housing benefits in parish	127	Step 1.1 x Step 1.2
1.4 Current need (households)	303.3	Current renters minus those on HB and minus 25% assumed to rent by choice
1.5 Per annum	23.3	Step 1.4 divided by plan period
STAGE 2: NEWLY ARISING NEED		
2.1 New household formation	342.6	LA household projections for plan period (2018 based) pro rated to NA
2.2 % of households unable to buy but able to rent	11.8%	(Step 1.4 + Step 3.1) divided by number of households in NA estimated in 2020
2.3 Total newly arising need	40.4	Step 2.1 x Step 2.2
2.4 Total newly arising need per annum	3.1	Step 2.3 divided by plan period
STAGE 3: SUPPLY OF AFFORDABLE HOUSING		
3.1 Supply of affordable housing	34	Number of shared ownership homes in NA (Census 2011 + LA new build to 2018/19 pro rated to NA)
3.2 Supply - intermediate resales	**1.7**	Step 3.1 x 5% (assumed rate of re-sale)
NET SHORTFALL (OR SURPLUS) PER ANNUM		
Overall shortfall (or surplus) per annum	24.7	(Step 1.5 + Step 2.4) - Step 3.2

Source: AECOM model, using Census 2011, English Housing Survey 2018, MHCLG 2018 based household projections and net additions to affordable housing stock. 2018 is the latest reliable data for some datasets so is used throughout for consistency. Figures may not sum due to rounding.

226. Note that there is no policy or legal obligation on the part either of the Local Authority or Neighbourhood Plan to meet affordable housing needs in full, though there are tools available to the Steering Group that can help ensure that it is met to a greater extent if resources permit (e.g. the ability to allocate sites for affordable housing).

227. It is also important to remember that even after the Dartmouth, or indeed any other, Neighbourhood Plan is adopted, the assessment of need for Affordable Housing, the allocation of affordable rented housing to those in

need, and the management of the housing waiting list all remain the responsibility of the Local Authority rather than the Neighbourhood Plan Group.

4.4.3 Affordable Housing tenure mix

228. South Hams's adopted policy on this subject (JLP DEV8) requires 30% of housing on large sites (11 or more dwellings) to be affordable. It is understood that developer negotiations and viability statements for local schemes often lead to reductions in the proportion of homes that will be affordable (including on part of the development at Cotton Farm).

229. The total proportion of housing that should be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasizing that the HNA finds strong evidence of need for Affordable Housing of all forms in Dartmouth, and delivery should be maximized where possible.

230. How the Affordable Housing that comes forward through mainstream development sites should be broken down into specific tenures is proposed in the SPD, which calls for 65% rented tenures and 35% routes to home ownership. There is potential, however, for more recent or specific evidence to influence a different mix. The Neighbourhood Plan may wish to specify a mix that is suitable for Dartmouth specifically. This section summarises the factors that might be taken into account if that route is taken.

231. The following evidence and considerations may be used as a starting point in the development of policy concerning the Affordable Housing mix:

   A. **Evidence of need for Affordable Housing**: The SHMA suggests that Dartmouth needs around 6.5 units of affordable rented housing per year, and this HNA suggests that a further 25 units of affordable home ownership tenures per year would be taken up by a growing demand segment priced out of other tenures.

      These figures are not equivalent: one is based on need from households with no other options, the other on potential demand from households who are generally adequately housed. The relationship between them should therefore not be the sole factor to dictate the tenure mix within Affordable Housing.

   B. **Can Affordable Housing needs be met in full?** It is currently understood that around 89 affordable dwellings will be delivered in and around Dartmouth through sites allocated in the JLP, around half of which will be provided for affordable rent and the other half for affordable home ownership.

      This is insufficient to meet the quantities of need and demand for each of these tenure categories, as identified here and in the SHMA. Given that the expected scale of delivery is not enough to meet the need, it would be beneficial for more Affordable Housing to be delivered over and above the known allocations if possible. Given that such opportunities are relatively limited, it would be advisable to prioritise affordable rented housing on the housing that does come forward to some degree in order to meet the most acute needs.

   C. **Government policy (NPPF) requirements**: current NPPF policy requires 10% of all homes to be delivered for affordable home ownership – a stipulation repeated in the SPD. There can be exceptions to this requirement if it would prevent the delivery of other forms of Affordable Housing. Based on the findings of this HNA (that the need for affordable rented housing exceeds likely delivery) there may be justification to apply this exception in Dartmouth. However, it may also be considered acceptable to retain a minimum proportion of housing that should offer an affordable route to ownership, since the 'can rent, can't buy' cohort is relatively large and some affordable ownership products appear within reach of local people's incomes.

   D. **Emerging policy:** the Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been confirmed and will be enacted through a ministerial statement in the near future. They will require that a minimum of 25% of all Affordable Housing secured through developer contributions should be first homes.[4]

[4]The original proposals and confirmed consultation response are available at: https://www.gov.uk/government/consultations/first-homes.

First Homes appear to be an appropriate product in the NA if they can be secured at the maximum possible discount level, so the introduction of this requirement may not have a detrimental effect on affordability unless a higher proportion of affordable rent would otherwise be sought.[5]

E. **Local Plan policy**: As noted above, the adopted Local Plan broadly seeks a tenure split of 65% rented and 35% ownership tenures. With reference to point D immediately above, this allows for First Homes to form 25% of the affordable mix, with 10% left over for other affordable home ownership options.

F. **Viability**: HNAs are unable to take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the JLP and it is acknowledged that this may affect the provision of affordable housing and/or the mix of tenures provided.

G. **Funding**: The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. The Steering Group may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.

H. **Existing tenure mix in Dartmouth**: Dartmouth had a higher rate of social renting and a marginally lower rate of shared ownership than South Hams at the time of the 2011 Census. While this does not warrant adjusting the split between affordable rent and ownership, it should be taken into account when planning for the tenure mix on any future sites.

In order to achieve greater social balance overall it may be useful to direct social rented homes to Lower Town, and affordable ownership to Upper Town (which, although there is already a higher proportion of shared ownership than in Lower Town, has a significantly lower rate of home ownership overall). However, it is also more likely that Lower Town residents will be able to afford First Homes and shared ownership, and that Upper Town residents may require more heavily subsidised options. There is no clear answer about what is appropriate on this point, so further study and/or a more balanced and flexible approach may be necessary (if this is something the Neighbourhood Plan is able or intending to influence).

I. **Wider policy objectives**: the Steering Group may wish to take account of broader policy objectives for Dartmouth and/or wider South Hams. These are understood to include achieving a greater degree of demographic and income equality. These wider considerations may influence the mix of Affordable Housing provided.

232. On the basis of the considerations above, Table 4-9 below proposes an indicative Affordable Housing tenure mix that AECOM would consider appropriate for Dartmouth going forward.

233. This mix aligns with that sought in the SPD for South Hams as a whole. Effectively, it is considered that Dartmouth has a more urgent need for affordable rented housing than affordable home ownership (see the two estimates of the quantity of need in relation to the expected volume of delivery, as well as the comparative analysis of affordability thresholds for each product).

234. However, there is scope to provide slightly more affordable home ownership than nationally mandated minimum requirements because Dartmouth is a location with such high house prices and high inequality between residents in its sub-areas that could be addressed through more ownership.

235. The tenure mix proposed in the SPD already fulfills these imperatives in a relatively balanced way. Given the advantages of alignment with the LPA and ease of policy application, to rely on the existing guidance for South Hams rather than specify a different mix through the neighbourhood plan may well be sufficient and appropriate in this case.

236. That said, it is understood that the tenure mix proposed for the site at Cotton Farm departs from that specified in the SPD. Reinforcing the SPD policy mix specifically within the Neighbourhood Plan may help to improve consistency on this topic.

237. This recommendation is based purely on AECOM's judgement. Our approach is to list out the various factors that may be taken into account when considering the policy options on this topic so that if the Steering Group take a different interpretation or are aware of additional reasons (including the objectives and views of the community), it

[5] The 25% First Homes requirement may have the effect of displacing other products in any established tenure mix and, if so, is supposed to displace other affordable housing products with reference to the guidance in the local development plan.

will be relatively easy to specify and justify a different mix. This possibility remains open in spite of the recommendation summarised above and quantified in the table below.

238. If a different mix is to be pursued than that proposed in the SPD, it is important that the Steering Group liaise with SHDC to gather more detailed income and viability information, and to ensure that such a policy would have the their support. Another option when developing Neighbourhood Plan policies on tenure splits is to add caveats to the policy in question, to the effect that the precise mix of affordable housing will be considered on the basis of site-by-site circumstances in addition to this evidence.

Table 4-9: Indicative Affordable Housing tenure mix for Dartmouth

Tenure	**Indicative mix**	**Considerations and uncertainties**
Routes to home ownership, of which	**35%**	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	5%	Proposed changes to the model to allow purchases of 10% share[6] - impact on viability unknown Registered Providers' business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to buy	5%	Emerging product with popularity and effectiveness as yet unproven. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	**65%**	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area, and which sub-tenure (social or affordable rent) is prioritised by the LPA.
Affordable rent	To be set by Registered Providers	

Source: AECOM calculations

4.4.4 Local lettings

239. The data reproduced above from the Devon HomeChoice register indicates that there is a growing backlog of need for affordable rented housing among households living in Dartmouth. This currently stands at 121 households, and it is acknowledged that this likely undercounts need from households who are not captured on the register because they do not meet the full eligibility requirements or have not applied due to a lack of awareness or optimism about their chances of being housed.

240. This backlog is likely to continue to grow in spite of the roughly 45 units expected to come forward on the scheme at Cotton Farm because the number of re-lets from vacancies in the existing stock each year sits at around 36 units. It is also the case that a number of these lets (either from vacancies or new supply) will go to households from elsewhere in South Hams who have a more urgent assessed need than those with a local address but a lower priority banding.

241. South Hams operates a Local Allocations Policy as set out in policy documentation published in December 2017.[7] The policy aims to restrict affordable lettings to applicants with a local need on certain housing schemes:

- Preference to local households will be given in very rural villages, with the relevant area specifically excluding Dartmouth.

[6] https://www.gov.uk/government/news/jenrick-unveils-huge-12-billion-boost-for-affordable-homes

[7] Available on the SHDC website.

- On exception sites anywhere in the district, lettings will be controlled by specific criteria relating to needs in the relevant parish and will be set out in the Section 106 agreement for that site.
- On "other larger sites enabled through the planning process" in Dartmouth and other larger towns, 50% of all new rented housing is "to be allocated to those in bands A – D". Though it is not specified, this is assumed to refer to local households in those priority bands, with the remaining 50% of the affordable rented housing available to those in need throughout South Hams.

242. A local connection is defined by South Hams as follows:

   i. The person has lived in the parish/town for 3 out of the 5 years preceding the allocation.

   ii. The person has immediately prior to the allocation lived in the parish/town for 6 out of 12 months preceding the allocation.

   iii. Immediate family have lived in the parish/town themselves for 5 years preceding the allocation. For avoidance of doubt The Local Government Association guidelines define immediate family as parents, siblings and non-dependent children.

   iv. The person has permanent employment in the parish/town with a minimum contract of 16 hours per week which has continued for the 6 months preceding the allocation without a break in employment of more than 3 months such employment to include self-employment. This should not include employment of a casual nature.

243. It is understood that the Steering Group is exploring the possibility of influencing the way that Affordable Housing allocations are made in Dartmouth in order to accommodate more households who currently live in or are connected to the area.

