

Eastleigh Borough Local Plan 2011-2029

Background Paper H1

Housing

**VERSION 5
JULY 2014**



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Appendices

1. Scope of this paper

- 1.1. This is the fifth version of a background paper originally published in November 2011. It seeks to bring together available evidence relating to housing, including need, supply and past trends in order to inform the preparation of the emerging Eastleigh Borough Local Plan 2011-29. Previous versions of this paper can be found in the archive section at www.eastleigh.gov.uk/localplan.
- 1.2. The types of housing being considered will be mainly those referred to as dwelling houses (Use Class C3). However, reference will be made to other forms of housing which can fall outside of this particular use class, including special needs housing, extra-care housing and accommodation for Gypsies, travellers and travelling show people.

2. National, sub-regional & local policy context

National policies

- 2.1. National planning policies for housing were previously set out in a variety of Planning Policy Guidance notes (PPGs) and Planning Policy Statements (PPSs). In March 2012 the Government replaced these planning policies with the National Planning Policy Framework (NPPF)
- 2.2. The Government's key housing objective is to significantly increase the delivery of new homes. It also seeks to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities. The NPPF requires that:
 - “the Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area as far as is consistent with the policies in the NPPF
 - a supply of specific and deliverable sites are identified to meet the housing requirements for years 0-5. A supply of sites for years 6-10 and where possible years 10-15 should also be identified, consisting of specific and deliverable sites or broad locations for growth;
 - a mix of housing types and sizes are provided to meet the different needs within communities;
 - affordable housing, where needed, is provided on-site unless off-site provision or financial contributions can be robustly justified and contribute towards mixed and balanced communities; and
 - empty houses and other appropriate buildings are re-used for housing
- 2.3. The NPPF also contains a number of related policies including promoting good design, sustainable development and healthy communities and provides guidance on plan making.

National Planning Policy Guidance

- 2.4. In March 2014 the Government published its National Planning Practice Guidance which provided more details on how to undertake housing (and economic) needs assessments. This guidance identifies up-to-date household demographic projections as the starting point for the assessment of housing needs. Recognising that such projections are based on past trends, the guidance also suggests that consideration should be given to factors that may not have been observed in past trends e.g. suppressed household formation rates. Adjustments may also be justified on the basis of past events unlikely to be replicated in the future, or the particular demographic characteristics of the population.

- 2.5. The guidance goes on to state that an assessment should be undertaken of the potential increase in working age population in comparison to the projected job growth to ensure that sustainable patterns of development are promoted. In assessing future need for housing, consideration of market signals including house prices, affordability, rates of past development against past needs is also important.
- 2.6. The NPPG goes on to provide further guidance on the need to ensure that the needs for all types of housing are taken into account in the plan, including older people and family housing, as well as calculating future affordable housing need.
- 2.7. In addition to all of this, section 110 of the Localism Act 2011 sets out obligations on local planning authorities to cooperate with neighbouring authorities on planning for housing delivery and this is clearly necessary where, as in south Hampshire, housing market areas cross administrative boundaries. This requirement to cooperate is also reflected throughout the NPPF.

Sub-regional policies

Partnership for Urban South Hampshire (PUSH)

- 2.8. PUSH is a partnership of local authorities in south Hampshire consisting of includes Portsmouth and Southampton city councils, Eastleigh, Fareham, Gosport and Havant borough councils and parts of New Forest, Test Valley, Winchester and East Hampshire council areas. Hampshire County Council and, more recently, the Isle of Wight Council are also within the partnership. The partnership seeks to work together, and with local partners and agencies, to deliver sustainable economic-led growth and regeneration, whilst providing homes in sustainable communities and ensuring a better quality of life for residents. It has produced a number of relevant strategies and documents which are identified below.

PUSH Economic Development Strategy 2010

- 2.9. The adopted revised PUSH Economic Development Strategy represents a key document for the partnership, setting out the economic objectives for the partnership and its priority actions. The original PUSH Economic Development Strategy was published in 2006 and informed the policies of the South East Plan. This strategy was revised in October 2010 in recognition of the economic recession. Objectives of the revised strategy include:
 - The need to continue to invest to close the economic performance gap with the rest of the south-east and ensure prosperity for the residents of south Hampshire.

- The need to support the cities to fulfil their potential as engines for economic growth in the sub-region.
 - The need to address the impact of the recession and create jobs to tackle unemployment, as well as seeking to increase productivity.
- 2.10. The associated preferred growth scenario to deliver this strategy calculated that 74,000 additional dwellings would need to be provided in south Hampshire for in the period 2006 to 2026. This housing figure would be apportioned to individual local authorities through the subsequent PUSH spatial strategy.

PUSH South Hampshire Strategy 2012

- 2.11. This document articulates the vision for South Hampshire's future in the period 2011-26 and sets out a spatial strategy to align policies, actions and decisions with that overall vision. It echoes the PUSH Economic Development Strategy in seeking a step change in South Hampshire's economic growth in a managed, sustainable way, with growth shared by all communities. It also provides for the reduced level of housing growth identified in the PUSH Economic Development Strategy 2010 on the basis of significantly lower projections for economic growth. No update of the housing market assessment that had previously been carried out to inform the South East Plan was undertaken, nor was it subject to public consultation, full sustainability appraisal, Habitats Regulations assessment or transport assessment. .
- 2.12. The purposes of the strategy are to:-
- help realise the PUSH ambition to create a prosperous economy in a sustainable way, recognising the encouragement within the PUSH Economic Development Strategy to align planning functions, infrastructure and site investment to the overarching strategy;
 - provide a spatial framework for PUSH activities and actions including the allocation of resources, and provide a context/support to bids for external funds for projects;
 - guide and support the preparation of Core Strategies/Local Plans and the review/roll forward of adopted ones;
 - be the means for PUSH authorities to largely discharge the 'duty to cooperate with neighbouring authorities on planning issues with cross-boundary impacts which the Localism Act places on all local authorities;
 - enable PUSH authorities to show they are meeting development requirements across South Hampshire as a whole, including dealing with development needs which cannot wholly be met within one authority's area.
- 2.13. Between 2006 and 2011 some 18,400 dwellings were built in south Hampshire. The Spatial Strategy apportions the remaining PUSH wide

housing requirement of 55,600 to individual local authorities. Eastleigh Borough' suggested share of this is 8,050 dwellings in the period 2011-26 (equivalent to 9,660 for the Eastleigh Borough Local Plan period 2011-29).

PUSH South Hampshire Strategy – update

- 2.14. GL Hearn have recently been commissioned to undertake a review and roll forward of the 2012 Strategy through to 2036. This will take into account the evidence from the recently published South Hampshire Strategic Housing Market Area Assessment 2014, as well as a range of other factors, in considering what level of development should be planned for across the PUSH area.
- 2.15. The consultants are currently preparing the evidence base for this work. Public consultation on options is anticipated for Summer 2015, with subsequent consultation on a preferred Spatial Strategy. Adoption is anticipated in early 2016.

PUSH Affordable Housing Common Policy Framework

- 2.16. In 2008, the Partnership for Urban South Hampshire (PUSH) agreed a common policy framework for the provision of affordable housing within the PUSH area in order to ensure a consistent approach to the delivery of affordable housing. It has the following objectives:
 - i. To support economic growth by increasing the supply of affordable housing to deliver a balanced housing market including family and affordable homes
 - ii. To improve and make better use of the affordable housing stock, including its condition and management
 - iii. To drive long term economic prosperity through the principles of sustainable development
 - iv. To meet the needs of everyone, including the homeless and vulnerable groups
- 2.17. The framework contains a number of detailed recommendations for consideration within policy formulation relating to affordable housing including:
 - i. Exploration of the viability of securing a 40% affordable housing target on new development sites
 - ii. Encouragement to seek a housing mix consistent with the Strategic Housing Market Assessment
 - iii. Preference for on-site provision of affordable housing in the first instance
 - iv. High quality design including increasingly strict requirements for buildings to be built to Code for Sustainable Homes standards.

Local policies

Eastleigh Borough Community Plan 2009

- 2.18. The Eastleigh Borough Community Plan¹ (its Sustainable Community Strategy) was published in October 2009 and includes a vision for the borough to 2013 (<http://www.eastleigh.gov.uk/our-community/community-plan.aspx>). It was produced by the Eastleigh Strategic Partnership (ESP), which brought together the main public, private and voluntary sector organisations that provided services to the borough's residents. Whilst the ESP no longer exists, the Council remains committed to working with such organisations in the future, and the Community Plan represents an important part of this work. First published in June 2004, the Community Plan was completely revised and updated in 2008-9 following local consultation including a joint consultation on issues to be addressed in both the Community Plan and the then local development framework Core Strategy².
- 2.19. The Community Plan's vision statement is to achieve "A happy and healthy community with a thriving and inclusive economy in an attractive and eco-friendly environment". It identifies the following objectives relevant to housing:
- Housing needs are met, with provision for people with specific needs;
 - Quality health, shopping, education and recreation facilities are locally available and readily accessible to all;
 - People are able to live, work and travel safely throughout the borough;
 - Demand for energy is low, with high standards of sustainable construction in new developments and improved insulation in existing buildings;
 - Most people are using sustainable forms of transport, including cycling and walking, with new development being located and laid out to reduce the need to travel by car;
 - New development achieves high standards of landscaping and design, creating an attractive and healthy environment.

Eastleigh Borough Housing Strategy April 2012

- 2.20. Eastleigh Borough Council's Housing Strategy which covers the period 2012 – 2017 was adopted in April 2012. The vision behind the strategy is "working in partnership to secure and maintain a choice of good quality and affordable homes".

¹ 'Eastleigh Borough Community Plan', Eastleigh Strategic Partnership October 2009
<http://www.eastleighstrategicpartnership.org/esp-1>

² 'Our Community, Our Future', Eastleigh Borough Council October 2008
<http://www.eastleigh.gov.uk/pdf/ppdourboroughourfuturejb.pdf>

2.21. The key priorities for this strategy are:

- Ensure delivery of housing of all tenures in line with the Council's "Local Plan", providing well designed, quality homes that are affordable and suitable for people's needs.
- Prevent homelessness and enable improved housing options.
- Work jointly with other agencies to ensure that those people in need of care and support have suitable housing available to meet their needs.
- Making better use of all existing housing.

3. Overview of current housing market

- 3.1 The recovery from the recession of 2008-9 continues apace in the housing market, with concerns about the rate of house price increases and diminishing affordability for some, tempered by recent changes to lending criteria designed to restrict higher risk loans. The Bank of England has indicated that an interest rate rise is likely before the end of 2014, although a return to the pre-recessional rates of over 5% is unlikely in the short and medium term. The prospect of future interest rate rises may well serve to further restrain the housing market although predicting future trends in the housing market has proven to be difficult in the past.
- 3.2 Within the borough net annual housing completions since the 2008/9 recession have been between 275 and 434 dwellings per annum with 394 new completions in 2013/14. In the meantime gross affordable housing completions peaked in 2009/10 but have been above 120 dwellings per annum since. Net completions are more variable, reflecting the continued renewal of existing housing association stock within the borough.
- 3.3 With most of the housing sites allocated in the adopted Eastleigh Borough Local Plan Review (2001-2011) now completed, the Council recognises the need to bring forward new housing sites quickly in order to be able to demonstrate a five year land supply position. The emerging Eastleigh Borough Local Plan 2011 – 2029 proposes a number of new housing sites which will enable a significant increase in the level of housing provision in the borough in the years ahead. Planning applications on two of the larger proposed strategic sites, as well as one smaller greenfield site, have already been approved by the Council, with the Council resolving to permit five further greenfield sites, subject to Section 106 agreements being signed. Applications on many of the other sites proposed to be allocated have also been submitted for determination, or are anticipated to be submitted shortly. These sites have the potential to contribute towards our five year land supply, as well as providing for the longer term needs of the borough.
- 3.4 The influence that the Council and its planning policies can have on the rate of housing construction and the wider market forces at work within the economy is extremely limited. However, there are no indications that the borough is unique in this position. The Council is pragmatic in its discussions with applicants on new developments and seeks to ensure that where possible new development is facilitated through detailed negotiations with a workable solution being achieved.

4. Assessment of future housing needs

Introduction

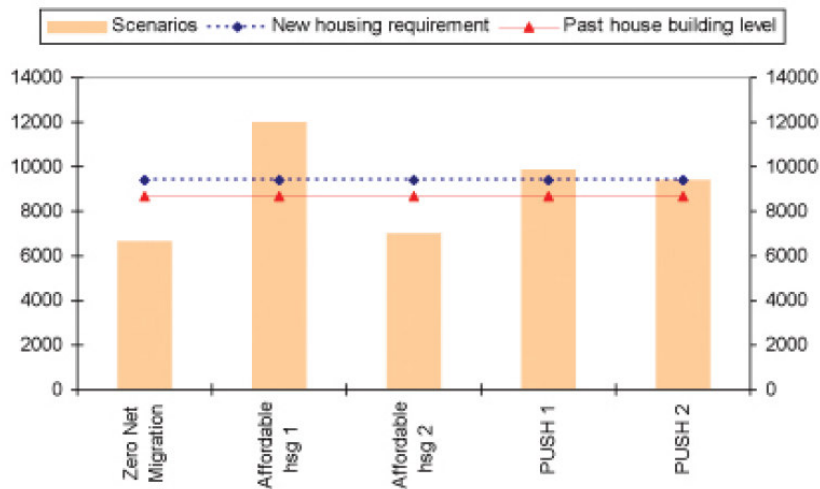
- 4.1 Recent changes to the planning system have removed regional planning, and their ‘top-down’ housing requirements. Councils are now required to work together to identify their own housing requirements, in accordance with the NPPF and the guidance in the NPPG. This need should be informed by an up-to-date Strategic Housing Market Assessment (SHMA).

Context

- 4.2 The last Strategic Housing Market Assessment relevant to Eastleigh Borough was the South Hampshire Housing Market Assessment, prepared by DTZ and published in October 2006. This SHMA considered South Hampshire to be a single housing market area, with two poles: Portsmouth and Southampton. This SHMA is now significantly out-of-date. In 2013, PUSH commissioned a new SHMA for south Hampshire. This was published in January 2014, just before the publication of the Revised Pre-submission Local Plan (Background Paper H4A). It identifies two housing market areas based on Southampton and Portsmouth. Eastleigh Borough lies within the Southampton housing market area.
- 4.3 As discussed in chapter 1, this is the fifth version of the housing background paper. The first two papers were prepared in advance of a new SHMA being prepared and the first four prior to the publication of the NPPG. These versions sought to calculate a housing requirement for the borough having examined a range of scenarios based on a number of assumptions including migration, demographic change, affordable housing need, providing flexibility in supply and delivering economic growth. The latter papers were produced alongside the preparation of the SHMA and, with regard to version 4, a draft of the NPPG.

Version 1, published November 2011

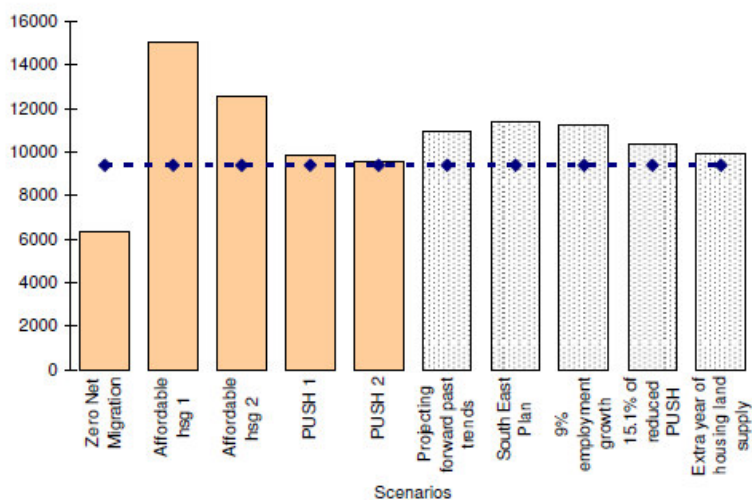
- 4.4 Based on five different scenarios of projecting future housing need, including meeting future affordable housing need and interpreting the implications of the recently prepared PUSH Economic Strategy, a housing figure of 9,400 dwellings was arrived at.



- 4.5 This figure was considered to be a reasonable level of housing which would enable the borough to meet the suggested need arising from the existing population as well as providing some additional housing to meet affordable housing need and contribute towards economic growth objectives. It also represents a small increase in the house building rate compared to that observed in the period 2001-2011

Version 2, published July 2012

- 4.6 The second version of the housing background paper was prepared in support of the original pre-submission version of the Local Plan. Building upon the original scenarios considered in version 1 of the background paper, five additional scenarios were considered in the light of representations received. These additional scenarios included a demographic based projection, comparison with South East Plan requirement and the implications of an economic growth rate of 9% as required in the PUSH Economic Strategy. The outputs of these scenarios are set out below

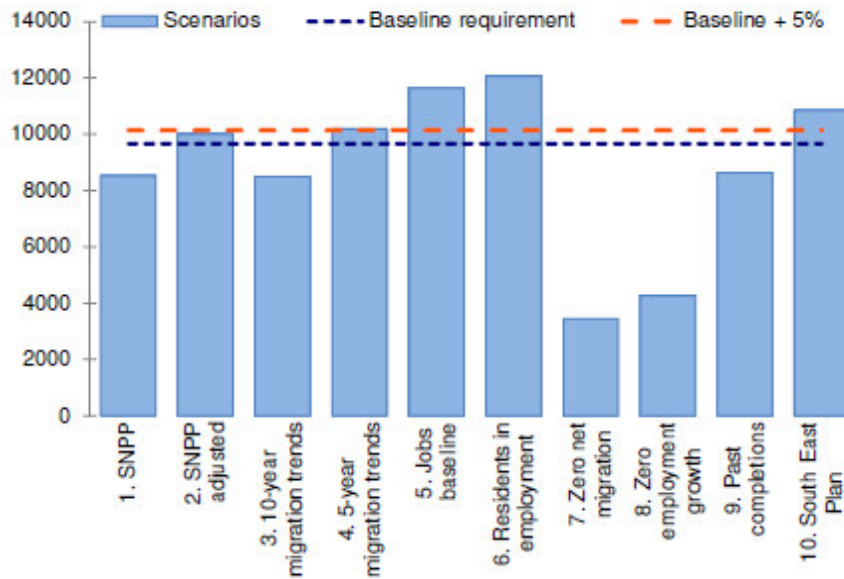


Source: Eastleigh Borough Council Planning Policy Team

- 4.7 Whilst it was acknowledged that there was a case for considering a higher level of housing, it was also considered important to ensure that the housing strategy of the Local Plan complemented wider PUSH strategies. The provision of 9,400 dwellings in Eastleigh Borough was anticipated to be in broad accordance with the then emerging PUSH Spatial Strategy and therefore the Council did not consider there to be a compelling case to increase the housing requirement.

