Report for:

Eastleigh Borough Council

Housing Needs Study

Final Report – June 2015

jg Consulting
Quality Specialist Research

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Summary

Introduction

1. This report provides a review of housing needs in Eastleigh Borough for the period 2011 to 2036 and develops an objective assessment of the need for additional housing provision. The analysis fulfils the key requirements of a Strategic Housing Market Assessment (SHMA) as set out in the National Planning Policy Framework (NPPF) and Department for Communities and Local Government (DCLG) advice of March 2014 (*Housing and Economic Development Needs Assessment*).

2. The document is an update to the earlier South Hampshire SHMA, completed in January 2014 and a subsequent analysis of the implications of the 2012-based subnational population projections (SNPP) by ONS (report by JGC dated June 2014). The analysis in this report is also mindful of the Inspector's comments in relation to housing provision in the Eastleigh Borough Local Plan 2011-2029 – following the examination, the Inspector made clear that he considered that the new housing proposed in the Plan would be insufficient to meet needs over the plan period.

3. The National Planning Policy Framework (NPPF) sets out that Local Plans should seek to meet objectively-assessed development needs in their areas where feasible and should plan to deliver a mix of housing based on current and future demographic trends, market trends and the needs of different groups within the community.

4. The NPPF provides greater policy freedoms regarding development densities, levels of brownfield development and site size thresholds for affordable housing. In determining affordable housing policies, account though needs to be taken of wider policies in the Plan including sustainability standards, infrastructure policies, its relationship to CIL and wider economic viability.

5. National Planning Policy Guidance (PPG) provides some clarity about how parts of the NPPF should be interpreted. This is particularly in relation to calculating Objectively Assessed Needs for housing, although guidance is also provided around affordable housing needs, market signals, housing market area definitions and the needs of specific groups in the population.

6. Development needs should be met at a housing market area level with a 'duty to cooperate' with adjoining local authorities where it is clear that cross-boundary linkages exist. On the basis of studying up-to-date information from the 2011 Census it is considered that Eastleigh is not a self-contained housing market area and that the strongest links place in within a Southampton housing market area. However, relatively strong links are also identified with Winchester (an area which only partially falls within the Southampton HMA as defined in past research such as the South Hampshire SHMA).

7. This report is structured around the key requirements of the PPG and is split into a number of sections which build up an understanding and analysis of the housing market and housing need in Eastleigh Borough. The sections that follow are:

- Trend-based Demographic Projections
- Economic-led Projections
- Affordable Housing Need
- Housing Market Dynamics and Market Signals
- Need for Different Types and Sizes of Homes
- Conclusions – Overall Housing Needs

Trend-based Demographic Projections

8. The PPG is clear that the latest official projections should for the start point for an analysis of housing need. The most recent (2012-based) household projections were published by DCLG in February 2015 and these are underpinned by the 2012-based subnational population projections (SNPP) – published in May 2014.

9. The 2012-based SNPP indicates population growth of 20% over the 2011-36 period. This is above the projected growth across Hampshire (15%), the South East (19%) and England (17%). The 2012-based subnational population projections (SNPP) look to be a sound demographic projection. Population growth sits in-line with both long- and short-term trends until later in the projection period where the rate of population growth is expected to decline – the decline in the population growth rate is linked to a reduction in the level of natural change (births minus deaths) as well as a slightly reducing level of net migration (which in turn is linked to the changing age profile in the Borough and in areas from which people typically migrate to the Borough). Overall, the projected levels of net migration are consistent with past trend data.

10. Alternative projections using longer-term (12-year) migration levels and an adjustment for unattributable population change (UPC) show population growth (and hence housing need) which is either above (UPC adjustment) or below (12-year trends) the 2012-based SNPP – reinforcing the SNPP as being broadly reasonable (i.e. alternative ways of looking at the data do not definitively suggest that either a higher or lower figure would be more appropriate than the official projections).

11. The 2012-based DCLG household projections also look to be reasonably sound when considering age specific household formation rates. The only age group where there is some concern is people aged 25-34 where there does appear to be some degree of suppression in the past and being projected forward. The implications of suppressed household formation are considered as part of the Market Signals section (below).

12. The 2012-based population and household projections suggest a need for about 520 dwellings per annum to be provided (2011-36). This takes account of 2013 mid-year estimate (MYE) population data and includes an uplift to take account of vacant homes (a figure of 2.4% has been used; derived from 2011 Census data).

Figure 1: Projected household growth 2011-36 – 2012-based SNPP (as adjusted by 2013 MYE) and 2012-based headship rates	
	2012-based rates
Households 2011	52,392
Households 2036	65,079
Change in households	12,687
Per annum	507
Dwellings (per annum)	520

Economic-led Projections

13. As well as looking at demographic trends when considering housing need, DCLG advice suggests considering economic (job growth) forecasts and the overlay with expected growth in the labour-force supply.

14. Analysis of both an Oxford Economics (OE) and an Experian economic forecast suggests job growth of about 10,200 to 12,400 over the 2013-36 period. Taking account of commuting and double jobbing it is estimated that this level of job growth would require an additional 10,000 and 12,100 resident workers.

15. Taking account of potential changes to employment rates (linked to reductions in unemployment, changes to pensionable age and past trends) it is estimated for the population to grow in-line with the forecasts that between 496 and 552 additional homes would need to be provided. These figures are around 5% higher or lower than that derived from demographic projections (520 per annum).

Figure 2: Meeting job growth forecasts (with 2012-based DCLG headship rates)		
	Oxford Economics	Experian
Households 2011	52,392	52,392
Households 2036	64,504	65,863
Change in households	12,112	13,471
Per annum	484	539
Dwellings (per annum)	496	552

16. On balance, it is therefore considered that the economic forecasts do not put any particular pressure on the overall need for housing in the Borough– this is due to the projections linked to economic forecasts suggesting a housing need that is within about 5% (in either an upward or downward direction) of the need suggested by the latest official projections.

17. It is also worth noting that the OE forecasts are arguably superior to those access via Experian; this is due to the OE work having been 'tailor made' for the South Hampshire authorities rather than being an 'off the shelf' forecast as is the case with Experian.

18. In any case, the issue of job growth should be considered at a sub-regional level and take into account commuting patterns between areas and the extent to which these might become 'unsustainable'.

Affordable Housing Need

19. Planning Policy Guidance sets out a model for assessing affordable housing need. The model is essentially identical to that set out in 2007 SHMA guidance (the earlier guidance providing more detail about the methodology to use for specific parts of the model). In line with guidance, the analysis is based on secondary data sources. It draws on a number of sources of information including 2011 Census data, demographic projections, house prices/rents and income information.

20. The modelling has estimated current housing need in 2011 of 640 households, excluding existing social housing tenants where they would release a home for another household in need. The housing needs model then looked at the balance between needs arising and the supply of affordable housing. Each year an estimated 670 households are expected to fall into housing need and 260 properties are expected to come up for relet.

21. Overall, in the period from 2011 to 2036 a net deficit of 10,900 affordable homes is identified (436 per annum). There is thus a requirement for new affordable housing in the Borough and the Council is justified in seeking to secure additional affordable housing. This figure is based on an assumption that households spend no more than 30% of their income on housing costs; if this threshold is raised to 40% (which would be consistent with Government policy and typical letting agency practice) then the affordable need falls to 266 per annum.

Figure 3: Estimated level of Affordable Housing Need (per annum) at Variant Income Thresholds

	@ 25%	@ 30%	@ 35%	@ 40%
Current Need	29	26	22	19
Newly forming households	598	504	427	366
Existing households falling into need	177	167	154	140
Total Need	805	696	603	525
Supply	260	260	260	260
Net Need	545	436	343	266

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

22. However, the link between the affordable housing need and the overall need for housing (or the objectively assessed need) is complex. Once account is taken of the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis does not provide any evidence of a need to consider additional housing to help meet the need. However some additional housing could potentially be considered as part of a market signals adjustment to help improve affordability for younger households. A modest uplift would not be expected to generate any significant population growth (over and above that shown by demographic projections) such that consideration of lower housing numbers in other areas would need to be agreed through the Duty to Cooperate.

23. Further analysis identifies that about a quarter of the need could be met through intermediate housing and the remaining three quarters through provision of social/affordable rented homes. The types of intermediate housing could include products such as shared ownership or shared equity, although the cost of such products should be carefully considered to ensure they are genuinely affordable – this will need to include consideration of any deposit requirements which may be a barrier to access for a number of households.

Housing Market Dynamics and Market Signals

24. The PPG sets out that housing numbers suggested by household projections should be adjusted if necessary to reflect appropriate market signals, as well as other market indicators of the balance between demand for and supply of dwellings. It indicates that prices or rents rising faster than the national/local average may indicate particular market undersupply relative to demand. It identifies a number of relevant market signals:

- Land Prices – where price premiums indicate a shortage of land in a locality;
- House Prices and Rents – where longer-term changes in prices may indicate a supply-demand imbalance;
- Affordability – using the ratio of lower quartile house prices to lower quartile incomes to assess relative affordability of market housing;
- Rates of Development – through comparison of rates of permissions and completions relative to planned numbers over a meaningful period;
- Overcrowding – whereby long-term increases in overcrowded, concealed and sharing households, homelessness and numbers in temporary accommodation should be considered.

25. The extent to which the demographic 'starting point' for identifying the need for housing (i.e. the DCLG's household projections) needs to be boosted to address market signals is necessarily an area of judgement. The PPG is clear that the more significant the affordability constraints and the stronger other indicators of high demand, the larger the improvement in affordability needed and therefore the larger the additional supply response should be.

26. Overall the analysis of market signals points to some affordability pressures in the Borough, particularly when data is compared with the national position. However, on balance it is considered that the scale of adjustment to housing supply over and above demographic-led projections should only be moderate.

27. Guidance does not however set out how such an adjustment should be quantified. It simply sets out that it should be 'reasonable'. It is important to consider how these housing market trends relate through to demographic projections in considering, as the PPG recommends, whether there is a case for adjusting levels of housing provision in effect to improve affordability over the longer-term.

28. The demographic analysis indicates that levels of household formation, particularly for younger households, have fallen. It would therefore be appropriate to consider an adjustment to the overall assessment of housing need to improve affordability over time in line with the approach outlined in the PPG.

29. The population aged 25-34 have lower household formation rates than has been seen historically and the rates have dropped considerably from 2001 to 2011. A sensitivity analysis has therefore been run which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to the levels seen in 2001 (i.e. before they started to decline).

30. This analysis suggests a housing need for some 563 dwellings per annum – an uplift of 43 dwellings on the core demographic projections – this is an 8% uplift. This uplift is considered to be reasonable and additionally reflects a 22% uplift on the figure that would have been derived as a start point if the previous 2011-based DCLG projections were still the most up-to-date.

31. An assessed housing need of 563 dwellings per annum is therefore considered to be a positive response to the market signals identified in analysis. Provision of more dwellings than is identified as needed through the household projections will assist in dealing with supressed household formation and will assist in meeting change within the existing population such as allowing concealed households to 'emerge' and reduce levels of overcrowded/sharing households.

Figure 4: Projected household growth 2011-36 – 2012-based SNPP (as adjusted) and 2012-based headship rates – with market signals uplift

	Market signals uplift
Households 2011	52,392
Households 2036	66,137
Change in households	13,745
Per annum	550
Dwellings (per annum)	563
From SNPP model	520
Potential uplift	43
% uplift	8.3%

Need for Different Types and Sizes of Homes

32. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (25-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes:

Figure 5: Suggested mix of homes by size and broad tenure

	1-bed	2-bed	3-bed	4+ bed
Market	5%	35%	45%	15%
Affordable	30%	40%	25%	5%
All dwellings	15%	35%	40%	10%

33. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

34. The mix identified above should inform strategic Borough-wide policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

35. Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.

36. Demographic change is likely to see a requirement for additional levels of care/support along with provision of some specialist accommodation in both the market and affordable sectors – it is estimated that around 13% of new provision should be some form of specialist housing for older people. Additionally, the analysis identifies a potential need for 23 additional Registered Care bedspaces per annum in the future.

Conclusions – Overall Housing Need

37. The NPPF (and PPG) sets out that plans should be prepared on the basis of meeting full needs for market and affordable housing. The guidance sets out that the latest national projections should be seen as a starting point but that authorities may consider sensitivity testing projections in response to local circumstances and the latest demographic evidence.

38. In accordance with the planning guidance, the latest DCLG household projections (2012-based) have formed the starting point for the assessment. These projections indicate a need for around 520 homes per annum (2011-36). The population data underpinning this projection is considered to be sound with the household formation rates in the 2012-based projections being notably more positive than in the earlier 2011-based version. The 2011-based projections focussed on the 2001-11 period which is considered to include some degree of suppression whereas the 2012-based projections use a longer time-series for analysis (using data back to 1971 – therefore including periods where the housing market was arguably more buoyant).

39. The guidance then effectively sets out a number of tests which should be applied in order to consider whether there is a case to adjust the level of housing provision (particularly upwards relative to the demographic evidence). Paraphrasing the guidance, these tests can be broadly described as follows:

- Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?
- How do the demographic projections 'sit' with the affordable housing needs evidence, and should an increase in housing supply be considered to meet affordable needs?
- What do economic forecasts say about job growth? Is there evidence that there will be a labour force shortage in the area and how might this impact on the locations of housing?

Test 1: Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?

40. The first of the above tests relates to whether there is evidence that household formation rates in the projections have been constrained. Looking at the detailed information underpinning the latest (2012-based) household projections it is considered that there is no particular evidence that any suppression of household formation has been taken forward into the future 'trends'. This can be seen when comparing the future household formation rates with those in the older (2008-based) household projections – the 2008-based data is considered to be relatively unconstrained given that it is largely based on trends in the 1971-2001 period. The future rate of change in the headship rates are generally on a similar trajectory to those in earlier projections. Hence, at a general level there is no need to consider an uplift to the housing numbers.

41. However, closer inspection of the figures shows a particular 'suppression' in the household formation rates of people aged 25-34 – this is the one group thought to have been most affected by the state of the housing market (through issues such as mortgage availability constraints). Moving forward, the 2012-based projections are anticipating that decreases in the formation rates of this age group would be less pronounced than seen in the 2001-11 period, however it is arguable that improvements (rather than deterioration) could be expected in a better functioning housing market.

42. Analysis in this report has therefore sought to test the impact of household formation rates in the 25-34 age group returning to the levels observed in 2001. Making this adjustment sees the level of need increase to 563 dwellings per annum – an 8% uplift from the core demographic projections.

Test 2: How do the demographic projections 'sit' with the affordable housing needs evidence, and should an increase in housing supply be considered to meet affordable needs?

43. The second test is to consider the ability of overall housing numbers to ensure affordable housing needs can be satisfied. Following the approach advocated by the guidance, the net affordable housing need identified in Eastleigh from 2011 to 2036 is around 436 households each year (this is based on affordability threshold of 30% and reduces to 266 if the threshold is raised to 40%).

44. This level of affordable need (the 436) represents 77% of a total housing need of 563 homes per annum (or 47% if the higher threshold is used); however further analysis suggests that many of the households in need are 'existing' households and do not therefore add to the overall need for housing. Taking account of this, the net affordable housing need in Eastleigh decreases to 244 households each year, which is 43% of the total housing need. Additionally, the private rented sector (PRS) is providing a significant number of benefit supported lettings. Overall, the affordable 'market' looks to be roughly in balance although provision of additional affordable housing would assist in reducing the reliance on the private rented sector moving forward. The extent to which the PRS continues to address affordable housing needs is a policy decision.

45. Overall, the level of affordable need does not appear to be putting any additional (and upward) pressure on overall housing needs. The market signals adjustment suggested above will however assist in providing a number of additional affordable homes as well as improving affordability and access to housing for younger households.

Test 3: What do economic forecasts say about job growth? Is there evidence that there will be a labour force shortage in the area and how might this impact on the locations of housing?

46. In line with guidance, consideration has also been given to the implications of future economic and employment trends on population growth and housing needs. Data to inform this analysis has been taken from both an Oxford Economics and Experian forecast.

47. When translating the forecasts of job growth into labour-force growth, overall population growth and housing need it is clear that the economic projections do not suggest any particular need to increase housing provision in the Borough – the most-robust forecast (from Oxford Economics) indicates a lower potential need, with the Experian forecast suggesting a slightly higher need.

Comments on Eastleigh Inspector's Report

48. The Inspector for the Eastleigh Local Plan 2011-2029 published his report in February 2015. He concluded that the plan was unsound, with insufficient housing provision being the main reason for this decision. Whilst many of the views of the Inspector are reasonable, it is considered that some have now been superseded (e.g. due to new data publications).

49. On demographic projections, the Inspector suggests giving consideration to the projections in the South Hampshire SHMA as a starting point. The PPG is clear that the starting point should be the most up-to-date DCLG projections – a new set were published in February 2015 and therefore supersede figures in the SHMA. The Inspector also suggests giving consideration to projections which include an adjustment for Unattributable Population Change (UPC) – given the new projections, it is not thought that UPC is relevant.

50. The Inspector suggests uplifting the housing numbers to take account of affordable housing and market signals. It is accepted that this is a reasonable approach. However, we would caution against a high level of uplift given that this will potentially generate a greater level of population growth in the Borough (which would need to be offset in other areas through the Duty to Cooperate).

51. In general, it is suggested that significant weight is given to the latest DCLG household projections (and the ONS population projections underpinning these) and that any level of housing provision which is based on different assumptions about population growth will need to be carefully considered, fully justified (by evidence) and agreed with neighbouring authorities.

52. Given that the latest set of population and household projections look to be sound, it is recommended that housing provision should be closely linked to those projections – subject to consideration of a modest uplift to take account of market signals. Any further uplift would be a 'policy-on' decision that should be underpinned by co-operation with other local authorities in the PUSH area.

Overall Conclusion on Housing Need

53. Drawing the range of evidence together, it is concluded that 563 homes per annum would be a reasonable objective assessment of need (about 14,100 homes over the 2011-36 period). It should be recognised that this is an objective, policy-off analysis and takes no account of land supply or development constraints within the Borough. The NPPF and PPG dictate that assessments are undertaken in this way.

1. Introduction

Introduction

1.1 This document provides a review of housing needs in Eastleigh Borough for the period 2011 to 2036 and develops an objective assessment of the need for additional housing provision The analysis fulfils the key requirements of a Strategic Housing Market Assessment (SHMA) as set out in the National Planning Policy Framework (NPPF) and DCLG advice of March 2014 (*Housing and Economic Development Needs Assessment*).

1.2 The document is an update to the earlier South Hampshire SHMA, completed in January 2014 and a subsequent analysis of the implications of the 2012-based subnational population projections (SNPP) by ONS (report by JGC dated June 2014). The analysis in this report is also mindful of the Inspector's comments in relation to housing provision in the Eastleigh Borough Local Plan 2011-2029 – following the examination, the Inspector made clear that he considered that the new housing proposed in the Plan would be insufficient to meet needs over the plan period.

1.3 This study considers up-to-date information; including that from ONS mid-year population estimates, the 2011 Census, 2012-based ONS subnational population projections (SNPP), an Oxford Economics economic forecast prepared for the Solent Local Enterprise Partnership (LEP) and DCLG household projections (particularly the 2012-based version). This document does not constitute a full SHMA although key requirements of an SHMA are fully reviewed and updated. This includes:

- An overview of new (2011 Census) data about migration and travel to work patterns.
- An analysis of housing need using up-to-date demographic and economic data to assist in determining the objective level of housing need for Eastleigh
- A review of current 'market signals' and affordable housing need and their relationship to overall housing need

National Planning Policy Framework

1.4 The Government published its National Planning Policy Framework (NPPF) in March 2012. The NPPF sets out that the purpose of planning is to help achieve sustainable development. It establishes a presumption in favour of sustainable development (paragraph 14) which should be seen as a golden thread running through both plan-making and decision making. It sets out that for plan making this means:

- *Local planning authorities should positively seek opportunities to meet the development needs of their area;*
- *Local Plans should meet objectively assessed needs, with sufficient flexibility to respond to rapid change, unless:*
  - *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework as a whole; or*
  - *specific policies in the Framework indicate development should be restricted.*

1.5 Core planning principles which should underpin both plan-making and decision-making are set out in Paragraph 17. The third of these is relevant to determining housing provision, and provides that planning should:

Proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of residential and business communities.

1.6 Paragraph 47 explains that the Government's ambition is to significantly boost the supply of housing. To do so LPAs should:

Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with policies in the Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period.

1.7 This is reaffirmed in Paragraph 50 which provides that local planning authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community.

1.8 A Local Plan is required to set out the strategic priorities for the area, including the homes and jobs needed. In paragraph 158 the Framework provides that:

Local Plans should be based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated and take full account of relevant market and economic signals.

1.9 Paragraph 159 explains that a Strategic Housing Market Assessment (SHMA) should form the key part of the evidence base for policies for housing provision. The Strategic Housing Market Assessment should assess full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The scope of the SHMA is defined as follows:

The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- *meets household and population projections, taking account of migration and demographic change;*
- *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community;*
- *caters for housing demand and the scale of housing supply necessary to meet this demand.*

1.10 All three of the bullet points above are dealt with in this report with a particular focus on the first of the three. Likely housing needs arising from analysis of a range of up-to-date information sources have been studied. These include the 2011 Census, 2012-based ONS subnational population projections (SNPP), 2012-based DCLG household projections and new mid-year population estimates (the latest being published in June 2014).

National Planning Practice Guidance

1.11 Planning Practice Guidance (PPG) for England was issued by Government in March 2014. This includes Guidance on '*Housing and Economic Development Needs Assessment*s'. This specifically sets out guidance on how assessments such as this are expected to be undertaken.

1.12 The Guidance is clear that planning authorities are expected to consider the need for market and affordable housing, defining need as follows:

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

1.13 It sets out that the assessment of need should be realistic in taking account of the particular nature of that area, and should be based on future scenarios that could be reasonably expected to occur. It should not take account of supply-side factors or development constraints, with the guidance specifically stating that:

"The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, infrastructure or environmental constraints."

1.14 The Guidance outlines that whilst estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need, the starting point for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (DCLG). At the time of preparation of this report these are 2012-based Household Projections.

1.15 The PPG sets out that plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to underlying demographic projections and household formation rates. It sets out that account should also be taken of the most recent demographic evidence, including the latest Office for National Statistics (ONS) population estimates.

1.16 It suggests that proportional adjustments should be made where market signals point to supply being constrained relative to long-term trends or other areas in order to improve affordability. It identifies a range of market signals, specifically:

- Land Prices;
- House Prices;
- Rents;
- Affordability;
- Rates of Development; and
- Overcrowding.

1.17 It indicates that the housing need number suggested by household projections should be adjusted to reflect appropriate market signals. Through a process of comparing trends in these indicators with long-term trends (in terms of absolute levels and rates of change) in the housing market area, similar demographic and economic areas and nationally; consideration should be given to adjust upwards planned housing numbers based solely on household projections. The adjustment should be proportionate to the degree of affordability constraints and evidence of high demand.

1.18 Evidence of affordable housing needs is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing. It sets out that:

"An increase in the total housing figures included in the local plan should be considered where it could help to deliver the required number of affordable homes."

1.19 Reinforcing the emphasis in Paragraph 159 in the NPPF on ensuring alignment of the evidence and strategies for housing and economic growth across relevant functional areas, the Planning Practice Guidance set out that:

"where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems."

1.20 It cautions against reducing migration assumptions based on economic evidence unless this approach is agreed with other local planning authorities under the duty to cooperate.

Planning Advisory Service (PAS) – technical advice note

1.21 In June 2014 PAS published a technical advice note *'Objectively Assessed Need and Housing Targets'*. The advice has no official status but has been developed based on existing good practice and the recommendations of Planning Inspectors. Where relevant, key parts of the PAS guidance have been quoted within this report.

The 2013/14 South Hampshire Strategic Housing Market Assessment (SHMA)

1.22 In January 2014, the South Hampshire Strategic Housing Market Assessment, prepared by GL Hearn was published. The study defined the extent of the relevant housing market areas (HMAs) covering the South Hampshire area; and then considered the objectively-assessed need for housing within them. The report considered the overall need for housing, the need for different types of homes, and the housing needs of different groups within the community in line with the requirements of the 2012 National Planning Policy Framework (NPPF).

1.23 The SHMA defines two housing market areas (HMAs) which cover the majority of the South Hampshire sub-region, with the Isle of Wight functioning as its own separate housing market area. The report defines a Southampton-focused (West) Housing Market Area; and a Portsmouth-focused (East) Housing Market Area. A degree of overlap between these two HMAs was also identified, particularly within Fareham Borough and the southern parts of Winchester City Council's area; but also some interactions with surrounding areas around the boundaries of the South Hampshire area. This included with Lymington in the west; Chichester and Bognor Regis to the east and towards Winchester and Petersfield to the north. Overall, the analysis undertaken in the SHMA concluded that the South Hampshire area remains a sensible basis for strategic planning for housing provision based on the information currently available..

1.24 The SHMA concluded that provision of 4,160 homes per annum across the South Hampshire area would represent a robust basis for forward planning based on the demographic evidence and market signals. This is split between the two housing market areas with an assessed need for:

- 2,115 homes per annum across the Portsmouth (East) Housing Market Area to 2036; and
- 2,045 homes per annum in the Southampton (West) Housing Market Area

1.25 The methodology employed to derive these figures was based on the most up-to-date (at the time) demographic projections, and included consideration of economic growth potential (based on consideration of an Experian economic forecast), affordable housing need and market signals. This approach is in-line with the PPG.

1.26 Although it is considered that the assessment of housing need is more robust at a HMA level, the report also sought to present figures for individual local authorities – for Eastleigh a housing need of 615 dwellings per annum was put forward.

1.27 Since the SHMA was completed, a number of new data sources have become available. Most notably, the Office for National Statistics (ONS) has published a new set of (2012-based) subnational population projections (SNPP) and these have been taken forward by DCLG into a new set of (again 2012-based) household projections. In addition, the South Hampshire authorities now also have access to a 'tailor-made' economic forecast from Oxford Economics; this is an improvement of the situation in the SHMA where economic-based projections were linked to an 'off the shelf' forecast from Experian. Furthermore, ONS has released new data (from the Census) about migration and travel-to-work patterns.

1.28 With the publication of the new SNPP, JGC were commissioned by the Council to assess the implications of the new projections on the need for housing. The study concluded that the need for housing across the Southampton HMA was for around 2,000 homes per annum (very similar to the SHMA). For Eastleigh it was concluded a need for some 532 dwellings per annum in the 2011-36 period, with a slightly higher figure of 549 per annum from 2011 to 2029 (the time period being used in the, at the time, emerging Local plan).

1.29 The key change since the SHMA is the publication of new household projections. Indeed, on the same day as the projections were released (27th February 2015), DCLG updated the PPG to make it clear that this source of information should be used in assessments of need. In paragraph 016 of the PPG it is stated that *'the 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth'* [emphasis added].

1.30 Recognising that a number of new sources of information have been published which can assist in determining the need for housing in Eastleigh, the remainder of the report considers these to form a view about the level of housing provision needed in Eastleigh; this can then be used to assist in formulating policies about the quantum and types of homes to be provided in the future.

The Eastleigh Inspector's Report

1.31 On the 11th February 2015, the Inspector for the Eastleigh Borough Local Plan 2011-2029, Simon Emerson, published his final report. This followed an interim report in December 2014. The overall conclusion of the Inspector's report was that the level of new housing proposed in the Plan would be insufficient to meet needs over the plan period. Throughout this report comments are made on some of the key findings of the Inspector and their relevance to the analysis carried out. As far as possible, the commentary has been structured in-line with the headings in this report and also those used by the Inspector.

Defining the Housing Market Area

1.32 This report does not seek to provide a detailed assessment of Housing Market Areas (HMA) although there is merit in briefly analysing data and past research to test the HMAs which influence the Borough, or on which the Borough has particularly strong links. The PPG says that:

'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'.

1.33 Housing market areas can be broadly defined by using three different sources of information as follows:

- House prices and rates of change in house prices
- Household migration and search patterns
- Data about travel to work area boundaries, retail and school catchment areas

1.34 The majority of studies looking at HMA boundaries focus on migration and travel to work data and it is generally considered that a self-containment rate of around 70% provides evidence for defining a HMA. Self-containment in the context of this means that 70% of people both live and work in an area (i.e. less than 30% commute out or less than 30% of local workers commute in) or in the case of migration an area where 70% of movers remain (excluding long distance moves such as due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools.

1.35 The most recent national analysis of HMAs is contained in 2010 DCLG research (The Geography of Housing Market Areas in England). This research places Eastleigh as part of a Southampton 'strategic' HMA (along with New Forest, Test Valley, Winchester and Southampton) as well as being within a Southampton 'single tier' HMA (made up of the same local authorities with the addition of Fareham and Gosport).

1.36 The research also identifies 'local' HMAs; Eastleigh in this analysis is split between two HMAs – Winchester & Eastleigh and Southampton. Overall, the evidence from the DCLG research is that Eastleigh is very strongly linked to both Southampton and Winchester and forms part of a much wider housing market area.

1.37 Analysis of 2011 Census data shows that Eastleigh has relatively low levels of self-containment when looking at either migration or travel to work; but confirms (as with the DCLG research) that the strongest links are with Southampton and Winchester.

1.38 The table below shows that around 47%-52% of people with a different address at the time of the Census compared to one year earlier had previously lived in Eastleigh (i.e. this indicates that around half of people moving home have moved from another address in the Borough or, looking at it the other way; approximately half of population movements involve migration from other areas). These figures rise to 56%-61% if long-distance moves are excluded (taken in this analysis to exclude moves originating or finishing outside of the South East region). This analysis is slightly imperfect due to the lack of specific data for international out-migrants but does clearly identify that migration excluding long-distance moves is well below 70%.

Figure 1.1: Eastleigh – Migration self-containment (2011)	
Moves within Eastleigh	6,008
Moves from South East	4,769
Moves to South East	3,860
Moves from elsewhere (United Kingdom & abroad)	2,015
Moves to elsewhere (United Kingdom)	1,682
Inward migration self-containment (including long distance moves)	47.0%
Inward migration self-containment (excluding long distance moves)	55.7%
Outward migration self-containment (including long distance moves)	52.0%
Outward migration self-containment (excluding long distance moves)	60.9%

Source: 2011 Census

1.39 The Census data can also be used to look at the locations people have moved from and to. The table below shows that the main destinations are Southampton and Winchester. The analysis shows a notable movement of people from Southampton and Winchester to Eastleigh with Eastleigh seeing movement from the Borough to other parts of the United Kingdom. The table shows all areas where there was a flow (either in or out) of at least 100 people recorded in the 2011 Census. The Census source does not allow an estimate of net international migration to be undertaken although this is considered when looking at demographic projections later in this report.

Figure 1.2: Locations of migrants moving to and from Eastleigh

	Moved from Eastleigh to…	Moved to Eastleigh from…	Net migration to Eastleigh
Eastleigh	6,008	6,008	0
Fareham	333	301	-32
New Forest	265	249	-16
Portsmouth	114	140	26
Southampton	1,417	2,044	627
Test Valley	453	551	98
Winchester	569	794	225
Rest of South East	709	690	-19
Rest of UK	1,682	1,441	-241
Total UK moves	11,550	12,218	668
Moves from abroad	NA	574	NA

Source: 2011 Census

1.40 The figure below shows analysis of commuting patterns. The data shows that there is a net out-commuting to work of about 1,500 people. In terms of self-containment the commuting data suggests something in the region of 48%-50% depending on whether or not inward or outward commuting is considered. As with the migration data this suggests a low level of self-containment.

Figure 1.3: Travel to work patterns in Eastleigh (2011)

Live and work in Borough	20,191
Home workers	6,277
No fixed workplace	5,568
Out-commute	33,834
In-commute	32,485
Work offshore or abroad	178
Inward commuting self-containment	49.7%
Outward commuting self-containment	48.5%

Source: 2011 Census

1.41 Analysis has also been carried out to look at the locations where people live and work. The table below shows (as with migration data) that the key links for Eastleigh are with Southampton and Winchester. A 'direction of travel' can also be seen in the data with net in-commuting from Southampton and most other neighbouring authorities (i.e. Test Valley, Fareham and New Forest) but significant out-commuting from Eastleigh to Winchester. In this analysis all authorities are included where the gross flows (either in- or out- of the Borough) are in excess of 200 people.

Figure 1.4: Commuting patterns to and from Eastleigh			
	Live in Eastleigh, work in…	Work in Eastleigh, live in…	Net commute to Eastleigh
Basingstoke and Deane	820	405	-415
East Hampshire	265	365	100
Eastleigh	20,191	20,191	0
Fareham	2,305	3,206	901
Gosport	323	1,058	735
Havant	353	691	338
New Forest	1,801	2,723	922
Portsmouth	1,471	1,288	-183
Southampton	11,193	12,738	1,545
Test Valley	2,445	3,253	808
Winchester	8,832	3,034	-5,798
Rest of South East	1,576	1,192	-384
London	1,034	200	-834
South West	964	1,774	810
Rest of UK	452	558	106
Mainly work at or from home	6,277	-	-
No fixed place	5,568	-	-
Offshore installation	100	-	-
Outside UK	78	-	-

Source: 2011 Census

1.42 On the basis of the levels of migration and commuting patterns it is clear that Eastleigh cannot be considered as a self-contained housing market area. However, identifying an area for analysis is difficult given that the strongest links are with Southampton and Winchester. Previous research, such as the South Hampshire SHMA has considered Eastleigh to be wholly within a Southampton HMA – this area also includes parts of Winchester Borough, but not the main settlement of Winchester.