244. From the above review of the South Hams policy that will be the default in the absence of any action in the Neighbourhood Plan, it would appear that there are two ways in which more local households could be given preference than are at present. These are: to increase the proportion of affordable lettings on larger sites in Dartmouth that will go to households with a local connection; and to define what constitutes a local connection in a more stringent or targeted way.

245. Leaving aside the question of how and to what extent this might be justified, it is worth outlining the typical procedures for applying local connections tests to affordable housing lettings (from AECOM's understanding, which may not necessarily accord with the situation in South Hams).

246. In general, local allocations and lettings restrictions are put in place by LPAs rather than at smaller scales. They also tend to take the form of 'soft' policy – i.e. housing strategies, lettings plans, and so forth – rather than statutory policy documents like Neighbourhood or Local Plans. This is the case for the separate policy for South Hams, which is not part of the JLP. It is also the case in a nearby neighbourhood area. The Salcombe Neighbourhood Plan does not set out local lettings requirements in policy, but instead makes reference to a separate lettings plan document, stating: "All new affordable housing will be subject to eligibility criteria requiring a local connection as defined in the Salcombe Local Lettings Plan and any subsequent amendments agreed with the Town Council."

247. This may be the most appropriate option for Dartmouth as well: to make reference in policy to any local lettings plan that exists at the time that a scheme is negotiated. A local lettings plan could then be developed outside of the Neighbourhood Plan process and revisited and revised as necessary in future. (The Salcombe example is not necessarily applicable on this point since the local lettings plan referred to predated the Neighbourhood Plan rather than being developed alongside it.)

248. In AECOM's view, whether local lettings requirements were to be set out in the Neighbourhood Plan or a separate document, this decision would still require the support of SHDC and local Registered Providers of Affordable Housing (such as Live West).

249. It is worth noting that the above discussion relates to lettings from mainstream development sites enabled through the planning process rather than Affordable Housing exception sites. By definition, an exception site would not be developed unless a specific local need has been identified. Given that such a site is designed to meet that need, there will already be a way to ensure that it does so, such as an additional protocol for that particular site giving first priority to households living in the parish, or a condition as part of the Section 106 agreement (as suggested in the South Hams policy document cited above).

250. In terms of the degree of justification for intervention on this point, the data from the HomeChoice register and other sources gathered here certainly shows an unmet need among Dartmouth households. There are knock-on implications from this on the local services (such as schools) that depend on key workers and others to be able to find suitable affordable accommodation in reasonable proximity to their place of work, as well as on social conditions in the NA overall.

251. However, the decision to accord such households higher priority would potentially come at the expense of households who are considered to be in more urgent need from elsewhere in the district. While this may be deemed justified on balance, it is beyond the scope of this study to determine what impact this would have on the needs of wider South Hams residents and thereby to make a determination about whether it would be beneficial or appropriate.

252. It is advised that discussions with SHDC about the available options should continue and that, if further justification is sought, primary survey evidence may be the best way to identify how many local households in priority need are being passed over for Affordable Housing and what are the wider repercussions of this on the community.

4.5 Conclusions- Tenure and Affordability

The current tenure mix and affordability issues

253. Dartmouth's current tenure mix exhibits a lower rate of home ownership than South Hams and England, correspondingly more social renting and similar amounts of private renting and shared ownership. More striking is the data for each sub-area: there is an opportunity to lift rates of home ownership in Upper Town, including through affordable routes to ownership, and to address the undersupply of social rented accommodation in Lower Town.

254. Between the 2001 and 2011 Censuses, Upper Town experienced a significant 134% increase in private renting. This trend, which exceeds the pattern nationwide, is often an indicator of the declining affordability of home ownership – either because of rising house prices or stagnating incomes. While rates of private renting are not especially low in Dartmouth, high-quality and affordable private renting can perform an important function in the market for key workers, young households, and others.

255. Home values in Dartmouth have increased over the last ten years, with the result that the median home now costs around £55,000 more than in 2011. The current median house price is £335,000 for Dartmouth as a whole, but this average obscures wide variation between the sub-areas: the median is £185,000 in Upper Town and £430,000 in Lower Town.

256. The median house price rose by 39% or £120,000 in Lower Town during the period compared with 24% and £36,000 in Upper Town. While the lower rate of increase in Upper Town is beneficial for affordability, £36,000 remains a significant increase in relation to wages and the generally low rate of wage inflation in the period. The greater challenge is the soaring price increases in Lower Town, which further exaggerate the distinction between the two areas and the affordability barrier that obstructs moves between them.

257. Land Registry data suggests that only 19 newly built properties were sold in Dartmouth since 2012, and only one since 2018. All of these transactions were flats in Lower Town, with the most recent development comprising five units ranging in price from £712,500 to £1,295,000. New developments in previous years have, however, been more affordable.

258. There was a limited number of rental listings in Dartmouth at the time of writing in April 2021, with just seven properties listed at that time. It is important to highlight that only one of these listings remained available, with all of the others already let. This is an indication of intense competition for rental properties in Dartmouth. The speed at which new lettings are taken up, being a signal of demand outstripping supply, is closely associated with price increases. However, it also presents a broader problem: even if rents were to be affordable, there may simply not be enough rented housing to meet local needs.

Incomes

259. The average household income in Dartmouth is £35,600, and the lower quartile income (per person) for former South Hams was £10,667 in 2019. Doubling this figure to £21,324 can serve as an indicator of a household with two lower earners and also a more conservative indicator of an average household income.

260. Unfortunately it is not possible to disaggregate income statistics to the sub-areas of the NA. However, there is a clear contrast between areas of Dartmouth in terms of indices of deprivation (as measured by ONS for 2019), with the LSOA covering urban Townstal among the 30% most deprived neighbourhoods in the country, while the rest of Dartmouth is in the 50% least deprived in the country (with the rural area to the south being in the 20% least deprived

areas). In terms of income deprivation, Urban Upper Town performs particularly badly compared both with its immediate surroundings and the country as a whole.

261. While it is not possible to use this information to quantify the average income in Upper and Lower Town, it does show suggest that the average income in Upper Town is likely to be close to the lower quartile income for South Hams, while residents of Lower Town are more likely to be earning at or above the median.

Tenure options

262. AECOM has estimated the annual income required to afford various tenures of housing in the NA. These thresholds are compared to local incomes to determine which options are the most appropriate for local people going forward.

263. It was found that local households on average incomes are unable to access even an entry-large homes unless they have the advantage of a very large deposit. Even a household with an average income for the whole of Dartmouth cannot afford an entry-level home in comparatively more affordable Upper Town. Market housing in Lower Town, even with the benefit of a higher income, is likely to remain out of reach to most. The median house price in Lower Town would require an annual income three times the current average, a fact that may be both a cause and an effect of the rise in second home ownership.

264. Private renting is broadly affordable in Dartmouth, with lower earners potentially able to access entry-level homes and average earners able to afford a variety of types and sizes. That said, the affordability calculations here rely on a relatively small sample size and relate to a snapshot in time, which may be giving a more optimistic picture. The small sample size (and high rate of lets agreed) does, however, speak to a general lack of available rental properties, which may be the greater challenge for those who can theoretically afford them and potentially a driver of further price increases in future.

265. There is a relatively large group of households in Dartmouth who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £21,000 per year (at which point entry-level rents become affordable) and £41,000 (at which point entry-level market sale homes become affordable – in Upper Town only). This ‘can rent, can’t buy’ cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

266. All of these products would provide value to different segments of the local population, with shared ownership (25%) and rent to buy potentially allowing lower earning households to get a foot on the housing ladder, while First Homes – which should be delivered at the maximum possible discount level of 50% – provides better long-term support to those with slightly higher incomes.

267. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered including the smallest socially rented units. Many such individuals will, if unable to secure a social rented dwelling or additional subsidy, need to live in a room in a shared house using housing benefit.

268. While the detailed benefits arrangements offered by South Hams and pricing of specific Live West housing units have not been interrogated here, the evidence in this chapter suggests that the affordable rented sector performs a vital function in Dartmouth, and that social rent is more urgently needed than affordable rent.

Quantity of Affordable Housing needed

269. It is also possible to understand the broad scale of the need for Affordable Housing tenures in Dartmouth. This can, together with the evidence presented above, help to evidence policy around Affordable Housing in the Neighbourhood Plan.

270. With reference to the 2017 SHMA, it can be roughly estimated that Dartmouth will require around 6.5 units of affordable rented housing per year. This equates to roughly 85 units over the Neighbourhood Plan period to 2034.

271. Despite turnover in the existing stock in the region of 36 units during 2020, there remain 121 Dartmouth households on the waiting list for Affordable Housing. This backlog is growing because of the mismatch between some of the properties needed and those available, as well as the fact that Dartmouth (like South Hams as a whole) is not meeting its annual need for new Affordable Housing delivery. Only 1 unit of Affordable Housing has been built in Dartmouth since 2011/12.

272. It is also important to emphasise that not every household in Dartmouth will be captured by the HomeChoice register – a fact that SHDC acknowledge. This is largely due to a lack of awareness and low expectations among relevant households that they will be determined to be eligible, since eligibility is conferred using a points-based system that is

not particularly flexible to individual circumstances and tends to accord higher priority to those with additional health and social problems, making access relatively less achievable for those simply in financial difficulty. This is primarily a function of difficult decisions that need to be made in a context of scarcity.

273. There is also an extent to which higher priority households from elsewhere in South Hams may be allocated properties in Dartmouth rather than local households in lower priority bands, and it is likely that some of the 36 lettings in 2020 were allocated to non-local people.

274. The quantity of expected Affordable Housing delivery (primarily from the site at Cotton Farm) will go some way towards meeting the needs of Dartmouth households, although it leaves a shortfall of approximately 40 units – a conservative figure that does not take into account the tendency of local households to be considered ineligible or not apply, nor the mismatch between the need and supply of affordable rented homes by size. There is therefore a strong case to maximise the delivery of affordable rented housing in Dartmouth wherever possible, as part of Section 106 obligations on allocated sites and any potential community-led or exception schemes.

275. Generally, the size mix of any new affordable rented housing should be determined with reference to the need or eligibility captured on the HomeChoice register either at an appropriate point in time or using a multi-year average to smooth out any temporary anomalies. This will in turn reflect any imbalances or gaps in the existing stock. What this looks like using the current snapshot from the register is given in section 4.4.1.

276. The HNA calculates that around 25 (rounded) households per year may be interested in affordable home ownership (or 321 for the entirety of the Plan period). This is more than half of the total number of homes on sites adjacent to the NA expected to come forward during the Plan period overall, and represents a clear signal of the scale of the affordability challenge in Dartmouth.

Policy considerations

277. On the balance of factors listed in section 4.4.3 of this report, AECOM recommends that Dartmouth follows the existing Affordable Housing tenure mix set out in the SPD: 65% of Affordable Housing units should take the form of rented tenures such as social and affordable rent, with the remaining 35% as affordable routes to home ownership, focused on First Homes in line with the recently confirmed policy requirement.

278. It is considered that Dartmouth has a more urgent need for affordable rented housing than affordable home ownership. However, there is scope to provide slightly more affordable home ownership than nationally mandated minimum requirements because Dartmouth is a location with such high house prices and high inequality between residents in its sub-areas that could be addressed through more ownership.