Version 3, published October 2013

- 4.8 The October 2013 version of this paper was prepared in the context of an early draft of the emerging findings of the new PUSH SHMA (para. 4.2 above) and following the formal publication of the PUSH Spatial Strategy (South Hampshire Strategy) in October 2012 (Background Paper G7). The Spatial Strategy contained an agreed apportionment figure for Eastleigh Borough of 9,660 dwellings, a moderate increase of 260 dwellings above that previously proposed in the Local Plan.
- 4.9 The background paper considered the emerging scenarios set out in the SHMA and how they might apply to the borough’s housing requirements. These scenarios looked at demographic, economic and migration based projections, as well as continuing to look at past rates of completions and what the equivalent requirement of the South East Plan would have been.



Source: South Hampshire Strategic Housing Market Assessment and Eastleigh Borough Council Planning Policy Team

4.10 The paper provided a narrative to the above scenarios, recognising that a figure of 9,660 dwellings fell below that of the emerging ‘SNPP adjusted’ figure but would continue to provide for a significant level of net in-migration and a 10% increase in levels of house construction compared to past trends. The paper concluded that although there was merit in continuing to provide for a baseline of 9,660 dwellings, a 5% contingency should be added which equates to a total housing requirement of 10,140 dwellings. If this was met in full, it would marginally exceed the SNPP adjusted housing figure.

Version 4, published February 2014

4.11 In January 2014, the final version of the new PUSH SHMA for the south Hampshire sub-region was published, prepared in accordance with the NPPF and the draft NPPG. The paper acknowledged that across the Southampton Hampshire sub-region as a whole, the SHMA had identified a need to increase housing provision above that planned for in the South Hampshire Strategy. This was on the basis that the final SHMA had been based on further research that had demonstrated that there had been evidence of past suppression of household formation.

4.12 However, further analysis of the SHMA indicated that the driver of the additional housing growth needs appeared to arise mainly from within the Portsmouth HMA, rather than the Southampton HMA. In the Southampton

HMA, the existing planned growth in the area broadly met the identified housing need.

- 4.13 In relation to Eastleigh Borough, the paper acknowledged that the outputs from the SHMA at a borough level could be interpreted to imply that a higher level of housing growth would be required (some 615 dwellings per annum or 11,070 for 2011-29). However the robustness of these projections at a local level was considered to be limited.
- 4.14 In the light of the duty-to-cooperate and the role of PUSH, the paper concluded that any revised apportionment of additional housing needs would be most appropriately agreed through an update to the PUSH Spatial Strategy (the South Hampshire Strategy). An adjustment to the Local Plan was made in the meantime to specify that a minimum of 10,140 dwellings will be provided (rather than 9,660 + 5% contingency), with a further commitment that an early review of the Local Plan would take place to accommodate any additional housing requirements arising from an updated South Hampshire Strategy.

Version 5, July 2014 (this paper)

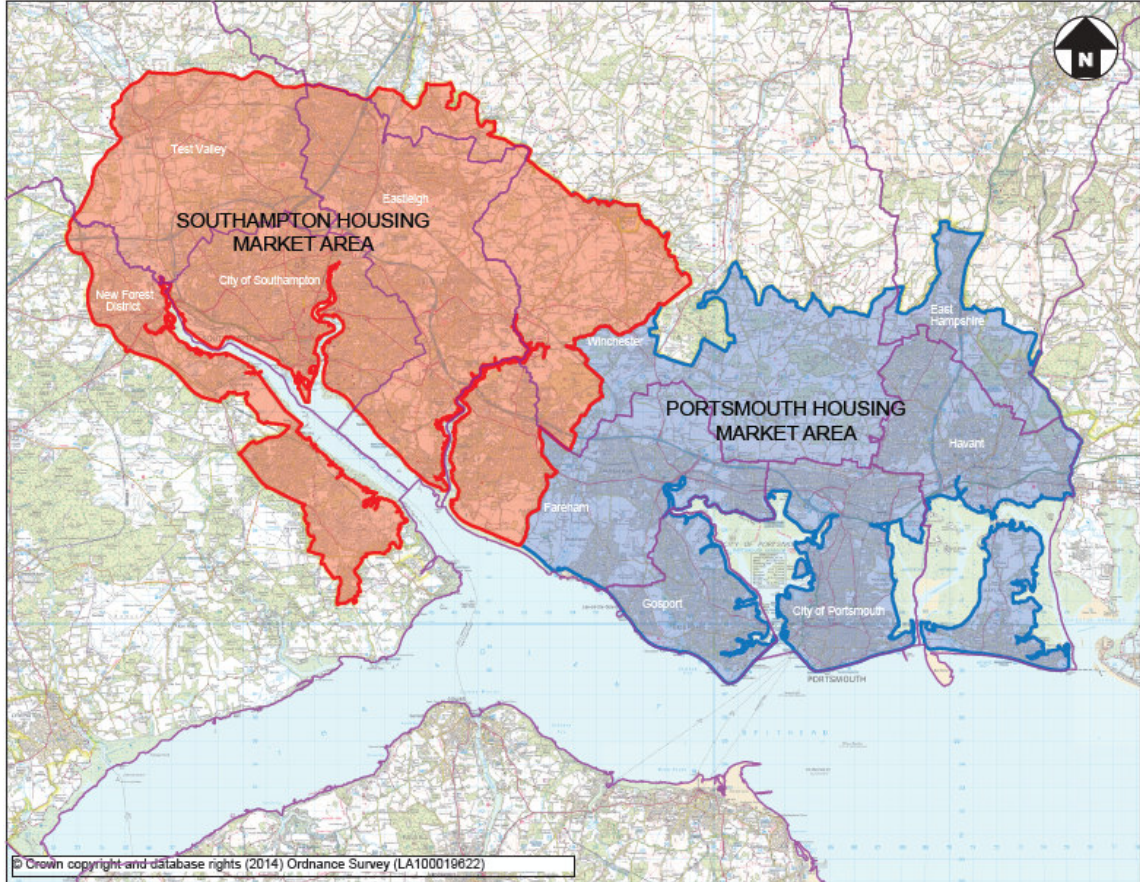
- 4.15 This paper seeks to further reflect on the findings of the SHMA, the requirements of the final version of the NPPG and understand the implications of the recently published 2012-based Sub National Population Projections. It also includes consideration of market signals, as well as other factors including affordable housing need.

Housing need in Southampton Housing Market Area

Identifying the housing market area(s)

- 4.16 The new SHMA confirms the south Hampshire sub-region as consisting of two overlapping housing market areas, focused on Portsmouth and Southampton respectively, with much weaker links to the east, north and west.
- 4.17 The SHMA shows Eastleigh borough to be located wholly within the Southampton housing market area which, along with the City of Southampton, also comprises parts of New Forest District Council, Test Valley Borough Council, Winchester City Council and Fareham Borough Council. The remainder of South Hampshire is in the Portsmouth Housing Market Area. This geography is shown in figure 4.1 below:

Figure 4.1: Housing markets of South Hampshire as defined in 2014 SHMA



Calculating the housing need for the Southampton HMA

South Hampshire Strategic Housing Market Assessment

- 4.18 The NPPF requires that SHMAs should be used to assess the full objectively assessed housing needs within the housing market area (para. 160). Local planning authorities are consequently required to ensure that their local plans meet the full objectively assessed housing needs within the housing market area (para. 47).
- 4.19 The NPPG provides further guidance on the methodology to be used to identify these needs in paragraphs 14-29. The SHMA prepared for the South-Hampshire sub-region broadly follows this guidance, albeit that the preparation of the SHMA marginally pre-dated the publication of the final version of the NPPG.
- 4.20 The following section discusses the findings of the SHMA in relation to the Southampton Housing Market Area.

The starting point (PROJ 1 & PROJ 2)

- 4.21 Paragraph 15 of the NPPG states that sub-national household projections published by the Department for Communities and Local Government (DCLG) should provide the starting point in estimating overall housing need in the housing market area. These projections are trend based, projecting forward past rates of household formation and changes in demographic profile.
- 4.22 At the time of preparing the SHMA, the most up-to-date and complete sub-national population projections were 2010-based figures. These were subsequently updated, in part, by DCLG through the publication of 2011-based interim projections which took into account data available from the 2011 Census (including changes to the age structure of the population) to provide updated household formation rates. In the absence of more-up-to-date data, the interim projections used the same assumptions about fertility, mortality and migration rates as the 2010-based figures.
- 4.23 Using these projections, and with some further modelling to project beyond 2021, a need was indicated for 1,934 dwellings per annum for the Southampton HMA (PROJ 1).
- 4.24 In light of the limitations of the 2011-based interim projections with particular regard to migration trends, the SHMA presented an adjusted SNPP projection which took into account the findings of the 2011 Census and the 2012 Mid-Year Population Estimates. **A revised figure of 1,843 dwellings per annum was identified for the Southampton HMA (PROJ2).** The SHMA considered this SNPP adjusted figure to represent a robust, demographic driven, 'starting point' for considering overall housing needs.

Sensitivity testing

Longer-term household formation rates (PROJ 2A)

- 4.25 The above projections are based on trends during the period 2001-2011. It is generally acknowledged that economic trends made it more difficult for new households to access the housing market during this period i.e. that household formation may have been constrained or suppressed.
- 4.26 The SHMA therefore applied longer-term (from 1971) trends in household formation rates to the SNPP adjusted projection. The resulting output increases the number of homes needed in the Southampton HMA area to 2,251 dwellings per annum (PROJ 2A)

Migration assumptions (PROJ 3 and PROJ 4)

- 4.27 This approach projects forward past rates of net in-migration observed through the Office of National Statistics mid-year population estimates during the periods 2006-11 and 2001-11 respectively. Unlike the previous scenarios, no allowance is made for migrations rates to change to take into account changes in the age structure of the population. Using these figures, a need is identified for 1,988 dwellings per annum, based on 10-year migration figures (PROJ 3) and 1,991 dwellings per annum based on 5-year migration figures (PROJ 4).
- 4.28 The SHMA comments that whilst these scenarios provide a useful sensitivity test, they are not dynamic, and it is reasonable to assume that levels of migration will change in the future as the population age structure changes.

Zero-net migration (PROJ 5)

- 4.29 This scenario, technically referred to as a 'zero net migration' model, presumes that the number of people moving in and out of the housing market area offset each other and that any population change is solely generated by the existing population. Although this is also an unrealistic model, it does serve to demonstrate that the housing market area's population would generate a need for additional dwellings from within.
- 4.30 Using this scenario, a housing need of 1,046 dwellings is identified for the housing market area.

Job baseline (PROJ A)

- 4.31 This scenario considers the increase in jobs forecast in January 2013 by Experian in the Southampton HMA and assumes a 1:1 relationship between the number of jobs created and the number of local residents in employment. This projection does not include any assumptions about commuting patterns with all new jobs being filled by local people.
- 4.32 A housing need of 2,809 dwellings per annum is identified under this scenario.

Residents in employment (PROJ B)

- 4.33 This uses Experian forecasts of future job growth for the Southampton Housing Market Area and uses commuting patterns (from 2001 Census data) to calculate a commuting ratio, to estimate how many of the jobs created in adjoining areas will be filled by local residents.

- 4.34 A housing need of 2,778 dwellings per annum is identified under this scenario.
Past completions (PROJ Z)
- 4.35 This projection enables a comparison to be made if past rates of completions, as monitored during the period 2001 - 2011, are carried forward at the same rate in the future.
- 4.36 Using this projection, a need for 1,821 dwellings per annum for the housing market area is identified.
- 4.37 A summary of these projections for the Southampton HMA is set out in Table 4.1 below

Table 4.1: SHMA Outputs for Southampton Housing Market Area

Reference	Description	Dwellings required (per annum)	Dwellings required 2011-26
PROJ 1	Sub-national population projections (SNPP)	1,934	29,010
PROJ 2	SNPP adjusted	1,834	27,510
PROJ 2A	SNPP adjusted with historic headship rates	2,251	33,765
PROJ 3	10 year past migration trends	1,988	29,820
PROJ 4	5 year past migration trends	1,991	29,865
PROJ 5	Zero net migration	1,046	15,690
PROJ A	Jobs baseline	2,809	42,135
PROJ B	Residents in employment	2,778	41,670
PROJ Z	Past completions	1,821	27,315

Affordable housing need

- 4.38 The requirement to meet the full objectively assessed need for affordable housing in the housing market area is clearly set out in the NPPF. However, calculating affordable housing need is not an exact science with a number of assumptions needing to be made to predict future need.
- 4.39 The PUSH SHMA calculates a net affordable housing need for 1,661 dwellings per annum for the Southampton HMA. This is derived from addressing the existing backlog of need, as well as estimating the future needs arising on the basis of the proportion of income that people are prepared to spend on housing and the role of the private rental market. The delivery of 1,661 net affordable dwellings per annum implies an overall housing requirement in the Southampton HMA of approximately 4,750 dwellings per annum if these were to be delivered at 35% of market

housing, some 2,700 dwellings per annum more than that required from the adjusted demographic position (PROJ 2A).

Market signals

- 4.40 Chapter 6 of the January 2014 PUSH SHMA, along with relevant appendices, provides an overview of both macro level economic trends and drivers, as well as more local level analysis.
- 4.41 In summary it concludes that there has been a fundamental shift in housing market conditions across the country since 2007, particularly in relation to confidence and credit availability. Whilst there has been a moderate recovery in sales and house prices in South Hampshire, there is little evidence of a sharp recovery, particularly within the two cities themselves.
- 4.42 The affordability of housing across South Hampshire compares reasonably favourably with the national ratio, driven in particular by the lower prices observed in the two cities. Conversely affordability of housing worsens the further out of the two cities you go.
- 4.43 Overall, across South Hampshire the signals in terms of market and affordability pressures are not considered to be significant, although some moderate market pressure is identified in Eastleigh, Fareham and Test Valley.

Discussions and conclusions on January 2014 PUSH SHMA

- 4.44 In drawing together the above analysis, the new PUSH SHMA sets out three separate tests to consider whether there was a basis for considering increasing housing land supply above the 'starting point' SNPP adjusted (PROJ 2) figure of 1,834 dwellings. The three tests are:
 - 1. Has household formation been constrained? Is there a market rationale to increase supply?
 - 2. Is overall housing supply capable of meeting affordable housing needs?
 - 3. Will the housing numbers support expected growth in jobs, or is there a need to consider increasing housing supply to support economic growth?

Is there evidence of household formation being suppressed?

- 4.45 With regard to whether household formation has been constrained in recent years, the SHMA states that there was strong evidence to support such a suggestion during the period 2001-11. Given that it was this period that the SNPP adjusted (PROJ 2) figures projected forward the household

formation rates from, the SHMA concludes that it would not be appropriate to plan on the basis that this constrained level of household formation continues in the future.

- 4.46 Using the scenario ((PROJ 2A), which modelled longer-term 'historic' household formation rates, increases the housing requirement by some 417 dwellings per annum over and above the SNPP adjusted figures. Using research undertaken by the Cambridge Centre for Housing and Planning Research, the SHMA suggests that around half of this increase could be explained through market conditions genuinely constraining household formation, whilst the other half can be attributed to different household structures within migrant communities. On that basis, the SHMA considers it reasonable to identify a housing requirement based on a mid-point between the 2008 and 2011 projections. **This results in a housing need for 2,045 dwellings per annum in the Southampton HMA.**

Do market signals justify an increase in housing numbers?

- 4.47 In relation to market conditions, the evidence contained within the SHMA does not provide a compelling justification to increase housing supply above demographic projections in order to improve affordability.

Is overall housing supply capable of meeting affordable housing needs?

- 4.48 The SHMA urges a degree of caution on the use of the modelled affordable housing figures, drawing attention to two key factors: income thresholds used and the role of the private rented sector. With regard to income thresholds, the SHMA considered future households to fall into affordable housing need when housing costs represented more than 30% of their gross income. As the SHMA acknowledged however, there are some households that pay more than the 30% threshold³ for their accommodation, although it is also recognised that some households are only able to pay less than 30%. If an income threshold of 35% was used instead, the projected future affordable housing need would fall by approximately 20%.
- 4.49 The private rented market, supported by local housing allowance, currently provides a significant contribution to meeting affordable housing needs across the country, including the Southampton HMA. However, this supply is not formally recognised as 'affordable housing' due to the lack of security of tenure.

³ As an example, the English Housing Survey: Households 2010-11 suggests that in 2010-11, private renters across England were paying over 40% of their gross income on rented accommodation. Source: <https://www.gov.uk/government/uploads/system/...data/.../2173283.pdf>

- 4.50 As the SHMA recognises however, the extent to which Councils wish to use the private rented sector in the future is clearly a matter of Council policy. However, on the basis that their role continues, a need for at least 400 new affordable dwellings per annum in the Southampton HMA is identified. Delivered as 35% of market housing, this suggests a housing need of approximately 1,150 dwellings per annum. On this basis, **the SHMA found that there was no need to increase housing provision above the demographic projections to ensure that the needs of households with an affordable housing need are met in full.**

Will the housing numbers support expected economic growth?

- 4.51 The link between economic growth and housing supply is a consideration that was only briefly looked at within the SHMA on the basis that the Solent LEP would be producing their own research in due course. The SHMA recognised the limitations of seeking to predict how the economy might perform 20 years into the future, with a range of factors potentially influencing such projections.
- 4.52 Therefore, whilst the related projections within the SHMA suggest an increase in housing numbers to deliver economic aspirations, these scenarios are very sensitive to future changes in productivity, economic participation and commuting, as well as the overall scale of economic growth.
- 4.53 The SHMA concludes that until the findings of further more detailed and robust work by the Solent LEP have been considered in a future review of the South Hampshire Strategy, there was no basis for increasing housing numbers at this time.
- 4.54 **Based on the findings above, the SHMA concluded that a housing requirement of 2,045 dwellings per annum in the Southampton HMA represented a robust basis for planning for future housing growth at this time.** For comparison, a requirement for 2,115 dwellings per annum was identified for the Portsmouth housing market area.

2014 Justin Gardner Consulting study

- 4.55 Following the publication of 2012-based sub-national population projections in May 2014, Justin Gardner Consulting (JGC) were commissioned by Eastleigh Borough Council to consider its implications in relation to future housing requirements within the Southampton Housing Market Area and within the Borough. JGC had previously contributed towards demographic work on the 2014 PUSH SHMA.

- 4.56 JGC explored three different scenarios for applying differing headship rates to the 2012 based-figures:
- Tracking 2011-based headship rates
 - Tracking 2008-based headship rates
 - A part-return to trend (where rates for individual age groups move back towards those in the 2008-based projections depending on the extent to which there is evidence of suppression)
- 4.57 The part return to trend scenario was considered to be the most robust scenario (due to taking account of household suppression and the reasons for this). Under this scenario, there was an identified need for **2,019 dwellings per annum** in the Southampton Housing Market Area for the period 2011-29. JGC concluded that this analysis strongly supports the housing need as identified in the PUSH SHMA.