1.43 On balance it is considered that the use of a Southampton HMA is probably appropriate (the links with Southampton are stronger than with Winchester). However, the strong links with Winchester do need to be recognised as part of the plan making process. It will therefore be important for the Council to fully engage with Winchester as well as continuing dialogue with the other local authorities in the Southampton HMA in line with the Duty to Cooperate – this is likely to have a particular focus on housing numbers.

Summary – Introduction

The National Planning Policy Framework (NPPF) sets out that Local Plans should seek to meet objectively-assessed development needs in their areas where feasible and should plan to deliver a mix of housing based on current and future demographic trends, market trends and the needs of different groups within the community.

The NPPF provides greater policy freedoms regarding development densities, levels of brownfield development and site size thresholds for affordable housing. In determining affordable housing policies, account though needs to be taken of wider policies in the Plan including sustainability standards, infrastructure policies, its relationship to CIL and wider economic viability.

National Planning Policy Guidance (PPG) provides some clarity about how parts of the NPPF should be interpreted. This is particularly in relation to calculating Objectively Assessed Needs for housing, although guidance is also provided around affordable housing needs, market signals, housing market area definitions and the needs of specific groups in the population.

Development needs should be met at a housing market area level with a 'duty to cooperate' with adjoining local authorities where it is clear that cross-boundary linkages exist. On the basis of studying up-to-date information from the 2011 Census it is considered that Eastleigh is not a self-contained housing market area and that the strongest links place in within a Southampton housing market area. However, relatively strong links are also identified with Winchester (an area which only partially falls within the Southampton HMA as defined in past research such as the South Hampshire SHMA).

This report is structured around the key requirements of the PPG and is split into a number of sections which build up an understanding and analysis of the housing market and housing need in Eastleigh Borough. The sections that follow are:

- Trend-based Demographic Projections
- Economic-led Projections
- Affordable Housing Need
- Housing Market Dynamics and Market Signals
- Need for Different Types and Sizes of Homes
- Conclusions – Overall Housing Needs

2. Trend-based Demographic Projections

Introduction

2.1 The analysis carried out follows the requirements of the National Planning Policy Framework and the more recent (March 2014) DCLG advice about assessing housing and economic development needs. The National Planning Practice Guidance (PPG) effectively describes a process whereby the latest population and household projections are a starting point; and a number of "tests" then need to be considered to examine whether it is appropriate to consider an upward adjustment to housing provision. These are:

- Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?
- How do the demographic projections 'sit' with the affordable housing needs evidence, and should an increase in housing supply be considered to meet affordable needs?
- What do economic forecasts say about job growth? Is there evidence that there will be a labour force shortage in the area and how might this impact on the locations of housing?

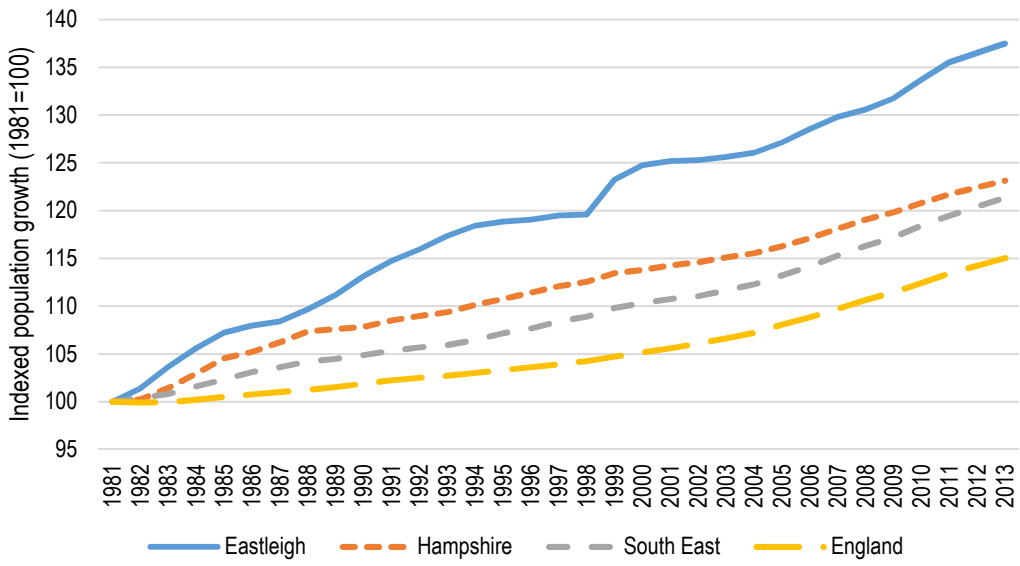
2.2 In this section consideration is given to demographic evidence of housing need. The analysis begins by providing an overview of demographic trends in Eastleigh before moving on to consider the most recent population and household projections published by ONS/DCLG. The core projections in this section look at housing needs in the period from 2011 to 2036. Given that population data is available from ONS for the 2011-13 period the projections themselves start from 2013 (with data 2011-13 included in the modelling but being treated as fixed).

Demographic profile of Eastleigh

2.3 The population of Eastleigh in 2013 is estimated to be 127,700 (2013 ONS mid-year population estimates), this is an increase of 11,400 people since 2001 – a 9.8% increase over the 12-year period. This level of population growth is higher than seen across Hampshire (7.8%), the South East region (9.6%) and England (8.9%).

2.4 It is also possible to consider longer-term trends in population growth with data being available back to 1981. The figure below shows that the population of Eastleigh has historically grown quite strongly. From 1981 to 2001 the population of the Borough increased by 25%; some way above the growth seen in Hampshire (14%), the region (11%) and nationally (6%). Since about 2001, population growth in the Borough has continued to be relatively strong, although differences with other areas are less marked. Over, the whole period from 1981 to 2013, the population of Eastleigh has grown by 37% - significantly above the growth seen in the county or region and more than double the rate seen for the whole of England (15%).

Figure 2.1: Indexed population growth (1981-2013)



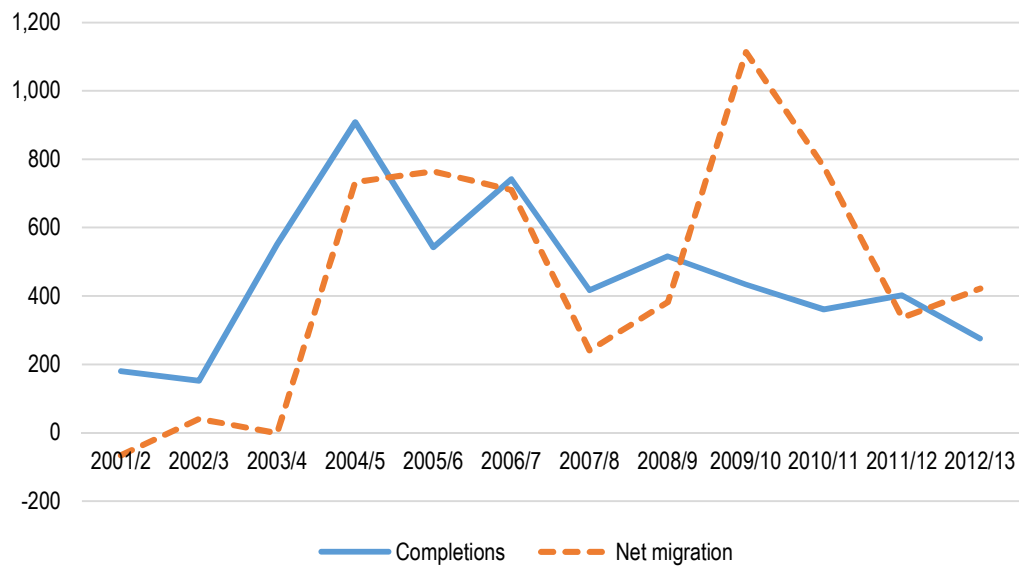
Source: ONS

2.5 The figure and table below considers the drivers of population change in the Borough. Population change is largely driven by natural change (births minus deaths) and migration, although within ONS data there is also a small other changes category (mainly related to armed forces and prison populations) and an unattributable population change (UPC) – this is an adjustment made by ONS to mid-year population estimates where Census data has suggests that population growth had either been over- or under-estimated in the inter-Censal years. Because UPC links back to Census data a figure is only provided for 2001 to 2011.

2.6 The figure shows that migration is the key driver of population change, although this is quite variable over time. Net migration (combining internal (i.e. moves from one part of the country to another) and international migration) shows figures varying from a net out-migration of 66 in 2001/2 to a net in-migration of 1,114 in 2009/10 – net migration has been positive for most years back to 2001. The average level of migration for the whole of the period studied is 455 people per annum – made up of net international in-migration of 43 people each year and net internal in-migration of 412.

2.7 It is possible that levels of migration are to some degree linked to levels of housing delivery (e.g. if homes are not provided then people do not have the opportunity to move to the area). This can be investigated by comparing migration with the number of completions (as has been done in the figure below). The analysis suggest in the early part of the period studied that there may be some relationship between migration and completions (both being fairly low in the 2001-3 period). However, looking at the most recent years, the analysis would suggest a fairly weak link between the two. Since about 2004/5, completions have generally been declining slightly, yet migration does not show any systematic trend.

Figure 2.2: Comparing net migration and completions (2001-13)



Source: ONS (for migration data) and Eastleigh Borough Council Annual Monitoring Reports

2.8 This apparent lack of a link between migration and completions can be emphasised when looking at the data sitting behind the figure above (as shown in the table below). The analysis shows in the 2003-8 period that completions averaged around 630 per annum; at the same time, the average level of net migration was about 490 people each year. For the past five years for which data is available, the number of completions has dropped (to about 400 per annum) whereas migration has actually increased. It can therefore be concluded that there is no strong link between the level of completions and migration/population growth in the Borough.

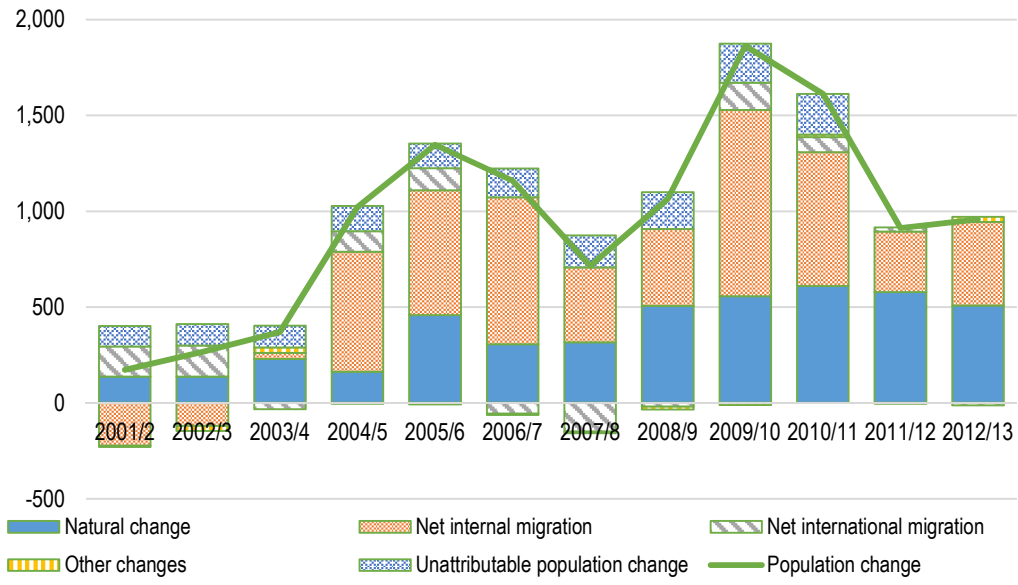
Figure 2.3: Comparing net migration and completions (2001-13)

	Completions	Net migration
2001/2	180	-66
2002/3	152	41
2003/4	551	-1
2004/5	906	734
2005/6	541	765
2006/7	742	710
2007/8	417	241
2008/9	516	383
2009/10	434	1,114
2010/11	361	777
2011/12	402	337
2012/13	275	422
Average (2003-8)	631	490
Average (2008-13)	398	607

Source: ONS (for migration data) and Eastleigh Borough Council Annual Monitoring Reports

2.9 Throughout the period studied, natural change has been positive (i.e. more births than deaths) and at a level averaging around 376 more births each year than deaths – levels of natural change have generally been rising over time, although there is evidence that this is now slowing down or possibly reversing slightly (this pattern of change is consistent with national and regional trends). Other changes are quite small whilst UPC can be seen to be positive for those years where data is available. This suggests that the ONS components of change may have under-estimated past growth compared with what actually happened. We will return to discuss the impact of UPC on future population growth estimates later in this section.

Figure 2.4: Components of population change, mid-2001 to mid-2013 – Eastleigh



Source: ONS

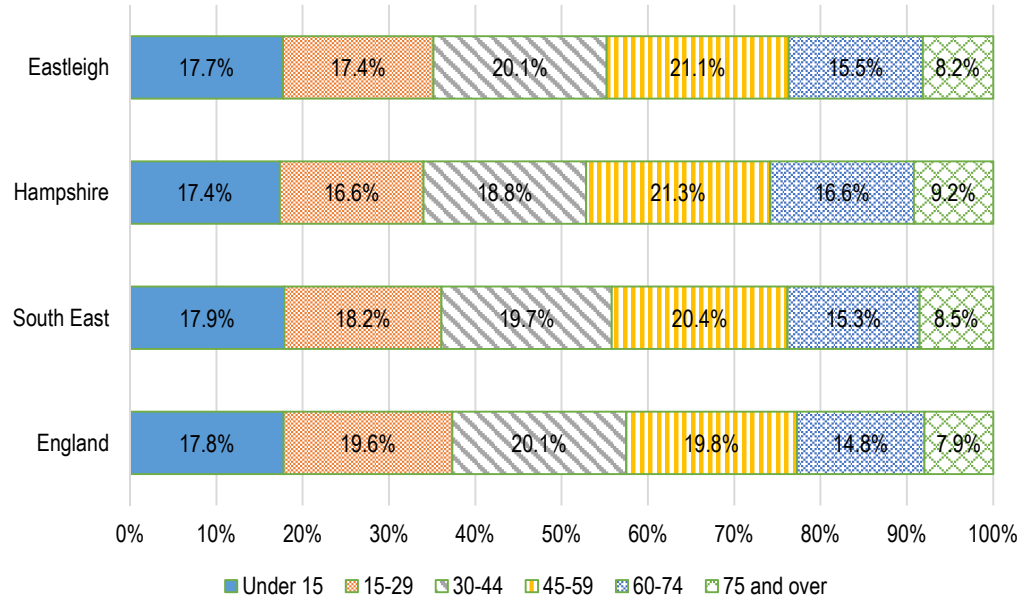
Figure 2.5: Components of population change (2001-13) – Eastleigh

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	138	-223	157	-6	107	173
2002/3	138	-120	161	-26	113	266
2003/4	229	32	-33	28	114	370
2004/5	162	627	107	-5	132	1,023
2005/6	459	650	115	-7	130	1,347
2006/7	306	766	-56	-7	151	1,160
2007/8	316	391	-150	-8	167	716
2008/9	506	402	-19	-15	191	1,065
2009/10	556	973	141	-11	204	1,863
2010/11	610	698	79	13	212	1,612
2011/12	579	315	22	-4	-	912
2012/13	509	435	-13	27	-	958

Source: ONS

2.10 The profile of the population is broadly similar to that seen in other areas. When compared with County data the population profile of the Borough is relatively young, but compared with the region and England the figures are more similar. As shown in the figure below, some 24% of the population is aged 60 and over, compared with 26% across Hampshire, 24% regionally and 23% for the whole of England. Eastleigh has a relatively small population in the 15-29 age band (compared with national data) although this will to some extent be linked to student populations.

Figure 2.6: Population age profile (2013)



Source: 2013 ONS Mid-Year Population Estimates

2.11 The table below shows how the age structure of the population has changed over the 2001 to 2013 period. The data shows the most significant growth to have been in the 60-74 age group. The analysis also indicates increases in the population aged 15-29, 45-59 and 75 and over. There has been a small decline in the number of children (people aged under 15) and also the number of people aged 40-44.

Figure 2.7: Change in age structure 2001 to 2013 – Eastleigh

Age group	2001	2013	Change	% change
Under 15	22,900	22,600	-300	-1.3%
15-29	20,100	22,200	2,100	10.4%
30-44	27,300	25,600	-1,700	-6.2%
45-59	23,500	26,900	3,400	14.5%
60-74	14,600	19,800	5,200	35.6%
75 and over	8,000	10,400	2,400	30.0%
Total	116,300	127,700	11,400	9.8%

Source: ONS Mid-Year Population Estimates

2.12 The same analysis has been carried out for a range of comparator areas (in the table below). The data identifies that changes to the age structure in Eastleigh are broadly similar to that see in other areas; this includes a decline in the number of people age 30-44 and modest increases in the 15-29 and 45-59 age groups. The analysis also shows that a small drop in the number of children is consistent with the pattern see across Hampshire, but is slightly different to the regional and national position (where a modest increase can be observed). When looking at the older person population, the data again shows some similarities, with a notable increase in the population aged 60-74 being seen in all areas. The increase in the number of people aged 75 and over (at 30% in Eastleigh) is similar to that seen in the County, but slightly higher than observed regionally and nationally.

Figure 2.8: Change in age structure 2001 to 2013

Age group	Eastleigh	Hampshire	South East	England
Under 15	-1.3%	-0.6%	5.1%	3.2%
15-29	10.4%	6.0%	10.5%	12.7%
30-44	-6.2%	-10.9%	-4.6%	-3.7%
45-59	14.5%	13.4%	14.6%	14.3%
60-74	35.6%	32.7%	27.4%	22.4%
75 and over	30.0%	28.6%	16.8%	15.0%
Total	9.8%	7.8%	9.6%	8.9%

Source: Mid-Year Population Estimates

What is the Starting Point to Establish the Need for Housing?

2.13 The PPG states that *'household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics. Projected household representative rates are based on trends observed in Census and Labour Force Survey data'.*

2.14 The most up-to-date projections are the 2012-based DCLG household projections published in February 2015. These projections were underpinned by ONS (2012-based) subnational population projections (SNPP) – published in May 2014. The analysis below therefore initially considers the validity of the population projections and their consistency with past trends.

2012-based subnational population projections

2.15 The latest set of subnational population projections (SNPP) were published by ONS on the 29th May 2014. They replace the 2010- and 2011-based projections. Subnational population projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2012-based national population projections. The new SNPP are largely based on trends in the 2007-12 period (2006-12 for international migration trends). The SNPP are only population projections and do not contain headship rates (which are needed to convert into household estimates).

2.16 They are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.

Overall Population Growth

2.17 The table below shows projected population growth from 2011 to 2036 in each of Eastleigh, Hampshire, the South East, and England. The data shows that the population of the Borough is expected to grow by around 24,900 people; this is a 19.8% increase – somewhat above that expected across the County (15.1%) region (18.5%) and nationally (16.5%). The higher growth is consistent with the past trend analysis that showed quite rapid growth over the past few years. It should be noted that due to inclusion within the modelling of mid-2013 population estimates for Eastleigh the figures for the Borough do not exactly match those in the SNPP. Figures for comparator areas are however taken directly from the SNPP.

Figure 2.9: Projected population growth (2011-2036)

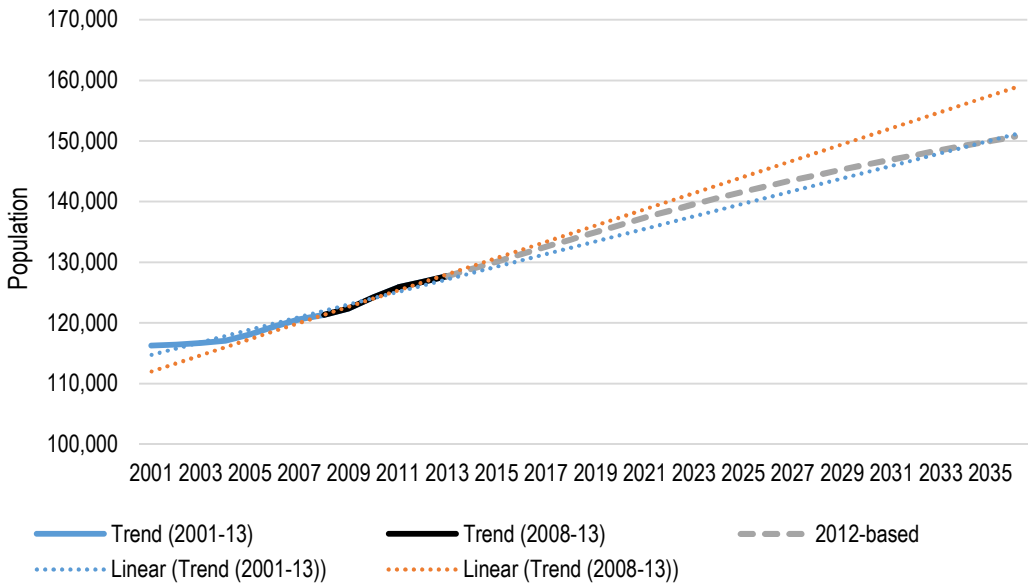
	Population 2011	Population 2036	Change in population	% change
Eastleigh	125,852	150,753	24,901	19.8%
Hampshire	1,322,100	1,522,000	199,900	15.1%
South East	8,652,800	10,254,600	1,601,800	18.5%
England	53,107,200	61,886,100	8,778,900	16.5%

Source: ONS

2.18 The figure below shows past and projected population growth in the period 2001 to 2036 for Eastleigh. The data also plots a linear trend line for the last five years for which data is available (2008-13) and also a longer-term period from 2001 to 2013 – this being the longest period for which reasonable data about the components of population change (e.g. migration) is available. The data shows that the population is expected to grow at a rate which is somewhere between long- and short-term although the rate of growth does fall over time such that by 2036 the population is expected to be roughly in-line with the level of population growth seen in the 2001-13 period.

2.19 A declining rate of population growth is consistent with ONS national projections, although the rate of change in Eastleigh is more marked than expected nationally. The decline in the growth rate over time is due to a combination of both falling levels of natural change and also a reducing level of net migration (this is discussed in more detail below).

Figure 2.10: Past and projected population growth – Eastleigh



Source: ONS

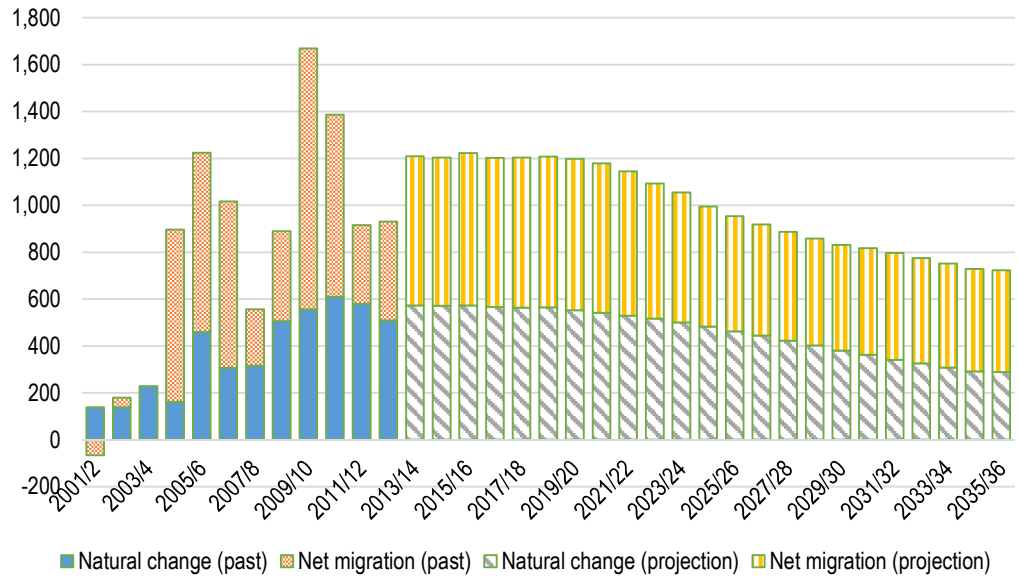
Components of population change

2.20 The figure below brings together data about migration (both past trends and the future projection) along with information about natural change. This shows that natural change is expected to be positive over the period but at a slightly declining rate from about 2020. There is also expected to be net in-migration for all years of the projection. The level of net in-migration is expected to fall over time – this will be due to the ONS methodology which takes account of the impact of age structure changes on a year by year basis.

2.21 The method used by ONS to project future internal/domestic migration is to construct a full matrix of moves by age and sex between all different local authorities in England; from this prevalence rates are calculated (i.e. the chances of someone of a particular age/sex band moving to- or from- each local authority). These prevalence rates are applied for each year of the projection and means that estimated levels of migration (particularly net migration) can go up or down when compared with both past trends and over time (i.e. as the projection is rolled out into the future). International migration is largely held constant throughout the projection period and so the projected reduction in net migration will be linked to changes in internal/domestic migration only.

2.22 When compared with past trends in migration the figures look to be reasonable. For the whole of the projection period (2013-36) the average level of migration is expected to be around 539 people (net) per annum; the figure is higher (at 639 per annum) in the first five years of the projection. These figures compare with net in-migration of 607 people per annum over the last five years and a net in-migration of 455 if the average from 2001 to 2013 is considered (the past 10-years shows a figure of 548 per annum).

Figure 2.11: Components of population change, mid-2001 to mid-2036 (summary chart) – Eastleigh



Source: ONS

2.23 Overall, from the analysis above, it can be concluded that the 2012-based SNPP is a reasonable projection to take forward into household growth modelling. This conclusion has been drawn on the basis that ONS uses a sound methodology in the SNPP, along with consideration of the fact that projected migration levels are broadly consistent with past trends. Potentially an adjustment could be considered to take account of the Unattributable Population Change (UPC) or longer-term migration trends (noting that the SNPP focuses on data for the past 5/6 years). Alternative projections considering long-term migration trends and an adjustment for UPC are provided later in this section.

Age Structure Changes

2.24 With growth in the population will also come age structure changes. The table below summarise the findings for key (15-year) age groups under the 2012-based SNPP. The data shows that the largest growth will be in people aged 60 and over; it is estimated that there will be 46,500 people aged 60 and over in 2036 – this is an increase of 17,500 from 2011, representing growth of 60%. The population aged 75 and over is projected to increase by an even greater proportion, 108%. Looking at the other end of the age spectrum the data shows that there are projected to be around 15% more people aged under 15 with smaller increases shown for other age groups.

2.25 The expected growth in the number of older people (particularly aged 75 and over) might imply a need for more care homes and supported housing. An analysis of this can be found in Section 6 of the report.

Figure 2.12: Population change 2011 to 2036 by fifteen year age bands (2012-based SNPP)				
Age group	Population 2011	Population 2036	Change in population	% change from 2011
Under 15	22,338	25,619	3,281	14.7%
15-29	22,175	24,910	2,735	12.3%
30-44	25,956	26,838	882	3.4%
45-59	26,347	26,840	493	1.9%
60-74	19,030	25,698	6,668	35.0%
75+	10,006	20,848	10,842	108.4%
Total	125,852	150,753	24,901	19.8%

Source: ONS

2.26 Changes to the age structure of the population can be compared with other areas (as done in the table below). As with past trends, this analysis does show some similarities between Eastleigh and other areas. The most notable difference is arguably the increase in the population aged Under 15 and 15-29 when compared with other locations; for both age groups, Eastleigh shows a higher increase than in any of the other locations. The significant increases in the older person population in Eastleigh is consistent with expectations in other areas.

Figure 2.13: Population change 2011 to 2036 by fifteen year age bands (2012-based SNPP)				
Age group	Eastleigh	Hampshire	South East	England
Under 15	14.7%	6.1%	10.1%	10.5%
15-29	12.3%	5.6%	9.3%	7.0%
30-44	3.4%	-4.6%	-0.6%	2.6%
45-59	1.9%	-4.2%	6.7%	5.7%
60-74	35.0%	31.9%	37.2%	32.0%
75+	108.4%	108.7%	97.9%	89.3%
Total	19.8%	15.1%	18.5%	16.5%

Source: ONS

Household Growth

2.27 Having studied the population size and the age/sex profile of the population, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship rates is used. Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

2.28 With the publication of new 2012-based DCLG household projections a new set of headship rates is now available. These rates are considered to be more positive than the previous set (2011-based) and typically suggest higher rates of household growth for a given population. These projections can therefore be considered as more reliable than the previous version, and less likely to include a suppression of household formation (although the issue of potential suppression is investigated later in this report). At a national level (in the 2012-21 period considered by DCLG) the new projections show 10% higher growth in households, for Eastleigh the figure is also 10%.

2.29 The table below shows expected household growth in the 2012-based projections from 2011 to 2036 for Eastleigh and a range of other areas. The figures for Eastleigh do not exactly match the DCLG projections as data for 2013 has also been included in the analysis, whilst for all other areas the data is shown as published. The data suggest an increase in households of about 12,700 over the 25-year period – this is a 24% increase; higher than expected across the County, in-line with figures nationally, and slightly below the expected growth across the South East.

2.30 The finding that future household growth in Eastleigh is expected to be slightly lower than across the South East is interesting given that overall population growth is expected to be stronger. This finding is therefore likely to be linked to age structure changes; as noted previously, Eastleigh is expected to see a higher than average increase in age groups up to age 30 – these groups tend to have lower levels of household formation (or indeed no household formation in the case of people aged under 15).

Figure 2.14: Projected household growth (2011-2036)

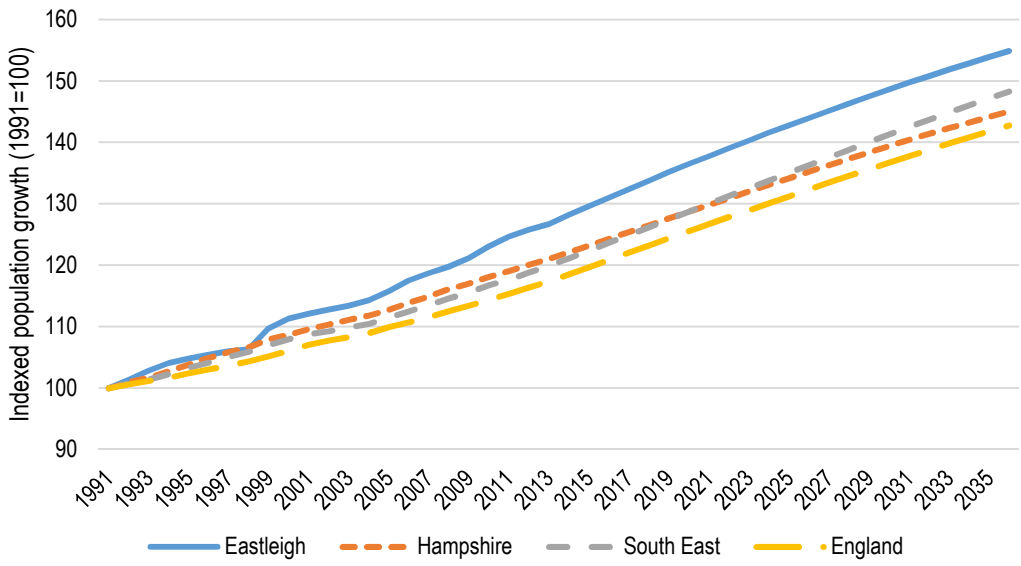
	Households 2011	Households 2036	Change in households	% change
Eastleigh	52,392	65,079	12,687	24.2%
Hampshire	547,226	666,698	119,472	21.8%
South East	3,563,049	4,490,835	927,786	26.0%
England	22,103,878	27,363,402	5,259,524	23.8%

Source: DCLG

2.31 The figure below shows household growth back to 1991 and projected forward to 2036. The analysis shows (as with population growth) that the change in the number of households in the Borough has been relatively strong throughout the period. However, household growth does not show the same scale of differences between areas that was apparent when looking at population change. This implies that Eastleigh typically has higher average household sizes than in other areas and that household sizes have not, and are not expected to fall as quickly as in other locations. This is likely to be a function of the higher past and projected population growth in the Borough and the fact that population growth is driven to a considerable degree by migration and growth in the younger person population (particularly children (i.e. those aged Under 15). Typically migration is focussed on younger age groups, and such age groups are more likely to be part of family households (and are therefore larger).

2.32 By 2036 it is projected that the number of households in the Borough will be 55% higher than in 1991 – long-term growth which is above that observed and expected in other locations (Hampshire – 45%, South East – 48%, England – 43%).