279. The tenure mix proposed in the SPD already fulfills these imperatives in a relatively balanced way. Given the advantages of alignment with the LPA and ease of policy application, to rely on the existing guidance for South Hams rather than specify a different mix through the neighbourhood plan may well be sufficient and appropriate in this case. However, relevant considerations for this issue are set out in the HNA so that the Steering Group can specify a different mix that better aligns with the objectives and wishes of the community.

280. It is understood that the Steering Group is exploring the possibility of influencing the way that Affordable Housing allocations are made in Dartmouth in order to accommodate more households who currently live in or are connected to the area.

281. Because South Hams already operates a Local Allocations Policy, it would appear that there are two ways in which more local households could be given preference than are at present. These are: to increase the proportion of affordable lettings on larger sites in Dartmouth that will go to households with a local connection; and to define what constitutes a local connection in a more stringent or targeted way. This might take the form of a separate local lettings plan rather than a policy in the Neighbourhood Plan, but in either case would require the support of SHDC.

282. In terms of the degree of justification for action on this point, the data from the HomeChoice register and other sources gathered here certainly shows an unmet need among Dartmouth households. There are knock-on implications from this on the local services (such as schools) that depend on key workers and others to be able to find suitable affordable accommodation in reasonable proximity to their place of work, as well as on social conditions in the NA overall.

283. However, the decision to accord such households higher priority would potentially come at the expense of households who are considered to be in more urgent need from elsewhere in the district. The overall impact of such a decision and whether this would be appropriate is beyond the scope of this study.

284. It is advised that discussions with SHDC about the available options should continue and that, if further justification is sought, primary survey evidence may be the best way to identify how many local households in priority need are being passed over for Affordable Housing and what are the wider repercussions of this on the community.

5. RQ 2: Type and Size

RQ 2: What type (terrace, semi, bungalows, flats and detached) and size (number of bedrooms) of housing is appropriate for the Plan area over the Neighbourhood Plan period?

5.1 Introduction

285. The evidence in this chapter is intended to give a snapshot of the existing dwelling stock in Dartmouth in terms of type and size, as well as some of the population characteristics that tend to influence housing needs. From this, it is possible to develop an understanding of what sort of housing would be appropriate going forward.

286. It is worth emphasising that this evidence assumes that existing demographic and occupation patterns will persist into the future. It can therefore be thought of as the baseline or default scenario, into which the community may wish to intervene – for example to attract a different or more balanced demographic. The recommendations in this chapter, particularly the final suggested size mix for market housing, are a starting point that may be adjusted in light of other community objectives and primary evidence.

5.2 Existing types and sizes

5.2.1 Background and definitions

287. Before beginning this consideration of dwelling type and size, it is important to note that the demand for housing by size and type tends to be determined primarily by wealth – with those having more buying power choosing to occupy larger homes, and often preferring detached properties to denser types, such as flats.

288. This study is concerned primarily with need rather than demand. Need for homes of different sizes is chiefly determined by the number of people occupying the home. In the strict sense, there is no 'need' for dwellings of any particular type, other than the specific needs of those with certain disabilities for level access properties, for example.

289. The best proxy for the number of people in a household is age or 'life stage', with younger and then older households tending to have one or two people, and those in between these poles more likely to have larger families including children. Life stage is therefore a main indicator considered here for the size of housing needed. But it is worth pointing out that wealth is also correlated with age, so it is not possible to attain a pure view of what is needed from the secondary data alone.

290. It is also useful to clarify the terminology around dwellings and households. Dwellings are counted in the Census by combining address information with Census returns on whether people's accommodation is self-contained. As such, all dwellings are classified as either shared or unshared dwellings. Households are groups of people who live together as a coherent unit (such as a family), and a dwelling is shared where there is more than one household occupying it (e.g. two families or a group of individual students). Hence, there is usually a different number of households and dwellings in any given area. The number of dwellings can also exceed that of households in areas with large numbers of holiday or second homes.

5.2.2 Dwelling type

291. The latest data shows that Dartmouth has a large number of flats and terraces (each just under a third of all homes), with relatively fewer other house types (see Table 5-1 below).

292. Census 2011 data is also presented, but this unfortunately cannot be used to understand the changes between 2011 and 2020 because Census data counts bungalows within each of the other categories rather than independently. The additional 'unknown' and bungalow categories in the VOA data explain the apparent decline in some dwelling types from the Census figures, though subtracting the difference does suggest that some formerly semi-detached homes may now be classified as terraces (due to additional building on adjoining plots), and that some (particularly detached) dwellings may now be counted as commercial property and therefore do not appear in the VOA totals. Land Registry data on sales transactions suggests that all of the 19 newly built homes put up for sale in the open market since 2011 were flats.

Table 5-1: Accommodation type, Dartmouth, 2011 and 2020

Dwelling type	2011 (Census)	2020 (VOA)
Bungalow	-	250
Flat	1,149	1,090
Terrace	971	1,050
Semi-detached	657	510
Detached	614	420
Unknown/other	-	80
Total	3,401	3,400

Source: ONS 2011, VOA 2020, AECOM Calculations

293. It is useful to compare the mix of dwelling types in percentage terms in the two sub-areas and against wider geographies (Table 5-2 below). Despite similarities in the proportion of terraced homes in the sub-areas, Upper Town has far more semi-detached homes while Lower Town has more flats and detached homes. These are not necessarily gaps in the market since the entire NA can serve the needs and preferences of local households, and because these broad type categories disguise wide variation (for example, while flats are usually the cheapest form of housing, many of the flats in Lower Town are waterfront units commanding high values – bringing the average flat price there in line with that of terraces and semi-detached houses).

294. Compared with South Hams, Dartmouth has higher proportions of generally denser housing typologies, with more flats and terraces, and fewer detached and semi-detached homes.

295. Dartmouth also has a much lower proportion of bungalows. While there is no reason why bungalows should be more appropriate for those with mobility limitations (making the use of stairs difficult) than other level-access housing options such as flats, bungalows retain significant appeal particularly to older households. This is confirmed by anecdotal evidence from new build housing developments in the Dartmouth area, where bungalows are the fastest selling typology and for which retirees are the clearest demand segment. Whether or not the relative undersupply of bungalows in Dartmouth at present represents unmet housing need in the strict sense, it is an opportunity to satisfy evident demand. This question is relevant to subsequent sections of this chapter relating to downsizing and housing for those with support needs.

296. It is worth summarising some other anecdotal evidence provided by Baker Estates about demand for the site at Cotton Farm:

- Downsizers are a key buyer profile, with particular interest in bungalows;
- Buyers of the 3 bedroom units have so far been locals couples or individuals rather than families with children, which may be a reflection of the desire for homeworking space among professionals. The 3 bedroom units are also generally being purchased by first-time buyers, often using Help to Buy;
- 4 bedroom units tend to be preferred by families, who have not yet shown as strong demand due to travel and other restrictions during Covid-19;
- A key feature attracting buyers to new housing outside of the existing town is the availability of parking, which is perceived to be very challenging within central Dartmouth;
- The vast majority of interested parties to date are either local or have a historic connection with the area (including having holidayed there in the past).

Table 5-2: Accommodation type, various geographies, 2020

Dwelling type	Upper Town	Lower Town	Dartmouth	South Hams	England
Bungalow	8.9%	6.6%	7.4%	17.9%	9.4%
Flat	22.3%	36.8%	32.1%	12.8%	23.0%
Terrace	32.1%	30.3%	30.9%	23.6%	26.4%
Semi-detached	25.9%	9.6%	15.0%	19.0%	23.8%
Detached	6.3%	14.9%	12.4%	25.1%	15.9%
Unknown/other	3.6%	1.8%	2.4%	1.6%	0.8%

Source: VOA 2020, AECOM Calculations

5.2.3 Dwelling size

297. Table 5-3 below sets out current the mix of housing by number of bedrooms in Dartmouth with 2011 Census data presented alongside.

298. Note that the totals in the Census vary between the metric of dwelling type and dwelling size: effectively the number of dwellings by type matches the dwellings total while the number of dwellings by size matches the households total – which in Dartmouth's case is much lower because of the large number of vacant or second homes. It is understood that this is because Census returns for vacant properties did not capture number of bedrooms – a characteristic that may only be reliably known to occupants. As such, it is again difficult to draw conclusions about changes in the stock since 2011. Changes that would otherwise be attributable to new development, demolitions and extensions are here obscured by discrepancies in the data sources arising from the large number of vacant or second homes.

299. Nevertheless, the VOA data provides a reasonably accurate snapshot of the current dwelling mix, which is strongly dominated by mid-sized homes with 2-3 bedrooms.

Table 5-3: Dwelling size (bedrooms), Dartmouth, 2011 and 2020

Number of bedrooms	2011 (Census)	2020 (VOA)
1	360	430
2	861	1,220
3	976	1,220
4+	433	450
Total	2,630	3,320

Source: ONS 2011, VOA 2020, AECOM Calculations

300. Again it is useful to look at the percentage breakdown of dwelling sizes among sub-areas and higher geographies (see Table 5-4 below). Upper and Lower Town have a similar balance between 1-2 and 3+ bedroom homes (with a combined 43% and 49% respectively), though Lower Town has a much larger proportion of homes with 4+ bedrooms. Comparing with wider geographies, Upper Town is the clear outlier in terms of its low proportion of larger properties. This affects the size offering of Dartmouth as a whole, which includes fewer large homes than the district, although the overall picture is quite similar to the England average.

301. JLP Policy DEV8 allows the size and type of new dwellings to be steered in order to redress existing imbalances in the stock. There is potential justification for this in Dartmouth because the size mix is both uneven on its own terms and quite different from the district average. The clearest opportunity is to boost the provision of larger homes.

302. It is important to remember that 4+ bedroom homes are not only desired by wealthy households in search of space for guests and other uses; they are also needed by large families who may not have the financial capacity to access spacious detached homes on large plots. There are, for example, currently 6 Dartmouth households applying for (rarely available) 4+ bedroom affordable homes on the Devon HomeChoice register. Whether the need is primarily for affordable or market tenures, it can be concluded that there may be unmet needs in Upper Town for larger homes which the more expensive stock available in Lower Town is unlikely to satisfy.

Table 5-4: Dwelling size (bedrooms), various geographies, 2020

Number of bedrooms	Upper Town	Lower Town	Dartmouth	South Hams	England
1	11.6%	13.2%	12.6%	8.3%	12.0%
2	31.3%	38.6%	35.9%	28.7%	27.7%
3	45.5%	30.3%	35.9%	39.6%	43.0%
4+	8.9%	16.7%	13.2%	21.8%	15.2%

Source: VOA 2020, AECOM Calculations

5.3 Age and household composition

303. Having established the current stock profile of Dartmouth and identified recent changes to it where discernible, the evidence gathered below examines the composition and age structure of households living in the NA. Many of these indicators have a bearing on what housing might be needed in future years.

5.3.1 Age structure

304. Table 5-5 below shows the most recent estimated age structure of the Dartmouth population, alongside 2011 Census figures. The key change over the last eight years is a moderate ageing trend: all of the 0-64 age groups have slightly declined, and both of the 65+ age groups have expanded, with particular growth in the 65-84 population. Those aged 45-64 remain the largest single group despite declining as a proportion of all people.

305. Note that ONS advises exercising caution with population estimates by single year of age (from which this 2019 data has been derived), as patterns of variance and bias make it relatively less accurate compared to Census data.

