



Charmouth Parish Council

Housing Needs Assessment

March 2018

Quality information

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Glossary of terms used in text

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
CPC	Charmouth Parish Council
DCLG	Department for Communities and Local Government
GT	Gypsy & Traveller
GTAA	Gypsy and Traveller Accommodation Assessment
HNA	Housing Needs Assessment
LPA	Local Planning Authority
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPA	Neighbourhood Plan Area
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RTF	Rural Town and Fringe
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
WDDC	West Dorset District Council

1. Executive Summary

1.1 Introduction

1. The 2011 Localism Act introduced neighbourhood planning, allowing town and parish councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area.
2. As more and more towns and parish councils and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies need to be underpinned by robust, objectively assessed housing data.
3. In the words of the national Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer¹. The process involves making balanced judgements based on the qualitative and statistical evidence gathered as well as having regard for relevant national and local planning policies and guidance.
4. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town or neighbourhood almost never constitutes a housing market on its own and must therefore be assessed in its wider context.
5. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority level. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a local level should be proportionate.
6. Our brief was to advise on data at this more local level to help Charmouth Parish Council understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

1.2 PPG-Based Assessment

7. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

1.3 Summary of Methodology

8. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
9. In the case of Charmouth, the current adopted Development Plan, the West Dorset, Weymouth & Portland Local Plan (Local Plan) (2015), identifies a target of 15,500 dwellings for the plan area. As a plan that post-dates the National Planning Policy Framework, this should be used as a guiding authority on housing numbers.
10. The rationale for this recommended approach is that neighbourhood plans need to meet the basic conditions, the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case the Local Plan. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.²

¹ PPG Paragraph: 014 Reference ID: 2a-014-20140306 Revision date: 06 03 2014

² See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

11. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in the Charmouth Neighbourhood Plan area we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing quantity and characteristics.

1.4 Gathering and Using a Range of Data

12. The PPG states that:

'no single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes'.

13. It continues:

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

14. Compared with the 2001 Census, the 2011 Census gathered data in a number of new categories and across a range of geographies that are highly relevant to planning at the neighbourhood level and helpful if a PPG-based approach is being used.
15. Like much of the data forming the housing policy evidence base, the Census information is quantitative. However, at a local level, qualitative and anecdotal data, if used judiciously, also has an important role to play, to a perhaps greater extent than at local authority level. We have gathered data from as wide a range of sources as practicable in order to ensure robustness of conclusions and recommendations arising from the analysis of that data. Our conversation with local estate agents, **Fortnam Smith and Banwell**, helped ensure our conclusions were informed by a qualitative, local perspective.

1.5 Focus On Demand Rather Than Supply

16. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that *'the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.'*
17. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on study³.

1.6 Quantity of Housing Needed

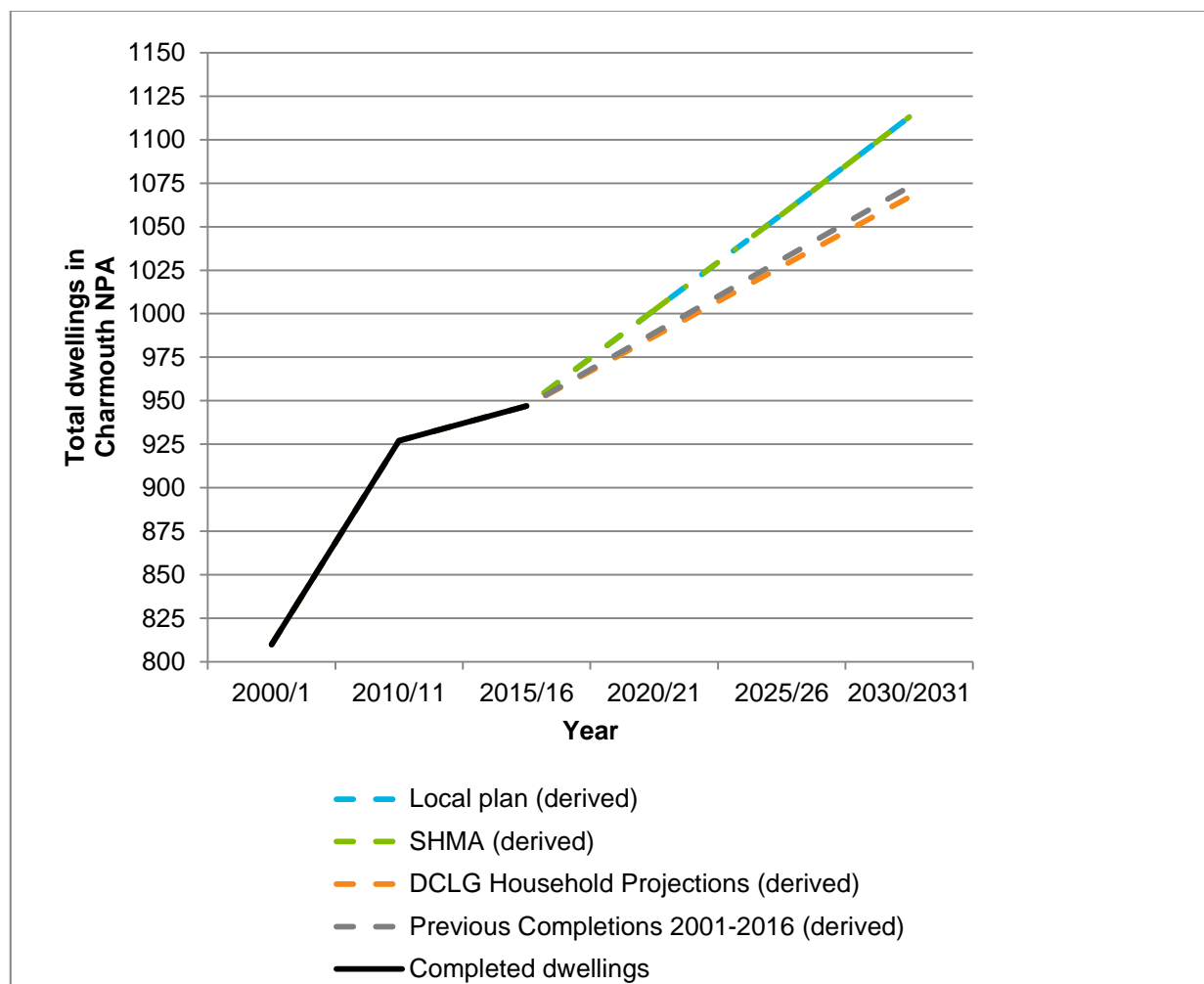
18. Our assessment of a wide range of data sources identified four separate projections of dwelling numbers for Charmouth between 2017 and 2031 based on:
 - A figure derived from the adopted Local Plan for West Dorset and Weymouth & Portland (which gives a total of **169 dwellings**);

³ Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release 'Councils must protect our precious green belt land' (DCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>)

- A 'proportionate share' derivation from the SHMA, Objectively Assessed Need⁴ (OAN); total of **169 dwellings** over the plan period (rounded to the nearest whole number);
- DCLG Household Projection of **120 dwellings**;
- A projection forward of net dwelling completion rates for the period 2001-2016, which generates a forward projection of **126 dwellings**.

19. These dwelling number projections are illustrated in Figure 1 below.

Figure 1: Dwelling projections for the Charmouth NP Area, 2017-2031



Source: AECOM Calculations, West Dorset, Weymouth and Portland Local Plan, 2015, SHMA, DCLG Household Projections

20. To remain consistent all of these projections have been calculated for the period 2017-2031, calculating a mean of **144 dwellings**. However, the PPG states that:

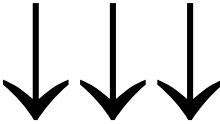
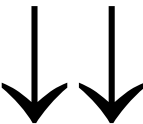


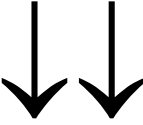
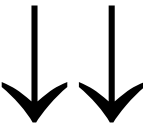

'The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand'⁵.

21. Consequently, we have applied our professional judgment on the scales of increase and decrease associated with each factor listed in Table 1 on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are in alphabetical but no other order.

⁴ The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPPG).

⁵ http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_019

Table 1: Summary of factors specific to Client NP with a potential impact on neighbourhood plan housing quantity

Factor	Sources	Possible impact on future housing need	Rational for judgement
Concealment	Census Data 2001, 2011		There is little evidence of concealed families in Charmouth, with Census data from 2001 and 2011 indicating a rate of concealment of 0.02% of total families. This rate is proportionally significantly lower than rates for West Dorset and England. Therefore, due to the very low rate of concealment in Charmouth comparative to other areas, this is not seen as a significant indicator of housing need, and three downward arrows are considered appropriate.
Employment trends	Census 2001/11, Neighbourhood Statistics/National Archives, SHMA14, SEP15, SHMA15		It is evident that Charmouth has a relatively low economically active population, comparative to activity levels for West Dorset and England between 2001 and 2011. Charmouth has high levels of outward commuting further than 30km per day, comparative to average values for West Dorset and England. This data would indicate that it is unlikely that housing need will increase dramatically. Therefore, two downward arrows are considered most appropriate. This is not suggesting that employment levels will decline; however it is suggesting that, relative to the wider area of West Dorset, the population of Charmouth is less economically active.
Housing Transactions (Price)	PPG, Land Registry Price Paid Data for 2007-2016, UKHPI		Land Registry data for West Dorset suggests that between 1997 and 2016, house prices have risen by 18% for all dwelling types. In Charmouth, housing prices have risen by 5% for all dwelling types, indicating that there is less demand for housing in Charmouth in comparison to the wider area of West Dorset. In real terms, this would indicate that prices have declined, and therefore a downward arrow is considered appropriate.
Housing Transactions (Volume)	Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data,		The housing typologies sold in Charmouth are generally very similar to the levels in the existing stock, with some very minor disparities such as for detached dwellings (3%). In this instance, sales of detached dwellings have exceeded housing stock, and this would indicate high demand for detached dwellings in Charmouth. Therefore, a single upwards arrow is appropriate.
International Migration	Census data 2001, 2011		International migration is not seen as a significant factor in determining housing need given that Census data suggests that migration has been balanced out by natural drops in the population. In addition, Census data from 2001 and 2011 would suggest that the majority of Charmouth's population born outside the UK have resided in the UK for over 10 years, indicating a very settled migrant population. Therefore, two downward arrows are considered appropriate.
Overcrowding	Census Data 2001, 2011		There has been no evidence of overcrowding between 2001 and 2011 in Charmouth, and no evidence of change over the ten year period. Therefore, this is not considered a significant indicator of housing need, and two downward arrows are considered most appropriate.
Rate of development	SHMA15, Census 2001/2011		The 2014 SHMA suggests that the region of West Dorset has experienced steady housing growth between 1994 and 2011. However, this growth did not meet annual housing targets set by the West Dorset Local Plan. Nevertheless, development in the region of West Dorset remained steady, and this could be reflective of a constant increase in demand for housing across the region. Considering that the region has met its housing targets, a sideways arrow is considered appropriate.

22. Market signals research has shown that Charmouth is located in an area which is relatively economically inactive but does contain a population which commutes over 30km per day. House prices within Charmouth have increased but at a much lower rate when compared to West Dorset which indicates that there is less demand for housing in Charmouth when compared to West Dorset.
23. It is therefore considered that a target of 120-130 dwellings is deemed appropriate for the period between 2017 and 2031. It must be reiterated that these estimates factor in projections which are entirely unrestrained in nature and is therefore a useful starting point for ongoing discussions with West Dorset District Council.

Table 2: Summary of local factors specific to Charmouth NP with a potential impact on housing [Type](#)

Factor	Source(s)	Possible impact on housing needed	Conclusion
Affordable Housing	SHMA, ONS, West Dorset, Weymouth & Portland Local AMR	<p>The Charmouth NPA is shown to have a Lower Quartile Affordability ratio of approximately 10.</p> <p>As of 2011 71.5% of the tenure within the NPA was market housing.</p> <p>The SHMA highlights that 46.8% of lone parents would not be able to afford market housing and 20.3% of couples with child/children would not be able to afford market housing.</p>	<p>This HNA therefore recommends the increased provision of affordable/ social rent across the Parish, with an additional focus on Shared Ownership/ Starter Homes to reduce entry requirements to the local housing market. The recommended distribution of affordable housing (outlined in detail under Research Question 2) is therefore 70% social/affordable rent and a maximum of 30% intermediate affordable housing.</p>
Demand/ need for smaller dwellings	SHMA, ONS, Estate Agent	<p>The Charmouth NPA has displayed signs of an ageing population between 2001 and 2011, which is projected to increase up to 2031.</p> <p>The majority of dwellings are houses which are predominantly detached (42.9%); only 19.3% of dwellings are flats.</p> <p>Furthermore, 87% of households in the NPA live in houses with four rooms or more and 50% of households have six rooms or more, at an average household size of 1.99. Consequently, the area is deemed to be comparatively under occupied.</p> <p>The estate agent has also confirmed that there is a specific gap in the market for first time buyers and for elderly people looking to downsize.</p>	<p>Demographic trends and rising affordability ratios point conclusively in the direction of smaller homes in an area dominated by detached dwellings which command comparatively high prices. Therefore, the increased provision of 2-3 bedroom units across the NPA is recommended to aid the 'right sizing' of ageing populations and increase the affordability of market entry homes.</p>
Demographic change	SHMA, ONS	<p>The SHMA and DCLG Live Tables indicate the future proportion of those aged over 70 will increase over the plan period. This will exacerbate population trends as Charmouth 25-44 age group had a reduction of 26.4% between 2001 and 2011 and the following age groups are expected to decrease between 2014 and 2031, 20-24 (-15%), 25-29 (-14.3%), 40-44 (-5.3) and 45-49 (-22.9%).</p>	<p>The data highlights that the Neighbourhood Plan should ensure that an ageing population is catered for and it is recommended that the Lifetime Homes Standard is encouraged for all new dwellings.</p>

Factor	Source(s)	Possible impact on housing needed	Conclusion
Family-sized housing	SHMA, ONS	<p>Census data for the Charmouth NPA shows the Parish has lower levels of households with dependent children and an average amount of households with no children when compared to the district.</p> <p>The data also demonstrates the NPA has a higher level of one person households aged 65 and over when compared to the district and England.</p> <p>Furthermore, the reductions in the 0-15, 16-24 and 25-44 age groups between 2001 and 2011 indicate that young families and potential young families have been/could be displaced.</p>	<p>This HNA recommends the greater provision of 2-3 bedroom units, as well as affordable housing formats outlined in response to Research Question 2, to reduce barriers to home ownership in Charmouth.</p> <p>Furthermore, the recommended tenure (e.g. market housing, private rented, affordable housing) and type of housing (e.g. terraced housing, semi-detached, bungalows, detached, flats) has the dual benefit of 'filtering' existing housing stock by facilitating the 'right sizing' of many asset owning, ageing households (e.g. the provision of smaller units would allow ageing households to move into smaller units releasing their existing large units for occupation by families in need of larger properties).</p>

1.7 Recommendations for next steps

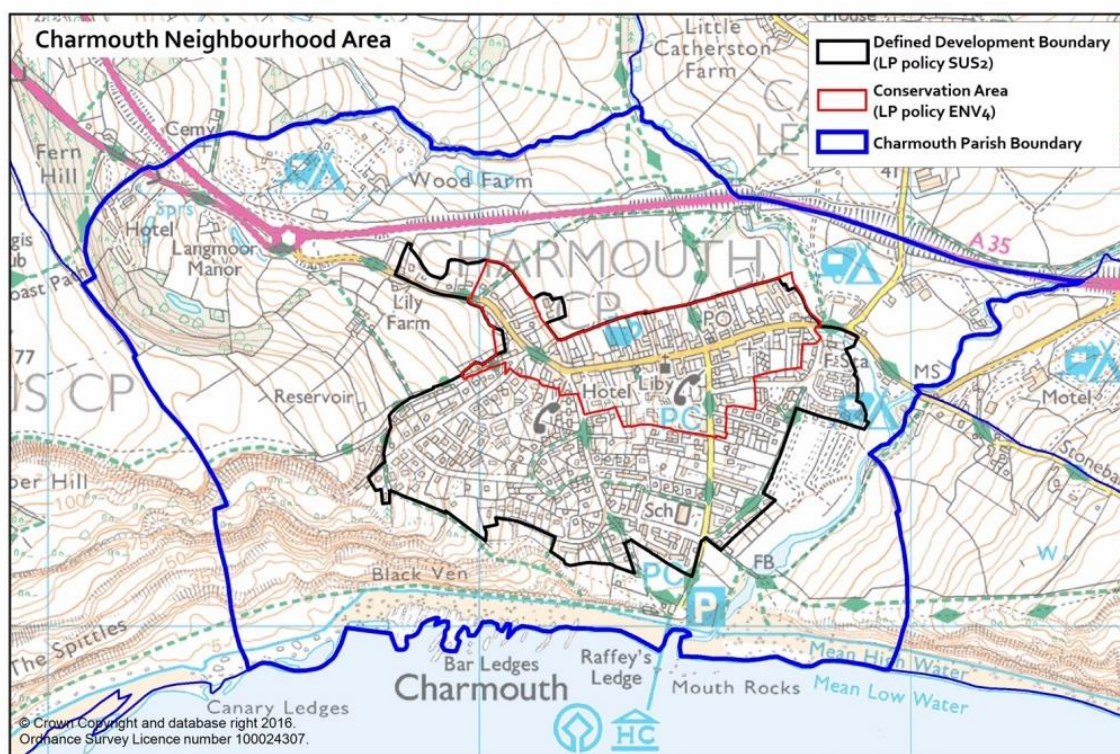
24. This neighbourhood plan housing needs advice has aimed to provide Charmouth Parish Council with evidence on housing trends from a range of sources. We recommend that the Parish Council should, as a next step, discuss the contents and conclusions with West Dorset District Council with a view to agreeing and formulating draft housing policies, taking the following into account during the process:
 - Neighbourhood Planning Basic Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted development plan (the West Dorset, Weymouth & Portland Local Plan);
 - the views of West Dorset District Council;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers;
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Council, including but not limited to the SHLAA; and
 - the recommendations and findings of this study.
25. As noted previously, recent changes to the planning system, as well as forthcoming changes to the National Planning Policy Framework as well as the implementation of the Housing and Planning Act 2016, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
26. This advice note has been provided in good faith by AECOM consultants on the basis of housing data current at the time of writing (alongside other relevant and available information).
27. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
28. Most obviously, this includes monitoring the status of the review of the Local Plan which West Dorset District Council has commenced alongside Weymouth & Portland Borough Council.
29. At the same time, monitoring ongoing demographic or other trends in the factors summarised in Tables 1 and 2 would be particularly valuable.