Figure 2.15: Indexed household growth (1991-2036)



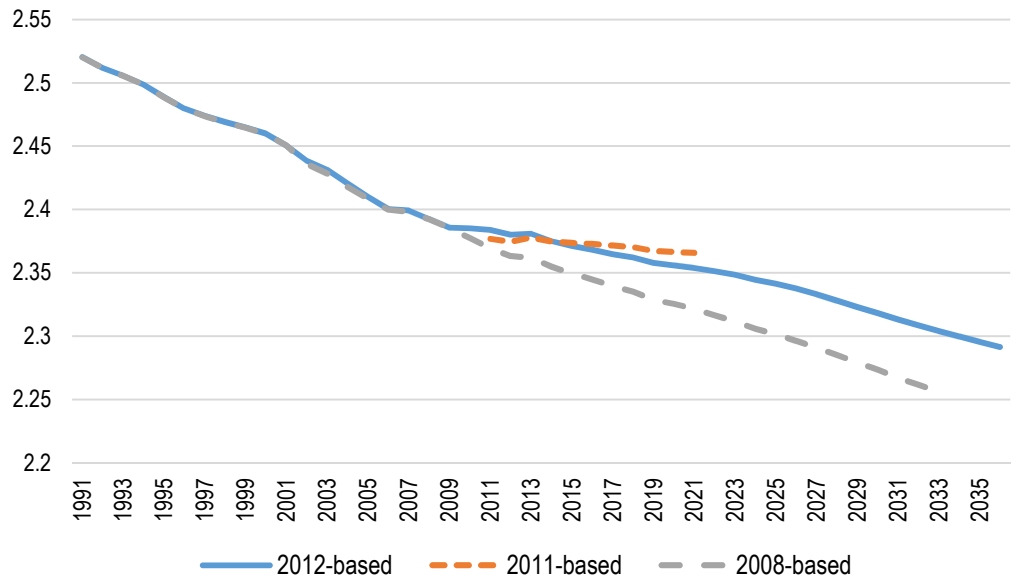
Source: DCLG

2.33 To provide a headline assessment of the impact of the 2012-based household projections we can make a comparison of average household sizes. The figure below shows this based on each of 2012-, 2011- and 2008-based DCLG household projection data. The data shows that household sizes have been falling in the past and are expected to continue to do so in the future – albeit at a slightly reduced rate.

2.34 In Eastleigh there is a trend of decreasing household sizes from 2001 to 2011 – this is a period where it is considered that there was some suppression in the housing market and at a national level household sizes remained broadly constant over this period. Hence there is some evidence from this analysis that household formation was less supressed in Eastleigh than in other areas.

2.35 Data from the 2008-based projections has also been included. This shows that average household sizes are above what might have been expected from this earlier release of data – this difference is however not very marked compared with similar analysis we have carried out in other parts of the country.

Figure 2.16: Past and projected trends in Average Household Size – Eastleigh



Source: Derived from ONS and DCLG data

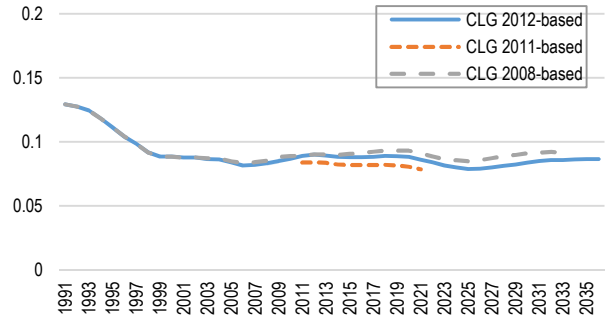
2.36 The household size analysis provides an overview about the apparent degree of suppression of household formation in the Borough. It is however also useful to understand how the different CLG projections impact on assumptions for different age groups. The figure below shows the headship rates used in each of the projections. Overall the 2012-based projections look fairly sound with levels and rates of change being similar to those in the earlier (pre-recession) 2008-based projections.

2.37 The one age group of concern is people aged 25-34 where the latest projections show quite a movement away from historical past trend data. Particularly in the 2001-11 period the 2012-based projections do appear to be indicating some degree of supressed household formation – the headship rate of people aged 25-34 is expected to continue to decline moving through to 2036 (albeit at a lesser rate to that seen in the 2001-11 decade). The issue of supressed household formation in the 25-34 age group is considered in more detail later in this document when considering a response to market signals.

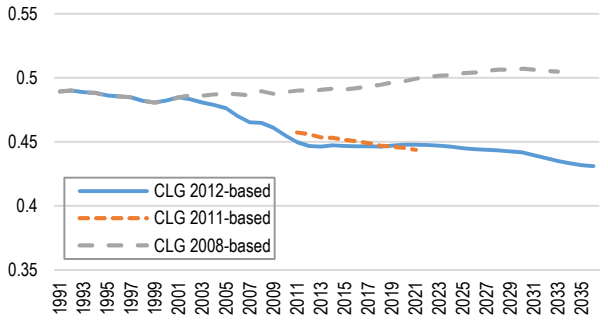
2.38 The other age group worthy of comment is in relation to the population aged 85 and over. Moving forwards from 2012, the household projections are expecting headship rates to fall; this makes sense and would be the sort of trend that might be expected in light of improvements in life expectancy, and the fact that this will potentially mean that more people will continue to live as couples longer into the future (hence a reducing number of households per person). The apparently observed trend of an increase in the rate of this age group in the past is however surprising and not readily explained. The past change (see Figure 2.17) may be related to the age profile of the population within the 85 and over age band or possibly due to changes in the institutional population, although it is not possible from the data to firmly pin this down. However, the forward projection does look to be sound and a reasonable basis for projecting the number of households in this age band.

Figure 2.17: Projected household formation rates by age of head of household – Eastleigh

15-24



25-34



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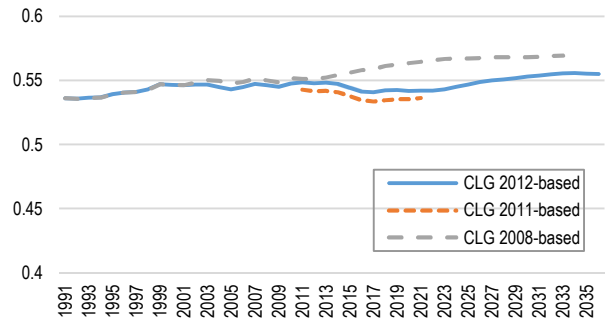
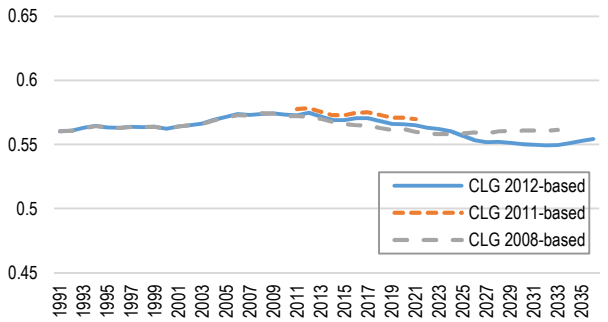
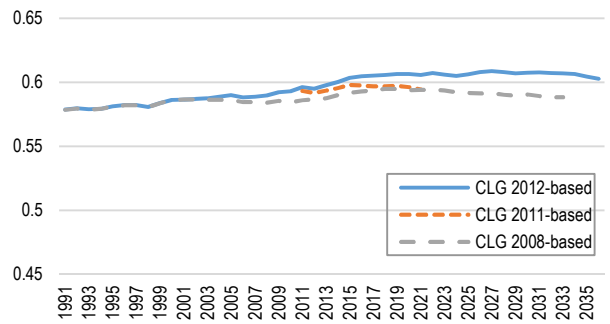


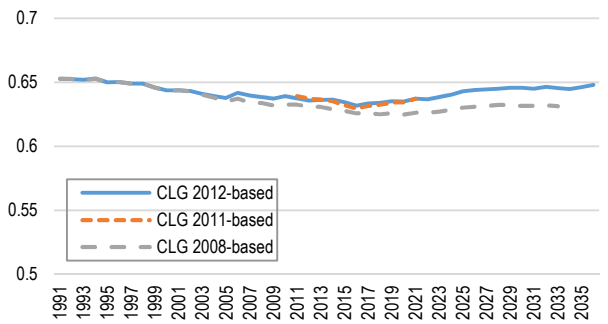
45-54



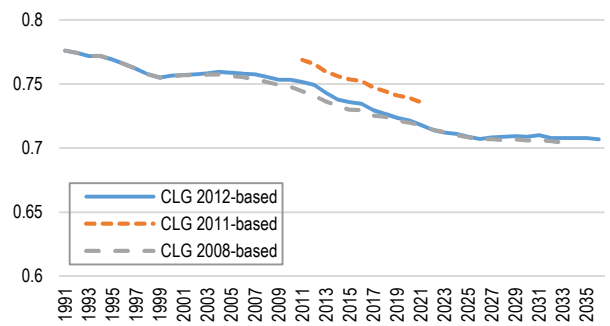
55-64



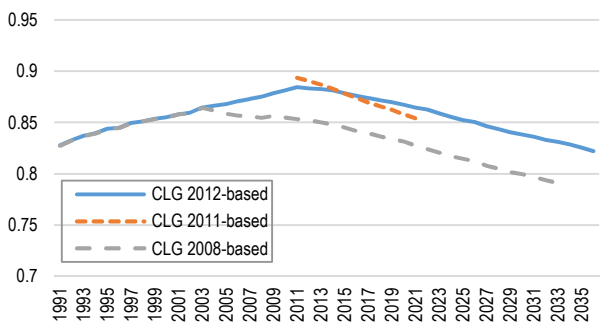
65-74



75-84



85 and over



Source: Derived from DCLG data

2.39 The table below brings together outputs in terms of household growth and housing need using the 2012-based headship rates and the core projection linked to the 2012-based SNPP (as adjusted to take account of 2013 mid-year population data). To convert households into dwellings the data includes an uplift to take account of vacant homes (a figure of 2.4% has been used; derived from 2011 Census data). The data shows that by applying the 2012-based rates there would be a need for 520 dwellings per annum. This figure would be considered as the start point in terms of the PPG – it takes account of the most recent population and household projections.

Figure 2.18: Projected household growth 2011-36 – 2012-based SNPP (as adjusted) and 2012-based headship rates

	2012-based rates
Households 2011	52,392
Households 2036	65,079
Change in households	12,687
Per annum	507
Dwellings (per annum)	520

2.40 If the headship rates from the previous 2011-based household projections are used (suitably indexed beyond 2021 and linked to the 2012-based SNPP) then the level of housing need would be 462 dwellings per annum. Hence the latest CLG projections are suggesting an uplift of 58 homes each year – a 13% increase over the 2011-36 period. This again confirms that the 2012-based CLG projections are taking a more positive view about household formation.

Sensitivity Analysis (alternative projections)

2.41 Whilst the 2012-based SNPP is a reasonable demographic projection when taking account of past trends in population growth; two alternative projections have also been developed by way of some sensitivity testing. These alternatives consider different scenarios for population growth in the Borough and are again underpinned by the household formation rates in the 2012-based CLG household projections. The two alternatives can be summarised as:

- 12-year migration trends – this projection looks at the level of population and household/housing growth that might be expected if migration levels in the future are the same as seen over the period from 2001. A consideration of longer-term trends is suggested as an alternative scenario in the PAS Technical Advice Note on *Housing Targets and Objectively Assessed Housing Need* Section 5. This projection recognises that the ONS methodology is more complex than simply replicating past trends and takes account of age structure changes over time and also the need to ensure consistency with national population projections. Over the 12-year period (2001-13) the average level of net migration to Eastleigh was 455 people per annum, whilst the average level feeding into the 2012-based SNPP was 559 per annum (based on internal migration in the 2007-12 period and international migration from 2006 to 2012). Hence to study long-term trends, the migration assumptions of the SNPP has been decreased in the modelling by 104 people per annum throughout the projection period (i.e. 559-455).

- UPC adjustment – as noted earlier there is a notable level of Unattributable Population change in the ONS data for 2001-11 in Eastleigh. In this instance UPC is positive, which suggests that the components of change feeding into the SNPP may slightly underestimate migration and population growth. Whilst this is a useful scenario to consider (again it is one suggested in the PAS Report) it is not considered to be a robust alternative to the SNPP. The main reasons for this are that it is unclear if UPC is related to migration and more importantly, due to changes in the methods used by ONS to measure migration (through the migration statistics improvement programme (MSIP)) it is most probable that any errors are focussed on earlier periods (notably 2001-6 (i.e. before the MSIP)) and therefore a UPC adjustment for more recent data would not be appropriate. In the 2001-11 period, the average level of UPC was 152 per annum. In the modelling this has been taken to be an adjustment to net migration.

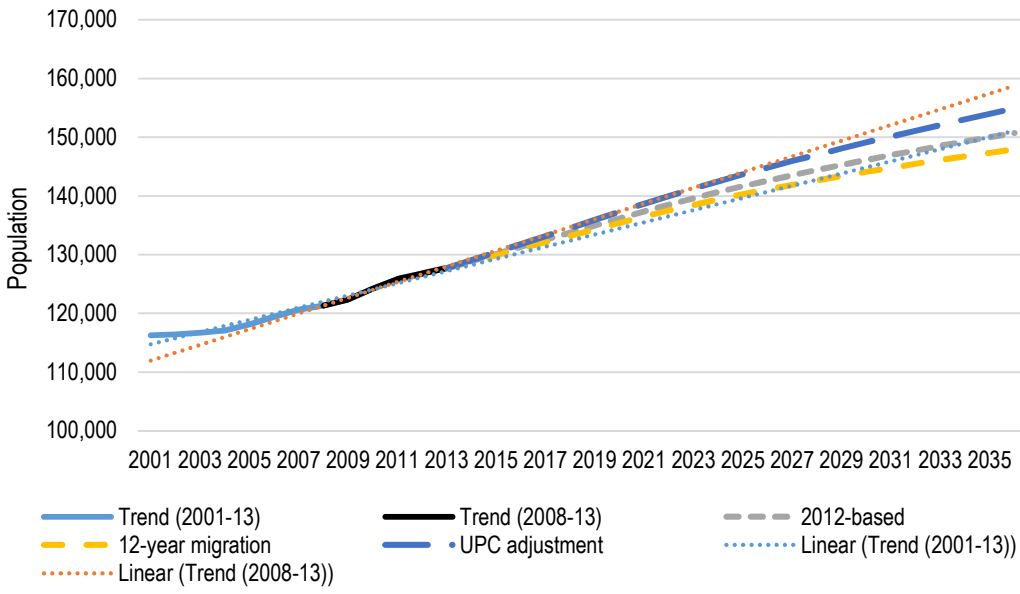
2.42 The table below shows the outputs of the two alternative demographic projections developed. In the case of 12-year migration trends the analysis suggests a lower level of need than when using the 2012-based SNPP (478 dwellings rather than 520). With an adjustment for UPC the need goes in the opposite direction – seeing an increase to 584 dwellings per annum.

Figure 2.19: Projected household growth 2011-36 – alternative demographic scenarios and 2012-based headship rates

	12-year migration	UPC adjustment
Households 2011	52,392	52,392
Households 2036	64,061	66,658
Change in households	11,670	14,267
Per annum	467	571
Dwellings (per annum)	478	584

2.43 Given that these alternative projections are less robust than the SNPP it is not proposed to take either forward. It does however provide some comfort that the alternatives do show both an up and downside to the figures derived from the SNPP (i.e. alternative ways of looking at the data do not clearly suggest that either a higher or lower figure would be more appropriate than the official projections). The figure below shows the population growth associated with each of these alternatives. As can be seen, using 12-year migration trends the level of population growth is some below recent past trends whereas with a UPC adjustment there is expected to be higher growth in population. Interestingly, if an assumption were taken about long-term migration and UPC together, the projected scenario would be virtually identical to that shown in the most recent ONS projections.

Figure 2.20: Past and projected population growth – Eastleigh



Source: Derived from ONS data

The Eastleigh Inspector's views on demographic projections

2.44 In paragraph 13 of the Inspector's final report, he notes that the borough level figures in the SHMA should be treated with caution but goes on to suggest that the PUSH SHMA and the JGC study provide a reasonable starting point. This was arguably correct at the time but more up-to-date information has now been published by the DCLG (in the guise of the 2012-based household projections). These projections are utilised in this report and are judged to provide a new starting point for determining the borough's housing requirement.

2.45 The PPG is clear about the starting point for assessing housing need and in paragraph 015 is unequivocal in stating that *'household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need'* with paragraph 016 adding that *'the 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth'*. Furthermore, paragraph 017 describes these projections as *'statistically robust and based on nationally consistent assumptions'*.

2.46 It is therefore clear that a new set of household projections provide the starting point for assessing housing need in Eastleigh. There is no evidence in Eastleigh that would suggest a departure from the published projections as a starting point for assessing housing need. The future levels of migration within the projections sit comfortably with past trends and the evidence does not suggest that past levels of migration have been constrained by a lack of housebuilding.

2.47 In paragraph 23 of his final report, the Inspector briefly deals with the issue of Unattributable Population Change (UPC) and notes that the positive figures in Eastleigh suggest that past in-migration may have been under-recorded. The Inspector concluded that the higher housing need figure in the PUSH SHMA (when compared with outputs linked to the 2012-based SNPP) may in part be due an under-recording of migration, which then feeds into the population projections. Whilst paragraph 017 of the PPG would allow for the Council to consider alternative projections (called sensitivity testing in the PPG), it is clear that these would need to be *'clearly explained and justified [using] robust evidence'.* The evidence in Eastleigh does not support alternative projections as being more robust than the official projections.

2.48 There is again some merit to the view of the Inspector here, however, it is considered that publication of new population projections removes the need to consider UPC in much detail. It needs to be remembered that UPC is likely to be related to older past trends, in a time before the collection of migration statistics was improved (i.e. data before 2006). Now that the 2012-based SNPP have been published to a high standard by ONS, it is not considered appropriate to make any additional adjustments for UPC.

2.49 ONS, as part of their Questions and Answers paper for the 2012-based Subnational Population Projections clearly state that:

'The UPC is unlikely to be seen in continuing subnational trends because:

- *if it is due to either the 2001 Census or 2011 Census, then the components of population change will be unaffected, and*
- *if it is due to international migration, it is likely that the biggest impacts will be seen earlier in the decade and will have less of an impact in the later years, because of improvements introduced to migration estimates in the majority of these years.*

Therefore, ONS has concluded that no adjustment should be made. Further information on UPC can be found in the consultation documentation'.

Summary – Trend-based Demographic Projections

It is appropriate to draw conclusions at this point on the demographic evidence, and projections of housing need based on past demographic trends.

The 2012-based SNPP indicates population growth of 20% over the 2011-36 period. This is above the projected growth across Hampshire (15%), the South East (19%) and England (17%).

The 2012-based subnational population projections (SNPP) look to be a sound demographic projection. Population growth sits in-line with both long- and short-term trends until later in the projection period where the rate of population growth is expected to decline.

Alternative projections using longer-term (12-year) migration levels and an adjustment for unattributable population change (UPC) show population growth (and hence housing need) which is either above (UPC adjustment) or below (12-year trends) – reinforcing the SNPP as being broadly reasonable.

The 2012-based DCLG household projections also look to be reasonably sound when considering age specific household formation rates. The only age group where there is some concern is people aged 25-34 where there does appear to be some degree of suppression in the past and being projected forward. The implications of this are discussed in more detail later in the report.

The 2012-based population and household projections suggest a need for about 520 dwellings per annum to be provided (2011-36). This takes account of 2013 mid-year population data.

3. Economic-led Projections

Introduction

3.1 As well as looking at demographic trends when considering housing need, DCLG advice suggests considering economic (job growth) forecasts. In particular the guidance states that:

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

And that:

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

Economic forecasts

3.2 To look at the economic future of Eastleigh we have drawn on two economic forecasts. The first has been taken from work by Oxford Economics to inform a review of the South Hampshire Strategy with a second forecast being taken from Experian – this is the same forecast as was utilised in the original SHMA for the PUSH authorities. Both forecasts have a 2013 baseline (albeit the Experian one pre-dates that of Oxford Economics, January 2013 compared with December 2013).

3.3 The table below shows the expected growth in jobs from 2013 to 2036. The Oxford Economics forecast only ran to 2030 and so an estimate to 2036 has been made on the basis of expected growth in the last six years of the forecast (2024-30). In the case of Experian the forecast period ran to 2031 and so five years of data has been estimated (utilising the change from 2026 to 2031). The data shows that Oxford Economic expect an additional 10,200 jobs over the period studied, with Experian being slightly higher (at 12,400) – these figure represent between 14% and 17% growth in jobs.

3.4 The analysis has been carried out to look at job growth post-2013, this is partly due to the forecasts both taking 2013 as a base date and also to reflect the fact that the modelling is only a projection from 2013 onwards (i.e. data about population is fixed by reference to actual population levels shown in ONS mid-year population estimates).

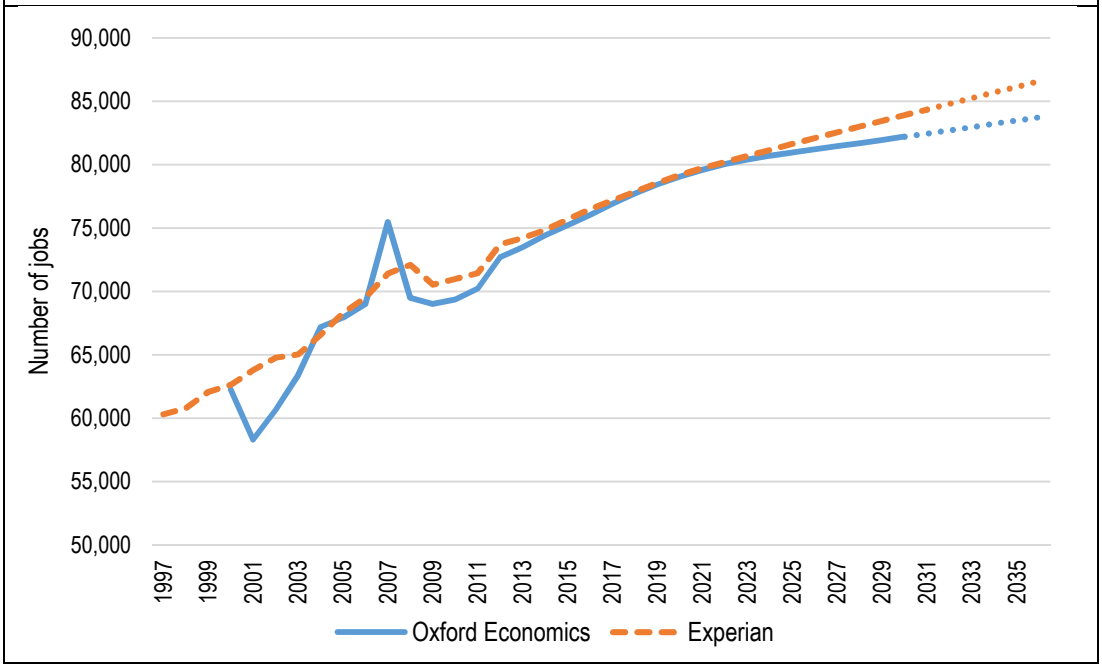
Figure 3.1: Change in number of jobs (2013-36)

Forecast	Jobs (2013)	Jobs (2036)	Change (2013-36)	% change
Oxford Economics	73,502	83,746	10,243	13.9%
Experian	74,227	86,615	12,388	16.7%

Source: Oxford Economics and Experian

3.5 The figure below shows past trends and the expected future change in the number of jobs in Eastleigh (back to 1997 in the case of Experian and 2000 from Oxford Economics). The data shows a growth in jobs in the past along with some notable year-on-year variations (particularly in the Oxford Economics data).

Figure 3.2: Past and projected number of jobs – Eastleigh



Source: Oxford Economics and Experian

Jobs and labour-force growth

3.6 To convert jobs into growth in the labour-force, then overall population growth and hence housing need is not a simple process and the analysis takes account of:

- Commuting patterns
- Double jobbing (i.e. the number of people with more than one job)
- Changes to employment rates (e.g. as a result of reducing unemployment or people working longer)

Commuting patterns

3.7 The table below shows summary data about commuting to and from Eastleigh using data from the 2011 Census. The data shows that the borough sees a small level of net out-commuting for work. Overall there are around 2% more people who live in the borough (and are working) than work in the borough.

Figure 3.3: Commuting patterns in Eastleigh (2011)	
Live and work in Borough	20,191
Home workers	6,277
No fixed workplace	5,568
Total within the Borough	32,036
In-commute	32,485
Total working in Borough	64,521
Out-commute	34,012
Total living in Borough (and working)	66,048
Commuting ratio	1.02

Source: 2011 Census

3.8 In translating the commuting pattern data into growth in the labour-force it is assumed that the commuting ratio remains at the same level as shown by the 2011 Census (i.e. assumes that 2% (net) of additional resident workers will out-commute). This essentially means that there would be expected to be a greater increase in working residents for a given number of jobs.

Double jobbing

3.9 As well as commuting patterns we can also consider that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in each Borough divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests that around 4.3% of workers in the borough have a second job (data averaged from data for the 2004-14 period to recognise relatively high error margins associated with data for individual years). This gives a double jobbing ratio of 0.957 (i.e. the number of jobs can be discounted by 4.3% to estimate the required change in the workforce).

3.10 Hence to work out the change in the resident workforce required to match the forecast number of jobs we can multiply the commuting ratio by the amount of double jobbing and in turn multiply this by the number of jobs – this is shown in the table below. Overall, the figures show a range of changes to the resident workforce from 10,039 persons using the Oxford Economics baseline up to 12,141 with the Experian forecast.

Figure 3.4: Jobs growth and change in resident workforce (2013-36)			
	Change in jobs	Adjustment factor	Change in resident workforce
Oxford Economics	10,243	0.98	10,039
Experian	12,388	0.98	12,141

Source: Oxford Economics, Experian, NOMIS and 2011 Census

Changes to employment rates

3.11 As well as studying commuting levels and double jobbing the analysis needs to consider how economic participation and employment rates will change in the future. Although the past few years have seen an increase in unemployment there have generally been increases in the proportion of people who are economically active (particularly for females and people aged over 50). In the future we may see a continuation of these trends – particularly in relation to people working longer (partly linked to pensionable ages) and have modelled for there to be some increase in employment rates as we move through to 2036.

3.12 The table below shows the age/sex specific rates assumed in the analysis. These have been based on consideration of a range of different forecasting houses forecasts and also take account of the 2011 Census and trends over the period since 2001. It should be stressed that these figures reflect what we would consider to be a reasonable set of assumptions although there would be a case for alternatives (both in an upwards and downwards direction).

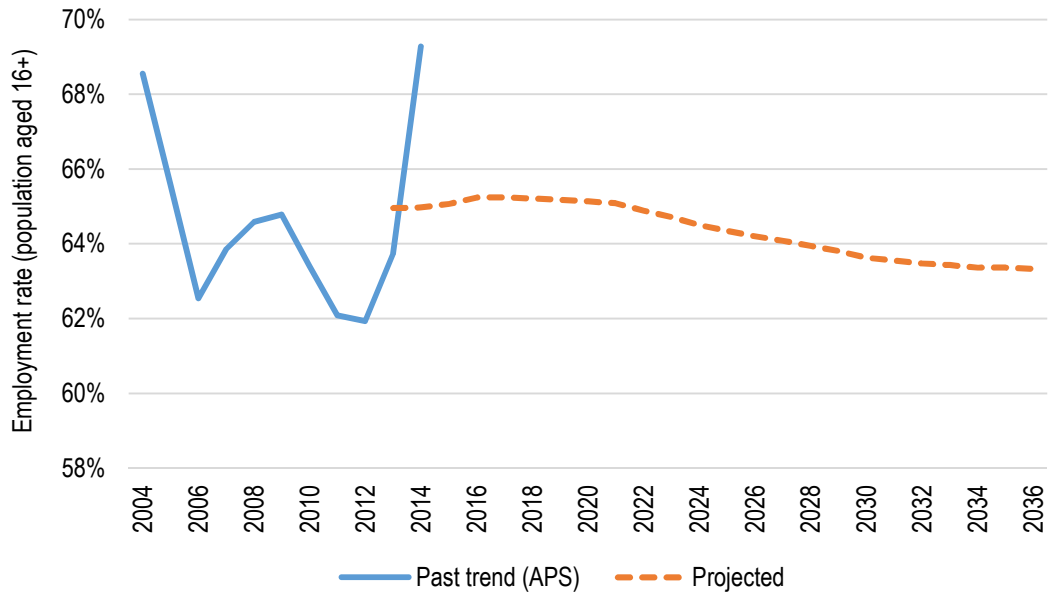
Figure 3.5: Employment Rates by Age and Sex – Eastleigh

Sex	Year	Aged 16 to 24	Aged 25 to 34	Aged 35 to 49	Aged 50 to 64	Aged 65 and over
Male	2013	66.4%	91.3%	92.5%	79.8%	14.4%
	2036	66.4%	91.6%	93.8%	86.0%	18.0%
Female	2013	66.4%	83.2%	83.8%	68.0%	8.9%
	2036	66.4%	91.0%	91.4%	81.2%	12.1%

3.13 The figure below shows how the overall employment rate in Eastleigh is expected to change over time, a past trend analysis from the Annual Population Survey (APS) back to 2004 has also been shown although some caution should be used in comparing figures given that the sources are different (and the APS suffers from quite large error margins due to being survey-based). The employment rate is based on the number of people in employment divided by the population aged 16 and over. The analysis shows in the past that the rate has been highly variable with no discernible trend. Moving forward, the employment rate is expected to decline slightly, following a slight uplift to 2016 (linked to reductions in unemployment). The decline in the rate in the longer-term is strongly linked to the demographic profile of the population (i.e. ageing).

3.14 The rates shown in the figure below are derived from the 2012-based SNPP and it should be noted that these change very slightly with different assumptions about population growth.

Figure 3.6: Past trends and projected change in employment rate – Eastleigh



Source: Derived from Annual Population Survey and demographic projections

Housing need and economic growth

3.15 The outputs from the jobs-led projections are as follows and shows that for the resident workforce to increase in line with the forecast number of jobs would require between 496 and 552 homes per annum to be delivered. These figures sit either side of those derived through the main demographic modelling (a need for 520 dwellings per annum). The outputs are again based on household formation rates linked to the 2012-based CLG household projections.

Figure 3.7: Meeting job growth forecasts (with 2012-based CLG headship rates)

	Oxford Economics	Experian
Households 2011	52,392	52,392
Households 2036	64,504	65,863
Change in households	12,112	13,471
Per annum	484	539
Dwellings (per annum)	496	552

The Eastleigh Inspector's views on economic growth and housing need

3.16 Generally, the Inspector does not consider that the proposed levels of housing growth will act as a barrier to economic growth. This is neatly picked up in paragraph 53 of the Inspector's report where he says *'I am also satisfied on the basis of the Council's calculations that the proposed level of housing provision would provide more than enough workers to support employment development of the scale proposed in the Plan'* he goes on to note that *'such calculations are however fraught with uncertainty and can only be a broad guide. The close economic relationship between Eastleigh Borough and adjoining parts of the economic area are reflected in high daily flows of residents to work outside the Borough and inflows of workers to Eastleigh from elsewhere. In these circumstances, I do not see a pressing need for job growth and population growth to necessarily be closely matched'*.

3.17 The analysis in this report supports the views of the Inspector. There looks to be a good balance between housing, the working population and economic forecasts. There is additionally no evidence at this stage that the levels of housing being suggested by the demographic projections would create unsustainable commuting patterns (although this will need to be considered through traffic modelling work and a sustainability assessment).

Summary – Economic-led Projections

Analysis of both an Oxford Economics (OE) and an Experian economic forecast suggests job growth of about 10,200 to 12,400 over the 2013-36 period. Taking account of commuting and double jobbing it is estimated that this level of job growth would require an additional 10,000 and 12,100 resident workers.

Taking account of potential changes to employment rates (linked to reductions in unemployment, changes to pensionable age and past trends) it is estimated for the population to grow in-line with the forecasts that between 496 and 552 additional homes would need to be provided. These figures are around 5% higher or lower than that derived from demographic projections (520 per annum).

On balance, it is therefore not considered that the economic forecasts are putting any particular pressure on either the overall need for housing in the Borough, or a consideration of the locations of housing – this is due to the projections linked to economic forecasts suggesting a housing need that is within about 5% (in either an upward or downward direction) of the need suggested by the latest official projections.

It is also worth noting that the OE forecasts are arguably superior to those accessed via Experian; this is due to the OE work having been 'tailor made' for the South Hampshire authorities rather than being an 'off the shelf' forecast as is the case with Experian.

In any case, the issue of job growth should be considered at a sub-regional level and take into account commuting patterns between areas and the extent to which these might become 'unsustainable'.

4. Affordable Housing Need

Introduction

4.1 This section analyses levels of affordable housing need in Eastleigh. Affordable housing need is defined in SHMA guidance as the quantity of housing required for households who are unable to access suitable market housing without financial assistance. These households will be eligible for affordable housing. Affordable housing is defined in the National Planning Policy Framework as social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market.

4.2 Planning Policy Guidance sets out a model for assessing affordable housing need. The model is essentially identical to that set out in 2007 SHMA guidance, and with the earlier guidance providing more detail about specific stages of the modelling, reference is also made in this section to the 2007 guide. The analysis is based on secondary data sources. It draws on a number of sources of information including 2011 Census data, demographic projections, house prices/rents and income information.

4.3 It should be recognised that in establishing housing requirements, evidence of both housing need and demand should both be considered. This section, addressing affordable housing need specifically, should be considered alongside the evidence of overall need (for all tenures) in the demographic-led projections of housing need. Land availability, infrastructure requirements, viability (as well as funding available for affordable housing), Sustainability Appraisal and the views of the local community and wider stakeholders also need to be considered in the development of planning policy. It is not a simple predict and provide issue.