306. It is also worth noting that only the age structure of the population (individuals) can be brought up to date in this way. The life stage of households, which forms the basis of the subsequent analysis of future dwelling size needs, is not estimated each year. The 2011 Census therefore remains the most accurate basis to use for those datapoints, and the brief comparison here demonstrates that the change from 2011-2019 has not been so significant as to invalidate the 2011 household data used below.

Table 5-5: Age structure of Dartmouth population, 2011 and 2019

Age group	2011 (Census)		2019 (ONS, estimated)	
0-15	731	13.0%	671	12.4%
16-24	631	11.3%	548	10.1%
25-44	1134	20.2%	947	17.4%
45-64	1676	29.9%	1,593	29.4%
65-84	1205	21.5%	1,438	26.5%
85 and over	228	4.1%	230	4.2%
Total	5,605		5,427	

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

307. Recent population estimates are also only available at parish level and cannot be broken down to Dartmouth's sub-areas. However, the 2011 Census data reveals strong contrasts, with 62% of Upper Town residents aged under 44 at that time, compared with just 30% for Lower Town. Correspondingly, 36% of Lower Town residents were aged 65+ compared with 14% for Upper Town.

308. This is a key distinction between the two areas. The older population of Lower Town is correlated with the higher costs of housing in that location, and vice versa. If there is an imperative to create more demographically balanced communities in Dartmouth, the range of housing choices and financial barriers to housing access across the two sub-areas are highly relevant factors. There may be a need to provide more affordable typologies and tenures within Lower Town to accommodate younger households and families currently priced out of the market, while expanding the number of larger family homes and typologies sought by retirees in Upper Town.

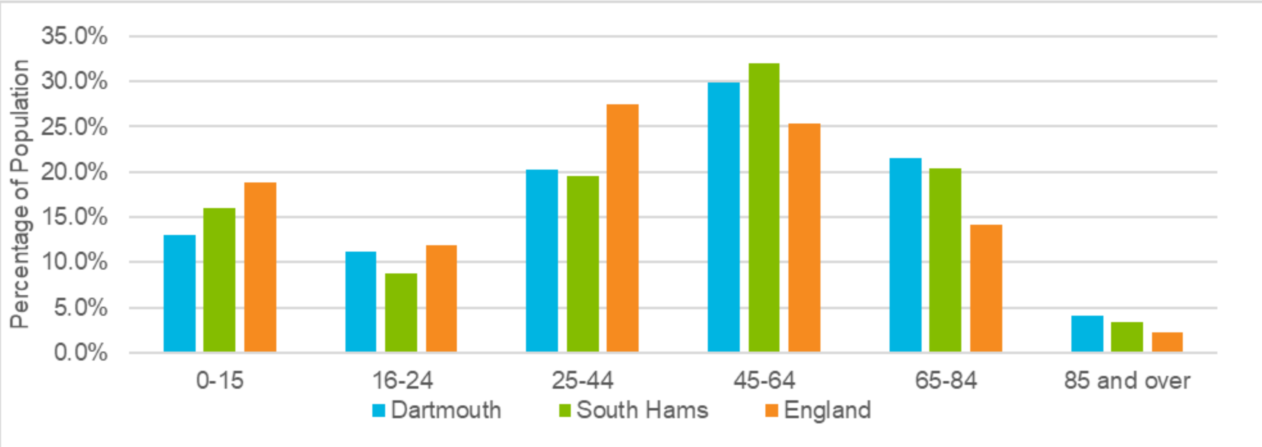
Table 5-6: Age structure of Dartmouth sub-areas population, 2011

Age group	Upper Town	Lower Town
0-15	18.6%	8.2%
16-24	17.4%	6.0%
25-44	25.8%	15.5%
45-64	24.5%	34.5%
65-84	12.5%	29.3%
85 and over	1.2%	6.5%

Source: ONS 2011

309. For context, it is also useful to look at the parish population structure alongside that of the district and country. Figure 5-1 below (using 2011 Census data) shows that the NA population was consistently older than the England average (more people in older age groups and fewer people in younger ones), and less consistently so than South Hams. A particularly large 45-64 cohort in 2011 was a driver of the increase in the older age groups in 2019.

Figure 5-1: Age structure, various geographies, 2011



Source: ONS 2011, AECOM Calculations

5.3.2 Household composition

310. Household composition (i.e. the combination and relationships of adults and children in a dwelling) is a relevant factor in the size (and to an extent, the type) of housing needed over the Neighbourhood Plan period.

311. Table 5-7 below shows that in 2011 Dartmouth had a larger proportion of one person households than the district and the country as a whole. Slightly more one-person households in Dartmouth were older than 65 than were younger. Of the parish's family households, the majority are younger than 65 and (contrary to wider trends) slightly more of them do not have dependent children than do.

312. In line with the demographic data presented above, Lower Town has a far greater proportion of one person households and families without children while Upper Town has the lowest proportion of single occupancy than any of the geographies presented and the highest proportion with dependent children.

313. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. Both parts of Dartmouth are below wider averages on this metric. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. While the data is quite old at this point, it is interesting to observe that this category grew by 39% between 2001 and 2011 in Upper Town (compared with just 9.7% growth in South Hams and a contraction in Lower Town). Despite slightly lower housing costs, this fact suggests that older children in Upper Town have fewer opportunities to form their own independent households.

Table 5-7: Household composition, various geographies, 2011

Household composition		Upper Town	Lower Town	Dartmouth	South Hams	England
One person household	**Total**	29.2%	42.1%	37.3%	30.5%	30.2%
	Aged 65 and over	11.9%	23.7%	19.3%	16.2%	12.4%
	Other	17.3%	18.4%	18.0%	14.3%	17.9%
One family only	**Total**	65.0%	54.1%	58.2%	64.5%	61.8%
	All aged 65 and over	7.1%	14.9%	12.0%	12.1%	8.1%
	With no children	17.6%	23.4%	21.2%	21.7%	17.6%
	With dependent children	30.7%	9.9%	17.6%	22.4%	26.5%
	All children Non-Dependent	9.6%	6.0%	7.4%	8.2%	9.6%
Other household types	**Total**	5.8%	3.8%	4.5%	5.0%	8.0%

Source: ONS 2011, AECOM Calculations

5.3.3 Occupancy ratings

314. The tendency of households to over- or under-occupy their homes is another relevant consideration to the future size needs of Dartmouth. A person is considered to under-occupy their home when there are more bedrooms in their home than a family of their size and composition would normally be expected to need. This is expressed as an occupancy rating of +1 or +2, indicating that there is one surplus bedroom or at least two surplus bedrooms (respectively). Over-occupancy works in the same way, with a rating of -1 indicating at least one bedroom too few.

315. Census data on occupancy rating is only provided for wards, rather than parishes. So for the purpose of this analysis, Upper Town is represented by the Dartmouth Townstal ward, and Lower Town by the Dartmouth and Kingswear ward (which extends far to the east beyond the NA). In combination these areas provide a loose proxy for the NA.

316. Across Dartmouth as a whole a combined 70% of people lived in a home with at least one extra bedroom. While there was a similar rate of people living in homes with a +1 rating in Upper and Lower Town (34%), Lower Town had a much higher proportion of +2 ratings (43% compared with 24% for Upper Town).

317. Only 3% of people across Dartmouth had a -1 rating, with a higher rate of 5.4% in Upper Town and lower rate of 2.1% in Lower Town. While this is a significant figure and indicative of overcrowding and unaffordability, the more arresting statistic is the high rate of under-occupation – particularly in Lower Town.

318. It is useful to cross-reference this data by age bracket, as presented in Table 5-8 below. It is clear that extreme under-occupancy (+2 rating) is strongly correlated with age, with those aged 50 or over much more likely to under-occupy their homes (with little variation as they age further). At the same time, 8.5% of children live in over-occupied homes – a concerning statistic.

319. While there is strong variation between the sub-areas in this data, it is interesting to note that the two notable categories discussed immediately above are relatively consistent: over-occupancy of children is 7.1% in Lower Town and 9.5% in Upper Town, and extreme under-occupancy by the 65+ age group is 52% in both locations.

Table 5-8: Occupancy rating by age in Dartmouth, 2011

Age group	+2 rating	+1 rating	0 rating	-1 rating
0-15	13.1%	33.6%	44.8%	8.5%
16-49	22.2%	36.9%	36.4%	4.6%
50-64	50.1%	32.5%	16.0%	1.4%
65 and over	51.9%	32.7%	14.5%	0.9%
All ages	36.4%	34.2%	26.1%	3.3%

Source: ONS 2011, ONS mid-2019 population estimates, AECOM Calculations

5.4 Suggested future dwelling size mix for market housing

320. As noted above, there is a strong link between the life stage of a household and the size of dwelling that household can be expected to need. The final part of this chapter presents the results of a model that aims to estimate the dwelling size needs for market housing at the end of the Neighbourhood Plan period. The steps involved in this model are not presented in full, but can be summarised – along with the underpinning assumptions and some limitations – as follows:

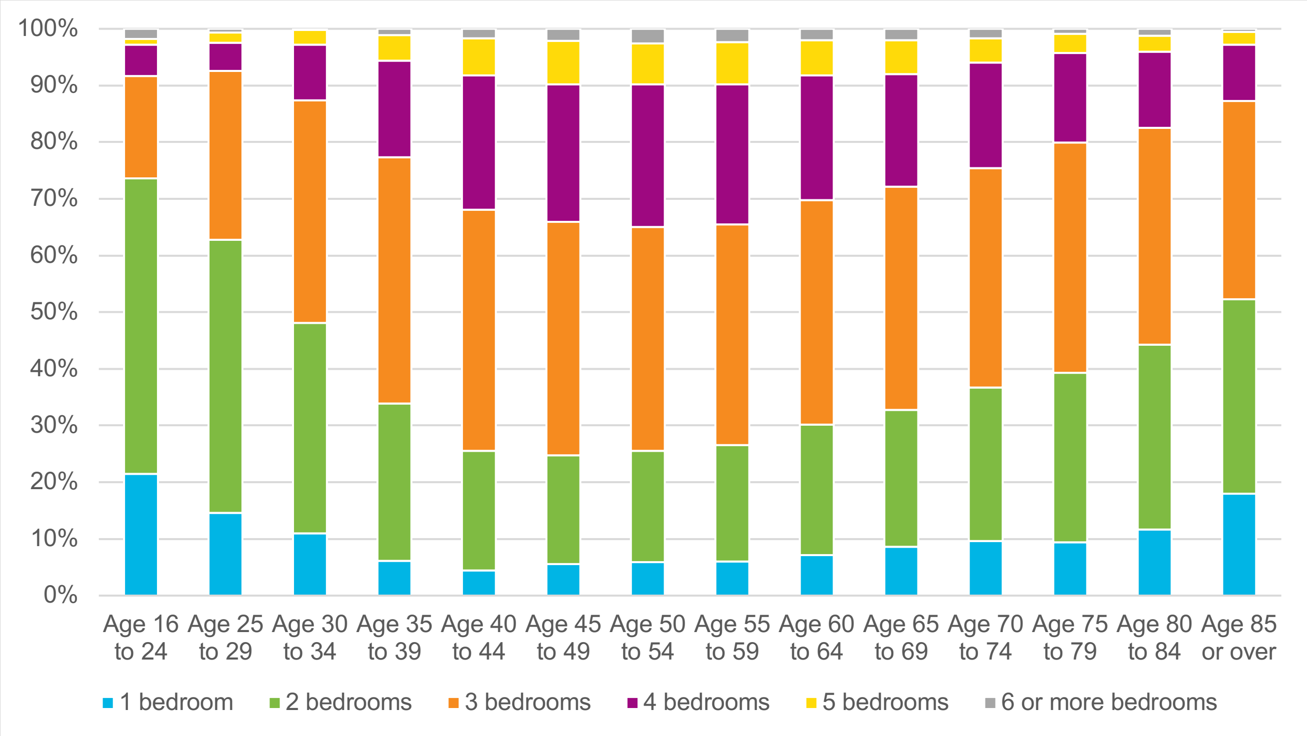
- The starting point is the age distribution of Dartmouth households in 2011.
  - The life stage of a household is determined by the age of the household reference person (HRP), a more modern term for the head of household.
  - As noted above, household life stages are not estimated annually, so the older Census data must be used.
- This life stage data is then projected forward to the end of the Plan period by applying the growth rates for each household age group as suggested by the latest household projections. This allows for an estimate of how the parish population might evolve in future.
  - ONS household projections are produced every two years but are only available at Local Authority level.
- Next, we turn to a Census dataset that shows the occupation patterns or preferences of each household life stage (e.g. what proportion of households aged under 24 tend to live in 1 bedroom homes as opposed to 2, 3 or 4 bedroom homes). This data is mapped to the distribution of the parish population for each life stage and each dwelling size category to form a picture of what mix of homes might be appropriate in future.
  - This occupation data is again only available at Local Authority scale, so it does risk embedding any unusual characteristics present in the area.
  - The model also assumes that today's occupation patterns persist into the future, which is not a given. However, there is no better indication of what those patterns might look like.
- Finally, this 'ideal' future mix of dwelling sizes can be compared to the current stock of housing in the parish. From this we can identify how future development might best fill the gaps.
- Note that the occupancy rating statistics discussed above do not directly inform this model.