Discussions and conclusions on 2014 JGC study

- 4.58 The JGC study is based on the 2012-based SNPP which wasn't available at the time of the SHMA being prepared. The 2012-based SNPP uses more recently observed trends in past population growth than the SHMA itself. The NPPG advises that the latest SNPP figures should be taken into account when assessing future housing requirements but that these figures do not necessarily render previous assessments outdated.
- 4.59 In translating the SNPP figures into potential housing requirements, the preferred part-return to trend scenario of JGC is considered to be broadly comparable to the preferred scenario of the SHMA, namely identifying a mid-point between the 2008 and 2011 headship rates. In many ways, the analysis undertaken by JGC is more robust in this respect as it provides greater analysis of the reasons behind past constraints in household formation. This analysis is then used to identify the likely rate that future household formation is likely to recover towards the 2008-based rates which in turn feeds into a revised housing number
- 4.60 The overall work and findings of JGC are considered to be sound and robust, particularly so given their previous work on the 2014 SHMA, the added analysis carried out in this study in relation to household suppression and the more recent population data that is used.

Overall conclusions on housing requirements for Southampton HMA

- 4.61 Neither the SHMA nor the JGC studies are plans or strategies in themselves, but they are a fundamental part of the evidence base for strategic planning. The projected housing need is derived from the projection of past demographic trends (births, deaths, household formation

rates and migration). To an extent, therefore, it is a reflection of what has happened in the past, adjusted to reflect anticipated changes in these trends. As such, the housing needs identified can be heavily influenced by local or short-term issues such as particularly high past development rates or changes to the employment base of an area.

- 4.62 The SHMA is clear that the distribution of the increased housing growth within the two housing market areas (and across the sub-region as a whole) should be determined through joint working and co-operation within the PUSH partnership through an update of the South Hampshire Strategy. This will allow due consideration to be taken of constraints and land availability, the need to promote sustainable patterns of development and other policy aspirations. The subsequent apportionment of housing numbers would then feed into individual authorities' local plans.
- 4.63 The SHMA is thus intended to provide a starting point for this process and should not in itself be relied upon to identify a specific housing requirement for the Southampton Housing Market Area, nor indeed individual local authorities. However, based on the analysis of the SHMA and the JGC study, it is considered that a housing requirement of **2,045 dwellings per annum** for the Southampton HMA is a reasonable starting basis to take forward for future consideration within an updated South Hampshire Spatial Strategy.
- 4.64 Chapter 5 of this paper provide an analysis of the existing committed supply of those local authorities that form the Southampton HMA.

Calculating the housing requirement for Eastleigh Borough

- 4.65 There is no specific requirement within the NPPF or NPPG for the Council to calculate a housing requirement at a borough level with the emphasis being on local planning authorities ensuring that their Local Plans meet “the full, objectively assessed needs for market and affordable housing in the housing market area” (para 47, NPPF). This is reinforced by Eastleigh Borough falling entirely within a single housing market area (Southampton)
- 4.66 Nonetheless, it is recognised that the Local Plan must demonstrate that it is delivering sustainable development, including the provision of sufficient housing to meet objectively assessed requirements. The emerging Plan proposes a minimum of 10,140 dwellings for the period 2011-29.

South Hampshire Strategic Housing Market Assessment

- 4.67 The SHMA includes district/borough level housing data based on the same scenarios that were considered for the housing market areas. The

output of these scenarios is provided in the table below with more details, and a discussion of their individual merits, set out in Appendix One.

Table 4.2: South Hampshire SHMA outputs for Eastleigh Borough

SHMA Reference	Description	Dwellings required (per annum)	Dwellings required 2011-29
PROJ 1	Sub-national population projections (SNPP)	474	8,532
PROJ 2	SNPP adjusted	556	10,008
PROJ 2A	SNPP adjusted with historic headship rates	677	12,186
PROJ 3	10 year past migration trends	472	8,496
PROJ 4	5 year past migration trends	566	10,188
PROJ A	Jobs baseline	646	11,628
PROJ B	Residents in employment	670	12,060
PROJ X	Zero net migration	191	3,438
PROJ Y	Zero employment growth	237	4,266
PROJ Z	Past completions	515	9,270

4.68 On the basis that the SHMA concluded that for the sub-region, the PROJ 2 figures projected forward a degree of suppressed household formation, but that a return to more historic household formation rates (PROJ 2A) was not reasonable, it is appropriate to reach the same conclusion at a local authority level. Appendix U to the SHMA thus uses a midway point between these two scenarios to identify a housing requirement for Eastleigh Borough of **615 dwellings per annum which equates to 11,070 dwellings over the Plan period 2011-29**. This is some 930 dwellings more than the emerging Local Plan proposes.

Justin Gardner Consulting (JGC) study

4.69 As with the Southampton HMA figures, JGC also provide an updated projection of housing requirements for Eastleigh Borough using the 2012-based SNPP. As already discussed above, the overall work and findings of JGC is considered to be sound and robust, particularly so given their previous work on the 2014 SHMA, the added analysis carried out in this study in relation to household suppression, and the more recent population data that is used.

4.70 Whilst reservations remain about the validity of using such projections at a borough level, the JGC study is considered to provide a more up-to-date demographic based projection of future housing need for the borough than that contained within the new PUSH SHMA. A revised housing requirement of **549 dwellings per annum is projected for the period**

2011-29, which equates to 9,882 dwellings over the Plan period. This is 258 dwellings less than the emerging Local Plan proposes.

Market signals

- 4.71 An analysis of relevant market signals for Eastleigh Borough in comparison with the other authorities within the Southampton HMA, Hampshire and England is set out in Appendix Two. Its conclusions reflect household formation rates having been suppressed in recent years. However both the SHMA and, more recently and robustly, the JGC study have sought to take into account suppressed past household formation rates in projecting future need. On this basis there is not considered to be any justification from the observed market signals to suggest an adjustment to the required number of dwellings.

Affordable housing

Housing needs surveys

- 4.72 The last major survey into housing need in the borough was undertaken by David Couttie Associates on behalf of the Council in October 2002. The results from this survey were used to inform the Borough Council's Housing Strategy and the adopted Eastleigh Borough Local Plan Review (2001-2011), particularly in relation to policies on dwelling mix and the type and location of affordable housing required. The survey was updated by David Couttie Associates in 2004 (Background Paper H3).
- 4.73 The Housing Needs Survey update showed that new households were finding it increasingly difficult to access the housing market, and identified an outstanding need for the delivery of 672 dwellings per annum up to 2011 to meet their needs.

South Hampshire Strategic Housing Market Assessment, 2014

- 4.74 As well as providing a projection of future affordable housing need across the Southampton Housing Market Area, the SHMA also analysed potential future affordable housing need in Eastleigh Borough. Even allowing for the continued role of the private rented sector, it identified a need for approximately 310 additional affordable dwellings per annum in the borough. As discussed in relation to the Southampton HMA, these projections are based on a number of assumptions including the proportion of income that households are prepared to spend on accommodation.

Eastleigh Homechoice Housing Register

- 4.75 Eastleigh's Homechoice Housing Register was the name of the housing register for the allocation of social housing within Eastleigh Borough up until Autumn 2013. Anybody wanting to move to or within social housing in Eastleigh had to be registered on Homechoice. This register is now being replaced by the 'Hampshire Homechoice Housing Register' which is a county wide register.
- 4.76 Eastleigh Homechoice had shown steady growth since a major review in May 2008. Following the review, the number of households on Eastleigh Homechoice reduced to 3,202 as many non-responders were removed but this had increased to over 7,000 by May 2013. 5,910 of these households were identified as being in urgent, high priority or priority need and 86.4% of these had a local connection to the borough.
- 4.77 In advance of Eastleigh HomeChoice being closed, the register was reviewed again in September 2013. This resulted in a significant number of non-priority households being removed. As at 1 October 2013 there were 5,650 households waiting for accommodation on Eastleigh Homechoice of which only 32 were in a no-priority band.
- 4.78 It is not suggested that the register identified the detailed housing need of residents within the borough and it is recognised that there were limitations to the accuracy of the data. It was a snapshot and an expression of demand rather than a detailed assessment of housing need. Indeed the majority of the households on the register are unlikely to still be there in five years' time as people's needs change e.g. they get re-housed, their needs are re-assessed, people don't renew their application to be on the register etc. However it does demonstrate a significant number of households who have difficulties accessing suitable housing within the borough.
- 4.79 The Hampshire HomeChoice register is still in the process of being set up and therefore direct comparisons with the Eastleigh HomeChoice register are not possible. As at June 2014, there were over 2,800 households in Eastleigh Borough who had expressed a need for affordable housing but it is envisaged that this number will increase over the next few months as more households re-register their need.

Comment on affordable housing need

- 4.80 The affordability of housing within Eastleigh borough remains a significant issue to address, despite the addition of nearly 1,400 affordable homes to the housing stock since 2001.
- 4.81 Whilst it is acknowledged that there is a continued need to deliver affordable housing in the future, caution is needed in relying entirely on future projections of affordable housing need as set out in the SHMA, or indeed the previous 2004 Housing Needs Study. The 2004 study projected

- a future need of 672 affordable houses per annum up until 2026. However, affordable housing completions have been significantly below this level since that time, averaging about 120 dwellings per annum.
- 4.82 Whilst the Eastleigh HomeChoice register increased significantly during this time, this was attributable not only to the lack of affordable housing being built but also changes to the economy and declining affordability of housing also being a factor.
- 4.83 The affordable housing projections in the 2014 SHMA are based on a number of assumptions including levels of income needed to access market housing. With an improving economic outlook some of the households identified in the SHMA as being in need may see their income increase beyond £27,000 (the level at which the SHMA differentiates between being those being able to access market housing or not on the basis of housing costing 30%). There may also be other households who are prepared to pay more than 30% of their income to access private housing.
- 4.84 It is important to also acknowledge that those in housing need may pursue other options to access their housing of choice. The SHMA acknowledges that its analysis only considers income levels and therefore doesn't consider wider financial resources available to potential households including existing savings, capital or gifts from family. It could be argued therefore that there are likely to be households who may fall into the housing need category by virtue of income but who may have recourse to other funding that could enable them to access market housing.
- 4.85 The private rented sector (PRS) also plays a role in accommodating some households who may otherwise require affordable housing. As at June 2014 there are currently 1,468 households claiming housing benefit in the PRS in Eastleigh. There may be opportunities to increase the role of the PRS in the future.
- 4.86 The SHMA itself concludes that across the Southampton HMA as a whole the likely affordable housing need per annum could be nearer to the 400 dwellings per annum level, rather than 1,661 dwellings per annum, when taking into account changes in income levels and an increased role in the PRS. Given this, and the increased level of overall housing proposed in the Plan, there is not considered to be any need to increase the housing requirements above 10,140 dwellings.

Supporting economic growth

- 4.87 The link between economic growth and housing supply has been considered in a separate paper prepared by the Council (Background Paper G12, Making the Links – the relationship between proposed

housing and employment requirements). This demonstrates that the planned level of housing growth provides sufficient additional working population to support the economic objectives of the Plan, as well as wider objectives within PUSH and the Solent LEP.

Overall conclusions on housing requirements for Eastleigh Borough

- 4.88 The Revised Pre-submission Local Plan identified a housing requirement of 10,140 dwellings for the period 2011-29 on the basis of the information and guidance available at the time.
- 4.89 **If the conclusions of the 2014 PUSH SHMA were applied at a district level for the period 2011-29 then nearly 1,000 additional dwellings over and above the 10,140 dwellings planned for would be required.** However the SHMA is considered to have its limitations when applied at a district level as the 'need' that is identified at a district level fails to take into account the wider dynamics of the housing market area and characteristics of the individual districts within. In other words, whilst the evidence in the SHMA is considered to be sound and robust at a higher level, it is a strategically focussed assessment of housing need, rather than an appraisal of individual authorities' housing needs.
- 4.90 Nevertheless, this paper has considered the housing needs of the borough in the light of the guidance of the NPPG and in this context the findings of the JGC study are important with regard to establishing the 'starting point' as per paragraph 15 of the NPPG. For the reasons as set out above, the JGC study is considered to represent the most up-to-date household projections for the borough. **The study identifies a need for 549 dwellings per annum for the period 2011-29, which equates to 9,882 dwellings over the Plan period. This is 258 dwellings less than the Revised Pre-submission Local Plan proposes.**
- 4.91 A review and comparison of key market signals observed in the borough in recent years against comparative authorities and national trends does indicate that there has been declining affordability in the borough and increased overcrowding overall. However these trends generally mirror trends observed nationally and in comparative authorities.
- 4.92 Given that the projections in the JGC study are based in part on seeking to address past market failures in restricting household formation in the borough, **there does not appear to be any reasonable basis for increasing the housing requirement further on the basis of market signals.**
- 4.93 With regard to ensuring that the full affordable housing needs of the borough are addressed, it is acknowledged that past rates of delivery of

affordable housing have been significantly below the previously identified need in the 2004 Housing Needs Survey. Whilst the 2014 PUSH SHMA identifies a lower future need for affordable housing in the borough (310 dwellings) than the 2004 Housing Needs Survey (672 dwellings), if delivered as (say) a 30% proportion of market housing this would still need the borough to be delivering some 1000 dwellings per annum (18,000 dwellings between 2011-29). This level of housing completions would be over double the rates of housing completions observed in 2001-11 (480 dwellings per annum).

- 4.94 Calculating future affordable housing need is not an exact science and as already discussed above, a number of assumptions have to be made in this work which, if varied, can significantly alter the identified requirement. Such conclusions are reflected in the SHMA itself which suggests that, with different assumptions, the affordable housing requirement for the Southampton HMA area as a whole would be nearer to 400 dwellings per annum.
- 4.95 If it is presumed that approximately 30% of the 564 dwellings per annum (10,140 dwellings for 2011-29) is secured as affordable housing, the borough would be contributing approximately 170 additional affordable homes towards the wider PUSH SHMA 'requirement', and the potential for approximately 50 affordable dwellings per annum more than have been delivered in the borough in recent years. Given this, and the difficulties with modelling future affordable housing needs, **there does not appear to be sufficient justification to increase the housing requirement beyond the 10,140 dwellings for 2011-29 in order to ensure that the full affordable housing requirements are met.**
- 4.96 A separate paper has been prepared on the relationship between future anticipated job growth and the projected increase in the resident working-age population (Background Paper G12, Making the Links – the relationship between proposed housing and employment requirements). This demonstrates that the population increase arising from the 10,140 dwellings planned for in the Revised Pre-submission Local Plan would be sufficient to deliver the sustainable economic growth envisaged in the borough, as well as contributing towards wider sub-regional and Local Enterprise Partnership objectives. As such, **there is not considered to be a basis to increase the housing numbers further to support economic growth or more sustainable commuting patterns.**
- 4.97 **In bringing the above together, there is not considered to be any compelling reason, on the basis of borough specific considerations, to increase the level of housing proposed in the Revised Pre-submission Local Plan above the 10,140 dwellings currently proposed.**

4.98 This housing figure is also broadly in accordance with the existing PUSH South Hampshire Strategy. It is however acknowledged that the current work to update the PUSH South Hampshire Strategy in the light of the 2014 SHMA may lead to an increase in overall housing requirements across South Hampshire which will need to be apportioned to individual local authorities in due course. In the event of any revised housing figure to be attributed to Eastleigh Borough, this will be need to be reflected in an update to this Local Plan.

5. Meeting the Housing Needs

Southampton Housing Market Area

- 5.1 The 2012 South Hampshire Strategy provides the strategic basis upon which local authorities within South Hampshire will work together to deliver development and change between 2011 and 2026. Analysis of the current proposals of the authorities within the Southampton housing market area, set out in Table 5.1 below, reveals that 1,995 dwellings per annum are currently planned for in the area in the period 2011 to 2026. This is only 50 dwellings per annum less than the SHMA suggests are needed to meet the full housing needs in this area during the same period. This equates to a total of 750 additional dwellings over the whole of the market area over the full period from 2011 to 2026 that many of the authorities are currently working to.
- 5.2 Compared to the findings of the JGC study, the shortfall is only about 25 dwellings less, equating to a total shortfall over the whole area of about 375 dwellings in the period 2011-26.

Table 5.1: Analysis of housing supply and SHMA requirement – Southampton housing market area 2011 – 2026

Local Authority	Committed supply⁴
Eastleigh	8,450 ⁵
Fareham (west)	1,389 ⁶
Southampton	12,200
Test Valley (part)	2,910 ⁷
Winchester (part - west)	3,701 ⁸
New Forest	1,277 ⁹
Total committed supply	29,927
Annualised supply	1,995 per annum
SHMA identified need	2,045 per annum
Deficit	50 per annum

⁴ As set out in South Hampshire Strategy unless subsequently amended by emerging/adopted Local Plans or Core Strategies

⁵ Revised Pre-submission Eastleigh Borough Local Plan 2011 - 2029

⁶ 1,654 supply identified on page 22 in adopted Core Strategy less 265 completed in 2010/11 <http://www.fareham.gov.uk/pdf/planning/CoreStrategyAdopted.pdf>

⁷ Policy COM1 (pro-rata for 2011 - 2026 period)
<http://www.testvalley.gov.uk/assets/files/5575/Revised-Local-Plan-DPD-2011-2029-January-2014-PRINT.pdf>

⁸ <http://www.winchester.gov.uk/planning-policy/local-plan-part-1/adoption/> 2,950 at North Whiteley, 375 at Bishops Waltham (on the basis of 25 per annum), 188 at Colden Common (13 per annum) and 188 at Waltham Chase (13 per annum)

⁹ 1,635 dwellings for 2006 - 2026 less 578 completions 2006 - 11 plus 220 through policy CS12 http://www.newforest.gov.uk/media/adobe/o/t/FINAL_DOCUMENT.pdf

- 5.3 For comparison, a similar analysis of the Portsmouth housing market area, Table 5.2 below, suggests that there is a more significant deficit of almost 500 dwellings per annum between the level of housing need identified in the SHMA and the housing currently planned.