4.4 The housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing which can be used to meet housing need. The base date for analysis is 2014 (e.g. data about housing costs and incomes is for 2014). However, it is recognised that the analysis should align with other research and hence estimates of affordable housing need are provided in this section on an annual basis for the 25-year period between 2011 and 2036 (to be consistent with the demographic projections described in the previous section).

Key Definitions

4.5 The analysis begins by setting out key definitions relating to affordable housing need, affordability and affordable housing.

Current Affordable Housing Need

4.6 Current affordable housing need can be defined as the number of households who lack their own housing or who live in unsuitable housing and who are unable to access suitable market housing without financial assistance.

Newly-Arising Need

4.7 Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. In this assessment trend data from The Continuous Recording of Lettings and Sales in Social Housing in England (CoRe) (maintained by Taylor Nelson Sofres (TNS)) has been used along with demographic projections about the number of new households forming (along with affordability) to estimate future needs. CoRe is a database of lettings of social and affordable rented housing at a local authority level. This source contains a range of information, including data about accommodation size, rent levels and general needs/supported housing. A full database has been provided to JGC for the two-year period 2012/13 and 2013/14. Where CoRe data has been used, data for this two-year period has typically been analysed. For new household formation, data for the full 25-year projection period (2011-36) has been used.

Supply of Affordable Housing

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

Affordability

4.9 Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including CACI, Annual Survey of Hours and Earnings (ASHE), the English Housing Survey (EHS) and ONS data, against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting (in line with the SHMA Guidance) and are summarised below:

A. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income – DCLG guidance (of 2007) suggests using different measures for households with multiple incomes (2.9×) and those with a single income (3.5×), however (partly due to data availability) the analysis has only used a 3.5 times multiplier. This is to ensure that affordable housing need figures are not over-estimated – in practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to require lower incomes for households to be able to afford access to market housing;

B. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 30% of gross income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% (this figure can be referenced by looking up the terms and conditions of the majority of letting agents nationally). Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics) – this figure has been derived by inputting data into a range of online benefit calculators. Hence a pragmatic view has been taken in this assessment with a figure of 30% being adopted. The Inspector at the last Eastleigh Local Plan Inquiry formed the view that a 30% threshold should be seen as the upper end of a possible range – it is not considered that this position can be supported on the basis of Government policy. Analysis has also been carried out to test the sensitivity of affordable need at different percentages (from 25% to 40%).

4.10 It should be recognised that a key challenge in assessing affordable housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor in affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is typically required for the more attractive mortgage deals. The 'help to buy' scheme will make some improvements in access to the owner-occupied sector although at present this is likely to be limited (although the impact of recent extensions to this scheme to include the second-hand market should be monitored moving forward). In many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact of deposit issues on the overall assessment of affordable housing need is limited.

Affordable Housing

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

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

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

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

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

4.13 Affordable rented housing is defined as:

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

4.14 The definition of intermediate housing is shown below:

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

4.15 As part of the analysis in this report, the extent to which social rented, intermediate housing and affordable rented housing can meet affordable housing need in Eastleigh is established.

Local Prices and Rents

4.16 An important part of the SHMA is to establish the entry-level costs of housing to buy and rent – this data is then used in the assessment of the need for affordable housing. The housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having a 'housing need.'

4.17 This section therefore establishes the entry-level costs of housing to both buy and rent across the Borough. The approach has been to analyse Land Registry and VOA data to establish lower quartile prices and rents. For the purposes of analysis (and to be consistent with DCLG guidance) lower quartile prices and rents have been taken to reflect the entry-level point into the market.

4.18 The table below shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £120,000 for a flat rising to £280,000 for a detached home.

Figure 4.1: Lower quartile sales prices by type (all sales in 2014)	
Dwelling type	Eastleigh Borough
Flat	£120,300
Terraced	£177,400
Semi-detached	£210,000
Detached	£280,000
All dwellings	£177,500

Source: Land Registry (2014)

4.19 A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – this covers a 12-month period to September 2014. For the rental data information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of around £675 per month.

Figure 4.2: Lower quartile private rents by size (year to September 2014) – per month	
Dwelling size	Monthly rent
Room only	-
Studio	-
1 bedroom	£550
2 bedrooms	£695
3 bedrooms	£830
4+ bedrooms	£1,100
All dwellings	£675

Source: Valuation Office Agency

4.20 Similar analysis in the South Hampshire SHMA was based on a survey of advertised rents from an estate and letting agent survey – for the purposes of analysis a lower quartile rent was again taken to represent the access point to the market. In the SHMA a figure of £675 per month was used in affordability testing – the same as the overall lower quartile figure used in this assessment.

4.21 In addition to rental costs from VOA it is worthwhile to look at the maximum amount of Local Housing Allowance (LHA) payable on different sized properties within the area. Maximum LHA payments are based on estimates of rents at the 30th percentile and should therefore be roughly comparable with estimates of lower quartile costs.

4.22 The geographical areas used to determine LHA are not however co-terminus with local authority boundaries and so any comparison is not exact. LHA levels are based on Broad Rental Market Areas (BRMA). The BRMA is an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping (as defined by the Rent Office).

4.23 All of Eastleigh falls into the Southampton BRMA although this BRMA does extend beyond the Borough boundary – particularly to include Southampton and also parts of Text Valley and New Forest in particular. The table below therefore provides details for the Southampton BRMA (a map of this area has been provided in Appendix 1). The data suggests that actual rents in Eastleigh are typically higher than the maximum amount of Housing Benefit available. This suggests that some households may find it difficult to access private rented accommodation that they can afford, or that they will need to top-up rents from their own means.

Figure 4.3: Maximum LHA payments by Size and Broad Rental Market Area

Size	Southampton BRMA	Eastleigh LQ rents
Room only	£294	-
1 bedroom	£505	£550
2 bedrooms	£678	£695
3 bedrooms	£799	£830
4 bedrooms	£1,050	£1,100

Source: VOA data (April 2015)

Cost of Affordable Housing

4.24 Traditionally the main type of affordable housing available in an area is social rented housing and the cost of social rented accommodation by dwelling size can be obtained from CoRe – a national information source on social rented lettings. The table below illustrates the rental cost of lettings of social rented properties by size in 2013/14. As can be seen by comparing Figures 4.2 and 4.4, the costs are below those for private rented housing indicating a gap between the social rented and market sectors. This gap increases for larger properties. The figures in the table include service charges.

Figure 4.4: Lower quartile monthly social rent levels

Size	Monthly Rent
1 bedroom	£406
2 bedrooms	£429
3+ bedrooms	£477
Lower quartile (all sizes)	£428

Source: CoRe (2014)

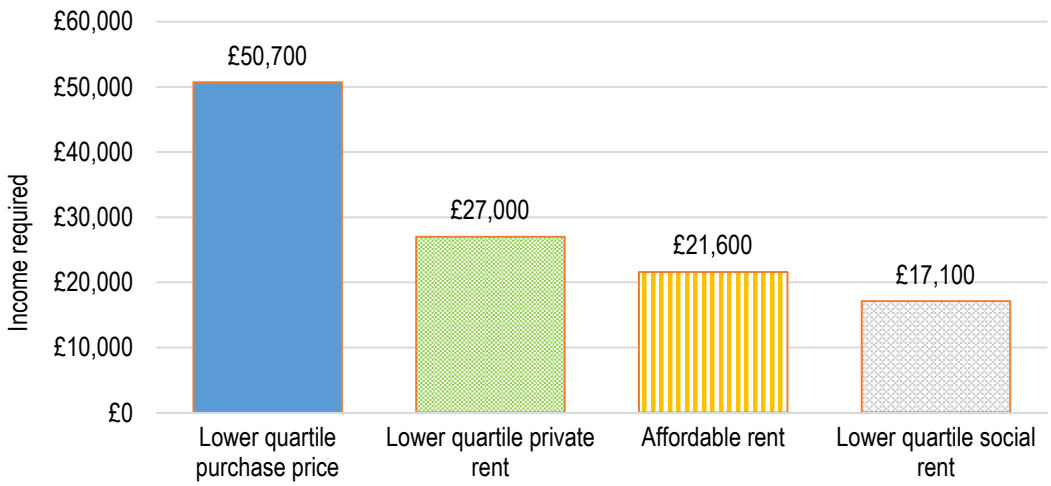
4.25 Changes in affordable housing provision has seen the introduction of a new tenure of affordable housing (Affordable Rented). Affordable rented housing is defined in the NPPF as being *'let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)'*. In the short-term it is likely that this tenure will replace social rented housing for new delivery (mainly due to lower amounts of Government subsidy being required).

4.26 Affordable Rented housing can therefore be considered to be similar to social rented housing but at a potentially higher rent. The 80% (maximum) rent is to be based on the open market rental value of the individual property and so it is not possible to say what this will exactly mean in terms of cost (for example the rent for a two-bedroom flat is likely to be significantly different to a two-bedroom detached bungalow). In addition, market rents for new-build homes are likely to be higher than within the existing stock and may well be in excess of 80% of lower quartile rents. However, for the purposes of analysis it is assumed that the 80% figure can be applied to the lower quartile private rented cost data derived from VOA information.

Gaps in the Housing Market

4.27 Figure 4.5 below estimates how current prices and rents might equate to income levels required to afford such housing. The information is based on the figures derived in the analysis above and include four different tenures (buying, private rent, affordable rent and social rent) and are taken as the lower quartile price/rent across the whole stock of housing available (i.e. including all property sizes). For illustrative purposes the calculations are based on 3.5 times household income for house purchase and 30% of income to be spent on housing for rented properties. The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing.

Figure 4.5: Indicative income required to purchase/rent without additional subsidy



Source: Land Registry, VOA and CoRe

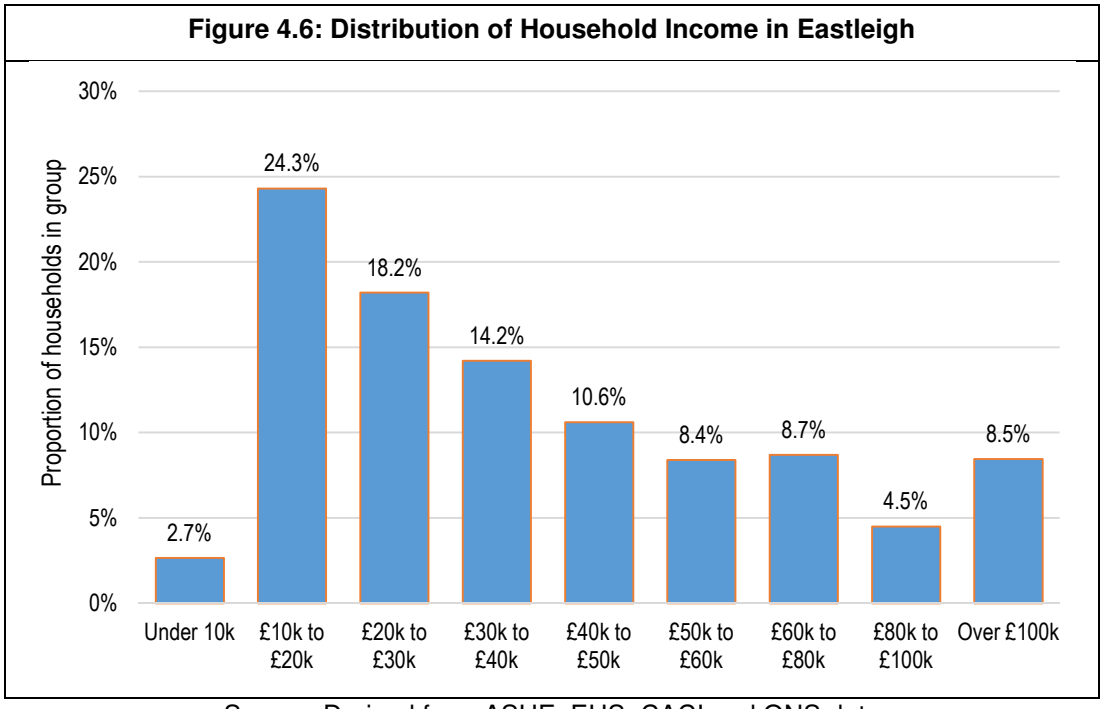
Income levels and affordability

4.28 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability and also provide an indication of the potential for intermediate housing to meet needs. Data about total household income has been modelled on the basis of a number of different sources of information to provide both an overall average income and the likely distribution of incomes in the Borough. The key sources of data include:

- CACI from *Wealth of the Nation 2012* – to provide an overall national average income figure for benchmarking
- English Housing Survey (EHS) – to provide information about the distribution of incomes (taking account of variation by tenure in particular)
- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed from 2012 to 2014 (2.0% for the South East region)
- ONS modelled income estimates – to assist in providing more localised income estimates (e.g. for the Borough)

4.29 Drawing all of this data together it is possible to construct an income distribution for the whole of Eastleigh for 2014. The figure below shows the distribution of household incomes for the whole of the Borough. The data shows that just over a quarter (27%) of households have an income below £20,000 with a further third in the range of £20,000 to £40,000. The overall average (median) income of all households in the Borough was estimated to be around £33,100 with a mean income of £43,500 – the finding of a higher mean suggests that there are a small number of households with very high incomes and a larger number of households with more modest incomes (this can be seen in the figure below). The income figures in this assessment are around 2% higher than was estimated for use in the 2013/14 South Hampshire SHMA.

Figure 4.6: Distribution of Household Income in Eastleigh



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

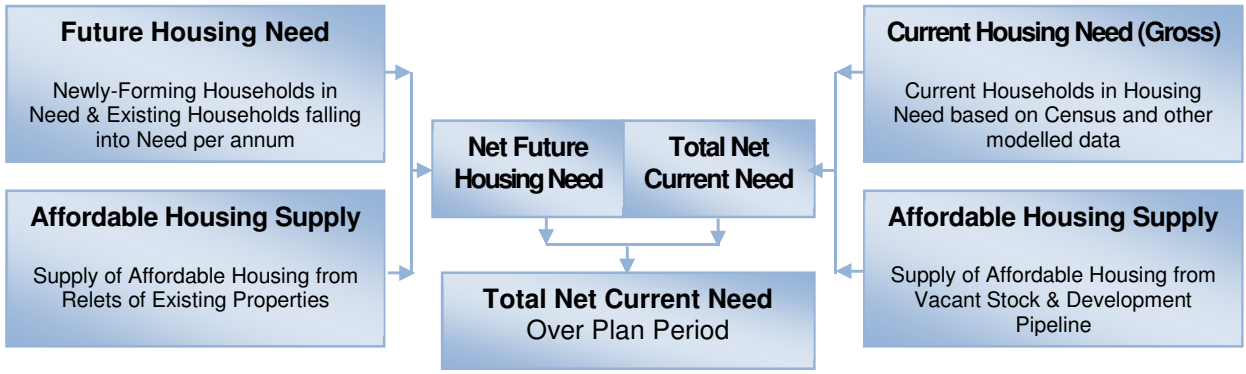
4.30 To assess affordability, consideration is given to a household's ability to afford either home ownership or private rented housing (whichever is the cheapest) without financial support. The distribution of household incomes, is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.

4.31 Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households). Assumptions about income levels are discussed where relevant in the analysis that follows.

Affordable Housing Needs Assessment

4.32 Affordable housing need has been assessed using the Basic Needs Assessment Model, in accordance with the DCLG Practice Guidance. This model is summarised in the chart below.

Figure 4.7: Overview of the Affordable Housing Needs Assessment Model



4.33 The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of 2011 Census data. The modelling undertaken provides an assessment of affordable housing need for a 25-year period (which is then annualised). Each of the stages of the affordable housing needs model calculation are discussed in more detail below.

4.34 Due to the analysis being based on secondary data sources only, there are a number of assumptions that need to be made to ensure that the analysis is as robust as possible. Key assumptions include considering the number of households who have a need due to issues such as insecure tenancies or housing costs – such households form part of the affordable need as set out in guidance (see paragraph 023 of the PPG for example) but are not readily captured from secondary data sources. Assumptions also need to be made about the likely income levels of different groups of the population (such as newly forming households), recognising that such households' incomes may differ from those in the general population.

4.35 To overcome the limitations of a secondary-data-only assessment, additional data has been taken from a range of survey-based affordable needs assessments carried out by JGC over the past five years or so. These surveys (which cover a range of areas and time periods) allow the assessment to consider issues such as needs which are not picked up in published sources and different income levels for different household groups. This data is then applied to actual data for Eastleigh (e.g. from the Census) as appropriate. It is the case that outputs from surveys in other areas show remarkably similar outputs to each other for a range of core variables (for example the income levels of newly forming households when compared with existing households) and are therefore likely to be fairly reflective of the situation locally in Eastleigh. Where possible, data has also been drawn from national surveys (notably the English Housing Survey).

4.36 It should also be stressed that the secondary data approach is consistent with the PPG. Specifically, guidance states that *'Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance'*. The analysis that follows is therefore consistent with the requirements of guidance.

Current Affordable Housing Need

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

4.38 The analysis suggests some 1,323 overcrowded households (using the bedroom standard) along with an estimated 1,216 households with other needs. In total it is therefore estimated that around 2,538 households are currently living in unsuitable accommodation – this represents 4.8% of the estimated number of households in the Borough in 2011 (based on DCLG household projections).

4.39 In taking this estimate forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing (2,538) households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes all outright owners under the assumption (which is supported by analysis of survey data) that they will have sufficient equity to move and 90% of owners with a mortgage. It is likely that the vast majority of owners with a mortgage are able to afford housing once savings and equity are taken into account. A final adjustment (which has only a very limited impact) is to slightly reduce the unsuitability figures to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be considered as being in affordable housing need.

4.40 As of mid-2011 it is estimated that there were 1,097 households living in unsuitable housing (excluding current social tenants and the majority (90%) of owner-occupiers) – this represents 2.1% of all households in the Borough in 2011 (based on DCLG household projections).

4.41 The figure of 1,097 is slightly higher than was estimated in the 2013/14 South Hampshire SHMA (1,000 households). This difference is mainly due to additional information being available about the tenure of households who are overcrowded.

Figure 4.8: Estimated number of households in unsuitable housing

Area	In unsuitable housing	Total number of households (2011)	% in unsuitable housing
Eastleigh Borough	1,097	52,392	2.1%

Source: Census (2011) and data modelling

4.42 The estimated number of households living in unsuitable housing is therefore 1,097. Additionally, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy, because they could afford a suitable market housing solution. For an affordability test the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income estimate that reduces the level of income to 69% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market.

4.43 Overall, around three-fifths of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is reduced to 640 households. This figure is slightly higher than estimated in the 2013/14 South Hampshire SHMA (591 households in current need).

Figure 4.9: Estimated Current Need

Area	In unsuitable housing	% Unable to Afford	Revised Gross Need (including Affordability)
Eastleigh Borough	1,097	58.4%	640

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

4.44 CLG guidance also suggests that the housing register can be used to estimate levels of affordable housing need. Experience working across the country is that housing registers can be highly variable in the way allocation policies and pointing systems work. This means that in many areas it is difficult to have confidence that the register is able to define an underlying need. Many housing registers include households who might not have a need whilst there will be households in need who do not register (possibly due to being aware that they have little chance of being housed). For these reasons, the method linked to Census and other modelled data is preferred.

Newly-Arising Need

4.45 To estimate newly-arising (projected future) need the analysis has looked at two key groups of households based on the CLG's guidance. These are:

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

Newly-Forming Households

4.46 The number of newly-forming households has been estimated through the demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously to provide an estimate of *gross* household formation. This differs from numbers presented in the demographic projections which are for net household growth. The number of newly-forming households are limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

4.47 The estimates of gross new household formation have been based on outputs from the core 2012-based demographic projection. In looking at the likely affordability of newly-forming households information has been drawn on data from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

4.48 The overall household income data has therefore been adjusted to reflect a lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing without any form of subsidy (such as local housing allowance/housing benefit).

4.49 The assessment suggests that overall just under half of newly-forming households will be unable to afford market housing and that a total of 504 new households will have a need on average in each year to 2036. This figure is slightly lower than estimated in the 2013/14 South Hampshire SHMA; in the earlier research, household formation for the Eastleigh Borough Council area was estimated at 1,102 per annum with an affordability rate of 49.4% - this led to an estimated 544 households falling into need each year.

Figure 4.10: Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)

Area	Number of new households	% unable to afford	Total in need
Eastleigh Borough	1,037	48.6%	504

Source: Projection Modelling/affordability analysis

Existing Households falling into Affordable Housing Need

4.50 The second element of newly arising need is existing households falling into need. To assess this, information from CoRe has been used. The analysis looks at households who have been housed over the past two years – this group will represent the flow of households onto the Housing Register over this period. From this, any newly forming households (e.g. those currently living with family) have been discounted, as well as households who have transferred from another social rented property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.

4.51 The PPG does not specify a methodology for undertaking this part of the assessment (although it is a stage in the model) and so the analysis has been developed to be consistent with that set out in the earlier 2007 SHMA guide (CLG). On page 46 of the previous guidance it is stated than *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless households applicants)'*.

4.52 Following the analysis through suggests a need arising from 167 existing households each year – this is about 0.3% of all households living in the borough (in 2013). This figure is slightly lower than estimated in the 2013/14 South Hampshire SHMA (175 per annum).

Supply of Affordable Housing

4.53 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social/affordable rent relets and the annual supply of relets/sales within the intermediate sector.

4.54 The PPG suggests that the estimate of likely future relets from the affordable housing stock should be based on past trend data which can be taken as a prediction for the future (see paragraph 027 of the PPG). Data from CoRe has been used to establish past patterns of social housing turnover. The figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. Additionally an estimate of the number of 'temporary' supported lettings have been removed from the figures (the proportion shown in CoRe as being lettings in direct access hostels or foyer schemes).

4.55 On the basis of past trend data is has been estimated that 237 units of social/affordable rented housing are likely to become available each year moving forward.

Figure 4.11: Analysis of past social/affordable rented housing supply (per annum – past 2 years)	
Total lettings	476
% as non-newbuild	77.1%
Lettings in existing stock	367
% non-transfers	64.6%
Sub-total	237
% non-temporary housing	100.0%
Total lettings to new tenants	237

Source: CoRe

4.56 The supply figure is for social/affordable rented housing only and whilst the stock of intermediate housing in Eastleigh is not significant compared to the social/affordable rented stock it is likely that some housing will become available each year (e.g. resales of shared ownership). For the purposes of this assessment, data from CoRe has again been utilised about the number of sales of homes that were not newbuild. From this it is estimated that around 23 additional properties might become available per annum.

4.57 The total supply of affordable housing is therefore estimated to be 260 per annum – this figure is slightly higher than was estimated in the 2013/14 South Hampshire SHMA which estimated future supply at 238 per annum (made up of 217 social/affordable rents and 19 intermediate housing).

Figure 4.12: Supply of affordable housing			
Area	Social/affordable rented relets	Intermediate housing 'relets'	Total supply (per annum)
Eastleigh Borough	237	23	260

Source: CoRe

Net Affordable Housing Need

4.58 The table below shows the overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis has been based on meeting affordable housing need over the 25-year period from 2011 to 2036. Whilst most of the data in the model are annual figures the current need has been divided by 25 to make an equivalent annual figure.

4.59 The data shows an overall (net) need for affordable housing of 10,900 units over the 25-years (436 per annum). The net need is calculated as follows:

Net Need = Current Need + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Figure 4.13: Estimated level of Affordable Housing Need (2011-36)		
	Per annum	25-years
Current need	26	640
Newly forming households	504	12,591
Existing households falling into need	167	4,164
Total Gross Need	696	17,395
Supply	260	6,488
Net Need	436	10,908

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

4.60 The data can be compared with figures from the 2013/14 South Hampshire SHMA and the table below brings together each of the stages on an annual basis. The stages are broadly comparable although it should be noted that the annual figure in the 2013/14 SHMA has been based on dividing the current need by 23 rather than 25 – this reflects the fact that the 2013/14 SHMA looked at needs from 2013 onwards whereas this assessment considers needs for the 25-year period from 2011 to 2036 (to ensure consistency with demographic projections). This difference does not impact significantly on the figures.

4.61 The table below shows that the assessed affordable need in this report (at 436 per annum) is below that in the South Hampshire SHMA (509 per annum). This difference is mainly driven by a reduction in estimates of newly forming households in need and will reflect the fact that this report has derived data from the more recent 2012-based SNPP and CLG household projections. Given that the PPG stresses the need to use the most up-to-date information available, it is considered that the assessment of affordable need in this report should be preferred to that developed as part of the South Hampshire SHMA.

Figure 4.14: Comparing levels of annual Affordable Housing Need in this assessment and the 2013/14 South Hampshire SHMA		
	This assessment	South Hampshire SHMA
Current need	26	26
Newly forming households	504	544
Existing households falling into need	167	175
Total Gross Need	696	745
Supply	260	236
Net Need	436	509

Source: South Hampshire data from South Hampshire SHMA (2013/14)

Sensitivity to Income Thresholds

4.62 A 30% rent to income threshold for affordability has been used in the main modelling, it is however worthwhile considering the implications of alternative thresholds. To understand the implications of the income threshold, a sensitivity test has been undertaken which assumes different levels of income spent on housing costs. The table below summarises the findings. In particular, it can be seen with an assumption of households spending 40% of gross income on housing costs that the need falls to 266 households per annum (down from 439 using a 30% threshold). As noted previously, it is the case that both Government policy and typical letting agent practice supports a 40% threshold as potentially being reasonable.

Figure 4.15: Estimated level of Affordable Housing Need (per annum) at Variant Income Thresholds

	@ 25%	@ 30%	@ 35%	@ 40%
Current Need	29	26	22	19
Newly forming households	598	504	427	366
Existing households falling into need	177	167	154	140
Total Need	805	696	603	525
Supply	260	260	260	260
Net Need	545	436	343	266

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

Understanding the link between affordable housing need and objectively assessed need

4.63 The analysis above indicates a significant need for affordable housing in the borough. Using a baseline demographic need (for all tenures) linked to the 2012-based SNPP and household projections (a need for 520 dwellings per annum) the analysis is suggesting that some 84% of the need is for affordable housing (based on a 30% affordability threshold). However, a direct comparison between these numbers is not considered to be robust way to understand the link between affordable need and OAN. This point was very clearly picked up in the Planning Advisory Service (PAS) Technical Advice Note (Objectively Assessed Need and Housing Targets) - June 2014, where it is stated (in paragraph 2.12) that *'affordable housing need is a different kind of number from total need (the OAN), so the two numbers are not directly comparable'*. In understanding the link between affordable need and the OAN there are two important considerations:

- To understand the extent to which households in need are already living in housing
- To understand the role played by the private rented sector in meeting need

Households already living in housing

4.64 The first issue to consider is to note that a proportion of those households included in the affordable housing model will already be living in housing (albeit not housing that is suitable for them for some reason (such as size or cost)). If these households were to move to an affordable home then their current dwelling would become available for another household and there would be no net need for an additional dwelling.

4.65 This point was picked up in the PAS Technical Advice Note – in Section 7 of this note (paragraph 7.3) it recognises that:

'As defined in the PG, affordable need also includes housing for existing households – including those that are currently in unsuitable housing and those who will 'fall into need' in the plan period (i.e. their housing will become unsuitable for them). For the most part the needs of these households are not for net new dwellings. Except for those who are currently homeless or 'concealed'. If they move into suitable housing they will free an equivalent number of existing dwellings, to be occupied by people for whom they are more suitable. If the affordable needs of existing households are included in the OAN, the resulting figure will too large'.

4.66 Looking on this basis at the need for affordable housing, the net need for affordable homes in the Borough is estimated to be 244 per annum (504-260) when considering a 30% rent to income threshold. This figure is calculated by removing the current need (which in terms of the modelling used are all existing households) and the projection of existing households falling into need. A figure of 244 represents about 47% of the assessed need (of 520) from the core demographic analysis. By comparison, the affordable housing policy of the Eastleigh Borough Local Plan Review (2001-2011) only requires that 35% of new housing on qualifying development sites should be for affordable needs. The estimated requirement for affordable housing indicates that various means of reducing this requirement (e.g. by taking steps to prevent homelessness) or of increasing the supply of affordable should be investigated by the Council.

The role of the private rented sector (PRS)

4.67 As well as considering the types of household in need it is important to examine the extent to which the PRS (through the Local Housing Allowance (LHA) system) is meeting the needs of households in the Borough. Whilst the role of the PRS is not specifically mentioned in the NPPF or PPG, it has been recognised through previous SHMA guidance. The 2007 guide states that *"some households in need may choose to live in the private rented sector (possibly with the use of housing benefit) or housing that would be classified as unsuitable, even though they are eligible for affordable housing*". [p49]. The same page continues by posing a 'research question' of *'how is the private rented sector used to accommodate housing need?'*

4.68 Therefore it is clear that CLG has previously recognised the role played by the private rented sector and would have expected this role to be considered in analyses. Indeed it appears that Central Government still perceives a role for the private rented sector in addressing the need for affordable housing. If it didn't then there would be no benefit system available for those unable to access the market (i.e. there would be no benefit system available for those unable to access affordable housing) and local authorities would not be able to discharge their homelessness duties into the sector.

4.69 Additionally, the wording of the NPPF needs to be carefully considered here. The definition of affordable housing (in the Annex 2: Glossary) is *'Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market'*. It is clear that many households do have their needs met by the market (through provision of Housing Benefit) and therefore the affordable housing need should be addressing any shortfall in overall housing, taking account of those whose needs are being met.

4.70 In short, the private rented sector cannot be ignored as a source of supply as it is an integral part of the overall operation of a housing market. It would require further intervention from Central Government, beyond the mere omission of the private rented sector from the definition of affordable housing, to remove the PRS from consideration in an objective (i.e. a factual) assessment of net housing need. Nevertheless, the extent to which the on-going contribution of the PRS is an acceptable solution to housing needs is a decision that policy-makers will need to take, when they are considering how to provide for future needs.

4.71 Data from the Department of Work and Pensions (DWP) has been used to look at the number of LHA supported private rented homes. As of November 2014 it is estimated that there were 1,798 benefit claimants in the private rented sector; this is 52% up from the number observed six-years earlier (in November 2008 – 1,186).

4.72 What this information does not show is how many lettings are made each year to tenants claiming benefit as this will depend on the turnover of stock. From English Housing Survey it is estimated that the proportion of households within the private sector who are "new lettings" each year (i.e. stripping out the effect of households moving from one private rented property to another) is around 13%. Applying this to the number of LHA claimants in the private rented sector gives an estimate of 234 private sector lettings per annum to new LHA claimants in the Borough. This figure is derived from claimants rather than households and it is possible that there are a number of multiple LHA claimant households (i.e. in the HMO sector).

4.73 The overall estimated number of lettings in the LHA part of the PRS can therefore be seen to be 54% of the total net need derived through the affordable housing needs analysis (based on a 30% affordability threshold). Furthermore, if this 'supply' were netted off from the overall affordable need of 436 per annum (Figure 4.15) then there would be a net need for 202 dwellings (39% of the overall need shown through demographic modelling).

4.74 The role of the private rented sector in meeting affordable needs has been recognised in a number of Local Plan Inspectors' reports. One example is Mendip Council (October 2014) where the Inspector noted: *'it must be recognised that the private rented sector does in practice make a significant contribution to meeting the need for affordable housing and the likelihood is that it will to continue to do so to some degree in the foreseeable future'*. The Mendip case is notable as the adoption of the Local Plan had been subject to a legal challenge (with the role of the private rented sector in meeting affordable need being one of the grounds cited) – the challenge was subsequently withdrawn.

4.75 It should however also be noted that the Inspector for the Eastleigh Local Plan did not agree with the position taken in Mendip. Comments on the Eastleigh Inspector's views can be found at the end of this section.

The link between affordable need and the OAN

4.76 The analysis above has shown that a notable proportion of the affordable need is expected to arise from households who are already living in accommodation (existing households); Furthermore, there is a clear current and ongoing role of the private rented sector in meeting affordable need. When these points are taken together, they suggest that the affordable housing requirement could *theoretically* be met without any increase to the overall housing need implied by demographic modelling. However, whether or not this is a sound conclusion depends on the existing supply being suitable to meet much of the emerging affordable need (so that existing households can swap accommodation); and also on the suitability of the PRS accommodation for meeting the emerging affordable need.

4.77 In coming to such a conclusion it is also necessary to understand the general logic behind increasing housing numbers in an area. If one area were to decide to provide more housing than is shown in the demographic projections then this would be expected to generate a higher level of in-migration. Such migration would have to come from somewhere else and would therefore drive a lower need in such locations (which would need to be agreed through the Duty to Cooperate and would essentially be a 'policy-on' position).

4.78 The analysis of affordable need does however suggest that one option for the Council to pursue would be to provide as much new affordable housing as is feasible (subject e.g. to viability constraints). Providing additional affordable housing will allow for a reduction in the reliance on the private rented sector over time.

4.79 There may also be a case to consider the affordable housing need alongside the evidence of market signals and potentially consider a modest uplift to help improve overall affordability for younger households seeking to enter the housing market for the first time. A modest uplift that is targeted at the constrained segments of the market could be achieved without significant additional uplifts to the population (over and above the trend-based demographic projections) and would not therefore necessarily have a direct impact on other areas needing to provide fewer homes. This is discussed in Section 5 below.