321. It is important to keep in mind that this exercise provides an estimate based on demographic trends and occupancy patterns alone. It does not take into account income and wealth, other than in an indirect way through the tendency of households to occupy more or less space than they 'need'. This approach also embeds existing patterns of occupancy which may or may not be desirable. It is therefore appropriate for this to be taken as a baseline scenario – what would occur if current trends continued. It may well be the intention of the community to intervene to produce a different outcome more in line with their place- and community-shaping objectives.

322. Before presenting the results of this exercise, it may be interesting to review two of the inputs described above.

323. The first, given as Figure 5-2 below, sets out the relationship between household life stage and dwelling size for South Hams in 2011. This shows how the youngest households occupy the smallest dwellings, before quickly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes as they age.

Figure 5-2: Age of household reference person by dwelling size, South Hams, 2011



Source: ONS 2011, AECOM Calculations

324. The second dataset of note is the result of applying Local Authority level household projections to the age profile of Dartmouth households (only available for 2011). Table 5-9 below makes clear that population growth can be expected to be driven by the oldest households, with the 65 and over category increasing by nearly two-thirds on 2011 levels to become by far the dominant group at 50% of the projected total, while all other groups experience decline or minimal growth.

325. There are limitations with this exercise in that the age distribution of Dartmouth households today will be different to the snapshot provided by the 2011 Census, and because the future evolution of the population in Dartmouth will differ from that projected for South Hams as a whole. However, it offers a reasonable basis to understand what the future population might look like.

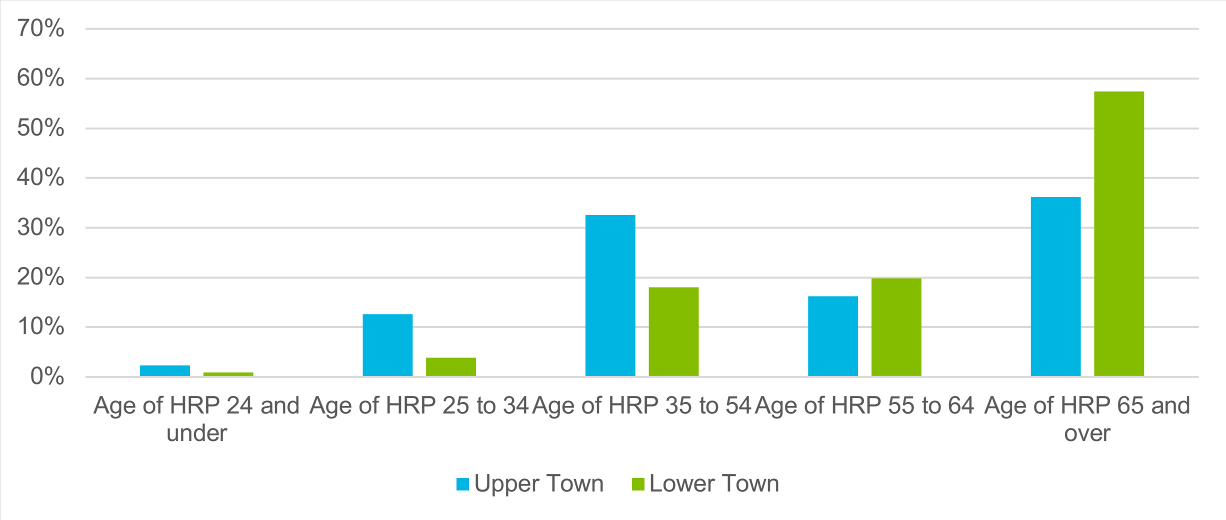
Table 5-9: Projected distribution of household life stages, Dartmouth, 2011-2034

Year	Age of HRP 24 and under	Age of HRP 25 to 34	Age of HRP 35 to 54	Age of HRP 55 to 64	Age of HRP 65 and over
2011	53	217	787	572	1,006
2018	47	217	731	574	1,227
2034	44	222	739	595	1,603
% change 2011-2034	-17%	2%	-6%	4%	59%

Source: AECOM Calculations

326. It is also worthwhile to repeat this exercise for each of the sub areas since they have such different starting age distributions. The same rates of change in the bottom row of the table above are applied to each, which is not realistic, but the comparison is still revealing. Figure 5-3 below displays the projected age distribution of households in the two sub areas in 2034, with Lower Town dominated by the oldest age group and Upper Town exhibiting greater balance.

Figure 5-3: Projected distribution of household life stages, Dartmouth sub-areas, 2034



Source: ONS 2011, AECOM Calculations

327. The final result of this exercise for Dartmouth as a whole is presented below in Table 5-10. The model suggests that new development should be focused strongly on the larger end of the size spectrum.

Table 5-10: Suggested dwelling size mix to 2040

Number of bedrooms	Current (2020) distribution	Target (2040) distribution	Balance of new housing to reach target mix
1	13.4%	9.1%	0.0%
2	34.8%	27.0%	0.0%
3	37.9%	38.9%	38.5%
4+	14.0%	25.0%	61.5%

Source: Census 2011, AECOM Calculations

328. This result may initially be surprising: if the population is expected to age dramatically and older households tend to occupy slightly smaller homes than the average (notwithstanding the under-occupancy of older age groups in Dartmouth specifically), it would follow that slightly smaller homes would be needed. However, the effects of demographic change are in this case outweighed by the impact of Dartmouth's slightly unusual starting mix.

329. Regardless of how the population evolves, South Hams's occupation patterns suggest that more households will want to occupy 4+ bedroom homes than are presently available in the NA. Even though the ideal distribution only proposes that 25% of homes fall into this category, because just 14% of homes do at present, this represents the biggest shortfall among all size categories.

330. This is an important finding: housing choices would be widened and families better accommodated if larger homes were delivered in Dartmouth – particularly in Upper Town where the starting dwelling mix is smaller and the population is younger (thus more likely to have more children in future). However, it is not recommended as the sole basis on which to plan for the community's emerging needs. Further relevant considerations that would justify departing from this relatively imbalanced recommended mix are provided in the conclusion below.

331. In conclusion, there are good reasons for all sizes of home to be encouraged in Dartmouth in future years. It is recommended that the Neighbourhood Plan encourage additional provision of appropriately priced larger homes to address the present undersupply and accommodate families. However, this should be done as part of a dwelling size mix that is balanced overall and which meets the needs of a growing older population as well as those currently priced out of the market.

332. A less prescriptive policy steer in this area, taking into account the considerations listed above, might be a target for at least half of new market homes to have 3 or more bedrooms, and for potential schemes to have regard to the existing dwelling mix in their immediate surroundings (with, loosely speaking, more larger homes in Upper Town than in Lower Town).

333. This evidence also does not reflect other constraints and issues that might have a bearing on the demographic makeup and housing needs of Dartmouth residents going forward, such as topographical constraints, the capacity of infrastructure and public transport or the availability of employment that might attract young people to remain in the area or not. These wider factors and any other priorities of the community can be layered on top of the above starting point to reach a dwelling mix that best meets local needs and community objectives.

5.5 Conclusions- Type and Size

The existing stock and occupancy patterns

334. Dartmouth has a relatively imbalanced stock of housing: it is characterised by a large proportion of flats and terraces (particularly in Lower Town), and the vast majority of homes have 2 or 3 bedrooms (with Upper Town featuring a particularly low proportion of larger homes with 4 or more bedrooms). JLP Policy DEV8 allows the size and type of new dwellings to be controlled in order to redress existing imbalances in the stock. There is potential justification for this in Dartmouth.

335. Two key potential gaps in the market are bungalows, which exist at less than half the rate of South Hams as a whole and are the most popular typology on new development sites (which is not surprising given Dartmouth's age profile and status as a destination for retirees), and large properties accessible to those with less financial means – especially in Upper Town.

336. Discrepancies in data sources over time due to the high number of vacant or second homes in Dartmouth make it difficult to draw conclusions about the impact of recent development on the housing stock, but transactions data suggests that the vast majority of new development in recent years has delivered flats.

337. Households in Dartmouth are more likely to contain only one person than in South Hams or England, and this is particularly so in Lower Town where 42% are single households. The overall proportion of households with children is correspondingly lower in Dartmouth than wider geographies, though again there is a contrast between the sub-areas: 31% of Upper Town households include dependent children compared to just 10% in Lower Town. Upper Town also saw significant growth to 2011 in non-dependent children living at home, possibly because they were unable to afford independent accommodation.

338. In terms of under-occupancy of housing, a substantial 70% of Dartmouth residents lived in a home with at least one more bedroom than their household might be expected to need. There is again a difference between sub-areas, with 43% of Lower Town residents having two or more spare bedrooms, compared with 24% in Upper Town. The rate of overcrowding in Upper Town was higher than Lower Town but at 5.4% the number of people living in homes with at least one bedroom too few was not particularly significant, pointing to a small but important segment of the population potentially living in poor housing conditions.

339. There are strong correlations between this data and demographics, with those aged 50 or over much more likely to under-occupy their homes in Dartmouth and 8.5% of children living in over-occupied homes – the highest rate of any age group and a concerning statistic.

340. Given the characteristics of the housing stock noted above, there is an apparent mismatch here in that Upper Town is home to more children but fewer large homes and consequently sees more overcrowding. Conversely, Lower Town has larger, more expensive housing that tends to be under-occupied by residents.

Demographics

341. The age structure of the population is a key indicator of the future need for housing. As of 2019 Dartmouth has a relatively well-balanced population, with similar proportions falling into the 16-44, 45-64 and 65-84 age bands. That said, the population profile is older than that of South Hams or England. Since the 2011 Census the population has continued to age, with all of the 0-64 age groups declining while the 65+ age groups have expanded.