2. Context

2.1 Local context

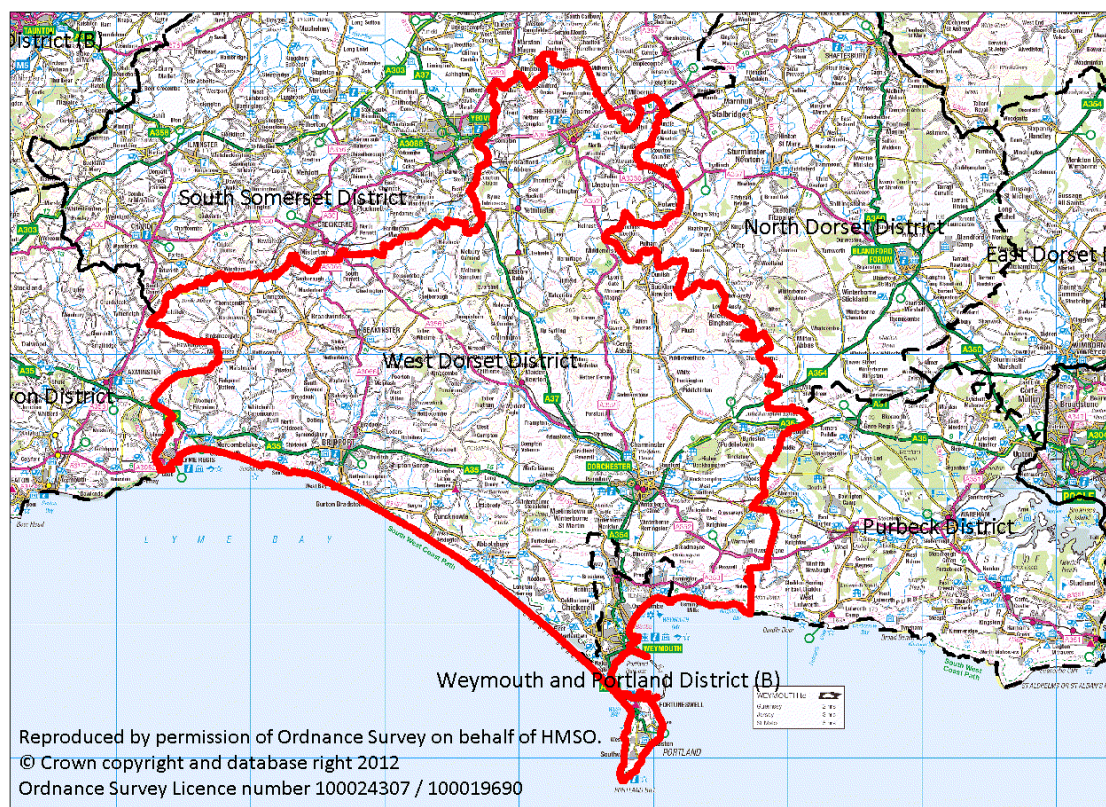
30. Charmouth is a coastal village and civil parish in West Dorset, South West England. The village is situated at the mouth of the River Char, running from Pilsdon through to Charmouth Beach. Charmouth lies within the county of Dorset and the West Dorset District, forming a part of the popular Lyme Bay coast. Lyme Bay and Charmouth are situated along the Jurassic Coast, a World Heritage Site extending over 95 miles across Dorset and Devon. The village is situated between the coastal town of Lyme Regis, two miles to the south west, and the coastal area of Seatown to the east, creating an extended coastal area in West Dorset of international geological importance, and a local source of tourism income for the area. Due to its significant and historic coastal features, Charmouth is located within the Dorset Area of Outstanding Natural Beauty,
31. Figure 2 identifies the relevant boundaries for the Charmouth neighbourhood area. The Charmouth Parish boundary covers the wider Charmouth area, and this has been defined as the boundary for the Charmouth Neighbourhood Plan. The map also identifies the development boundary for the area (as identified in the Local Plan), and the Charmouth Conservation area boundary. Figure 3 identifies the boundary for the West Dorset, Weymouth and Portland Local Plan (2015).
32. The Charmouth Conservation Area was designated in 1972 and incorporates a number of local historic and heritage assets for preservation, enhancement and protection. A detailed conservation area appraisal for Charmouth was published in 2007, outlining and assessing historically important and valued areas and buildings within Charmouth's conservation area boundary.
33. The West Dorset, Weymouth and Portland Local Plan was adopted in 2015 and incorporates the village of Charmouth and its nearby areas along the West Dorset coast. The local plan was implemented to guide development between 2011 and 2031. The Local Plan was produced by the West Dorset District Council and Weymouth & Portland Borough Council in collaboration.
34. 2011 UK Census data suggests that Charmouth village has an overall population of 1,352 residents.

Figure 2: Charmouth Neighbourhood Plan Area



Source: Charmouth Neighbourhood Plan Website

Figure 3: West Dorset District Area (Source: West Dorset, Weymouth and Portland Local Plan)



Source: West Dorset, Weymouth and Portland Local Plan, 2015

2.2 Planning policy context

35. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Development Plans (NDPs) are required to be in general conformity with adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA. The West Dorset, Weymouth & Portland Local Plan, adopted in October 2015, is the most up to date local plan for the area and so has been reviewed for policies relevant to housing need.
36. Adopted in October 2015, the West Dorset, Weymouth & Portland Local Plan outlines the local area strategy and provides local policy from 2011 to 2031. West Dorset District Council and Weymouth & Portland Borough Council have collaboratively prepared the Local Plan for the area, however, decisions concerning each area have been made individually.
37. The plan covers the entirety of the administrative regions of West Dorset, Weymouth & Portland, providing a document that will guide future planning decisions for these regions. The plan provides policy guidance for a number of crucial planning areas including housing, community needs and sustainability.
38. As suggested by the Local Plan, a significant issue facing the area is its ageing population, which could potentially lead to negative consequences for the local economy and healthcare resources. Therefore, in-migration of younger, economically active new residents may be helpful to negate these consequences. Providing housing for those migrating into Charmouth from other areas may help ensure that Charmouth achieves a balanced community.
39. The following paragraphs summarise relevant policies included in the West Dorset, Weymouth & Portland Local Plan. These policies will apply to the provision of housing in the village of Charmouth, and are therefore relevant to any assessment of local housing need in Charmouth.

Table 3: Local Plan Policies

Policy No.	Category	Description	Page No.
SUS1	Sustainable Development	The level of Economic and Housing Growth	58
HOUS1	Housing	Affordable Housing Provision	103
HOUS2	Housing	Affordable Housing Exception Sites	104
HOUS3	Housing	Open Market Housing Mix	104
HOUS4	Housing	Development of Flats, Hostels, and Houses in Multiple Occupations	106

Source: West Dorset, Weymouth and Portland Local Plan, 2015

40. These policies are summarised and analysed in this chapter as follows:

2.2.1 SUS1: The Level of Economic and Housing Growth

41. Policy SUS1 details future levels of housing growth in the region between 2011 and 2031, as follows:

- 15,500 dwellings to be provided between 2011-2031 across West Dorset, Weymouth & Portland to meet housing need across the region.
- Any outstanding need is to be addressed in a revised local plan.

42. Table 4 shows how the policy will be delivered from 2011-2031.

Table 4: Housing Requirement and Land Supply 2011-2031

Housing Land Requirement and Land Supply	Plan Area
Housing Land Requirement	15,500
Housing Land Supply	
Completions 1 April 2011-31 March 2014	1,488
Extant planning permissions at 1 April 2014	3,973
Supply from new land allocations in the plan	3,742
Submitted / large identified sites within settlements	3,834
Minor identified sites within settlements likely to be built	1,783
Rural exception sites likely to come forward	35
Total Supply	14,855

Source: West Dorset, Weymouth and Portland Local Plan, 2015

2.2.2 SUS2. Distribution of development

43. SUS2 establishes the principle that the location of development should be largely determined based on scale of existing settlements, and therefore their capacity to absorb new households,

'development should be focussed on areas that have the will be distributed according to the following settlement hierarchy, with a greater proportion of development at the larger and more sustainable settlements.'

44. The highest priority for development will therefore be Dorchester and Weymouth and the market and coastal towns of Beaminster, Bridport, Lyme Regis, Portland and Sherborne and the village of Crossways will also be a focus for development. As regards rural areas

'Development in rural areas will be directed to the settlements with defined development boundaries, and will take place at an appropriate scale to the size of the settlement. Settlements with no defined development boundary may also have some growth to meet their local needs.'

2.2.3 HOUS1: Affordable Housing

45. HOUS1 is a housing policy that addresses the provision of affordable housing across the region, and the requirements for new developments. The policy requires that the following standards are adhered to:
- New development requires adequate provision of affordable housing in order to provide for those on lower incomes in the area.
 - Developments that do not provide the required proportion of affordable housing are required to contribute financially to future affordable housing provision and produce a viability assessment.
 - The characteristics of affordable housing in an area (e.g. size, type, tenure) will reflect the individual needs of the area. Affordable housing in the area must be *'proportionate to the scale and mix of market housing, resulting in a balanced community of and/or flats that are 'tenure blind''* (pp.104, West Dorset, Portland & Weymouth Local Plan).
 - A minimum of 70% social/affordable rent and a maximum of 30% intermediate affordable housing, unless identified local needs indicate that an alternative provision would be appropriate.
46. In the case of Charmouth, the neighbourhood plan should acknowledge these affordable housing standards set by the wider local plan to produce new housing that meets the needs of the wider area. New housing developments in Charmouth should consider and incorporate these requirements.

2.2.4 HOUS2: Affordable Housing Exception Sites

47. HOUS2 sets out further guidance and conditions for affordable housing sites within the region. The policy ensures that new housing developments are appropriate for the surrounding area and address local need for affordable housing. HOUS2 is summarised below:
- Adjoining affordable housing of a small scale at existing housing developments will be allowed under certain conditions; namely, that the development is of an appropriate character and design and does not disrupt surrounding local character; the development secures a good standard of living for future residents; and sufficiently addresses local need for affordable housing.
48. Charmouth should acknowledge these conditions in its neighbourhood plan, and consider the implications of these requirements for allocating sites for housing and determining local housing need.

2.2.5 HOUS3: Open Market Housing Mix

49. HOUS3 sets out open market housing mix policy for the area, and focuses upon allocating and developing housing to meet the needs of the local population. This policy is summarised below:
- New housing developments should incorporate a range of different housing types that reflect the different household sizes and different incomes that exist in the area. In making these decisions, it is necessary to analyse the characteristics of the local population and demand for particular housing types to determine local housing needs. For example, if there is an increase in older residents that are interested in downsizing to smaller properties, the provision of new housing should reflect this need through providing smaller dwellings.
50. HOUS3 should be considered in Charmouth's neighbourhood plan to ensure that proposed new housing incorporates different housing types that cater to different socio-economic groups. The policy is important to consider in terms of assessing housing needs in Charmouth.

3. Approach

3.1 Research Questions

52. The HNA is structured around a series of 'research questions' arrived at through discussion with Charmouth Parish Council at the start of the project. These questions provide the focus for our research, and helps ensure the HNA addressed the vision and objectives of the emerging NDP.
53. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place. In the case of Charmouth, WDDC has not set a specific target within its Local Plan for the area.

3.1.1 Quantity

54. It is therefore necessary to arrive at an estimate for the required housing growth relying on a number of reliable sources, comprising:
 - A number derived from the Local Plan;
 - Strategic Housing Market Assessment (SHMA) - proportional share drawn from Objectively Assessed Need (OAN);
 - Department of Communities and Local Government (DCLG) Household projections; and
 - Net dwelling completion rates 2001-2016.
55. These will all help answer RQ1. *What **quantity of housing** is appropriate for the plan area?*

3.1.2 Tenure

56. Charmouth Parish Council recognise a need for affordable housing in the area; the study should therefore consider the suitability of the Local Plan with regard to affordable housing for the neighbourhood area (NPA), based on neighbourhood-level evidence, and the tenures of affordable housing needed to meet housing need.
57. RQ2. *What tenure of **affordable housing** (social housing, affordable, shared ownership, intermediate rented) should be included in the housing mix?*
58. RQ3. *What tenure of **market housing** (private rented and housing for sale) should be included in the housing mix?*

3.1.3 Type and Size

59. There is a concern within Charmouth Parish Council that there is a shortage of dwellings suitable for first time buyers and younger families.
60. RQ4. *What **type** (terrace, semi, bungalows, flats and detached) and **size** (number of habitable rooms) of housing is appropriate?*

3.1.4 The Housing Market Area

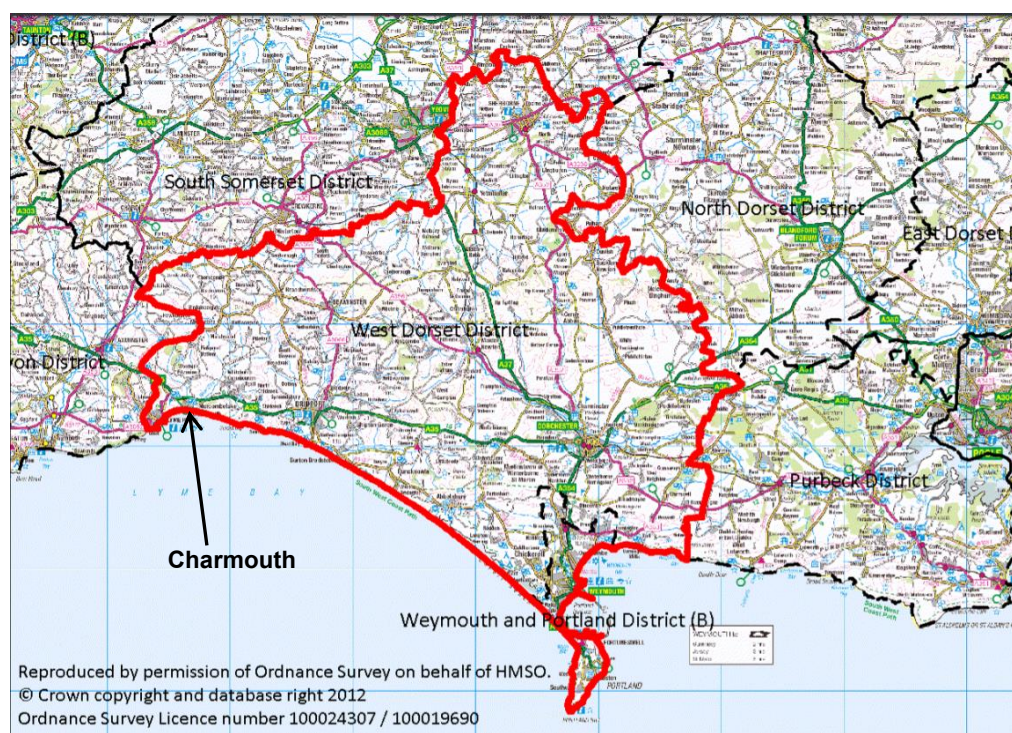
61. The Government's Planning Practice Guidance (PPG) defines a HMA as a geographical area '*defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work*⁶. It goes on to remark that '*establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments', i.e. not all housing types or economic development have the same appeal to different occupants*⁷.