Need for Different Types of Affordable Housing

4.80 Having studied housing costs, incomes and affordable housing need the next step is to make an estimate of the proportion of affordable housing need that should be met through provision of different housing products. The income information presented earlier in this section has therefore been used to estimate the proportion of households who are likely to be able to afford intermediate housing and the number for whom only social or affordable rented housing will be affordable. There are three main types of affordable housing that can be studied in this analysis:

- Intermediate
- Affordable rent
- Social rent

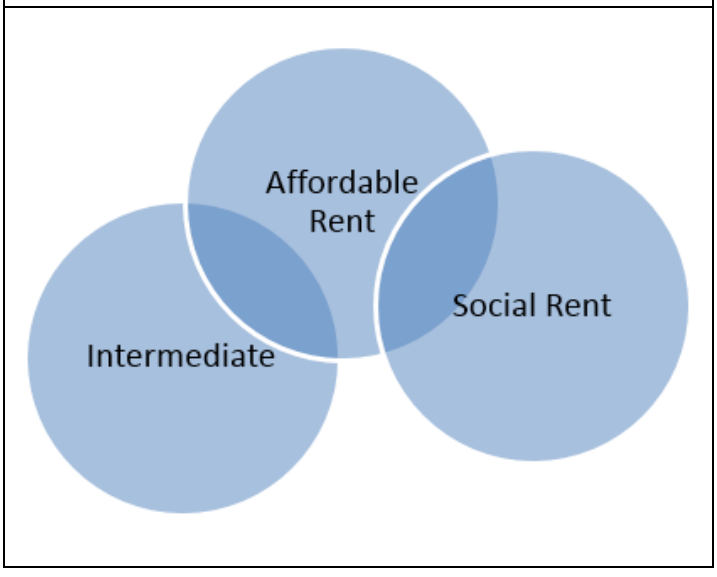
4.81 Whilst the process of separating households into different income bands for analytical purposes is quite straightforward, this does not necessarily fully indicate what sort of affordable housing they might be able to afford or occupy.

4.82 For example, a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have an insufficient savings to cover a deposit. Such a household might therefore be allocated to affordable rented or intermediate rented housing as the most suitable solution.

4.83 The distinction between social and affordable rented housing is also complex. Whilst rents for affordable rented housing would be expected to be higher than social rents, this does not necessarily mean that such a product would be reserved for households with a higher income. In reality, as long as the rent to be paid falls at or below LHA limits then it will be accessible to a range of households (many of whom will need to claim housing benefit). Local authorities' tenancy strategies might set policies regarding the types of households which might be allocated affordable rented homes; and many authorities will seek to avoid where possible households having to claim higher levels of housing benefit. This however needs to be set against other factors, including viability and the availability of grant funding. Over the current spending period to 2015 grant funding is primarily available to support delivery of affordable rented homes. A significant level of affordable housing delivery is however through developer contributions (Section 106 Agreements).

4.84 For these reasons it is difficult to exactly pin down what proportion of additional affordable homes should be provided through different affordable tenure categories. In effect there is a degree of overlap between different affordable housing tenures, as the figure below shows.

Figure 4.16: Overlap between Affordable Housing Tenures



4.85 Given this overlap, for analytical purposes the following categories have been defined:

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

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

4.87 Detailed information on households' savings is not available. It has therefore been assumed that all households with an income which would allow them to afford 80% or more of market rents would represent the potential market for intermediate products such as shared ownership and shared equity homes – in reality a number of these households might only be able to afford some sort of rental product.

4.88 Taking the gross numbers for affordable housing need and comparing this against the supply from relets of existing stock (as set out in Figure 4.12), the following net need arises within the different categories. Overall the analysis suggests around a quarter of housing could be intermediate with the remaining three-quarters being either social or affordable rented. The figure of 25% of the affordable need being met by intermediate products is virtually identical to a similar analysis undertaken in the 2013/14 South Hampshire SHMA (24%).

Figure 4.17: Estimated level of Affordable Housing Need (per annum) by type of affordable housing

	Intermediate			Social/affordable rented		
	Total need	Supply	Net need	Total need	Supply	Net need
Eastleigh Borough	133	23	110	563	237	326
% of total		25%			75%	

Source: Affordable Housing Needs Analysis

4.89 In determining policies for affordable housing provision on individual sites, the analysis in the table above should be brought together with other local evidence such as from the Housing Register. Consideration could also be given to areas with high concentrations of social rented housing where additional intermediate housing might be desirable to improve the housing mix and to create 'housing pathways'.

The Eastleigh Inspector's views on affordable housing need

4.90 In paragraph 32 of his final report, the Inspector suggests that a 30% threshold of income to be spent on housing should be considered to be at the upper end of the possible range, with reference being made to incomes being insufficient to access a three bedroom property.

4.91 The threshold of income to be spent on housing should be set by asking the question *'what level of income is expected to be required for a household to be able to access market housing without the need for subsidy (e.g. through Housing Benefit)?'* The choice of an appropriate threshold will to some degree be arbitrary and will be linked to the cost of housing rather than income. In the case of Eastleigh, the main analysis has been based on 30% of income being spent on housing. With a lower quartile rent being assessed at £675 per month (£8,100 per annum) the associated income can be calculated to be £27,000. Hence the analysis is suggesting that a household with an income of less than £27,000 would not reasonably be expected to access market housing without subsidy, but a household with an income in excess of this level would be able to.

4.92 Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold. It would be feasible to find an area with very low incomes and therefore conclude that no households can afford housing, alternatively an area with very high incomes might show the opposite output. The key here is that local income levels are not setting the threshold, but are simply being used to assess how many can or can't afford market housing. It should be remembered that the analysis in this report uses data from an income distribution (i.e. reflecting the proportion of households with incomes at different levels) and so a simple comparison between the threshold and an average (or lower quartile) income does not readily indicate how many households can/can't afford housing.

4.93 Regardless, the simple point is that local income levels tell us how many households can or can't afford housing, but do not tell us what the threshold for accessing housing should be. Although the use in this report (and indeed the South Hampshire SHMA) of a figure of £27,000 is arbitrary, it is considered to be reasonable on the basis of previous Government guidance (which used a start point of 25%), current Government policy (e.g. about the payment of Housing Benefit which would suggest a figure of 40%+) and typical letting agent practice (which shows a typical figure of 40%). It (£27,000) is also at a level above the maximum benefit available through Universal Credit (£26,000) and would suggest that the threshold used in this report is at a level where the Government would consider a household as able to afford to access housing.

4.94 Returning to the original question *'what level of income is expected to be required for a household to be able to access market housing without the need for subsidy (e.g. through Housing Benefit)?'* it is believed that an income of £27,000 in Eastleigh reflects a reasonable level above which households would be expected to find a market solution. The income level could arguably be lower (i.e. a higher threshold could be used) and it is also the case that in the affordable sector (where households are typically allocated dwellings on the basis of need) that most households fall into a 1- or 2-bedroom requirement category where the cost of housing is often lower.

4.95 In paragraph 34 the Inspector criticises the use of the private rented sector (PRS) as a means of meeting affordable need. Whilst is it accepted that the PRS is not affordable housing in terms of the NPPF (albeit the NPPF definition is 'for planning purposes') it has to be recognised as an integral part of a functioning housing market. To ignore the PRS in the SHMA (or this report) would be negligent as part of an objective (i.e. factual) rather than 'policy-on' assessment of housing requirements. The Inspector notes that the PRS does not share the same security of tenure as affordable housing and that the standards of accommodation may be poor.

4.96 He does however pick up on the fact that such accommodation exists and that were households to be housed in affordable housing (as a result of a move from the PRS) then a dwelling would be freed up for use by another household (paragraph 36). In addition, he notes in his conclusions (paragraph 55) that *'it [provision of affordable housing] would result in the release back into the market of many dwellings in the PRS currently occupied by tenants in receipt of LHA'.* These observations imply that the result of omitting the PRS as a means of housing those in affordable need is that a greater proportion of the requirement for market housing would in theory be met by the existing dwelling stock. This is either because more of the market housing need would be met by the PRS directly, or because more of the dwelling stock that is currently in use by the PRS would be sold to future owner-occupiers. In essence, the exclusion of the PRS from the calculation of affordable housing requirements does not imply an additional need for new housing, but the need for more affordable housing from new development.

4.97 From the perspective of undertaking an objective assessment of development requirements, Eastleigh Borough Council fully recognised the need for affordable housing in presenting its evidence for the Eastleigh Borough Local Plan 2011-2029. It is a 'policy-on' decision to exclude the contribution of the PRS from meeting future affordable housing needs and one that would imply a need to provide a greater proportion of affordable housing from the overall housing requirement; not necessarily an uplift to the housing requirement. Whilst the Council could consider increasing provision due to the affordable need, this would mean increasing migration and population growth in the Borough relative to the most robust demographic projections, and (all other things being equal) would therefore lead to a need to reduce provision in other areas (probably other parts of the HMA) – this would need to be agreed through the Duty to Cooperate.

4.98 It should also be recognised that the provision of additional affordable housing in the Borough, could potentially reduce the reliance on this sector moving forward. The Council could also consider through the development of its Housing Strategy if and how it might play an enhanced brokerage role linking households in need to willing landlords offering decent homes. There is also a clear role for policy to seek to encourage investment and improve standards within the sector. The Council already has an important enforcement role and could consider developing a Landlords Accreditation Scheme – possibly across the wider HMA where pressures for affordable housing may not be as great (e.g. in Southampton).

Summary – Affordable Housing Need

An assessment of housing need has been undertaken which is compliant with Government guidance to identify whether there is a shortfall or surplus of affordable housing in Eastleigh. This has estimated current housing need in 2011 of 640 households, excluding existing social housing tenants where they would release a home for another household in need.

The housing needs model then looked at the balance between needs arising and the supply of affordable housing. Each year an estimated 670 households are expected to fall into housing need and 260 properties are expected to come up for relet.

Overall, in the period from 2011 to 2036 a net deficit of 10,900 affordable homes is identified (436 per annum). There is thus a requirement for new affordable housing in the Borough and the Council is justified in seeking to secure additional affordable housing. This figure is based on an assumption that households spend no more than 30% of their income on housing costs; if this threshold is raised to 40% (which would be consistent with Government policy and typical letting agency practice) then the affordable need falls to 266 per annum.

However, the link between the affordable housing need and the overall need for housing (or the objectively assessed need) is complex. Once account is taken of the fact that many of the households in need are already living in accommodation (existing households) and the role played by the private rented sector, the analysis does not provide any evidence of a need to consider additional housing to help meet the need. However some additional housing could potentially be considered as part of a market signals adjustment to help improve affordability for younger households. A modest uplift would not be expected to generate any significant population growth (over and above that shown by demographic projections) such that consideration of lower housing numbers in other areas would need to be agreed through the Duty to Cooperate.

Further analysis identifies that about a quarter of the need could be met through intermediate housing and the remaining three quarters through provision of social/affordable rented homes. The types of intermediate housing could include products such as shared ownership or shared equity, although the cost of such products should be carefully considered to ensure they are genuinely affordable – this will need to include consideration of any deposit requirements which may be a barrier to access for a number of households.

5. Housing Market Dynamics and Market Signals

Introduction

5.1 The Planning Practice Guidance sets out that housing numbers suggested by household projections should be adjusted if necessary to reflect appropriate market signals, as well as other market indicators of the balance between demand for and supply of dwellings. It indicates that prices or rents rising faster than the national/local average may indicate particular market undersupply relative to demand. It identifies a number of relevant market signals.

- Land Prices – where price premiums indicate a shortage of land in a locality;
- House Prices and Rents – where longer-term changes in prices may indicate a supply-demand imbalance;
- Affordability – using the ratio of lower quartile house prices to lower quartile incomes to assess relative affordability of market housing;
- Rates of Development – through comparison of rates of permissions and completions relative to planned numbers over a meaningful period;
- Overcrowding – whereby long-term increases in overcrowded, concealed and sharing households, homelessness and numbers in temporary accommodation should be considered.

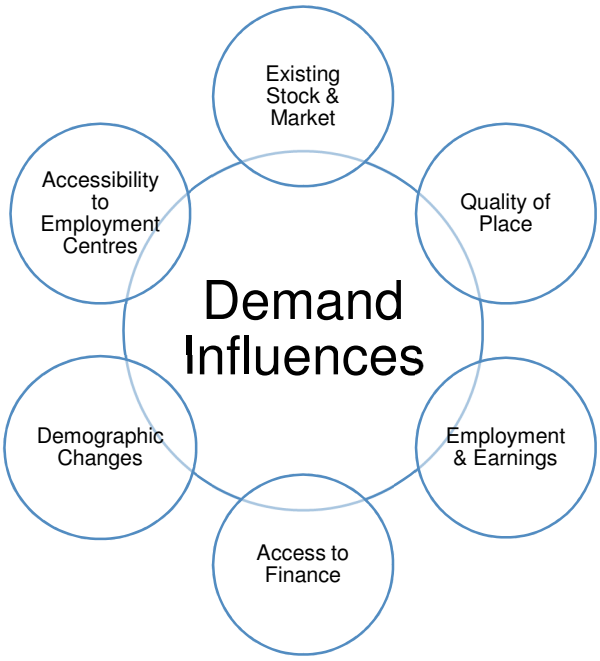
5.2 The focus is on considering indicators relating to price and quantity. Guidance states these issues should be assessed by comparing long-term trends in the housing market area, similar demographic/economic areas, and nationally. Where possible, data for Eastleigh has been compared with Southampton and Winchester (the two areas with which the borough has the strongest links in terms of migration and travel to work) as well as Hampshire, the South East and England (or England & Wales).

5.3 The purpose of the analysis is to consider whether a proportionate upward adjustment should be made to housing numbers to improve affordability.

Overview of the Housing Market and Economy

5.4 It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level. There are a number of key influences on housing demand, which are set out in the diagram below.

Figure 5.1: Understanding Housing Demand Drivers



5.5 At the macro-level, the market is particularly influenced by interest rates and mortgage availability, as well as market sentiment (which is influenced by economic performance and prospects at the macro-level). In the recent recessionary period, these macro conditions have been particularly prominent in driving the housing market.

5.6 The market is also influenced by the economy at both regional and local levels, recognising that economic employment trends will influence migration patterns (as people move to and from areas to access jobs) and that the nature of employment growth and labour demand will influence changes in earnings and wealth (which influences affordability).

5.7 Housing demand over the longer-term is particularly influenced by population and economic trends: changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products.

5.8 There are then a number of factors which play out at a more local level, within a functional housing market and influence demand in different locations. The importance of these local factors is perhaps more pronounced in stable or healthy economic times, when mortgage availability and market liquidity are far less of a constraint on activity. These include:

- quality of place and neighbourhood character;
- school performance and the catchments of good schools;
- the accessibility of areas including to employment centres (with transport links being an important component of this); and
- the existing housing market and local market conditions.

5.9 These factors influence the demand profile and pricing within the market. At a local level, this often means that the housing market (in terms of the profile of buyers) tends to be influenced and consequently reinforced to some degree by the existing stock profile (nationally, in 2014, only 9% of all sales were newbuild properties, with a lower figure of 7% being seen in Eastleigh (data from Land Registry)). However, regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.

5.10 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

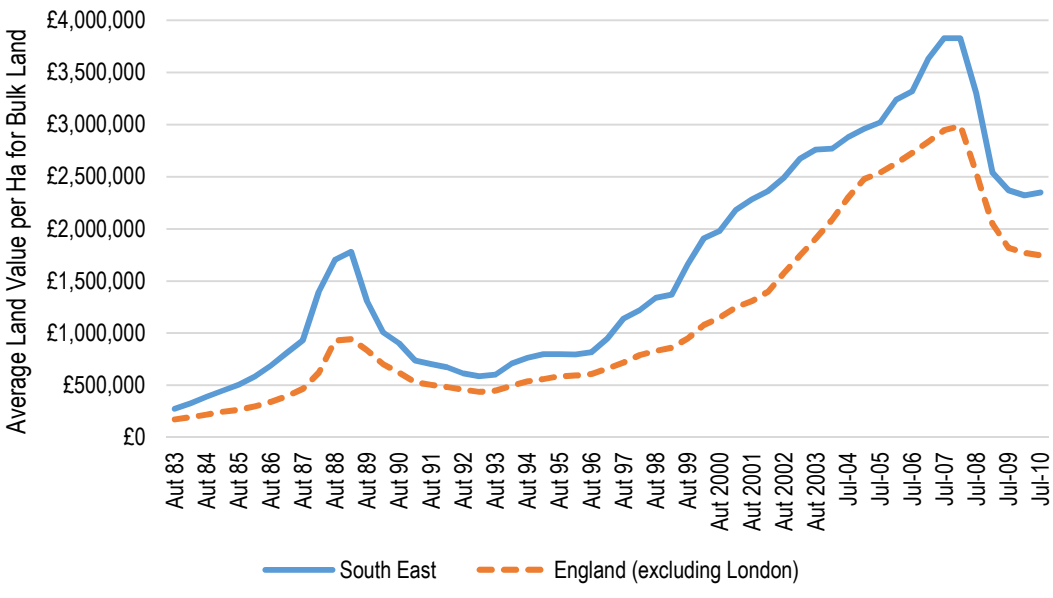
Land Prices

5.11 Consistent published information on land prices is not available. The analysis has therefore drawn on a range of data sources. The figure below indicates that values for bulk land rose substantially across England from £360,000 in 1992 to a peak of £3.0 million per hectare in January 2008. The credit crunch however resulted in a notable fall in land values, with values declining by 41% nationally (excluding London) from January 2008 to July 2010; and by 39% across the South East.

5.12 The average value for bulk land in the South East increased substantially between 2004-2007 – as was the case in England; suggesting a greater volume of demand relative to supply. There has however still been a notable price correction, with land values in 2010 falling back to levels similar to those in 2001/2.

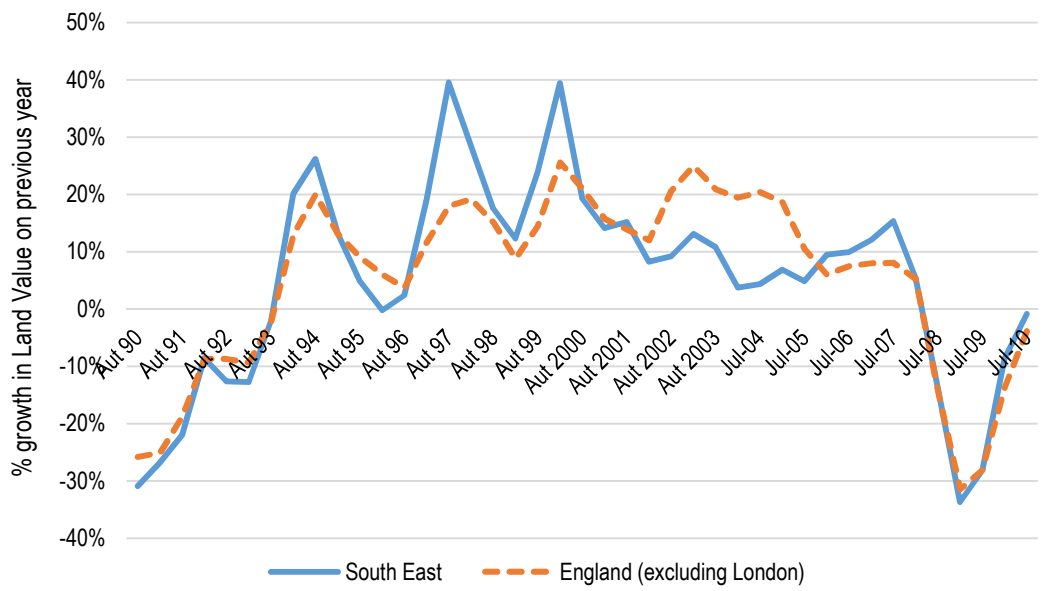
5.13 Overall the analysis does not point towards a particular shortage of development land within the region in 2010; although it does suggest that land supply over the 1996-2007 period in the region fell short of demand.

Figure 5.2: Trend in Bulk Residential Land Values, 1983-2010



Source: VOA/HCA 2010

Figure 5.3: Growth Rates in Residential Land Values, 1990-2010



Source: VOA/HCA 2010

5.14 The VOA 2010 data can also be used to benchmark residential land values at a more local level. Data is not available for Eastleigh with the closest location being Southampton. Across the three different types of sites shown, land values in Southampton were below the South East average and slightly above the national average.

Figure 5.4: Residential Land Values, 2010 (£/Ha)

		Small sites	Bulk Land	Sites for flats or maisonettes
Aylesbury Vale	Aylesbury	2,540,000	2,450,000	3,500,000
Basingstoke & Deane	Basingstoke	1,765,000	1,720,000	1,700,000
Brighton & Hove	Brighton	3,500,000	3,250,000	4,500,000
Eastbourne	Eastbourne	2,100,000	2,000,000	2,500,000
Shepway	Folkestone	1,250,000	1,150,000	1,250,000
Guildford	Guildford	3,700,000	3,420,000	3,000,000
The Medway Towns	Rochester	1,450,000	1,400,000	1,400,000
Oxford	Oxford	5,200,000	5,000,000	5,500,000
Portsmouth	Portsmouth	1,560,000	1,550,000	1,420,000
Reigate & Banstead	Reigate	3,600,000	3,230,000	2,850,000
Medina	Ryde	875,000	825,000	875,000
Southampton	Southampton	2,050,000	1,985,000	2,000,000
Tunbridge Wells	Tunbridge Wells	2,250,000	2,250,000	2,250,000
Wokingham	Wokingham	2,800,000	2,600,000	3,450,000
Worthing	Worthing	2,150,000	2,000,000	2,250,000
South East		2,450,000	2,320,000	2,560,000
England (excluding London)		1,880,000	1,770,000	1,970,000

Source: VOA/HCA 2010

5.15 Overall at the current time there is no evidence from land values of a local supply-demand imbalance and thus a need to increase housing land supply. Caution should however be taken with this analysis due to the age of the data and the fact the specific data for Eastleigh is not available.

House Prices and Rents

5.16 Next, longer-term changes in house prices are considered, and what these indicate about the supply-demand balance for housing.

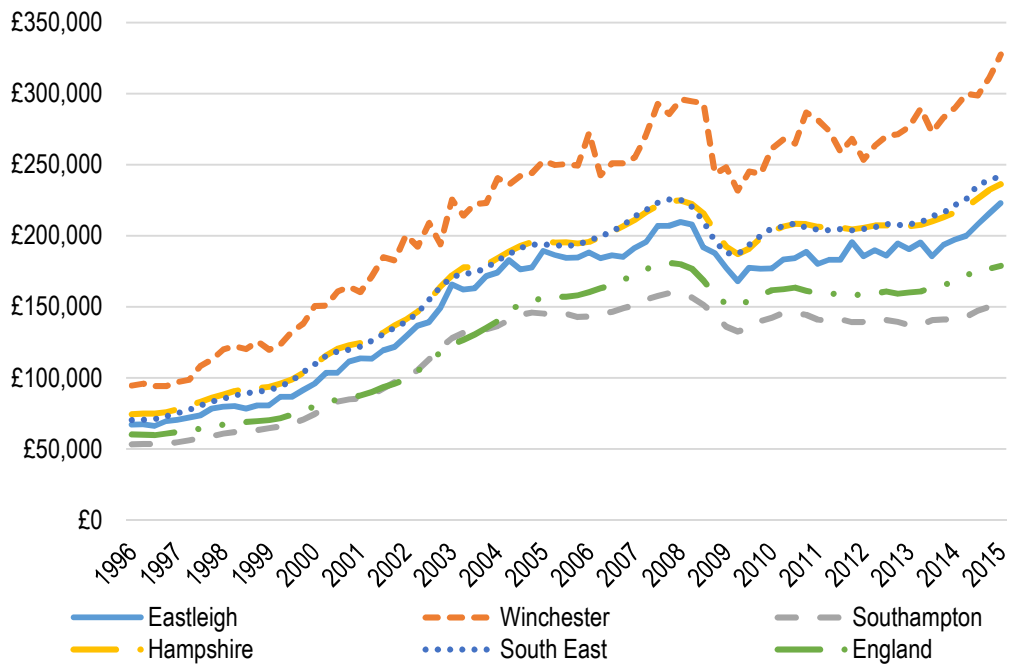
House prices

5.17 Over the decade to 2007 median house prices grew strongly, increasing by about 172% across Eastleigh. This is very similar to the growth seen in Southampton (173%), Winchester (165%), Hampshire (167%), regionally (178%) and nationally (178%). The pattern of house price change in Eastleigh was broadly in line with other areas. Prices grew over the decade by £127,000 in the Borough relative to growth of £99,000 in Southampton, £172,000 in Winchester, £137,000 for the County, £141,000 regionally and £114,000 across the whole of England & Wales.

5.18 House price dynamics since 2007 have been quite different, with a drop in prices and then a subsequent recovery. Since the 1st quarter of 2012 average prices in Eastleigh have increased by 20%; this contrasts with a 29% increase for Winchester and just 8% for Southampton. Across Hampshire, prices rose by 15% in this period, with an 18% increase being seen in the South East and 12% across England & Wales.

5.19 It should be noted that to achieve the time series of 1996 to 2015, a range of different sources of information have been accessed. Whilst all of these are based on Land Registry data, it is the case that different figures are shown for the same time period in all areas. Hence some adjustments have been made to ensure a consistency of approach over time. This means that estimated median prices differ slightly from those shown later in this section for Eastleigh and Winchester – data for non-Unitary districts is not available from the Land Registry House Price Index information.

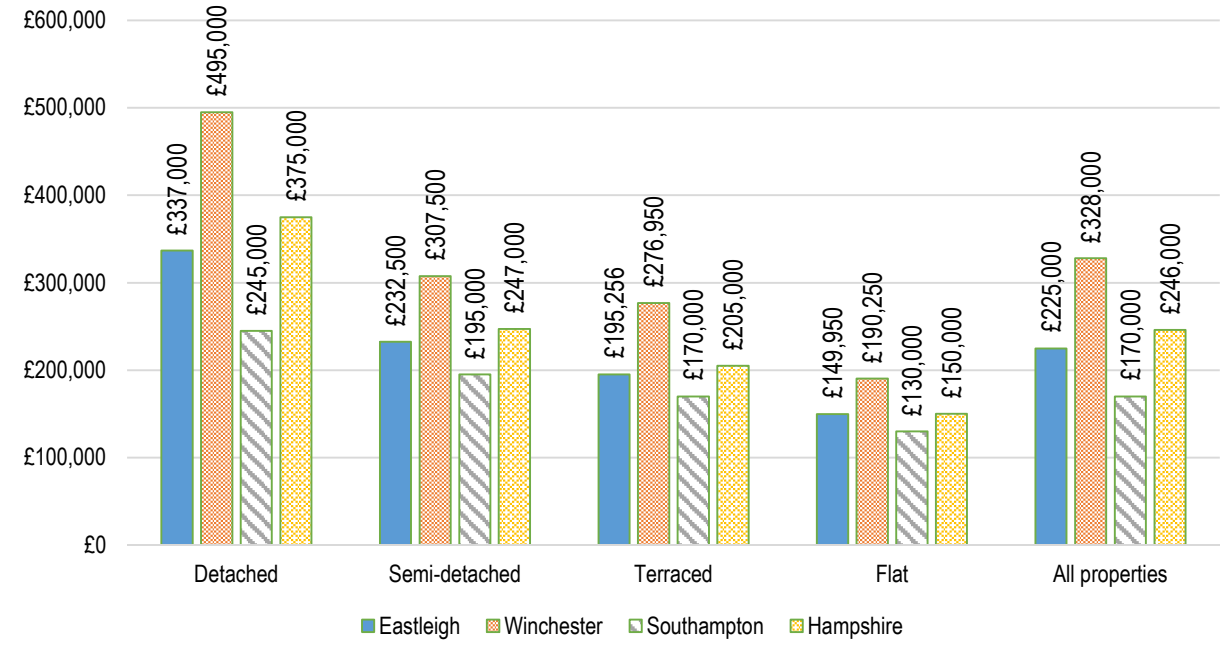
Figure 5.5: Median House Prices, 1996-2015



Source: Land Registry

5.20 Turning to look at house prices more locally, the figure below indicates house prices for different types of homes in Eastleigh and key adjoining local authorities (plus Hampshire). Prices in Eastleigh sit in the middle of the range with higher figures seen for all property sizes in Winchester but lower figures in Southampton. Compared with the County, prices in Eastleigh are also on the low side – although the differences are less marked than with the comparison to Winchester.

Figure 5.6: Median House Prices by Type (2014)



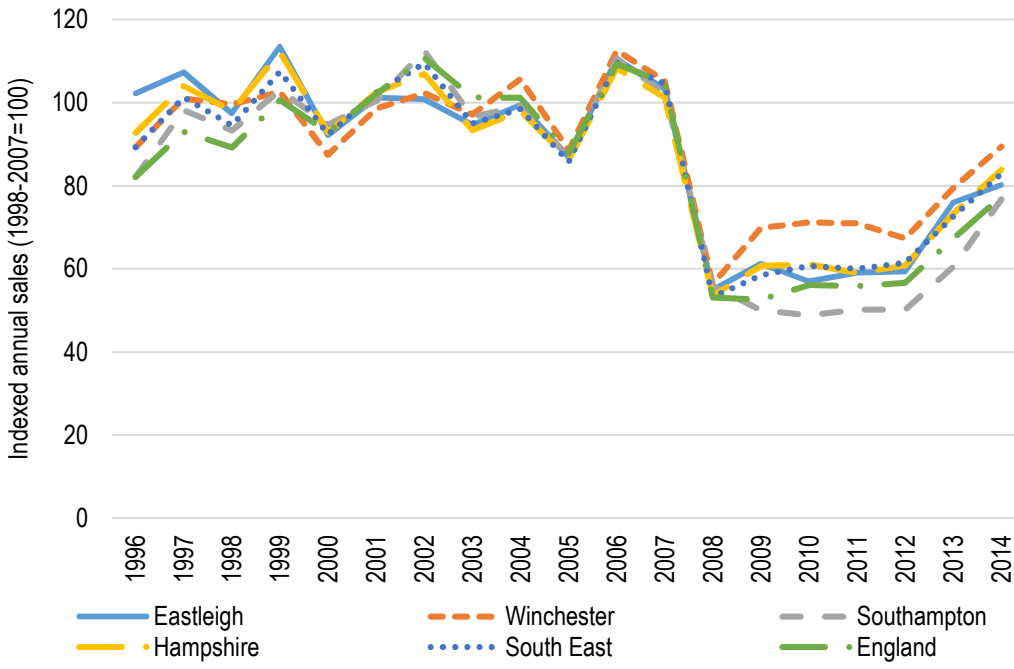
Source: Land Registry

Sales trends

5.21 Sales trends are also an important indicator as these provide an indication of the effective demand for market housing. The figure below provides an index of annual sales where 100 is the average sales over the decade to 2007/8. The analysis indicates a market 'dip' in 2005 (linked to a rise in interest rates). However it shows a substantial drop in sales in 2008 to a level 50%-60% below the long-term trend. There has been some recovery since 2012 but sales are still 20% down on long-term trends.

5.22 Access to mortgage finance is likely to be the key constraint to market performance here, impacting on levels of both first-time buyers and investment purchases towards the bottom of the market in particular. This has a cascading impact on overall market vitality and confidence (and impacts on chains of sales). The data does however suggest that the situation is improving, with sales levels recovering notably over the past couple of years.

Figure 5.7: Annual Sales Index, 1996-2014



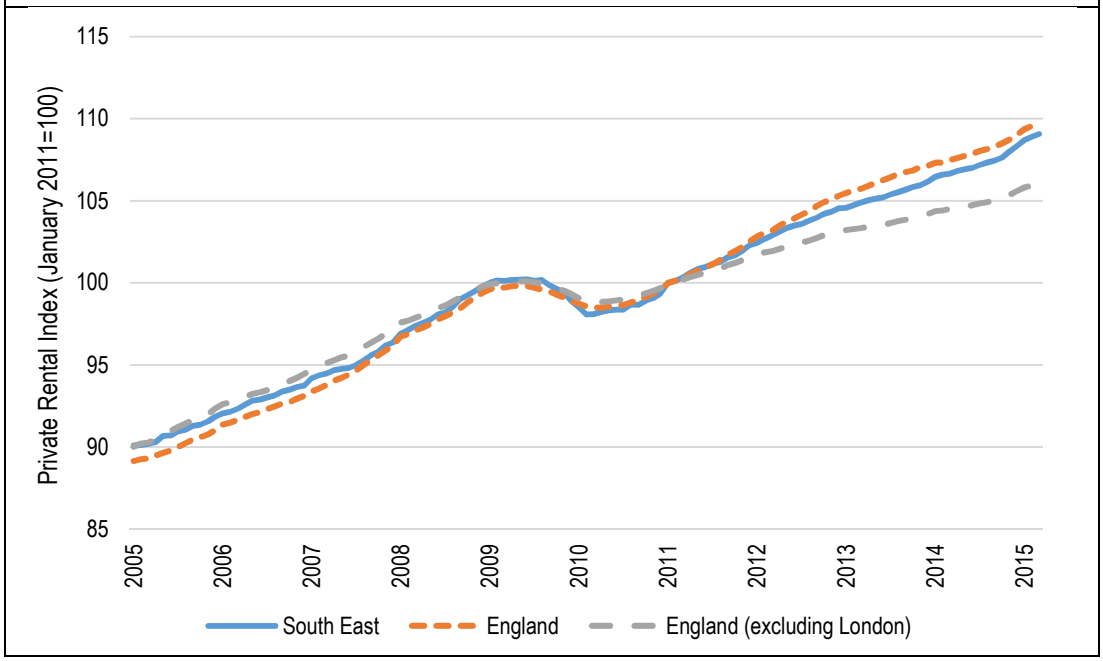
Source: CLG Live Tables (584) and Land Registry

5.23 Overall the house price analysis at a local level does not point to a particular supply-demand imbalance for homes within Eastleigh relative to other parts of the County or the wider region. In a national context however, it is clear that prices in Eastleigh and the South East are relatively high.

Private rental trends

5.24 The figure below shows rental trends. The ONS Monthly Private Rental Index indicates that across the region, rental values have grown fairly modestly when compared with the national average. Since 2011 they have increased by around 9% compared with 10% across England – however, removing London from the England figure does show a relatively strong increase in rents across the region. The level of growth in rents (particularly when inflation over this period is considered); does not point to a substantial supply-demand imbalance in the rental sector.

Figure 5.8: Index of Rental Trends



Source: ONS Monthly Private Rental Index

5.25 Turning to consider rental values at a more local level, the figure below draws on published data from the Valuation Office Agency (VOA). This shows that Eastleigh has fairly average private rent levels in a regional context and also arguably at a more local level (rents are higher than in Southampton but below figures for Winchester, they are also broadly in-line with County data). When compared with the national position, it is however clear that rent levels are relatively high.

Figure 5.9: Rental Values (Per Calendar Month) – All Properties – year to September 2014

	No. Rentals	Average	Lower quartile	Median	Upper quartile
Eastleigh	641	£806	£675	£760	£875
Winchester	1,615	£1,036	£735	£895	£1,200
Southampton	1,973	£741	£575	£695	£825
Hampshire	12,750	£853	£650	£775	£925
South East	75,390	£873	£605	£760	£975
England	489,000	£742	£475	£595	£800

Source: VOA

5.26 Rental values are influenced by property size. The figure below provides a comparison of rental levels for 2-bed properties across a range of areas. In Eastleigh this data suggests relatively low rent levels when compared with local/regional data. Interestingly, the median figure in Eastleigh is the same as seen for Southampton. Eastleigh does however continue to see higher rents in a national context.

Figure 5.10: Rental Values (Per Calendar Month) – two bedroom properties – year to September 2014

	No. Rentals	Average	Lower quartile	Median	Upper quartile
Eastleigh	276	£730	£695	£725	£775
Winchester	614	£895	£750	£850	£995
Southampton	776	£731	£650	£725	£795
Hampshire	4,998	£773	£675	£750	£850
South East	28,517	£804	£660	£770	£895
England	196,132	£693	£485	£580	£750

Source: VOA

5.27 The data above can also be used along with historic data to see how rent levels have changed. The table below shows rents for the year to September 2011 (the oldest date for which this information is available for a comparable 12-month period). Data for a two-bedroom property is used so that any changes in the profile of lettings does not impact on the figures and a comparison is made for the median rent in each case. The data shows in comparison with national data that private sector rents in Eastleigh have increased at a faster rate (7% over the 3-years compared with 5%). The rate of change in the Borough is roughly the same as observed across the County and region, but above the increases seen in either of the more local areas studied.

Figure 5.11: Changes to Rental Values (Per Calendar Month) – two bedroom properties – 2011 to 2014 (median figures)

	Year to September 2011	Year to September 2014	% change
Eastleigh	£678	£725	7%
Winchester	£825	£850	3%
Southampton	£695	£725	4%
Hampshire	£700	£750	7%
South East	£715	£770	8%
England	£550	£580	5%

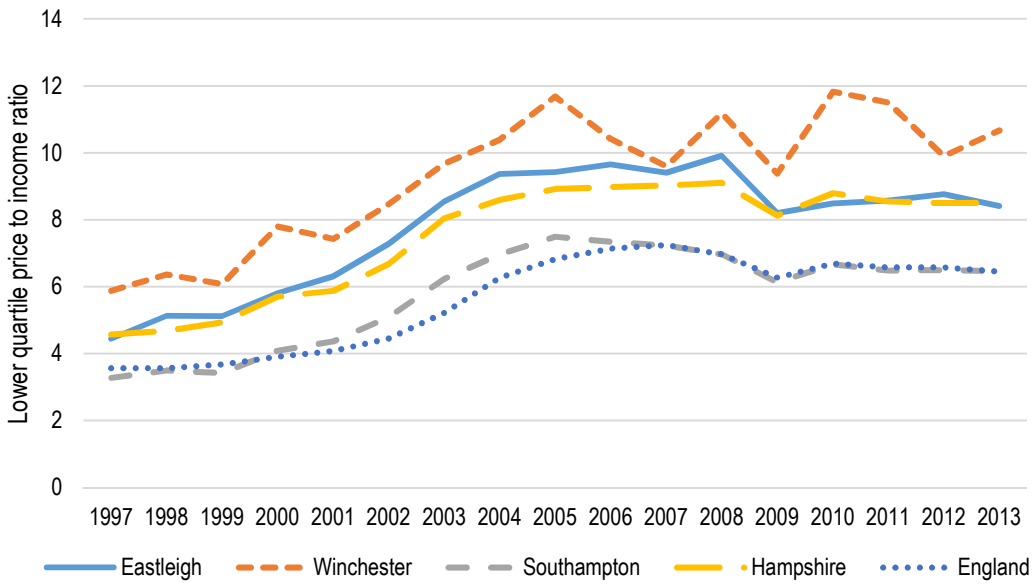
Source: VOA

5.28 Overall, the rental data, as with the price and sales data provides a mixed picture. When compared with neighbouring authorities and the County, Eastleigh does not look to have any particular pressures on the demand for private rented accommodation (costs are relatively low and have not grown significantly in the past). However, in a regional and national context, Eastleigh does exhibit some signs of market pressure.

Affordability of Market Housing

5.29 Lower quartile price to income ratios are identified by Government as a measure of the affordability of housing. They consider the affordability of entry-level market housing to younger prospective buyers. The figure below compares performance on this measure within Eastleigh with key neighbouring authorities, the County and England more widely. Affordability trends using this measure have tracked the trajectory seen in other areas although it is notable that the ratio in Eastleigh is below that seen in Winchester, in-line with the Hampshire figure and above the ration observed in either Southampton or nationally.

Figure 5.12: Lower Quartile Price to Income Ratio



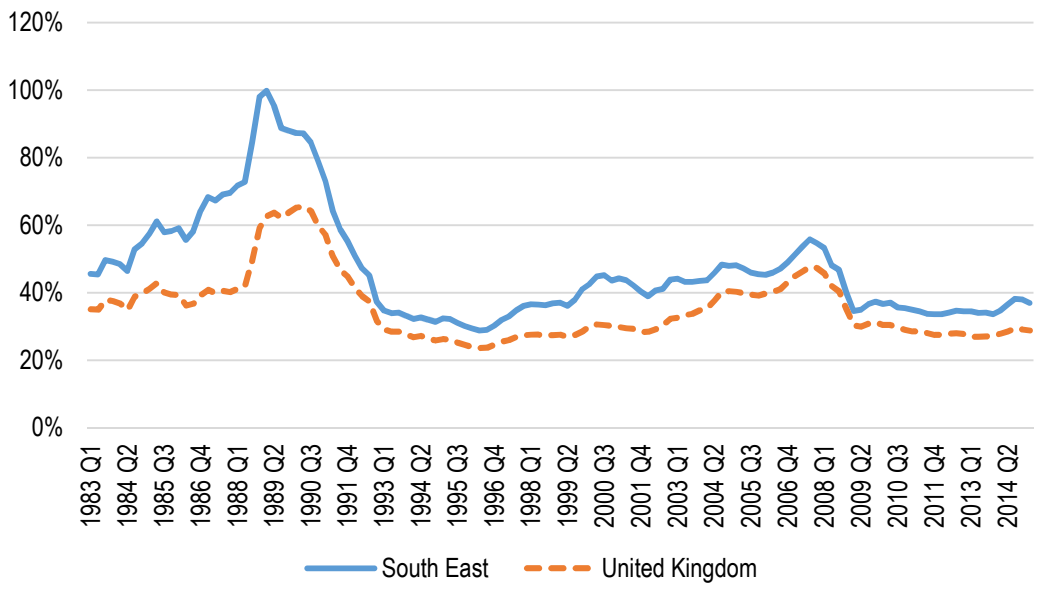
Source: DCLG Table 576

5.30 Over the past decade (since about 2004) the affordability ratio in Eastleigh looks to have improved. Going from about 9.4 down to something closer to 8.4. This is still some way above the figures seen more historically; until about 2000/1 the lower quartile house price was about 5 times the lower quartile earnings level.

5.31 This measure (coupled with the wider evidence) does point to some supply-demand imbalance in the market at the current time. It does however suggest that the affordability of market housing has improved since 2004.

5.32 The LQ ratio is a relatively simplistic measure, given that households ability to afford market housing is also affected by the costs of (and access to) mortgage finance. The figure below draws on Halifax House Price Index data to benchmark mortgage payments as a proportion of incomes. This shows that the affordability of maintaining a mortgage today is similar to that in the late 1990s in the South East (albeit that the region is less affordable than average relative to other parts of the UK).

Figure 5.13: Trends in Mortgage Payments as a Proportion of Income



Source: Halifax House Price Index

Rates of Development

5.33 Completions over time can be benchmarked using the Council's monitoring data. Until its revocation in 2013 housing delivery was assessed against targets in the South East Plan (SEP; Policy SH5). This set a requirement for provision of 354 dwellings per annum in Eastleigh (plus an additional amount in relation to the North East/North of Hedge End SDA, which was to be delivered after 2016). Before the adoption of the South East Plan in 2009, a requirement for the delivery of 421 dwellings per annum was set out in the Hampshire County Structure Plan 1996-2011 (Review).

5.34 The Eastleigh Borough Local Plan Review (2001-2011) (EBLPR), which was adopted in May 2006, set a higher target for the delivery of 561 dwellings per annum (excluding reserve housing sites). This higher figure was preferred by the Inspector at the recent examination as the benchmark to be used to assess over- or under-delivery. The Inspector considered this figure (the 561) to be more appropriate as the Local Plan was adopted after the Structure Plan (he also described the Local Plan figure as a reinterpretation of the Structure Plan requirements) – see paragraphs 75 to 77 of the final Inspector's report for more details.

5.35 The Council's position is, however, that the increase to the baseline provision within the EBLPR was made in response to development opportunities that occurred in the Eastleigh urban area and constituted a voluntary increase to, rather than a reinterpretation of strategic housing requirements.

5.36 It is not the purpose of this study to resolve this difference of opinion, and therefore the following table presents information on completions against the EBLPR and the Hampshire County Structure Plan/South East Plan, over the period 2001-2014 (2001-11 for the EBLPR target as this does not apply beyond 2011).

5.37 The analysis shows that a decision on the borough's housing requirement is critical for determining whether or not there has been a shortfall or surplus in local supply. Taking the worst case scenario and using the EBLPR housing targets, the analysis demonstrates a shortfall in provision from 2001 to 2011 of some 810 dwellings. Since then, net housing completions have been low in relation to the EBLPR target (averaging 357 per annum in the 2011-14 period). By contrast, when the completions are measured against the strategic requirements of the Hampshire County Structure Plan and the South East Plan, the data shows a surplus in provision to 2011 (and also to 2014) of about 720-730 dwellings. It should be recognised that this excludes provision in the North East/North of Hedge End SDA.

Figure 5.14: Completions compared with South East Plan and Eastleigh Borough Local Plan Review targets

Year	Completions	Cumulative completions (from 2001)	Cumulative target (Hampshire Structure Plan & South East Plan)	Cumulative target (Eastleigh Borough Local Plan Review)	Surplus/ shortfall in provision (Hampshire Structure Plan & South East Plan)	Surplus/ shortfall in provision (Eastleigh Borough Local Plan Review)
2001/2	180	180	421	561	-241	-381
2002/3	152	332	842	1,122	-510	-790
2003/4	551	883	1,263	1,683	-380	-800
2004/5	906	1,789	1,684	2,244	105	-455
2005/6	541	2,330	2,105	2,805	225	-475
2006/7	742	3,072	2,526	3,366	546	-294
2007/8	417	3,489	2.947	3,927	542	-438
2008/9	516	4,005	3,368	4,488	637	-483
2009/10	434	4,439	3,727	5,049	712	-610
2010/11	361	4,800	4,081	5,610	719	-810
2011/12	402	5,202	4,435	-	767	-
2012/13	275	5,477	4,789	-	688	-
2013/14	394	5,871	5,143	-	728	-

Source: Annual Monitoring Reports

5.38 Overall, it is therefore arguable that there's been a shortfall in provision which would further indicate the need to uplift housing numbers as a reaction to this market signal. However, as can be seen from the discussion, the issue of an over- or under-provision of housing is far from clear-cut.

Overcrowding and Houses in Multiple Occupation

5.39 The final market signal highlighted in guidance is overcrowding where it is noted that an *'increase in the number of such households may be a signal to consider increasing planned housing* numbers'. The analysis below firstly looks at levels of overcrowding in Eastleigh compared with other areas (based on the bedroom standard) before moving on to consider how overcrowding has change over time (in this case using the room standard as historical bedroom standard data is not available from the Census source used).

5.40 The figure below shows that in 2011 some 2.5% of households in Eastleigh were overcrowded. This is below the average for any of the other areas studied.

Figure 5.15: Overcrowding (2011) – bedroom standard		
	Overcrowded (no.)	Overcrowded (%)
Eastleigh	1,281	2.5%
Winchester	1,291	2.8%
Southampton	5,741	5.8%
Hampshire	14,830	2.7%
South East	127,456	3.6%
England	1,024,473	4.6%

Source: Census (2011)

5.41 The figure below shows overcrowding (as measured through the room standard) in 2001 and 2011. The data confirms that levels of overcrowding in Eastleigh are lower than in other locations and that the increase has also been quite moderate.

Figure 5.16: Changes in overcrowding (2001-2011) – room standard			
	2001	2011	Change
Eastleigh	4.2%	5.0%	0.9%
Winchester	4.1%	5.5%	1.4%
Southampton	10.3%	13.6%	3.2%
Hampshire	4.3%	5.3%	1.0%
South East	5.9%	7.5%	1.5%
England	7.1%	8.7%	1.6%

Source: Census (2001 and 2011)

5.42 As well as studying overcrowding the table below looks at the number of Houses in Multiple Occupation (HMOs). For the purposes of this analysis, data has been taken from the Census about the number of households in the 'Other' household composition category – this category is largely made up of multi-adult households where residents are unrelated. This therefore provides an indication of the number of sharing households.

5.43 The table below shows that the proportion of households sharing accommodation is generally below that seen in other areas with increase being broadly in-line with that seen in other locations (Winchester being the exception where the data shows no increase in HMOs over time).

Figure 5.17: Changes in sharing households (2001-2011)			
	2001	2011	Change
Eastleigh	2.9%	3.6%	0.7%
Winchester	3.7%	3.7%	0.0%
Southampton	5.4%	6.2%	0.8%
Hampshire	3.2%	3.6%	0.4%
South East	3.7%	4.2%	0.6%
England	3.7%	4.5%	0.8%

Source: Census (2001 and 2011)

5.44 A final analysis looks at the number of concealed families in the Borough and other areas. The Census definition of a concealed family is *'A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents'*. Eastleigh, like other areas has seen some increase in the number of concealed families over time – the increase has however been more moderate than seen in other locations apart from Winchester. As of 2011, there were 503 concealed families in the Borough, an increase of 186 over the previous decade.

Figure 5.18: Concealed families (2001-2011)				
	2001	2011	Change	% change
Eastleigh	317	503	186	59%
Winchester	251	388	137	55%
Southampton	701	1,257	556	79%
Hampshire	3,334	5,548	2,214	66%
South East	23,063	39,465	16,402	71%
England	161,254	275,954	114,700	71%

Source: Census (2001 and 2011)

5.45 Overall, the analysis of overcrowding, HMOs and concealed families does not point to a particular imbalance in the Borough. However, it is recognised that all of the measures show a worsening over time and this may require an adjustment to housing numbers.

Initial conclusions on market signals

5.46 Drawing together the individual market signals above allows a picture of the current housing market in Eastleigh to be built, and how the area sits in comparison with local, regional and national data. Below a brief summary of the key market signals (as set out in the PPG) is provided.

5.47 **Land Prices** – up-to-date local information about land values is difficult to obtain. The evidence that does exist does point to a moderate supply/demand imbalance. Regional land values are generally high (in comparison with national data) although locally (data for Southampton) the evidence of a particular pressure is not significant.

5.48 **House prices and sales trends** – house prices in the Borough are generally average in comparison with other 'local' areas but are high national context. Over the long-term there has been a notable increase in prices. Sales trends indicate a significant impact of the recession although the recovery in sales over the past couple of years looks to have broadly followed regional and national trends.

5.49 **Rent levels** – in a local context, Eastleigh has relatively average or low private sector rents. Rent levels are however some way above the national comparative position, indicating some supply/demand imbalance. The ONS private rental index (which is only available at a regional level) does however suggest that the growth in rents has been less pronounced than seen nationally (albeit more pronounced if data for London is excluded).

5.50 **Affordability** – the affordability of housing (measured using a price:income ratio) shows a significant deterioration from 1997 to about 2004. Over the past decade, this measure does however suggest an improvement in the ratio in Eastleigh; additionally, the ratio sits somewhere in the middle of that in other 'local' areas but some way above the national position. Overall, as with other signals it is considered that this measure indicates some supply/demand imbalance when compared to the national situation.

5.51 **Rates of development** – when compared with plan targets, Eastleigh has either over- or under-supplied new housing (depending what target delivery is measured against). As a market signal this arguably provides some basis for uplifting housing numbers.

5.52 **Overcrowding** – levels of overcrowding, HMOS and concealed families in Eastleigh are relatively low when compared with other areas. All of these indicators did however rise over the 2001-11 decade. Overall, it is considered that this evidence does potentially suggest a need for some uplift in housing numbers to help address this issue.

5.53 **Affordable Housing Need** – whilst not set out as a market signal it is considered prudent to also link the analysis to the affordable housing need. The analysis does indicate an affordable need which suggests that the Council should 'consider' increasing housing provision. However, when taking account of the types of households in need and the role played by the private rented sector, the position is far from clear cut. That said, an increase in overall provision would potentially help to deliver more affordable homes.

5.54 Overall, the market signals provide a mixed picture. In a local context, the analysis does not suggest any particular pressures in the Borough relative to other locations. However, when considered in a national context, the picture is one of some particular pressures. In line with the PPG, the evidence would support a modest uplift in housing numbers relative to those in the core demographic projections (linked to the 2012-based DCLG household projections).

5.55 Below, a process is described to consider what a reasonable uplift might be; this uplift is linked back to the evidence and takes account of past suppression in household formation that are not picked up in the new 2012-based projections.

Uplifting planned housing numbers

5.56 The PPG states that *'a worsening trend in any of these indicators [the market signals] will require upward adjustment to planned housing numbers compared to ones based solely on household projections'*. It also notes that such an adjustment should be set at a level which is 'reasonable' but that reflects the market signals evidence (i.e. a larger uplift where the indicators are stronger).

5.57 The summary of market signals above identifies some which indicate market pressure and affordability constraints and hence there is some justification for considering an increase in housing provision. The PPG doesn't set out what level of increase might be considered appropriate although some Inspectors at recent Local Plan Inquiries have set out their views on this issue. In Eastleigh and Uttlesford, the Inspectors suggested consideration of a 10% uplift (on household projections) to take account of the market signals evidence.

5.58 Whilst a blanket uplift could be applied in Eastleigh, it is considered that a more sophisticated approach can be used to determine an appropriate uplift. The analysis below looks in more detail at some of the age specific household formation rates (presented in Section 2) and looks at the impact of making adjustments to these moving forward.

5.59 National research undertaken for the RTPI by the Neil McDonald and Peter Williams at Cambridge University indicates a particular effect of the decline in affordability between 2001 and 2011 has been young adults living within a parental home for longer or living in shared accommodation rather than separate accommodation. The impact of this, their research shows, has been most significant for the 25-34 age group – although this may to some degree have been influenced by a change in government policy regarding Housing Benefit (i.e. that under 35s no longer qualify for separate self-contained accommodation).

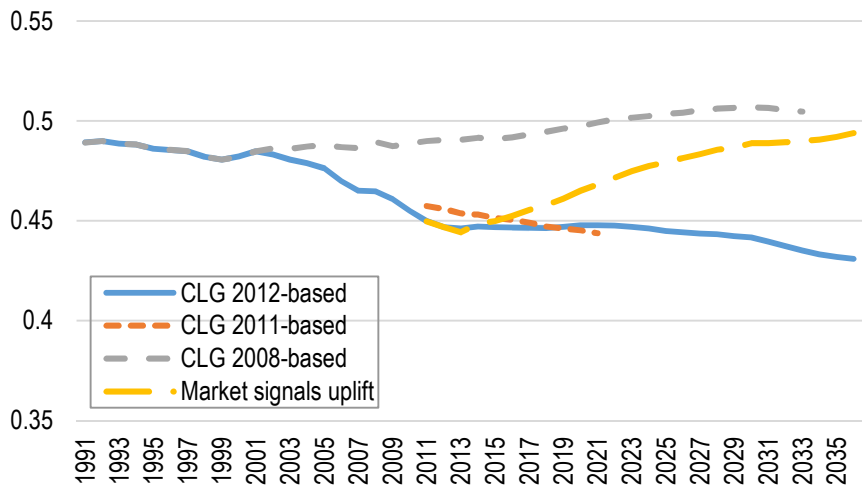
5.60 A detailed interrogation of demographic dynamics in Eastleigh indicates that the deterioration in affordability of market housing and the economic recession over the 2001-11 decade is likely to have influenced – at least in part – a decline in household formation rates in younger people, particularly amongst those aged between 25 and 34. This is the one age group identified earlier as showing some degree of suppression when looking at the 2001-11 period.

5.61 When we consider age-specific data it is notable that those aged 25-34 have lower headship rates than was expected in the 2008-based projections and that the rates have dropped considerably from 2001 to 2011. We have therefore run a sensitivity analysis which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to 2001 levels by 2036.

5.62 This sensitivity in effect seeks to consider a scenario in which affordability and access to housing for younger households improves, and quantifies what level of housing provision might be associated with this, all other factors being equal. It models the implications of returning household formation rates over the period to 2036 back to levels seen in 2001 (i.e. before the rate started to significantly decrease). If achieved, the effect would be to reduce the proportions of shared households and persons within this age group living with parents. This sensitivity analysis can be termed the 'market signals uplift.'

5.63 The figure below shows how household formation rates for this age group would be modelled to change with this assumption. The data shows an increasing rate of formation of younger households from 2013. The analysis also shows a significant move away from the sorts of formation rates expected in the 2012-based DCLG household projections.

Figure 5.19: Projected household formation rates for those aged 25-34



5.64 In reality, other factors such as real growth in disposable income (allowing people to save), the availability of and access to mortgage finance, interest rates and economic confidence will all influence trends in household formation. There is a complex set of factors at play, and it is difficult to predict how these factors might interact in the future and the impact on household formation rates (in the absence of any supply-side constraints). Furthermore part of the changes in household formation rates for this age group may have been due to international migration.

5.65 The sensitivity analysis indicates that, all other things being equal, an uplift of around 43 homes per annum across the study area would support an improvement in affordability and household formation rates amongst younger households – this is an 8% increase; slightly below the 10% suggested by the Eastleigh Inspector, but not substantially different.

Figure 5.20: Projected household growth 2011-36 – 2012-based SNPP and 2012-based headship rates – with market signals uplift

	Market signals uplift
Households 2011	52,392
Households 2036	66,137
Change in households	13,745
Per annum	550
Dwellings (per annum)	563
From SNPP model	520
Potential uplift	43
% uplift	8.3%

5.66 Over the full 25-years of the projection, the uplift suggested amounts to some 1,075 additional dwellings. This figure is in excess of the level of under-provision (of 810 homes) found when comparing delivery in the 2001-11 period with the Eastleigh Borough Local Plan Review.

The Eastleigh Inspector's views on market signals

5.67 The Inspector did not provide much detail about market signals but appears to agree (in paragraph 41) that the signals in Eastleigh imply a 'modest' pressure. Such a level of pressure in the housing market was identified in the PUSH SHMA and is largely supported by evidence in this document. However, the Inspector goes on to suggest that the Council should explore an uplift of 10% in the provision of housing to deal with market signals. The figure of 10% has no basis, although analysis in this report suggests that improving the access to housing for younger people might imply an uplift of about 8%. We would not suggest that an uplift above this 8% figure is realistic unless this is part of a 'policy-on' approach agreed with surrounding areas under the Duty to Co-operate – a higher increase in housing provision will start to see a greater increase in population, which would probably mean lower population growth in other areas. Those areas would therefore be expected to plan for fewer homes than their objective assessment of need might suggest.

Summary – Housing Market Dynamics and Market Signals

The extent to which the demographic 'starting point' for identifying the need for housing (i.e. the CLG's household projections) needs to be boosted to address market signals is necessarily an area of judgement. The PPG is clear that the more significant the affordability constraints and the stronger other indicators of high demand, the larger the improvement in affordability needed and therefore the larger the additional supply response should be.

Overall the analysis of market signals points to some affordability pressures in the Borough, particularly when data is compared with the national position. However, on balance it is considered that the scale of adjustment to housing supply over and above demographic-led projections should only be moderate.

The Guidance does not however set out how such an adjustment should be quantified. It simply sets out that it should be 'reasonable'. It is important to consider how these housing market trends relate through to demographic projections in considering, as the PPG recommends, whether there is a case for adjusting levels of housing provision in effect to improve affordability over the longer-term.

The demographic analysis indicates that levels of household formation, particularly for younger households, have fallen. It would therefore be appropriate to consider an adjustment to the overall assessment of housing need to improve affordability over time in line with the approach outlined in the PPG.

The population aged 25-34 have lower headship rates than has been seen historically and the rates have dropped considerably from 2001 to 2011. A sensitivity analysis has therefore been run which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to the levels seen in 2001 (i.e. before they started to decline).

This analysis suggests a housing need for some 563 dwellings per annum – an uplift of 43 dwellings on the core demographic projections – this is an 8% uplift. This uplift is considered to be reasonable and additionally reflects a 22% uplift on the figure that would have been derived as a start point if the previous 2011-based CLG projections were still the most up-to-date.

An assessed housing need of 563 dwellings per annum is therefore considered to be a positive response to the market signals identified in analysis. Provision of more dwellings than is identified as needed through the household projections will assist in dealing with supressed household formation and will assist in meeting change within the existing population such as allowing concealed households to 'emerge' and reduce levels of overcrowded/sharing households.

6. Need for Different Types and Sizes of Homes

Introduction

6.1 As noted in the previous section, there are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes. It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level.

6.2 In this section consideration is given to the implications of demographic drivers on need/demand for different sizes of homes in different tenures. The section also considers the need for specialist accommodation for older people and also C2 needs (Registered Care bedspaces).

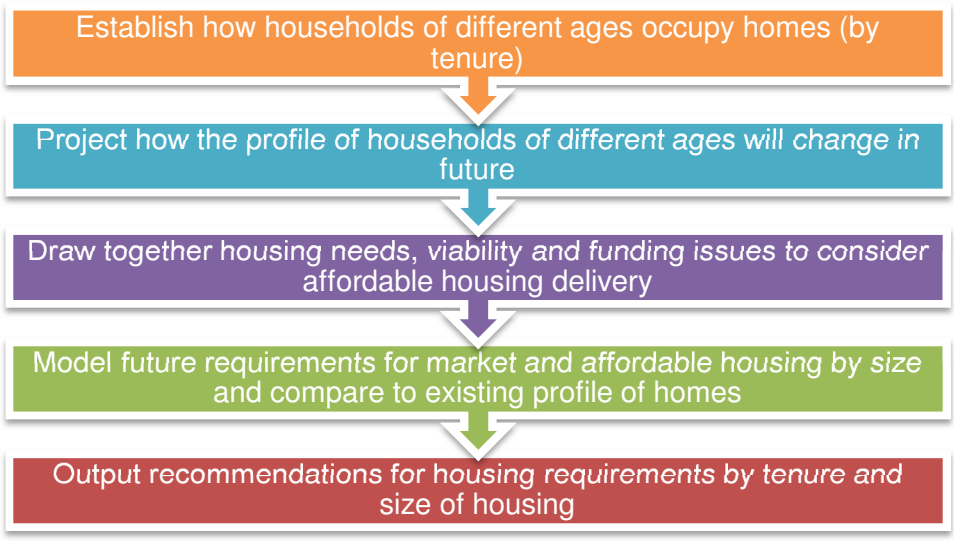
Methodology

6.3 The analysis in this section seeks to use the information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future. For the purposes of this analysis, demographic change as indicated in the core demographic projection linked to 2012-based population and household projections (with a market signals uplift) has been used – delivery of 14,071 additional homes from 2011 to 2036.

6.4 It should be noted that this projection will not necessarily be translated into policy but has been used to indicate the likely size requirements of homes moving forward. Were a projection with a different housing figure used then the outputs would be expected to be broadly similar.

6.5 The figure below describes the broad methodology employed in the housing market modelling. Data is drawn from a range of sources including the 2011 Census and demographic projections.

Figure 6.1: Stages in the Housing Market Model



Understanding how Households Occupy Homes

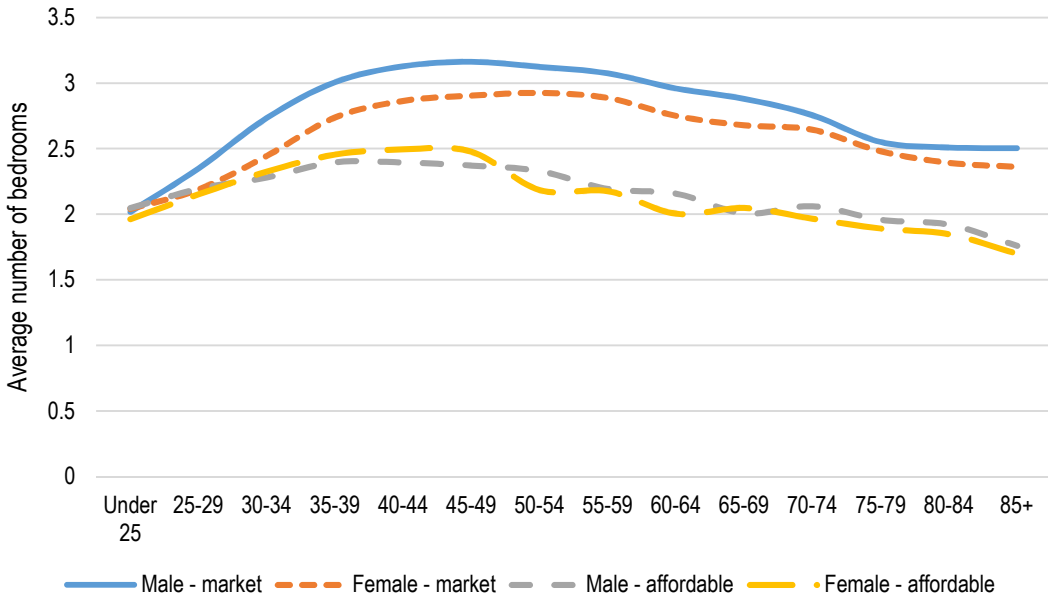
6.6 Whilst the demographic projections provide a good indication of how the population and household structure will develop it is not a simple task to convert the net increase in the number of households in to a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided. The size of housing which households occupy relates more to their wealth and age than the number of people which they contain.

6.7 For example, there is no reason why a single person cannot buy (or choose to live in) a four bedroom home as long as they can afford it and hence projecting an increase in single person households does not automatically translate in to a need for smaller units. This issue is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to continue to under-occupy their current homes.

6.8 The general methodology is to use the information derived in the projections about the number of household reference persons (HRPs) in each age and sex group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table C1213 which provides relevant data for all local authorities in England) with data then calibrated to be consistent with 2011 Census data (e.g. about house sizes in different tenure groups and locations).

6.9 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and different sexes by broad tenure group. In the market sector the average size of accommodation rises over time to typically reach a peak around the age of 50. In the affordable sector this peak appears earlier. After this peak the average dwelling size decreases – possibly due to a number of people down-sizing as they get older. It is also notable that the average size for affordable housing dwellings are lower than those for market housing whilst in market housing male HRPs live in larger accommodation for all age groups (with no particular trend being observed in the affordable sector).

Figure 6.2: Average Bedrooms by Age, Sex and Tenure



Source: Derived from ONS Commissioned Table C1213 and 2011 Census

Establishing a Baseline Position

6.10 As of 2011 it was estimated that there were 52,392 households living in Eastleigh Borough. Analysis of Census data linked to the demographic baseline provides an estimate of the profile of the housing stock in 2011, as shown in the table below. This shows that an estimated 13% of households live in affordable housing with 87% being in the market sector (the size of the affordable sector has been fixed by reference to an estimate of the number of occupied social rented and shared ownership homes in the 2011 Census). The data also suggests that homes in the market sector are generally bigger than in the affordable sector with 70% having three or more bedrooms compared to 33% for affordable housing.

6.11 These figures are for households rather than dwellings due to information about the sizes of vacant homes across the whole stock (i.e. market and affordable) not being readily available. For the purposes of analysis this will not make any notable difference to the outcome. The household projections have however been translated into dwelling figures by including a vacancy allowance when studying the final outputs of the market modelling.

Figure 6.3: Estimated Profile of Dwellings in 2011 by Size

Size of housing	Market		Affordable		Total	
	Number	%	Number	%	Number	%
1 bedroom	3,112	6.9%	1,800	25.8%	4,912	9.4%
2 bedrooms	10,643	23.4%	2,877	41.3%	13,520	25.8%
3 bedrooms	19,975	44.0%	2,079	29.9%	22,054	42.1%
4+ bedrooms	11,699	25.8%	207	3.0%	11,907	22.7%
Total	45,429	100.0%	6,963	100.0%	52,392	100.0%
% in tenure	86.7%		13.3%		100.0%	

Source: Derived from 2011 Census

Tenure Assumptions

6.12 The housing market model has been used to estimate future requirements for different sizes of property over the 25-year period from 2011 to 2036. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier). Thus it is necessary to consider what the mix of future housing will be in the market and affordable sectors.

6.13 The key assumption here is not a policy target but possible delivery. The assumption is influenced by a range of factors. The affordable housing needs analysis in this report provides evidence of notable affordable need although the viability of providing affordable housing will limit the amount that can be delivered. The Council's Affordable Housing Viability Assessment of 2012 supports targets of up to 35% (on larger sites) and the figure of 35% was taken forward into the Pre-Submission Local Plan (2011-2029) of February 2014.

6.14 On this basis it is concluded that around 30% of additional housing could potentially be delivered as affordable (the slightly lower percentage recognises that some sites will fall below size thresholds, whereas others may not be able to provide the 35% due to other reasons (such as remediation costs)). A figure of 30% has therefore been used to inform the modelling. It should be stressed that this is not a policy position and has been applied simply for the purposes of providing outputs from the modelling process.

Key Findings: Market Housing

6.15 As has previously been identified, there are a range of factors which can be expected to influence demand for housing. This analysis specifically looks at the implications of demographic drivers. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 25-year period from 2011 to 2036.

6.16 The figures below show estimates of the sizes of market housing required from 2011 to 2036 based on demographic trends for the whole of the Borough. The data suggests a requirement for homes for 9,622 additional households with the majority of these being two- and three-bedroom homes.

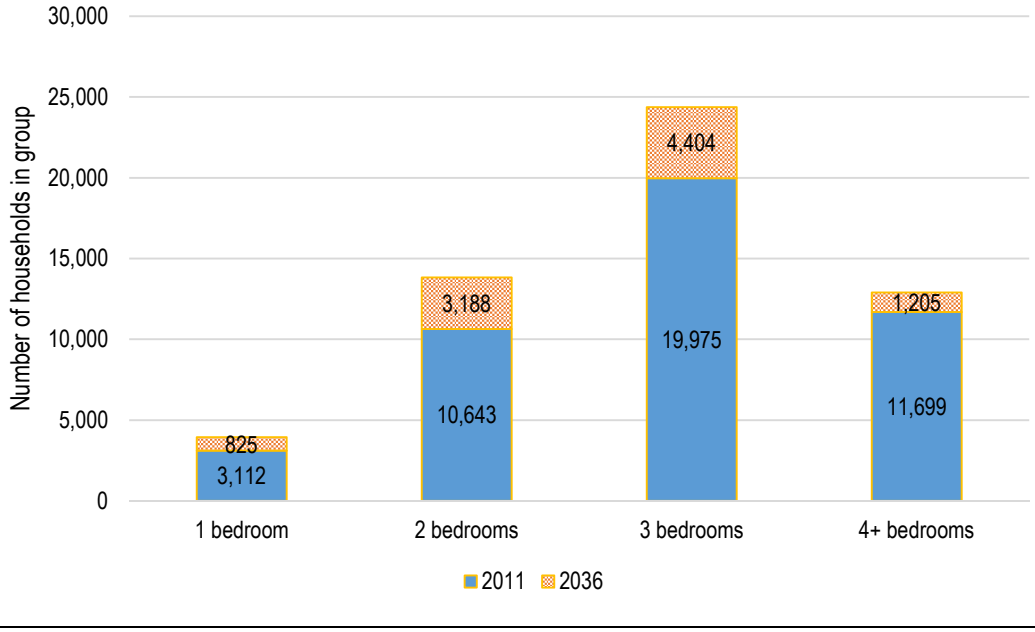
Figure 6.4: Estimated Size of Dwellings Required 2011 to 2036 – Market Housing

Size	2011	2036	Additional households 2011-2036	% of additional households
1 bedroom	3,112	3,937	825	8.6%
2 bedrooms	10,643	13,831	3,188	33.1%
3 bedrooms	19,975	24,379	4,404	45.8%
4+ bedrooms	11,699	12,904	1,205	12.5%
Total	45,429	55,050	9,622	100.0%

Source: Housing Market Model

6.17 The figure below shows how the estimated market requirement compares with the current stock of housing (based on households (i.e. excluding the vacancy allowance)). The data suggests that housing requirements reinforce around the existing profile of stock, but with a slight shift towards a requirement for smaller dwellings relative to the distribution of existing housing. This is understandable given the fact that household sizes are expected to fall slightly in the future (which itself is partly due to the ageing of the population).

Figure 6.5: Impact of Demographic Trends on Market Housing Requirements by House Size, 2011 to 2036



Source: Housing Market Model

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

6.19 In the short-term, stronger demand in relative terms for larger family homes might be expected as the market for smaller properties continues to be restricted by mortgage finance constraints. Over the 25-year projection period it is anticipated that there will be a continuing market for larger family homes, but the existing stock is expected to make a significant contribution to meeting this demand, as older households downsize (releasing equity from existing homes).

6.20 As the last few years have shown, there are a range of inter-dependencies which affect housing demand, with effective demand for entry-level market housing currently curtailed by the availability of mortgage finance for first-time buyers and those on lower earnings. This is likely to affect market demand for smaller properties typically purchased by first-time buyers in the short-term.

6.21 It is considered that it is appropriate through the planning system to seek to influence the balance of types and sizes of market housing through the mix of sites allocated for development, rather than specific policies relating to the proportion of homes of different sizes which are then applied to specific sites. This approach is implicit within NPPF which requires local planning authorities to *'identify the size, type, tenure and range of housing that is required'.*

6.22 At the strategic level, a local authority in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

Key Findings: Affordable Housing

6.23 The table and figure below show estimates of the sizes of affordable housing required based on the analysis of demographic trends. The data suggests in the period between 2011 and 2036 that around three-quarters of the requirement is for homes with one- or two-bedrooms with around a quarter of the requirement being for larger homes with three or more bedrooms.

6.24 This analysis provides a longer-term view of requirements for affordable housing and does not reflect any specific priorities such as for family households in need rather than single people. In addition, it should be noted that smaller properties (i.e. one bedroom homes) typically offer limited flexibility in accommodating the changing requirements of households, whilst delivery of larger properties can help to meet the needs of households in high priority and to manage the housing stock by releasing supply of smaller properties. That said, there may in the short-term be an increased requirement for smaller homes as a result of welfare reforms limiting the amount of housing benefit being paid to some working-age households.

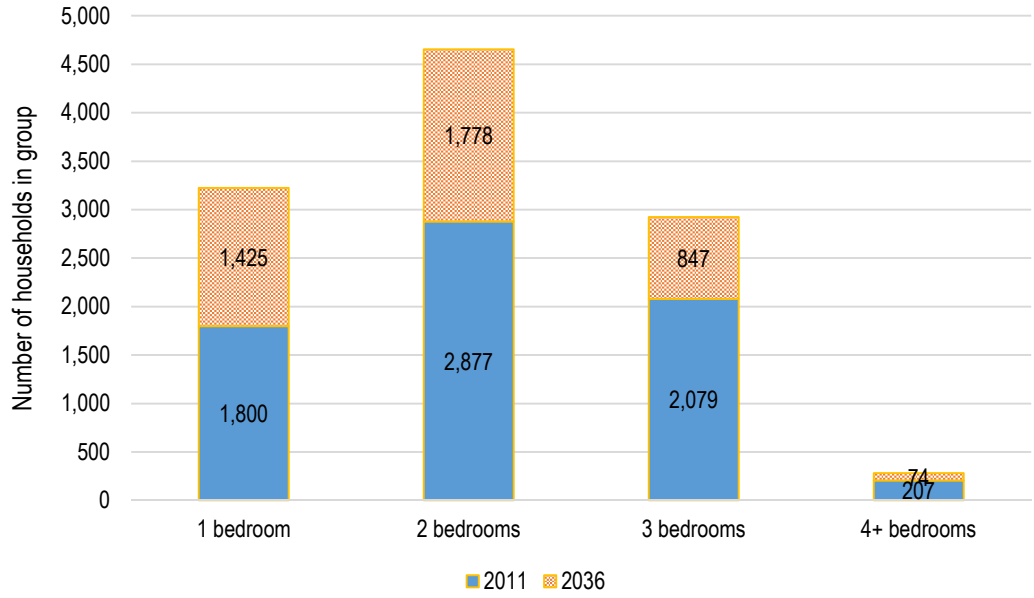
Figure 6.6: Estimated Size of Dwellings Required 2011 to 2036 – Affordable Housing

Size	2011	2036	Additional households 2011-2036	% of additional households
1 bedroom	1,800	3,225	1,425	34.6%
2 bedrooms	2,877	4,655	1,778	43.1%
3 bedrooms	2,079	2,926	847	20.5%
4+ bedrooms	207	281	74	1.8%
Total	6,963	11,087	4,124	100.0%

Source: Housing Market Model

6.25 The figure below shows how the estimated affordable need compares with the stock of affordable housing in 2011 – the figures are based on households (i.e. before adding in a vacancy allowance). Again, the data shows that relative to the current stock there is a slight move towards a greater proportion of smaller homes being required – this makes sense given that in the future household sizes are expected to drop whilst the population of older people will increase – older person households (as shown earlier) are more likely to occupy smaller dwellings.

Figure 6.7: Impact of Demographic Trends on Affordable Housing Requirements by House Size, 2011 to 2036



Source: Housing Market Model

Indicative Targets by Dwelling Size

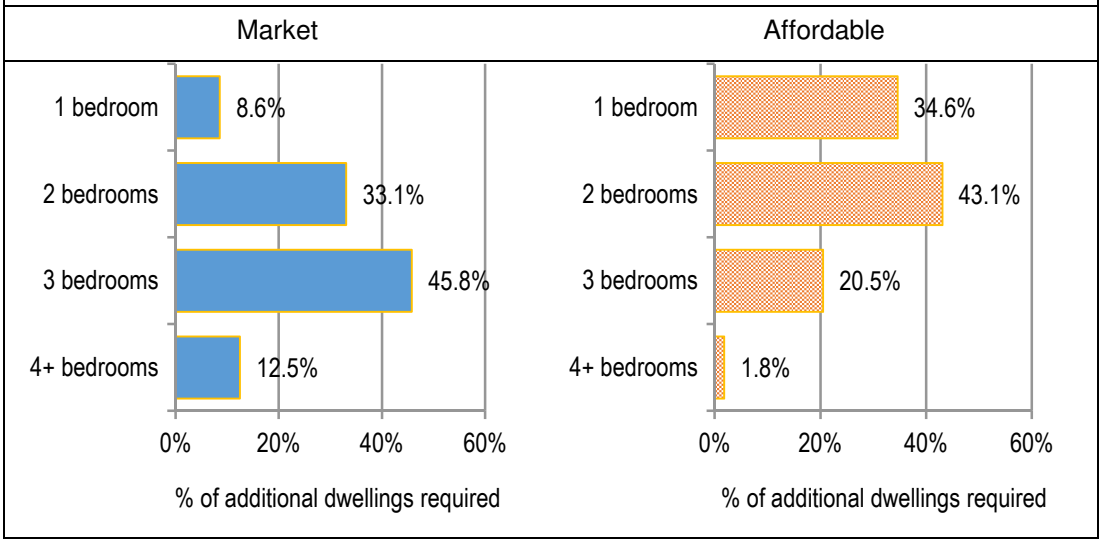
6.26 The table and figure below summarises the above data in both the market and affordable sectors under the modelling exercise. A vacancy allowance has been factored in when moving from household figures to estimates of housing need/demand (the same figures have been used as in the demographic modelling).

Figure 6.8: Estimated dwelling requirement by number of bedrooms (2011 to 2036)

Number of bedrooms	Market			Affordable		
	Households	Dwellings	% of dwellings	Households	Dwellings	% of dwellings
1 bedroom	825	845	8.6%	1,425	1,459	34.6%
2 bedrooms	3,188	3,263	33.1%	1,778	1,820	43.1%
3 bedrooms	4,404	4,509	45.8%	847	867	20.5%
4+ bedrooms	1,205	1,233	12.5%	74	76	1.8%
Total	9,622	9,850	100.0%	4,124	4,221	100.0%

Source: Housing Market Model

Figure 6.9: Size of housing required 2011 to 2036



Source: Housing Market Model

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

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

6.29 For these reasons it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of one bedroom homes required is reduced slightly from these outputs with a commensurate increase in four or more bedroom homes also being appropriate.

6.30 There are thus a range of factors which are relevant in considering policies for the mix of affordable housing sought through development schemes. At a Borough-wide level, the analysis would support policies for the mix of affordable housing of:

- 1-bed properties: 30%
- 2-bed properties: 40%
- 3-bed properties: 25%
- 4-bed properties: 5%

6.31 The strategic conclusions recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

6.32 The need for affordable housing of different sizes will vary by area across the Council area and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties.

6.33 In the market sector a profile of housing that closely matches the outputs of the modelling is suggested. The recommendations take some account of the time period used for the modelling and the fact that the full impact of the ageing population will not be experienced in the short-term. In addition, as noted earlier, current constraints on mortgage finance is likely to suppress demand for smaller units in the short-term (particularly those which would normally have high demand from first-time buyers).

6.34 On the basis of these factors it is considered that the provision of market housing should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of market housing is suggested:

- 1-bed properties: 5%
- 2-bed properties: 35%
- 3-bed properties: 45%
- 4-bed properties: 15%

6.35 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market it does not necessarily follow that such prescriptive figures should be included in the plan making process. The 'market' can be a better judge of what is the most appropriate profile of homes to deliver at any point in time. The figures can however be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

Indicative Requirements for Specialist Housing for Older People

6.36 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with our demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.

Current stock of housing

6.37 The figure below shows the current supply of specialist housing for older people. At present it is estimated that there are 1,378 units; this is equivalent to 138 units per 1,000 people aged 75 and over. The majority of the housing (58%) is in the affordable sector – this finding is significant given that the majority of retired households are owner-occupiers.

Figure 6.10: Current supply of specialist housing for older people

	Market	Affordable	Total	Supply per 1,000 aged 75+
Sheltered	359	722	1,081	108
Extra-Care	226	71	297	30
Total	585	793	1,378	138

Source: Housing LIN

Projected future need for specialist housing

6.38 The analysis above showed a total of 138 specialist units per 1,000 people aged 75 and over; this figure is lower than the national average of about 170. In projecting forward how many additional units might be required we have modelled on the basis of maintaining the 138 position and also the implications of increasing this to 170. The analysis is based on achieving these levels by 2036.

6.39 The analysis shows to maintain the current level of provision there would need to be a further 1,493 units provided – this figure increases to 2,166 if the level of provision were to get to the national average. It should be stressed that the analysis below is based on modelling data on a series of assumptions and should therefore be treated as indicative (particularly given the very wide range of outputs depending on the assumptions used).

Figure 6.11: Projected need for specialist housing for older people (2011-36)

	@ 138 per 1,000	@ 170 per 1,000
Need	2,871	3,544
Supply	1,378	1,378
Net need	1,493	2,166

Source: Derived from demographic projections and Housing LIN

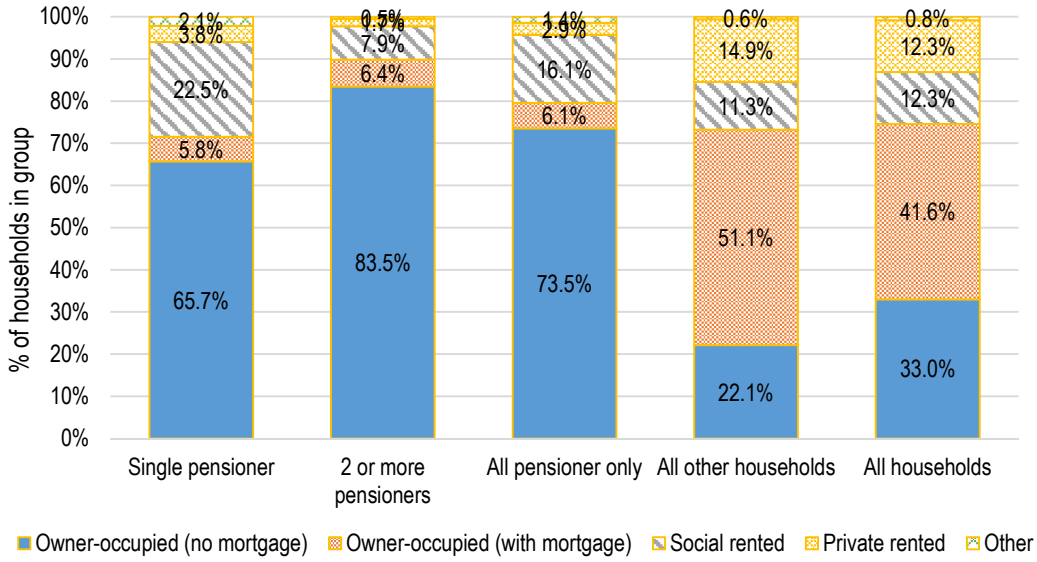
6.40 A mid-point of the two estimates would suggest a need for around 1,830 additional specialist units for older people which would represent about 13% of the overall housing need shown through demographic modelling (using 2012-based SNPP and DCLG household projections with an uplift for market signals). A figure of 1,830 represents about 73 dwellings per annum. Whilst there is no precedent for taking a midpoint of these figures, we would consider that it is a reasonable and balanced approach. Continuing to model on the basis of the current stock may under-estimate needs given the low current stock; however moving to the national average may overstate the position (particularly if for example the current lower level of provision is in part driven by a lower need/demand in the area).

Types and tenures of specialist housing

6.41 The figure below shows the tenure of older person households – the data has been split between single pensioner households and those with two or more pensioners (which will largely be couples). The data shows that pensioner households are relatively likely to live in outright owned accommodation (74%) and are also more likely than other households to be in the social rented sector. The proportion of pensioner households living in the private rented sector is relatively low (3% compared with 12% of all households in the Borough).

6.42 There are however notable differences for different types of pensioner households with single pensioners having a lower level of owner-occupation than larger pensioner households – this group also has a higher proportion living in the social rented sector.

Figure 6.12: Tenure of older person households – Eastleigh



Source: 2011 Census

6.43 The information about current tenures can be used to estimate the amount of additional housing likely to be required in each of the market and affordable sectors. Looking at the data above it is considered that around 65% of older person households would be able to afford a market solution – this figure is arbitrary but based on current levels of outright ownership and recognising stronger growth in single person households in the future (such households having lower levels of home ownership).

6.44 The figure below shows that using this proportion of home ownership along with the current supply of different tenures of specialist housing it would be expected that there is a need for around 1,500 units of market specialist housing and 330 homes in the affordable sector.

6.45 The finding of a relatively low need for specialist affordable housing (18% of the total, compared with 57% of current stock) needs however to be considered in light of information about the extent to which the current stock is 'fit-for purpose' (data which is not readily available for this report). It may be the case that some existing sheltered housing is in poor condition or suffers from low demand. There may also be a case for diversification of stock (such as to provide more Extra-Care rather than sheltered options). The Council should therefore use their own local knowledge of demand and the stock profile to form a view about the extent to which affordable specialist housing should be provided in the future.

6.46 The analysis is not specific about the types of specialist housing that might be required; we would consider that decisions about mix should be taken at a local level taking account of specific needs and the current supply of different types of units available. There may also be the opportunity moving forward for different types of provision to be developed as well as the more traditional sheltered and Extra-Care housing.

6.47 Within the different models and assumptions made regarding the future need for specialist retirement housing (normally defined as a form of congregate housing designed exclusively for older people which usually offers some form of communal space, community alarm service and access to support and care if required), there may for example be an option to substitute some of this specialist provision with a mix of one and two bedroomed housing aimed to attract 'early retired' older people which could be designated as age specific or not. Such housing could be part of the general mix of one and two bedroom homes but built to Lifetime Homes standards in order to attract retired older people looking to 'down size' but perhaps not wanting to live in specialist retirement housing.

6.48 Our experience when carrying out stakeholder work as part of other SHMA commissions typically identifies a demand for bungalows. Where developments including bungalows are found it is clear that these are very popular to older people downsizing. It should be acknowledged that providing significant numbers of bungalows involves cost implications for the developer given the typical plot size compared to floor space – however providing an element of bungalows should be given strong consideration on appropriate sites, allowing older households to downsize while freeing up family accommodation for younger households.

Figure 6.13: Projected need for older persons accommodation (including specialist housing) – by broad tenure (2013-33)

	Market	Affordable	Total
Need	2,085	1,123	3,208
Supply	585	793	1,378
Net need	1,500	330	1,830

Source: Derived from demographic projections

Registered care housing

6.49 As well as the need for specialist housing for older people the analysis needs to consider Registered Care. At present (according to Housing LIN) there are around 648 spaces in nursing and residential care homes. Given new models of provision (including Extra-care housing) it may be the case that an increase in this number would not be required. There will however need to be a recognition that there may be some additional need for particular groups such as those requiring specialist nursing or for people with dementia.

6.50 The demographic modelling includes estimates of the number of people expected to be living in 'institutions'. Between 2011 and 2036, this number (based on the population aged 75+) is expected to increase by 675 people (27 per annum) to total 1,233 by 2036. This suggests that at present there may be a small surplus of Registered Care accommodation with a possible shortfall in the longer-term.

6.51 These figures are important to note if the Council intend to include C2 class uses in their assessment of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation. The analysis would suggest a potential need for 585 bedspaces in Residential Care in the 2011-36 period (1,233-648) – this is about 23 per annum.

Summary – Need for Different Types and Sizes of Homes

There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (25-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes:

	1-bed	2-bed	3-bed	4+ bed
Market	5%	35%	45%	15%
Affordable	30%	40%	25%	5%
All dwellings	15%	35%	40%	10%

The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

The mix identified above should inform strategic Borough-wide policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.

Demographic change is likely to see a requirement for additional levels of care/support along with provision of some specialist accommodation in both the market and affordable sectors – it is estimated that around 13% of new provision should be some form of specialist housing for older people. Additionally, the analysis identifies a potential need for 23 additional Registered Care bedspaces per annum in the future.

The analysis of an appropriate mix of dwellings should inform the 'portfolio' of sites which are considered through the Local Plan process. Equally it will be of relevance to affordable housing negotiations.

7. Conclusions – Overall Housing Need

7.1 The NPPF (and PPG) sets out that plans should be prepared on the basis of meeting full needs for market and affordable housing. The guidance sets out that the latest national projections should be seen as a starting point but that authorities may consider sensitivity testing projections in response to local circumstances and the latest demographic evidence.

7.2 In accordance with the planning guidance, the latest DCLG household projections (2012-based) have formed the starting point for the assessment. These projections indicate a need for around 520 homes per annum (2011-36). The population data underpinning this projection is considered to be sound with the household formation rates in the 2012-based projections being notably more positive than in the earlier 2011-based version. The 2011-based projections focussed on the 2001-11 period which is considered to include some degree of suppression whereas the 2012-based projections use a longer time-series for analysis (using data back to 1971 – therefore including periods where the housing market was arguably more buoyant).

7.3 The guidance then effectively sets out a number of tests which should be applied in order to consider whether there is a case to adjust the level of housing provision (particularly upwards relative to the demographic evidence). Paraphrasing the guidance, these tests can be broadly described as follows:

- Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?
- How do the demographic projections 'sit' with the affordable housing needs evidence, and should an increase in housing supply be considered to meet affordable needs?
- What do economic forecasts say about job growth? Is there evidence that there will be a labour force shortage in the area and how might this impact on the locations of housing?

Test 1: Is there evidence that household formation rates in the projections have been constrained? Do market signals point to a need to increase housing supply?

7.4 The first of the above tests relates to whether there is evidence that household formation rates in the projections have been constrained. Looking at the detailed information underpinning the latest (2012-based) household projections it is considered that there is no particular evidence that any suppression of household formation has been taken forward into the future 'trends'. This can be seen when comparing the future household formation rates with those in the older (2008-based) household projections – the 2008-based data is considered to be relatively unconstrained given that it is largely based on trends in the 1971-2001 period. The future rate of change in the headship rates are generally on a similar trajectory to those in earlier projections. Hence, at a general level there is no need to consider an uplift to the housing numbers.

7.5 However, closer inspection of the figures shows a particular 'suppression' in the household formation rates of people aged 25-34 – this is the one group thought to have been most affected by the state of the housing market (through issues such as mortgage availability constraints). Moving forward, the 2012-based projections are anticipating that decreases in the formation rates of this age group would be less pronounced than seen in the 2001-11 period, however it is arguable that improvements (rather than deterioration) could be expected in a better functioning housing market.

7.6 Analysis in this report has therefore sought to test the impact of household formation rates in the 25-34 age group returning to the levels observed in 2001. Making this adjustment sees the level of need increase to 563 dwellings per annum – an 8% uplift from the core demographic projections.

Test 2: How do the demographic projections 'sit' with the affordable housing needs evidence, and should an increase in housing supply be considered to meet affordable needs?

7.7 The second test is to consider the ability of overall housing numbers to ensure affordable housing needs can be satisfied. Following the approach advocated by the guidance, the net affordable housing need identified in Eastleigh from 2011 to 2036 is around 436 households each year (this is based on affordability threshold of 30% and reduces to 266 if the threshold is raised to 40%).

7.8 This level of affordable need (the 436) represents 77% of a total housing need of 563 homes per annum (or 47% if the higher threshold is used). However, further analysis suggests that many of the households in need are 'existing' households and do not therefore add to the overall need for housing. Taking account of this, the net affordable housing need in Eastleigh decreases to 244 households each year, which is 43% of the total housing need. Additionally, the private rented sector is providing a significant number of benefit supported lettings. Overall, the affordable 'market' looks to be roughly in balance although provision of additional affordable housing would assist in reducing the reliance on the private rented sector moving forward. The extent to which the PRS continues to address affordable housing needs is a policy decision.

7.9 Overall, the level of affordable need does not appear to be putting any additional (and upward) pressure on overall housing needs. The market signals adjustment suggested above will however assist in providing a number of additional affordable homes as well as improving affordability and access to housing for younger households.

Test 3: What do economic forecasts say about job growth? Is there evidence that there will be a labour force shortage in the area and how might this impact on the locations of housing?

7.10 In line with guidance, consideration has also been given to the implications of future economic and employment trends on population growth and housing needs. Data to inform this analysis has been taken from both an Oxford Economics and Experian forecast.

7.11 When translating the forecasts of job growth into labour-force growth, overall population growth and housing need it is clear that the economic projections do not suggest any particular need to increase housing provision in the Borough – the most-robust forecast (from Oxford Economics) indicates a lower potential need, with the Experian forecast suggesting a slightly higher need.

Summary – Comments on Eastleigh Inspector's Report

7.12 The Inspector for the Eastleigh Local Plan 2011-2029 published his report in February 2015. He concluded that the plan was unsound, with insufficient housing provision being the main reason for this decision. Whilst many of the views of the Inspector are reasonable, it is considered that some have now been superseded (e.g. due to new data publications).

7.13 On demographic projections, the Inspector suggests giving consideration to the projections in the PUSH SHMA as a starting point. The PPG is clear that the starting point should be the most up-to-date DCLG projections – a new set were published in February 2015 and therefore supersede figures in the SHMA. The Inspector also suggests giving consideration to projections which include an adjustment for Unattributable Population Change (UPC) – given the new projections, it is not thought that UPC is relevant.

7.14 The Inspector suggests uplifting the housing numbers to take account of affordable housing and market signals. It is accepted that this is a reasonable approach. However, we would caution against a high level of uplift given that this will potentially generate a greater level of population growth in the Borough (which would need to be offset in other areas through the Duty to Cooperate).

7.15 In general, we would suggest that significant weight is given to the latest DCLG household projections (and the ONS population projections underpinning these) and that any level of housing provision which is based on different assumptions about population growth will need to be carefully considered, fully justified (by evidence) and agreed with neighbouring authorities.

7.16 Given that the latest set of population and household projections look to be sound, it is recommended that housing provision should be closely linked to those projections – subject to consideration of a modest uplift to take account of market signals. Any further uplift would be a 'policy-on' decision that should be underpinned by co-operation with other local authorities in the PUSH area.

Overall Conclusion on Housing Need

7.17 Drawing the range of evidence together, it is concluded that 563 homes per annum would be a reasonable objective assessment of need (about 14,100 homes over the 2011-36 period). It should be recognised that this is an objective, policy-off analysis and takes no account of land supply or development constraints within the Borough. The NPPF and practice guidance dictates that assessments are undertaken in this way.

Appendix 1 – Map of Southampton Broad Rental Market Area

Figure A1.1: Map of Southampton Broad Rental Market Area

Source: Valuation Office Agency

Appendix 2 – Detailed Projection Outputs

A2.1 The population/household projection modelling in this report has sought to work through the stages of analysis set out in the PPG – this included studying the most recent official projections, providing a range of sensitivities (e.g. about migration), considering the link between job forecasts and growth in the labour-force and looking at the extent to which the evidence shows any constraint in household formation (both in the past and projected into the future).

A2.2 The analysis has worked through these stages to form a view about the (objectively assessed) level of housing need in Eastleigh. To work through these stages a number of different projections have been developed (and in most cases discounted as not the most robust basis for determining housing need). This appendix sets out the outputs from each of the projections developed.

A2.3 In total, seven different projections were developed as the analysis evolved. These projections are listed below and are presented in the order in which they appear in the report. For sake of clarity, the projections involving the 2012-based SNPP (as adjusted) and the 2012-based household formation rates provide the demographic starting point for the conclusions in this report, whilst the last projection in the list involves an uplift for market signals and constitutes the most robust estimate of the borough's objectively assessed housing need. The seven projections are:

- 2012-based SNPP (adjusted for 2013 MYE) and 2012-based household formation rates (demographic starting point)
- 2012-based SNPP (adjusted for 2013 MYE) and 2011-based household formation rates
- 12-year migration trends and 2012-based household formation rates
- 2012-based SNPP (adjusted for 2013 MYE) and an adjustment for Unattributable Population Change (2012-based household formation rates)
- Population Growth linked to Oxford Economics job-growth forecast and 2012-based household formation rates
- Population Growth linked to Experian job-growth forecast and 2012-based household formation rates
- 2012-based SNPP (adjusted for 2013 MYE) and 2012-based household formation rates (with an uplift to the 25-34 age group) (Recommended estimate of OAHN).

A2.4 The core outputs for Eastleigh Borough are shown in the two tables below (the first showing annual figures and the second showing figures for the full 25-year projection period). All tables show population growth, housing need (including a vacancy allowance) and the estimated impact on employment levels (based on the number of people living in the Borough who are working). Following these tables, detailed year-by-year has been provided for each projection (including components of change, age structure changes, household growth and growth in the working population).

Figure A2.1: Summary of projections 2011 to 2036 – annual

Projection	Population growth		Housing need		Working population growth	
	Per annum	% change	Per annum	% change	Per annum	% change
2012-based SNPP (adjusted for 2013 MYE) and 2012-based household formation rates	996	0.8%	520	1.0%	474	0.7%
2012-based SNPP (adjusted for 2013 MYE) and 2011-based household formation rates	996	0.8%	462	0.9%	474	0.7%
12-year migration trends and 2012-based household formation rates	884	0.7%	478	0.9%	411	0.6%
2012-based SNPP (adjusted for 2013 MYE) and an adjustment for Unattributable Population Change (2012-based household formation rates)	1,163	0.9%	584	1.1%	571	0.9%
Population Growth linked to Oxford Economics job-growth forecast and 2012-based household formation rates	935	0.7%	496	0.9%	438	0.7%
Population Growth linked to Experian job-growth forecast and 2012-based household formation rates	1,079	0.9%	552	1.0%	522	0.8%
2012-based SNPP (adjusted for 2013 MYE) and 2012-based household formation rates (with an uplift to the 25-34 age group)	996	0.8%	563	1.0%	474	0.7%

Source: Projection modelling

Figure A2.2: Summary of projections 2011 to 2036 – total

Projection	Population growth		Housing need		Working population growth	
	Total	% change	Total	% change	Total	% change
2012-based SNPP (adjusted for 2013 MYE) and 2012-based household formation rates	24,901	19.8%	12,988	24.2%	11,843	17.9%
2012-based SNPP (adjusted for 2013 MYE) and 2011-based household formation rates	24,901	19.8%	11,555	21.5%	11,843	17.9%
12-year migration trends and 2012-based household formation rates	22,109	17.6%	11,947	22.3%	10,277	15.5%
2012-based SNPP (adjusted for 2013 MYE) and an adjustment for Unattributable Population Change (2012-based household formation rates)	29,064	23.1%	14,605	27.2%	14,283	21.6%
Population Growth linked to Oxford Economics job-growth forecast and 2012-based household formation rates	23,386	18.6%	12,399	23.1%	10,954	16.5%
Population Growth linked to Experian job-growth forecast and 2012-based household formation rates	26,970	21.4%	13,791	25.7%	13,056	19.7%
2012-based SNPP (adjusted for 2013 MYE) and 2012-based household formation rates (with an uplift to the 25-34 age group)	24,901	19.8%	14,071	26.2%	11,843	17.9%

Source: Projection modelling

PROJECTION: 2012-based SNPP (adjusted for 2013 MYE) and 2012-based household formation rates

Components of change

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Births	1,520	1,569	1,526	1,534	1,540	1,541	1,545	1,548	1,548	1,547	1,544	1,543	1,541	1,537	1,534	1,533	1,529	1,527	1,525	1,525	1,526	1,530	1,538	1,546	1,557
Deaths	941	1,060	952	963	968	975	982	984	995	1,006	1,015	1,027	1,041	1,054	1,072	1,088	1,107	1,124	1,144	1,163	1,187	1,205	1,230	1,255	1,269
Natural change	579	509	573	571	573	566	564	564	553	541	530	516	501	482	462	445	422	403	381	362	340	326	308	291	289
In-migration	6,977	6,426	6,911	6,947	6,994	7,011	7,038	7,051	7,066	7,074	7,079	7,081	7,085	7,098	7,116	7,141	7,174	7,210	7,246	7,282	7,317	7,355	7,392	7,426	7,463
Out-migration	6,640	6,004	6,275	6,315	6,344	6,373	6,398	6,407	6,421	6,436	6,464	6,504	6,531	6,585	6,624	6,667	6,709	6,754	6,796	6,827	6,860	6,905	6,948	6,989	7,029
Net migration	337	422	635	632	650	637	640	644	646	638	615	577	554	512	492	474	465	456	451	455	457	450	444	437	435

Population (broad age groups)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Age 0-14	22,338	22,638	22,783	23,071	23,464	23,875	24,284	24,671	24,975	25,330	25,490	25,661	25,750	25,796	25,792	25,777	25,793	25,779	25,760	25,733	25,698	25,668	25,642	25,622	25,613	25,619
Age 15-29	22,175	22,014	22,209	22,242	22,204	22,185	22,086	21,963	21,904	21,800	21,901	21,980	22,077	22,155	22,359	22,541	22,659	22,839	23,051	23,317	23,622	23,944	24,236	24,499	24,758	24,910
Age 30-44	25,956	25,766	25,594	25,503	25,459	25,337	25,393	25,532	25,764	26,008	26,274	26,581	26,878	27,159	27,088	27,160	27,248	27,333	27,354	27,301	27,254	27,173	27,072	26,972	26,842	26,838
Age 45-59	26,347	26,753	26,960	27,267	27,488	27,761	27,875	27,935	27,798	27,696	27,495	27,249	26,972	26,714	26,625	26,532	26,419	26,321	26,225	26,223	26,117	26,122	26,207	26,379	26,596	26,840
Age 60-74	19,030	19,422	19,771	20,147	20,544	21,021	21,472	21,839	22,221	22,588	22,956	22,975	23,182	23,442	23,888	24,268	24,658	24,943	25,262	25,495	25,791	25,935	26,012	25,934	25,872	25,698
Age 75+	10,006	10,171	10,405	10,706	10,983	11,191	11,466	11,845	12,335	12,778	13,266	14,082	14,766	15,418	15,930	16,361	16,783	17,235	17,658	18,076	18,482	18,921	19,372	19,890	20,347	20,848
Total population	125,852	126,764	127,722	128,935	130,142	131,370	132,577	133,785	134,997	136,199	137,381	138,530	139,626	140,685	141,682	142,639	143,560	144,449	145,311	146,144	146,964	147,763	148,541	149,296	150,027	150,753
Change from previous year		912	958	1,213	1,207	1,228	1,207	1,208	1,212	1,202	1,182	1,148	1,096	1,059	997	957	921	890	861	834	819	799	778	755	731	727
Households	52,392	52,858	53,242	53,873	54,460	55,044	55,629	56,196	56,805	57,352	57,892	58,431	58,960	59,497	59,988	60,487	60,987	61,483	61,974	62,445	62,922	63,365	63,808	64,243	64,666	65,079
Change from previous year		466	384	631	587	584	585	566	609	547	540	539	529	537	491	499	500	496	492	470	477	443	443	435	423	413
Employment rate (16+)	65.0%	64.9%	65.0%	65.0%	65.1%	65.2%	65.2%	65.2%	65.2%	65.1%	65.1%	64.9%	64.7%	64.5%	64.4%	64.2%	64.1%	63.9%	63.8%	63.6%	63.6%	63.5%	63.4%	63.4%	63.4%	63.3%
Working population	66,248	66,596	67,163	67,790	68,478	69,196	69,730	70,210	70,707	71,249	71,732	72,161	72,568	72,962	73,405	73,851	74,322	74,718	75,119	75,458	75,901	76,334	76,792	77,208	77,672	78,091
Change from previous year		349	566	627	688	717	535	480	497	542	483	429	408	393	443	447	471	396	401	338	443	433	458	416	464	418

PROJECTION: 2012-based SNPP (adjusted for 2013 MYE) and 2011-based household formation rates

Components of change

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Births	1,520	1,569	1,526	1,534	1,540	1,541	1,545	1,548	1,548	1,547	1,544	1,543	1,541	1,537	1,534	1,533	1,529	1,527	1,525	1,525	1,526	1,530	1,538	1,546	1,557
Deaths	941	1,060	952	963	968	975	982	984	995	1,006	1,015	1,027	1,041	1,054	1,072	1,088	1,107	1,124	1,144	1,163	1,187	1,205	1,230	1,255	1,269
Natural change	579	509	573	571	573	566	564	564	553	541	530	516	501	482	462	445	422	403	381	362	340	326	308	291	289
In-migration	6,977	6,426	6,911	6,947	6,994	7,011	7,038	7,051	7,066	7,074	7,079	7,081	7,085	7,098	7,116	7,141	7,174	7,210	7,246	7,282	7,317	7,355	7,392	7,426	7,463
Out-migration	6,640	6,004	6,275	6,315	6,344	6,373	6,398	6,407	6,421	6,436	6,464	6,504	6,531	6,585	6,624	6,667	6,709	6,754	6,796	6,827	6,860	6,905	6,948	6,989	7,029
Net migration	337	422	635	632	650	637	640	644	646	638	615	577	554	512	492	474	465	456	451	455	457	450	444	437	435

Population (broad age groups)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Age 0-14	22,338	22,638	22,783	23,071	23,464	23,875	24,284	24,671	24,975	25,330	25,490	25,661	25,750	25,796	25,792	25,777	25,793	25,779	25,760	25,733	25,698	25,668	25,642	25,622	25,613	25,619
Age 15-29	22,175	22,014	22,209	22,242	22,204	22,185	22,086	21,963	21,904	21,800	21,901	21,980	22,077	22,155	22,359	22,541	22,659	22,839	23,051	23,317	23,622	23,944	24,236	24,499	24,758	24,910
Age 30-44	25,956	25,766	25,594	25,503	25,459	25,337	25,393	25,532	25,764	26,008	26,274	26,581	26,878	27,159	27,088	27,160	27,248	27,333	27,354	27,301	27,254	27,173	27,072	26,972	26,842	26,838
Age 45-59	26,347	26,753	26,960	27,267	27,488	27,761	27,875	27,935	27,798	27,696	27,495	27,249	26,972	26,714	26,625	26,532	26,419	26,321	26,225	26,223	26,117	26,122	26,207	26,379	26,596	26,840
Age 60-74	19,030	19,422	19,771	20,147	20,544	21,021	21,472	21,839	22,221	22,588	22,956	22,975	23,182	23,442	23,888	24,268	24,658	24,943	25,262	25,495	25,791	25,935	26,012	25,934	25,872	25,698
Age 75+	10,006	10,171	10,405	10,706	10,983	11,191	11,466	11,845	12,335	12,778	13,266	14,082	14,766	15,418	15,930	16,361	16,783	17,235	17,658	18,076	18,482	18,921	19,372	19,890	20,347	20,848
Total population	125,852	126,764	127,722	128,935	130,142	131,370	132,577	133,785	134,997	136,199	137,381	138,530	139,626	140,685	141,682	142,639	143,560	144,449	145,311	146,144	146,964	147,763	148,541	149,296	150,027	150,753
Change from previous year		912	958	1,213	1,207	1,228	1,207	1,208	1,212	1,202	1,182	1,148	1,096	1,059	997	957	921	890	861	834	819	799	778	755	731	727
Households	52,550	52,976	53,303	53,876	54,407	54,933	55,467	55,999	56,577	57,095	57,600	58,111	58,602	59,099	59,544	59,983	60,430	60,861	61,294	61,689	62,092	62,464	62,832	63,179	63,512	63,837
Change from previous year		426	326	573	531	526	534	532	577	518	505	511	492	497	445	439	447	431	433	395	403	372	368	347	332	325
Employment rate (16+)	65.0%	64.9%	65.0%	65.0%	65.1%	65.2%	65.2%	65.2%	65.2%	65.1%	65.1%	64.9%	64.7%	64.5%	64.4%	64.2%	64.1%	63.9%	63.8%	63.6%	63.6%	63.5%	63.4%	63.4%	63.4%	63.3%
Working population	66,248	66,596	67,163	67,790	68,478	69,196	69,730	70,210	70,707	71,249	71,732	72,161	72,568	72,962	73,405	73,851	74,322	74,718	75,119	75,458	75,901	76,334	76,792	77,208	77,672	78,091
Change from previous year		349	566	627	688	717	535	480	497	542	483	429	408	393	443	447	471	396	401	338	443	433	458	416	464	418

PROJECTION: 12-year migration trends and 2012-based household formation rates

Components of change

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Births	1,520	1,569	1,526	1,532	1,536	1,534	1,536	1,536	1,533	1,529	1,524	1,521	1,517	1,510	1,506	1,503	1,498	1,494	1,491	1,490	1,491	1,494	1,500	1,507	1,517
Deaths	941	1,060	952	962	966	974	980	981	992	1,002	1,010	1,022	1,035	1,048	1,066	1,081	1,099	1,116	1,135	1,153	1,176	1,194	1,218	1,243	1,256
Natural change	579	509	573	570	569	560	556	555	541	527	514	499	482	462	441	422	399	378	356	336	314	299	281	264	261
In-migration	6,977	6,426	6,859	6,895	6,942	6,959	6,986	6,999	7,014	7,022	7,027	7,029	7,033	7,046	7,064	7,089	7,122	7,158	7,194	7,230	7,265	7,303	7,340	7,374	7,411
Out-migration	6,640	6,004	6,327	6,367	6,395	6,425	6,450	6,459	6,473	6,488	6,516	6,556	6,583	6,637	6,676	6,719	6,760	6,806	6,848	6,879	6,912	6,957	7,000	7,041	7,081
Net migration	337	422	531	528	546	533	536	540	542	534	511	473	450	409	388	370	361	352	347	351	353	346	340	333	331

Population (broad age groups)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Age 0-14	22,338	22,638	22,783	23,053	23,426	23,814	24,200	24,561	24,836	25,161	25,291	25,431	25,487	25,499	25,460	25,412	25,395	25,349	25,298	25,240	25,177	25,120	25,068	25,023	24,991	24,976
Age 15-29	22,175	22,014	22,209	22,207	22,136	22,085	21,956	21,807	21,724	21,600	21,684	21,747	21,828	21,892	22,084	22,253	22,355	22,518	22,711	22,953	23,232	23,523	23,783	24,015	24,239	24,360
Age 30-44	25,956	25,766	25,594	25,478	25,410	25,262	25,291	25,399	25,598	25,808	26,036	26,304	26,562	26,804	26,693	26,726	26,776	26,827	26,816	26,735	26,661	26,559	26,439	26,322	26,179	26,161
Age 45-59	26,347	26,753	26,960	27,252	27,459	27,717	27,816	27,860	27,708	27,592	27,376	27,115	26,823	26,549	26,443	26,331	26,199	26,080	25,963	25,937	25,808	25,787	25,842	25,980	26,162	26,366
Age 60-74	19,030	19,422	19,771	20,140	20,530	21,000	21,442	21,800	22,173	22,530	22,886	22,896	23,091	23,338	23,770	24,135	24,511	24,781	25,085	25,304	25,585	25,715	25,779	25,688	25,613	25,428
Age 75+	10,006	10,171	10,405	10,700	10,972	11,175	11,445	11,819	12,304	12,741	13,223	14,032	14,710	15,354	15,859	16,283	16,697	17,141	17,556	17,965	18,362	18,790	19,231	19,737	20,181	20,669
Total population	125,852	126,764	127,722	128,831	129,933	131,052	132,150	133,246	134,344	135,431	136,496	137,525	138,500	139,436	140,309	141,140	141,934	142,696	143,429	144,134	144,824	145,494	146,142	146,766	147,366	147,961
Change from previous year		912	958	1,109	1,102	1,120	1,097	1,096	1,098	1,087	1,065	1,029	975	936	873	831	794	762	733	705	690	670	648	624	600	595
Households	52,392	52,858	53,242	53,836	54,386	54,930	55,475	56,001	56,569	57,074	57,571	58,066	58,551	59,043	59,490	59,943	60,398	60,848	61,294	61,718	62,148	62,544	62,939	63,325	63,699	64,061
Change from previous year		466	384	595	549	545	545	526	568	505	497	495	485	492	447	453	455	450	446	424	430	396	395	387	373	363
Employment rate (16+)	65.0%	64.9%	65.0%	65.0%	65.1%	65.2%	65.2%	65.2%	65.1%	65.1%	65.0%	64.8%	64.6%	64.4%	64.3%	64.1%	64.0%	63.8%	63.7%	63.5%	63.4%	63.3%	63.3%	63.2%	63.2%	63.1%
Working population	66,248	66,596	67,163	67,729	68,355	69,009	69,479	69,895	70,328	70,804	71,221	71,584	71,926	72,253	72,629	73,008	73,411	73,739	74,071	74,340	74,712	75,072	75,456	75,797	76,184	76,524
Change from previous year		349	566	566	626	654	471	416	433	476	417	363	342	327	376	380	403	328	332	269	372	361	384	340	387	340

PROJECTION: 2012-based SNPP (adjusted for 2013 MYE) and an adjustment for Unattributable Population Change (2012-based household formation rates)

Components of change

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Births	1,520	1,569	1,526	1,538	1,548	1,552	1,561	1,568	1,571	1,573	1,575	1,577	1,579	1,577	1,578	1,578	1,577	1,577	1,577	1,578	1,581	1,587	1,596	1,605	1,619
Deaths	941	1,060	952	963	969	977	984	987	999	1,010	1,020	1,032	1,047	1,061	1,080	1,096	1,116	1,134	1,155	1,174	1,199	1,218	1,244	1,269	1,284
Natural change	579	509	573	575	579	575	576	580	572	563	555	544	532	516	498	482	461	443	422	404	383	369	352	336	334
In-migration	6,977	6,426	6,987	7,023	7,070	7,087	7,114	7,127	7,142	7,150	7,155	7,157	7,161	7,174	7,192	7,217	7,250	7,286	7,322	7,358	7,393	7,431	7,468	7,502	7,539
Out-migration	6,640	6,004	6,199	6,239	6,268	6,297	6,322	6,331	6,345	6,360	6,388	6,428	6,455	6,509	6,548	6,591	6,632	6,678	6,720	6,751	6,784	6,829	6,872	6,913	6,953
Net migration	337	422	787	784	802	789	792	796	798	790	767	729	706	664	644	626	617	608	603	607	609	602	596	589	587

Population (broad age groups)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Age 0-14	22,338	22,638	22,783	23,094	23,512	23,952	24,393	24,815	25,156	25,551	25,754	25,971	26,106	26,201	26,245	26,280	26,346	26,382	26,412	26,431	26,441	26,453	26,466	26,484	26,510	26,549
Age 15-29	22,175	22,014	22,209	22,298	22,313	22,343	22,289	22,207	22,183	22,111	22,239	22,342	22,461	22,559	22,782	22,981	23,118	23,320	23,556	23,850	24,189	24,549	24,881	25,186	25,489	25,685
Age 30-44	25,956	25,766	25,594	25,542	25,540	25,461	25,563	25,751	26,036	26,337	26,663	27,033	27,393	27,737	27,728	27,863	28,011	28,152	28,227	28,221	28,217	28,174	28,105	28,035	27,929	27,948
Age 45-59	26,347	26,753	26,960	27,286	27,528	27,822	27,958	28,040	27,925	27,847	27,670	27,448	27,196	26,964	26,905	26,843	26,762	26,698	26,639	26,676	26,610	26,659	26,794	27,019	27,293	27,599
Age 60-74	19,030	19,422	19,771	20,156	20,563	21,051	21,513	21,891	22,286	22,666	23,047	23,080	23,302	23,578	24,042	24,440	24,849	25,153	25,491	25,744	26,062	26,227	26,324	26,265	26,224	26,070
Age 75+	10,006	10,171	10,405	10,711	10,994	11,208	11,489	11,874	12,370	12,819	13,315	14,139	14,832	15,492	16,013	16,453	16,884	17,346	17,780	18,209	18,627	19,078	19,543	20,076	20,547	21,064
Total population	125,852	126,764	127,722	129,087	130,450	131,836	133,204	134,577	135,957	137,331	138,687	140,014	141,290	142,532	143,715	144,860	145,970	147,051	148,105	149,132	150,146	151,140	152,113	153,064	153,992	154,916
Change from previous year		912	958	1,365	1,363	1,386	1,369	1,372	1,380	1,374	1,357	1,326	1,277	1,242	1,183	1,145	1,110	1,081	1,054	1,027	1,014	994	974	951	928	924
Households	52,392	52,858	53,242	53,929	54,575	55,219	55,865	56,495	57,168	57,781	58,389	58,996	59,593	60,199	60,760	61,329	61,900	62,467	63,031	63,574	64,125	64,642	65,159	65,669	66,168	66,658
Change from previous year		466	384	688	645	644	647	629	674	613	607	607	597	606	561	569	571	567	564	543	551	517	517	511	499	490
Employment rate (16+)	65.0%	64.9%	65.0%	65.0%	65.1%	65.3%	65.3%	65.3%	65.3%	65.2%	65.2%	65.0%	64.9%	64.7%	64.5%	64.4%	64.3%	64.2%	64.0%	63.9%	63.8%	63.8%	63.7%	63.7%	63.7%	63.7%
Working population	66,248	66,596	67,163	67,886	68,671	69,487	70,121	70,701	71,300	71,944	72,530	73,062	73,573	74,071	74,618	75,169	75,746	76,249	76,758	77,204	77,757	78,303	78,876	79,409	79,992	80,530
Change from previous year		349	566	723	785	816	634	580	598	645	586	532	511	498	547	551	577	503	509	446	554	546	573	532	583	539

PROJECTION: Population Growth linked to Oxford Economics job-growth forecast and 2012-based household formation rates

Components of change

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Births	1,520	1,569	1,526	1,533	1,538	1,537	1,540	1,541	1,540	1,537	1,533	1,531	1,528	1,522	1,519	1,516	1,512	1,509	1,506	1,505	1,507	1,510	1,517	1,524	1,535
Deaths	941	1,060	952	962	967	975	981	983	994	1,004	1,013	1,025	1,038	1,052	1,069	1,085	1,103	1,120	1,141	1,159	1,182	1,200	1,225	1,249	1,263
Natural change	579	509	573	570	571	562	559	559	546	533	520	506	490	470	450	431	408	388	366	347	324	310	292	275	272
In-migration	6,977	6,426	6,883	6,919	6,966	6,982	7,010	7,022	7,038	7,045	7,051	7,052	7,057	7,069	7,087	7,112	7,145	7,181	7,217	7,252	7,288	7,325	7,362	7,396	7,433
Out-migration	6,640	6,004	6,301	6,340	6,369	6,399	6,424	6,433	6,447	6,462	6,490	6,530	6,557	6,612	6,651	6,694	6,736	6,781	6,823	6,854	6,888	6,933	6,976	7,018	7,057
Net migration	337	422	582	579	597	583	586	590	591	583	560	522	499	457	436	418	409	400	394	398	399	392	386	379	376

Population (broad age groups)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Age 0-14	22,338	22,638	22,783	23,063	23,447	23,848	24,246	24,621	24,911	25,251	25,396	25,552	25,624	25,652	25,630	25,597	25,596	25,564	25,527	25,482	25,431	25,386	25,344	25,310	25,287	25,280
Age 15-29	22,175	22,014	22,209	22,223	22,167	22,129	22,014	21,877	21,805	21,689	21,781	21,852	21,940	22,011	22,209	22,384	22,494	22,666	22,869	23,124	23,416	23,724	24,000	24,248	24,490	24,625
Age 30-44	25,956	25,766	25,594	25,489	25,431	25,294	25,334	25,454	25,667	25,891	26,136	26,421	26,695	26,953	26,860	26,909	26,975	27,039	27,041	26,971	26,907	26,811	26,698	26,586	26,447	26,433
Age 45-59	26,347	26,753	26,960	27,260	27,474	27,739	27,846	27,898	27,753	27,643	27,433	27,179	26,893	26,625	26,525	26,421	26,297	26,186	26,077	26,061	25,940	25,929	25,996	26,148	26,344	26,566
Age 60-74	19,030	19,422	19,771	20,143	20,537	21,011	21,458	21,821	22,199	22,561	22,923	22,938	23,140	23,394	23,834	24,207	24,590	24,868	25,179	25,405	25,694	25,831	25,900	25,814	25,745	25,564
Age 75+	10,006	10,171	10,405	10,704	10,979	11,185	11,458	11,835	12,323	12,763	13,249	14,062	14,743	15,392	15,900	16,329	16,747	17,195	17,614	18,028	18,430	18,864	19,311	19,823	20,274	20,769
Total population	125,852	126,764	127,722	128,882	130,035	131,206	132,356	133,505	134,657	135,798	136,918	138,003	139,035	140,027	140,958	141,846	142,698	143,518	144,308	145,070	145,818	146,545	147,249	147,930	148,586	149,238
Change from previous year		912	958	1,160	1,153	1,172	1,150	1,149	1,152	1,141	1,120	1,085	1,032	993	930	889	852	820	791	762	747	727	705	681	656	651
Households	52,392	52,858	53,242	53,854	54,420	54,983	55,546	56,090	56,676	57,200	57,716	58,231	58,735	59,247	59,713	60,186	60,661	61,130	61,595	62,039	62,489	62,905	63,319	63,726	64,120	64,504
Change from previous year		466	384	612	567	563	563	544	586	524	516	515	504	512	466	473	474	469	465	444	450	416	415	407	394	384
Employment rate (16+)	65.0%	64.9%	65.0%	65.0%	65.1%	65.2%	65.2%	65.2%	65.1%	65.1%	65.0%	64.8%	64.7%	64.4%	64.3%	64.1%	64.0%	63.9%	63.7%	63.5%	63.5%	63.4%	63.3%	63.3%	63.2%	63.2%
Working population	66,248	66,596	67,163	67,757	68,411	69,093	69,592	70,037	70,498	71,003	71,449	71,841	72,211	72,567	72,972	73,381	73,812	74,170	74,531	74,830	75,232	75,623	76,038	76,410	76,829	77,202
Change from previous year		349	566	594	654	682	499	444	461	505	446	392	371	356	405	408	432	357	362	298	402	391	415	372	419	373

PROJECTION: Population Growth linked to Experian job-growth forecast and 2012-based household formation rates

Components of change

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Births	1,520	1,569	1,526	1,536	1,544	1,546	1,553	1,558	1,559	1,560	1,559	1,559	1,559	1,556	1,556	1,555	1,552	1,551	1,550	1,551	1,554	1,558	1,566	1,576	1,588
Deaths	941	1,060	952	963	968	976	983	986	997	1,008	1,017	1,029	1,044	1,058	1,076	1,092	1,111	1,129	1,149	1,168	1,192	1,211	1,237	1,262	1,276
Natural change	579	509	573	573	576	570	570	572	562	552	542	530	516	499	480	463	441	422	401	383	361	347	330	313	311
In-migration	6,977	6,426	6,949	6,985	7,032	7,049	7,077	7,089	7,105	7,113	7,118	7,120	7,124	7,137	7,155	7,180	7,213	7,250	7,286	7,322	7,357	7,395	7,433	7,467	7,504
Out-migration	6,640	6,004	6,241	6,280	6,309	6,338	6,363	6,372	6,385	6,401	6,429	6,468	6,495	6,549	6,588	6,630	6,672	6,717	6,758	6,789	6,823	6,867	6,910	6,951	6,990
Net migration	337	422	708	705	724	711	714	718	720	712	689	652	629	588	567	550	541	533	528	532	535	528	523	516	515

Population (broad age groups)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Age 0-14	22,338	22,638	22,783	23,082	23,487	23,912	24,337	24,741	25,062	25,437	25,618	25,812	25,923	25,993	26,013	26,022	26,063	26,073	26,079	26,075	26,063	26,054	26,048	26,047	26,057	26,080
Age 15-29	22,175	22,014	22,209	22,269	22,256	22,260	22,183	22,080	22,039	21,950	22,064	22,155	22,263	22,351	22,565	22,756	22,883	23,075	23,299	23,580	23,903	24,244	24,557	24,842	25,123	25,298
Age 30-44	25,956	25,766	25,594	25,521	25,498	25,397	25,475	25,637	25,895	26,167	26,462	26,800	27,128	27,440	27,400	27,502	27,620	27,734	27,782	27,753	27,727	27,666	27,582	27,499	27,382	27,391
Age 45-59	26,347	26,753	26,960	27,276	27,507	27,790	27,915	27,985	27,859	27,769	27,579	27,346	27,081	26,835	26,761	26,683	26,586	26,505	26,427	26,445	26,358	26,386	26,495	26,694	26,939	27,215
Age 60-74	19,030	19,422	19,771	20,151	20,553	21,035	21,492	21,864	22,252	22,626	23,000	23,026	23,240	23,508	23,963	24,351	24,751	25,045	25,373	25,617	25,924	26,078	26,165	26,097	26,045	25,882
Age 75+	10,006	10,171	10,405	10,708	10,988	11,199	11,477	11,859	12,352	12,798	13,289	14,110	14,798	15,454	15,970	16,406	16,832	17,289	17,718	18,141	18,553	18,998	19,457	19,982	20,446	20,955
Total population	125,852	126,764	127,722	129,007	130,289	131,593	132,879	134,166	135,460	136,746	138,013	139,249	140,433	141,582	142,671	143,721	144,736	145,721	146,679	147,610	148,528	149,426	150,304	151,160	151,992	152,822
Change from previous year		912	958	1,285	1,282	1,304	1,285	1,288	1,294	1,286	1,267	1,235	1,185	1,149	1,089	1,050	1,015	985	958	931	918	899	878	855	833	829
Households	52,392	52,858	53,242	53,900	54,515	55,128	55,743	56,339	56,980	57,559	58,132	58,705	59,267	59,838	60,363	60,897	61,432	61,964	62,491	62,998	63,513	63,994	64,474	64,948	65,410	65,863
Change from previous year		466	384	658	615	613	615	597	641	579	573	572	562	571	526	533	535	531	528	507	515	481	481	474	462	453
Employment rate (16+)	65.0%	64.9%	65.0%	65.0%	65.1%	65.3%	65.3%	65.2%	65.2%	65.2%	65.1%	65.0%	64.8%	64.6%	64.4%	64.3%	64.2%	64.1%	63.9%	63.8%	63.7%	63.6%	63.6%	63.5%	63.5%	63.5%
Working population	66,248	66,596	67,163	67,836	68,570	69,335	69,918	70,447	70,993	71,585	72,118	72,597	73,056	73,501	73,995	74,493	75,017	75,467	75,922	76,315	76,814	77,305	77,822	78,298	78,823	79,304
Change from previous year		349	566	673	735	765	583	529	546	592	533	479	459	445	494	499	523	450	455	393	499	490	517	476	526	481

PROJECTION: 2012-based SNPP (adjusted for 2013 MYE) and 2012-based household formation rates (with an uplift to the 25-34 age group)

Components of change

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Births	1,520	1,569	1,526	1,534	1,540	1,541	1,545	1,548	1,548	1,547	1,544	1,543	1,541	1,537	1,534	1,533	1,529	1,527	1,525	1,525	1,526	1,530	1,538	1,546	1,557
Deaths	941	1,060	952	963	968	975	982	984	995	1,006	1,015	1,027	1,041	1,054	1,072	1,088	1,107	1,124	1,144	1,163	1,187	1,205	1,230	1,255	1,269
Natural change	579	509	573	571	573	566	564	564	553	541	530	516	501	482	462	445	422	403	381	362	340	326	308	291	289
In-migration	6,977	6,426	6,911	6,947	6,994	7,011	7,038	7,051	7,066	7,074	7,079	7,081	7,085	7,098	7,116	7,141	7,174	7,210	7,246	7,282	7,317	7,355	7,392	7,426	7,463
Out-migration	6,640	6,004	6,275	6,315	6,344	6,373	6,398	6,407	6,421	6,436	6,464	6,504	6,531	6,585	6,624	6,667	6,709	6,754	6,796	6,827	6,860	6,905	6,948	6,989	7,029
Net migration	337	422	635	632	650	637	640	644	646	638	615	577	554	512	492	474	465	456	451	455	457	450	444	437	435

Population (broad age groups)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Age 0-14	22,338	22,638	22,783	23,071	23,464	23,875	24,284	24,671	24,975	25,330	25,490	25,661	25,750	25,796	25,792	25,777	25,793	25,779	25,760	25,733	25,698	25,668	25,642	25,622	25,613	25,619
Age 15-29	22,175	22,014	22,209	22,242	22,204	22,185	22,086	21,963	21,904	21,800	21,901	21,980	22,077	22,155	22,359	22,541	22,659	22,839	23,051	23,317	23,622	23,944	24,236	24,499	24,758	24,910
Age 30-44	25,956	25,766	25,594	25,503	25,459	25,337	25,393	25,532	25,764	26,008	26,274	26,581	26,878	27,159	27,088	27,160	27,248	27,333	27,354	27,301	27,254	27,173	27,072	26,972	26,842	26,838
Age 45-59	26,347	26,753	26,960	27,267	27,488	27,761	27,875	27,935	27,798	27,696	27,495	27,249	26,972	26,714	26,625	26,532	26,419	26,321	26,225	26,223	26,117	26,122	26,207	26,379	26,596	26,840
Age 60-74	19,030	19,422	19,771	20,147	20,544	21,021	21,472	21,839	22,221	22,588	22,956	22,975	23,182	23,442	23,888	24,268	24,658	24,943	25,262	25,495	25,791	25,935	26,012	25,934	25,872	25,698
Age 75+	10,006	10,171	10,405	10,706	10,983	11,191	11,466	11,845	12,335	12,778	13,266	14,082	14,766	15,418	15,930	16,361	16,783	17,235	17,658	18,076	18,482	18,921	19,372	19,890	20,347	20,848
Total population	125,852	126,764	127,722	128,935	130,142	131,370	132,577	133,785	134,997	136,199	137,381	138,530	139,626	140,685	141,682	142,639	143,560	144,449	145,311	146,144	146,964	147,763	148,541	149,296	150,027	150,753
Change from previous year		912	958	1,213	1,207	1,228	1,207	1,208	1,212	1,202	1,182	1,148	1,096	1,059	997	957	921	890	861	834	819	799	778	755	731	727
Households	52,392	52,858	53,242	53,914	54,542	55,170	55,799	56,412	57,069	57,665	58,255	58,845	59,423	60,005	60,538	61,078	61,618	62,153	62,680	63,193	63,713	64,198	64,690	65,177	65,659	66,137
Change from previous year		466	384	672	629	627	630	612	657	596	590	590	579	582	533	540	540	534	527	513	519	486	492	487	482	478
Employment rate (16+)	65.0%	64.9%	65.0%	65.0%	65.1%	65.2%	65.2%	65.2%	65.2%	65.1%	65.1%	64.9%	64.7%	64.5%	64.4%	64.2%	64.1%	63.9%	63.8%	63.6%	63.6%	63.5%	63.4%	63.4%	63.4%	63.3%
Working population	66,248	66,596	67,163	67,790	68,478	69,196	69,730	70,210	70,707	71,249	71,732	72,161	72,568	72,962	73,405	73,851	74,322	74,718	75,119	75,458	75,901	76,334	76,792	77,208	77,672	78,091
Change from previous year		349	566	627	688	717	535	480	497	542	483	429	408	393	443	447	471	396	401	338	443	433	458	416	464	418