342. Though recent population estimates cannot be broken down to Dartmouth's sub-areas, 2011 Census data reveals strong contrasts: 62% of Upper Town residents were aged under 44 at that time, compared with just 30% for Lower Town. Correspondingly, 36% of Lower Town residents were aged 65+ compared with 14% for Upper Town.

343. This is a further key distinction between the two areas. The older population of Lower Town is correlated with the higher costs of housing in that location (established in the previous chapter), and vice versa. If there is an imperative to create more demographically balanced communities in Dartmouth, the range of housing choices and financial barriers to housing access across the two sub-areas are highly relevant factors. There may be a need to

provide more affordable typologies and tenures within Lower Town to accommodate younger households and families currently priced out of the market, while expanding the number of larger family homes and typologies sought by retirees in Upper Town.

344. Despite this distinction, for Dartmouth as a whole older people are likely to become the largest source of demand for housing in future years, whether they intend to occupy the same dwellings they currently live in, or perhaps move within the community to a home better suited to the size of their household or their evolving needs. Applying South Hams household projections to the Dartmouth population suggests that by 2040 the 65+ group could increase by near two thirds while all other age groups decline or remain flat.

The future dwelling mix

345. The results of a life stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period in order to understand what should be built, suggests that new development should be focused strongly on the larger end of the size spectrum.

346. This result may initially be surprising: if the population is expected to age dramatically and older households tend to occupy slightly smaller homes than the average (notwithstanding the under-occupancy of older age groups in Dartmouth specifically), it would follow that slightly smaller homes would be needed. However, the effects of demographic change are in this case outweighed by the impact of Dartmouth's slightly unusual starting mix.

347. To a degree, the need for more affordable options for young families and downsizers is in conflict with the imperative to widen housing choice by delivering size categories that are less abundant at present (particularly 4+ bedrooms).

348. This size mix recommendation conveys an important finding: housing choices would be widened and families better accommodated if larger homes were delivered in Dartmouth – particularly in Upper Town where the starting dwelling mix is smaller and the population is younger (thus more likely to have more children in future). However, it is not recommended as the sole basis on which to plan for the community's emerging needs. Further relevant considerations that would justify departing from this relatively imbalanced recommended mix are summarised below.

Further considerations

349. <u>The Neighbourhood Plan objective for a more balanced demographic mix</u> (and other place-shaping priorities): The mix presented here embeds the current demographic mix and existing trends towards ageing. For Dartmouth as a whole the demographic mix is imbalanced in favour of older households (when compared to the district and country). Therefore to attain greater balance between population age brackets, an intervention would be needed to favour the dwelling sizes preferred by younger people. As is evident in Figure 5-2, these are homes with fewer bedrooms. As such, the recommended mix might be balanced out to promote more smaller properties (chiefly those with 2 bedrooms since 1 bedroom homes are well supplied already).

350. <u>The contrast between the Upper and Lower Town</u> in terms of both demographics and housing stock: To a degree, the balance discussed in the point above could be achieved through greater circulation of Dartmouth households between and around the two sub-areas, rather than through new construction. While this is not a matter the Neighbourhood Plan can directly control, any efforts to dissolve the affordability barrier between the two sub-areas or to provide diversity by directing larger homes to Upper Town and more affordable options to Lower Town, could be beneficial.

351. <u>The high rate of under-occupancy among older households</u>: While it is certainly the case that many older households wish to under-occupy their homes in order to accommodate guests and possessions, and will have the financial capability to do so, there may also be an opportunity to improve Dartmouth's offering to older households through new developments aimed at downsizers with well thought-out, adaptable and high-quality designs.

352. It is worth noting that there is already a plentiful stock of 2 and 3 bedroom homes in the NA, and 1 bedroom homes are unlikely to be appealing to most older households. To best meet their needs it should therefore be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility. If not, further 2-3 bedroom homes, if well-designed, would make a valuable contribution to the existing mix.

353. Such efforts could facilitate moves within the community that may free up larger homes for occupancy by larger families if this is within their buying power. It may also be the case that provision of specialist accommodation for

older households with emerging support needs may result in moves out of the generally larger dwellings such households occupy at present (see the subsequent chapter for more on this segment of need).

354. The form that dwellings in particular size categories tend to take: For the Neighbourhood Plan to encourage 4+ bedroom homes may be to invite development schemes offering ‘executive’ housing aimed at the luxury and second home end of the market. This HNA argues that the future size mix of housing should be influenced by demographics, affordability, and gaps in the existing stock. Given the evidence on those points gathered here, larger housing should rather be designed to accommodate families with less buying power (particularly in Upper Town).

355. The serious and worsening challenge of housing affordability: While this can be combatted through the provision of subsidised tenures (as described in the previous chapter), the affordability of market housing can be generally improved by delivering smaller and/or denser housing types.

356. The size mix for Affordable Housing: While the size mix for market housing given here, being driven by demographics, theoretically applies to the total population (regardless of tenure), it stands apart from the size mix for Affordable Housing, which should generally be informed by the size needs of households on the Devon HomeChoice register. To a degree, the finding presented here may justify a future-proofing increase in the number of larger affordable rented properties.

The size mix of affordable home ownership is typically more limited because such dwellings are aimed at newly forming households looking for 2-3 bedrooms. However, as noted in the preceding chapter, such products will primarily serve more established households with greater buying power who may indeed need larger homes to accommodate their families.

357. The need for balance: More generally, given the limited expected volume of new development during the Plan period, it would be unwise for any new housing that does come forward to be delivered in an unbalanced way (i.e. with too much emphasis on large homes). Those wishing to move within or relocate to the area will have a range of circumstances and preferences, and they should be offered a range of choices.

358. In conclusion, there are good reasons for all sizes of home to be encouraged in Dartmouth in future years. It is recommended that the Neighbourhood Plan encourage additional provision of appropriately priced larger homes to address the present undersupply and smaller homes to accommodate young families’ budgets and older people. However, this should be done as part of a dwelling size mix that is balanced overall and which meets the needs all household life stages and circumstances.

359. It is also important that consideration is given to qualitative evidence about the needs of local people and the community’s wider priorities. It may well be the intention of the community to intervene to produce a different outcome than is suggested in the secondary evidence gathered here, and that would be more in line with their place- and community-shaping objectives. In addition, issues of design, character and topography will necessarily play a part in decisions about what new development in Dartmouth should look like. The recommendations in this section represent a starting point for further thought and consultation.

6. RQ3: Specialist housing for older people

RQ3: What provision should be made for specialist housing for older people and those with support needs over the Neighbourhood Plan period?

6.1 Introduction

360. This chapter considers the specialist housing needs of older and disabled people in Dartmouth. The level of care associated with specialist housing products can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. extra care, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but this is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently and care or support can be provided in the home.

361. People experience ageing differently. Much depends on their health, lifestyle and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.

362. Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution – as an idea of the broad scale of potential need rather than an obligatory target that must be met.

363. The specialist housing needs of older people (75+) are assessed below using two methods. The first is a tenure-led projection, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool,[8] which is based on best practice nationally and sets a recommended level of provision per 1,000 head of population.

364. It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as a baseline as opposed to the projected new households which form the baseline for estimating housing need overall.[9]

365. This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).[10] Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for the elderly) are not within the scope of this research. Unfortunately, however, the dividing line between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

6.2 Approach

366. The analysis in this section is undertaken for Dartmouth as a whole without disaggregating to sub-areas because data on the current population is only available down to parish level, and because it is assumed that the needs of older households in either Lower or Upper Town could reasonably be met by new specialist accommodation in either area or by policy promoting accessibility and adaptation across the NA as a whole.

367. That said, the previous chapter has established a clear distinction between the demographic profiles of the two sub-

[8] Available at https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/

[9] See Paragraph: 017 Reference ID: 2a-017-20190220, at https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments)

[10] For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

areas, with most of the older population residing in Lower Town. While this does suggest that focusing the provision and adaptation of age-friendly housing in Lower Town would best serve the very local population and avoid moves away from existing social and support networks, there is also an opportunity to create more balanced communities by delivering such housing in Upper Town as though to encourage circulation of age groups between the two areas. Which of these two imperatives is appropriate is not a determination for the HNA to make, but it is worth considering the implications of each.

6.2.1 Current supply of specialist housing for older people

368. When determining a final target for the need for specialist dwellings, it is necessary first to take account of current supply. Here, information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: http://www.housingcare.org.

369. Table 6-1 below counts a total of 95 units of specialist accommodation in the NA at present, all of which are available for social rent or through an almshouse charity for those in financial need. There appear to be no private rent or market purchase options available. ONS 2019 population estimates suggest that there are currently around 747 individuals aged 75 or over in Dartmouth. This suggests that current provision is in the region of 127 units per 1,000 of the 75+ population.

370. It is worth noting that the 2011 Census counts 290 Dartmouth residents as living in a C2 communal establishment at that time. As noted previously, this is likely to be related to the Naval College, though it could also include care homes that are not reflected on the Elderly Accommodation Counsel website or may have closed since the Census.

Table 6-1: Existing specialist housing for the elderly in Dartmouth

Name	Description	Units	Tenure	Type and size
Holdsworth House	Retirement housing with support (visiting management staff and Careline alarm service)	41	Social rent	Flats, 1 or 2 bedroom
Dartmouth United Charities Almshouses	Age-exclusive housing with visiting management staff and alarm service. Restricted to existing Dartmouth residents in need.	19	Alsmhouse	Flats, 1 2 bedroom, 18 2 bedroom
Churchill Court	Retirement housing with support (visiting management staff and Careline alarm service)	15	Social rent	Flats, all 1 bedroom
Kings Quay House	Retirement housing with support (visiting management staff and Careline alarm service)	16	Social rent	Flats, all 1 bedroom
Victoria Road	Age-exclusive housing with alarm service	4	Social rent	Flats, 1 or 2 bedroom

Source: http://www.housingcare.org

6.2.2 Tenure-led projections

371. Turning to determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across South Hams in the 2011 Census, as this is the most recent and smallest geography for which tenure by age bracket data is available.

372. The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2034. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

373. **Error! Reference source not found.** 6-2 below shows that the vast majority of 55-75 year-olds in South Hams in 2011 were homeowners, a rate far in excess of that in the overall population (59%). Less than 20% of such households rent, with a slight majority of these in social rather than private rented housing.

Table 6-2: Tenure of households aged 55-75, South Hams, 2011

All owned	Owned outright	Owned with a mortgage, loan or Shared Ownership	All rented	Social rented	Private rented	Living rent free
81.2%	59.1%	22.1%	**18.8%**	9.5%	8.2%	1.1%

Source: Census 2011

374. The next step is to project how the overall number of older people in Dartmouth is likely to change in future, by extrapolating 2019 population estimates using the ONS Sub-National Population Projections for South Hams in 2034. The results are set out in Table 6-3 below. It appears that the 75+ population in the parish will increase from 14% of the total currently to 19% in 2034 – equivalent to 388 additional older individuals. Note that because the current population estimates cannot be disaggregated to sub-parish scale, estimates for Upper and Lower Town are not provided. It is reasonable to expect, however, that the majority of the elderly population and the majority of the growth in this cohort, reside in Lower Town.