⁶ Planning Practice Guidance Paragraph: 010 Reference ID:2a-010-20140306 Revision date: 06 03 2014

⁷ Planning Practice Guidance Paragraph: 008 Reference ID:2a-008-20140306 Revision date: 06 03 2014

62. The Weymouth & Portland and West Dorset Councils 2014 Strategic Housing Market Report Part 1: Objectively Assessed Housing Needs, (July 2014, PBA) confirms that the Housing Market Area has already been 'defined in earlier evidence as the local authority districts combined [West Dorset and Weymouth & Portland]. This geography also mirrors that developed for DCLG in 2010⁸. That work confirms that Weymouth & Portland together with West Dorset form a single Housing Market Area.⁹ Charmouth is located on the periphery of the HMA and it could therefore be influenced by some of the characteristics of the HMA to the west of it – the Exeter HMA. However, as Charmouth is included within the West Dorset and Weymouth and Portland HMA it is considered that this is the predominant area that influences Charmouth and its use as a proxy within this HMA is acceptable. Furthermore, there is no sub-market area which straddles the two HMAs to suggest that Charmouth is strongly influenced by the market to the west.
63. Figure 4 below illustrates the West Dorset and Weymouth & Portland Local Plan area which is also the Housing Market Area. The figure also illustrates Charmouth's location within the Housing Market Area.

Figure 4: Location of Charmouth within the West Dorset and Weymouth & Portland Local Plan Area



Source: West Dorset, Weymouth and Portland Local Plan, 2015

3.2 RQ1. What quantity of housing is appropriate for the plan area?

64. We have estimated the quantity of housing needed in the NPA derived from four different sources:
- West Dorset and Weymouth & Portland Local Plan minimum derived figure generates a target of **169** dwellings over the plan period (2017-2031).
 - Housing need in Weymouth & Portland and West Dorset Councils 2014 Strategic Housing Market Report Part 1 (July 2014) – proportional share drawn from OAN produces a target of **169** dwellings over the plan period.
 - DCLG Household projections generate a re-based projection of dwellings of **120** dwellings over the plan period.
 - A projection derived from homes growth between 2001 and 2016 gives **126** dwellings over the plan period 2017-2031.
65. The calculations for these figures are set out below.

⁸ C Jones, M Coombes, C Wong – Geography of Housing Market Areas, Final Report, November 2010

⁹ Strategic HMA 89 or single tier HMA 101.

3.2.1 West Dorset and Weymouth & Portland Local Plan Minimum

66. The West Dorset and Weymouth & Portland Local Plan puts forward a requirement for 15,500 new homes over the plan period between 2011 and 2031 under Policy SUS1 *The Level of Economic and Housing Growth*. The proportional share for Charmouth can be calculated based on the proportion of homes in the NPA. At the time of the last census there were 80,316 homes across the Local Plan area (49,319 homes in West Dorset and 30,997 in Weymouth & Portland) and 927 homes in the NPA. The homes in Charmouth in 2011 therefore equated to 1.2% (rounded) of the total number of homes in West Dorset and Weymouth & Portland in 2011.
67. Therefore, 186 (1.2% of 15,500) homes should be allocated as the 'fair share' of the Plan target, equating to approximately 13 dwellings per annum between 2011 and 2031 (or an outstanding requirement for 169 dwellings between 2017 and 2031, as 17 dwellings have already been constructed 2011-2016).

3.2.2 Strategic Housing Market Assessment

68. It is important to remember that the SHMA presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN¹⁰), as opposed to a final housing target. The final housing target will take into account a number of other factors, including for example the availability of land, the Dorset AONB, viability, infrastructure and environmental constraints and the results of consultation.
69. Nonetheless, the SHMA presents an appropriate starting point for deriving need at the Neighbourhood Plan level, because it is an authoritative source of evidence, and importantly, because it takes into account population and household projections, as set out in the 2014 Sub-National Population Projections. Sub-National Population Projections provide the basis for Household Projections which the PPG suggests should be taken as a 'starting point' in determining need at the local authority level.
70. The 2014 Strategic Housing Market Report identifies an OAN for the West Dorset and Weymouth & Portland area of 775 houses per annum (605 homes for West Dorset and 170 homes for Weymouth & Portland) or 15,500 homes over a 20 year period (2011-2031). The NPA's fair share of this housing target is therefore the same as set out in Section 3.2.1, namely 186 homes between 2011 and 2031 (13 homes per annum (rounded)) or 169 homes between 2017-2031 (12 homes per annum (rounded)).

3.2.3 DCLG Household Projections

71. DCLG periodically publishes household projections. The PPG recommends that these household projections should form the starting point for the assessment of housing need.
72. The most recent (2014-based) household projections were published in July 2016 and extend to 2039. Although population projections are only available at local authority level, a calculation of the share for the NPA is nevertheless possible for the household projections based on the NPA's household numbers in the 2011 Census.
73. At the 2011 Census, West Dorset had 44,386 households and the NPA 681, or 1.5% of the total (rounded).
74. In the 2014-based household projections, the projection for 2031 is for 51,922 households in West Dorset. Assuming it continues to form 1.5% of the district total, the NPA's new total number of households would be 779 (rounded). Therefore, 98 new households will form in the NPA between 2011 and 2031 or 5 households per year (rounded).
75. Number of households does not, however, equate precisely to number of homes, with the latter slightly higher in most places. The NPA is no exception. In the 2011 census there were 681 households but 927 homes in the NPA. This gives a ratio of 0.73 households per home. In the case of the NPA, a projection of 98 households translates into a need for 134 (98/0.73) homes (rounded).
76. These figures are based on the assumption that 2014-based government projections as to household growth at the Local Authority level are accurate. As the annual mid-year population estimates have now been released for 2016, the 2014-based projections may need to be 're-based' for accuracy. The mid-2016 population estimates give the actual number of people in the NPA at that point, meaning the difference

¹⁰ The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the PPG). This is sometimes described as 'policy off' because it does not take account of final policy responses as a result of taking into account capacity environmental and infrastructure constraints.

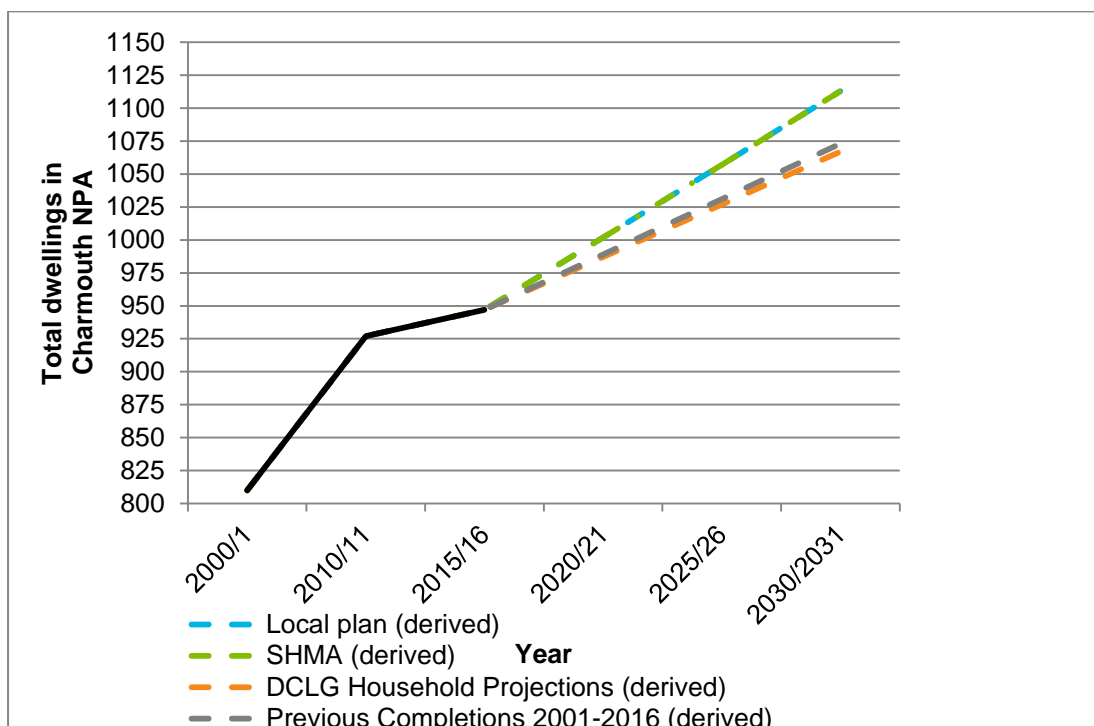
between the estimated and the previously projected number of households can be taken into account in future projections.

77. The 2014-based household projections were based on the 2014-based Sub-National Population Projections, which estimate that by 2016 there would be 101,100 people in West Dorset. The mid-2016 estimates show that based on the latest information, it is estimated that there were 101,382 people in West Dorset, which is higher by 282 people. Assuming average household sizes remain constant (in 2011 there were an average of 2.24 people per household), the number of households across West Dorset can be obtained by dividing population by number of households ($101,382/2.24$), this equates to 45,260 (rounded) households across West Dorset. This figure includes 126 additional households when compared to the 2014-based Sub-National Population Projections estimate for 2016.
78. Taking 52,048 ($51,922 + 126$) as our revised household number at 2031, this equates to 781 households in the NPA (rounded), producing a revised growth in the number of households between 2011 and 2031 of 100. Taking into account the disparity between household numbers and dwellings numbers ($100/0.73$), this produces a figure of 137 homes (rounded). Netting off the 17 dwellings completed between 2011 and 2016, we arrive at a re-based household projections derived dwellings number of 120, or 9 per year (rounded) of the plan period up to 2031.
79. This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase, and thus does not take into account political, economic, demographic or any other drivers that might have influenced or may in future influence, the Local Plan distribution across the District and hence any difference between this figure and a future Local Plan derived figure.

3.2.4 Dwelling Growth 2001-2016

80. Consideration of dwelling completions between 2001 and 2011 provides a projection based on the rate of delivery of net new homes between the two censuses. As we have seen, there was an increase of 117 homes in the NPA between the two dates. Furthermore, data obtained from Charmouth Parish Council has shown that there were 17 new dwellings constructed between 2011 and 2016. As a result, between 2001 and 2016 there have been 134 completions in the Charmouth NPA, an annual development rate of 9 dwellings per annum (rounded). If this annual rate is applied for the period 2017 to 2031 this produces a gross projection of 126 dwellings.
81. These dwelling number projections are illustrated in Figure 5 below.

Figure 5: Dwelling Projections for the Charmouth NPA, 2017-2031



Source: AECOM calculations, West Dorset, Weymouth and Portland Local Plan, 2015, SHMA, DCLG Projections

3.2.5 The Standard Methodology

82. On September 14th 2017, the Department for Communities and Local Government (DCLG) published 'Planning for the right homes in the right places: consultation proposals' (the consultation proposals), a consultation on a new proposed Standard Methodology for Assessing Housing Need (SMAHN) for arriving at an OAN for housing for individual local authorities, thus avoiding both the expense of producing complex SHMAs and the disagreements surrounding their methodologies. DCLG has stated that *"this consultation sets out a number of proposals to reform the planning system" including "how neighbourhood planning groups can have greater certainty on the level of housing need to plan for"*¹¹.
83. Whilst the document is currently being consulted on at the time of this HNA report, it is important to consider the implications of this emerging policy guidance for potential housing need calculations in the NDP. Therefore, what follows is an assessment of the NPA's housing need based on the new proposed methodology which, should the policy be put in place in its current form, will be the preferred figures for housing need in the area. This projection is included for information only, bearing in mind that the consultation makes clear that LPAs will have the option of using alternative methods of calculating their OAN, so long as the number they arrive at exceeds that produced by the new standard methodology.
84. Proposed updates to the PPG include a requirement that LPAs provide a housing need figure to neighbourhood planning groups, and that they may do this by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so¹². The starting point for using the SMAHN for the neighbourhood level is therefore whether the current Local Plan was adopted before or after the introduction of the NPPF.
85. In the case of Charmouth, the West Dorset and Weymouth & Portland Local Plan was adopted in October 2015, and therefore provides an up-to-date basis for arriving at a housing needs figure for the NPA. However, the indicative assessment using the SMAHN formula is 780 dwellings per annum for West Dorset and Weymouth & Portland. This is an uplift on the current figure of 775 set out in the West Dorset and Weymouth & Portland Local Plan of around 0.65% (rounded), and suggests there should be an increase of 100 dwellings over the Plan Period from 2011 to 2031, or a new target of 15,600.
86. As this total falls well within the proposed 40% cap, it is reasonable to assume at this point that West Dorset and Weymouth & Portland may see an uplift in its housing need figure in the order of 0.65% (rounded) with the introduction of the SMAHN.
87. Assuming a new OAN for housing of 780 dwellings, this would produce a revised projection for the NDA based on this number of 1.2. Taking into account the 17 dwellings built in the parish since the 2011 Census, a housing needs figure that is compliant with the SMAHN is **187.2 dwellings or 9.4 (rounded) dwellings per annum**.

3.3 RQ2. What tenure of affordable housing (social housing, affordable, shared ownership, intermediate rented) should be included in the housing mix?

88. The PPG states that HNAs should investigate household tenure in current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing falling into different tenure types and local need/demand, policies should support a change to the profile of tenure within the NPA's housing stock¹³.

3.3.1 Definitional Issues

89. It is necessary at this stage of the study to make clear the distinction between affordable homes as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing as set out in the NPPF: social, affordable rented and various forms of intermediate housing. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing.

¹¹ <https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>

¹² DCLG, planning for the right homes in the right places: consultation proposals, page 31

¹³ PPG Paragraph: 021 Reference ID: 2a-021-20160401

90. In this paragraph we briefly review the proposed reforms to the definition of Affordable Housing set out in the Government's House White Paper published in February 2017. These reforms make clear its commitment to home ownership but recognise the important role of affordable rent for those not currently seeking home ownership. The changes proposed would broaden the definition of affordable housing, supporting *'present and future innovation by housing providers in meeting the needs of a wider range of households who are unable to access market housing'*. This would include *'products that are analogous to low cost market housing, intermediate rent, such as discounted market sales or innovative rent to buy housing. Some of these products may not be subject to 'in perpetuity' restrictions or have recycled subsidy'*.
91. The Housing and Planning Act 2016 made provision for a new simplified definition of affordable housing as *'new dwellings...to be made available for people whose needs are not adequately served by the commercial housing market'*¹⁴. Secondary legislation is required to implement this definition, necessitating further parliamentary debate¹⁵.
92. The Housing White Paper¹⁶ confirms that a revised definition of Affordable Housing will be brought forward through changes to the NPPF later this year, proposing a definition as *'housing that is provided for sale or rent to those whose needs are not met by the market (this can include) housing that provides a subsidised route to home ownership'* and which meets the criteria for one of the following models¹⁷:
- **Social rented housing**, defined as currently and owned by local authorities and private registered providers with guideline target rents determined through the national rent regime. It may be owned by other persons and provided under equivalent rental arrangements, as agreed with the local authority or Homes and Communities Agency;
 - **Affordable rented housing**, defined as currently and let by local authorities or private registered providers of social housing to households eligible for social rented housing. Affordable rent is controlled at no more than 80% of the local market rent including service charges where applicable;
 - **Starter Homes**, as defined in the Housing and Planning Act 2016 and subsequent secondary legislation with an income restriction of £80,000 outside London. These homes are expected to provide a new low cost market housing product for first time buyers between the ages of 23 and 40 with a mortgage, sold for no more than 80% of open market value and capped at £250,000 outside London;
 - **Discounted market sales housing**, sold at a discount of at least 20% below market value with provision to remain at a discount for future eligible households. Eligibility is to be determined with regard to local incomes and house prices;
 - **Affordable private rent housing**, made available for rent at a level which is at least 20% below local market rent with provision to ensure that rent remains at a discounted level or alternative affordable housing provision is made if the discount is withdrawn. This is viewed as particularly suited to the provision of affordable housing in Build to Rent schemes; and
 - **Intermediate housing**, defined to include discounted market sales and affordable private rent housing – as outlined above – and other housing that is 'provided for sale and rent at a cost above social rent, but below market levels'.
93. A transition period is proposed to enable a review of local policies, with the revised definitions intended to apply from April 2018. The Government also intends to introduce a requirement for sites of 10 units or more to ensure that at least 10% of all homes are affordable home ownership products, including Starter Homes, shared ownership homes and homes available for discount market sale.
94. The evidence assembled to answer RQ2 seeks to populate a series of 'key indicators', these are affordability, age structure of the population and household composition, both now and how they are forecast to change in future years. Through a consideration of these trends and how they interrelate to each other, it is possible to arrive at recommendations as to how not only the tenure of housing in the plan area should be determined, but also how type and size should be modified through planning policy.