Table 5.2: Analysis of Housing Supply and SHMA Requirement – Portsmouth Housing Market Area 2011 – 2026

	Committed supply¹⁰
East Hampshire (part)	1,749 ¹¹
Fareham (east)	726 ¹²
New Community North of Fareham	2,370 ¹³
Gosport	2,250 ¹⁴
Havant	5,150
Portsmouth	9,100
Winchester (part - east)	2,964 ¹⁵
Total committed supply	24,309
Annualised supply	1,621 per annum
SHMA identified need	2,115 per annum
Deficit	494 per annum

Concluding remarks re demand vs supply

- 5.4 The above analysis demonstrates that for the period 2011-26, planned supply within the Southampton Housing Market Area is only very marginally below the housing requirements arising from the SHMA & JGC Study. However, the deficiencies in supply in the Portsmouth HMA against the requirement identified in the SHMA are significant. An analysis of the implications of the 2012-based SNPP on the Portsmouth HMA has not been undertaken to date.
- 5.5 As well as rolling forward the strategy period to 2036, and reflecting the findings of Solent LEP work, the update to the South Hampshire Strategy

¹⁰ As set out in South Hampshire Strategy unless subsequently amended by emerging/adopted Local Plans or Core Strategies

¹¹ Emerging supply as at October 2013 - Revised to 2011 - 2026 period: Table 1
[http://www.easthants.gov.uk/ehdc/formsfordownload.nsf/0/D089F4E3300271D880257C0C00316648/\\$File/EHSD040+Session+12+Housing.pdf](http://www.easthants.gov.uk/ehdc/formsfordownload.nsf/0/D089F4E3300271D880257C0C00316648/$File/EHSD040+Session+12+Housing.pdf)

¹² 825 supply identified in eastern area on page 22 in adopted Core Strategy less 99 completed 2010/11 (<http://www.fareham.gov.uk/pdf/planning/CoreStrategyAdopted.pdf>)

¹³ Based on phasing set out at:

http://www.fareham.gov.uk/PDF/planning/new_community/draft_welborne_plan.pdf

¹⁴ <http://www.gosport.gov.uk/EasysiteWeb/getresource.axd?AssetID=25470&type=full&servicetype=Attachment>

¹⁵ <http://www.winchester.gov.uk/planning-policy/local-plan-part-1/adoption/> 2,400 at west of Waterlooville, 188 at Denmead (on the basis of 13 per annum), 188 at Swanmore (13 per annum) and 188 at Wickham (13 per annum)

will clearly need to consider the findings of the SHMA carefully, as well as the implications of the 2012-based SNPP. Whilst it may be demonstrated that supply in the Portsmouth HMA is capable of being increased, there may be a need for adjoining HMAs, including the Southampton HMA, to accommodate additional development.

- 5.6 In the meantime however, it is considered that sufficient housing is being planned for in the Southampton HMA through to 2026 to meet the full objectively assessed housing needs of the area.

Eastleigh Borough Area

- 5.7 The Council has produced a **Strategic Land Availability Assessment (SLAA)** – see Background Paper G4. It provides an overview of the development potential of sites within the borough which are known to be, or have the potential to be, available for development in the period up to 2029. This document is updated on an annual basis.
- 5.8 The current base date for the SLAA is 31 March 2014. The Council also maintains a Housing Implementation Strategy (HIS) which sets out its approach to managing the delivery of new housing in the borough over the following five year period. This is updated on a quarterly basis to reflect progress on bringing forward larger sites through the planning process. The most recently published version of this also has a base date of 31 March 2014 (Background Paper H11).
- 5.9 Whilst the HIS does not change the overall number of houses identified in the SLAA, it can have a material impact on the anticipated phasing of sites and thus the identified trajectory for the plan period. As such, future versions of the HIS will include an updated housing trajectory for the whole plan period, attached as an appendix.

Summary of key findings of SLAA

- 5.10 As at 31 March 2014 the key findings of the SLAA in relation to the housing potential within the borough's existing urban areas were as follows:
- Between 1 April 2011 and 31 March 2014, 1071 dwellings were built.
 - There were proposals for 1,189 dwellings in the urban areas of the borough which had planning permission or resolutions to permit from the Council but which were not yet built.

- A further 854 dwellings had been identified as having the potential to come forward on sites in urban areas which were yet to be granted planning permission including allocations in the Local Plan, sites with previous planning history and sites newly identified from SLAA Part One site surveys.
- An allowance of 1,552 dwellings could be made for dwellings that were likely to come forward from sites that could not be specifically identified at this stage including Eastleigh town centre, Eastleigh River Side and small sites of less than ten dwellings.

5.11 In total, 4,666 dwellings were anticipated to come forward from sites within the urban area in the period between 2011 and 2029. This left a shortfall of some 5,474 dwellings out of the identified housing requirement of 10,140 dwellings.

5.12 These figures are summarised in Table 5.3 below.

Table 5.3 – Housing land supply within existing urban areas as at 31 March 2014

Requirement	
Identified housing requirement 2011 - 2029	10,140
Supply	
Commitments	
Completions 2011 - 2014	1,071
Small ¹⁶ sites with planning permission	159
Large sites with planning permission: allocated sites in adopted Local Plan Review	453
Large ¹⁷ sites with planning permission: unallocated sites	500
RSL renewal programme	-17
Large sites with a resolution to permit at 31 March 2014: allocated sites in adopted Local Plan Review	94
Large sites with a resolution to permit at 31 March 2014: unallocated sites	0
Commitments total	2,260
Local Plan Review Sites without planning permission or resolutions to permit	
Adopted Local Plan Review allocations without planning permission	0
Adopted Local Plan Review 'brown field opportunity sites' without planning permission	278
Adopted Local Plan Review Sites without planning permission total	278
New sites	
Newly identified sites within the SLAA (Part One)	
Sites with a planning history with future potential	10
Existing employment sites with residential potential	210

¹⁶ Less than 10 dwellings

¹⁷ 10 or more dwellings

Sites submitted for consideration	110
Sites identified by EBC officers	246
New sites total	576
Broad areas	
Eastleigh Riverside	200
Eastleigh town centre	300
Fair Oak village centre	34
Hedge End district centre	123
West End village centre	69
Small sites within the urban edge	826
Broad areas total	1552
Total provision	4,666
Deficit =	5,474

- 5.13 To address this deficit of approximately 5,474 dwellings, the Revised Pre-submission Eastleigh Borough Local Plan proposes to allocate the following green field sites for development 2011 - 2029:

Table 5.4 – Potential housing land supply from green field sites proposed to be allocated for development in Revised Pre-submission Eastleigh Borough Local Plan 2011 -2029

Policy ref	Site address	Dwellings	Status at 31st March 2014
AL1	Land at Portchester Rise/Boyatt Lane, Allbrook	25	Pre-app
AL2	Land north of Allbrook farmhouse	50	Pre-app
AL3	Land north of Allbrook Hill	26	Pre-app
Bi1	Land west of Church Road, excluding The Mount, Bishopstoke	85	Outline planning permission
Bi2	Land south-west and north-east of Bishopstoke Cemetery, Stoke Common Road, Bishopstoke	60	Resolution to permit
BO1	Land north and east of Boorley Green, Botley	1,399	Outline planning permission
BO2	Land north-east of Winchester Street, Botley	300	-
BU1	Land at Providence Hill and Oakhill, Bursledon	75	Planning application received
BU2	Land north of Bridge Road and west of Blundell Lane, Bursledon	100	Resolution to permit on part of site
BU3	Land east of Dodwell Lane and north of Pylands Lane, Bursledon	249	Outline planning permission
E1	Land south of Chestnut Avenue, Eastleigh	1100	-
FO1	Land north of Harding Lane, Fair Oak	330	Resolution to permit

FO2	Land north of Mortimers Lane, Fair Oak	30	-
FO3	Land at Whitetree Farm, Fair Oak	18	Pre-app
HE1	Land west of Woodhouse Lane, Hedge End	800	-
HE2	Land south of Foord Road & west of Dodwell Lane, Hedge End	119	Resolution to permit on part of site
HO1	Land at Abbey Fruit Farm, Grange Road, Hound	90	Resolution to permit
WE1	Land west and south of Horton Heath	950	Pre-app
WE2	Land at Hatch Farm, north of Barbe Baker Avenue, West End	89	-
WE12	Land at Dumbleton Copse, West End	6	-
Total		5,901 dwellings	

- 5.14 In summary, as at 31 March 2014 the total supply of housing for the period 2011-29 is calculated to be approximately 10,567 dwellings. Compared to the Revised Pre-submission Local Plan minimum requirement of 10,140 dwellings, this is some 427 dwellings more than the minimum required.
- 5.15 A related housing trajectory has also been prepared (see Appendix 5 of Background Paper G4) which demonstrates that sufficient housing will be provided over the course of the Local Plan to ensure that a five-year supply of housing land will be maintained.

Concluding remarks re demand vs supply

- 5.16 The above analysis shows that there is a sufficient supply of housing coming forward to meet the housing needs of the borough in the period 2011-29. The supply will also help to ensure that sufficient supply is coming forward to meet the needs of the Southampton housing market area.
- 5.17 It is acknowledged that the update of the South Hampshire Strategy may ultimately lead to a need to increase the housing requirement for Eastleigh Borough in order to accommodate deficits in other housing market areas. However, such conclusions have yet to be reached at this time, with the update to the South Hampshire Strategy due to be completed by 2016.

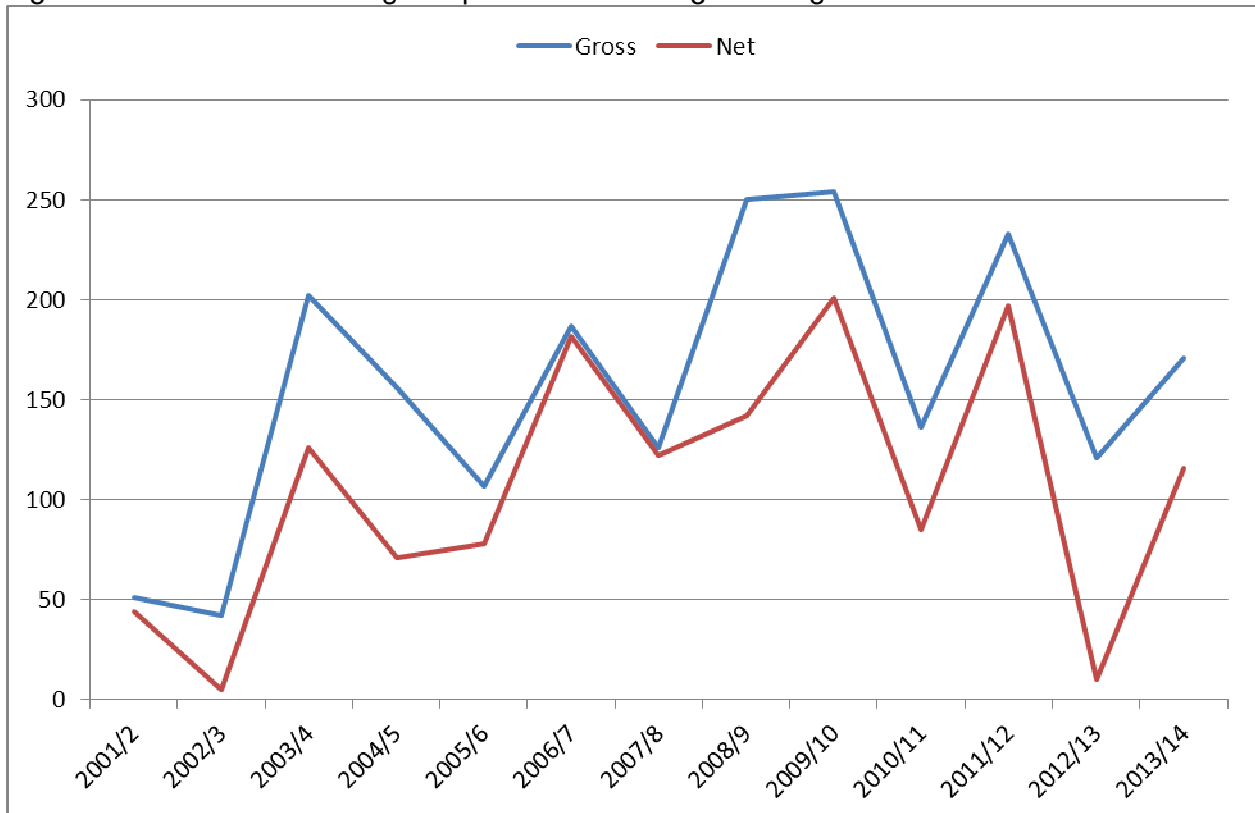
5.18 Until the South Hampshire Strategy update has been completed therefore, there is not considered to be any justification for amending the housing requirements of the Local Plan. The Local Development Scheme commits the Council to an update beginning in 2016 to take account of an update to the South Hampshire Strategy and roll forward the Local Plan to consider post 2029. A policy is also included in the emerging Local Plan which set out the considerations that will be taken into account in setting out the details of a programme to review the Local Plan.

6. Affordable Housing

Past delivery

6.1 Since 2001, the borough has delivered a total of 2035 affordable dwellings (gross) of which 1379 are a net addition. A breakdown of these completions is shown in figure 6.1 below.

Figure 6.1: Affordable housing completions in Eastleigh Borough 2001 to 2014



(Source: Hampshire CC and Eastleigh BC Land Monitoring)

- 6.2 The large development sites identified in the Local Plan Review 2001 - 2011 are now completed in relation to the affordable housing element. In particular Dowd's Farm at Hedge End delivered 230 new affordable homes, and Lakeside at Eastleigh delivered 149 affordable homes.
- 6.3 In looking to the future, an increased supply of overall housing as proposed in the emerging Local Plan provides the potential to increase the supply of affordable homes. The feasibility of increasing the proportion of affordable housing sought from new development sites has been investigated during the course of preparing the Local Plan and the outcomes of viability studies are discussed further below.

- 6.4 As well as direct delivery from a proportion of market housing registered providers (RPs) in the borough were previously very successful in securing Homes and Communities Agency (HCA) grant funding.
- 6.5 The HCA funding regime has changed with funding now secured through providing new homes at affordable rent levels (80% of market rent), rather than social rent levels. A number of the RP's currently developing in Eastleigh have framework agreements with the HCA to support the future delivery of affordable housing. These agreements ensure the delivery of sufficient funding to deliver agreed numbers of new affordable homes over a given timeframe. The Council works jointly with PUSH and with the RPs to prioritise the schemes within the borough for inclusion in the framework agreements.
- 6.6 Shared ownership properties have continued to be provided on development sites with mixed outcomes in terms of sales completion timescales during the last year. The delays have been site specific with some enjoying more popularity than others. There continues to be a high number of applicants registering an interest for home ownership with the local Homebuy Agent and the Council continues to seek to secure affordable homes for shared ownership alongside those for rent.

Viability assessment

- 6.7 A key concern about the provision of affordable housing through market housing sites is the implications for the viability of the scheme. In the summer of 2008, Adams Integra was appointed by Southampton City Council and Eastleigh Borough Council to study the effect of various policy positions relating to the delivery of affordable housing on development viability. The findings of this study were published in October 2008¹⁸.
- 6.8 The key outcomes of the Affordable Housing Viability Assessment were:
- Support for a 35% to 40% affordable housing target on sites of 15 or more dwellings;
 - Support for affordable housing contributions from sites of less than 15 dwellings, although a smaller proportion (potentially 20%) – on the basis of a simple form of sliding scale. This is now included in the Borough Council's Affordable Housing Supplementary Planning Document, adopted in July 2009;
 - In drafting future planning policies, the authorities need to consider the most appropriate balance between optimising affordable housing delivery and its type, together with the continued overall delivery of an appropriate range of housing by the market;

¹⁸ Eastleigh Borough Council & Southampton City Council Affordable Housing Viability Assessment October 2008
<http://www.eastleigh.gov.uk/pdf/ppdAffordableHousingViabilityAssessmentFinalReport.pdf>

- Policy positions must be set out as clearly worded targets, to provide for clarity to stakeholders and a basis for a continued practical, negotiated approach which acknowledges a need to consider development viability;
 - Monitoring and contingency planning will need to form part of the councils' approach.
- 6.9 An update to this viability assessment was commissioned in May 2012 by Eastleigh Borough Council in conjunction with Test Valley Borough Council. It found that:
- There remains support for a 35% affordable housing target on sites of 15 or more dwellings but there is recognition that this may not be achievable on all sites across the borough. It is suggested that the target could be expressed more flexibly. Another option is to consider a lower target which could work more consistently across the borough.
 - There may be justification to consider amending the proposed policy approach on smaller sites as follows:
 - Seek financial contributions equivalent to 10% affordable housing on sites of 5 - 9 dwellings.
 - Maintain the target of 20% on site provision on sites of 10 - 14 dwellings.
 - The emerging affordable housing policy should include reference to the need to take into account viability considerations that may affect the potential for some sites to deliver affordable housing.

Conclusions

- 6.10 With additional affordable housing generally provided as a proportion of new housing developments, it is important to maximise the opportunities to secure affordable housing on these sites. The updated viability study indicates that it is reasonable to seek a target of 35% affordable housing on sites of 15 or more dwellings with a more flexible approach on smaller sites (5 - 14 dwellings). This approach is reflected in the Revised Pre-submission Local Plan.
- 6.11 Intermediate housing stock has a role to play in providing additional affordable housing. Based on local historical re-let and re-sales information we would estimate a further supply of 360 homes during the plan period - an average of 20 additional intermediate homes per annum.
- 6.12 The government initiatives to support the housing market including the Help to Buy programme are assisting homebuyers and if continued could also assist newly forming households.

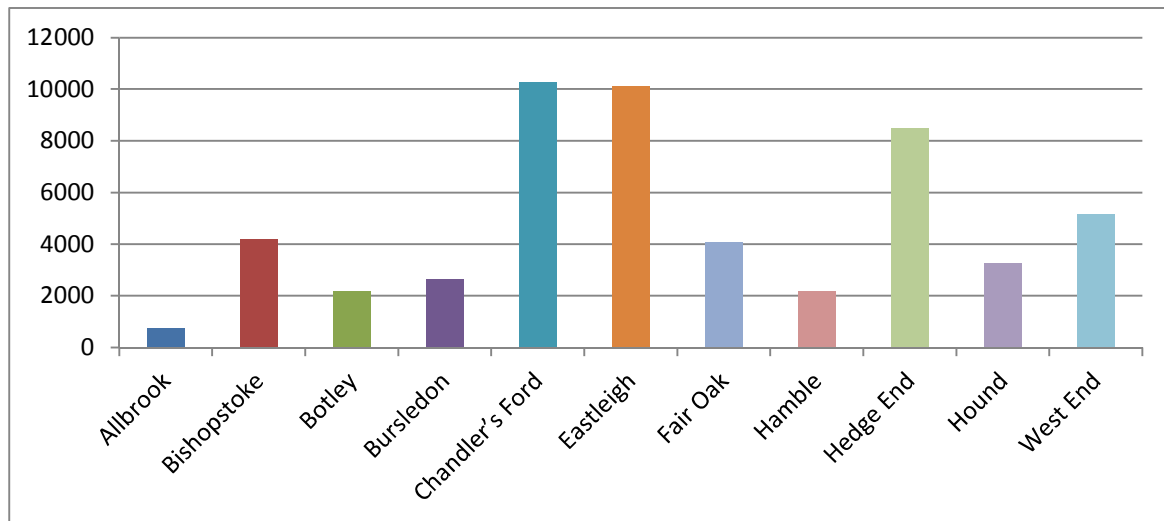
- 6.13 The Council will continue to explore all reasonable options available to it to ensure that every opportunity is taken to maximise the delivery of affordable housing within the borough.

7. Housing location, mix & type

Housing locations

- 7.1 Figure 7.1 provides an overview of where the existing housing stock is located within the borough. Chandler's Ford accommodates the largest number of dwellings, followed by Eastleigh and Hedge End.

Figure 7.1: Existing housing stock in the borough by parish as at 31 March 2014



(Source: Census 2011, Hampshire CC and Eastleigh BC Land Monitoring)

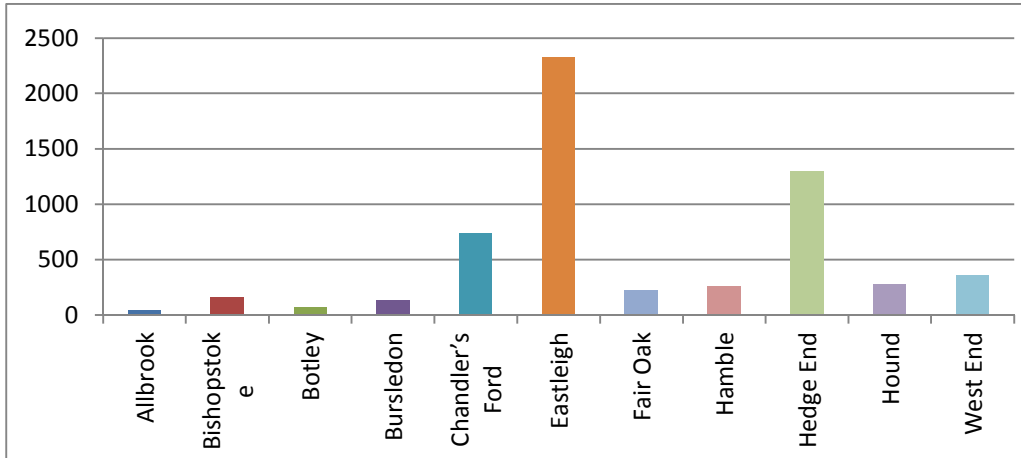
- 7.2 Figure 7.2 below shows the location of new housing since 2001. Eastleigh¹⁹ has seen the largest growth in residential stock, followed by Hedge End²⁰ and Chandler's Ford²¹. Other parishes have seen very limited development during that time.

¹⁹ Mainly through the redevelopment of employment sites, infilling and the development of greenfield sites.

²⁰ Mainly through greenfield infilling and the development of greenfield sites.

²¹ Mainly through redevelopment of employment sites and low density housing

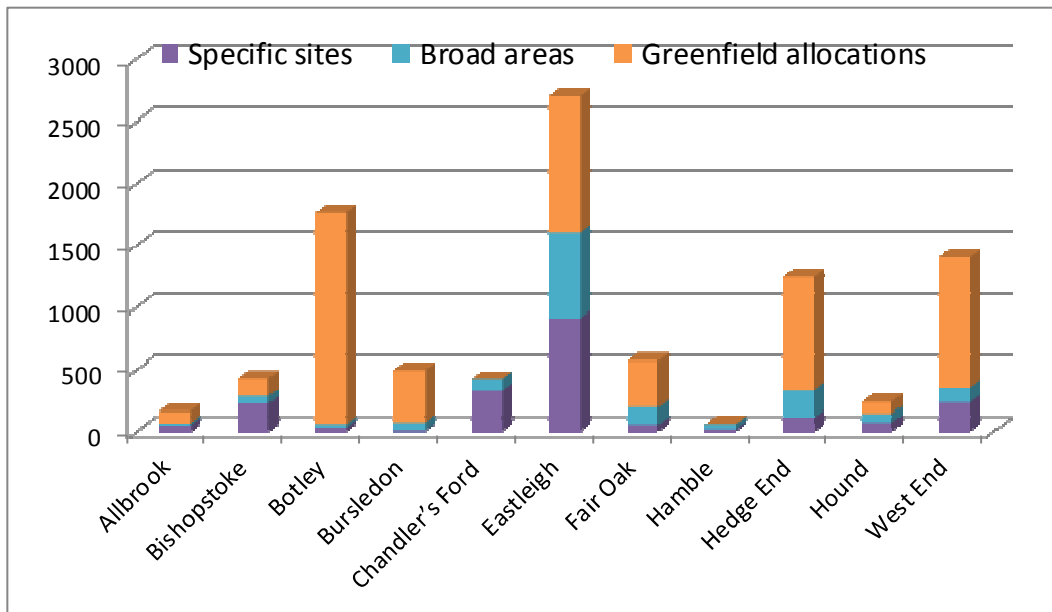
Figure 7.2: Net completions in the borough 2001 - 2014 by parish



(Source: Hampshire CC and Eastleigh BC Land Monitoring)

7.3 Figure 7.3 below identifies where the borough's existing housing commitments, anticipated urban potential and new greenfield developments are anticipated to come forward over the next few years in accordance with the Revised Pre-submission Eastleigh Borough Local Plan 2011 - 2029. It shows that the focus of new development will be Eastleigh, Hedge End, West End and Botley, with comparatively little development anticipated to come forward in other parishes.

Figure 7.3: Anticipated future housing supply by source and parish 2014 - 2029



(Source: Hampshire CC and Eastleigh BC Land Monitoring)

Conclusions

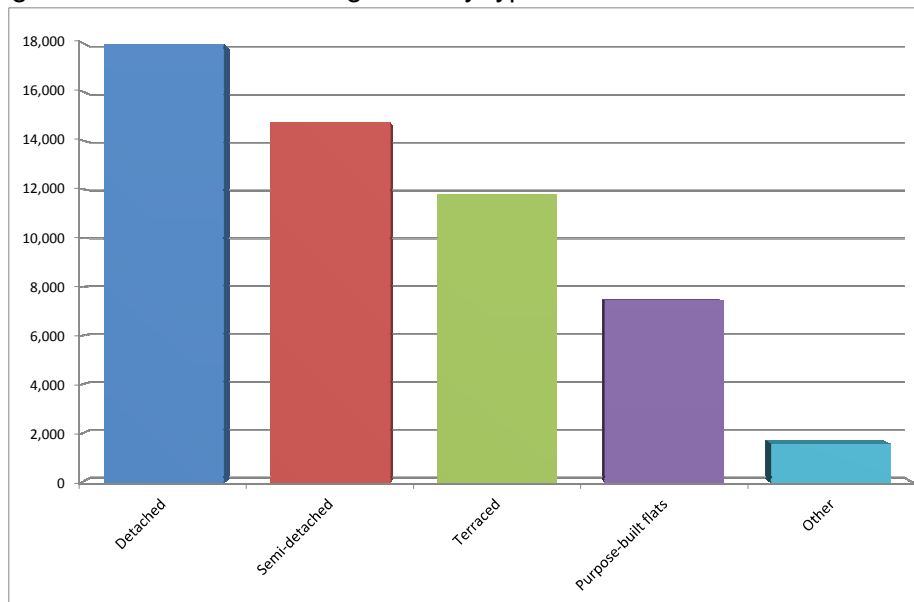
- 7.4 Chandler's Ford, Eastleigh and Hedge End currently accommodate the largest number of dwellings within the borough. The emerging Local Plan proposals continue to focus the bulk of new development at Eastleigh, with a significant amount of housing also proposed at Botley, Bursledon, Fair Oak, Hedge End and Horton Heath (West End). Other areas are anticipated to have more moderate growth.

Housing Mix & Type

Type of existing dwelling stock

- 7.4 For the first time the 2011 Census provides a breakdown of the type of existing dwelling stock within the borough. Figure 7.4 below shows that as at 2011 detached houses were the most common housing type. Purpose-built flats represented about 14% of total stock.

Figure 7.4: Profile of housing stock by type as at Census 2011

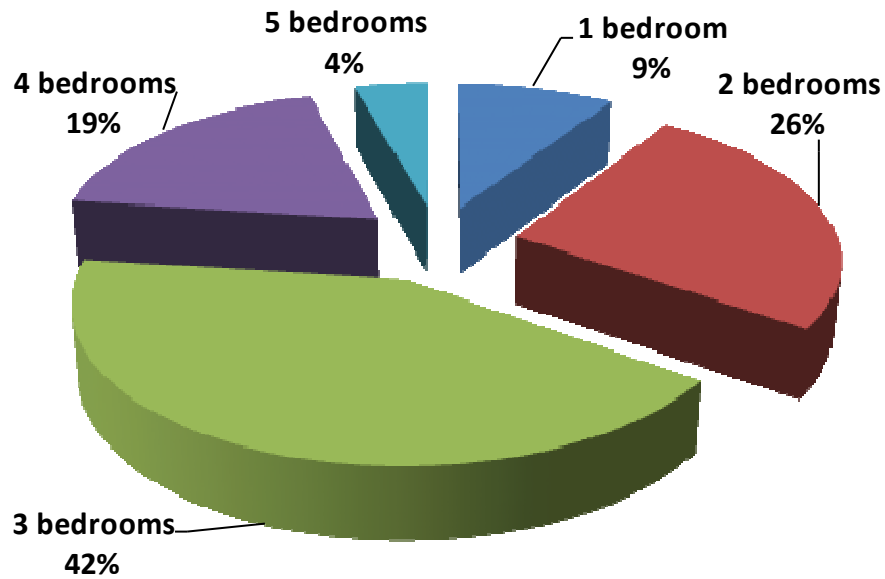


(Source: Census 2011)

Size of existing dwelling stock

- 7.5 In terms of the size of the existing dwelling stock, Figure 7.5 below indicates that as at the 2011 Census three bedroom houses were the most represented in the borough comprising 42% of the total stock. Only 35% of the housing stock was made up of one and two bedroomed units. Previous research (2006 SHMA) however suggested that 70% of the social rented stock was made up of one and two bedroom units.

Figure 7.5: Average number of bedrooms per household in Eastleigh Borough

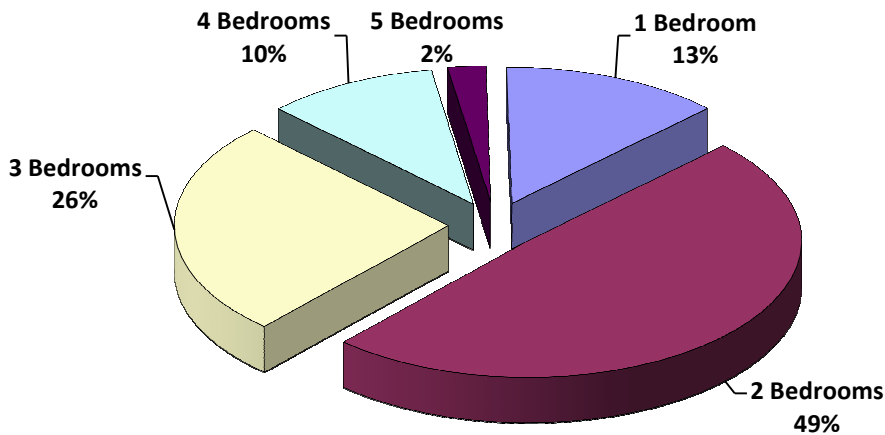


(Source: 2011 Census)

Size and type of dwellings completed since 2001

7.6 Study of past trends in the borough indicates that between 2001 and 2014, 62% of all dwellings completed were one and two bedrooms, a marked contrast to the existing housing stock. Figure 7.6 provides a breakdown of completions by bedroom size. Two bedroom dwellings were the largest single type of dwelling completed. Analysis of completions in the last few years however suggests a move of the market back towards providing more three bedroom dwellings.

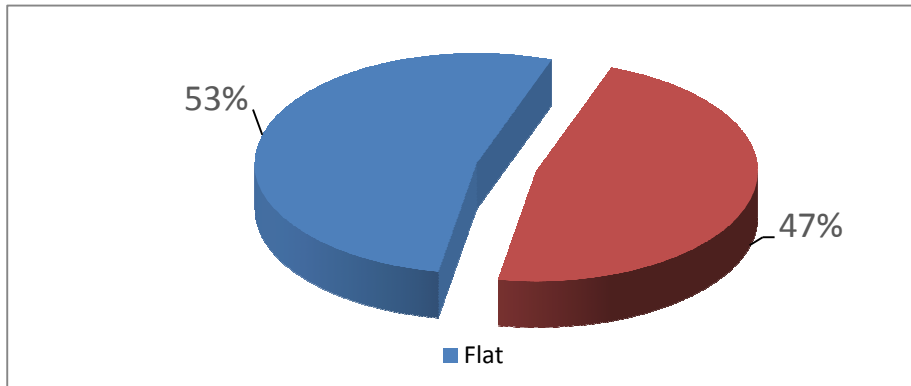
Figure 7.6: Average size of new dwellings in Eastleigh Borough (2001 – 2014)



(Source: Hampshire CC and Eastleigh BC Land Monitoring)

- 7.7 Since 2001 the housing market has delivered a significant proportion of all new completions as flats as Figure 7.7 below demonstrates.

Figure 7.7: Proportion of new dwelling types 2001 – 2014



(Source: Hampshire CC and Eastleigh BC Land Monitoring)

Future needs

- 7.8 A balanced mix of dwellings (taken to mean dwelling type, size and tenure) that meets the needs of present and future residents of the borough is necessary to maintain mixed and sustainable communities. The NPPF confirms that a mix of housing types and sizes should be provided for, in order to meet the different needs within communities. However, as the 2014 SHMA concludes, mix should not be dictated by need alone, but is influenced by wider social, economic, and environmental factors. In the borough, a variety of influences determine housing mix including:

- South Hampshire Strategic Housing Market Assessment

- 7.9 The SHMA advises that a broad range of dwellings should be developed in the south Hampshire sub-region for the period 2011 to 2036. There is an expectation that the focus of new market housing provision will be on two and three-bed properties, whilst affordable housing delivery will tend to be more focussed on one and two-bed properties. With specific regard to the Southampton HMA and for information, in Eastleigh borough the estimated requirements by number of bedrooms and tenure are set out in Table 7.8 below.

Table 7.8 Estimated future household requirements by bedroom and tenure

	1 bedrooms	2 bedrooms	3 bedrooms	4+ bedrooms
Southampton HMA				
Market	10.5%	31.7%	43.9%	13.9%
Affordable	41.5%	35.7%	20.3%	2.5%
Eastleigh Borough				
Market	7.7%	30.5%	45.5%	16.3%
Affordable	33%	43%	22.1%	1.9%

(Source: South Hampshire Strategic Housing Market Assessment)

- 7.10 The SHMA does go on to suggest that such prescriptive figures should not be included in the plan making process and that the market is, to some degree, a better judge of what is the most appropriate profile of homes to deliver at any point in time. However the figures above could be used as a monitoring tool to ensure that future delivery is not unbalanced.

- Types of dwellings required from those on Homechoice Register

- 7.11 As at 1st July 2014, 43% of all applicants under the age of 60 registered with Eastleigh Borough Council under Hampshire Home Choice were assessed as requiring 1 bed dwellings. 40% required 2 bed dwellings, 14% required 3 bed dwellings and 3% required 4+ beds. 375 applicants in the over 60 age group were registered for housing.
- 7.12 It is important to note that the number of registered applicants relates to "active" applications and is likely to increase over the coming months due to applicants previously registered on Eastleigh Homechoice completing their Hampshire Home Choice applications.

- Physical constraints in certain areas

- 7.13 The type of dwelling it is possible to build may be determined to some extent by physical constraints. For example, Eastleigh town centre is already densely developed with few development sites, and land prices are high. This limits the potential for the development of houses and means that flatted developments are typically more viable. However market conditions also have an influence and this has been reflected in some town centre schemes being renegotiated to provide a greater proportion of houses than previously intended.

- Regeneration aspirations

- 7.14 Flatted developments are seen as a key component to the regeneration of Eastleigh town centre largely due to the compact nature of the area (see above).

- Amenities and facilities

- 7.15 The availability of open space, schools, and employment are factors in people's choices of locations and can determine the likely occupants of an area. This in turn can have implications for house sizes e.g. family housing near schools and open spaces.

- Present and future demographic profile

- 7.16 The most significant population growth in the period up to 2029 is forecast in the 65+ age group (see Background Paper C1, Demography). The implications of an increase in the older population include their greater care and support needs. These will need to be taken into account in the type, size and design of new developments including extra care housing and residential care homes.
- 7.17 In terms of household formation, growth in single person households is forecast in the period up to 2029 as a result of elderly people living longer, separation and divorce, and young people forming single person households.

Conclusions

- 7.18 In planning for the future growth of the borough, it is important to ensure that good quality developments are provided for which meet local communities' needs (and indeed aspirations), whilst reflecting the particular circumstances relating to the location of the development.
- 7.19 There is evidence to suggest that housing completions since 2001 have been too focussed on smaller flatted developments and that in the market sector there should be greater focus placed on providing larger dwelling types. Analysis of completions in more recent years suggests that the market is moving towards providing more three bedroom dwellings than the overall average since 2001.
- 7.20 A prescriptive policy in the Local Plan, setting out a specific mix of house types and sizes to be built is not considered to be appropriate at this time. Instead, a more general and flexible policy approach is suggested requiring that a mix of dwelling types and sizes is provided which meets local needs. This could be amplified through supplementary planning documents in the future if required.

8. Accommodating other household needs

Special needs

- 8.1 Specialised accommodation may be required by older people and those with disabilities. This section is focused on the needs of older people, as they are the most likely to have disabilities.
- 8.2 As Background Paper C1, Demography, identifies, the number of households headed by a person over 65 is expected to increase by over 50% between 2011 and 2029. It is considered likely that increasing numbers of older people will be owner occupiers and that most people will choose to stay in their own home as long as they are able. However, not all older people will be able to remain in their own home until the end of their lives. Therefore a variety of housing types and tenures and specialist accommodation will be required to meet the differing needs and aspirations of older people.
- 8.3 In 2007, Eastleigh Southern Parishes Older People's Forum produced a report titled 'Bleak Housing' which considered the needs and aspirations of people in retirement. The research undertaken for the report suggested that if old people were forced to move due to increasing frailty then they would want housing in accessible locations, on a single level, with spacious rooms, storage space and two bedrooms²². Many older people would prefer to live in a bungalow.
- 8.4 Care home capacity in Hampshire has been reduced since the late 1990s in line with national trends. Over three quarters of the beds are now provided by the private sector.
- 8.5 The aspirations of older people are changing: they expect choice and the opportunity to adopt a positive lifestyle in old age. The number of older people living in general needs housing and in extra-care housing²³ is expected to continue to increase as the population ages and advances in healthcare enable people to live in their own homes for longer. The demand for rented conventional sheltered housing is likely to decline and the potential for leasehold retirement housing is likely to continue to grow.
- 8.6 Over the longer term, additional places will be needed in care homes but demand is likely to increase more slowly than would be expected from the very significant increases in the over-75 population due to the improved

²² Recognising that whilst most older people are categorised as having a need for only 1 bedroom due to their household size i.e. 1 or 2 people, they often require a second bedroom due to lifestyle etc.

²³ Extra-care housing tends to be characterised by housing which is self-contained and promotes independent living whilst having care available 24 hours a day within the overall site.

health of older people and advances in healthcare. Care homes and sheltered housing will need to be updated to be attractive to older people who have higher standards and expectations than previous generations. Some care homes will need to be adapted to provide for changing needs and/or care for those with dementia.

- 8.7 Extra-care housing should be part of the housing built and available to meet the needs and aspirations of older people. It may be appropriate to focus developing extra-care housing rather than more sheltered housing or new care home places.
- 8.8 The PUSH SHMA considered the potential future need for specialist housing for older people across the South Hampshire sub-region, concluding that approximately 10,745 additional units were required by 2030 across South Hampshire.
- 8.9 A report titled ‘Housing Provision for Older People in Hampshire’ was published in November 2009 by Hampshire County Council considered the current and predicted housing needs of our communities and whether current provision sought to match older peoples’ needs and aspirations. Table 8.1 below sets out an indicative position for Eastleigh borough, based on the original 2009 study although updated to take account of more recent data and projections. .

Table 8.1 - Indicative levels of provision of various forms of accommodation for older people in Eastleigh Borough between 2013 and 2029

House type/ tenure	2013 provision²⁴	Need by 2029²⁵	Change
Sheltered housing for rent	629	890	261
Leasehold sheltered housing	368	1335	967
Enhanced sheltered housing for rent	94	178	84
Enhanced sheltered housing for lease	0	178	178
Extra care sheltered housing for rent	71	223	152
Extra care sheltered	0	223	223

²⁴ Source: Elderly Accommodation Counsel, national housing database 2013

²⁵ Source: Updated population projections based on 10,140 dwellings and taking into account levels of provision per 1,000 of the population aged 75+ as set out in Figure 15 in the HCC study.

House type/ tenure	2013 provision²⁴	Need by 2029²⁵	Change
housing for lease			
Housing for people with dementia	0	178	178
Registered care home. Personal care	196	1157	961
Registered care home. Nursing care	452	801	349

Source: Housing Learning and Improvement Network's 'SHOP' toolkit, 2014

- 8.10 The data contained in the table above needs to be treated with a degree of caution as it is based on the observed past rates of demand for the types of accommodation and projects these forward. Obviously the propensity for individuals to require these accommodation types in the future may change. However it is a useful indication of some of the implications of the borough's population ageing.

Conclusions

- 8.11 With an ageing population, it is important that the Plan makes provision for the differing needs and aspirations of older people and those with disabilities. Providing for high quality, accessible and adaptable developments which can meet the changing aspirations of generations is vital to ensure that our communities are well balanced and sustainable.

References:

- Housing Strategy for Eastleigh 2012 – 2017, Eastleigh Borough Council, April 2012
- Accommodation for Older People and Those in Need of Care Supplementary Planning Document, Eastleigh Borough Council, May 2011
- Bursledon, Hamble Le Rice & Hound Age Friendly Action Plan 2009 – 2012, Eastleigh Southern Parishes Older People's Forum, June 2009.
- Bleak Housing, Eastleigh Southern Parishes Older People's Forum, July 2007
- Housing Provision for Older People in Hampshire, Hampshire County Council, June 2009.
- Lifetime Homes, Lifetime Neighbourhoods. A National Strategy for Housing in an Ageing Society, Department of Health & Dept of Work and Pensions, February 2008

Houses in Multiple Occupation and Flat Conversions

- 8.12 Houses in multiple occupation (HMOs) offer accommodation which is affordable to those on low incomes and can help to reduce homelessness. They can also suit certain lifestyles, e.g. students in full time education and itinerant workers.
- 8.13 However, HMOs are often associated with poor levels of amenity for occupiers including very low internal space standards and shared facilities. Whilst internal space standards are becoming an increasingly important issue within planning, some might regard this as less of an issue at this lower end of the market.
- 8.14 There are potential impacts on the residential amenities of other residents in the vicinity of an HMO, which may include higher levels of noise/disturbance and anti-social behaviour. There is also a tendency to impact on the character and appearance of an area through the poor maintenance of buildings, inadequate parking, inadequate provision for waste and recycling and poorly maintained gardens. Other potential impacts include changing perceptions of personal safety and changes in the demographics of an area through subdivision of former family houses which may, for example, result in a smaller proportion of children. This can reduce the viability of local schools and undermine the objective of creating mixed and balanced communities. Cumulatively these trends can create a downward spiral of urban degeneration.
- 8.15 A number of agencies can be involved with HMOs including housing, environmental health, building control/fire regulations and planning. Each is likely to have a different perspective and coordination can be difficult or at times non-existent. The extent to which planning can resolve these issues has recently been clarified through Circular 08/2010 'Changes to Planning Regulations for Dwelling Houses and Houses in Multiple Occupation'. This circular and accompanying changes to the Use Classes Order and General Permitted Development Order state that changes of use from use class C3 (a dwelling house lived in by a single household) to use class C4 (a house in multiple occupation for between 3 and 6 occupants) is permitted development and does not require planning permission.
- 8.16 Larger houses in multiple occupation (i.e. those with more than six people sharing), are unclassified by the Use Classes Order and thus considered to be 'sui generis'. However this doesn't automatically mean that the use of a property for more than six people would require planning permission. The Circular states, "*A material change of use will occur only where the total number of residents has increased to the point where it can be said that the use has intensified so as to become of a different character or the*

residents in relation to C3 no longer constitute a single household.”
[Circular 08/2010 para. 17]

- 8.17 There are perceptions that in parts of Eastleigh town there is a level of HMOs which is adversely affecting the character of the area. However there is incomplete evidence at present about the actual incidence of HMOs. Some further research may be helpful but resources are not available to carry this out.
- 8.18 Also within the wider area of Eastleigh town centre, the conversion of dwellings to flats is giving rise to concern, again mainly about the impact on the character of the area. Such proposals usually involve increased demand for car parking and can involve the loss of larger family accommodation with consequent changes to the demography and character of an area.

Conclusions

- 8.19 It is recognised that HMOs and flat conversions can provide a useful source of supply of housing which is relatively affordable and contributes towards mixed and sustainable communities. However such accommodation has historically provided less than ideal living conditions for occupants, as well as having an impact on the amenities and character of the surrounding area. It is therefore important to ensure that the Plan contains sufficient safeguards, through general development management policies, to ensure that future developments in the future provide an acceptable level of amenity to occupiers and adjoining residents and do not harm the character and appearance of the surrounding area.

References:

- Houses in multiple occupation in the private rented sector. Department for Communities and Local Government, 2006.
- Dealing with HMOs, Eastleigh Local Area Committee Report, Eastleigh Borough Council, 30 October 2007
- Circular 08/2010 ‘Changes to Planning Regulations for Dwelling Houses and Houses in Multiple Occupation’, Department for Communities and Local Government, November 2010

Travelling communities

- 8.20 The accommodation needs of Gypsies and travellers include sites for permanent residential accommodation, transit sites and emergency stopping places. Sites for permanent accommodation need to include space for caravans used for seasonal travelling, and possibly also for equipment used in itinerant work. Needs are expressed in terms of ‘pitches’. Travelling showpeople need permanent residential

- accommodation and space/buildings for storage and maintenance of fairground machinery referred to as wintering quarters. They therefore need rather more space per family. Needs are expressed in terms of 'plots'.
- 8.21 Government guidance 'Planning Policy for Traveller Sites' was published alongside the National Planning Policy Framework NPPF in March 2012. This brings the guidance for traveller sites in line with current housing policy. The document requires councils to have an identified five year land supply against locally set targets. Where there is no identified need, criteria based policies are required. If no up-to-date five year housing land supply of deliverable sites is identified, this will be a significant material consideration in determining any subsequent planning applications for the temporary provision of such sites. The guidance also promotes more private site provision.
- 8.22 In Hampshire, a Gypsy and Traveller Accommodation Assessment (GTAA) for the whole county and the cities of Southampton and Portsmouth was completed in 2007 by David Couttie Associates. It excluded travelling showpeople, for whom a Hampshire-wide accommodation needs assessment was completed by Southampton City Council in 2008. These assessments identified needs for the period 2006 – 2011. The GTAA and TSAA identified a need within Eastleigh borough for an additional 4 permanent pitches for Gypsies and travellers' needs and 6 plots for travelling showpeople to be provided between 2006 and 2011.
- 8.23 The former South East Plan contained a commitment to a review of Gypsy, traveller and travelling showpeople accommodation needs in the region. This partial review was submitted for examination in 2009, and sought to address needs for the period 2006 – 2016. The examination took place in early 2010. However, shortly after this the government announced the intention to revoke the South East Plan and work ceased on the partial review prior to its adoption.
- 8.24 A study of Gypsy and traveller transit movement patterns commissioned by the South East England Partnership Board to inform the partial review suggested a possible need in Hampshire/Isle of Wight for about 48 transit pitches, probably on 8 sites (4 sites of 8 pitches and 4 sites of 4 pitches). In addition 4 stopping places were estimated to be required in the county. The report identified a number of potential 'hotspot' authorities which might be considered for transit provision when supported by evidence from other sources. In Hampshire, Eastleigh was listed as a potential 'hotspot' and was also one of five local authorities in Hampshire considered to be particularly affected by seasonal travelling. Work is continuing with neighbouring authorities to identify transit sites and stopping places within the Hampshire/Isle of Wight region to meet this need.

- 8.25 The South East Plan partial review proposed that the travelling communities' accommodation requirements post-2016 should be calculated on the basis of 3% annual compound growth for Gypsies and travellers and 1.5% for travelling showpeople. By 2029, this would have increased the requirement for this borough to around 6 Gypsy and traveller permanent residential pitches and 8 travelling showpeople's plots.
- 8.26 Since the Hampshire GTAA and TSAA were completed in 2007-8, permission has been granted for 13 gypsy and traveller residential pitches in the borough, 2 of which are temporary. A further pitch is understood to have an established use. No planning permissions have been granted for travelling showpeople in recent years. On this basis, and due to the anticipated low level of need, the accommodation requirements for Gypsy and traveller residential pitches were dealt with in the former pre-submission Local Plan of August 2012 by a criteria-based policy and the need for 8 travelling showpeople plots by 2029 through the proposed allocation of land at Netley Firs, Hedge End.
- 8.27 Both the GTAA and TSAA were to be updated in 2012 the Hampshire Travellers Accommodation Assessment (TAA), commissioned jointly by a number of Hampshire authorities and completed in April 2013. The TAA identified a need for 21 gypsy and traveller pitches in Eastleigh Borough during the 2011 – 2027 study period. Concerns have been raised by the Borough Council that the findings of this study were not based on sufficiently robust evidence and furthermore have failed to address a number of matters including the need for transit sites, accommodation for travelling showpeople, and need arising from the City of Southampton, which was not included in the study.
- 8.28 The Council concluded that further work was necessary and jointly with Southampton City Council commissioned consultants to prepare a new study. The draft Gypsy, Traveller and Travelling Showpeople Accommodation Assessment (GTTSA) was completed in June 2014, and identifies a need for a total of 15 gypsy and traveller pitches by 2029 (see table 8.1). The study also recommends that the Council work closely with neighbouring authorities to identify options for provision of 5 transit pitches, and recognises the need for additional travelling showpeople accommodation arising from need in Southampton and potential in-migration to the borough.
- 8.29 Policy HE7 in the Revised Pre-submission Local Plan proposes an allocation of land for travelling showpeople accommodation for approximately 8 plots at Netley Firs, Kanes Hill. The GTTSA recommends that the provisions of the Revised Pre-submission Local Plan are sufficient to meet the needs identified.

Table 8.1 – Extra pitch provision in 5 year periods 2014-2029

	2014-2019	2019-2024	2024-2029	TOTAL
Eastleigh	9	3	3	15

Source: Draft Eastleigh Gypsy, Traveller and Travelling Showpeople Accommodation Assessment, June 2014

- 8.30 The findings of this study will help to inform a Travelling Communities Development Plan Document (DPD) to be prepared separately from this Local Plan (see the Eastleigh Borough Local Development Scheme June 2014). Whilst this DPD is in preparation, a criteria based policy for Gypsy, traveller and travelling showpeople sites, plus the travelling showpeople allocation at Netley Firs, are proposed in the Revised Pre-submission Local Plan.

Conclusions

- 8.31 The findings from the draft GTTSAA are acknowledged and are informing the new Travelling Communities DPD, preparation of which is in progress. In the interim, the criteria-based policy and the travelling showpeople allocation HE7 will help to meet existing needs and flexibility to take opportunities when they arise. There is an ongoing need to work with adjoining authorities to provide for transit sites and stopping places within the wider area.

References:

- Gypsy and Traveller Accommodation Assessment for Hampshire. (GTAA) 2007.
- Travelling Showpeople Accommodation Needs (Hampshire authorities and Isle of Wight) March 2008
- South East England Regional Gypsy and Traveller Transit Study (SEEPB) October 2009
- Planning policy for travellers (CLG) March 2012
- Hampshire Travellers Accommodation Assessment (TAA). April 2013
- Draft Gypsy, Traveller and Travelling Showpeople Accommodation Assessment (GTTSAA), June 2014.

9. Residential density and design

- 9.1 Residential density can be expressed in a number of ways. In theory it ought to be expressed in terms of numbers of people per hectare. However, the most commonly used measure for planning purposes is dwellings per hectare.
- 9.2 Previously national planning policies contained considerable advice on the approach that local planning authorities should take to establishing density requirements for their areas. The NPPF however now simply states that local planning authorities should set out their own approach to housing density to reflect local circumstances.
- 9.3 With regard to design, the NPPF makes it clear that good design is a key aspect of sustainable development, is indivisible from good planning, and should contribute positively to making places better for people. Policies should aim to ensure that developments add to the long term quality of the area, creating a strong sense of place, optimising the potential of the site whilst contributing towards sustainable development. Developments should be visually attractive and respond to local character and history, promoting and/or reinforcing local distinctiveness. It should reflect the identity of local surroundings and materials, while not preventing or discouraging appropriate innovation. Safe and accessible environments should be created where crime and disorder, and the fear of crime, do not undermine quality of life or community cohesion.
- 9.4 There are some general requirements that can shape residential densities:
- **the numbers of dwellings needed** compared to the land available
 - **local needs** – average household size is declining, as the proportion of elderly and single person households increases. However, the PUSH South Hampshire Strategic Housing Market Assessment 2014 suggests that there is a significant need for family housing, as well as for smaller sized dwellings. Household size is also not a particularly good indicator of dwelling size preferences, as many small households such as single people, given the choice and the financial resources, would prefer to live in larger dwellings.
 - **internal space standards** - there are concerns about the size of some modern dwellings. Statistics show that average unit size in the UK is amongst the smallest in Europe. There is a balance to be struck between achieving high residential densities by decreasing unit size, and the quality of life that can be enjoyed in these dwellings – also whether they can be used flexibly, for example for home working, or meeting ‘lifetime homes’ standards. There is a history in the UK of attempts to introduce such standards, and they are commonly employed by other countries in Europe. Some UK authorities, in particular in London, are endeavouring to re-introduce some basic minima, and there is support in national and regional policies for such

attempts in terms of encouragement to create high quality living environments. The Internal Space Standards background paper (QP3) addresses Eastleigh Borough Council’s approach to this issue.

- **accessibility** to services, facilities and employment – if these are nearby, or readily accessible by means of public transport, there can be less need to use (and therefore own) a car, and therefore less need for on-site parking provision. In this borough many areas have ready access to shops, community facilities and open space and large areas are also close to employment sites.

9.5 However, identical densities can be achieved with very different forms of development ranging from simple grid pattern layouts to tower blocks. The former South East England Regional Assembly (SEERA) Councillors’ Toolbox ‘Making the best use of urban land’ illustrates this with the following sketches, all of which achieve the same residential density:



- 9.6 The choice between these is determined by many factors including:
- **local character and built form**, and the extent to which this is important for local identity and distinctiveness;
 - **occupiers’ preferences and values**, i.e. the sort of dwelling that people like – house with garden, detached, semi-detached, terraced, apartment etc; also whether they want private external space, or can be satisfied by access to communal space or public open space;
 - **site specific environmental considerations**, e.g. the presence of trees or other landscape features, topography and orientation;
 - **sustainability** – there is some evidence to suggest that high-rise development may be less sustainable because of the need to include lifts, the forms of construction used, and heating and other servicing issues

9.7 Within this borough there is a variety of residential densities and forms of development, but the character is predominantly quite suburban.

Name of area	No of Dwellings	Area (ha)	Density (dph)
Priory Road area, Netley – low density post war housing with large rear gardens	87	5.04	17
Grange Park Estate, Hedge End – 1980s suburban residential area; area includes parking areas, verges and service corridors	2154	90.45	24

Name of area	No of Dwellings	Area (ha)	Density (dph)
Kipling Road Eastleigh – 1930s semi-detached dwellings	255	10.38	25
Central Eastleigh – Archers Road, Newtown Road, The Crescent – 19 th century terraced housing	458	9.83	47
Central Eastleigh – Nutbeam Road – Chamberlayne Road - 19th century terraced housing plus one modern block of flats	75	1.53	49
Pirelli 1, Leigh Road, Eastleigh – modern residential scheme, mixed flats/ terraced dwellings	750	13.03	58
Caustons site, Leigh Road, Eastleigh - modern residential scheme, mainly flats	190	2.51	76

Conclusions

- 9.8 The density of development is often a critical factor in the success of a scheme in terms of its contribution towards sustainable development. It is important to ensure that development makes the best use of land and achieves a sufficient critical mass to support facilities and services. However there is also increasing pressure to build larger homes than previously delivered and to ensure that developments are responding fully to site constraints and the character of the area.
- 9.9 A flexible policy approach is proposed in response, which specifies a minimum density of 35 dwellings per hectare but also allows site constraints and local character to be taken into account in justifying a lower density. Where sites are located in areas of good access to public transport and other facilities and services, higher densities should be sought.

References:

- National Planning Policy Framework, Department for Communities and Local Government, March 2012
- National Planning Policy Guidance, Department for Communities and Local Government, March 2014
- Councillors’ Toolbox – Making the Best Use of Urban Land (addresses issues in achieving higher densities), Former South East England Regional Assembly
- Eastleigh Borough Council’s Character Area Appraisals (provide a basis for assessing design and density of development)

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APPENDIX 1

HOUSING SCENARIOS CONSIDERED IN RELATION TO ASSESSING HOUSING NEED IN EASTLEIGH BOROUGH

Note:

- i) The South Hampshire Strategic Housing Market Assessment 2014 considers the housing needs between 2011 and 2036, although it also provides annualised figures. These annualised figures have been used to calculate scenarios based on the 2011-29 period
- ii) Household size for each of the projections vary as they are linked to the age and household structures of each scenario which will differ from each other

SCENARIO PROJ 1: SUB-NATIONAL POPULATION PROJECTIONS

Housing requirement: 8,532 dwellings

Calculation: The population is anticipated to increase by 18,684 people, with 8,532 dwellings needed for the period 2011-29. Detailed information about the assumptions made in this scenario is set out in the PUSH Strategic Housing Market Assessment.

- 4.4 **Summary of approach:** This scenario projects forward recent demographic trends to provide an indication of the future size and age structure of the population. It uses the levels of births, deaths, household formation rates and migration observed in the borough over the period 2005 - 2010, updated in part (but not in respect of migration rates) by results from the 2011 Census. The scenario presumes that there will be a lower propensity to migrate to Eastleigh borough in the future, due amongst other things to changes in the age structure of the population. This reflects the method that is used in projecting the effect of migration on future population and household numbers in sub-national projections.
- 4.5 **Technical evaluation:** Whilst there is a degree of logic to this approach, it does represent a self-fulfilling prophecy in that it projects forward past trends which were, at least in part, enabled by the amount of housing built during that time. Using future projections based on relatively short-term recent trends, rather than longer-term past trends, needs to be undertaken with caution. Moreover, it should be recognised that the past is not necessarily a good indication of the future. The period 2005 -2010 was a period which was largely unaffected by the recession and partly reflects the results of unsustainable lending practices (prior to 2008). It is therefore debatable whether the factors influencing this growth in population are likely to be repeated in the future.

SCENARIO PROJ 2: SUB-NATIONAL POPULATION PROJECTIONS ADJUSTED TO REFLECT APRIL 2013 MID-YEAR POPULATION ESTIMATES

Housing requirement: 10,008 dwellings,

Calculation: This scenario is a variation of Scenario One seeking to adjust the SNPP figures to take account of mid-year population estimates from April 2013. The population is anticipated to increase by 22,572 people, with 10,008 dwellings needed for the period 2011-29. Detailed information about the assumptions made in this scenario is set

out in the PUSH Strategic Housing Market Assessment.

- 4.6 **Summary of approach:** This scenario is based on the SNPP as set out in Scenario One with adjustments to reflect the 2012 mid-year population estimates published in June 2013. These estimates re-considered past in- and out-migration trends on the basis of observed levels of migration between the 2001 and 2011 Census. All other assumptions, including births, deaths and propensity to form households, remain as in scenario one. In Eastleigh, the estimates found that actual net in-migration was 181 people more per annum than that recorded at the time (824 people rather than 643). Therefore, projecting this forward would result in additional dwellings being required to be built, over and above those required in Scenario One.
- 4.7 **Technical evaluation:** The key difference with Scenario One is that this scenario takes into account actual levels of net in-migration observed between the 2001 and 2011 Census which were significantly higher than that previously estimated. The time series of data that has been used for projecting future migration was also rolled forward to include 2011. This results in a higher projected housing requirement than that set out in Scenario One. **When applied at the housing market area**, the consultants preparing the SHMA have advised that this approach is considered to represent a robust, demographic driven baseline or 'starting point' for considering overall housing needs, albeit with the same degree of caution that should be exercised as in Scenario One.

SCENARIO PROJ 2A: ADJUSTED SUB-NATIONAL POPULATION PROJECTIONS WITH 2008 HEADSHIP RATE ASSUMPTIONS

Housing requirement: 12,186 dwellings

Calculation: This scenario applies the same assumptions as those contained within Scenario Two with the exception of headship rates which are taken from the 2008 projections. The population is anticipated to increase by 22,572 people by 2029 (the same as in Scenario Two), but with increased household formation rates this equates to 12,186 dwellings needed for the period 2011-29. Detailed information about the assumptions made in this scenario is set out in the PUSH Strategic Housing Market Assessment.

- 4.8 **Summary of approach:** This scenario is based on the same assumptions as Scenario Two with the exception of headship rates which are taken from 2008 based projections. These headship rates

are based on longer-term trends in household formation dating back to 1971.

- 4.9 **Technical evaluation:** The headship rates in the 2011-based projections are based on market trends between 2001 and 2011 when house prices rose substantially and affordability worsened. In accordance with the draft NPPG, it is necessary to consider whether household formation rates were suppressed during this time. The output of this scenario suggests a much higher housing requirement than in either of the first two scenarios indicating that there has been a significant suppression of the household formation rates. Recent national research indicates that around half of the change in assumptions between scenario two and three could be attributed to economic and market conditions constraining household formation, with the other half due to changes in household structures.

SCENARIO PROJ 3: 10-YEAR MIGRATION TRENDS

Housing requirement: 8,496 dwellings
Calculation: This scenario projects forwards the rate of net in-migration observed in Eastleigh borough from the period 2001 - 2011. The population is anticipated to increase by 18,594 people by 2029 with a housing need of 8,496 dwellings. More details about the assumptions made in this scenario are set out in the PUSH Strategic Housing Market Assessment.

- 4.10 **Summary of approach:** This approach uses migration figures taken from Office of National Statistics mid-year population estimates. Unlike the first four scenarios, no allowance is made for migration rates to change to take into account changes in the age structure of the population. The total net in-migration observed during the period 2001 - 2011 was 6,175 people, an average of 618 people per annum. Projecting this trend forward, with no adjustment for any changes to the propensity to migrate as the age structure changes, but allowing for future changes in other components of housing projects (e.g. births, death, marriages and divorce) equates to a need for 8,496 dwellings in the period up to 2029.
- 4.11 **Technical evaluation:** As with the previous scenarios, caution needs to be used in using these figures to inform future housing requirements. Whilst this scenario projects forward migration trends over a ten year period, it makes no allowance for potential changes in migration rates, which may be expected as the age structure of Eastleigh and surrounding areas (which are sources of in-migration) changes. However it does demonstrate that there has been significant net in-migration into the borough over a prolonged period of time,

reflecting the geography of the wider area. Clearly, the number of new homes built in the area between 2001-11 has had a significant impact on the level of net migration.

SCENARIO PROJ 4: 5-YEAR MIGRATION TRENDS

Housing requirement: 10,188 dwellings
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Calculation: This scenario projects forwards the rate of net in-migration observed in Eastleigh borough in the period 2006 to 2011. Projecting this trend forward, the population is anticipated to increase by 23,040 people by 2029, with a housing need of 10,188 dwellings. More details about the assumptions made in this scenario are set out in the PUSH Strategic Housing Market Assessment.
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- 4.12 **Summary of approach:** Like Scenario Five above, this approach uses migration figures taken from Office of National Statistics mid-year population estimates to estimate what the future population could be if no allowances were made for future changes in the propensity of an ageing population to migrate. In this scenario however, it is only the migration figures between 2006 and 2011 that are of interest. During this time the total net in-migration was 4,122 people at an average of 824 people per annum. Projecting this trend forward equates to a need for 10,188 dwellings in the period up to 2029.
- 4.13 **Technical evaluation:** As with Scenario Five, this indicates the role of net in-migration into the borough in generating a need for additional housing. The key difference with Scenario Three is that this scenario projects forward the rate of net in-migration observed in the borough over the last five years in which data is available, rather than ten years. It is therefore interesting to note that the requirement for new dwellings is greater when a five-year trend is considered. This shows that recent in-migration has been greater than the longer term trend.

SCENARIO PROJ A: JOBS BASELINE

Housing requirement: 11,628 dwellings
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Calculation: This uses Experian forecasts of future job growth for Eastleigh borough in period 2011 - 2036) and presumes that these will be filled by local people (1:1 relationship). The number of jobs forecast to be created in Eastleigh Borough is 15,149. The population is anticipated to increase by 26,082 people by 2029 with a need for 11,628 dwellings. More details about the assumptions made in this scenario are set out in the PUSH Strategic Housing Market Assessment.
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- 4.14 **Summary of approach:** This scenario considers the increase in jobs forecast in January 2013 by Experian in Eastleigh borough and

assumes a 1:1 relationship between the number of jobs created and the number of local residents in employment. This projection does not include any assumptions about commuting patterns

- 4.15 **Technical evaluation:** This scenario presents an unconstrained estimate of how Eastleigh could perform in the future in economic terms based on the nature of its economy and current expectations of future national and regional economic performance. It presumes that all new jobs created requires an additional working age resident (1:1 relationship)The limitations of this scenario need to be recognised in terms of the accuracy of economic forecasts at a borough wide level. The relationship between population growth and growth in jobs locally is also complex and sensitive to changes in employment rates, commuting patterns and double jobbing etc. I

SCENARIO PROJ B: RESIDENTS IN EMPLOYMENT

Housing requirement: 12,060 dwellings
Calculation: This uses Experian forecasts of future job growth for Eastleigh Borough and uses commuting patterns (from 2001 Census data) to calculate an additional commuting ratio, to estimate how many of the jobs created in adjoining areas will be filled by borough residents. This gives a total number of 16,031 new jobs in the period 2011-36. Using this scenario the population needed to support this job growth is anticipated to increase by 27,936 people by 2029. 12,060 dwellings are needed in this scenario for the period 2011- 2029. More details about the assumptions made in this scenario are set out in the PUSH Strategic Housing Market Assessment.

- 4.16 **Summary of approach:** This uses Experian forecasts of future job growth for Eastleigh Borough (16,031 jobs in period 2011 - 2036) and uses existing commuting patterns (from 2001 Census data) to estimate the number of houses needed to support this job growth whilst maintaining current commuting patterns.
- 4.17 **Technical evaluation:** This is a similar projection to that contained in Scenario Seven, albeit that an allowance for commuting ratios into and out of the borough is now made. However, it does not take into account the geography of Eastleigh borough and the potential for existing commuting patterns to change i.e. it makes no allowance for a change in the proportion of existing residents who 'out-commute' to work, nor for a change in the proportion residents of adjoining areas who commute into the borough for work. These proportions may change over time for a variety of reasons including (for example) rising fuel costs. The other limitations of economic based modelling is discussed in scenario six above.

SCENARIO PROJ X: PROVIDING FOR POPULATION GROWTH WITHIN EXISTING BOROUGH POPULATION (ZERO NET MIGRATION)

Housing requirement: 3,438 dwellings

Calculation: The population is anticipated to increase by 5,328 people by 2029 with a need for 3,438 dwellings in the same period. Detailed information about the assumptions made in this scenario is set out in the PUSH Strategic Housing Market Assessment.

- 4.18 **Summary of approach:** This scenario, technically referred to as a ‘zero net migration’ model, presumes that the number of people moving in and out of the borough offset each other and that any population change is solely generated by the existing population. Sub-national population projections (2010-based) and household projections (2011-based) are used, but migration into and out of the borough is held at zero so that the population and household growth arising from the existing population can be estimated. Although this is also an unrealistic model, it does serve to demonstrate that the borough’s population would generate a need for additional dwellings from within.
- 4.19 **Technical evaluation:** This scenario is based on a simplistic and unrealistic model taking into account the borough’s location in south Hampshire and particularly its relationship to the city of Southampton. However, it does demonstrate that housing need would arise from the existing population, without allowing for any net in-migration from other areas or meeting any existing shortfall in dwelling numbers.

SCENARIO PROJ Y: ZERO EMPLOYMENT GROWTH

Housing requirement: 4,266 dwellings

Calculation: The population is anticipated to increase by 7,506 people by 2029 with a housing need for 4,266 dwellings. Detailed information about the assumptions made in this scenario is set out in the PUSH Strategic Housing Market Assessment.

- 4.20 **Summary of approach:** This scenario assumes that the 2011 level of jobs within the borough is maintained at that level throughout the plan period (i.e. no overall increase in jobs). A total of 4,266 dwellings are anticipated to be required in order to maintain the labour force with sufficient people to underpin these jobs. This assumes that the ratio of jobs to workers remains constant and allows some scope for local residents to return to work if jobs were available. The likely impact of

changes in pensionable age through the projection period has also been taken into account.

- 4.21 **Technical evaluation:** Contemplating no growth in employment over the plan period is not a realistic model to use in projecting future housing needs. However, it demonstrates that even using such a model there is a notable need for additional housing.

SCENARIO PROJ Z: PAST COMPLETIONS

Housing requirement: 8,640 dwellings
Calculation: 4,800 net dwellings were completed in the borough between 2001 and 2011, equating to an average of 480 dwellings per annum.

- 4.22 **Summary of approach:** This scenario enables a comparison to be made if past rates of completions, as monitored during the period 2001 - 2011, are carried forward at the same rate in the future.
- 4.23 **Technical evaluation:** This provides a proxy for past realisable demand for housing development in Eastleigh Borough, albeit constrained by land availability and planning policy as well as any wider economic or market trends during that period. The period in question may be considered to represent an entire economic cycle, as it includes periods of growth and the wide availability of mortgage and development finance (prior to 2008), together with periods of recession and the “credit crunch”.

Comment

- 4.24 The advice of GL Hearn, the authors of the SHMA, is that when applied at a housing market area the assumptions underpinning Scenario PROJ 1 (SNPP adjusted) represented a starting point for considering future housing need at **a housing market level** as it incorporates the latest available full demographic information.
- 4.25 Scenario PROJ 2 uses the latest Office for National Statistics sub-national population projections, adjusted to taken into account more recent data on migration arising from the 2011 Census. This scenario projects a requirement for Eastleigh borough of 10,008 dwellings for the period 2011 -2029, some 350 dwellings more than the 9,660 dwellings required to meet the South Hampshire Strategy objective,

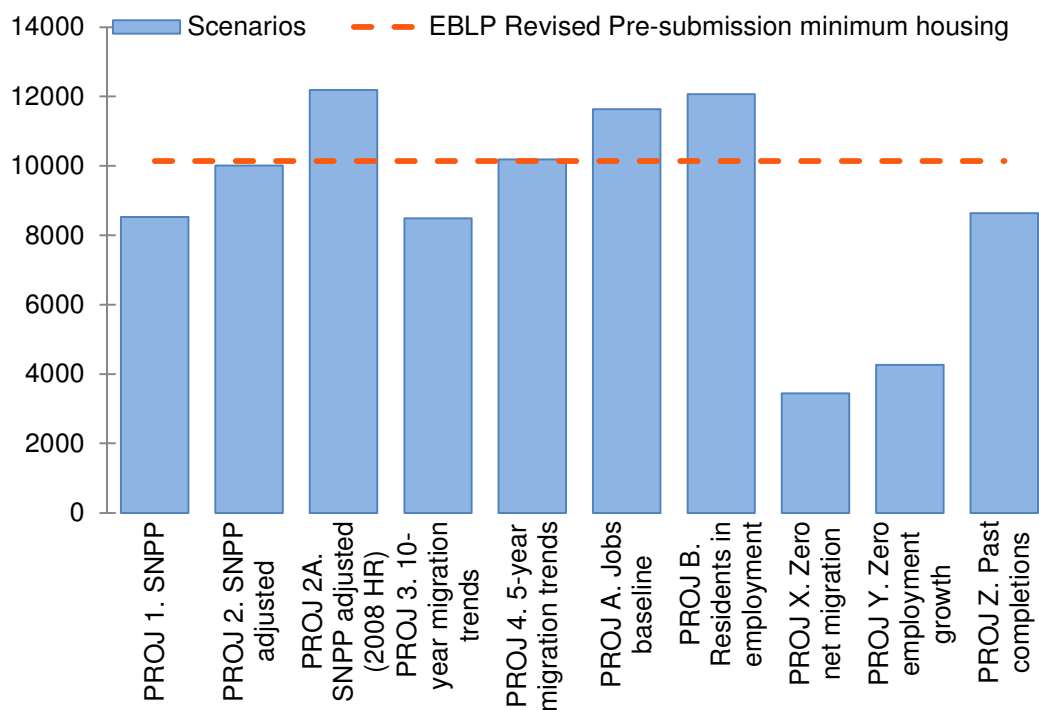
and marginally less than that proposed in the Revised Pre-submission Local Plan.

- 4.26 This figure is very similar to that proposed in Scenario PROJ 4 (10,188 dwellings) which focused on projecting forward migration trends from 2006 - 2011. Scenarios PROJ 1 and PROJ 3 are not as focussed on recent migration trends and take into account trends from 2001-2011. These two scenarios suggest a lower housing requirement of approximately 8,500 dwellings, 1,160 dwellings fewer than the South Hampshire Strategy figure. Scenario PROJ 2A allows for some consideration of whether there has been suppressed household formation in recent years by applying a much higher household formation rate, reflecting a longer term trend dating back to 1971. The 12,186 dwellings that it suggests could be required is a significant increase over that currently proposed in the Revised Pre-submission Local Plan.
- 4.27 These first five scenarios are demographic-led projections giving an indication of future housing requirements if recent demographic trends are continued. As described above, however, all of these scenarios are, to some extent, derived from past levels of housing built within the borough and therefore a degree of caution must be exercised in using them to understand future housing needs. In this context should be noted that Eastleigh had one of the largest increases in housing stock of the core PUSH authorities from 2001 to 2012 (Figure 13, SHMA), which suggests that the future projections of past trends could misrepresent future demand by over-estimating levels of in-migration. Notwithstanding their potential limitations, demographic-led projections do at least provide a proxy for housing need and demand.
- 4.28 Scenarios PROJ A and PROJ B are economic projections which merit scrutiny in the context of the economic growth aspirations in south Hampshire and the provisions of the NPPF. These projections suggest a housing requirement of between 11,600 dwellings and 12,100 dwellings, over 2,000 dwellings more than the South Hampshire Strategy currently seeks within Eastleigh borough.
- 4.29 These projections are, by their nature, more uncertain than the demographic led approaches with changes to working practices, activity rates, pensionable age and the health of the wider economy all having the potential to significantly change these projections. They also fail to fully take into account the geography of the area and the potential for changes to commuting patterns e.g. greater in-commuting from the Southampton area and/or reductions in out-commuting of borough residents. However they do highlight the fact that additional housing would be required to sustain higher levels of economic growth.

4.30 Scenarios PROJ X and PROJ Y have been derived from keeping net migration and job levels constant (i.e. no growth) in the computer modelling used for projecting future housing need. As such, they are abstract concepts which are not realistically capable of being borne out in the future of the borough. What they do demonstrate is that the borough generates a need for additional housing from within the existing population and businesses, even before considering the needs of the wider area or future job growth.

4.31 Scenario PROJ Z merely extrapolates forward past dwelling completions. This equates to 8,640 dwellings over the 2011 – 2029 period, some 1000 dwellings less than the South Hampshire Strategy’s requirement for the borough. Whilst an indicator of past demand and construction rates, it does not allow for unmet demand from that time or for any future changes in demographic or economic trends.

Figure APP 1.1: Housing scenarios considered for Eastleigh Borough 2011 to 2029



(Source: South Hampshire Strategic Housing Market Assessment and Eastleigh BC Planning Policy Team)

APPENDIX 2

ANALYSIS OF MARKET SIGNALS IN EASTLEIGH BOROUGH

Introduction

- Ap 2.1 The NPPG advises that market signals, as well as other market indicators of the balance between the demand for and supply of dwellings, should be taken into account in determining the need for adjusting the housing requirement suggested by household projections.
- Ap 2.2 Market signal data is not currently widely available for the Southampton Housing Market Area geography as the HMA includes parts of four local authorities, as well as the City of Southampton and Eastleigh Borough entirely. The analysis set out below considers the market trends across the entirety of each local authority area.

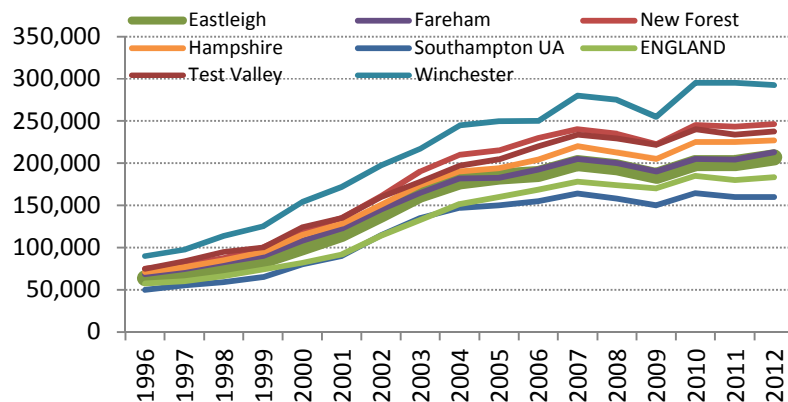
Land Prices

- Ap 2.3 There is insufficient land price data available at a borough level to enable a meaningful analysis to take place.

House Prices

- Ap 2.4 The NPPG identifies that long term changes in house prices may indicate an imbalance between the demand for and supply of housing. Mix-adjusted prices and/or House Price Indices are suggested as potential sources of data although these are not uniformly available at local authority level. Therefore price paid data, provided by the Land Registry, has been used as the most reasonable indicator of changes in house prices.

Figure App 2.1 : Median house prices 1996-2012



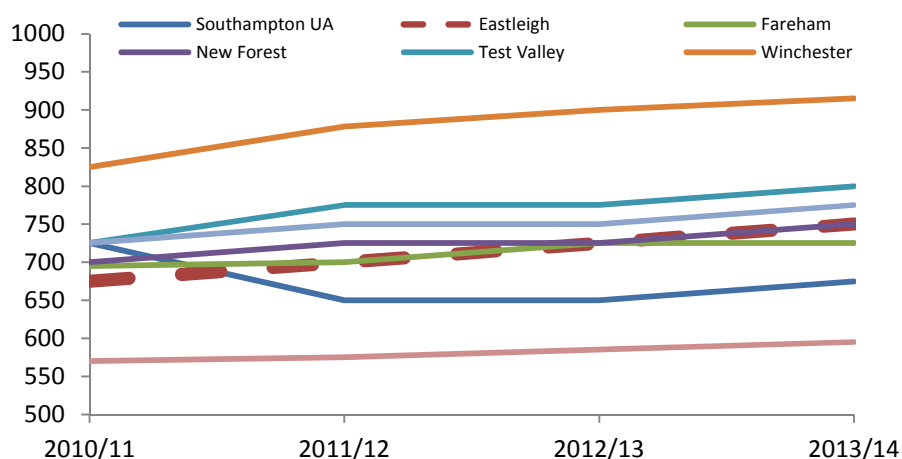
(Source: DCLG Live Table 586)

Ap 2.5 Figure App 2.1 suggests that the rate of changes in house prices in Eastleigh Borough have broadly mirrored those of the other authorities within the Southampton HMA as well as Hampshire and England.

Rental values

Ap 2.6 As with house prices, long term high and increasing private rental prices in an area can be an indication of imbalance in the housing market. According to Valuation Office data, the median rents achieved in Eastleigh on all property types was £750 per month in 2013/4 compared with £775 per month in Hampshire and £595 across England.

Figure App 2.2: Median private rental values for all property 2010-14



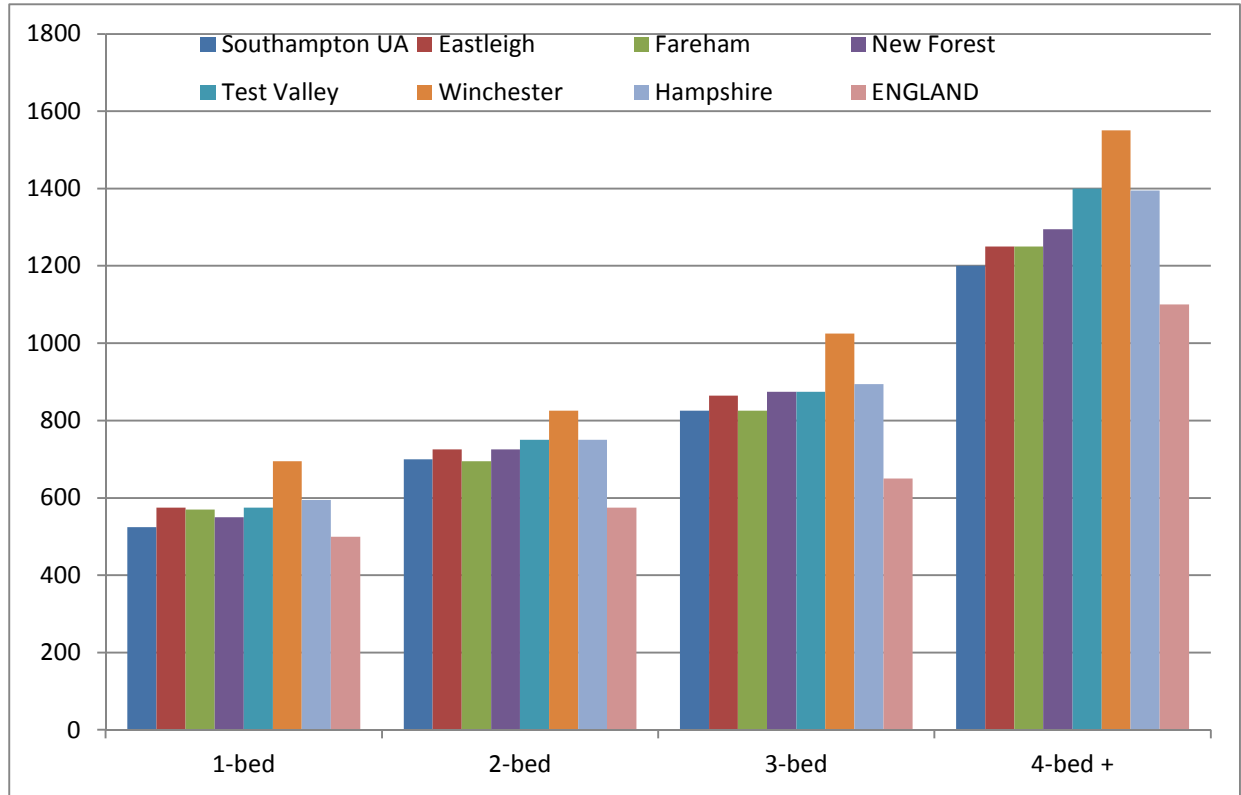
(Source: VOA)

Ap 2.7 Figure App 2.2 above provides an analysis of changes in median private rental prices by property between 2010-14 using Valuation Office data. Unfortunately longer term historic data isn't available. It shows that rental prices in Eastleigh have been increasingly at a slightly higher rate than adjoining authorities and marginally higher than England. This indicates that there has been marginally greater demand for private rental housing in Eastleigh during this period than was able to be supplied.

Ap 2.8 Figure App 2.3 below provides a breakdown of rental values across the area, by number of bedrooms. Rents in Eastleigh Borough ranged from £575 per month for a 1-bed property through to £1250 per month for a 4+ bed property. Compared with other areas, there would appear to be relatively higher values achieved for smaller

properties in Eastleigh whilst rental values for larger properties are relatively lower.

Figure App 2.3: Median private rental values by number of bedrooms as at April 2014

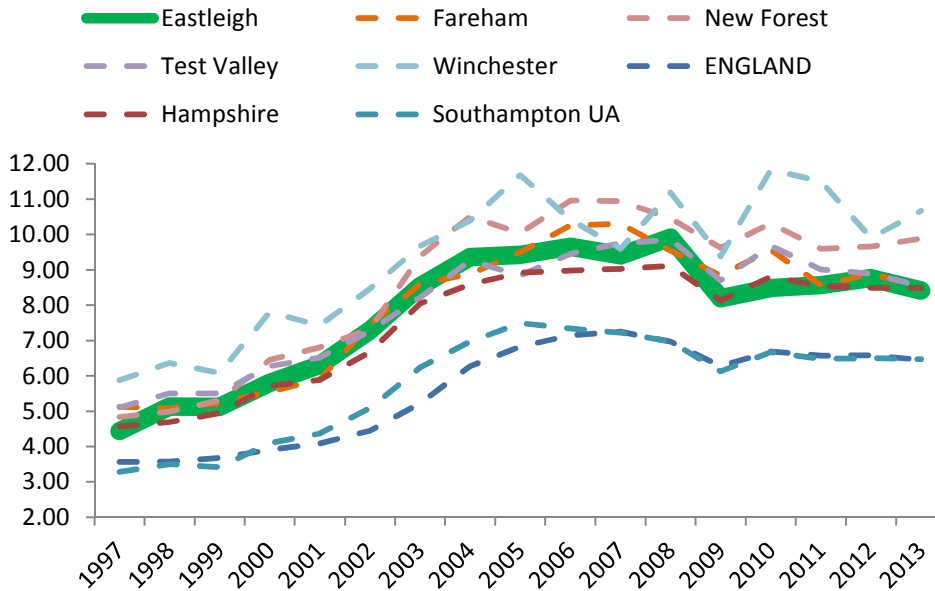


(Source: VOA)

Affordability

- Ap 2.9 Assessing affordability involves comparing housing costs against the ability to pay, with the relevant indicator being the ratio between lower quartile house prices and lower quartile earnings.
- Ap 2.10 As Figure App 2.4 below demonstrates, since 1997 the ratio of lower quartile house prices to lower quartile earnings increased relatively consistently up until the recession of 2008/9. Since this time the ratio has remained relatively consistent, reflecting the wider trends across adjoining areas and the country as a whole. As at 2013, the ratio for Eastleigh was 8.4, slightly lower than Hampshire (8.5) but significantly greater than the English average of 6.45.

Figure App 2.4: Trends in ratio of lower quartile house prices to lower quartile earnings from 1997-2013



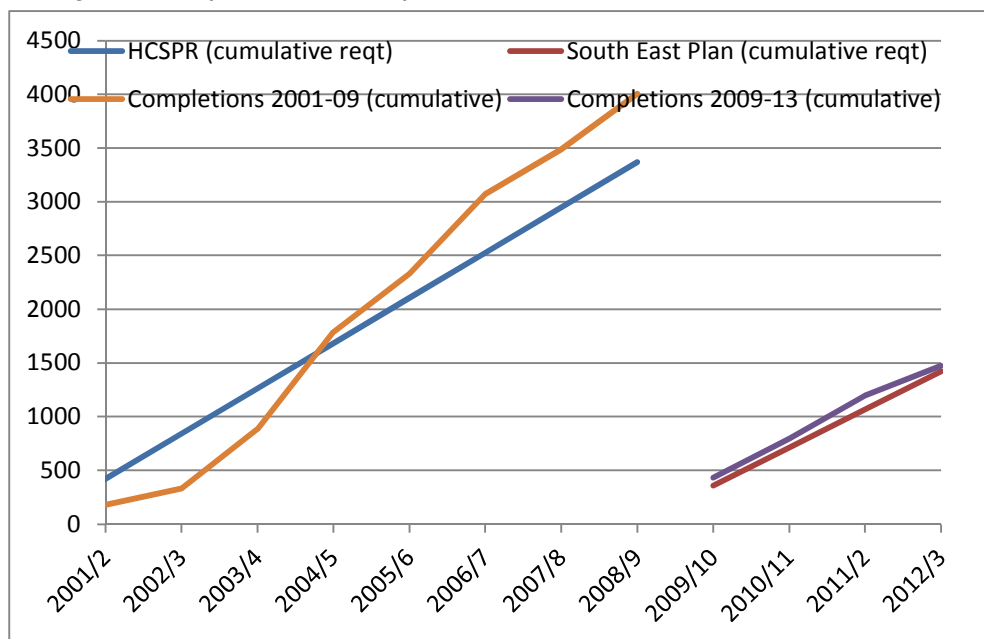
(Source: Office of National Statistics, 2014)

Ap 2.11 The 'worsening' affordability ratio since 1997 highlights a significant constraint on people being able to access housing in Eastleigh, as well as the wider area with house price increases being significantly greater than earnings increases. In economic terms, these increase in house prices can be attributed to demand for housing far exceeding supply. Based on this data, and as acknowledged in the SHMA itself, this lack of affordability has hindered people's ability to access the local housing market.

Rate of Development

Ap 2.12 The NPPG advises that if the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of the plan. Figure App 2.5 below compares rates of past completions in the borough against the housing requirements of the strategic component of the Development Plan. For 2001-9 this was the Hampshire County Structure Plan and between 2009-13 this was the South East Plan.

Figure App 2.5: Historic rates of housing completions in Eastleigh Borough against strategic Development Plan requirements 2001-13



Source: Hampshire CC and Eastleigh BC Land Monitoring

- Ap 2.13 As figure App 2.5 shows, the Borough has a good record of past delivery of housing in relation to required supply. The under-supply between 2001-04 being more than addressed through later completions. Against the emerging Local Plan requirement of 564 dwellings per year (1692 dwellings between 2011-14), there is currently a shortfall of 621 dwellings (1091 completions in same period). Although of some concern, this does mirror the same trend as experienced between 2001-04.
- Ap 2.14 An analysis of housing supply against requirements across the local authorities that form the Southampton Housing Market Area has also been undertaken. The Hampshire County Structure Plan required 19,536 dwellings to be built in Fareham Borough, Eastleigh Borough, New Test Valley Borough, Southampton City, Winchester District and New Forest District (not just within the HMA boundary) in the period 2001-2011. In total, 25,388 dwellings were built during that period, with Southampton City alone building some 4,350 dwellings **more** than required.

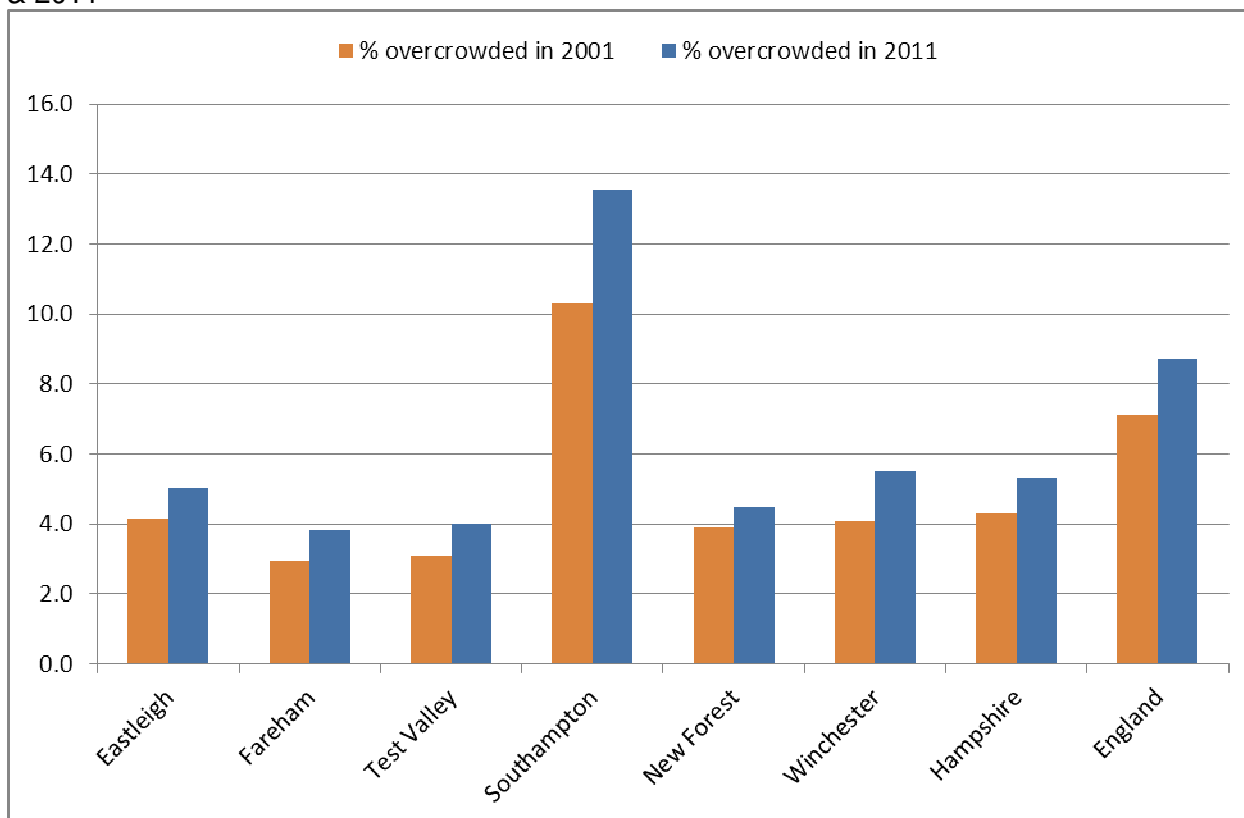
Ap 2.15 Against the now revoked South East Plan requirement of 10,705 dwellings for the period 2006-13, 9,261 dwellings were built which is a shortfall of some 1,440 dwellings.

Overcrowding

Ap 2.16 Indicators on overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation demonstrate un-met need for housing within an area. The PPG suggests that a long term increase in the number of such households may be a signal that planned housing needs to be increased.

Ap 2.17 The Census includes data on household occupancy with a rating providing a measure of whether a household's accommodation is overcrowded or under occupied. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required etc. Expressed as a percentage of the number of households in each area, Figure App 2.6 compares the number of households in accommodation with at least one room/bedroom fewer than required, as at 2001 and 2011.

Figure App 2.6 – Percentage of households living in overcrowded accommodation 2001 & 2011



(Source: Census 2001 & Census 2011)

- Ap 2.18 Figure App 2.6 demonstrates that all areas have seen an increase in overcrowding between 2001 and 2011. This can in part be attributed to the difficulties that some people have in accessing the housing market, as well as changes in the composition of households from international migrants. Overcrowding in Eastleigh Borough is lower than Southampton, Hampshire and national averages.
- Ap 2.19 Data prepared to support the Council's Homelessness Strategy for the period 2013-18 demonstrates that whilst demand for housing remains high, prevention work has successfully reduced the number of homelessness applications in recent years but there are signs that the pressure is growing. There has been a steady underlying increase in the use of bed and breakfast accommodation over the past few years although fewer households in Eastleigh were found to be intentionally homeless than elsewhere in Hampshire.

Conclusions

- Ap 2.20 Whilst the above market signals show that affordability and overcrowding within the borough have got worse over time, these trends reflect those experienced by other authorities in the wider area, as well as national trends. There does not appear to be any Eastleigh unique characteristics in this analysis which suggest that Eastleigh-specific action is justified to address market failure.