Table 6-3: Modelled projection of elderly population in Dartmouth by end of Plan period

Age group	2019		2034	
	Dartmouth	South Hams	Dartmouth (AECOM Calculation)	South Hams (ONS projection)
All ages	5,427	87,004	5,952	95,427
75+	747	10,890	1,135	16,553
%	13.8%	12.5%	19.1%	17.3%

Source: ONS 2019 mid-year population estimates, ONS population projections 2018-based, AECOM Calculations

375. A key assumption for the next stages of the calculation is that the 747 older households living in the parish in 2019 are suitably accommodated at present, either because they do not require support or adaptations, occupy the existing stock of specialist accommodation or have made appropriate adaptations to their own homes. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture).

376. The people whose needs are the focus of the subsequent analysis are therefore the additional 388 individuals expected to join the 75+ age group between 2019 and 2034. This figure should also be converted into households with reference to the average number of people per household with a lifestage of 75+ in South Hams in 2011 (the smallest and most recent dataset to capture households). In 2011 there were 9,251 individuals aged 75+ and 6,647 households headed by a person in that age group. The average household size is therefore 1.39, and the projected growth of 388 people in Dartmouth can be estimated to be formed into around 279 households.

377. The next step is to multiply this figure by the percentages of 55-75 year olds occupying each tenure (Table 6-2 above). This is set out in Table 6-4 below.

Table 6-4: Projected tenure of households aged 75+ in Dartmouth by the end of the Plan period

All owned	Owned outright	Owned with a mortgage, loan or shared ownership	All rented	Social rented	Private rented	Living rent free
227	165	62	**52**	26	23	3

Source: Census 2011, ONS SNPP 2013, AECOM Calculations

378. Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table 6-5 below presents this data for Dartmouth from the 2011 Census. Note that the closest proxy for the 75+ age group in the Census is the 65+ age group.

Table 6-5: Tenure and mobility limitations of those aged 65+ in Dartmouth, 2011

Tenure	All categories: Long-term health problem or disability	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories: Tenure	**1,411**	**292**	**20.7%**	**367**	**26.0%**	**752**	**53.3%**
Owned or shared ownership: Total	**1,052**	**172**	**16.3%**	**250**	**23.8%**	**630**	**59.9%**
Owned: Owned outright	909	152	16.7%	224	24.6%	533	58.6%
Owned: Owned with a mortgage or loan or shared ownership	143	20	14.0%	26	18.2%	97	67.8%
Rented or living rent free: Total	**359**	**120**	**33.4%**	**117**	**32.6%**	**122**	**34.0%**
Rented: Social rented	236	87	36.9%	78	33.1%	71	30.1%
Rented: Private rented or living rent free	123	33	26.8%	39	31.7%	51	41.5%

Source: Census 2011

379. It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure to arrive at the final tenure-led estimate for specialist housing needs. The number of households falling into potential need for specialist accommodation over the Plan period is 126.

380. These findings are set out in Table 6-6 below, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day-to-day activities limited only a little may simply need adaptations to their existing homes, or sheltered or retirement living that can provide some degree of oversight or additional services. It is important to note that even those people who have high care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

Table 6-6: AECOM estimate of specialist housing need in Dartmouth by the end of the Plan period

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. extra care)	Multiply the number of people across all rented tenures (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	Multiply the number of people across all owner-occupied housing by the percent of occupiers in that tenure who have day to day activity limitations limited a lot	**55**
	18	37	
Adaptations, sheltered, or retirement living	Multiply the number of people across all rented housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	Multiply the number of people across all owned housing by the percent of occupiers in that tenure who have day to day activity limitations limited a little	**71**
	17	54	
Total	**35**	**91**	**126**

Source: Census 2011, AECOM Calculations

6.2.3 Housing LIN-recommended provision

381. It is worth comparing the above findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the most simple and widely used models estimating for the housing needs of older people. Table 6-7 below reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided given the increase in their numbers over the Plan period, and how these should be split into the different tenures.

Table 6-7: Recommended provision of specialist housing for older people from the SHOP toolkit

FORM OF PROVISION	ESTIMATE OF DEMAND PER THOUSAND OF THE RELEVANT 75+ POPULATION
Conventional sheltered housing to rent	60
Leasehold sheltered housing	120
Enhanced sheltered housing (divided 50:50 between that for rent and that for sale)[36]	20
Extra care housing for rent	15
Extra care housing for sale	30
Housing based provision for dementia	6

Source: HLIN SHOP Toolkit

382. As Table 6-3 shows, Dartmouth is forecast to see an increase of 388 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent = 60 x .388 = 23
- Leasehold sheltered housing = 120 x .388 = 47
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = 20 x .388 = 8
- Extra care housing for rent = 15 x .388 = 6
- Extra care housing for sale = 30 x .388 = 12
- Housing based provision for dementia = 6 x .388 = 2

383. This produces an overall total of 98 specialist dwellings which might be required by the end of the plan period.

384. Table 6-8 below sets out the HLIN recommendations in the same format as Table 6-6 above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

Table 6-8: HLIN estimate of specialist housing need in Dartmouth by the end of the Plan period

Type	Affordable	Market	Total
Housing with care (e.g. extra care)	Includes: enhanced sheltered housing for rent + extra care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + extra care housing for sale	28
	12	16	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	70
	23	47	
Total	**35**	**63**	**98**

Source: Housing LIN, AECOM calculations

6.3 Conclusions- Specialist housing for older people

Demographic trends and the quantity of housing needed

385. There are approximately 95 units of specialist accommodation in Dartmouth at present. These are exclusively for social rent or almshouses for those in financial need, with no private rent or market purchase options available. This equates to roughly 127 units per 1,000 of the current 75+ population (a common measure of the rate of specialist housing provision).

386. ONS 2019 population estimates suggest that there are currently around 747 individuals aged 75 or over in Dartmouth. This is projected to increase to 1,135 by 2034 (an increase of 388 older people).

387. The potential need for specialist housing with some form of additional care for older people can be estimated by bringing together data on population projections, rates of disability, and what tenure of housing the current 55-75 cohort occupy in the NA. This can be sense-checked using a toolkit based on national research and assumptions.

388. These two methods of estimating the future need in Dartmouth produce a range of 98 to 126 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here.

389. It is important for specialist housing for older people to be provided in sustainable locations that offer access to amenities and public transport for residents as well as enabling staff to live nearby. The suitability of Dartmouth for older people's accommodation is beyond the scope of this study, but its size and clear evidence of existing specialist housing suggest that it is suitable. However, there may be other settlements nearby that are less suitable, with older residents who may look to places like Dartmouth to meet their needs. This possibility might also be factored into efforts to increase provision in the NA.

390. It has been assumed that the needs of older households in either Lower or Upper Town could reasonably be met by new specialist accommodation in either area or by policy promoting accessibility and adaptation across the NA as a whole. That said, the previous chapter has established a clear distinction between the demographic profiles of the two sub-areas, with most of the older population residing in Lower Town.

391. While this does suggest that focusing the provision and adaptation of age-friendly housing in Lower Town would best serve the very local population and avoid moves away from existing social and support networks, there is also an opportunity to create more balanced communities by delivering such housing in Upper Town as though to encourage circulation of age groups between the two areas. Which of these two imperatives is appropriate is not a determination for the HNA to make, but it is worth considering the implications of each.

Characteristics of need for specialist housing

392. The overall range described above includes housing at various levels of support as well as both market and affordable housing. It can therefore be broken down into ranges for each of those categories as follows. Note that these ranges should be thought of as two pairs (one concerning level of care and another concerning tenure), with the totals of each pair overlapping rather than additional to one another.

- Extra care housing: 28-55 units;
- Sheltered housing: 70-71 units;
- Affordable specialist accommodation: 35 units;
- Market specialist accommodation: 63-91.

393. The estimate of need for extra care housing (28-55 units) is high in relation to the projected need for 322 units of extra care housing for South Hams as a whole identified in the South Hams Refresh of the Commissioning Strategy for Extra Care Housing (2015). If that figure is prorated to Dartmouth (6.7% of the South Hams population live in Dartmouth) the result is 22 units, which both estimates here exceed. To some degree this reflects the ageing of the population that has occurred in the intervening period since the strategy was refreshed, but it may also be a result of the different methodologies used. 22 units may well be considered a more appropriate lower bound for the range.

394. The JLP allocation for Land at Cotton (TTV4) is understood to include extra-care provision, although publicly available documents do not appear to show how many units are expected at this time. Depending on the size of this scheme it may be possible for the extra-care needs identified here to be met. Given that the current stock of

specialist housing is focused on sheltered accommodation, this would be a valuable injection of supply for those with more acute needs.

395. The larger quantity of need for sheltered housing, around 70 units, may therefore be the focus of any additional provision in the area beyond the existing allocations. That said, this need is by definition driven by those with less severe support needs, which have the potential to be met though adaptations to the existing housing stock.

396. Given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue open to the Neighbourhood Plan is therefore to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the JLP, and to encourage the adaptation of existing properties through grant schemes and other means (though it is acknowledged the Neighbourhood Plan may have less influence over changes to the existing stock).

397. JLP Policy DEV9 requires that at least 20% of dwellings on schemes of 5 or more dwellings should meet national standards for accessibility and adaptability (Category M4(2)), and at least 2% of dwellings on schemes of 50 or more dwellings should meet national standard for wheelchair users (Category M4(3)). The evidence gathered here would appear to justify seeking a higher target in Dartmouth where viable.

398. The split between affordable and market provision, averaged across the two ranges, is 32% affordable to 68% market accommodation. This finding is aligned with the proportion of all housing that SHDC expects to be affordable (30%), and would anyway not generally justify a departure from that strategic policy. It is not known what proportion of the extra care provision at Cotton will be affordable, but the relatively strong existing provision of socially rented specialist accommodation and the larger need for market housing estimated here suggests that there is a potential gap in the market.

399. Future development proposals might usefully be encouraged to include a proportion of provision aimed exclusively at the older market, particularly the segment already holding housing equity and therefore having the desire and ability to buy a home better suited to their evolving needs. As noted in the previous chapter, this may satisfy demand among downsizing older households and potentially release under-occupied larger units in the existing stock for occupation by larger families.

7. Conclusions

7.1 Overview

401. Table 7-1 below sets out in full the conclusions and recommendations of this Neighbourhood Plan housing needs assessment, based on the evidence reviewed and analysed.