¹⁴ Housing and Planning Act 2016, part 6, section 159 (4)

¹⁵ Section 159(2) of the Act inserts '(3ZB) No regulations may be made under section 106ZB [which contains the updated definition of affordable housing] unless a draft of the instrument containing the regulations has been laid before, and approved by a resolution of, each House of Parliament'

¹⁶ DCLG (2017) Fixing Our Broken Housing Market (para A.120)

¹⁷ Ibid (p100)

3.3.2 Current tenure profile

95. In line with PPG, it is necessary in the first instance to present a picture of tenure in the NPA at the time of writing. Table 5 below presents the tenure of households in the NPA at the time of the last census. Two findings are worth highlighting, firstly, the dominance of owner occupation and the relatively low proportion of private rental.

Table 5: Tenure (households) in Charmouth, 2011 Census

Tenure	Charmouth	West Dorset	England
Owner	71.4%	69.4%	63.3%
Shared ownership	1.0%	0.8%	0.8%
Social rented	17.9%	13.9%	17.7%
Private rented	8.5%	13.7%	16.8%

Source: 2011 Census, ONS

96. Table 6 shows how the tenure mix has changed during the period 2001 to 2011. The table shows that there has been an increase (48.7%) in the private rental sector in Charmouth but this increase is still smaller than the increase across West Dorset and England as a whole. This percentage increase translates to an increase of 19 private rented units. Shared ownership decreased in Charmouth by 41.7% (12 to 7 units) whilst West Dorset and England saw increases in this type of tenure. Social rented tenure increased at a similar rate to West Dorset and owner occupied units increased by 2.5%.

Table 6: Rates of Tenure Change between 2001 and 2011 Censuses

Tenure	Charmouth	West Dorset	England
Owner	2.5%	5.7%	-0.6%
Shared ownership	-41.7%	75.4%	30.0%
Social rented	7.0%	8.8%	-0.9%
Private rented	48.7%	67.9%	82.4%

Source: 2001 and 2011 Censuses, ONS

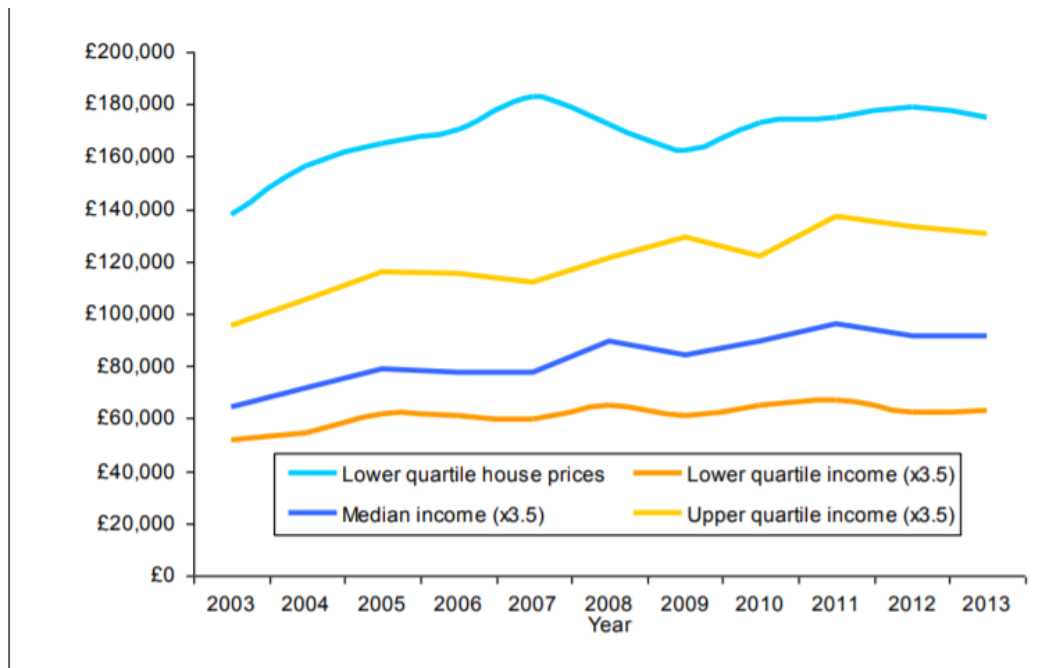
3.3.3 Affordability

97. To understand the need for Affordable Housing it is necessary to identify the proportion of the population who are unable to access Affordable Market Housing. To do this we consider the affordability of housing expressed as a multiple of household income, known as the 'Affordability Ratio'. In addition, we also reviewed the Housing Waiting list data provided by WDDC, pre-existing research undertaken by WDDC and survey data.

3.3.4 Affordability Ratio

98. Figure 6 on the following page reproduces Figure 3.11 of the West Dorset and Weymouth & Portland SHMA Part 2. The figure shows the lower quartile, median and upper quartile income of full-time workers in West Dorset multiplied by 3.5 (the income multiple typically used by mortgage lenders) compared to lower quartile prices in West Dorset. The figure demonstrates that full-time workers with earnings at the upper-quartile in West Dorset would not be able to purchase an entry-level property in the District, without additional income or capital to deduct from the purchase price. This situation is exacerbated for full-time workers with earnings at the lower quartile.

Figure 6: Earnings Compared with Lower Quartile Prices in West Dorset

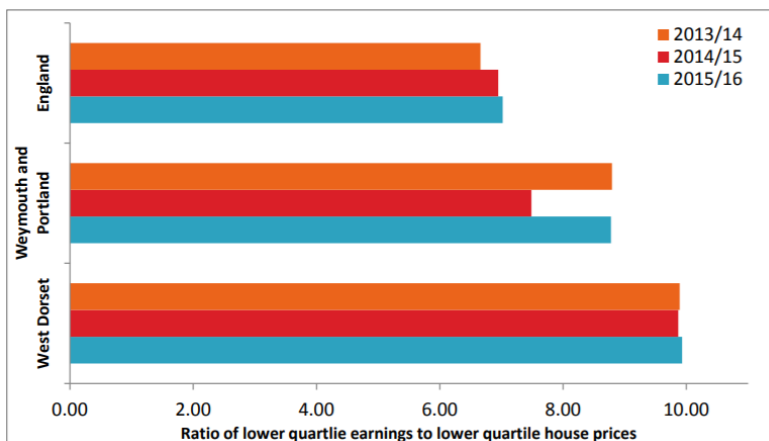


Source: Land Registry via CLG; Annual Survey of Hours and Earnings

Source: SHMA Part 2

99. Figure 7 below reproduces Figure 7.1 of the West Dorset, Weymouth & Portland Local AMR 2015-2016 and sets out the Lower Quartile Affordability Ratio (LQAR) for West Dorset 2013-2016. This shows that, using the LQAR as a measure of affordability, lower quartile dwellings are less affordable in West Dorset than the England average. This suggests that those at the lower end of the income scale are less able to access relatively affordable market housing compared to those on higher incomes. On the other hand, the Median Affordability Ratio in West Dorset in 2016 was 9.53 according to the West Dorset, Weymouth & Portland Local AMR 2015-2016. This demonstrates that whilst there is a crisis of affordability across the market, it is particularly acute at the lower end of the income spectrum.

Figure 7: Ratio of lower quartile earnings to lower quartile house prices in West Dorset



Source: West Dorset, Weymouth & Portland Local AMR 2015-2016

100. Table 7 on the following page reproduces Table 3.8 of the SHMA Part 2 which sets out the ratio of entry-level private rents to earnings. The table indicates that the entry level rent in West Dorset is £740 per month or £8,800 per annum and it is assumed that within the private sector no more than a quarter of gross income should be spent on the rent for it to be affordable, in accordance with the standard base affordability test for rented accommodation. The table illustrates that workers at lower quartile and median levels would not be able to afford entry-level market rents whilst upper quartile workers could.

Table 7: Ratio of entry-level rents to earnings

Income Level	West Dorset (Lower Quartile rent £8,800 per annum)	
	Earned Income	Price/income ratio
Lower quartile	£18,028	0.49
Median	£26,140	0.34
Upper Quartile	£37,289	0.24

Source: SHMA Part 2

101. Using the income set out in Table 7 we can calculate the affordability ratio for Charmouth using the mean average house price for the Parish in 2014. Table 8 below illustrates that lower quartile households will find it extremely difficult to afford the mean price of a market dwelling within Charmouth. Although Table 8 cannot be directly compared to the data set out in Table 7 it provides an indication of the affordability (specifically the lack thereof) of market sale accommodation in Charmouth.

Table 8: Affordability of Market Sale Accommodation in Charmouth, 2014

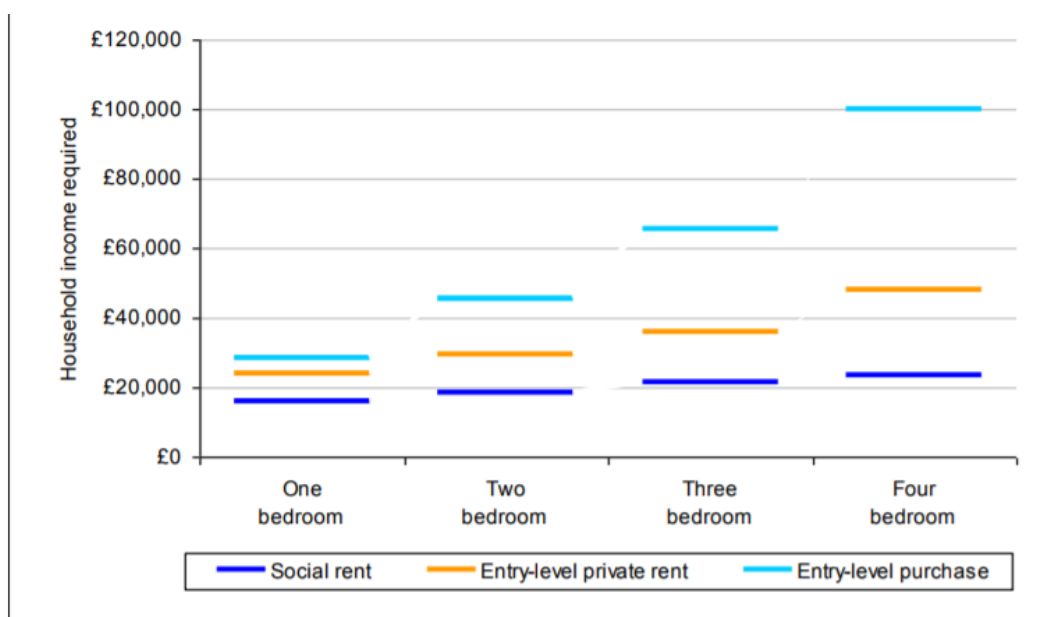
Income Level	Earned Income	Mean Average House Price	Income/Price Ratio
Lower Quartile	£18,028	£324,522	18
Median	£26,140	£324,522	12.4
Upper Quartile	£37,289	£324,522	8.7

Source: SHMA Part 2 and Land Registry

3.3.5 Housing Market Gaps

102. Figure 8 below reproduces Figure 3.9 of the SHMA Part 2 which sets out the household income required to access housing in West Dorset, by number of bedrooms. The figure illustrates that for two, three and four bedroom properties in West Dorset the gap between social rent and market rent is smaller than the gap between market rent and entry-level home ownership. The gaps for four bedroom properties are particularly large, with an additional £24,500 per annum required to access a four bedroom private rented home over the cost of a four bedroom social rented home. A further £52,000 is required to move to an owner-occupied four bedroom home.

Figure 8: Household Income Required to Access Housing in West Dorset by Number of Bedrooms



Source: SHMA Part 2

103. Table 9 on the following page reproduces Table 3.4 of the SHMA Part 2. The table indicates that, at a minimum, entry-level private rents are 49% higher (in terms of income required) than the cost of social rented homes in West Dorset. This indicates that intermediate housing could potentially be in demand

for a large number of households. The gap between market entry rents and market entry purchases demonstrates that shared ownership products could help fill this gap.

Table 9: Scale of Key Housing Market Gaps

<i>West Dorset</i>		
<i>Property size</i>	<i>Social rent/market rent</i>	<i>Rent/buy gap</i>
One bedroom	49.6%	20.3%
Two bedrooms	59.8%	56.2%
Three bedrooms	68.2%	82.6%
Four bedrooms	104.6%	108.4%

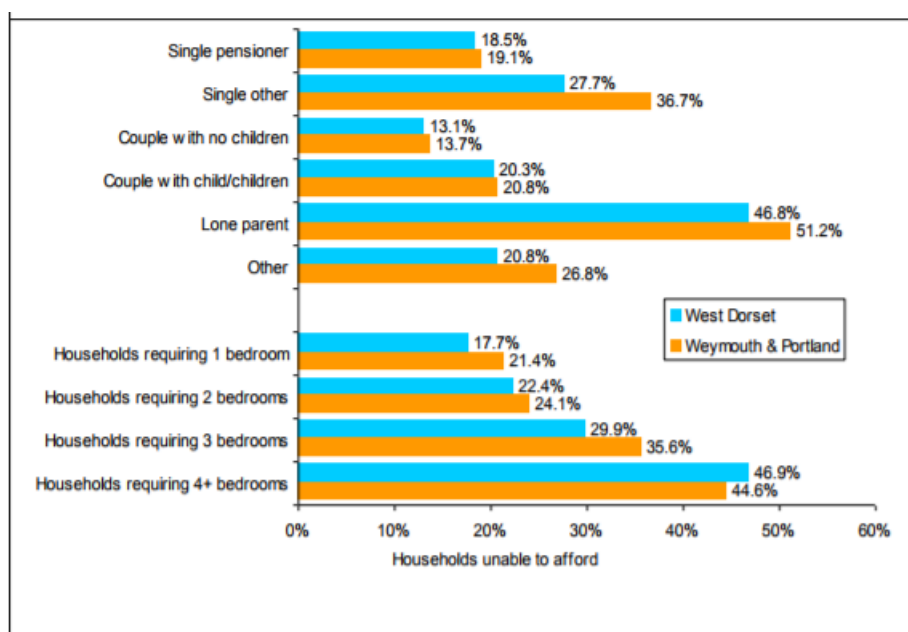
Source: SHMA Part 2

3.3.6 Specific Theoretical Affordability

104. Figure 9 below reproduces Figure 3.13 of the SHMA Part 2. The figure illustrates the affordability of households in West Dorset by household type and number of bedrooms required which is the 'theoretical affordability of households'.

105. The figure illustrates that 46.8% of lone parent households would not be able to afford market housing. Approximately 46.9% of households requiring a four bedroom home would not be able to afford this size of house on the market in West Dorset.

Figure 9: Theoretical Affordability of Market Housing in West Dorset



Source: SHMA Part 2

3.3.7 Housing Waiting List

106. So far, we have considered housing need based on a statistical understanding of affordability derived from household income and derived rates from calculated affordability ratios. A necessary additional component to quantify need for affordable housing in the NPA is identifiable demand expressed through the housing waiting list. Table 10 on the following page sets out the Housing Register for Charmouth as of October 2017.

107. In summary, there are 41 households on the housing register waiting for a range of dwelling sizes¹⁸.

Table 10: Charmouth Housing Register, October 2017

Housing Register	Count
Couple requiring studio or 1 bedroom	
25-29	2
30-39	1
50-54	1
60-64	1
65 and over	3
<i>Sub-total</i>	8
Family requiring 2 bedrooms	
Under 25	2
25-29	3
30-39	3
50-54	1
60-64	1
65 and over	1
<i>Sub-total</i>	11
Family requiring 3 bedrooms	
30-39	5
40-49	2
50-54	2
55-59	2
<i>Sub-total</i>	11
Family requiring 4 bedrooms	
30-39	1
<i>Sub-total</i>	1
Single person requiring studio or 1 bedroom	
30-39	2
40-49	1
60-64	1
65 and over	6
<i>Sub-total</i>	10
Total	41

Source: West Dorset District Council

3.3.8 Neighbourhood Plan Survey

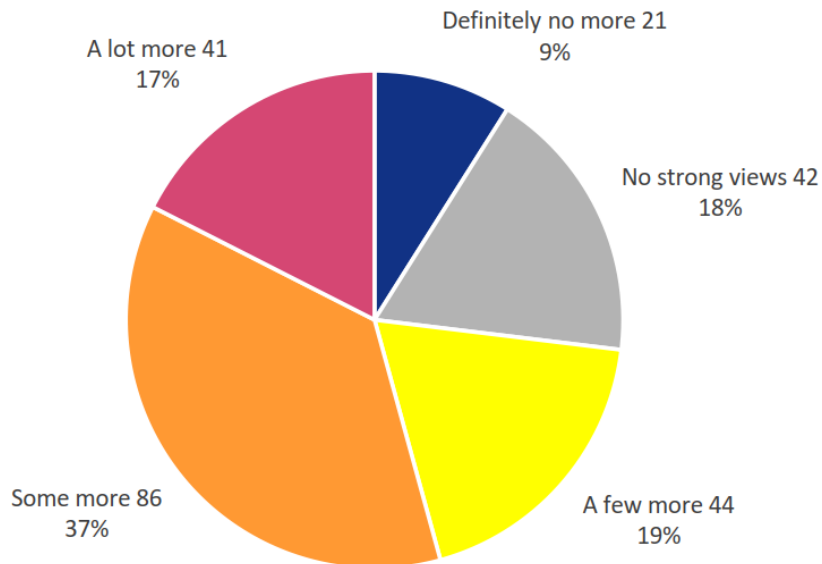
108. WDDC has confirmed that an affordable housing needs survey has not been undertaken for Charmouth; however, Charmouth Parish Council is undertaking a neighbourhood plan survey. Figure 10 on the following page illustrates the results of question 32.2 of the neighbourhood plan survey – Do we need more low cost/affordable homes?

¹⁸ It should be noted that households have the ability to apply for housing in more than one location so it does not explicitly mean that this amount of housing needs to be provided within Charmouth. The data does however indicate the type and size of units in demand within Charmouth.

109. In summary, 41 respondents (17%) believe a lot more low cost/affordable homes are needed whilst 86 respondents (37%) though some more low cost/affordable homes are needed. 21 respondents (9%) didn't think any further low cost/affordable homes are needed.

Figure 10: Results from Neighbourhood Plan Survey, Question 32.3

32.3 Do we need more low cost/affordable homes?



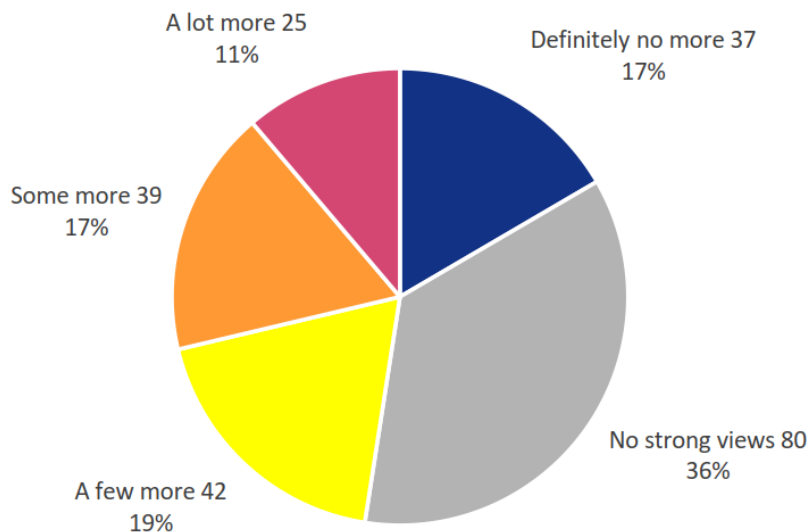
Source: Charmouth Neighbourhood Plan Survey Results 2017

110. Figure 11 below illustrates the results of question 32.10 of the neighbourhood plan survey – Do we need more local authority/housing association/shared equity?

111. In summary, 80 (36%) of the respondents had no strong views on the matter whilst 42 (19%) believe that a few more local authority/housing association/shared equity housing products are needed. 39 respondents (17%) believe some more are required whilst 25 (11%) believe a lot more are required.

Figure 11: Results from Neighbourhood Plan Survey, Question 32.10

32.10 Do we need more Local Authority/Housing Association/Shared Equity?

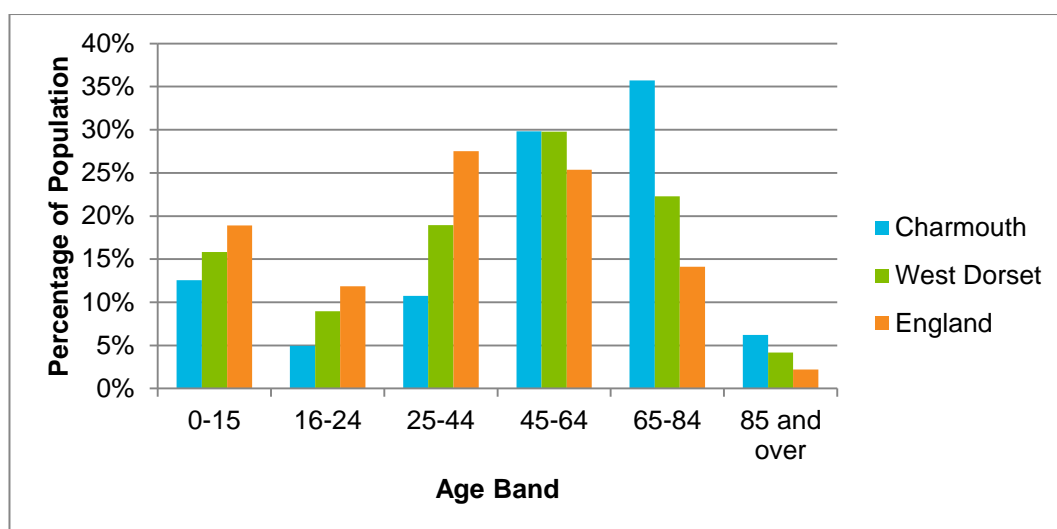


Source: Charmouth Neighbourhood Plan Survey Results 2017

3.3.9 Age Structure

112. Figure 12 sets out the age structure for the Charmouth NPA. The Figure shows that there are comparatively fewer people in the youngest three age groups in the NPA compared to West Dorset and England as a whole. The greatest proportion of the population within the NPA is within the 65-84 year age group (approximately 36%) followed by the 45-64 year age group (30%). The majority of the population within the NPA is therefore over the age of 45 (over 60%).

Figure 12: Age Structure in Charmouth



Source: Census 2011, ONS

113. Table 11 shows the rate of change in the age structure between 2001 and 2011. The Table illustrates that Charmouth has seen a 26.4% decrease in individuals aged between 25-44 and an 8% increase in individuals aged between 45-64, as well as a 7.3% increase in individuals aged between 65-84. There have also been small decreases in individuals aged between 0-15 (-0.6%) and 16-25 (-2.9%).

Table 11: Rate of Change in Age Structure Between 2001 and 2011

Age Group	Charmouth	West Dorset	England
0-15	-0.6%	-3.8%	1.2%
16-24	-2.9%	24.5%	17.2%
25-44	-26.4%	-11.7%	1.4%
45-64	8%	18.5%	15.2%
65-84	7.3%	13.3%	9.1%
85 and over	-2.3%	35.4%	23.7%

Source: ONS

114. Table 12 sets out the population projections for West Dorset. The table illustrates that the largest population increases are expected to occur in the 70-74, 75-79, 80-84, 85-89 and 90+ age groups. The largest increase is expected to occur in the 85-89 age group (80.8%). Decreases are expected to occur in the 45-49 and 50-54 age groups (-22.9% and -22.4% respectively).

Table 12: Population Change in West Dorset between 2014 to 2031 by Five Year Age Bands

Age Group	2014 Population (rounded)	2031 Population (rounded)	Change in Population	% Change from 2011 (rounded)
Under 5	4,400	4,200	-200	-4.5%
5-9	4,800	4,900	100	2.1%
10-14	5,300	6,000	700	13.2%
15-19	5,700	5,800	100	1.8%
20-24	4,000	3,400	-600	-15%
25-29	4,200	3,600	-600	-14.3%
30-34	3,700	3,900	200	5.4%
35-39	4,400	4,700	300	6.8%
40-44	5,700	5,400	-300	-5.3%
45-49	7,000	5,400	-1,600	-22.9%
50-54	7,600	5,900	-1,700	-22.4%
55-59	7,100	6,800	-300	-4.2%
60-64	7,600	8,600	1,000	13.2%
65-69	8,500	9,600	1,100	12.9%
70-74	6,600	8,500	1,900	28.8%
75-79	5,300	7,400	2,100	39.6%
80-84	4,200	7,100	2,900	69%
85-89	2,600	4,700	2,100	80.8%
90+	1,700	3,000	1,300	76.5%
Total	100,500	109,000	8,500	8.5%

Source: ONS - Subnational population projections for England: 2014-based projections

115. Table 13 shows the economic activity of the residents of the Charmouth NPA in 2011. The Table shows that 36.9% are retired which is higher than the proportion in West Dorset (21.2% and England 13.7%). The retired population makes up a significant amount of the economically inactive people which totals 47% in the NPA. 20.1% of the population in Charmouth were in full-time employment which was below the proportion in West Dorset (32.9%).

Table 13: Economic Activity 2011

Economic Activity		Charmouth	West Dorset	England
Economically Active	Total	53%	67.6%	69.9%
	Employee: Full-time	20.1%	32.9%	13.7%
	Employee: Part-time	12.1%	15.5%	38.6%
	Self-employed	17.4%	14.6%	9.8%
	Unemployed	1.9%	2.3%	4.4%
	Full-time student	1.5%	2.3%	3.4%
Economically inactive	Total	47%	32.4%	30.1%
	Retired	36.9%	21.2%	13.7%
	Student	1.9%	3.4%	5.8%
	Looking after home or family	3.2%	3.4%	4.4%
	Long-term sick or disabled	2.7%	2.9%	4.1%
	Other	2.2%	1.5%	2.2%

Source: Census 2011, ONS

3.3.10 Household Composition

116. Table 14 below shows the household composition of the Charmouth NPA in 2011. This shows the NPA has lower levels of dependent children, a high proportion of one person households over 65 and a high proportion of one family households over 65. These proportions are significantly higher than in West Dorset and England.

Table 14: Household Composition 2011

Household Composition		Charmouth	West Dorset	England
One person household	Total	39.1%	31.9%	30.2%
	Aged 65+	25.7%	17.6%	12.4%
	Other	13.4%	14.3%	17.9%
One family only	Total	58.1%	63.5%	61.8%
	Aged 65+	20.9%	13.9%	8.1%
	With no children	18.5%	20.4%	17.6%
	With dependent children	14.8%	21.1%	26.5%
	All children non-dependent	4.0%	8.2%	9.6%
Other household types	Total	2.8%	4.6%	8.0%

Source: Census 2011, ONS

117. Table 15 sets out the change in household composition between 2001 and 2011 in the Charmouth NPA. Over this period, there has been a 7.4% increase in one person households over 65 but a 12.9% decrease in one family households over 65. One family households with non-dependent children has decreased by 30.8% which does not correlate with West Dorset which saw an increase of 24.6% in this household composition over the same period. One family households with no children increased by 18.5%.

Table 15: Change in Household Composition between 2001 and 2011

Household Type		Percentage Change		
		Charmouth	West Dorset	England
One person household	Total	19.8%	14.5%	8.4%
	Aged 65+	7.4%	3.4%	-7.3%
	Other	54.2%	31.8%	22.7%
One family only	Total	-3.4%	6.6%	5.4%
	Aged 65+	-12.9%	0.7%	-2%
	With no children	18.9%	10.7%	7.1%
	With dependent children	-1%	1.2%	5%
	All children non-dependent	-30.8%	24.6%	10.6%
Other household types	Total	-20.8%	20.3%	28.9%

Source: ONS

118. Table 16 on the following page sets out the change in number of persons per room between 2001 and 2011 in the Charmouth NPA and provides a broad indication of the degree of over-crowding in the NPA. From the data, it is clear the great majority of dwellings provide 'surplus' accommodation, with only one household in 2011 living at a density over one person per room.

Table 16: Changes in Number of Persons per Room between 2001 and 2011

Number of Persons	2001		2011	
	Charmouth	West Dorset	Charmouth	West Dorset
Up to 0.5 persons per room	549	31,877	580	35,429
Over 0.5 and up to 1.0 persons per room	107	8,322	100	8,614
Over 1.0 and up to 1.5 persons per room	0	250	1	281
Over 1.5 persons per room	0	61	0	612

Source: ONS

119. Table 17 below sets out the projected household population in 2031 by household type at the district level. The table demonstrates that there will be a 46.9% increase in the lone parent households and a 26.1% increase in one person households. There will also be a 20% increase in couples with no children. Couples with a child or children is only expected to increase by 7.5%. Forecast data for Charmouth is not available but when compared to the historic data set out in Table 15 the data is consistent with the exception of couple with child/children and lone parent which both decreased between 2001 and 2011.

Table 17: Projected Household Population in 2031 by Household Type

Household Type	West Dorset			
	2014	2031	Change in Household Type	% Change in Household Type (rounded)
One Person	14,512	18,313	3,801	26.1%
Couple with no children	15,518	18,625	3,107	20%
Couple with child/children	10,205	10,970	765	7.5%
Lone Parent	3,382	4,967	1,585	46.9%
Other	2,167	2,524	357	16.5%
Total	45,784	55,399	9,615	21%

Source: SHMA Part 2

3.3.11 Affordable Housing Type Allocations

120. Below, we put forward recommendations of how the affordable housing quota should be divided between tenures types based on our analysis of affordability and the emerging policy context at the national level. This envisages a substantial uplift in the level of various forms of intermediate housing, including shared ownership and 'starter homes'. From reviewing the data above, Charmouth has a very low existing supply of intermediate housing products which have decreased since 2001, demonstrating that historically there hasn't been a strong demand for the product. Table 19 below sets out the forecast demand for affordable homes in West Dorset in 2031 and forecasts that only 9.2% intermediate homes would be required across the whole of the District. Policy HOUS1 of the Local Plan states that 35% of housing in new development should be affordable and of this a minimum 70% should be social/affordable rent and a maximum of 30% should be intermediate affordable housing, unless identified local needs indicate that an alternative provision would be appropriate. It is considered that the local Charmouth need is similar to the wider district and therefore the proportion of the type of affordable housing to be provided in the NPA should remain as set out in policy HOUS1.

3.3.12 Market Segmentation

121. Bringing together the evidence from our consideration of affordability, age structure and household composition, in line with PPG, we have sought to identify the different market segments in the population of Charmouth. We then use this understanding to put forward recommendations for policy relating to the size and tenure of dwelling.

122. Table 18 below indicates the different market segments, and the degree to which they are a growing, stable or declining group within the local population. One 'up' arrow indicates this grouping is growing modestly in the NPA; two 'up' arrows indicates strong growth, and three 'up' arrows suggests very rapid growth in years to come. Where segments are falling in numbers, or not growing, neutral or down arrows are shown.

123. It is important to note that, as we have seen, the market is good at picking up growth trends on its own. For this reason, policy intervention is only justified in the case of market failure (where the market is unable to respond to trends, for reasons of viability, or there are incentives, deliberate or otherwise, for it not to do so.). Examples include the failure of the market to provide homes to those on low incomes and the under-supply of dwellings for the elderly.

124. Similarly, because the market has capacity to deliver the homes required for the majority of residents (either through for-sale dwellings or for-rent), policy intervention is likely only required where the evidence is both compelling and the circumstances it describes are serious. This is because policies carry both costs and risks; this can distort the market, preventing it from providing homes (and encouraging a position of market equilibrium in which homes are accessible to target markets).

Table 18: Market Segments Present in the Charmouth NPA

Market Segments	Income Range	Tenure	Presence in Plan Area	Size of Home
Young family where parents are aged 24-44 with two children aged 0-15	Median	PRS, Social housing, Intermediate	↓ ↓	5 rooms
Professional head of household young family where parents are aged 24-44 with two children aged 0-15	Mean	PRS, Intermediate (shared equity and discounted market housing for sale or rent)	↓ ↓	5 rooms
Professional head of household family where parents are aged 44-64 with non-dependent children living at home	>Mean (equity rich)	Market Housing	↑	6+ rooms
Lone parent with two children	Lower Quartile (equity poor)	Social Housing	↑	3 rooms
Solo household aged under 65	Median (equity poor)	PRS, Intermediate (shared equity and discounted market housing for sale or rent)	↑ ↑	2 rooms
Solo household aged over 65 with wealth	Median (equity rich)	Market Housing	↑ ↑ ↑	2-3 rooms
Solo household aged over 65 with little wealth	Lower Quartile (equity poor)	Social Housing	↑ ↑	2 rooms

Market Segments	Income Range	Tenure	Presence in Plan Area	Size of Home
Young couple w/o children aged under 34	>Mean (equity poor)	Market Housing, PRS, Intermediate (shared equity and discounted market housing for sale or rent)	↑	4+ rooms
Concealed households	Lower Quartile (equity poor)	Social Housing	↔	1-3 rooms

Source: AECOM Calculations

125. From this analysis, we can draw the following conclusions:

- In terms of tenure, the predominant beneficiaries of social housing would be lone parents, couples with children, single households and single pensioners on median incomes and below. All of these groups are forecast to grow in number up to 2031, providing a strong rationale for each proposed residential development within Charmouth NPA to provide affordable housing.
- There is also evidence that, in the past, younger people have been leaving Charmouth. One of the reasons for this could be the affordability of accommodation in the area. Providing more affordable housing would help to reverse this trend.
- Market housing, including both Affordable Market Housing, and more expensive properties will be in demand in future years.
- There may be an under-supply of smaller dwellings, particularly those of between two and three rooms. This conclusion is supported by information gathered from the local estate agent, who advises that three bed properties are the most in-demand size of property in the owner and rented markets.
- Within the housing mix, there should be a mix of dwellings but focussing on two to three bedroom units to reflect the average household size in the area. Smaller units may also be more affordable to young families which will help with their retention.

3.3.13 'Starter Homes' and Discounted Market Housing

126. As we have seen, the Housing and Planning Act 2016 (HPA) includes provisions to introduce a general duty on planning authorities in England to promote the supply of 'starter homes,' and a specific duty to require a minimum number or proportion of 'starter homes' on certain residential development sites. At the time of writing, however, the relevant legislative provisions are not yet in force and no specific proportion or minimum has been put forward.

127. The Housing White Paper sheds further light on the government's intentions in this area. It states that, *'in keeping with our approach to deliver a range of affordable homes to buy, rather than a mandatory requirement for 'starter homes,'* we intend to amend the NPPF to introduce a clear policy expectation that housing sites deliver a minimum of 10% affordable home ownership units. It will be for local areas to work with developers to agree an appropriate level of delivery of 'starter homes', alongside other affordable home ownership and rented tenures.

128. This is a substantial watering-down of the 'starter home' requirement as envisaged when policy contained in the Housing and Planning Act was first conceived. In effect, it leaves it up to local groups, including neighbourhood planners, to decide an appropriate level of affordable home ownership products, while taking note of the 10% policy expectation.

129. The decision on whether or not to treat Discounted Market Sale Homes (DMSH) as affordable housing should be determined by whether lowering the asking price of new build homes of a size and type suitable to first time buyers by 20% would bring them within reach of people currently unable to access AMH for sale.

130. As we have seen, AMH in Charmouth is at a price where entry level dwellings are affordable to households with incomes around the median, and above. For this reason, DMSH do offer a realistic means for those on lower incomes to access the property market.
131. On the basis of the evidence we have gathered, we would therefore recommend DMSH forms part of the AH quota within the NPA, with policy seeking to fulfil the 10% policy expectation. We note that 20% is a minimum discount and, of course, greater discounts will make the policy more effective in enabling households on modest incomes to afford to buy their own home. The ultimate level of discount should be arrived at on a site-by-site basis and will be determined by viability as well as other calls on finite resources stemming from planning gain, such as other forms of AH and infrastructure requirements.
132. While the Housing White Paper does not specify scale of development (i.e. number of units proposed), it is appropriate for this to be taken into account when considering how the 10% policy expectation should be applied in practice. When the policy was conceived, it was linked to the notion of rural exception sites, land that would normally not be considered for housing, to bring forward substantial numbers of affordable dwellings where there is evidence of local need.
133. Given the projections for housing need over the Plan Period, it is appropriate for the Neighbourhood Plan to plan for 'Starter Homes' within the overall approach to meeting housing need in the community.

3.3.14 Shared Ownership

134. As we have seen, the shared ownership tenure within the Charmouth NPA decreased between 2001 and 2011. However, as set out in the SHMA Part 2, shared ownership is expected to increase across West Dorset up to 2031. Shared ownership should therefore be considered as a possible ownership option within the Charmouth NPA.
135. Shared ownership involves the purchaser paying an initial share in a property, typically of between 25% and 75%, and paying rent on the share retained by the provider. Shared ownership is flexible in two respects, in the share which can be purchased and in the rent payable on the share retained by the provider. Both of these are variable.
136. The share owned by the leaseholder can be varied by 'stair-casing'¹⁹. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own.
137. Shared ownership constitutes a form of AH, targeting those on incomes around the mean; as such, it is termed 'intermediate' and is available to first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating whose household income does not exceed £60,000. Given these conditions, it is not surprising to see the amount of shared ownership increasing across West Dorset up to 2031. As such, on the basis of the affordability analysis discussed above, shared ownership should form part of the AH mix in the Neighbourhood Plan.

3.3.15 Affordable Rented Dwellings

138. The SHMA Part 2 states '*Affordable Rent is a relatively new product that has been introduced to help fill the gaps that exist in the current housing market. It is a social tenure intended to house households on the Housing Register. It is not an intermediate product, but a new form of social rented accommodation that will coexist with the existing tenure... Affordable Rents can be set at up to 80% of open market rents, implying there is a flexibility as to what they may cost.*'
139. The SHMA Part 2 states in 2014 the Affordable Rent profile within West Dorset was 6,516 and is expected to increase to 8,096 by 2031. This is a predicted increase of 16.4%.
140. Table 19 below reproduces Table 5.19 of the SHMA Part 2, which demonstrates that of those in need of housing, only 27.7% could at present afford Affordable Rent accommodation.

¹⁹ The process of purchasing further shares in the property including up to outright ownership.

Table 19: Size and Type of Affordable Home Required by those in need (per annum) in West Dorset

Product	One Bed	Two Bed	Three Bed	Four Bed	Total (number)	Total (Percentage)
Shared ownership	14	26	8	3	51	7.8%
Discount home ownership	3	3	2	1	9	1.4%
Affordable rent	104	43	19	14	180	27.7%
Social rent/ requires assistance	260	113	25	13	410	63.1%
All households	381	185	54	31	650	100%

Source: SHMA Part 2

141. Commentators have repeatedly raised concerns about Affordable Rented Dwellings not constituting a realistic form of AH given that in many areas it reduces rent to levels that are still beyond the means of the target group, i.e. those on incomes substantially below the mean.
142. For this reason, for ARD to be successful in the NPA, rent levels should be set below 80% so as to offer a realistic option to households on lower quartile incomes.

3.4 RQ3. What tenure of market housing (private rented and housing for sale) should be included in the housing mix?

143. Given the limited quantity of affordable housing in the NPA, the needs of the great majority of people will be served by the market. People on higher incomes will be able to access a variety of market dwellings; their choices will be driven principally by how much they can afford to spend, the extent to which old age is driving their choice of home, and personal taste.
144. As explained previously, the operation of the market is the best means of addressing the demand for different types of housing for sale. It is important planning policy does not place unnecessary burdens on the market preventing its ability to respond to demand; this is, after all, the principal way equilibrium is achieved in the housing market and house price growth is kept in check. In this sense, the notion of viability is essential. It is important not to deter development in the context of clear housing need; to do so will not only frustrate the delivery of new housing by also may deprive the community of resources for infrastructure improvements.
145. Table 20 below reproduces Table 4.3 from the SHMA Part 2 and sets out the forecast change in tenure up to 2031.

Table 20: Tenure of new accommodation required in West Dorset up to 2031

Tenure	Current Tenure Profile	Tenure Profile 2031	Change Required	% of Change Required
Owner-occupied	31,992	38,891	6,899	71.7%
Private rent	7,018	7,941	924	9.6%
Shared Ownership	258	470	212	2.2%
Social rent/ affordable rent	6,516	8,096	1,580	16.4%
Total	45,784	55,399	9,615	100%

Source: SHMA Part 2

146. From this data, the SHMA suggests that the demand for both housing for market sale and housing for private rent will increase up to 2031. However, there will be a significant demand for housing for sale.
147. The Estate Agent also confirmed that there is an insufficient supply of homes to buy or to rent within Charmouth and there is very little affordable housing locally. It is therefore considered the Neighbourhood Plan should prioritise both housing for sale and housing for private rent. The BTR development mentioned below would help meet the demand for private rent housing which arises from the lack of affordable market housing.

3.4.1 Build to Rent

148. Between 2001 and 2011 the private rented sector grew by 45% in West Dorset; this substantial growth is similar to regional trends²⁰. The reasons for the strength of this demand is that, for those households unable to access market housing to buy, and who do not qualify for affordable housing, private rented housing is the only remaining option.
149. Given the trends identified in this HNA, it is considered that Charmouth should seek Build to Rent (BTR) development, which may include an element of affordable housing and is likely to be brought forward by specialist developers funded by institutional investors. This will provide accommodation of consistently higher quality than is available through the traditional small private landlords.
150. As we have seen, the Housing White Paper proposed a number of modifications to the definition of affordable housing for planning purposes. One of these is Affordable Private Rent Housing (APRH), this is housing made available for rent at a level which is at least 20% below local market rent. It is envisaged such housing would be delivered as part of BTR schemes.
151. Bringing the evidence together on housing tenure, as we have seen, affordable market housing in West Dorset is affordable only to households with incomes around the median and above. For this reason, Discounted Market Sale Housing (DMSH) offers a realistic means of those on incomes below the mean to access the property market. We would therefore recommend DMSH for part of the Affordable Housing quota within the NPA, with policy seeking to fulfil the Government's 10% policy expectation. For Affordable Rented Dwellings to expand the choice of housing available to residents in the NPA, rent levels should be set substantially below the maximum of 80% so as to avoid competition with intermediate products. This will encourage 'true affordability', providing a route to housing for households on lower quartile incomes. We note, however, that policy of this kind can only be devised where it does not threaten viability.
152. The operation of the market is the best means of addressing demand for different type of housing for sale. The Private Rented Sector will continue to provide a growing role in satisfying housing need in the NPA, given the overall affordability of for-sale homes. As a result, Charmouth should seek BTR development, which may include an element of affordable housing in the form of Affordable Private Rent Housing.

3.5 RQ4. What **type** (terrace, semi, bungalows, flats and detached) and **size** (number of habitable rooms) of housing is appropriate?

3.5.1 Current Type Profile

153. In order to understand whether the type and size of housing that makes up the current housing stock is suited to the future needs of the community, it is necessary to undertake a review of this stock and, through an analysis of the current and future demography of the neighbourhood, assess whether there are any current or emerging misalignments between the supply of dwellings and forecast need that justifies policy intervention.
154. The table on the following page presents Census data from 2011 that shows the majority of homes are detached, with 42.9% of households occupying this typology, nearly double the rate seen for England as a whole. In contrast, semi-detached houses were the least common. Flats were occupied by 19.3% of households which is rather high in a rural context.

²⁰ SHMA Part 2, page 7.

Table 21: Accommodation type (households) in 2011

Dwelling Type		Charmouth	West Dorset	England
Whole house or bungalow	Detached	42.9%	37.0%	22.4%
	Semi-detached	12.8%	24.1%	31.2%
	Terraced	24.6%	22.6%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	11.7%	11.4%	16.4%
	Parts of a converted or shared house	6.6%	2.7%	3.8%
	In commercial building	1.0%	1.2%	1.0

Source: Census 2011, ONS

155. The number of rooms recorded in the 2011 Census excludes kitchens, bathrooms and toilets. As a result, the number of rooms data in Table 22 below can be translated as follows:

- 1 room – bedsit;
- 2 rooms – flat/house with one bedroom;
- 3 rooms – flat/house with two bedrooms;
- 4 rooms – flat/house with two bedrooms and two reception rooms, or three bedrooms and one reception room;
- 5 rooms – flat/house with three bedrooms and two reception rooms;
- 6 rooms – house with three bedrooms and three reception rooms or four bedrooms and two reception rooms; and
- 7+ rooms – house with four, five or more bedrooms.

156. Table 22 shows a breakdown of the Charmouth NPA housing stock by number of rooms per household. The majority of people in the Charmouth NPA live in houses with four rooms or more (approximately 87%). 50% of households have six rooms or more.

Table 22: Number of Rooms per Household 2011

Number of Rooms	Charmouth 2001	West Dorset 2001	Charmouth 2011	West Dorset 2011
1 room	0	149	0	124
2 rooms	15	552	12	647
3 rooms	70	2,965	75	3,625
4 rooms	123	7,638	101	7,674
5 rooms	138	10,339	146	10,129
6 rooms	116	8,077	112	8,437
7 rooms	80	4,355	114	5,455
8 rooms	116	6,435	68	3,869
9 rooms or more	-	-	53	4,426

Source: ONS

157. Table 23 on the following page shows the rate of change in the number of rooms per household between 2001 and 2011 for the Charmouth NPA, West Dorset and England. It shows that the largest increase was in homes with seven rooms, an increase of 34 houses. There has been a 20% drop in homes with two rooms although this only equates to three houses and a 17.9% decrease in homes with four rooms which equates to 22 houses.

Table 23: Rate of Change in the Number of Rooms per Household between 2001 and 2011

Number of Rooms	Charmouth	West Dorset	England
1 room	0%	-16.8%	-5.2%
2 rooms	-20%	17.2%	24.2%
3 rooms	7.1%	22.3%	20.4%
4 rooms	-17.9%	0.5%	3.5%
5 rooms	5.8%	-2%	-1.8%
6 rooms	-3.4%	4.5%	2.1%
7 rooms	42.5%	25.3%	17.9%
8 rooms or more	4.3%	28.9%	29.8%

Source: ONS

158. Table 24 reproduces Table 4.5 of the SHMA Part 2 which sets out the size of new owner-occupied accommodation required in West Dorset up to 2031.

Table 24: Size of New Owner-Occupied Accommodation required in West Dorset up to 2031

Dwellings Size	Current Size Profile	Size Profile 2031	Change Required	% of Change Required
One bedroom	1,058	1,256	198	2.9%
Two bedrooms	6,974	9,059	2,085	30.2%
Three bedrooms	13,941	16,670	2,729	39.6%
Four or more bedrooms	10,019	11,906	1,888	27.4%
Total	31,992	38,891	6,899	100.0%

Source: SHMA Part 2

159. To understand whether this profile of housing stock is suited to the current and future needs of the community in the Parish, we consider two key indicators: age structure and household composition, and how these are forecast to change over time.

160. From this data which is set out above, it is possible to discern the recommended balance and sizes of dwellings in future. The SHMA suggests that 67% of new accommodation should have three bedrooms or more. However, census data previously presented in this report demonstrates a decline in the number of young people living within Charmouth. An additional observation from demographic shifts is that the phenomenon of the aging population will affect Charmouth more acutely than the surrounding area. Lastly, housing waiting list data as of October 2017 for Charmouth illustrates a need for smaller units across a range of age groups for single persons, couples and families.

161. For these reasons, a greater proportion of new dwellings should be smaller homes of two and three bedrooms to address demand from the increasing numbers of older solo, solo and couple households in the NPA and to help reverse the trend of younger people leaving the area.

162. As such, a mix of accommodation sizes should be brought forward as part of the Neighbourhood Plan. Given the need for smaller dwellings, flats should not be discounted from the dwelling types brought forward. This reflects the demand profile set out in the response received by the local estate agent.

163. Smaller units (i.e. 2 and 3 bedrooms) would be more suited to flats, terraced housing and bungalows whilst larger units (i.e. 4 bedrooms or more) would be more suited to terraced housing, semi-detached and detached houses.

4. Market Signals

165. The PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.

166. The PPG states:

The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.²¹

167. These market signals relate to trends discernible within the housing market, and broader economic trends that have an impact on it.

168. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues:

This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.

In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (eg the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.²²

169. In discussions between CPC and WDDC as to the appropriate levels of market dwellings in the Plan Area it will be necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals:

- Employment trends;
- Housing market (prices);
- Housing market (volume);
- Overcrowding; and
- Rate of development (changes in housing stock).

170. The market signals analysis is featured in Table 32 on page 49. The analysis uses arrows to determine the likely impact upon local housing need. The data is derived from various sources, including census data from 2001 and 2011, as well as land registry data.

4.1.1 Employment and commuting trends

171. Local employment trends can greatly influence housing needs, as employment opportunities can stimulate demand in the plan area. It is therefore important to establish the employment sphere of influence experienced by the residents of Charmouth. In terms of economic activity, it can be noted that a large proportion of the population of Charmouth is economically inactive. The proportion of the population that is economically inactive has remained at 47% between 2001 and 2011. This is significantly higher than inactivity levels for West Dorset and England. A higher dependent population in Charmouth may result in increased strain upon the existing workforce.

172. Charmouth is a small village with a limited amount of services and employment opportunities. It is situated in close proximity and within commutable distance to Bridport, Dorchester, Lyme Regis and Weymouth;

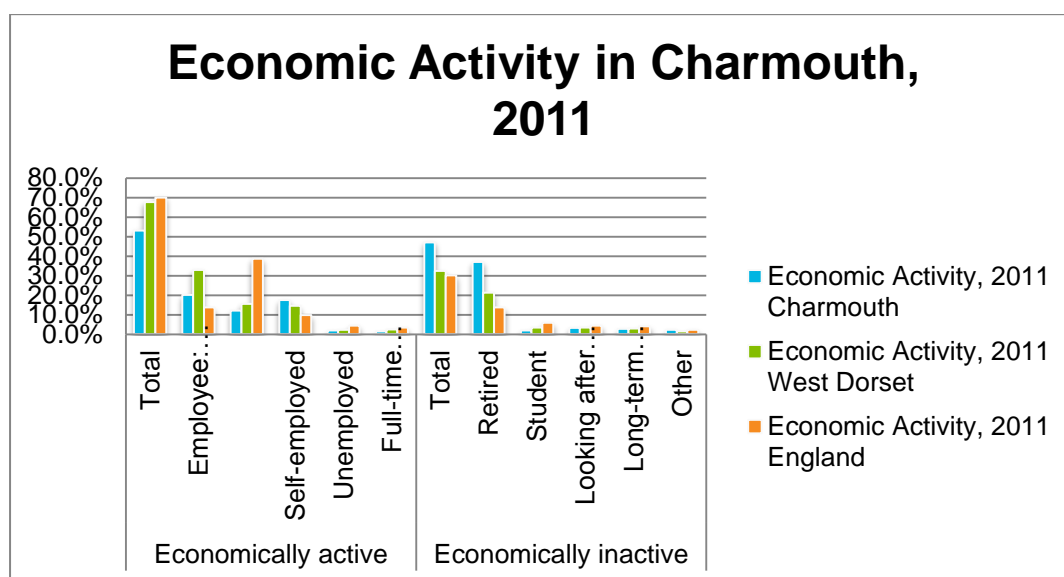
²¹ http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_019

²² http://planningguidance.communities.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_020

however, it should be noted that none of these towns are major employment areas. The nearest cities providing major employment and economic activity areas are Bournemouth and Exeter, which are both located a significant distance away from Charmouth.

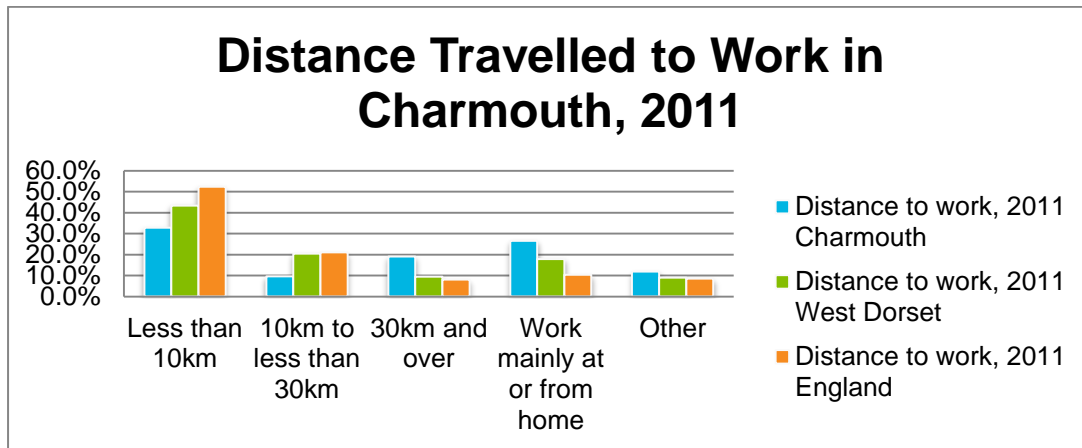
173. Dorset's Local Enterprise Partnership Prospectus (June 2011) (LEP) addresses the different components of Dorset's economy, as well as its challenges and opportunities. The LEP suggests that the area's economy is largely self-contained, with '93% of those employed in Dorset living here'. This suggests that only a small proportion of Dorset's population commutes out of the area for work. The LEP suggests that 26.7% of Dorset's population is of retirement age, which significantly exceeds the national average of 19.5%, and presents a major issue for the existing workforce. The LEP also suggests that there is a '*large, locally focused, small business economy*' in Dorset, indicating that many businesses in the area operate at a local level, reducing the need for commuter travel.
174. The LEP Prospectus sets out a number of objectives for Dorset's economy, including the additional support of small and start-up businesses in the area, and the enhancement of employability and enterprise skills through cooperation with employers and schools. The LEP also seeks to prioritise the improvement of broadband to coastal and rural areas which will work to improve connectivity and opportunities to work from home. Another major objective is to achieve sustainable economic growth in the area. These objectives have potential to strengthen the local economy of remote coastal areas including Charmouth through improving connectivity and supporting local businesses in the area.
175. Of Charmouth's economically active population in 2011, 26% work from home. This level is significantly higher than the regional average for West Dorset and the England average, in which 18% and 11% respectively regularly work from home. In terms of average distance travelled to work, Charmouth residents commute 34.4km to work, compared with an average of 18km for West Dorset and 14.9km for England. In 2001, 19% percent of Charmouth residents regularly worked from home, indicating an increase during the ten year period. However, average distance travelled remained the same during the ten year period.
176. The figures below illustrate these findings for Charmouth.

Figure 13: Economic Activity in Charmouth, 2011 Source: 2011 Census



Source: 2011 Census, ONS

Figure 14: Distance Travelled to Work, 2011 (Charmouth and West Dorset)



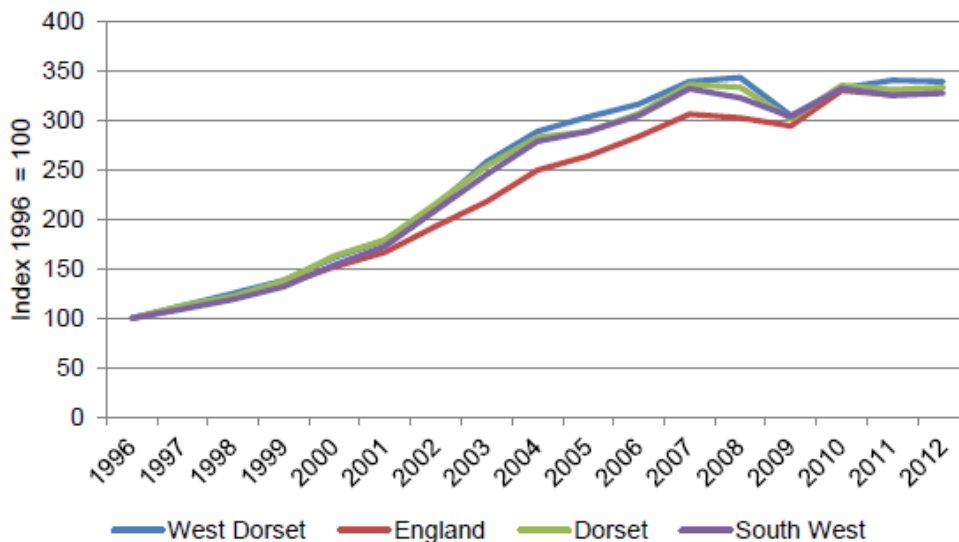
Source: 2011 Census, ONS

4.1.2 Housing Transactions: Prices

177. The PPG advises that house prices should be used as an indication of the strength of demand for housing, and the adequacy of supply to meet demand. The PPG states house prices can be used to provide a 'market-base' enabling: *'the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market 'hotspots', low demand areas and volatility'*.²³

178. Figure 15 below illustrates the yearly mean house prices for West Dorset, Dorset, England and the South West (SHMA Part 1 2014 table 581). It is evident that mean house prices have gradually risen across each area from 1996 to 2012. A decline in house prices was experienced around 2008, a response to the global economic recession. However, since this period, house prices in West Dorset have risen significantly, a likely indication of increased demand for housing in the region.

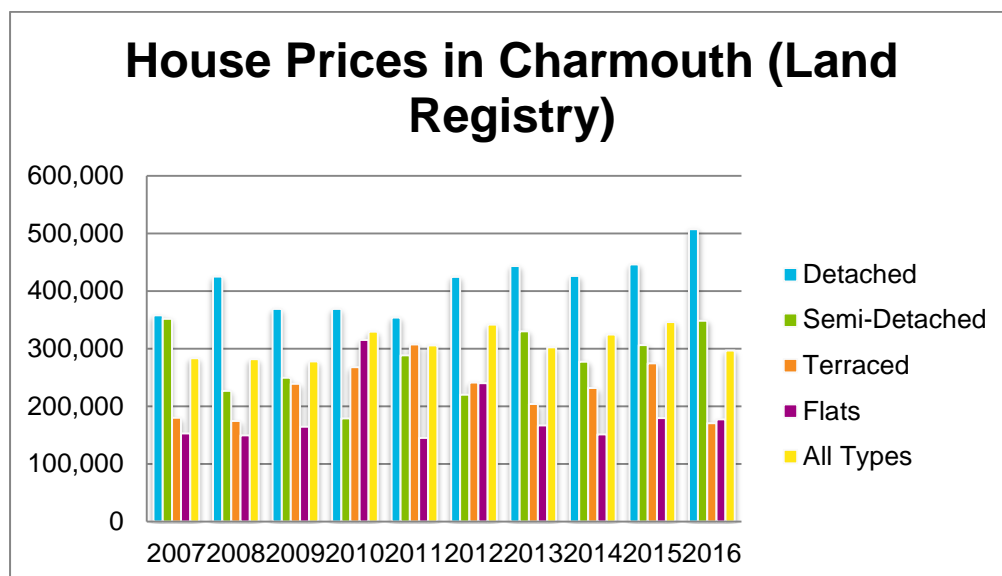
Figure 15: Average House Prices at Local and Regional Levels



Source: SHMA 2014 Part 1

²³Housing and economic development needs assessment PPG, Paragraph: 011 Reference ID: 2a-011-20140306

Figure 16: House Prices in Charmouth



Source: Land Registry

Table 25: Change in House Prices between 2007 and 2016

Dwelling Type	Charmouth	West Dorset
Detached	42%	24%
Semi-detached	-1%	19%
Terraced	-5%	17%
Flats	16%	6%
All Types	5%	18%

Source: Land Registry

179. In comparing Land Registry Price Paid Data (PPD) for period January 2007 to December 2016, it is evident that house prices in Charmouth have fluctuated since 2007. Prices for detached houses have increased gradually since 2014; however overall demand for all housing types has fluctuated since 2007 and reduced from 2015 to 2016. This would indicate frequent changes in demand for housing in Charmouth. Land registry data indicates that overall house prices in Charmouth from 2007 for all housing types grew by 5%. However, overall price growth from 2007 for detached housing has reached 42%. The area has experienced reductions in the prices of semi-detached and terraced houses, a 1% reduction for semi-detached properties and a 5% reduction for terraced housing.

180. This increase in house prices for detached dwellings likely reflects an increase in demand for this particular housing type. This increase in demand should be acknowledged and considered in the delivery of new housing. The small price decrease for semi-detached and terraced housing could be reflective of a reduced demand for these property types in Charmouth, and therefore future housing developments in Charmouth should prioritise other housing types. They should however still form part of the dwelling mix. Despite this, the overall increase in prices for all housing types by 5% reflects a steady increase in demand for housing in Charmouth.

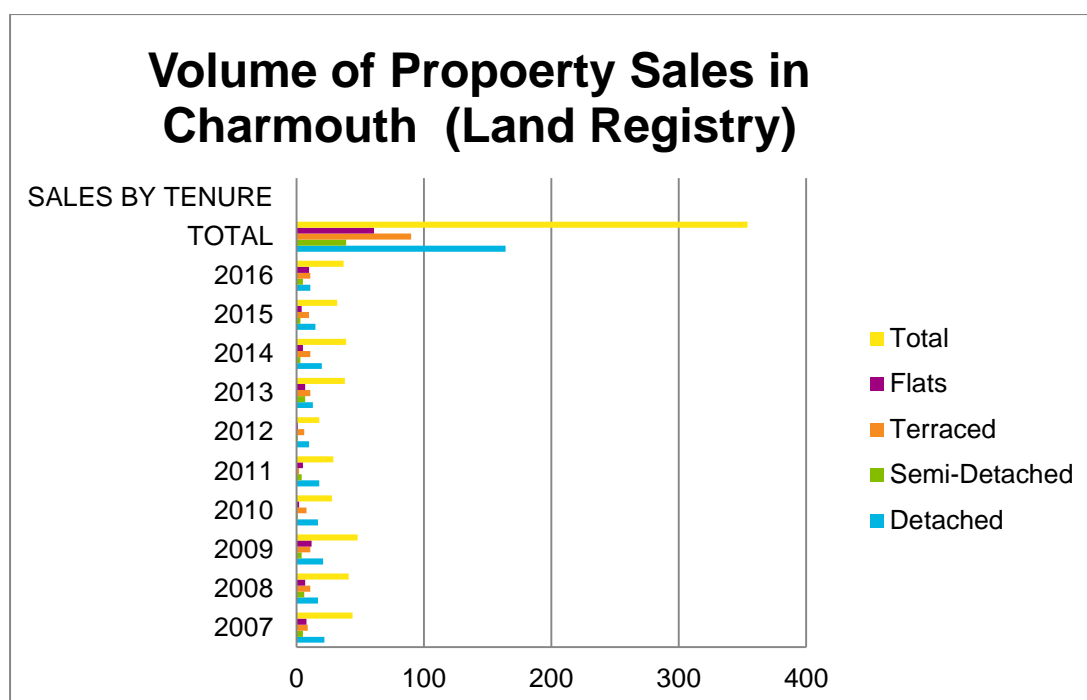
181. Compared to levels of housing price growth in West Dorset, Charmouth has experienced relatively low levels of growth. Charmouth is experiencing significantly higher levels of price growth for detached dwellings in comparison to West Dorset, and significantly lower levels of price growth for semi-detached and terraced housing. This would suggest that there is reduced demand for these housing types in Charmouth when compared to West Dorset (however it should be noted that the price of these housing types in Charmouth is relatively stable dropping -1% and -5% respectively between 2007 and 2016). Many factors could have influenced this disparity, such as a changing population structure, resulting in increasing demand for larger, detached family homes. As a coastal village, Charmouth has different housing needs and

trends in comparison to the wider area of West Dorset. This is perhaps due to its location at the coast, placing the area at a greater distance from centres of economic activity.

4.1.3 Housing Transactions (Volume)

182. Figure 17 and Table 26 below indicate housing sales by volume for the village of Charmouth. The volume of property sales in Charmouth varies by property type. Land Registry data suggests that 164 detached houses were sold in Charmouth between 2007 and 2016, 46% of total housing sales during the period. 90 terraced dwellings were also sold between 2007 and 2016, comprising 25% of total sales within the time period. Of the 354 total dwellings sold between 2007 and 2016, only 61 were flats and 39 semi-detached dwellings, indicating reduced demand for these property types compared to detached and terraced dwellings.

Figure 17: Volume of Property Sales in Charmouth



Source: Land Registry

Table 26: Volume of Property Sales in Charmouth

Dwelling Type	2007	2008	2009	2010	2012	2013	2014	2015	2016	Total	Sales by Tenure	
Detached	22	17	21	17	18	10	13	20	15	11	164	46%
Semi-Detached	5	6	4	1	4	1	7	3	3	5	39	11%
Terraced	9	11	11	8	2	6	11	11	10	11	90	25%
Flats	8	7	12	2	5	1	7	5	4	10	61	17%
Total	44	41	48	28	29	18	38	39	32	37	354	100%

Source: Land Registry

183. Table 27 displays housing stock data for Charmouth and West Dorset. The data suggests that there is a total of 927 dwellings in Charmouth. The data also indicates the amount of detached, semi-detached, terraced housing, along with apartments, shared housing and dwellings in commercial buildings. It is evident that there is a significantly higher number of detached dwellings comparative to other dwelling types in Charmouth. This is also evident across the wider region of West Dorset.

Table 27: Dwelling Types in Charmouth and West Dorset

Dwelling Type		Charmouth	West Dorset
	All	927	49,319
Whole house or bungalow	Detached	398	18,231
	Semi-detached	119	11,902
	Terraced	228	11,148
Flat, maisonette or apartment	Purpose built block of flats or tenement	108	5,616
	Parts of a converted or shared house in commercial building	61	1,331
		9	592

Source: ONS, Census 2011

4.1.4 Migration

184. It is important to consider levels of migration in an area to determine its overall level of housing need. For Charmouth, it is evident that the area experiences relatively low levels of international migration, with 4.2% of Charmouth's non-UK born population residing in the UK for over 10 years. From 2011 census data, 94.9% of Charmouth's population was born in the UK. Similarly, of Charmouth's total population in 2001, 94.8% were born in the UK, suggesting that migration from other countries has not changed significantly. Of Charmouth's non-UK born population, 87.6% have resided in the UK for over 10 years. Compared to the wider area of West Dorset and England, Charmouth experiences significantly less inward international migration.

Table 28: Country of Birth and Length of Residence, Charmouth

Country of birth and length of residence, Charmouth, 2011

Place of Birth	Population Breakdown	Charmouth	West Dorset
Born in the UK	Total	94.9%	94.4%
Born outside the UK	Total	5.1%	5.6%
	EU	1.6%	2.2%
	Other	3.6%	3.4%
Length of residence	Less than 2 years	0.4%	0.6%
	2-5 years	0.1%	0.5%
	5-10 years	0.4%	0.7%
	10 years or more	4.2%	3.8%

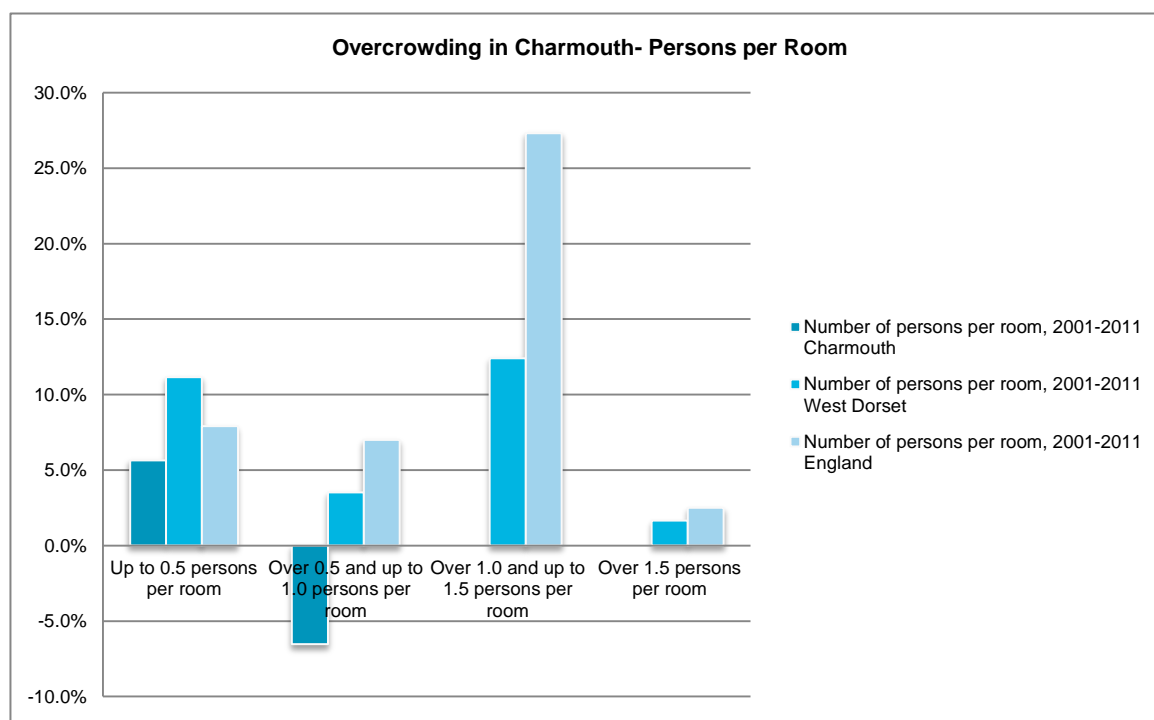
Source: Census 2011, ONS

4.1.5 Overcrowding

185. Another indicator of demand in the housing market is shown by the prevalence of overcrowding in the neighbourhood area. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock; however increased demand does not always result in an increase in supply.

186. Figure 18 and Table 29 below indicate levels of overcrowding in Charmouth between 2001 and 2011. It is evident that there is no evidence of overcrowding in Charmouth during this time period. Compared to averages for West Dorset and England, it can be suggested that Charmouth experiences significantly less overcrowding and smaller overall household sizes.

Figure 18: Overcrowding in Charmouth (Persons per Room)



Source: 2011 Census, ONS

Table 29: Overcrowding in Charmouth (Persons per Room)

Trends in number of persons per room in Charmouth, 2001-2011

Persons per room	Charmouth	West Dorset	England
Up to 0.5 persons per room	5.6%	11.1%	7.9%
Over 0.5 and up to 1.0 persons per room	-6.5%	3.5%	7.0%
Over 1.0 and up to 1.5 persons per room	0.0%	12.4%	27.3%
Over 1.5 persons per room	0.0%	1.6%	2.5%

Source: Census 2011, ONS

4.1.6 Concealed Families

187. A further indicator of unmet housing demand is the presence of concealed families, that is, families who would prefer their own home but are unable, for a variety of reasons, to obtain one, and therefore live with others.

188. The table on the following page displays 2011 census data for concealed families in Charmouth. Of the total of 411 families in Charmouth, the 2011 census has identified only one concealed family, forming only 0.2% of total families in Charmouth. Comparatively, this figure is very low, and would suggest that there is an adequate level of housing in Charmouth in terms of this particular market signal.

Table 30: Concealed Families in Charmouth in 2011

Concealed Families	Charmouth	West Dorset	England
All families: total	411	29,761	14885145
Concealed families: total	1	326	275954
Concealed families as % of total	0.2%	1.1%	1.9%

Source: Census 2011, ONS

4.1.7 Rate of Development

189. The rate of development allows a judgement to be made as to the extent to which the district has been successful in meeting its housing targets; evidence of a shortfall provides prima facie evidence that an increase is required in future years.

190. The 2014 SHMA report for the region indicates housing completions and targets in West Dorset. The figure below (derived from the 2014 SHMA) suggests that housing targets were met and often exceeded from 1997-2007. From 2008- 2011 West Dorset Local Plan annual targets were met, as well as annual housing targets outlined in the Dorset, Bournemouth and Poole Structure Plan (now superseded).

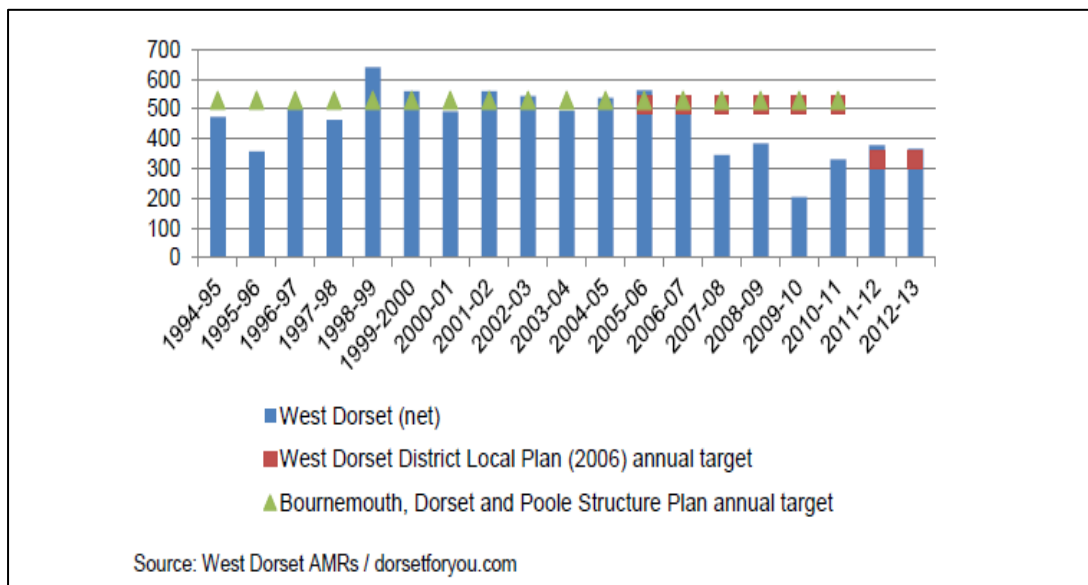
191. The table below is derived from the 2014 SHMA for the West Dorset area; it indicates that between 1994 and 2005, the annual net total for housing required was 510 dwellings, and between 2005- and 2011 the annual net total was 515. Finally, between 2011 and 2016, West Dorset's annual net total for housing was 327 dwellings. Compared to the Local Plan's annual housing targets, housing in West Dorset has fallen short of achieving its housing targets.

Table 31: West Dorset Local Plan Housing Land Supply

Phase	Years	Total dwellings	Annual net total	Annual strategic target	Supply breakdown
Phase 1	1994-2005	5,610 completed	510	529	
Phase 2	2005-2011	3,087	515	529 (565 residual)	<ul style="list-style-type: none"> • 1,048 with permission at 2005 • 654 windfalls • 1,415 allocations • -30 losses
Phase 3	2011-2016	1,635	327	410	<ul style="list-style-type: none"> • 545 windfalls • 1,115 allocations • -25 losses

Source: SHMA 2014 Part 1

Figure 19: West Dorset Housing Completions



Source: SHMA Part 1

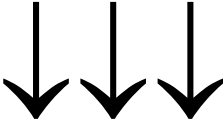
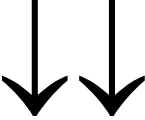


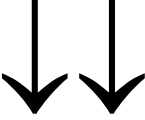
5. Conclusion

5.1 Overview

192. In Table 32 below we provide a summary of the evidence related to market signals. As explained earlier, these are used to make adjustments to the overall housing number for the NPA.

193. To do this we have applied our professional judgement on the scales of increase and decrease associated with each factor on a scale of one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are in alphabetical but no other order.

Table 32: Summary of factors specific to Charmouth NP with a potential impact on neighbourhood plan housing quantity

Factor	Source(s)	Possible impact on future housing need	Rationale for judgement
Concealment	Census Data 2001, 2011		There is little evidence of concealed families in Charmouth, with Census data from 2001 and 2011 indicating a rate of concealment of 0.02% of total families. This rate is proportionally significantly lower than rates for West Dorset and England. Therefore, due to the very low rate of concealment in Charmouth comparative to other areas, this is not seen as a significant indicator of housing need, and three downward arrows are considered appropriate
Employment trends	Census 2001/11, Neighbourhood Statistics/National Archives, SHMA14, SEP15, SHMA15		It is evident that Charmouth has a relatively low economically active population, comparative to activity levels for West Dorset and England between 2001 and 2011. Charmouth has high levels of outward commuting further than 30km per day, comparative to average values for West Dorset and England. This data would indicate that it is unlikely that housing need will increase dramatically. Therefore, two downward arrows are considered most appropriate. This is not suggesting that employment levels will decline; however it is suggesting that, relative to the wider area of West Dorset, the population of Charmouth is less economically active.
Housing Transactions (Price)	PPG, Land Registry Price Paid Data for 2007-2016, UKHPI		Land Registry data for West Dorset suggests that between 1997 and 2016, house prices have risen by 18% for all dwelling types. In Charmouth, housing prices have risen by 5% for all dwelling types, indicating that there is less demand for housing in Charmouth in comparison to the wider area of West Dorset. In real terms, this would indicate that prices have declined, and therefore a downward arrow is considered appropriate.
Housing Transactions (Volume)	Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data,		The housing typologies sold in Charmouth are generally very similar to the levels in the existing stock, with some very minor disparities such as for detached dwellings (3%). In this instance, sales of detached dwellings have exceeded housing stock, and this would indicate high demand for detached dwellings in Charmouth. Therefore, a single upwards arrow is appropriate.
International Migration	Census data 2001, 2011		International migration is not seen as a significant factor in determining housing need given that Census data suggests that migration has been balanced out by natural drops in the population. In addition, Census data from 2001 and 2011 would suggest that the majority of Charmouth's population born outside the UK have resided in the UK for over 10 years, indicating a very settled migrant population. Therefore, two downward arrows are considered appropriate.

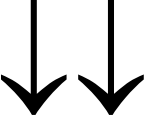

Overcrowding	Census Data 2001, 2011		There has been no evidence of overcrowding between 2001 and 2011 in Charmouth, and no evidence of change over the ten year period. Therefore, this is not considered a significant indicator of housing need, and two downward arrows are considered most appropriate.
Rate of development	SHMA15, Census 2001/2011		The 2014 SHMA suggests that the region of West Dorset has experienced steady housing growth between 1994 and 2011. However, this growth did not meet annual housing targets set by the West Dorset Local Plan. Nevertheless, development in the region of West Dorset remained steady, and this could be reflective of a constant increase in demand for housing across the region. Considering that the region has met its housing targets, a sideways arrow is considered appropriate.

Table 33: Summary of factors specific to Charmouth NP with a potential impact on neighbourhood plan housing type

Factor	Source(s)	Possible Impact on Housing Need	Conclusion
Affordable Housing	SHMA, ONS, West Dorset, Weymouth & Portland Local AMR	<p>The Charmouth NPA is shown to have a Lower Quartile Affordability ratio of approximately 10. As of 2011 71.5% of the tenure within the NPA was market housing.</p> <p>The SHMA highlights that 46.8% of lone parents would not be able to afford market housing and 20.3% of couples with child/children would not be able to afford market housing.</p>	<p>This HNA therefore recommends the increased provision of affordable/ social rent across the Parish, with an additional focus on Shared Ownership/ Starter Homes to reduce entry requirements to the local housing market. The recommended distribution of affordable housing (outlined in detail under Research Question 2) is therefore 70% social/affordable rent and a maximum of 30% intermediate affordable housing.</p>
Demand/Need for smaller dwellings	SHMA, ONS, Estate Agent	<p>The Charmouth NPA has displayed signs of an ageing population between 2001 and 2011, which is projected to increase up to 2031.</p> <p>The majority of dwellings are houses which are predominantly detached (42.9%); only 19.3% of dwellings are flats.</p> <p>Furthermore, 87% of households in the NPA live in houses with four rooms or more and 50% of households have six rooms or more, at an average household size of 1.99. Consequently, the area is deemed to be comparatively under occupied.</p> <p>The estate agent has also confirmed that there is a specific gap in the market for first time buyers and for elderly people looking to downsize.</p>	<p>Demographic trends and rising affordability ratios point conclusively in the direction of smaller homes in an area dominated by detached dwellings which command comparatively high prices. Therefore, the increased provision of 2-3 bedroom units across the NPA is recommended to aid the 'right sizing' of ageing populations and increase the affordability of market entry homes.</p>
Demographic change	SHMA, ONS	<p>The SHMA and DCLG Live Tables indicate the future proportion of those aged over 70 will increase over the plan period. This will exacerbate population trends as Charmouth 25-44 age group had a reduction of 26.4% between 2001 and 2011 and the following age groups are expected to decrease between 2014 and 2031, 20-24 (-15%), 25-29 (-14.3%), 40-44 (-5.3) and 45-49 (-22.9%).</p>	<p>The data highlights that the Neighbourhood Plan should ensure that an ageing population is catered for and it is recommended that the Lifetime Homes Standard is encouraged for all new dwellings.</p>
Family-sized housing	SHMA, ONS	<p>Census data for the Charmouth NPA shows the Parish has lower levels of households with dependent children and an average amount of households with no children when compared to the district.</p> <p>The data also demonstrates the NPA has a higher level of one person households aged 65 and over when compared to the</p>	<p>This HNA recommends the greater provision of 2-3 bedroom units, as well as affordable housing formats outlined in response to Research Question 2, to reduce barriers to home ownership in Charmouth.</p> <p>Furthermore, the recommended tenure (e.g. market housing, private rented, affordable housing) and type of housing (e.g. terraced housing, semi-detached, bungalows, detached, flats) has the dual benefit of</p>

Factor	Source(s)	Possible Impact on Housing Need	Conclusion
		<p>district and England.</p> <p>Furthermore, the reductions in the 0-15, 16-24 and 25-44 age groups between 2001 and 2011 indicate that young families and potential young families have been/could be displaced.</p>	<p>'filtering' existing housing stock by facilitating the 'right sizing' of many asset owning, ageing households (e.g. the provision of smaller units would allow ageing households to move into smaller units releasing their existing large units for occupation by families in need of larger properties).</p>

5.2 Recommendations for next steps

194. This neighbourhood plan housing needs advice has aimed to provide Charmouth Parish Council with evidence on housing trends from a range of sources. We recommend that the Parish Council should, as a next step, discuss the contents and conclusions with West Dorset District Council with a view to agreeing and formulating draft housing policies, taking the following into account during the process:
- Neighbourhood Planning Basic Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted development plan (the West Dorset, Weymouth & Portland Local Plan);
 - the views of West Dorset District Council;
 - the views of local residents;
 - the views of other relevant local stakeholders, including housing developers;
 - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Council, including but not limited to the SHLAA; and
 - the recommendations and findings of this study.
195. As noted previously, recent changes to the planning system, including forthcoming changes to the National Planning Policy Framework as well as the implementation of the Housing and Planning Act 2016, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
196. This advice note has been provided in good faith by AECOM consultants on the basis of housing data current at the time of writing (alongside other relevant and available information).
197. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the District Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
198. Most obviously, this includes monitoring the status of the review of the Local Plan which West Dorset District Council has commenced alongside Weymouth & Portland Borough Council.
199. At the same time, monitoring ongoing demographic or other trends in the factors summarised in Tables 32 and 33 would be particularly valuable.