Table 7-1: Summary of study findings with a potential impact on Neighbourhood Plan housing policies

Issue	Summary of evidence and data assessed	Key conclusions and recommendations
Tenure and affordability	Dartmouth's current tenure mix exhibits a lower rate of home ownership than South Hams and England, correspondingly more social renting and similar amounts of private renting and shared ownership. Between the 2001 and 2011 Censuses, Upper Town experienced a significant 134% increase in private renting. Home values in Dartmouth have increased over the last ten years, with the result that the median home now costs around £55,000 more than in 2011. The current median is £185,000 in Upper Town and £430,000 in Lower Town. The average household income in Dartmouth is £35,600, and the lower quartile income (per person) for former South Hams was £10,667 in 2019. The LSOA covering urban Townstal is among the 30% most deprived neighbourhoods in the country, while the rest of Dartmouth is considered far less deprived. With reference to the 2017 SHMA, it can be roughly estimated that Dartmouth will require around 6.5 units of affordable rented housing per year. This equates to roughly 85 units over the Neighbourhood Plan period to 2034. Despite turnover in the existing stock in the region of 36 units during 2020, there remain 121 Dartmouth households on the waiting list for Affordable Housing. The HNA calculates that around 25 (rounded) households per year may be interested in affordable home ownership (or 321 for the entirety of the Plan period).	There is an opportunity to lift rates of home ownership in Upper Town, including through affordable routes to ownership, and to address the undersupply of social rented accommodation in Lower Town. Local households on average incomes are unable to access even an entry-large homes unless they have the advantage of a very large deposit. The median house price in Lower Town would require an annual income three times the current average, a fact that may be both a cause and an effect of the rise in second home ownership. Private renting appears broadly affordable and there is a relatively large cohort of people who can afford to rent but not to buy who may be well served by affordable routes to home ownership. Shared ownership (25%) and rent to buy would potentially allow lower earning households to get a foot on the housing ladder, while First Homes – which should be delivered at the maximum possible discount level of 50% – provides better long-term support to those with slightly higher incomes. Affordable rented housing is generally affordable to households with two lower earners depending on their household size (average earning households are unlikely to be eligible). However, households with a single lower earner appear unable to afford any of the tenures considered. There is a strong case to maximise the delivery of affordable rented housing in Dartmouth wherever possible, as part of Section 106 obligations on allocated sites and any potential community-led or exception schemes. The size mix of any new affordable rented housing should be determined with reference to the need or eligibility captured on the HomeChoice register either at an appropriate point in time or using a multi-year average to smooth out any temporary anomalies. AECOM recommends that Dartmouth follows the existing Affordable Housing tenure mix set out in the SPD: 65% of Affordable Housing units should take the form of rented tenures such as social and affordable rent, with the remaining 35% as affordable routes to home ownership, focused on First Homes in line with the recently confirmed policy requirement.

Issue	Summary of evidence and data assessed	Key conclusions and recommendations
Type and size	Dartmouth has a relatively imbalanced stock of housing: it is characterised by a large proportion of flats and terraces (particularly in Lower Town), and the vast majority of homes have 2 or 3 bedrooms (with Upper Town featuring a particularly low proportion of larger homes with 4 or more bedrooms). 31% of Upper Town households include dependent children compared to just 10% in Lower Town. Upper Town also saw significant growth to 2011 in non-dependent children living at home, possibly because they were unable to afford independent accommodation. 70% of Dartmouth residents lived in a home with at least one more bedroom than their household might be expected to need. 43% of Lower Town residents having two or more spare bedrooms, compared with 24% in Upper Town. Those aged 50 or over are much more likely to under-occupy their homes in Dartmouth and 8.5% of children living in over-occupied homes. As of 2019 Dartmouth has a relatively well-balanced population, with similar proportions falling into the 16-44, 45-64 and 65-84 age bands. Applying South Hams household projections to the Dartmouth population suggests that by 2040 the 65+ group could increase by near two thirds while all other age groups decline or remain flat. 62% of Upper Town residents were aged under 44 in 2011, compared with just 30% for Lower Town.	Two key potential gaps in the market are bungalows, which exist at less than half the rate of South Hams as a whole and are the most popular typology on new development sites, and large properties accessible to those with less financial means – especially in Upper Town. Upper Town is home to more children but fewer large homes and consequently sees more overcrowding. Conversely, Lower Town has larger, more expensive housing that tends to be under-occupied by residents. If there is an imperative to create more demographically balanced communities in Dartmouth, the range of housing choices and financial barriers to housing access across the two sub-areas are highly relevant factors. There may be a need to provide more affordable typologies and tenures within Lower Town to accommodate younger households and families currently priced out of the market, while expanding the number of larger family homes and typologies sought by retirees in Upper Town. The results of a life stage modelling exercise, which looks at the sizes of dwelling occupied by households at different life stages and projects the growth and decline of those household age groups over the Plan period in order to understand what should be built, suggests that new development should be focused strongly on the larger end of the size spectrum. However, demographics and imbalances in the existing stock are not recommended as the sole basis on which to plan for the community's emerging needs. Further considerations include the Neighbourhood Plan objective for a more balanced demographic mix, the contrast between Upper and Lower Town, the trickle-down effects of housing downsizers, the characteristics of different housing typologies, established affordability issues and the size mix for social housing, and site-specific factors.

Issue	Summary of evidence and data assessed	Key conclusions and recommendations
Specialist housing	There are approximately 95 units of specialist accommodation in Dartmouth at present. These are exclusively for social rent or almshouses for those in financial need, with no private rent or market purchase options available. ONS 2019 population estimates suggest that there are currently around 747 individuals aged 75 or over in Dartmouth. This is projected to increase to 1,135 by 2034 (an increase of 388 older people).	The potential need for specialist housing with some form of additional care for older people is estimated at a range of 98 to 126 specialist accommodation units that might be required during the Plan period. These estimates are based on the projected growth of the older population, thereby assuming that today's older households are already well accommodated. If this is found not to be the case, it would justify aspiring to exceed the range identified here. The overall range described above includes housing at various levels of support as well as both market and affordable housing. It can therefore be broken down into ranges for each of those categories as follows: • Extra care housing: 28-55 units; • Sheltered housing: 70-71 units; • Affordable specialist accommodation: 35 units; • Market specialist accommodation: 63-91. The need for sheltered housing may be the focus of any additional provision in the area beyond the existing allocations. That said, this need is by definition driven by those with less severe support needs, which have the potential to be met though adaptations to the existing housing stock. Another avenue open to the Neighbourhood Plan is to require standards of accessibility and adaptability in new development to be met at more ambitious levels than those mandated in the JLP.

7.2 Recommendations for next steps

402. This Neighbourhood Plan housing needs assessment aims to provide Dartmouth with evidence on a range of housing trends and issues from a range of relevant sources. We recommend that the Neighbourhood Plan Group should, as a next step, discuss the contents and conclusions with SHDC with a view to agreeing and formulating draft housing policies, bearing the following in mind:

- All Neighbourhood Planning Basic Conditions, but in particular Condition E, which is the need for the Neighbourhood Plan to be in general conformity with the strategic policies of the adopted development plan;
- The views of SHDC;
- The views of local residents;
- The views of other relevant local stakeholders, including housing developers and estate agents; and
- The numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by SHDC.

403. This assessment has been provided in good faith by AECOM consultants on the basis of housing data, national guidance and other relevant and available information current at the time of writing.

404. Bearing this in mind, it is recommended that the Steering Group should monitor carefully strategies and documents with an impact on housing policy produced by the Government, SHDC or any other relevant party and review the Neighbourhood Plan accordingly to ensure that general conformity is maintained.

405. At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Housing Needs Assessment Glossary

Adoption

This refers to the final confirmation of a local plan by a local planning authority.

Affordability

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

Affordability Ratio

Assessing affordability involves comparing housing costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

Affordable Housing (NPPF Definition)

Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods[11].

Age-Restricted General Market Housing

A type of housing which is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

[11] The Tenant Services Authority has issued an explanatory note on these methods at http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf

Annual Monitoring Report

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

Basic Conditions

The Basic Conditions are the legal tests that are considered at the examination stage of neighbourhood development plans. They need to be met before a plan can progress to referendum.

Backlog need

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, over-crowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

Bedroom Standard[12]

The bedroom standard is a measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

Co-living

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen space with others. In co-living schemes each individual represents a separate 'household'.

Community Led Housing/Community Land Trusts

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

Community Right to Build Order[13]

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

Concealed Families (Census definition)[14]

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender

[12] See https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report

[13] See https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary

[14] See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

Extra Care Housing or Housing-With-Care

Housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Fair Share

'Fair share' is an approach to determining housing need within a given geographical area based on a proportional split according to the size of the area, the number of homes in it, or its population.

First Homes

The Government introduced a new tenure product called First Homes in April 2021 (when the consultation was concluded and response published). First Homes will provided a discount of at least 30% on the price of new homes. These homes will be made available to first time buyers as a priority but other households may be eligible depending on agreed criteria. New mainstream developments are required to provide 25% of their Affordable Housing contribution as First Homes.

Habitable Rooms

The number of habitable rooms in a home is the total number of rooms, excluding bathrooms, toilets and halls.

Household Reference Person (HRP)

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

Housing Market Area

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

Housing Needs

There is no official definition of housing need in either the National Planning Policy Framework or the National Planning Practice Guidance. Clearly, individuals have their own housing needs. The process of understanding housing needs at a population scale is undertaken via the preparation of a Strategic Housing Market Assessment (see below).

Housing Needs Assessment

A Housing Needs Assessment (HNA) is an assessment of housing needs at the Neighbourhood Area level.

Housing Products

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing.

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms);

or in terms of the number of rooms, excluding 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 more than one household, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

This refers to the type of accommodation used or available for use by an individual household (i.e. detached, semi-detached, terraced including end of terraced, and flats). Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

Housing Tenure (Census Definition)

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

Income Threshold

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

Intercensal Period

This means the period between the last two Censuses, i.e. between years 2001 and 2011.

Intermediate Housing

Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low-cost homes for sale and intermediate rent, but not affordable rented housing. Homes that do not meet the above definition of affordable housing, such as 'low-cost market' housing, may not be considered as affordable housing for planning purposes.

Life Stage modelling

Life Stage modelling is forecasting need for dwellings of different sizes by the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at neighbourhood level so LPA level data is employed on the basis of the NA falling within its defined Housing Market Area.

Life-time Homes

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: http://www.lifetimehomes.org.uk/.

Life-time Neighbourhoods

Lifetime neighbourhoods extend the principles of Lifetime Homes into the wider neighbourhood to ensure the public realm is designed in such a way to be as inclusive as possible and designed to address the needs of older people, for example providing more greenery and more walkable, better connected places.

Local Development Order

An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

Local Enterprise Partnership

A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

Local housing need (NPPF definition)

The number of homes identified as being needed through the application of the standard method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

Local Planning Authority

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District Council, London Borough Council, County Council, Broads Authority, National Park Authority or the Greater London Authority, to the extent appropriate to their responsibilities.

Local Plan

This is the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies form part of the Local Plan and are known as 'Development Plan Documents' (DPDs).

Lower Quartile

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example for first time buyers.

Lower Quartile Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

Market Housing

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market.

Mean (Average)

The mean or the average is, mathematically, the sum of all values divided by the total number of values. This is the more commonly used "average" measure as it includes all values, unlike the median.

Median

The middle value, i.e. of all the properties sold, half were cheaper and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

Median Affordability Ratio

The Lower Quartile Affordability Ratio reflects the relationship between Median Household Incomes and Median House Prices, and is a key indicator of affordability of market housing for people on middle-range incomes.

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years[15], i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development

[15] See https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/

will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

A plan prepared by a Parish or Town Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

Older People

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

Output Area/Lower Super Output Area/Middle Super Output Area

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

Overcrowding

There is no single agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

Planning Obligation

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

Purchase Threshold

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

Proportionate and Robust Evidence

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of neighbourhood planning, sufficient so as to meet the Basic Conditions, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Neighbourhood Plan Examiners.

Private Rented

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living “rent free”. Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

Retirement Living or Sheltered Housing

Housing for older people which usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to rightsize to a smaller dwelling. The popularity of this trend is debatable as ties to existing communities and the home itself may outweigh issues of space. Other factors, including wealth, health, status and family circumstance also need to be taken into consideration, and it should not be assumed that all older households in large dwellings wish to rightsize.

Rural Exception Sites

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable dwellings without grant funding.

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75%, and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered Housing[16]

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the Plan period. SHLAAs are sometimes also called LAAs (Land Availability Assessments) or HELAAs (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole

[16] See http://www.housingcare.org/jargon-sheltered-housing.aspx

housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

Specialist Housing for the Elderly

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.[17]

[17] See http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing