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Strategic Housing Market Assessment

Winchester District

Iceni Projects Limited on behalf of
Winchester City Council

ICENI PROJECTS LIMITED
ON BEHALF OF
WINCHESTER CITY
COUNCIL

February 2020

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Strategic Housing

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1. INTRODUCTION

1.1 Winchester City Council have commissioned Icen Projects to prepare a Strategic Housing Market Assessment (“SHMA”) which will form a key part of the evidence to support the new Winchester Local Plan which looks ahead over the period from 2016 to 2036.

1.2 Following the adoption of the Winchester Core Strategy (Local Plan Part 1) in 2013, there have been a number of significant shifts in the underlying planning and housing policy landscape. It is against this context, and the need for up-to-date evidence to inform and support policies within the new local plan, that Winchester City Council has commissioned preparation of a new SHMA.

1.3 The SHMA is an assessment of need for Winchester District as a whole and for three core sub-areas; however, separately it also incorporates an assessment of need which deals specifically with the area of the District which falls within the South Downs National Park.

1.4 This SHMA will provide the Council with a clear understanding of:

- The need for affordable housing (and the relative need for different types of housing within this definition, consistent with the National Planning Policy Framework);
- The need for different types (tenures and sizes) of housing;
- The housing need of specific groups including older persons, younger people, families, service families and students; and
- The need to provide for emerging housing market segments including Self-Build housing and Build to Rent.

1.5 A separate report, ‘Future Local Housing Need and Population Profile Assessment’ (January 2020), has been prepared by Icen and Cambridge Econometrics which considers the level of local housing need based on the Government’s standard method; as well as the demographic implications of delivering the anticipated housing need looking ahead to 2036. An overview of this report is set out in Section 3 which deals with the demographic baseline.

Housing Sub-Markets within Winchester District

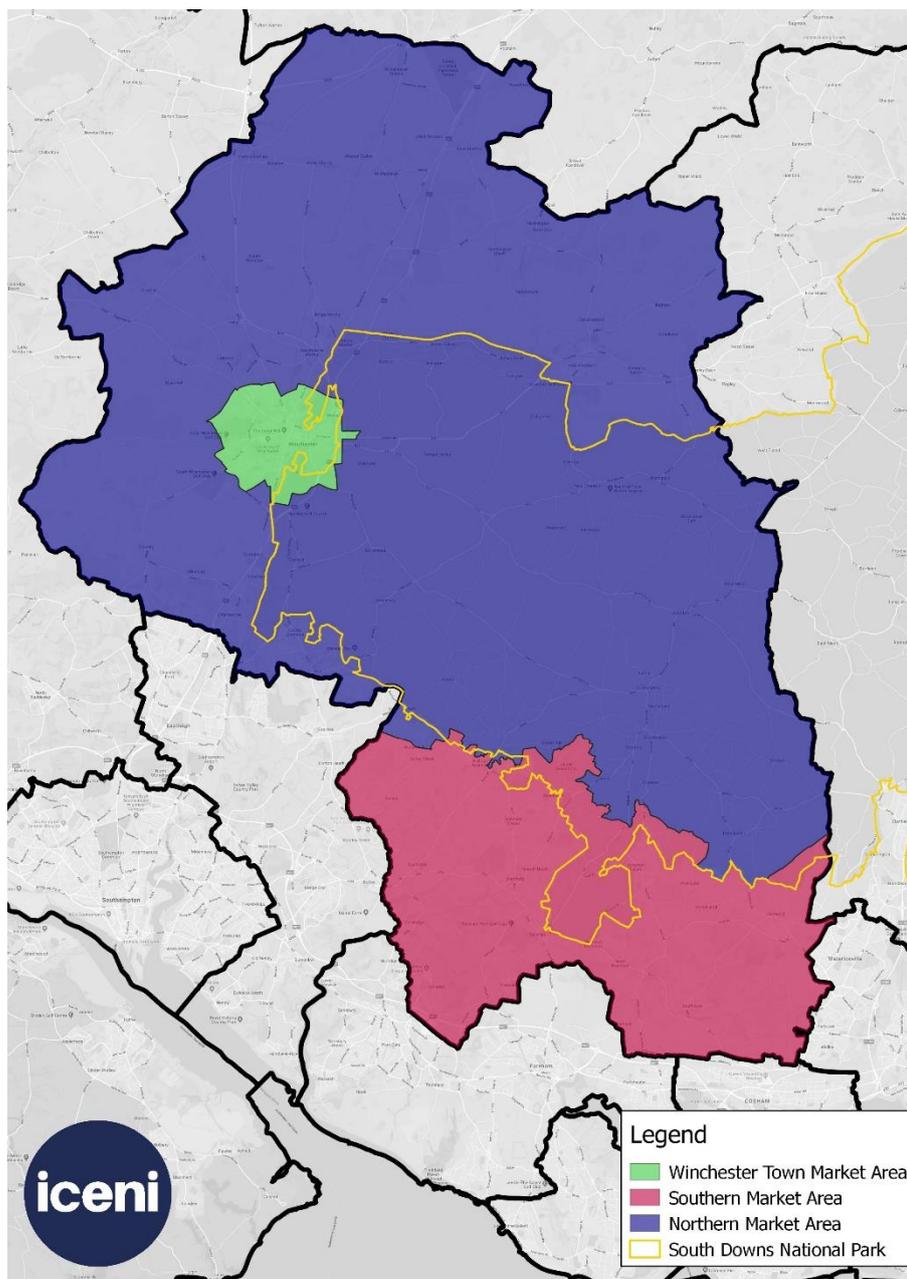
1.6 Icen has undertaken a review to address issues regarding the spatial inter-relationships between Winchester and surrounding areas with a view to considering what the relevant housing market geographies and sub-markets are to inform the preparation of this SHMA. This standalone technical paper is set out in Appendix A1.

1.7 The technical paper has identified a number of different housing sub-markets which demonstrate different characteristics which are reflected in our assessment of the different types and sizes of housing needed within different parts of Winchester District. Three sub-markets have been identified and are as follows:

- The Northern Sub-Area;
- The Southern Sub-Area; and
- Winchester Town Sub-Area.

1.8 These three areas (referred to throughout the SHMA as the sub-areas) have been identified based principally on differences in the housing offer, house price dynamics, commuting flows and migration flows. Further detailed justification is set out in Appendix A1. The Figure below shows the housing market area and sub-market geography spatially.

Figure 1.1: Winchester Sub-Market Geography



Source: Icen Mapping

Structure of the Report

1.9 The remainder of this report is structured as follows:

- Section 2: Planning Policy Context
- Section 3: Housing Offer and Market Dynamics
- Section 4: The Demographic Baseline
- Section 5: Affordable Housing Need

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- Section 6: The Needs of Older Persons & Those with Disabilities
 - Section 7: The Needs of Different Groups within the Population
 - Section 8: The Need for Different Sizes of Homes
 - Section 9: Emerging Market Segments
 - Section 10: Draft Conclusions and Recommendations

2. PLANNING POLICY CONTEXT

2.1 This section sets out an overview of the key national planning policy and guidance underpinning the preparation of this housing market assessment.

National Planning Policy Framework (February 2019)

2.1 The latest version of the National Planning Policy Framework (“the Framework”) was published by Government on 19th February 2019. The Framework (paragraph 7) states that the purpose of planning is to contribute to the achievement of sustainable development. It states (paragraph 9) that planning policies and decisions should play an active role in guiding development towards sustainable solutions, but in doing so should take local circumstances into account, to reflect the character, needs and opportunities of each area.

2.2 Accordingly, plans should apply a presumption in favour of sustainable development and for plan-making, this means that plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change and strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring authorities, where it is sustainable to do so (paragraph 11).

2.3 The development plan must include strategic policies to address each local planning authority’s priorities for the development and use of land in its area. These policies can be contained in joint or individual local plans.

2.4 In order to support the Government’s objective of significantly boosting the supply of homes, the Framework (paragraph 59) states it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.

2.5 The Framework (paragraph 60) sets out that in order to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.

2.6 The Framework (paragraph 61) is also clear that within this context, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, people who rent their homes and people wishing to commission or build their own homes. This paragraph of the Framework also refers to ‘travellers’, who are part of the overall housing requirement but whose needs should be assessed in accordance

with the Planning Policy for Traveller Sites (Framework footnote 25). In view of the particular needs of travellers, a separate Gypsy and Traveller Accommodation Needs Assessment (GTAA) has been commissioned to assess the need for traveller accommodation over the Plan period. The Framework's Glossary (Annex 2) provides an updated definition of affordable housing; as well as definitions of Build to Rent development, local housing need, older people; and self-build and custom housebuilding.

Planning Practice Guidance

- 2.7 The Planning Practice Guidance on housing needs assessments states¹ that authorities will need to consider how the needs of individual groups can be addressed within the overall need established. The need for particular sizes, types and tenures of homes as well as the housing needs of particular groups should be considered separately. There is specific PPG on *self-build and custom housebuilding* and PPG on *Build to Rent* which should be taken into account in doing so.
- 2.8 In June 2019, new PPG on *housing for older and disabled people* was published which provides guidance for authorities preparing policies on housing for this specific group. This PPG provides an overview of the evidence which can be utilised in assessing older person's needs; the different types of specialist housing available and the requirements for accessible housing – this should also be taken into account in assessing the needs of specific groups.

¹ Paragraph: 010 Reference ID: 2a-010-20190220

3. HOUSING OFFER AND MARKET DYNAMICS

- 3.1 An important building block for considering what housing needs to be delivered in the future is to understand the existing housing offer (by type, tenure and size) and how the mix of properties varies between tenures. In recognising that the majority of the housing stock in 2036 will be that which already exists today, we have profiled in this section the current housing offer, and housing supply trends.

Housing Offer

Tenure Profile

- 3.2 At the point of the 2011 Census, the City of Winchester District (“Winchester District”) had a tenure profile which varied notably between Winchester Town and the northern and southern areas of the District. Aligning more so with the county of Hampshire as a whole, the northern and southern areas of the District had a higher proportion of home ownership at around 75% whereas home ownership in Winchester Town was much lower at 56%.

Table 3.1 Tenure Profile by Households, 2011

Area	Owned	Social Rented	Private Rented
Northern Area	77%	10%	12%
Southern Area	76%	11%	13%
Winchester Town	56%	26%	18%
District	70%	16%	14%
Hampshire	73%	14%	13%
South East	69%	14%	17%
England	65%	18%	17%

Source: Census 2011

- 3.3 Conversely, the proportion of social renters in Winchester Town sub-area is notably higher than other sub-areas of the District as well as the wider comparators. At the point of the 2011 Census, over a quarter (26%) of all households in the Town were in the social rented sector. The proportion of households in the private rented sector in the Town was marginally higher than the regional and national average.
- 3.4 The Regulator of Social Housing provides a summary overview of affordable housing owned or part owned by Registered Providers. There are currently 28 registered providers with properties in Winchester District. As shown in the Table below, there were around 2,350 general needs properties in the District, almost all of which are self-contained. The evidence points to around a further 420 low

cost home ownership homes, which includes shared ownership and shared equity homes. In addition, there are around 240 properties targeted at older persons housing needs².

Table 3.2 The Profile of Existing Affordable Homes in Winchester, 2019

	Homes
General Needs, Self-Contained	2,347
General Needs Non-Self-Contained	6
General Needs	2,353
Supported Housing	198
Housing for Older People	238
Low Cost Home Ownership	418

Source: Regulator of Social Housing, 2019

Households by Sizes and Types

- 3.5 Turning to the size profile of households, Census data shows again draws out clear differences across the District's sub-areas as well as with wider comparators. The proportion of 1-bedroom properties at only 7% and 8% in the northern and southern areas of the District is below the county, regional and national average whereas there is a notably higher proportion in Winchester Town.

Table 3.3 Number of Bedrooms by Households, 2011

Area	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Northern Sub-Area	7%	20%	36%	38%
Southern Sub-Area	8%	21%	37%	33%
Winchester Town Sub-Area	17%	27%	31%	25%
District	11%	23%	34%	32%
Hampshire	10%	24%	41%	25%
South East	12%	26%	39%	23%
England	12%	28%	41%	19%

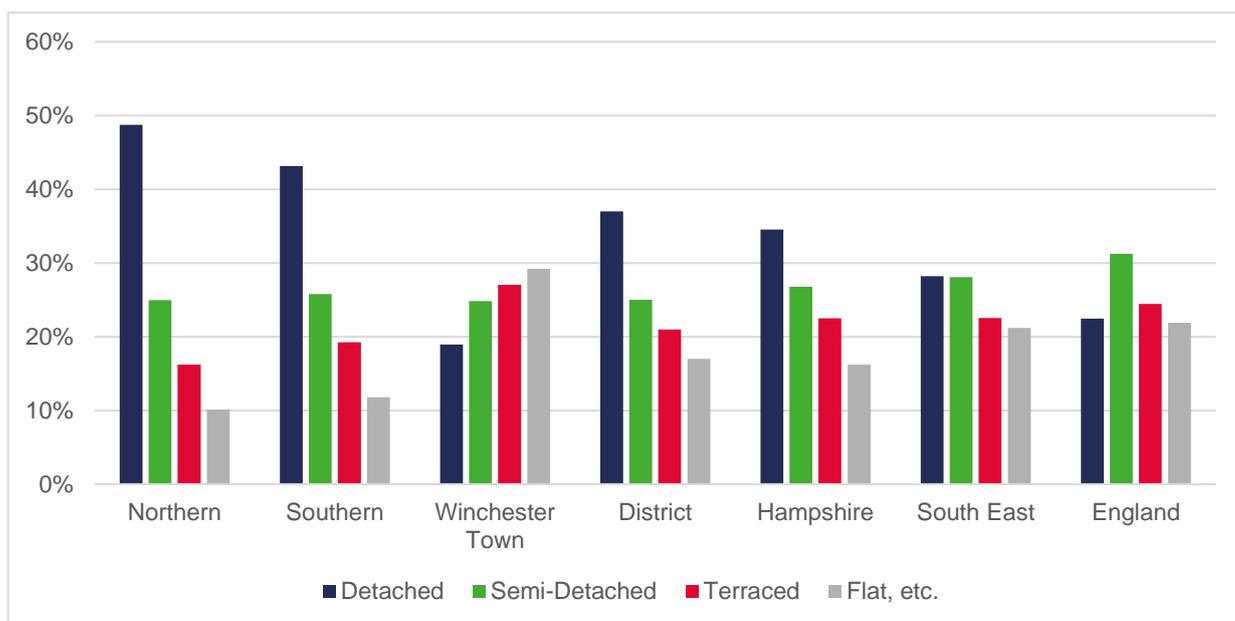
Source: Census 2011

- 3.6 In the northern and southern sub-areas, there is clearly a focus towards larger properties, particularly properties with 4 or more bedrooms. As a proportion between 33% to 38% of all households, the number of 4 or more-bedroom properties exceeds the county, regional and national average by some margin.

² Properties made available exclusively to older people and that fully meet the definition of supported housing specified in the Welfare Reform and Work Act (2016) and regulations made under it.

3.7 The Figure below puts this into perspective with the proportion of detached properties representing 49% and 43% of all households in the northern sub-area and southern sub-area respectively. In Winchester Town, flats account for 29% of all households, with the proportion of detached representing only 19% of the profile of stock. Notably, the share of flatted stock is higher than the county, regional and national comparable figures in Winchester Town.

Figure 3.1 Households by Type, 2011



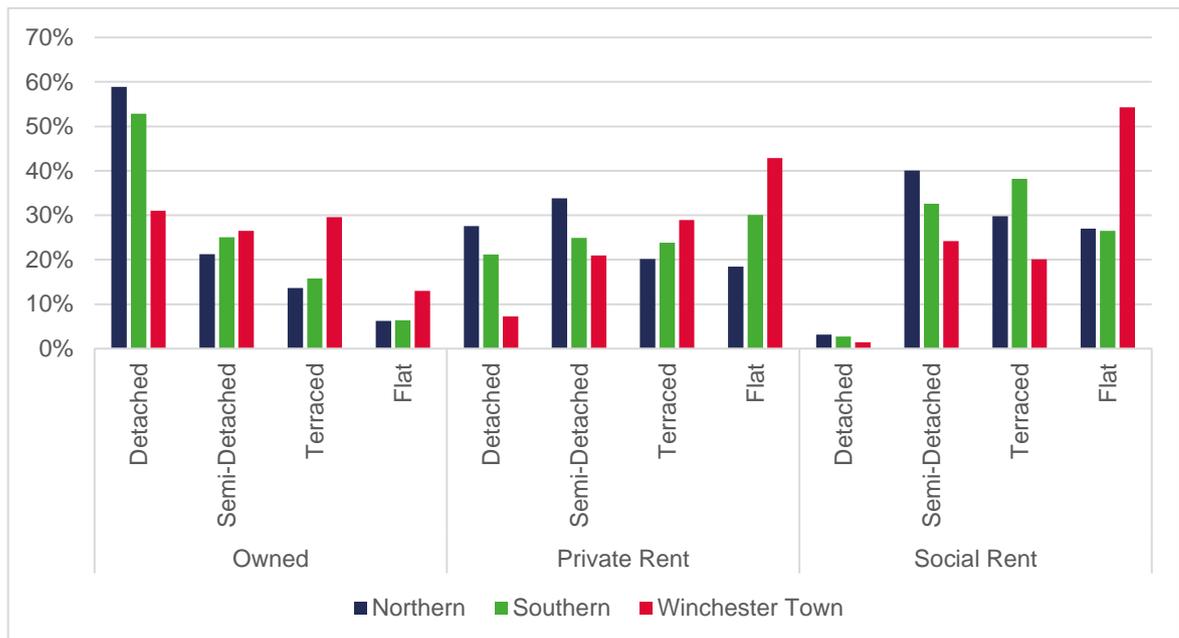
Source: Census 2011

3.8 Turning to look at household types in more detail across the sub-areas, the Figure below breaks down the profile of each area by tenure as at 2011. As the analysis shows, the profile of household types by tenure varies greatly across the District.

3.9 In the northern sub-area, the owner-occupier sector is dominated by detached dwellings with this type representing 59% of all households; with the addition of semi-detached properties increasing the proportion of non-terraced housing to 80% of all households. In the southern sub-area, a similar profile is clear for owner-occupiers with non-terraced housing representing 78% of all households. Conversely, non-terraced housing represents only 57% of the homeowner market in the Town.

3.10 In the rental sectors, flatted development in Winchester Town accounts for 43% and 54% of all households in the private and rented sectors respectively. This differs greatly with the northern sub-area, where semi-detached homes account for the largest proportion of households in both sectors.

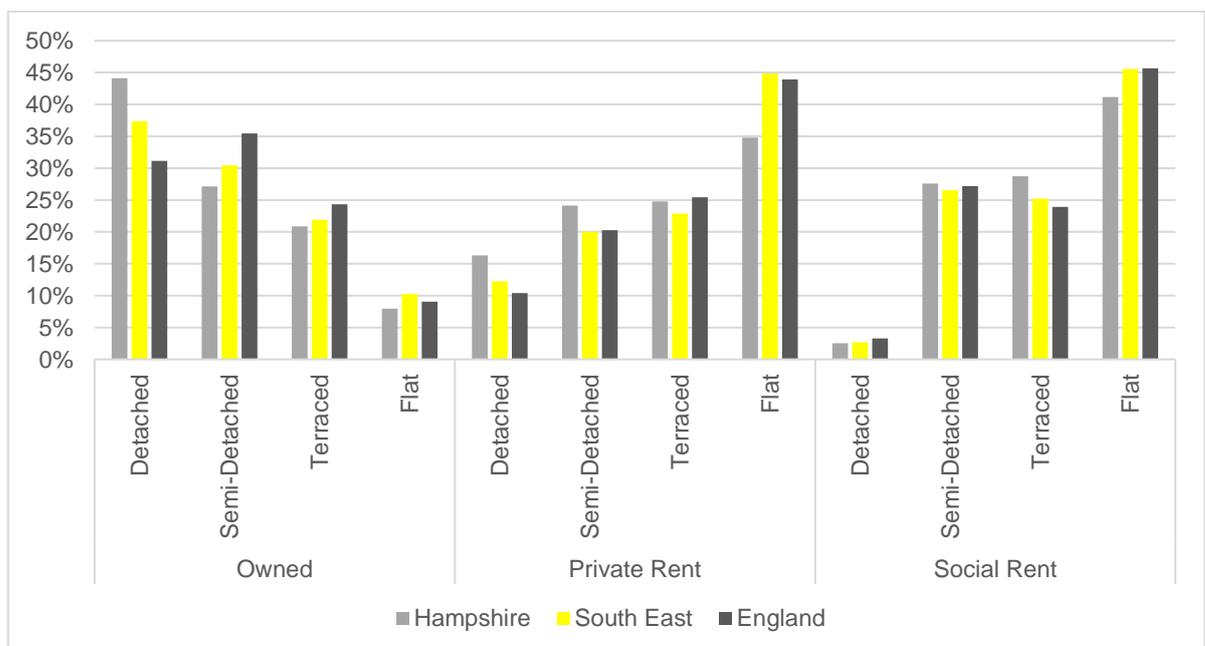
Figure 3.2: Households in Winchester District by Tenure and Type, 2011



Source: Census 2011

3.11 There is a higher proportion of flatted development in the private rented sector in the southern sub-area at 30%; and terraced housing is the most common in the social rented sector at 38%. There is a relatively low proportion of flats in the social and private rented sector compared to the wider comparatives, and a higher proportion of detached housing.

Figure 3.4: Households in Hampshire, South East and England by Tenure and Type, 2011



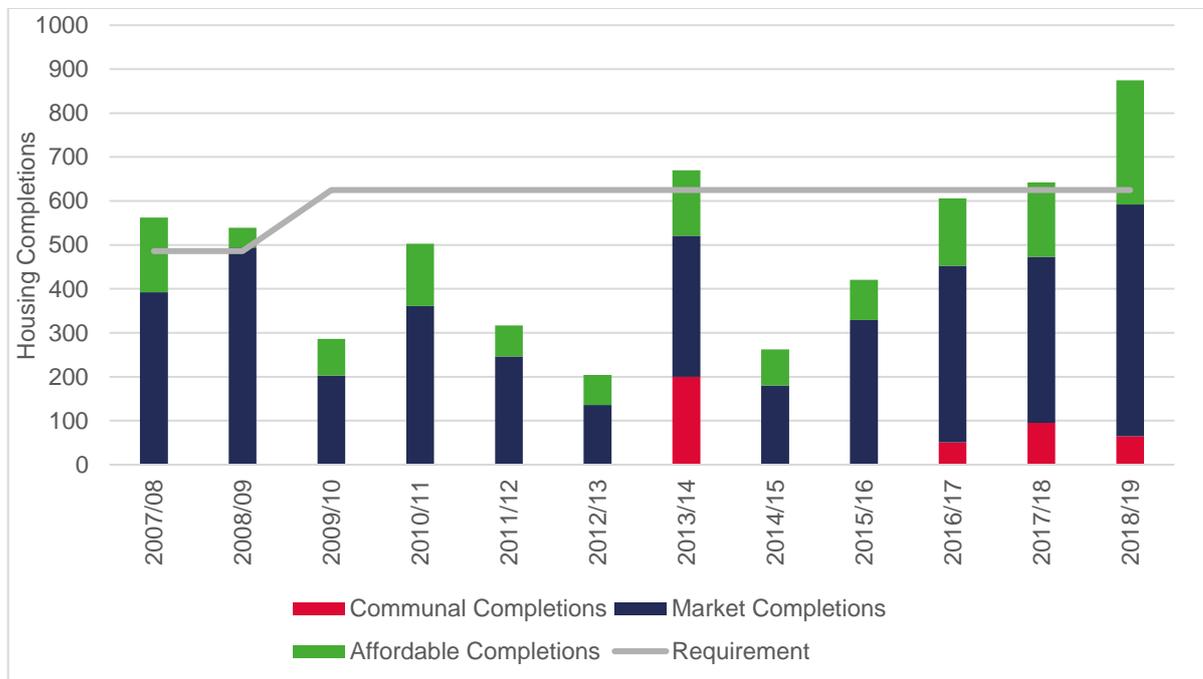
Source: Census 2011

Housing Supply Trends

Housing Completions

- 3.12 IcenI has examined housing completions data for Winchester District dating back to 2007/08. The Figure below shows the net housing completions within Winchester from 2007/08 to 2017/18 compared to housing targets as set out in the Authority Monitoring Report. The housing target for the period 2007/08 to 2010/11 reflects the Structure Plan requirement of 486 homes per annum. The housing target for the period 2010/11 to 2017/18 reflects the annual average Winchester Core Strategy requirement of 625 homes per annum, although the Local Plan housing trajectory anticipates a lower level of completions in the early years of the Plan.

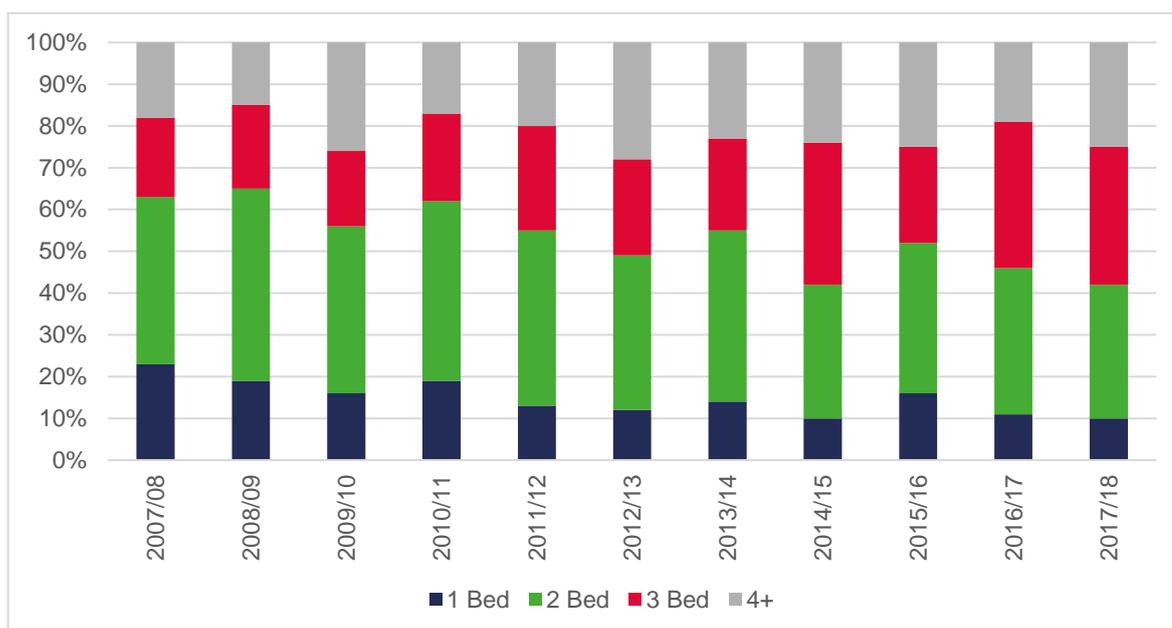
Figure 3.5: Housing Completions vs. Requirement



Source: Winchester Annual Monitoring Reports

- 3.13 The Figure highlights that delivery has fluctuated for the majority of the last decade; however, since 2014/15 delivery of housing has increased significantly year-on-year; including the absolute number of affordable housing completions. In 2015/16, housing completions reached 421 for the year, rising to 875 completions in 2018/19. The number of affordable homes has also increased over the last 5 years; with 283 affordable homes delivered last year.

Figure 3.6: Housing Completions by Size, 2007/08-2017/18



Source: Winchester Annual Monitoring Reports

3.14 The Figure above shows that the highest proportion of housing completions have been 2-bedroom properties over the last decade, with delivery of this size accounting for 39% of all completions on average. Combined, the proportion of larger family housing of 3 and 4 bedrooms accounted for 47% of completions on average. The delivery of 3-bedroom homes as a proportion of all completions has risen over this period; whilst the proportion of smaller properties has fallen when taken as a whole.

House Prices

3.15 The median house price in Winchester was £410,000 at the year ending March 2019, which is around 27% above the South East equivalent at £322,000 and 33% above the national figure at £240,000. The median house price in Winchester notably exceeds those across Hampshire as a whole.

Table 3.4 House Prices in Winchester District

Area	Median	Mean	Lower Quartile
Winchester District	£410,000	£497,415	£295,000
Hampshire	£315,000	£360,904	£240,000
South East	£322,000	£382,092	£240,000
England	£240,000	£303,006	£158,000

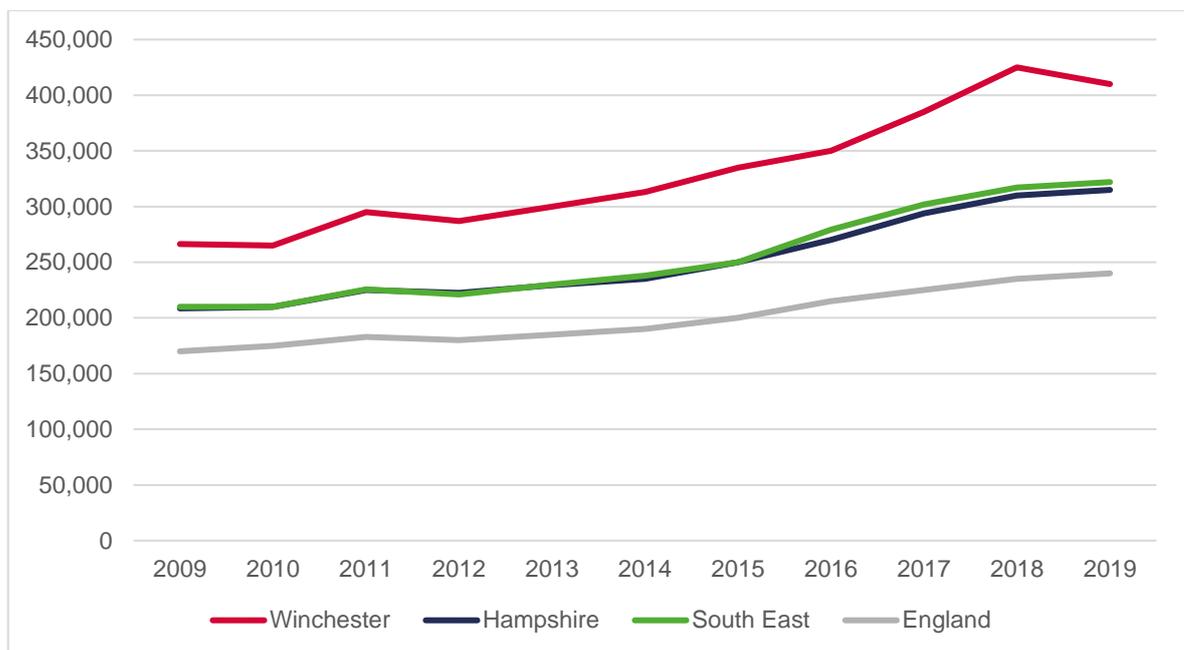
Source: ONS, House price statistics for small areas in England, year ending March 2019

3.16 Over the last decade, median prices in Winchester District increased from around £266,250 to around £410,000 – an increase of around £143,750 equal to 54%. This represents annual house price growth of 4.4% per annum over the 10-year period. House prices rose at a faster rate in Winchester District over the period from 2014 to 2018 in comparison to Hampshire, the South East

and England but have fallen over the last year, which is in line with the trend seen in London and other parts of the South East as a result of the ongoing political uncertainty and affordability pressures.

- 3.17 Over the 2009 to 2019 period, the median house price across the South East rose by £106,448 equal to 4.2% growth per annum; and across England prices increased by £70,000 equal to 3.5% growth per annum.

Figure 3.7: Median House Price Trends, 2009 to 2019

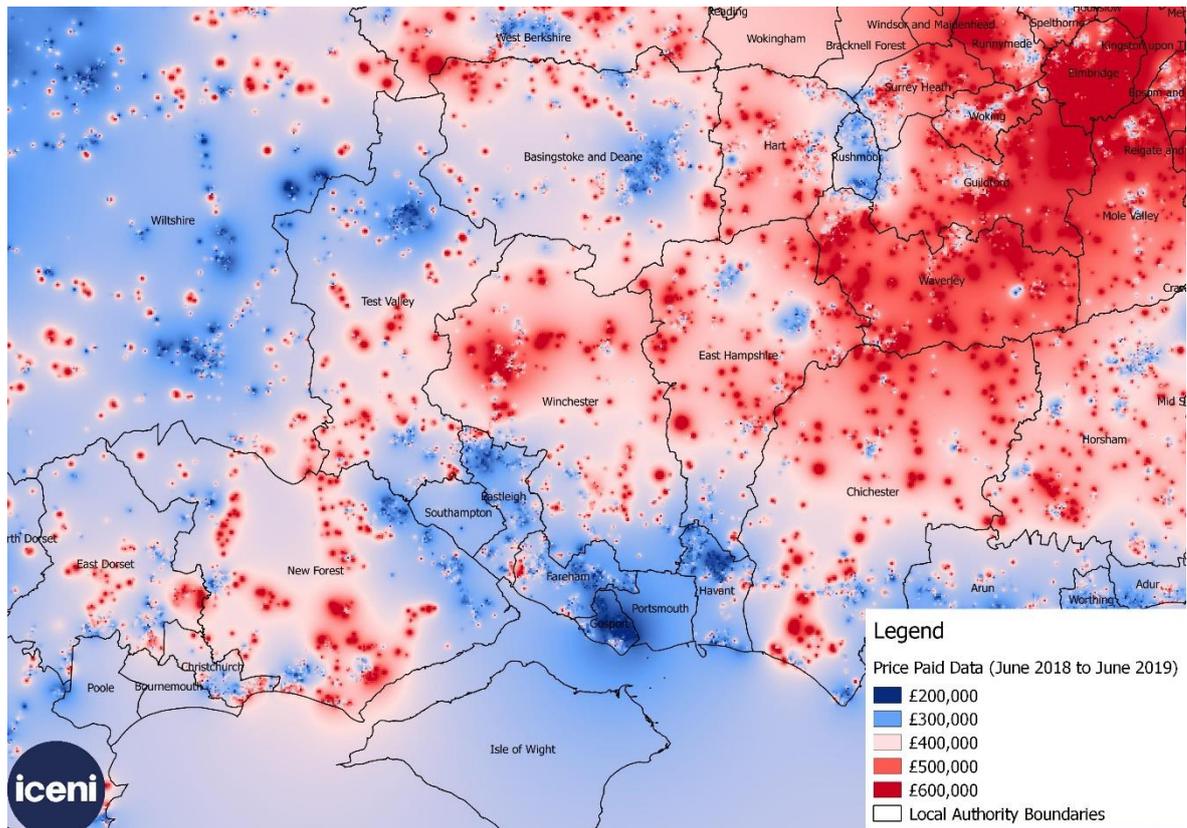


Source: ONS, House Price Statistics for Small Areas in England and Wales, Year Ending March 2019

- 3.18 Reflecting the economic backdrop, trends in house prices since 2007 have understandably been very different. It is clear that Winchester District experienced a fall in median house prices between 2009 and 2010 reflecting the economic downturn. House price growth remained modest between 2010 and 2013, with levels of housing market activity subdued.
- 3.19 However, with improving economic performance, increased access to mortgage finance and Government support (such as through the Help-to-Buy scheme) the market began to recover more strongly from 2013 onwards. The house price growth over this period in Winchester District has been particularly strong in comparison to Hampshire, the South East and England, although there has been a fall since 2018.
- 3.20 Between 2012 and 2018, median house prices in Winchester District grew by 42%; whilst median prices fell by 2% between 2018 and 2019. It needs to be borne in mind however that median house prices are influenced by the mix of properties sold. It is therefore instructive to assess house prices by profile of sales in the District.

3.21 At a more local level, we find an urban / rural distinction in house prices which is influenced by differences in the housing stock and profile of sales (with higher sales of larger, more expensive homes in rural areas) as well as an influence of 'quality of place' on house prices. The Figure below also makes clear that prices in the Northern sub-market and Town are higher than in the Southern sub-market.

Figure 3.8: Median House Prices, 2018 to 2019³



Source: HM Land Registry, 2019

3.22 It is clear that around the Winchester Town sub-area, house prices fall within the £400,000 to £600,000 range. In comparison, the southern sub-area in the District demonstrates a variance in house prices, with areas surrounding Southwick, Knowle, Whiteley and Denmead displaying lower prices similar to the ranges in the Partnership for South Hampshire authorities; with ranges between £200,000 and £300,000.

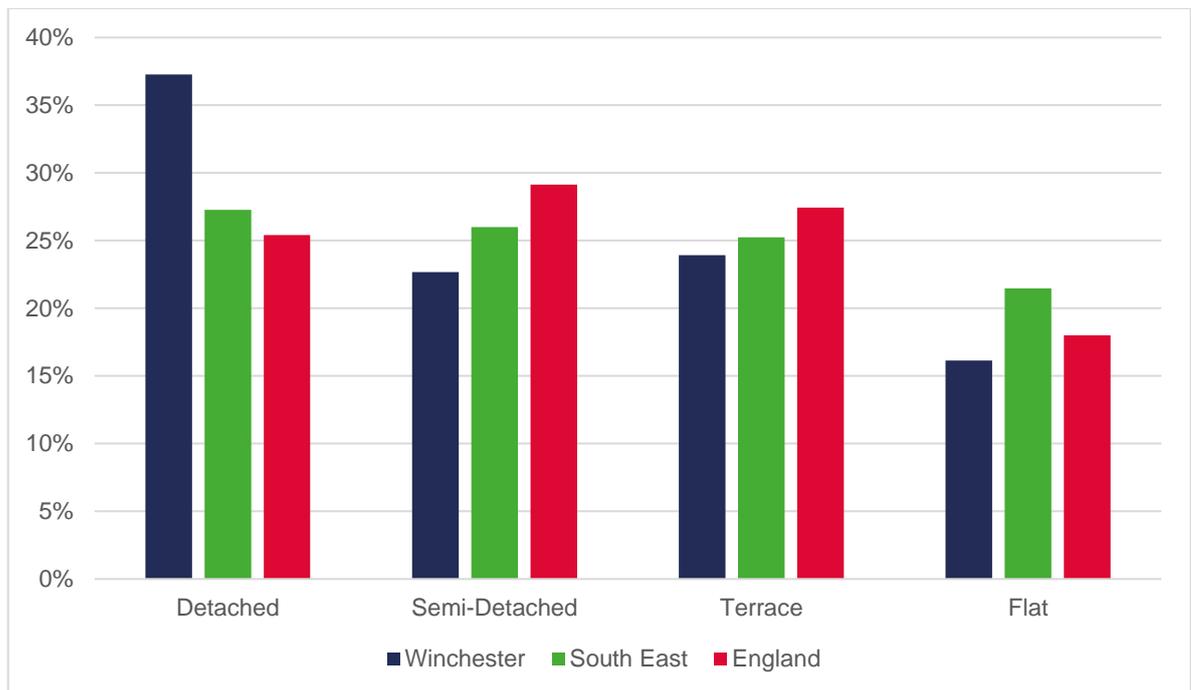
3.23 Areas within the South Downs National Park and the more rural parts in northern sub-area within Winchester District show higher house prices at around £500,000 or more around areas including Easton, Old Alresford and Micheldever.

³ An enlarged version is set out at Appendix A2

Sales Trends

3.24 The Figure below sets out the profile of sales for the year ending March 2019 for Winchester District and the wider comparators. The analysis shows that the number of sales by housing type in Winchester District reflects a market focussed on detached properties, which accounted for 37% of all sales in the year ending March 2019. Conversely, semi-detached, terraced and flatted sales were lower than the wider comparators average. Notably, flatted sales represented only 16% of all sales in the District.

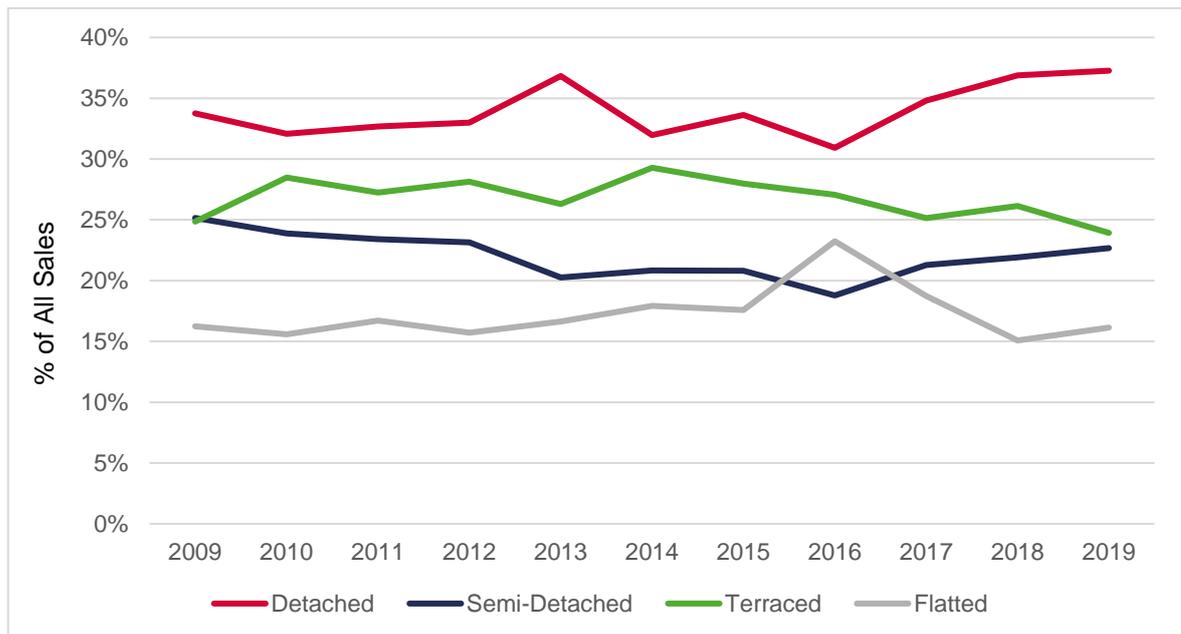
Figure 3.9: Sales by Household Type, 2019



Source: ONS, House price statistics for small areas, 2019

3.25 In order to understand the dynamic of mix in the District, we have benchmarked sales performance against long-term trends to assess the relative demand for market homes for sale. The Figure below benchmarks annual sales over the period 2009-2018 for Winchester District by household type.

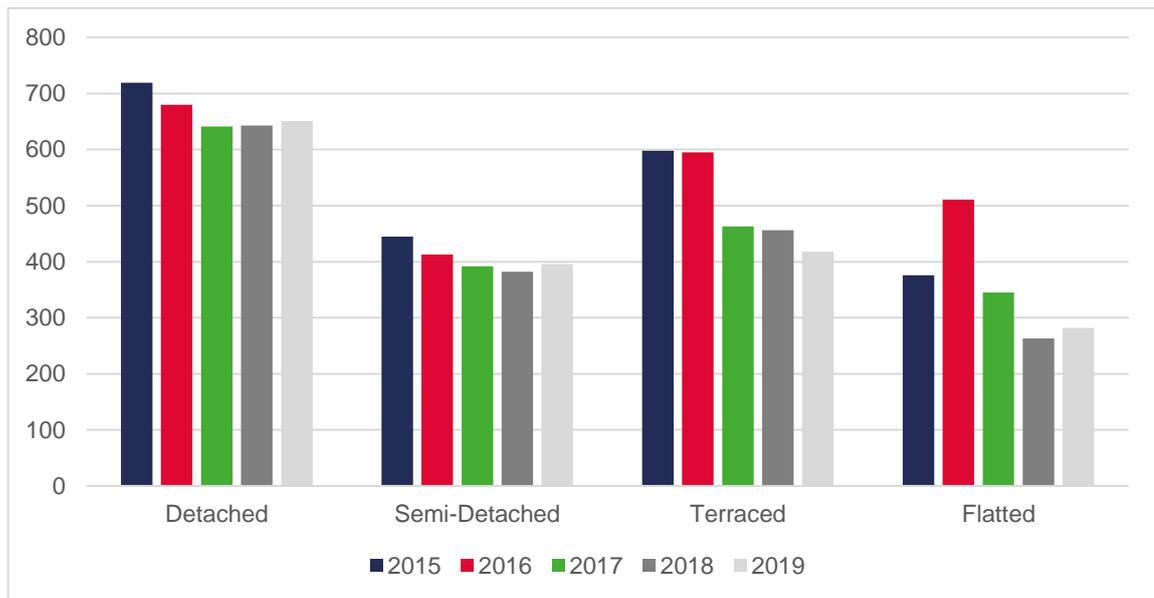
Figure 3.10: Analysis of Sales Trends, 2009-2019



Source: ONS, House price statistics for small areas, 2019

- 3.26 The analysis shows, over the 10-year period within Winchester District the proportions of sales of detached properties has consistently been higher compared to the other three housing types. The percentage of sales of detached houses hovers around 35% of sales compared to flatted developments which often sits at around 15% of sales in Winchester District.
- 3.27 Over this period (2009-2019) the sales of semi-detached and terraced housing have stayed consistent at around 25%. Flatted sales peaked in 2012, rising to approximately 22% of sales, but has subsequently decreased back down to 15%. As stated above this trend of a greater proportion of detached properties being sold is not replicated in the South East or England where the sales market sees a high proportion of semi-detached and terraced houses being sold.
- 3.28 Although the proportion of sales has remained relatively consistent over the last ten years; the Figure below demonstrates that taking the last five years' worth of sales; overall volumes have decreased by a notable margin for each household type – pointing to an element of market uncertainty due to a number of wider economic factors.

Figure 3.11: Analysis of Sales Volumes in Winchester District, 2015-2018



Source: ONS, House price statistics for small areas, 2019

House Price by Type

3.29 IcenI has reviewed sales data by type of property for year ending March 2019. As is clear from the Figure below, house prices in Winchester are higher than the national median for each type of property.

Table 3.5 Median House Prices by Type, Year Ending March 2019

	Detached	Semi-Detached	Terraced	Flatted
Winchester	595,000	362,250	342,500	230,000
South East	495,000	335,000	279,995	211,500
England	340,000	215,000	189,000	216,500

Source: ONS, House price statistics for small areas, 2019

3.30 The analysis shows that median house prices in Winchester District across all property sizes are significantly higher than the regional and national comparatives.

Rental Trends

3.31 The Valuation Office Agency (“VOA”) publishes data on median rental values by property size at the District-level and above only. However, it provides a reasonable basis for understanding the strength of the rental market; and consideration of rental growth can help to identify potential supply-demand imbalances.

3.32 The latest data available is at March 2019; where median rental values in Winchester were £995 PCM. The median rents are notably high in comparison to the regional and national average at 14% and 43% higher respectively.

Table 3.6 Median Rents, April 2018 to March 2019

Area	Median Rent (PCM)
Winchester	£995
South East	£875
England	£695

Source: VOA Private Rental Data Table 2.7

3.33 An analysis of median rents by the number of bedrooms in the Figure below shows that median rental values in Winchester District exceed the regional and national comparatives on all property sizes, and particularly in respect of larger properties.

3.34 As at March 2019, the median rent for a 3-bedroom property was £1,200 PCM in Winchester District compared with £1,095 PCM in the South East as a whole. The median rent for 4 or more bedrooms in Winchester was £1,800 PCM compared with £1,650 PCM in the South East.

Figure 3.12: Rental Values by Size, April 2018 to March 2019

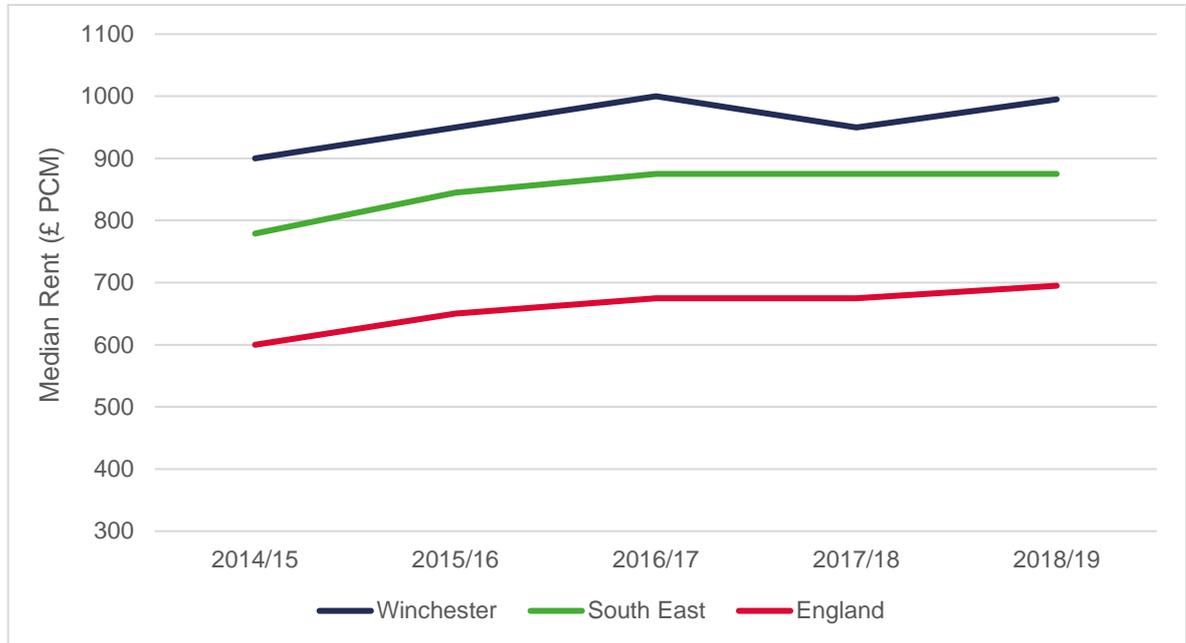


Source: VOA Private Rental Data

3.35 The Figure below shows the trend in the rental costs recorded by the VOA. The analysis demonstrates that median rents in Winchester District have risen over the five-year period; although

the District experienced a fall in 2017/18, recovering in 2018/19 whilst still below the level of 2016/17. Conversely, rents have increased and remained relatively stable across the South East and England.

Figure 3.13: Increase in Private Rents, 2014/15 to 2018/19



Source: VOA Private Rental Data

3.36 In Winchester District, the average rental values for rooms, 3-bedroom properties and 4-bedroom properties experienced the greatest increase over the five-year period from 2014/15 to 2018/19. The increase in values for rooms and 4-bedroom properties exceeded the regional and national comparatives, indicating strong relative demand for these sizes. However, rental values for smaller properties including studios, 1 bedroom and 2-bedroom properties experienced growth notably lower than the regional and national comparatives.

Table 3.7 Rental Increase by Size of Dwelling between 2014/15 and 2018/19

	Room ⁴	Studio ⁵	1 bed	2 bed	3 bed	4 bed
Winchester	15%	9%	9%	7%	14%	13%
South East	6%	14%	12%	12%	18%	10%
England	12%	15%	17%	13%	13%	12%

Source: VOA Private Rental Data

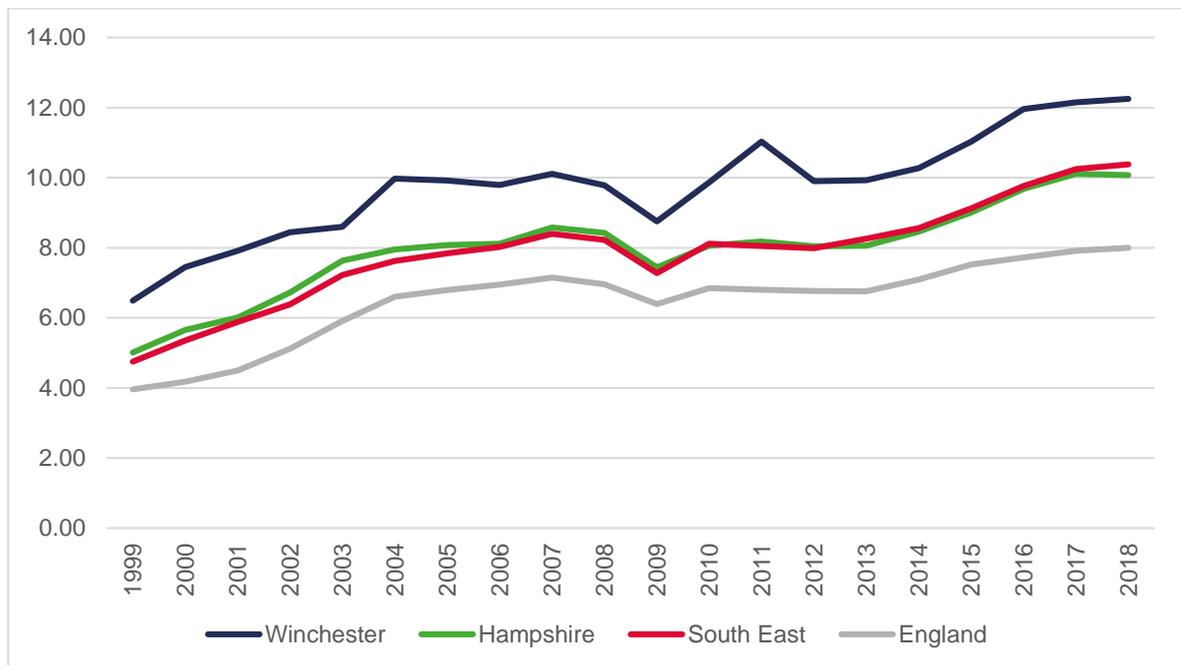
⁴ Non self-contained single room with shared facilities. Includes bedsits, single rooms in a house or flat shared with other tenants, and single rooms rented from a resident landlord.

⁵ Self-contained single roomed property with own kitchen and bath/shower/WC facilities.

Market Housing & Rental Affordability

- 3.37 Moving on, we have considered evidence relating to the affordability of market housing by looking specifically at the relationship between lower quartile and median house prices and incomes. Median affordability data allows us to understand affordability without any major influence from outliers or skewed data. The consideration of lower quartile affordability is also important; as it reflects the 'entry-level' point to the market; and therefore, allows us to better understand the challenges faced by younger persons and family households looking to buy a home.
- 3.38 In both instances, workplace-based earnings are used (as opposed to residence-based earnings) in order to understand the extent to which employees can afford to live where they work. This is the preferred measure of earnings used by Government in calculating local housing need through the standard method.
- 3.39 The Figure below shows that workplace-based affordability has worsened in Winchester over the period from 1999 to 2018. Overall, this broadly follows the national and regional trends post 2005, albeit at a higher level and with a notable rise between 2009 and 2011 before falling back to trend.

Figure 3.14: Workplace-based Median Affordability Ratio, 1999-2018



Source: ONS, Ratio of house price to workplace-based earnings (lower quartile and median) 1998-2018

- 3.40 The Table below presents the most recent median and lower quartile workplace-based affordability ratios. In 2018 the median house price was a significant 12.25 times median earnings in Winchester. Lower quartile house prices in Winchester were 13.13 times earnings compared to a ratio of 10.81 across the South East. The lower quartile affordability at 13.3 points to significant barriers for

households in the District, and younger households in particular, in being able to afford to own a home.

Table 3.8 **Affordability Ratio 2018 (Workplace Based)**

Area	Lower Quartile Ratio	Median ratio	Difference
Winchester	13.13	12.25	0.88
South East	10.81	10.38	0.43
England	7.29	8.0	-0.71

Source: ONS, 2019

- 3.41 We have also shown residence-based affordability below for a comparison. It is clear that the residence-based affordability ratios of those living in Winchester are lower than those working in the District.

Table 3.9 **Affordability Ratio 2018 (Residence Based)**

Area	Lower Quartile Ratio	Median ratio	Difference
Winchester	10.30	10.60	-0.3
South East	10.51	9.93	0.58
England	7.29	8.0	-0.71

Source: ONS, 2019

- 3.42 Turning to rental affordability, we have taken the latest published ONS income data from the Annual Survey of Hours and Earnings and set this against lower quartile and median rents from the ONS private rental market statistics. This allows us to understand the proportion of earnings spent on rent in Winchester in relative terms compared with the South East and England. The results are shown in the Table below.

Table 3.10 **Rental Affordability – LQ and Median**

Area	LQ Rent	% of LQ Earnings Spent on Rent	Median Rent	% of Median Earnings Spent on Rent
Winchester	£825	61%	£995	43%
South East	£700	52%	£875	39%
England	£525	41%	£695	33%

Source: ONS, 2019

- 3.43 The analysis shows that whilst someone on lower quartile earnings (i.e. residents earning around the 25th percentile of earnings) might spend 41% of their gross earnings on rent nationally, in Winchester they would need to spend 61% of their earnings on rent. On a similar basis, those residents on median earnings would have to spend 33% of their earnings on rent in England; and 39% in South East, whereas households would have to spend 43% in Winchester. This is clearly at

an unaffordable level in Winchester in both circumstances, which should typically be around a third of earnings.

Housing Offer and Market Dynamics: Summary & Conclusions

At the point of the 2011 Census, the proportion of home ownership in the northern and southern sub-areas of Winchester District was notably high; whilst home ownership accounted for only 56% of all households in Winchester Town which therefore had a markedly higher proportion of social renters and private renters.

The proportion of detached homes was notably higher in the northern and southern sub-areas than Winchester Town and the wider comparators; whilst there was a higher than average proportion of flats in Winchester Town. As a consequence, the proportion of family sized homes (3 or more bedrooms) characterised the northern and southern sub-areas, whereas the Town has a predominance of smaller sized properties.

In respect of delivery, there has been a strong recent upturn in housing delivery over the period since 2014/15 in the District. The delivery of homes has very much centred on the provision of 2-bedroom homes followed by 3-bedroom homes over the last decade, reflecting local planning policies; however, larger housing provision has increased over recent years.

Although house prices have continued to rise; with median house price reaching £410,000 across the District, the evidence suggests that recent market performance has been influenced by wider economic uncertainty, with sales volumes falling over the period since 2015. Notably, entry-level house prices are now 13.13 times earnings of younger households, pointing to significant barriers to younger households in being able to buy a home.

The growth in rental values aside from rooms and 4 or more-bedroom properties has also been slower than the regional and national comparatives; however, values remain well above the South East and England averages.

4. THE DEMOGRAPHIC BASELINE

- 4.1 This SHMA does not include an assessment of local housing need in Winchester District; as the City Council has separately commissioned Icen and Cambridge Econometrics to prepare a 'Future Local Housing Need and Population Profile Assessment' (January 2020) which sets out to provide a realistic indication of the District's future local housing need based on the Government's standard method.
- 4.2 The Future Local Housing Need assessment provides both a baseline position on the population size and structure, and how this will change over time linked to the standard method. It provides outputs on the structure of the population by age; and changing household structures.
- 4.3 First, the assessment identifies a local housing need figure linked to the standard method for Winchester District (including the South Downs National Park) using the 2014-based Household Projections (2019-29) and an affordability adjustment linked to the 2018 median workplace-based affordability ratio. This results in a minimum need for **666 homes per annum**. Applied to the 20-year plan period from 2016 to 2036, a need for 13,320 homes is generated.
- 4.4 Second, the assessment recognises that although the plan period for the Winchester Local Plan begins in 2016, it is due to be submitted for examination in 2021 – and thus the local housing need will be “fixed” in 2021. As a result, the assessment considers what scale of housing need is shown by using household growth figures relating to the 2021-31 period (as opposed to 2019-29) whilst continuing to use the 2014-based Household Projections. It then estimates the affordability ratio most likely to apply in 2021, which is slightly higher than the 2018-based figure.
- 4.5 The assessment finds that the overall effect of changing the time period is modest; with the rebasing exercise resulting in an estimated need in 2021 of **664 homes per annum** (i.e. a deduction of 2 homes per annum) with an overall need across the 20 year plan period for 13,280 homes.
- 4.6 Third, the assessment sets out to model the demographic implications of the standard method for Winchester District including the 'plan area' as well as those parts of the District falling within the South Downs National Park. The analysis assumes the delivery of a housing requirement of 13,280 homes as set out in the paragraph above. The Table below sets out the core outputs of the demographic modelling.

Table 4.1 Core Demographic Outputs for Winchester District

	2016	2021	2026	2031	2036
Population	123,100	131,154	143,726	148,745	148,566
Labour Force	63,759	67,842	74,994	77,110	75,145
Households	49,651	53,116	58,397	61,547	62,544
Dwellings	51,140	54,710	60,149	63,393	64,420

- 4.7 The modelling indicates that the delivery of 13,280 dwellings over the plan period would support growth in the District's population by 25,500 persons; support the growth of 12,900 households and support an increase in the labour force of 11,400 persons taking account of expected changes in economic participation.
- 4.8 The detailed outputs on population and labour force growth by age and sex are set out in the Future Local Housing Need and Population Profile Assessment (January 2020).

The Demographic Baseline: Local Housing Need

The Future Local Housing Need and Population Profile Assessment (January 2020) prepared by Icenl and Cambridge Econometrics calculates a local housing need at 2021 for Winchester District of **664 homes per annum** with an overall need across the 20-year plan period (2016 – 2036) for 13,280 homes.

5. AFFORDABLE HOUSING NEED

- 5.1 This section provides an analysis of the need for affordable housing in Winchester District as a whole; as well as the three core sub-areas including the Northern, Southern and Winchester Town sub-areas. It takes account of the amended definition of affordable housing in Annex 2 of the National Planning Policy Framework (NPPF) 2019.
- 5.2 The NPPF defines affordable housing, as *“housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route into home ownership and/or is for essential local workers)”* and then goes on to set out that this includes affordable housing for rent; starter homes; discounted market sale housing; and other affordable routes into home ownership.
- 5.3 In this report we have assessed affordable housing need using the methodology set out by the PPG. This is however largely the same as the method in the previous PPG and does not really address those households who require support to become homeowners. We therefore additionally consider the needs of households who might be able to rent without financial support but who aspire to own a home and require support to do so in line with the requirements of the 2019 Framework.
- 5.4 For some of the analysis in this section it has been necessary to draw on other sources of data (applied to local information) to make estimates of the need. The approach is consistent with the PPG (Housing and economic needs assessment – see 2a-020 for example) and includes linking local Census data to national changes (as evidenced in national surveys such as the English Housing Survey).
- 5.5 Additionally, information drawn from local surveys previously undertaken by Justin Gardner Consulting (“JGC”) across the country has been used to look at potential prevalence rates for some elements of need where comprehensive local data is lacking. This includes considering what proportion of households in the private rented sector might have a need due to potential loss of accommodation (e.g. tenancies ending) although again such rates are applied to local information about the size of the sector. This approach is considered to provide a reasonable view about likely local needs and is an approach that has been accepted by planning inspectors (and objectors) at Local Plan hearings over the past five or more years.
- 5.6 Our assessment looks at need in the 17-year period from 2019 to 2036 which is the end point of the new Local Plan period.

Affordable Housing Methodology

- 5.7 The method for studying the need for affordable housing has been enshrined in Strategic Housing Market Assessment (SHMA) guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy).
- 5.8 The analysis below follows the methodology and key data sources in guidance and can be summarised as follows:
- Current need (an estimate of the number of households who have a need now and based on a range of data modelled from local information);
 - Projected newly forming households in need:
 - Based on projections developed for this project along with an affordability test to estimate numbers unable to afford the market; and
 - Existing households falling into need (based on studying the types of households who have needed to access social/affordable rented housing and based on study of past lettings data)
 - These two bullet points added together provide an indication of the gross need (the current need is divided by 17 so as to meet the need over the 2019-36 plan period);
 - Supply of affordable housing (an estimate of the likely number of lettings that will become available from the existing social housing stock – drawing on data from CoRe⁶); and
 - Subtracting the supply from the gross need provides an estimate of the overall need for affordable housing. This is then been converted into annual flows.

⁶ The continuous recording of lettings and sales in social housing in England (referred to as CoRe) is a national information source that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent

Table 5.1 Summary of Analytical Stages in Assessing Affordable Housing Need

Analytical Stage	Description	Method
1 – Current Need	An estimate of the number of households who have an affordable need now	Based on the categories of need set out in 2a-020 of the PPG and based on a range of data sources. For some analysis (e.g. overcrowding) Census data is used to provide a baseline which is then updated with reference to national changes informed by the English Housing Survey (EHS). An affordability test is applied based on income and housing costs data.
2 – Newly Forming Households	An annual estimate of the number of new households forming with a need for affordable housing	The number of new households forming is based on outputs from the demographic projections, looking at younger households (aged under 45) forming for the first time. An affordability test is applied, again based on income and housing costs data. Analysis based on 2a-021 of the PPG.
3 – Existing Households Falling into Need	An annual estimate of the number of existing households who will have a need in the future	Based on analysis of data on social housing lettings where accommodation has been provided to a household previously living in their own accommodation (whether rented or owned). No methodology for this stage is provided in the PPG and so the method used links to older SHMA guidance
4 – Supply of Affordable Housing	Annual estimate of the supply of relets from the existing stock	Based on trend data for the past 3-years, the estimate looks at the number of lettings before netting off the number of lettings in new homes and the number or transfers. This is to ensure that the number reflects the supply available from the existing stock. Based on 2a-022 of the PPG.

Local Prices and Rents

- 5.9 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an ‘affordable housing need’.
- 5.10 For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes), establishing, in numerical terms, the overall need for affordable housing.

5.11 The analysis below considers the entry-level costs of housing to both buy and rent. The approach has been to analyse Land Registry and VOA data to establish lower quartile prices and rents. Using a lower quartile figure is consistent with the PPG⁷ and reflects the entry-level point into the market.

5.12 Data from the Land Registry in the table below for the year to March 2019 (i.e. Q2-Q4 of 2018 and Q1 of 2019) shows estimated lower quartile property prices by dwelling type. The data shows that entry-level prices are generally highest in Winchester Town and lowest in the Southern sub-area, although the mix of housing means that the Northern sub-area actually has the highest overall lower quartile price. The overall lower quartile price of all types of housing in all areas is around £295,000.

Table 5.2 Lower Quartile Cost of Housing to Buy – Year to March 2019

	Northern	Southern	Town	District
Flat/maisonette	£203,000	£145,000	£220,000	£184,000
Terraced	£288,000	£240,000	£344,000	£274,000
Semi-detached	£340,000	£285,000	£371,000	£302,000
Detached	£481,000	£400,000	£574,000	£457,000
All dwellings	£325,000	£269,000	£315,000	£295,000

Source: Land Registry

5.13 It is arguably more useful to consider the lower quartile prices by size of accommodation (number of bedrooms) and the table below shows an estimate of this. The information has been drawn from internet sources (such as Rightmove) and then constrained to be consistent with the figures shown from the Land Registry source.

Table 5.3 Lower Quartile Cost of Housing to Buy by Size – Year to March 2019

	Northern	Southern	Town	District
1-bedroom	£146,000	£120,000	£182,000	£144,000
2-bedrooms	£243,000	£200,000	£302,000	£239,000
3-bedrooms	£309,000	£255,000	£386,000	£305,000
4-bedrooms	£464,000	£381,000	£578,000	£457,000
All properties	£325,000	£269,000	£315,000	£295,000

Source: Land Registry and internet price search

5.14 A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – this again covers a 12-month period to March 2019. The analysis shows an average lower quartile cost (across all dwelling sizes) of £825 per month.

⁷ Paragraph 021 Reference ID: 2a-021-20190220

Table 5.4 Lower Quartile Market Rents, Year to March 2019

	Northern	Southern	Town	District
Room only	-	-	-	£475
Studio	-	-	-	£600
1-bedroom	£700	£640	£780	£695
2-bedrooms	£835	£735	£970	£825
3-bedrooms	£1,015	£895	£1,195	£1,008
4-bedrooms	£1,615	£1,425	£1,880	£1,600
All properties	£895	£765	£870	£825

Source: Valuation Office Agency and Internet Rental Cost Search

Local Income Levels

- 5.15 Following on from the assessment of local prices and rents it is important to understand local income levels as these (along with the price/rent data) will influence the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy. Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.
- 5.16 We have used these data sources to construct an income distribution for the three sub-areas for 2018. The table below shows average (mean) incomes and also the median and lower quartile estimates for each area. The analysis shows the highest household incomes are in the Northern sub-area, with the Town area showing the lowest incomes. As is shown, the mean and median figures are notably different, which can be explained by a number of significantly higher incomes skewing the mean figure towards an overall higher figure. This demonstrates the benefit of focussing principally on the median figure in assessing affordability.

Table 5.5 Estimated Average (mean) Household Income by Sub-Area (mid-2018 estimate)

	Mean	Median	Lower quartile
Northern Sub-Area	£63,800	£48,600	£28,100
Southern Sub-Area	£60,300	£45,800	£26,500
Town Sub-Area	£56,700	£43,100	£24,900
District-wide	£60,400	£45,800	£26,500

Source: Derived from EHS and ONS data

Affordability Test

- 5.17 The affordability of housing is influenced by housing costs and incomes, which affect households' ability to afford different housing products. In this section we consider housing affordability, in terms of the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy. The analysis also provides an indication of the potential for intermediate housing to meet housing needs in the study area.

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- 5.18 To identify an appropriate affordability test, we need to look at households' ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. Generally, in Winchester District, the income required to access owner-occupied housing is higher than that required to rent and so the analysis to follow is based solely on the ability to afford to access private rented housing.
- 5.19 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis. CLG 2007 SHMA Practice Guidance suggested that 25% of income is a reasonable start point but also noted that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).
- 5.20 The threshold of income to be spent on housing should be set by asking the question 'what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy (e.g. through Housing Benefit)?' The choice of an appropriate threshold is judgement based and we consider should be assessed having regard in particular to the cost of housing rather than income.
- 5.21 Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold. It would be feasible to find an area with very low incomes and therefore conclude that no households can afford housing, alternatively an area with very high incomes might show the opposite output. The key here is that local income levels are not setting the threshold but are simply being used to assess how many can or can't afford market housing.
- 5.22 At £825 per calendar month, lower quartile rent levels in Winchester are relatively high in comparison to those seen nationally (a lower quartile rent of £525 per month across England). This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range.
- 5.23 Across England, the lowest lower quartile rents are around £400 per month, and if these areas are considered to be at the bottom end of the range (i.e. 25% of income to be spent on housing) then this would leave a residual income of £1,200 per month. With the same residual income applied to Winchester, the income required to afford an £825 rent would be £2,025 and so the percentage spent on housing would be 41%.
- 5.24 However, it needs to be considered that the cost of living in Winchester is likely to be higher than in some other parts of England and so a pragmatic approach to determining a reasonable proportion of income has been to take a midpoint between the bottom (25%) and the equivalent residual income

figure (41%). It has therefore been estimated that a threshold of around a third would be appropriate, with further small adjustments to reflect pricing in different parts of the District.

- 5.25 On the basis of a rent of £825 per month, this would leave a residual income of around £1,700 and a total household income of £30,100 per annum. Therefore, for the purposes of this assessment it is estimated that any household with an income below £30,100 would not be able to afford a lower quartile rent without some degree of subsidy. The use of a third of income on housing is considered to be a reasonable position to take given the range of evidence available. This also aligns with the affordability test set out in the Council's S106 Agreements.

Current Affordable Housing Need

- 5.26 In line with PPG Paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems. The table below sets out the categories in the PPG and the sources of data being used to establish numbers.
- 5.27 The PPG also includes a category where households cannot afford to own a home despite it being their aspiration. This category is considered separately later in this report (under the title of the expanded definition of affordable housing need).

Table 5.6 Main Sources for Assessing the Current Unmet Need for Affordable Housing

	Source	Notes
Homeless households and those in temporary accommodation	CLG Live Table 784	Total where a duty is owed but no accommodation has been secured PLUS the total in temporary accommodation
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	

- 5.28 It should be noted that there may be some overlap between categories (such as overcrowding and concealed households, whereby the overcrowding would be remedied if the concealed household moved). The data available does not enable analysis to be undertaken to study the impact of this and so it is possible that the figures presented include a small element of double counting. Additionally, some of the concealed households may be older people who have moved back in with their families and might not be considered as in need. These factors are expected to balance each other out.

5.29 The table below shows the initial estimate of the number of households within the study area with a current housing need. These figures are before any 'affordability test' has been applied to assess the ability of households to meet their own housing needs; and has been termed 'the number of households in unsuitable housing'. Overall, the analysis suggests that there are currently some 3,200 households living in unsuitable housing (or without housing).

Table 5.7 Estimated No. of Households Living in Unsuitable Housing

Category of Need	Northern	Southern	Town	District
Homeless/concealed households	152	160	122	434
Households in overcrowded housing	329	300	887	1,515
Existing affordable housing tenants in need	41	30	93	163
Households from other tenures in need	405	286	402	1,092
Total	927	775	1,503	3,205

Source: CLG Live Tables, Census 2011 and Data Modelling

5.30 In taking this estimate forward, the data modelling next estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account.

5.31 A final adjustment is made to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be allocated affordable housing (student needs are essentially assumed to be transient) – this reduces the estimated need by 115 households in total. Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

5.32 The table below shows it is estimated that there were around 1,740 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers).

Table 5.8 **Unsuitable Housing by Tenure and No. to Take Forward into Affordability Modelling**

	In Unsuitable Housing	No. to Take Forward for Affordability Testing
Owner-occupied	666	67
Affordable housing	750	0
Private rented	1,355	1,240
No housing (homeless/concealed)	434	434
Total	3,205	1,741

Source: CLG Live Tables, Census 2011 and Data Modelling

- 5.33 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. To consider this, the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the average household income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure of 42% has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.
- 5.34 These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector) along with typical income levels of households accessing social rented housing (for those without accommodation). The figures have been based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys (across the country) by JGC. These modelling assumptions are considered reasonable and have not been challenged through the Local Plan process in other locations (where the same assumptions have been used).
- 5.35 Overall, just under half of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is of 814 households in the District. The table below also shows how this is estimated to vary by sub-area.

Table 5.9 Estimated Current Affordable Housing Need

	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
Northern Sub-Area	537	47.1%	253
Southern Sub-Area	442	47.1%	208
Town Sub-Area	762	46.2%	352
District-wide	1,741	46.7%	814

Source: CLG Live Tables, Census 2011 and Data Modelling

Newly Forming Households

- 5.36 The number of newly forming households has been estimated through demographic modelling (linked to the 2014-based SNHP as it is these projections being used by Government as part of its Standard Method) to which an affordability test has then being applied. The volume of newly forming households has been assessed by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.
- 5.37 The number of newly forming households is limited to households forming who are aged under 45. This is consistent with 2007 SHMA Guidance which notes after age 45 that headship (household formation) rates 'plateau'. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.
- 5.38 In assessing the ability of newly forming households to afford market housing, data has been drawn from previous surveys undertaken nationally by JGC. This establishes that the average income of newly forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level). The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly forming households.
- 5.39 The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing without any form of subsidy (such as Universal Credit). For the purposes of the initial analysis of affordable need (i.e. the established definition) this will relate to households unable to afford to buy OR rent in the market.
- 5.40 The assessment suggests that overall around two-fifths of newly forming households will be unable to afford market housing (to rent privately) and this equates a total of 328 newly forming households

will have a need on average in each year to 2036. The table below provides a breakdown by sub-area.

Table 5.10 **Estimated Level of Affordable Housing Need from Newly Forming Households (p.a.)**

	No. of New Households	% Unable to Afford	Annual newly forming households unable to afford to rent
Northern Sub-Area	307	38.8%	119
Southern Sub-Area	223	36.5%	81
Town Sub-Area	299	42.7%	127
District-wide	829	39.6%	328

Source: Projection Modelling/Affordability Analysis

Existing Households Falling into Affordable Housing Need

- 5.41 The second element of newly arising need is existing households falling into need. This is an estimate of the number of existing households currently living independently whose circumstances will change such that there is a requirement for affordable housing.
- 5.42 The outputs have been based on analysis of data on social housing lettings where accommodation has been provided to a household previously living in their own accommodation (whether rented or owned). To assess this, information from CoRe has been used. The assessment looked at households who have been housed over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.
- 5.43 No methodology for this stage is provided in the PPG and so the method used links to older SHMA guidance. This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)'*.
- 5.44 Following the analysis through suggests a need arising from 207 existing households each year. The table below breaks this down by sub-area.

Table 5.11 Estimated Level of Affordable Housing Need from Existing Households Falling into Need (p.a.)

	Total Additional Need	% of Total
Northern Sub-Area	50	24.2%
Southern Sub-Area	35	17.0%
Town Sub-Area	122	58.7%
District-wide	207	100.0%

Source: Derived from a range of sources as described in text

Supply of Affordable Housing Through Relets

- 5.45 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.⁸
- 5.46 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from the CoRe system along with data from LAHS (Local Authority Housing Statistics) has been used to establish past patterns of social housing turnover. The figures include general needs and supported lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.
- 5.47 On the basis of past trend data it has been estimated that 363 units of social/affordable rented housing are likely to become available each year moving forward for occupation by newly forming households and existing households falling into need from other tenures.

⁸ Intermediate housing supply is considered against the need arising from the expanded definition of affordable housing later in this section.

Table 5.12 Analysis of past social/affordable rented housing supply (p.a.), 2015/16 – 2017/18

	General Needs	Supported Housing	Total
Total Lettings	437	207	644
% as Non-New Build	84.5%	96.3%	88.3%
Lettings in Existing Stock	369	199	568
% Non-Transfers	59.7%	71.5%	63.8%
Lettings to New Tenants	220	142	363

Source: CoRe

- 5.48 The table below shows the estimated supply of affordable housing from relets in each sub-area. The sub-area figures have been based on the size of the stock in each sub-area as of 2011 (Census data).

Table 5.13 Estimated Supply of Affordable Housing from Relets of Existing Stock by Sub-Area (p.a.)

	Annual Supply	% of Supply
Northern Sub-Area	90	24.9%
Southern Sub-Area	66	18.2%
Town Sub-Area	207	57.0%
District-wide	363	100.0%

Source: CoRe and Census 2011

Total Affordable Housing Need

- 5.49 The table below shows the overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline') which will clearly help to meet a proportion of the net need shown.
- 5.50 The analysis shows that there is a need for 220 dwellings per annum to be provided – a total of around 3,750 over the 17-year period (2019-36). These needs are for rented housing targeted at households who cannot afford to buy or rent in the open market. The net need is calculated as follows:

$$\text{Net Need} = \text{Current Need} + \text{Need from Newly-Forming Households} + \text{Existing Households falling into Need} - \text{Supply of Affordable Housing}$$

Table 5.14 Estimated Need for Rented Affordable Housing

	Per Annum	2019-36
Gross Current need	48	814
Newly forming households	328	5,573
Existing households falling into need	207	3,527
Total Gross Need	583	9,913
Relet Supply	363	6,164
Net Need	220	3,748

Source: Census 2011, CoRe, Projection Modelling and Affordability Analysis

- 5.51 The table below shows the annualised information for individual sub-areas. The analysis shows a need for additional affordable housing in all parts of the District, with the highest figure being seen in the Northern sub-area.

Table 5.15 Estimated Need for Rented Affordable Housing (p.a.)

	Northern	Southern	Town	District
Current need	15	12	21	48
Newly forming households	119	81	127	328
Existing households falling into need	50	35	122	207
Total Gross Need	184	129	270	583
Relet Supply	90	66	207	363
Net Need	94	63	64	220

Source: Census (2011)/CoRe/Projection Modelling and Affordability Analysis

What Types of Affordable (Rented) Housing?

- 5.52 The analysis above has studied the overall need for social and affordable rented housing with a focus on households who cannot afford to rent in the market. These households will therefore have a need for some form of rented housing at a cost below typical market rates. Typically, there are two types of rented affordable accommodation (social and affordable rented) with the analysis below initially considering what a reasonable split might be between these two tenures. The analysis then moves on to consider the concept of 'Living Rents' which uses a methodology developed by the Joseph Rowntree foundation (JRF) to link rents to local incomes.
- 5.53 Initially, in terms of social and affordable rents, an analysis has been undertaken to compare the income distribution of households with the cost of different products. For affordable rented housing it has been assumed that this would be available at a cost which is 80% of the established lower quartile costs set out earlier in this section. Any household able to afford a rent between 80% of the market and the full market cost is assumed able to afford an affordable rent, with other households

only able to afford a social rent, which would therefore be households paying less than 80% of the lower quartile market rent.

5.54 The analysis identifies that around 31% of the group of households unable to afford market housing to rent would fall in the gap between the market and 80% of the market which points to a greater need for affordable rented housing at social rents; however, an assessment of viability needs to test and consider further the split within rented provision alongside other policy requirements and priorities. The table below summarises the analysis undertaken.

5.55 The table also shows the rent levels assumed (for a 2-bedroom home); it is quite possible that (for example) 80% of market rent would be higher than the figures modelled below and if that were the case then a lower proportion of households would be able to afford. The actual price of any affordable rented housing offered should be considered when deciding if it is genuinely affordable, and how much of any particular product is needed. Ultimately, rents charged will depend on grant availability and financial viability.

Table 5.16 **Affordable Housing: Affordable Rent v Social Rent**

	80% of market	
	% able to afford affordable rents	Assumed maximum rent (2-bed)
Northern	32%	£670
Southern	35%	£590
Town	29%	£775
District	31%	£660

Source: Affordability analysis

5.56 In terms of rent levels, an analysis below considers 'Living Rents'. This is a concept developed by JRF/Savills⁹ to suggest what rent levels might be appropriate given local incomes. The methodology differs from the rent setting for social rents which also takes account of the value of the property and the analysis below should not be seen as providing an alternative tenure to social rents. In many cases the calculation of Living Rents shows similar figures to social rents and the findings can be used to consider the general levels of rents that might be affordable to local lower wage households. The analysis uses the following methodology:

- Annual Survey of Hours and Earnings (ASHE) lower quartile earnings;
- Adjustment for property size by recognised equivalence model;
- Starting rent set at 28% of net earnings; and

⁹ <http://pdf.savills.com/documents/Living%20Rents%20Final%20Report%20June%202015%20-%20with%20links%20-%2019%2006%202015.pdf>

- Rent set at Local Housing Allowance (LHA) limits where calculations show a higher figure.

5.57 The analysis shows rents starting at about £380 for a 1-bedroom home and rising to £610 for homes with 3-bedrooms (the Living Rent method only goes up to 3-bedrooms). It is notable that all of the Living Rent levels shown are below the maximum level of LHA available by size of property – see second table below.

5.58 As a general rule it is not considered sensible to be charging a rent in excess of LHA, as this would mean many households having to top up their rent from other income sources. In setting rents, the local authority could therefore consider that the affordable level is in the range from a Living Rent up to the maximum LHA level. The Council currently insist on LHA maximums through its standard S106 Agreement template, which states that rents should be below LHA.

Table 5.17 Living Rents (Per Month) – 2017/18

	1-bedroom	2-bedroom	3-bedrooms
Northern	£400	£520	£641
Southern	£379	£492	£606
Town	£356	£462	£569
District	£379	£493	£606

Source: ASHE and Living Rents Methodology

Table 5.18 Maximum Local Housing Allowance (Housing Benefit) by Location (Broad Rental Market Area (“BRMA”)) and Property Size (October 2019)

	1-bedroom	2-bedroom	3-bedrooms
Winchester BRMA	£662	£791	£918
Portsmouth BRMA	£520	£645	£770
Southampton BRMA	£520	£698	£823

Source: Valuation Office Agency

Affordable Housing – Expanded NPPF Definition

5.59 This assessment has estimated that there is a substantial need for additional affordable housing – this is for subsidised housing at a cost below that to access the private rented sector (i.e. for households unable to access any form of market housing without some form of subsidy). It would be expected that this housing would be delivered primarily as social or affordable rented housing.

5.60 The revised NPPF broadens the definition of affordable housing to include ‘affordable home ownership’ for households which might be able to rent a home in the private sector without financial support but aspire to own a home and require support to do so. The NPPF states “*Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would*

exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.” (NPPF, para 64). There are various ‘affordable home ownership’ products which are can meet the housing needs of this group. This section considers the level of need for these types of dwellings in Winchester.

- 5.61 The PPG of February 2019 confirms a widened definition of those to be considered as in affordable need; now including *[households] that cannot afford their own homes, either to rent, or to own, where that is their aspiration’*. However, at the time of writing, there is no further guidance about how the number of such households should be measured.
- 5.62 The methodology used in this report therefore draws on the more general method for assessing affordable housing need as set out in PPG (i.e. assessing current needs and projected need (newly forming and existing households)). The key difference is that in establishing the need for affordable home ownership an estimate of the number of households in the ‘gap’ between buying and renting is used (i.e. to assess the number of households who can afford to rent a home without financial support but require support to meet their aspiration of home ownership).

Establishing the “Rent/Buy Gap”

- 5.63 The first part of the analysis therefore seeks to understand what the gap between renting and buying actually means in Winchester District – in particular establishing the typical incomes in this bracket.
- 5.64 Just by looking at the relative costs of housing to buy and to rent set out above, it is clear that there will be households in the study area who can currently rent but who may be unable to buy. In the year to March 2019, the ‘average’ lower quartile private rent is shown by VOA to cost £825 a month, assuming a household spends no more than around 33% of their income on housing, this would equate to an income requirement of about £30,100. For the same period, Land Registry data records a lower quartile price in the District of about £295,000, which (assuming a 10% deposit and 4.5 times mortgage multiple) would equate to a household income requirement of around £59,000.
- 5.65 Therefore, on the basis of these costings, it is reasonable to suggest that affordable home ownership products would be pitched at households with an income between £30,100 (i.e. able to afford to privately rent) and £59,000 (the figure above which a household might reasonably be able to buy).
- 5.66 Using the income distributions developed (as set out earlier in this section) it has been estimated that of all households living in the private rented sector, around 29% already have sufficient income to buy a lower quartile home, with 33% falling in the ‘rent/buy gap.’ The final 37% are estimated to have an income below which they cannot afford to rent privately (i.e. would need to spend more than 33% of their income on housing costs). In reality, it should be noted that many households will spend a higher proportion (than a third) of their income on housing. These figures have been based on an

assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households within private rented housing.

- 5.67 The finding that a significant proportion of households in the private rented sector (up to 30%) are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)). However, some households will choose to privately rent, for example as it is a more flexible option that may be more suitable for a particular household's life stage (e.g. if moving locations with employment).

Current Need

- 5.68 To estimate the current need for affordable home ownership products, an estimate of the number of households living in the private rented sector (PRS) has been established. The start point is the number of households living in private rented accommodation as of the 2011 Census there were some 6,600 households living in the sector in the District.
- 5.69 Data from the English Housing Survey (EHS) suggests that since 2011, the number of households in the PRS has risen by more than a fifth – if the same proportion is relevant to Winchester then the number of households in the sector would now be around 8,000.
- 5.70 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point and of these some 25% would expect this to happen in the next 2-years. This 25% figure is taken to provide an estimate of the current number of households living in the PRS who are seeking to become a homeowner in the short-term. The figure of around 1,200 is therefore taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.
- 5.71 As noted in the section above, on the basis of income it is estimated that around 33% of the households living in the private rented sector fall within the “rent/buy gap”. Applying this proportion to the 1,200 figure would suggest a current need for around 400 affordable home ownership products (24 per annum if annualised over the plan period).

Newly Forming Households

- 5.72 In line with the methodology used to assess the number of newly forming households as part of the total affordable housing need, the analysis considers the number of newly forming households likely

to fall into the “rent/buy gap” and also the remaining existing households who expect to become owners further into the future (i.e. those moving beyond the initial 2-year period).

- 5.73 Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 344 dwellings (274 from newly forming households and 71 from existing households in the private rented sector).

Gross Need for Affordable Home Ownership

- 5.74 Bringing the various strands of analysis together suggests that there is a gross need for around 368 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum in the 2019-36 period.

Table 5.19 **Estimated Gross Need for Affordable Home Ownership (p.a.), 2019-36**

	Northern	Southern	Town	District
Current need	8	5	10	24
Newly forming households	106	66	101	274
Existing households falling into need	24	15	31	71
Total Gross Need	139	86	143	368

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

Potential Supply of Housing to Meet the Affordable Home Ownership Need

- 5.75 At the current time the PPG does not include specific guidance about how the supply of housing to meet the affordable home ownership need should be calculated. The analysis below therefore provides a general discussion.
- 5.76 As noted above, the lower quartile cost of a home to buy in Winchester is around £295,000. By definition, a quarter of all homes sold (noting that the data is for the year to March 2019) will be priced at or below this level. According to the Land Registry source, there were a total of 1,843 sales in this period and therefore around 461 would be priced below the lower quartile. This is 461 homes that would potentially be affordable to the target group for affordable home ownership products and is a potential supply that is in excess of the level of need calculated.
- 5.77 However, it is the case that market housing is not allocated in the same way as social/affordable rented homes (i.e. anyone is able to buy a home as long as they can afford it and it is possible that a number of lower quartile homes would be sold to households able to afford more, or potentially to investment buyers). A broad further assumption has been used that around half of the lower quartile homes would be available to meet the needs of households with an income in the gap between buying and renting – this amounts to 230 dwellings per annum.

5.78 In addition, data from CoRe about resales of affordable housing (likely to mainly be shared ownership) shows an average of around 14 resales per annum (based on data for the 2015-18 period). These properties would also potentially be available for these households and can be included within the potential supply. Therefore, a total supply of around 245 dwellings per annum is estimated to be available to meet the affordable home ownership need.

Net Need

5.79 The table below brings together the analysis of need and supply. It shows a potential annual need for 123 affordable home ownership homes per year, with needs being shown in all areas. The need is shown to be particularly high in the Town and Northern sub-areas, and more modest in the Southern sub-area. The difference in the levels of need looks to be driven to a larger degree by variations in prices in different locations (particularly lower house prices in the Southern area).

5.80 It is important to note that the need for affordable home ownership housing is a distinct and separate form of need to affordable rented housing.

Table 5.20 Estimated Need for Affordable Home Ownership (p.a.), 2019-36

	Northern	Southern	Town	District
Current need	8	5	10	24
Newly forming households	106	66	101	274
Existing households falling into need	24	15	31	71
Total Gross Need	139	86	143	368
Supply (50% of LQ sales)	84	79	68	230
Supply (LCHO resales)	6	4	5	14
Net need	49	4	70	123

Source: Derived from Census (2011)/Projection Modelling/Land Registry and Affordability Analysis

Implications of the Analysis

5.81 The analysis above shows a clear need from households who require support to access home ownership (i.e. those falling within the “buy/rent gap”). The needs of these households can be met through a variety of means, including:

- The various low-cost home ownership products identified in the NPPF Glossary, including discounted market sale and starter homes; shared ownership and shared equity housing;
- Other Government initiatives which seek to broaden access to home ownership, including the Help-to-Buy scheme in which the Government lends up to 20% of the cost of a new-build home and purchasers only require a 5% deposit. It should be noted however that although this is a potential route into home ownership, it would fall outside of the Framework’s definition around affordable products.

-
- 5.82 In bringing together evidence in the review of the Local Plan, the authority needs to consider the evidence of need, the relative acuteness of the need, and issues of residential development viability. The NPPF advises that at least 10% of all new housing on larger sites should be for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.
- 5.83 The evidence in this report is considered to provide sufficient evidence of a need for affordable home ownership products to justify the 10% provision recommended in the NPPF (subject clearly to the final level of housing provision to be planned for); although it should be noted that the southern sub-area has a notably lower need for affordable home ownership products. However, there is also a clear and acute need for rented affordable housing from lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authority have a statutory housing duty. Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).
- 5.84 It should also be noted that the finding of a 'need' for affordable home ownership does not have any impact on the overall need for housing. As is clear from both the NPPF and PPG, the additional group of households in need is simply a case of seeking to move households from one tenure to another (in this case from private renting to owner-occupation); there is therefore no net change in the total number of households, or the number of homes, required.

How Much Should Affordable Home Ownership Housing Cost?

- 5.85 The analysis and discussion above suggest that there are a number of households likely to fall under the new PPG definition of affordable housing need (i.e. in the gap between renting and buying). but that the potential supply of housing to buy makes it difficult to fully quantify this need. However, given the NPPF, it seems likely that the Council will need to seek 10% of additional homes on larger sites as some form of affordable home ownership.
- 5.86 This report recommends shared ownership as the most appropriate form of affordable home ownership and also encourages consideration of other packages such as providing support for deposits. However, it is possible that some housing would come forward as other forms of housing such as Starter Homes or discounted market sale. If this is the case, it will be important for the Council to ensure that such homes are sold at a price that is genuinely affordable for the intended target group and any discount should be held in perpetuity.
- 5.87 On this basis, it is worth discussing what sort of costs affordable home ownership properties should be sold for. The Annex 2 (NPPF) definitions suggest that such housing should be made available at a discount of at least 20% from Open Market Value (OMV). The problem with having a percentage

discount is that it is possible in some locations or types of property that such a discount still means that housing is more expensive than that typically available in the open market.

5.88 Our preferred approach in this report is to set out a series of affordable purchase costs for different sizes of accommodation. These are set out as a range with the bottom end being based on equivalising the private rent figures into a house price so that the sale price will meet the needs of all households in the gap between buying and renting. The upper level is set based on the estimated lower quartile price to buy a home. Setting higher prices would mean that such housing would not be available to households for whom the Government is seeking to provide an ‘affordable’ option.

5.89 In some cases, the range is quite wide and in general it is recommended that the final purchase price of a home should not exceed the midpoint of the range shown below (with ideally homes also being available at a price below this midpoint and close to the lower limit figures).

Table 5.21 Affordable Home Ownership Prices (Year to March 2019)

		1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
Northern	Lower Limit	£124,000	£148,000	£180,000	£286,000
	Upper Limit	£146,000	£243,000	£309,000	£464,000
Southern	Lower Limit	£120,000	£138,000	£168,000	£267,000
	Upper Limit	£120,000	£200,000	£255,000	£381,000
Town	Lower Limit	£140,000	£174,000	£214,000	£337,000
	Upper Limit	£182,000	£302,000	£386,000	£578,000
District	Lower Limit	£127,000	£151,000	£184,000	£292,000
	Upper Limit	£144,000	£239,000	£305,000	£457,000

Source: Derived from VOA and Land Registry Data

5.90 Another form of affordable home ownership is shared ownership. The analysis below looks at what level of equity share might be needed to make housing affordable. The example calculation is based on the following key assumptions:

- OMV at LQ price plus 15% (reflecting likelihood that new build homes will have a premium attached and that they may well be priced slightly above a LQ level)
- 10% deposit
- Rent at 2.75% pa on unsold equity
- Repayment mortgage over 25-years at 4%
- Service charge of £100 per month for flatted development (assumed to be 1- and 2-bedroom homes)
- The total cost per month to be equivalent to the cost of renting in the private sector

5.91 The analysis suggests that an equity share of not more than about 30% would potentially be affordable for some sizes of homes although a figure of around 25% is potentially affordable across a wider range of sizes. It should be noted that these figures are based on a specific estimate of OMV (for the whole District) and similar calculations would need to be carried out for any specific scheme to test affordability.

Table 5.22 Estimated Affordable Equity Share by Size of Dwelling – Winchester District

	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
OMV	£165,600	£274,850	£350,750	£525,550
Share	53%	14%	24%	31%
Equity bought	£87,768	£38,479	£83,128	£160,818
Mortgage Needed	£78,991	£34,631	£74,815	£144,736
Monthly Cost of Mortgage	£417	£183	£395	£764
Retained Equity	£77,832	£236,371	£267,622	£364,732
Monthly Rent on Retained Equity	£178	£542	£613	£836
Service Charge	£100	£100	£0	£0
Total Cost	£695	£825	£1,008	£1,600

Affordable Housing Need in the National Park

5.92 The analysis above has looked at affordable need across Winchester District as a whole and for the three core sub-areas. Within each of both the Northern and Southern sub-areas there are parts that fall within the South Downs National Park. The analysis below seeks to provide a series of analysis and tables separating out the relevant data for that part of the District that falls within the park.

Table 5.23 Lower Quartile Cost of Housing to Buy and Privately Rent by Size – Year to March 2019 – National Park

	To buy	Private rent
1-bedroom	£162,000	£735
2-bedrooms	£270,000	£895
3-bedrooms	£343,000	£1,095
4-bedrooms	£516,000	£1,735
All properties	£398,000	£1,060

Source: Land Registry, VOA and internet price search

5.93 In terms of income levels, the analysis suggests a mean income in the Park area of £64,400, with a median of £48,900 and lower quartile of £28,300. These figures are slightly higher than the equivalent data across the whole District.

- 5.94 The final table below shows the estimated need for affordable housing in the National Park – split between a need for rented housing and affordable home ownership. This shows a need for around 31 rented units per annum and 22 affordable home ownership

Table 5.24 Estimated Need for Affordable Housing in the National Park Area (p.a.), 2019-36

	Social/Affordable Rent	Affordable Home Ownership
Gross Current need	6	3
Newly forming households	37	33
Existing households falling into need	16	9
Total Gross Need	58	45
Relet/resale Supply	27	23
Net Need	31	22

Source: Census 2011, CoRe, Projection Modelling and Affordability Analysis

Affordable Housing: Summary and Conclusions

Our approach has been to consider the existing needs evidence, and to take account of the expanded definition of affordable housing which brings in households who might be able to afford to rent privately but aspire to own a home and require support to do so. The analysis brings together evidence of need. But in doing so it is important to recognise that there is some overlap between the 'target market' for affordable home ownership products and support provided by Help-to-Buy in helping households to access market housing.

Iceni conclude that there is a substantial need for additional affordable housing across the local authority area for those who cannot afford to rent; with a total need for 220 dwellings per annum. There is also a need for affordable home ownership homes across all areas, with a total need for 123 per annum; however, this need can be met through a variety of means including low-cost home ownership products set out in the NPPF's Glossary. This report recommends shared ownership as the most appropriate form of affordable home ownership and also encourages consideration of other packages such as providing support for deposits.

The analysis in this report points to a tenure split of 64% rented (social/affordable) to 36% affordable home ownership.

The NPPF advises that at least 10% of all new housing on larger sites should be for affordable home ownership unless this would exceed the level of affordable housing required in the area and the evidence within this report is considered to provide sufficient evidence to justify this. However, given the clear and acute need for affordable rented housing, the Council should look to seek as much rented affordable products as possible (subject to viability).

Iceni would recommend that rental costs do not exceed Local Housing Allowance levels (which in particular may require costs to be set below 80% market rents, particularly for larger properties); and that they should take account of living rents, where these are lower than LHA. In respect of affordable home ownership homes, these should take account of the price brackets shown as well as the potential equity shares required to make shared ownership affordable.

With specific regard to the parts of the District which fall within the South Downs National Park, Iceni conclude that there is a total need for 31 dwellings per annum for rented affordable housing and 22 dwellings per annum for affordable home ownership homes.

6. NEEDS OF OLDER PERSONS & THOSE WITH DISABILITIES

- 6.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on *Housing for Older and Disabled People* published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding the Implications of Demographic Changes

- 6.2 The population of older persons is increasing driven by demographic changes including increasing life expectancy. This is a key driver of the need for housing which is capable of meeting the needs of older persons, and therefore a sensible first stage of analysis.

Current Population of Older People

- 6.3 The Table below provides baseline population data about older persons and compares this with other areas. The data has been taken from the published 2018 ONS mid-year population estimates. Winchester has a similar proportion of older people as other areas with 21% of the population in 2018 being aged 65 and over.

Table 6.1 Older Person Population in Winchester District, 2018

	Winchester	Hampshire	South East	England
Under 65	78.9%	78.5%	80.7%	81.8%
65-74	11.1%	11.5%	10.3%	9.9%
75-84	6.8%	6.9%	6.2%	5.8%
85+	3.3%	3.1%	2.8%	2.4%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	21.1%	21.5%	19.3%	18.2%

Source: ONS 2018 mid-year population estimates

- 6.4 The table below provides the same information for sub-areas (data for 2017, reflecting the latest date for which this information was available at the time of writing). The analysis shows a particularly high proportion of older persons in the Northern sub-area, with much lower figures in the Town sub-area.

Table 6.2 Older Person Population by Sub-Area, 2018

	Northern	Southern	Town	District
Under 65	75.6%	78.9%	83.1%	79.2%
65-74	13.2%	11.6%	8.4%	11.0%
75-84	7.7%	6.7%	5.3%	6.6%
85+	3.6%	2.8%	3.2%	3.2%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	24.4%	21.1%	16.9%	20.8%

Source: ONS 2017 mid-year population estimates

Future Change in the Population of Older People

- 6.5 Population projections can be used to provide an indication of how the numbers of older persons in different age groups can be expected to change. The data presented below uses information from the projections previously developed to link to the Standard Method.
- 6.6 Winchester is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by nearly 50% over the 20-years to 2036. This compares with overall population growth of 21% and a more modest increase in the Under 65 population (increasing by 13%).
- 6.7 In total population terms, the projections show an increase in the population aged 65 and over of 12,400 people. This is against a backdrop of an overall increase of 25,500 – population growth of people aged 65 and over therefore accounts for 49% of the total projected population change.

Table 6.3 Projected Change in Population of Older Persons in Winchester District, 2016 to 2036

	2016	2036	Change in population	% change
Under 65	97,696	110,781	13,085	13.4%
65-74	13,440	17,125	3,685	27.4%
75-84	8,059	12,752	4,693	58.2%
85+	3,905	7,908	4,003	102.5%
Total	123,100	148,566	25,466	20.7%
Total 65+	25,404	37,785	12,381	48.7%

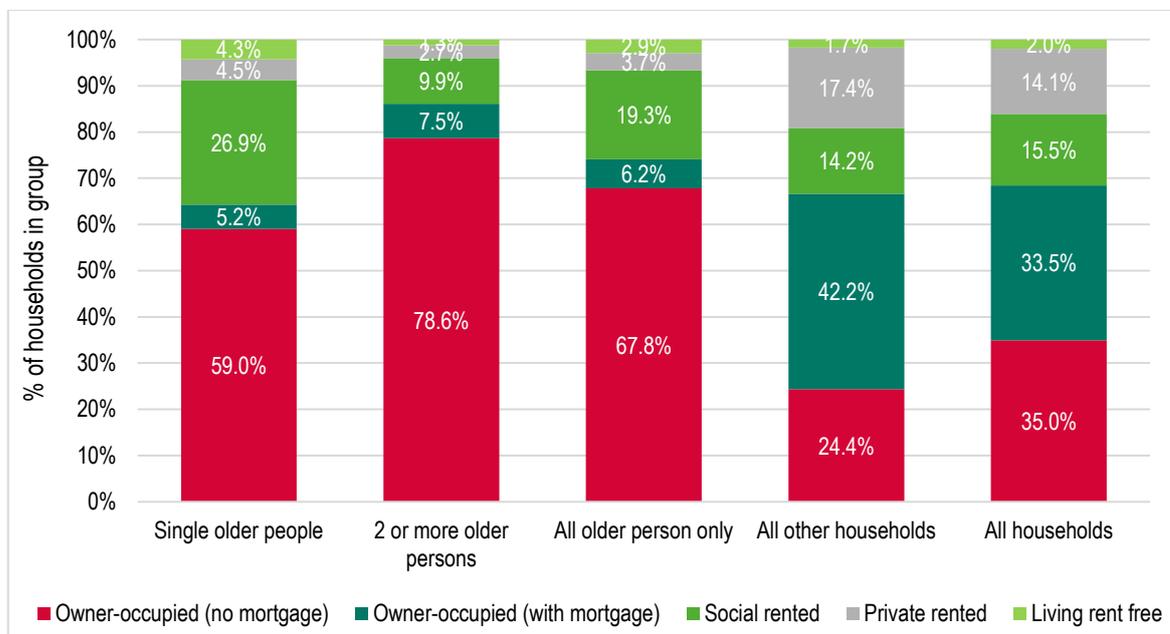
Source: Demographic Projections

Characteristics of Older Person Households

- 6.8 The figure below shows the tenure of older persons households by household type, using 2011 Census data. It shows that older person households are relatively likely to live in outright owned accommodation (68%) and are also slightly more likely than other households to be in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (4%).

6.9 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.

Figure 6.1: Tenure of Older Person Households in Winchester District, 2011



Source: 2011 Census

People with Disabilities

6.10 The table below shows the proportion of people with a long-term health problem or disability (LTHPD) drawn from 2011 Census data, and the proportion of households where at least one person has a LTHPD. The data suggests that across the District some 28% of households contain someone with a LTHPD. This figure is slightly lower to that seen in other areas. The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 15% of the population having a LTHPD). The data does not show any substantial differences between different parts of the District.

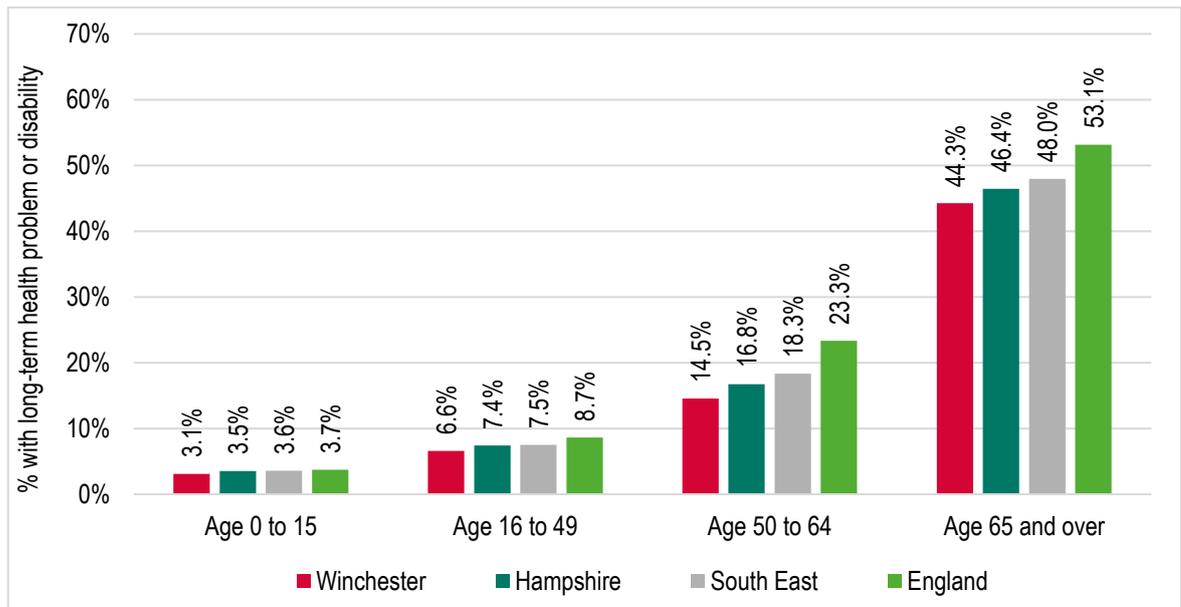
Table 6.4 Households and people with a Long-Term Health Problem or Disability, 2011

	Households containing someone with a health problem		Population with a health problem	
	Number	%	Number	%
Northern	4,889	27.4%	6,390	14.5%
Southern	3,403	26.7%	4,519	14.3%
Town	4,612	28.4%	6,018	14.7%
Winchester	12,904	27.5%	16,927	14.5%
Hampshire	160,310	29.4%	207,325	15.7%
South East	1,048,887	29.5%	1,356,204	15.7%
England	7,217,905	32.7%	9,352,586	17.6%

Source: 2011 Census

6.11 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also shows lower levels of LTHPD in all age bands within Winchester when compared with national averages.

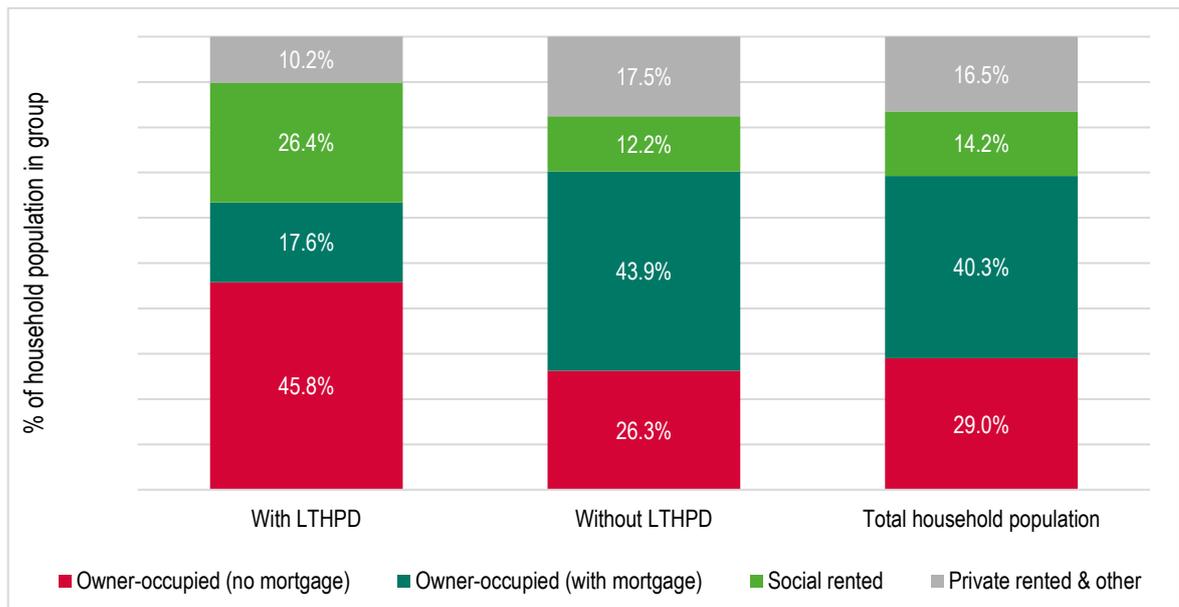
Figure 6.2: Population with Long-Term Health Problem or Disability by age



Source: 2011 Census

6.12 The Figure below shows the tenures of people with a LTHPD – it should be noted that the data is for 'population living in households' rather than 'households'. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing or are also more likely to be outright owners (this will be linked to the age profile of the population with a disability).

Figure 6.3: Tenure of people with LTHPD, 2011



Source: 2011 Census

- 6.13 Indeed 2011 Census data indicated that 26% of those in the social rented sector had a LTHPD compared to 12% in other tenures in Winchester.

Health-Related Population Projections

- 6.14 In addition to providing projections about how the number and proportion of older people is expected to change in the future the analysis can look at the likely impact on the number of people with specific illnesses or disabilities. The analysis covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. In all cases the analysis links to estimates of population growth based on Standard Method housing need estimates.
- 6.15 Of particular note are the large increases in the number of older people with dementia (increasing by 74% from 2016 to 2036) and mobility problems (64% increase over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population. When related back to the total projected change to the population, the increase of 3,100 people with a mobility problem represents 12% of the total projected population growth.
- 6.16 It should be noted that there will be an overlap between categories (i.e. some people will have both dementia and mobility problems). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.

Table 6.5 Projected Changes to Winchester Population with a Range of Disabilities

Disability	Age Range	2016	2036	Change	% Change
Dementia	65+	1,848	3,213	1,365	73.9%
Mobility problems	65+	4,780	7,847	3,067	64.2%
Autistic Spectrum Disorders	18-64	706	784	79	11.1%
	65+	235	356	121	51.7%
Learning Disabilities	15-64	1,881	2,100	219	11.6%
	65+	526	779	252	48.0%
Challenging behaviour	15-64	34	38	4	11.5%
Impaired mobility	16-64	3,990	4,398	408	10.2%

Source: POPPI/PANSI and Demographic Projections

- 6.17 Whilst many older persons will continue to live in mainstream housing, IcenI consider that it would be sensible to design housing so that it can be adapted to households changing needs. Subject to viability testing, we would recommend that 25% of new market housing on-site is delivered to Part M4(2) 'accessible and adaptable' standards, subject to viability testing and site suitability. This is drawn from the projected change in the population with mobility problems at 153 people per annum (i.e. 3,067 over the plan period) as a proportion of the local housing need at 664 homes per annum.
- 6.18 All new affordable housing should be delivered to Part M4(2) standards in line with the Council's existing LPP2 Policy DM2, subject to viability testing and site suitability.

Providing Appropriate Housing Options for Older People

- 6.19 It is important that consideration is given to delivering an appropriate range and choice of housing options for older persons. Many older people may want to remain in the home they have lived in for in some cases many years. Some may need adaptations to the property to do so, to take account of their changing needs. This can include the installation of handrails or stairlifts.
- 6.20 Some older households may also seek to downsize, including to reduce household bills or to release equity from their home to fund their retirement or lifestyle. It is important that a supply of attractive housing is available locally to provide options for older households in this respect. This has been taken into account in the modelling of the future mix of housing needed in this report, in the analysis in the following section.
- 6.21 A proportion of older households will consider moving into retirement or specialist housing provision if appropriate and attractive housing is available locally. There may be a range of factors which may influence such moves, including issues related to loneliness, health, ability to maintain existing homes and/or care and support needs.

6.22 A spectrum of housing is thus needed to meet older persons housing needs with appropriate provision in both the public / affordable and private / market sectors. It is also important that houses are built to be able to be adapted to meet households' changing needs over time.

Need for Specialist Accommodation for Older Persons

6.23 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward. In this section we consider the need for retirement living or sheltered housing, which we term "housing with support", for extra care or other forms of "housing with care", and for residential care or nursing care homes.

6.24 The prevalence rates used in our analysis are based on the Housing Learning & Information Network (Housing LIN) Strategic Housing for Older People Analysis Tool (SHOP@). This sets out a series of baseline rates which form a starting point for assessing appropriate prevalence rates to apply. These baseline rates are:

- Housing with Support (retirement/sheltered housing) – 125 units per 1,000 population aged 75 and over;
- Housing with Care (enhanced sheltered and extra-care housing) – 45 units per 1,000 population aged 75 and over; and
- Residential care bedspaces (residential and nursing care) – 110 units (bedspaces) per 1,000 population aged 75 and over.

6.25 Following the Housing LIN methodology, an initial adjustment has then been made to these rates to reflect the relative health of the local older person population. This has been based on Census data about the proportion of people aged 65 and over who have a long-term health problem or disability compared with the England average. In Winchester, the data shows a fairly healthy older person population and so the prevalence rates used have been reduced slightly.

6.26 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories (no tenure is associated with residential care bedspaces). This again draws on suggestions in the Shop@ tool which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using the 2015 Index of Multiple Deprivation the analysis therefore suggests a slightly higher need for market homes in Winchester than the national prevalence rates would suggest.

6.27 Across both housing with care and housing with support, this analysis suggests a need for 142 units of accommodation per 1,000 population aged 75 and over, and of these 92 (64%) are for market housing. The analysis also suggests a need for 91 care bedspaces per 1,000 population – the

bedspaces do not have an associated tenure. The box below shows the definitions of different types of older persons accommodation and for care beds assumed in this assessment.

Definitions of Different Types of Older Persons' Accommodation

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

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

Enhanced sheltered housing: Sheltered housing with additional services to enable older people to retain their independence in their own home possible. Typically, there may be 24/7 (non-registered) staffing cover, at least one daily meal will be provided and there will be additional shared facilities. Also called assisted living and very sheltered housing.

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

- 6.28 The table below shows estimated needs for different types of housing linked to the standard method projections. The analysis shows a potentially high need for leasehold (market) housing with support, as well as a need for both affordable and market extra care units. Overall, the analysis suggests a need for 1,171 additional units by 2036 (equivalent to 59 per annum). Additionally, it is estimated that there is a need for around 812 additional care bedspaces to 2036.

Table 6.6 Older Persons' Dwelling Requirements in Winchester District, 2016 to 2036

		Housing demand per 1,000 75+	Current supply	2016 demand	Current shortfall/surplus	Additional demand to 2036	Shortfall/surplus by 2036
Housing with support	Rented	35	1,180	424	-756	308	-448
	Leasehold	69	423	823	400	598	998
Housing with care	Rented	16	71	186	115	135	251
	Leasehold	22	82	262	180	191	371
Total (dwellings)		142	1,756	1,695	-61	1,232	1,171
Care bedspaces		92	1,082	1,097	15	797	812

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

- 6.29 The figures provided above should be treated as indicative as there is no nationally agreed set of prevalence rates (or how these might be adjusted for local factors). To keep this information as up to date as possible, the Council should monitor the supply of specialist housing, including any pipeline of supply so as to enable an understanding of whether or not there is any specific shortfall at a point in time.

Older Persons' Housing, Planning Use Classes and Affordable Housing Policies

- 6.30 It is worth briefly discussing the Use Classes that Older Persons housing would fall into as there is some lack of clarity (particularly when it comes to extra-care housing). The Use Classes Order sets out different categories of residential use and makes a distinction between residential institutions (Class C2) and dwelling-houses (Class C3). Care is defined in the Use Class Order as meaning "personal care for people in need of such care by reason of old age, disablement, past or present dependence on alcohol or drugs or past or present mental disorder, and in class C2 also includes the personal care of children and medical care and treatment." The C2/C3 distinction is important as it can impact on the ability of a local authority to seek an affordable housing contribution from a development in private-led development schemes (rather than those commissioned by a public body).
- 6.31 There is case law (at planning appeals and in the courts) on the definitions of both. There is no clear government guidance on which use class 'extra care housing' falls into. It is for the decision maker to decide, depending on the individual circumstances of each case. Government has released new Planning Practice Guidance of *Housing for Older and Disabled People* in June 2019. In respect of Use Classes, Para 63-014 therein states that:

"It is for a local planning authority to consider into which use class a particular development may fall. When determining whether a development for specialist housing for older people falls within C2 (Residential Institutions) or C3 (Dwellinghouse) of the Use Classes Order,

consideration could, for example, be given to the level of care and scale of communal facilities provided.”

6.32 The relevant factors identified in the Guidance are thus the level of care, which is provided, and the scale of communal facilities. It is notable that no reference is made to whether units of accommodation have separate front doors. Iceniview this as consistent with the Use Class Order, where it is the ongoing provision of care which is the distinguishing feature within the C2 definition. In a C2 use, the provision of care is an essential and ongoing characteristic of the development and would normally be secured as such through the S106 Agreement.

6.33 Iceniview has reviewed a range of appeal decisions which have addressed issues relating to how to define the use class of a development. These are fact-specific, and there is a need to consider the particular nature of the scheme. What arises from this, is that schemes which have been accepted as a C2 use commonly demonstrate the following characteristics:

- a. Occupation restricted to people (at least one within a household) in need of personal care, with an obligation for such residents to subscribe to a minimum care package.

Whilst there has been debate about the minimum level of care to which residents must sign-up to, Iceniview's view is that this should not be determinative given that a) residents' care needs would typically change over time, and in most cases increase; and b) for those without a care need the relative costs associated with the care package would be off-putting.

- b. Provision of access to a range of communal areas and facilities, typically beyond that of simply a communal lounge, with the access to these facilities typically reflected in the service charge.

6.34 Iceniview however considers that the Use Class on its own need not be determinative on whether affordable housing provision could be applied. But nor does it provide any hook to justify seeking provision from a C2 use in the absence of a development plan policy which seeks to do so.

6.35 The Framework (paragraph 34) sets out that Plans should set out the contributions expected from development, including levels of affordable housing. Such policies should not undermine the deliverability of the Plan. The Framework (paragraph 62) states that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless off-site provision or a financial contribution can be robustly justified; and the agreed approach contributes to the objective of creating mixed and balanced communities.

6.36 The Framework (paragraph 63) also states that affordable housing should not be sought from residential developments that are not major developments. Under paragraph 64, it sets out that specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students) are exempt from the requirement for 10% of homes (as

part of the affordable housing contribution) to be for affordable home ownership. But neither of these paragraphs set out explicitly that certain types of specialist accommodation for older persons are exempt from affordable housing contributions more widely.

6.37 The implication is that, in Iceni's view:

- The ability to seek affordable housing contributions from a C2 use at the current time is influenced by how current development plan policies were constructed and evidenced;
- If policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan.

6.38 It is however important to recognise that the viability of housing with care will differ from general mixed tenure development schemes, not least as there are typically significant levels of communal space and on-site facilities; higher construction and fit-out costs; and slower sales rates as there are less off-plan sales. There are also practical issues associated with how mixed tenure schemes may operate. The Council needs to consider these issues in assessing viability and crafting policies.

6.39 It can be difficult in some circumstances for developers of specialist housing for older persons to compete with other developers for land.

6.40 **To support the delivery of specialist accommodation, it may be appropriate for the Council to consider making specific land allocations for specialist housing for older persons within the new Local Plan.**

Wheelchair User Housing

6.41 Information about the need for housing for wheelchair users is difficult to obtain, particularly at a local level. National data within a research report by Habinteg Housing Association and London South Bank University (Supported by the Homes and Communities Agency) entitled *Mind the Step: An estimation of housing need among wheelchair users in England* has therefore been used. This report provides information at a national and regional level although there are some doubts about the validity even of the regional figures; hence the focus herein is on national data.

6.42 The report identifies that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive. Furthermore, it is estimated, based on English House Condition Survey data, that just 0.5% of homes meet criteria for 'accessible and adaptable', while 3.4% are 'visitable' by someone with mobility problems (information from the CLG Guide to available disability data (taken from the English Housing Survey) puts the proportion of 'visitable' properties at a slightly higher 5.3%).

- 6.43 Overall, the report estimates that there is an unmet need for wheelchair user dwellings equivalent to 3.5 per 1,000 households.¹⁰ Moving forward, the report estimates a wheelchair user need from around 3% of households. Applying both of these figures to the demographic projections (see table below) suggests a need for around 560 wheelchair user homes in Winchester in the period to 2036.

Table 6.7 **Estimated Need for Wheelchair User Homes, 2016-2036**

	Current need	Projected need (2016-36)	Total
Winchester	174	387	561

Source: Derived from demographic projections and Habinteg prevalence rates

- 6.44 Information in the CLG Guide to available disability data also provides some historical national data about wheelchair users by tenure (data from the 2007/8 English Housing Survey). This showed around 7.1% of social tenants to be wheelchair users, compared with 2.3% of owner-occupiers (there was insufficient data for private renting, suggesting that the number is low).
- 6.45 This may impact on the proportion of different tenures that should be developed to be for wheelchair users (although it should be noted that the PPG (56-009) states that '*Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling*'). For market housing, policy can however require delivery of wheelchair-adaptable dwellings, this being a home that can easily be adapted to meet the needs of a household including wheelchair users.
- 6.46 Comparing the need for wheelchair dwellings shown to the local housing need, the need for wheelchair user dwellings equates to about 4% of the total housing need.

Need/Demand for Bungalows

- 6.47 The sources used for analysis in this report make it difficult to quantify a need/demand for bungalows in the District as Census data (which is used to look at occupancy profiles) does not separately identify this type of accommodation. However, it is typical to find that there is a demand for this type of accommodation, particularly from older households.
- 6.48 Bungalows are often the first choice for older people seeking suitable accommodation in later life and there is generally a high demand for such accommodation when it becomes available. As a new build option, it is, however, the case that bungalow accommodation is often not supported by either house builders or planners (due to potential plot sizes and their generally low densities).

¹⁰ This is described in the Habinteg report as the number of wheelchair user households with unmet housing need

6.49 There is also the possibility of a wider need/demand for retirement accommodation. Retirement apartments can prove very popular if they are well located in terms of access to facilities and services, and environmentally attractive (e.g. have a good view). However, some potential purchasers may find high service charges unacceptable or unaffordable and new build units may not retain their value on re-sale.

6.50 Overall, the Council should consider the potential role of bungalows as part of the future mix of housing. Such housing may be particularly attractive to older owner-occupiers (many of whom are equity-rich) which may assist in encouraging households to downsize. However, the downside to providing bungalows is that they are relatively land intensive for the amount of floorspace created.

Downsizing and Older Owner-Occupiers

6.51 As recognised in *Rightsizing: Reframing the Housing Offer for Older People*¹¹ report, the need to explore diverse housing options for the ageing population requires us to move beyond limited discussions about downsizing, and towards a model of 'rightsizing' in which improving older people's quality of life is the critical focus.

6.52 The envisioned benefits of downsizing include first and foremost, the release of larger properties into the housing market which ultimately contributes towards increasing the supply of family housing. However, whilst downsizing as a concept is helpful in framing key challenges in the housing market, the practicalities must be more nuanced.

6.53 For instance, a key finding of the research set out in the Rightsizing report is that the majority of older people who are moving across all tenures are not 'downsizing'; and the majority of those that do downsize only reduce the size of their property by one room. The term 'downsizing' is therefore unlikely to reflect the actual situation of moving as it stands.

6.54 Rightsizing is however defined as an older person's active, positive choice to move home as a way of improving their quality of life. The ability to rightsize is dependent on both the availability and accessibility of housing options that people feel would improve their quality of life.

6.55 Through the provision of a mix of older persons accommodation with a focus on providing for a better quality of life and a range of care; an appropriate balance of housing across the District can be achieved.

¹¹ Rightsizing: Reframing the Housing Offer for Older People, PHASE at Manchester School of Architecture (2018)

Housing Needs of Older Persons and those with Disabilities: Summary and Implications

People aged over 65 represent 21% of Winchester District's population and numbers are expected to grow significantly. Numbers of people aged over 65 are projected to increase by 12,400 (49%) between 2016-36 with a substantial growth of 8,700 persons aged 75+.

Linked particularly to a growing older population, the number of people with health problems and/or disabilities are projected to increase significantly – the number of people with mobility problems is projected to rise by 3,100 over the 2016-36 period with growth around 1,400 persons with dementia. A need is shown for 560 wheelchair-user homes.

A need is shown for 998 housing with support units, such as sheltered housing or retirement living, over the period to 2036, the majority of which are expected to be leasehold. There is also a need for 620 housing with care units, with a need for both market and affordable provision. This can be met through provision of extra care housing. Consideration should be given to developing bespoke affordable housing policies for extra care. Additionally, a need is shown for around 800 care or nursing home bedspaces to 2036.

7. THE NEEDS OF DIFFERENT GROUPS IN THE POPULATION

- 7.1 This section considers the housing needs of family households (generally described as households with dependent children) and the housing needs of younger people, student housing needs and the needs of service families in Winchester District.

The Needs of Family Households

Volumes of Family Households

- 7.2 The number of family households totalled 13,276 in Winchester District at the 2011 Census, accounting for 28% of households. Household projections have been developed (linked to the standard method) to estimate growth in family households over the period to 2036. The detailed profile of these is set out in the table below; and show growth of 27% equal to around 3,700 family households.

Table 7.1 Projected Change in Family Households in Winchester District, 2016-36

	2016	2036	Change in households	% change
Households with one dependent child	5,645	7,493	1,848	32.7%
Households with two dependent children	5,844	7,138	1,294	22.1%
Households with three dependent children	2,279	2,814	535	23.5%
Total Households	49,651	62,544	12,894	26.0%
Total households with dependent children	13,768	17,445	3,677	26.7%

Source: Demographic Projections

- 7.3 The level of growth in family households does not automatically translate into an equivalent need for family-sized accommodation, not least as many older households will continue to live in family-sized properties that offer space for friends and relatives to come and stay. The interaction between demographics and the need for different sizes of accommodation is considered further in Section 8.

Barriers for Families in Accessing Suitable Housing

Available Mix and Choice of Housing

- 7.4 The market demand for family housing is strong in Winchester District – and in particular the northern and southern sub-areas - due to a range of factors, including the profile of existing stock and the character of these areas, relative affordability compared to London; growing numbers of newly forming family (as well as younger age) households; and outward demand pressures arising from Greater London that are increasingly unlikely to be met.
- 7.5 The delivery of family sized housing remains a requirement for the District. It is important to deliver a range of housing sizes and to actively promote this through appropriate planning policies and

consideration of the operation of the market. There has been a development focus on delivering two-bedroom housing across the District over the last decade, as set out in Section 3, reflecting the aims of current and previous local planning policy. However, recent housing completions have been shifting towards larger family housing over the last two years; with 3 or more-bedroom housing completions forming more than 50% of all completions.

- 7.6 The mix and choice of housing within the Winchester Town sub-area is relatively restricted for family sized households with a higher than average proportion of 1 and 2 bedroom properties; and crucially there are limitations as to the affordability of larger properties in the context of continued growth in sales prices and rental values across all three sub-areas over recent years.
- 7.7 Notably, an Article 4 Direction was made in October 2016 to remove permitted development rights in Winchester Town which enable existing office premises to be converted to residential use without needing full planning permission. This was in response to the scale of loss of offices to residential following the introduction of permitted development rights in 2013, but this could also have an influence on the mix of housing.
- 7.8 It is also noted that another Article 4 Direction was made in April 2015 to withdraw permitted development rights for the change of use of a dwelling house to a house in multiple occupation (HMOs) in the Stanmore area. A similar Article 4 Direction was introduced in May 2018 for the Winnall area of Winchester. The two areas are residential suburbs of Winchester Town.
- 7.9 The Article 4 Directions were introduced by the Council in response to the number of student HMOs and their impact on the stock and availability of family housing in these areas, where a large proportion of 3-bedroom homes are now student HMOs. The aim of both Directions is therefore to assist in maintaining a mix of residential accommodation in the neighbourhoods.

Affordability and Local Housing Allowance

- 7.10 Affordable rents for family households (as well as securing the initial rental deposit) constitute a key barrier to accessing housing for some households, as private rents have grown faster than household incomes and above housing benefit allowances. The relative un-affordability of larger, family sized, homes for rent can often result in distortions and inefficiency in the market limiting the development of larger properties despite evident local needs.
- 7.11 The Local Housing Allowance (“LHA”) sets the amount of housing benefit or Universal Credit housing element that households in the private rented sector can claim (it is intended to reflect the lowest 30th percentile of local private rents to allow welfare claimants access to the market). However, LHA has fallen below LQ market rents in Winchester District.

- 7.12 The Table below shows the difference between the LHA cap for the Winchester Broad Rental Market Area¹² (“BRMA”) and lower quartile rents at the year ending March 2019. There is a particular large differential for 4-bedroom properties. This points to a restricted ability for the private rented sector to meet the needs of family sized households on lower incomes.

Table 7.2 Comparison of LQ Rents and LHA Rates

Property Size	Monthly LQ Rent	LHA Rates	Difference
2 Bedrooms	£825	£792	-£33
3 Bedrooms	£1,008	£920	-£88
4 Bedrooms	£1,600	£1,399	-£201

Source: VOA 2019 and LHA 2019

- 7.13 The LHA cap was frozen in 2015, but raised subsequently again by 3% in 2018, relieving some pressure in higher rental value areas and reducing the pressure, to some limited degree, on local authority Discretionary Housing Payments. There has however been no increase to the LHA rates themselves which remain frozen.

Initial Housing Purchase Costs

- 7.14 Initial purchase housing costs, in terms of both deposit sums and Stamp Duty Land Tax (SDLT), affect all households seeking to purchase market housing. House purchase deposits have a usual minimum of 10% of sale price, however there is clear evidence that increased deposits, particularly above 20%, are able to attract better value mortgage finance deals.
- 7.15 For current lower quartile house prices in Winchester at £295,000, a 10% purchase deposit represents £29,500. At the 20% level the deposit increases to £59,000. In absolute terms, the level of deposit required in order to secure a market housing purchase have increased substantially linked to increasing sales prices over time and to the ability of individuals/family households to save a sufficient element of income for the deposit.
- 7.16 The effect of purchase deposits is relevant to first time family buyers as well as second and subsequent moves as it is required at the point of contract exchange before any equity in an existing property is released.
- 7.17 The Government’s Help to Buy programme has provided an avenue to alleviate some of the problem (offering a 20% loan towards the deposit) on properties up to £600,000. In Winchester District, the Help to Buy programme does therefore provide an opportunity for families seeking to secure appropriately sized market housing and it is clear from analysis of current sales values and trends

¹² This includes the vast majority of Winchester District

that there is a good selection of new build and existing family-sized housing stock available within the limits of the Help to buy programme – particularly semi-detached and terraced properties.

- 7.18 However, there is an underlying issue for those lower income families seeking to purchase market housing (and not seeking shared ownership routes) to save the deposits required as well as meet any Stamp Duty Land Tax (“SDLT”) liability that is also necessary at the point of purchase. This is where affordable home ownership products are important.
- 7.19 Both purchase deposits and SDLT are a function of the total house sale price and the long-term trend of significantly rising prices affects both. The SDLT is a progressive tax with charges based on value thresholds (and additional surcharges for second homes and investors) however the underlying value of family sized properties in the South East and within Winchester District has driven up the total level of SDLT payable at the point of purchase. The barriers caused by this situation will clearly affect individual household circumstances in different ways, but there is some national research that offers an insight into the main ramifications.
- 7.20 Research undertaken in 2018 by LSE for The Family Building Society¹³ concluded that SDLT is a highest order influence and barrier to families and those looking to move to a new house or downsize (as dependent children leave home). The research found that many family and downsizer households stay continuing to live in homes that may not be suitable to their needs and in turn reducing demand for new housing and reducing choice for those who wish to move. The research also found that SDLT costs inhibited the household’s ability to support adult children and in turn affected the ability of first-time buyers and younger families to secure the level of purchase deposit necessary.

Welfare Benefits, Universal Credit and Local Housing Allowance

- 7.21 The changing nature of welfare benefits payments, particularly housing benefits and the introduction and shift to Universal Credit have direct implications for lower earning and economically inactive households.
- 7.22 The operation of the welfare benefit cap has been in place now for a number of years, restricting the total amount of benefit (including housing benefits) which in turn serves to restrict housing (and locational) choice and opportunity for those family households affected. This has served to form a potential barrier to accessing family housing.

¹³ A Taxing Question: Is Stamp Duty Land Tax Suffocating the English Housing Market, LSE for The Family Building Society (November 2017)

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- 7.23 The maximum amount of welfare and housing benefit is capped currently at £384.62 per week or £1,666.67 per month or £20,000 per annum (outside London) for families with children and couples. The benefit cap applies as soon as the household income from benefits would otherwise exceed it.
- 7.24 The welfare cap does not apply to housing benefits if sufficient hours are worked to qualify for working tax credit. For a lone parent this is 16 hours worked per week; for families this is 24 hours per week (with one person working at least 16 hours). There are exemptions for those with disabilities or carer attendance responsibilities.
- 7.25 In addition to restrictions arising from welfare caps, those households that are Universal Credit claimants are limited (after 6th April 2017) in terms of claiming additional amounts for a third or subsequent child which inevitably restricts larger family household incomes for those claiming Universal Credit.
- 7.26 A further difficulty has been widely reported in terms of individuals and family households switching from benefit payments into the Universal Credit system with widely reported delays and significant gaps between the last benefit payment and the first payment by Universal Credit. This has, in some instances been compounded by Universal Credit payments (including money to cover housing costs) being paid directly to the individual/household rather to the local authority or landlord.
- 7.27 There are, anecdotally, significant instances where such individuals/households have been unable to budget appropriately leading to a failure to pay housing rental charges when they are due.

Private Landlord Attitudes to Low Income Family Households

- 7.28 At a national level, there are well documented changes in the attitudes of private rental landlords to let properties to low income families and particularly those in receipt of LHA benefits or the Universal Credit housing elements. Notably, survey work undertaken by Shelter¹⁴ indicates that landlord reluctance has increased over time driven by the welfare reforms and increasing negative perceptions of uncollected rents and difficulties in securing tenant arrears and longer-term housing debts. This affects the ability of low-income family (and other) households to access housing in the private rented sector.

Implications for Family Households

- 7.29 Looking forwards, it is important to recognise that it is not just families which occupy family-sized accommodation; with many older people typically occupying homes which have more bedrooms that they might 'need' given the size of the household. This is particularly the case in the market sector,

¹⁴ Shut Out: The Barriers Low Income Households Face in Private Renting (June 2017), Shelter

and many older persons seek additional space to allow friends and relatives to come and stay. Providing suitable housing for older households to downsize is one (and an important) means of supporting fluidity in the housing market and maintaining a supply of family housing for younger households wherever possible given the nature of land supply.

7.30 The analysis in this section has highlighted particular issues around the affordability of market housing for family households on lower incomes, in particular as lower quartile rental costs are above LHA (and particularly so for larger properties) for Winchester District.

7.31 This emphasises the important role for the delivery of family-sized affordable housing in ensuring that there is adequate supply of housing available for lower income households, and promotes setting rents for larger properties at levels which do not exceed LHA levels

The Needs of Couples without Children and Single People

7.32 Household projections have been developed (linked to the standard method) to estimate growth in couples without children and single people over the period to 2036. The detailed profile of these is set out in the table below; and show growth of 23% of single households equal to 3,100 households; and 29% of couples without children equal to 4,500 households.

Table 7.3 **Projected Change in Couples without Children and Single Households**

	2016	2036	Change in households	% change
One-person household (aged 65 and over)	7,029	8,521	1,492	21.2%
One-person household (aged under 65)	6,620	8,229	1,610	24.3%
Couple (aged 65 and over)	7,846	12,990	5,143	65.6%
Couple (aged under 65)	8,023	7,422	-601	-7.5%
Total (all households)	49,651	62,544	12,894	26.0%
Total Single Households	13,649	16,751	3,102	22.7%
Total Couples without Children	15,869	20,411	4,542	28.6%

Source: Demographic Projections

7.33 The needs of these two household groups are diverse; with a broadly even projected split of single households which are older (aged 65 and over) and younger (aged under 65). The proportion of growth in couples without children is expected to be accounted for entirely by those aged 65 and over.

7.34 It is expected that there will be challenges for single households; and particularly those which are younger in finding housing, including in terms of securing affordable housing, which is considered further in the next sub-section. It is also expected that there could be social challenges around loneliness and care needs for single households which are older, which could be partly addressed through co-living opportunities considered in Section 9 or older persons accommodation considered in Section 6.

The Needs of Younger Households

- 7.35 In this sub-section we move on to consider the housing needs of younger people. It considers the housing market characteristics for younger households, essentially those with a head of household representative up to the age of 35 years; examines the levels and rate of formation of younger households and then looks at affordability barriers as well as the main initiatives to increase the supply of housing for such households including the Help to Buy and Starter Homes initiatives.

Volumes of Younger Households

- 7.36 The Table below profiles the proportion of current households where the household reference person (head of household) is aged under 40. Over the 2016-36 period, the number of younger households is expected to increase by 27.1% in Winchester District, representing growth of just over 2,700 households.

Table 7.4 Levels and Projected Growth of Younger Households, 2016-36

	2016	2036	Change in households	% change
16-24	1,535	1,745	209	13.6%
25-29	2,196	2,633	437	19.9%
30-34	2,809	3,794	985	35.1%
35-39	3,435	4,507	1,072	31.2%
Total Under 40	9,976	12,679	2,703	27.1%
Total	49,651	62,544	12,894	26.0%

Source: Demographic Projections

- 7.37 In addition to households that are headed by a younger household representative person there are others that are living as part of another existing household (usually with parents or other relations). In Winchester District, the 2011 Census showed that 8% of households included non-dependent children – this is a broadly similar proportion to that seen in other areas (e.g. county, regionally and nationally).

Home Ownership amongst Younger Households

- 7.38 Younger households and individuals often find barriers to accessing a choice and mix of housing offer to meet their needs. These reflect differentials between housing costs (whether to buy or rent) and incomes. These difficulties are compounded by the operation of mortgage lending and finance with increased levels of scrutiny concerning a household or individuals' ability to meet repayments and also to find substantial deposits in order to secure finance.

Welfare and Housing Benefits

- 7.39 Changes to welfare and housing benefits have influenced the ability of younger households and individuals to secure accommodation. Generally, single private renters aged under 35 years can only claim the shared accommodation rate (even if the property is not shared with others) of housing benefit or Universal Credit housing costs. Those under 35 years of age will not get the shared accommodation rate if they live with other family members in a self-contained private home with a partner, dependent children or adult (non-dependent children or other adult family members).
- 7.40 The shared accommodation rate is set under the LHA regulations by the Valuation Office Agency. The current¹⁵ LHA rates for the Winchester BRMA which covers the vast majority of the District are:
- Shared Accommodation rate: £79.77 per week
 - One Bedroom rate: £152.75 per week
 - Two Bedrooms rate: £182.45 per week
 - Three Bedrooms rate: £211.87 per week
 - Four Bedrooms rate: £322.15 per week
- 7.41 Somewhat lower across all sizes, the current LHA rates for the Portsmouth BRMA (which includes a small section of settlements to the south east of the District such as Wickham and Hambledon) are:
- Shared Accommodation rate: £69.04 per week
 - One Bedroom rate: £120.03 per week
 - Two Bedrooms rate: £148.69 per week
 - Three Bedrooms rate: £177.78 per week
 - Four Bedrooms rate: £240.00 per week
- 7.42 Marginally lower again, the current LHA rates for the Southampton BRMA (which includes a small section of settlements to the west of the District such as Durley) are:
- Shared Accommodation rate: £67.50 per week
 - One Bedroom rate: £120.03 per week
 - Two Bedrooms rate: £161.07 per week
 - Three Bedrooms rate: £190.02 per week
 - Four Bedrooms rate: £242.40 per week

¹⁵ October 2019

7.43 The benefit cap applies to working age people (those not qualifying for exemption) setting an overall limit of the amount of benefits that are paid. Housing benefit or Universal Credit is reduced in such situations so that the benefits paid do not exceed the cap, The benefit cap applicable in Winchester is the 'Outside London' rate which for single people is £257.69 per week (£1,116.67 per month); and for families with children or couples is £384.62 (£1,666.67 per month).

Affordability and Access to Finance

7.44 Affordability of market housing is a critical issue for many younger households and individuals. High levels of unaffordability can lead to distortions in the housing market including unmet housing needs, and inability to support economic and employment growth, increased pressure on commuting for work, loss of economically active households and increased social pressures on housing benefits, healthcare and poverty.

7.45 Increasing unaffordability places greater pressure on social rented housing needs as well as increasing the demand for intermediate and shared equity housing products, particularly among younger households who do not usually have existing housing equity or other sufficient financial savings.

7.46 In Winchester, lower quartile house prices have now risen to 13.3 times typical earnings of younger households working in the District on the basis of the latest release of affordability ratios, as at the year ending September 2018. Notably, the LQ affordability has worsened year-on-year since 2009. It is clearly at a level at which points to significant barriers for younger households seeking to buy a home.

7.47 Nationwide data indicates that typical mortgage payments account for some 29% of homeowners' disposable income across the UK. However, this masks a considerable difference between the UK-wide figure and those for the South East region (38.8%) and London (46.8%) as at Q4 2018; although it should be noted that the proportion of household income devoted to mortgage payments has fallen since 2017 in the South East; potentially in the context of the uncertainty surrounding Brexit.

Table 7.5 **Mortgage Re-payments as a Proportion of Household Disposable Incomes**

	2008 Q4	2017 Q4	2018 Q4	Long Term Average (1983 - 2018)
South East	40.1%	40.2%	38.8%	46.4%
London	39.5%	44.8%	46.8%	43.6%
UK	35.1%	29.0%	28.8%	35.0%

Source: Lloyds Banking Group (Halifax Housing Research Data), 2019

7.48 Lower quartile house prices averaged £295,000 in Winchester in the year ending September 2018. The LQ average sales prices in the South East have witnessed significant increases over recent

years. The LQ house prices five years ago at September 2014 was £230,000 in Winchester¹⁶. On the basis of loan to income ratios used by most mortgage lenders of 4.5 times annual income¹⁷ the table below sets out the monthly entry-level housing costs.

Table 7.6 Entry Level House Purchase Costs, 2018

Area	LQ Purchase Price 2018	Monthly Mortgage Cost (3% interest)	Stress-Test Monthly Mortgage Cost (6% interest)
Winchester	£295,000	£1,257	£1,707
South East	£240,000	£1,024	£1,392
England	£155,000	£661	£899

Source: House Price Statistics for Small Areas, Icenic Calculation and The Money Advice Service, April 2019

- 7.49 Overall, the entry level house purchase costs represent a significant barrier and challenge for many younger households with monthly mortgage payments in excess of £1,250 on the basis of 3% interest and the requirement for significant savings to access deposit finance.

Help-to-Buy Support

- 7.50 The Government's Help-to-Buy Programme provides a range of schemes which support younger households to get on the housing market (and in doing so support housing market activity). The programme now includes:

- **Help to Buy ISA** – this is a savings product aimed at first time buyers. The ISA boosts the amount saved by 25% with the total Government contribution capped at £3,000. The ISA can be used in combination with the Equity Loan or Shared Ownership schemes. The Help to Buy ISA closed to new accounts at midnight on 30th November 2019; however, if applications opened prior to this, they will be able to continue saving into the account until November 2029.
- **Help to Buy Equity Loan** – This scheme, for new homes, is open to first time buyers and existing homeowners. There is no income cap and properties can be purchased up to a value of £600,000. A 5% deposit is required and the Help to Buy Equity Loan lends up to 20% of the purchase prices resulting in a maximum mortgage to be secured of 75% of the total price. The Help to Buy loan is interest free for the first five years.
- **Help to Buy: Shared Ownership** – to support part ownership of between 25% and 75% of the total home (either new build or resales) and ongoing rental payments on the remainder.

¹⁶ House Price Statistics for Small Areas (Year to September 2018)

¹⁷ Calculations assume a 10% deposit, repayment term of 25 years and a 3% interest rate over the term (6% for the Stress Test). It is assumed that there is no existing housing equity available to purchasers

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- 7.51 The Help to Buy programme allows the purchase (or part purchase) of new build housing and existing stock via a re-sale of Registered Providers stock. It is funded by the Government via Homes England and then administered by regional Help to Buy Agents. In Winchester District and in the Help to Buy South region, the Help to Buy agent is Radian.
- 7.52 MHCLG data indicates that over the period between April 2013 and December 2018, the Help-to-Buy Equity Loan Scheme helped 350 households to buy a home in the District¹⁸. The evidence suggests that the scheme plays a role in helping younger households to buy a home; however, there is scope for the scheme to contribute further.
- 7.53 The Communities Secretary Rt Hon James Brokenshire MP announced in November 2018 that the Help to Buy scheme would continue with a new scheme from April 2021 (understood to be more restricted to just first time buyers and with regional property price caps imposed to more closely target those that the Government considers are most in need of the support).
- 7.54 The confirmation of a future Help to Buy scheme, post 2021 does offer some further certainty that this form of housing market intervention and support will continue for the foreseeable future; and it is expected that as the scheme becomes more established, more will benefit. This is evidenced by the data which shows the highest number of equity loans were issued in 2018 in the District.
- 7.55 The Government has also recently announced (7th February 2020) a consultation on the design of a new First Homes scheme¹⁹ which will cut the cost of a proportion of new homes by a third for first-time buyers. The scheme would apply the discount in perpetuity and would be paid for through developer contributions.
- 7.56 Overall, it is clear that the particular issue affecting younger households is housing affordability. The affordability of housing to buy, and the ability of younger households to access it has deteriorated in recent years; and is now out-of-reach of many younger households. Linked to this, growth has been seen in both households renting and younger people living with parents for longer.
- 7.57 The implication of this is that the delivery of (and access to) affordable housing is very important for younger households and will be important in ensuring that a balanced population profile is maintained in Winchester District. The constrained availability of housing for younger households risks inhibiting their ability to move to or stay within the local area, and this could harm the economy (through

¹⁸ <https://www.gov.uk/government/statistics/help-to-buy-equity-loan-scheme-statistics-april-2013-to-31-december-2018>

¹⁹ <https://www.gov.uk/government/news/government-to-cut-the-cost-of-new-homes-by-a-third>

affecting the ability of employers to recruit) and may lead to unsustainable longer-distance commuting patterns.

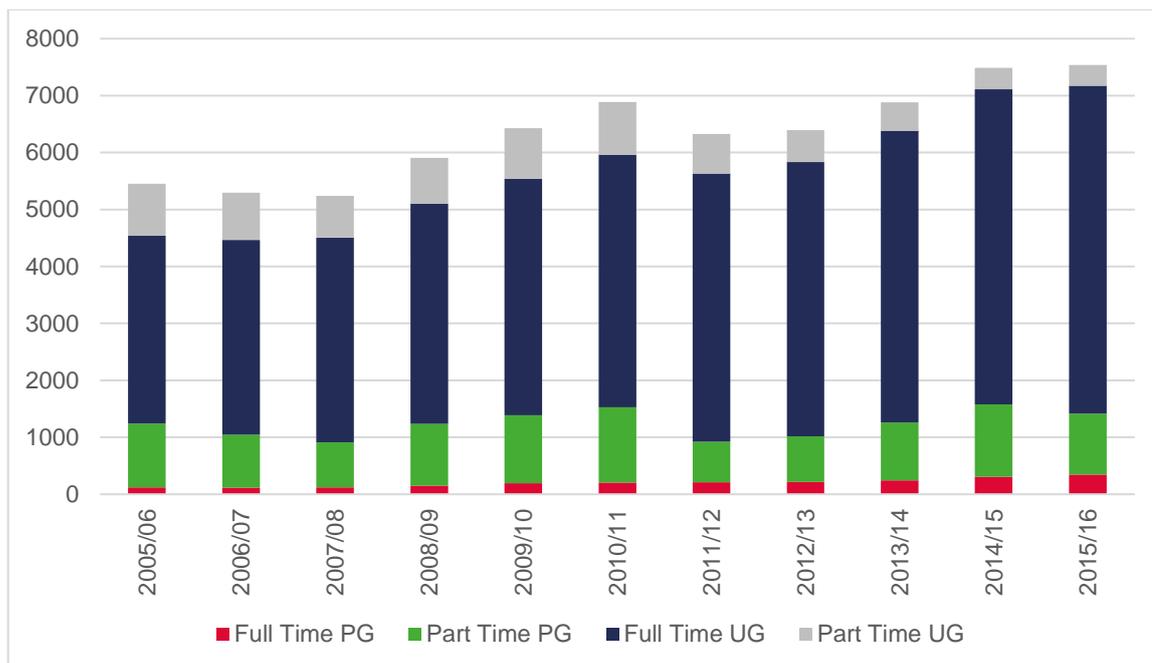
- 7.58 A strategy which explores a number of avenues is needed to address the needs of younger households, through promoting delivery of affordable housing through planning policy, including through S106 agreements securing affordable housing on mixed-tenure development schemes.
- 7.59 The potential for public sector land to contribute to affordable housing delivery should also continue to be a focus for the Council; building on its ambition to deliver 1,000 homes on public land over a 10-year period on Council-owned land. The Council should also actively look to investigate opportunities with other public landowners including Hampshire County Council.

Student Accommodation

- 7.60 It is also important to consider trends in the student population of Winchester and have regard to how this may influence the need for both student accommodation and overall housing need.
- 7.61 It should be noted that students living in purpose-built student accommodation are counted in demographic projections as part of the non-household or institutional population. However, students living in the wider housing market are counted as being within the household population and therefore are form part of the overall local housing need; and can also be counted towards the Council's performance against the Housing Delivery Test.
- 7.62 Winchester District has three further or higher education establishments which should be considered – The University of Winchester, The University of Southampton (Winchester School of Art) and Sparsholt College.
- 7.63 Upfront, we acknowledge that data allowing us to track trends in student numbers year-on-year for all establishments is not consistently available – particularly for Sparsholt College. However, we have access to data regarding trends in student numbers for the University of Winchester from the Higher Education Statistics Agency (“HESA”). There is also data on the University of Southampton, however the HESA datasets do not disaggregate between campuses therefore analysis of those students attending Winchester School of Art is limited.
- 7.64 The Figure below sets out the 10-year trend over the period from 2005/06 – 2015/16 (i.e. the latest available detailed data) for full and part-time undergraduate and postgraduate students at the University of Winchester. As of 1st September 2016, there were 7,540 full and part-time students; which is the highest number of students the University has had in the last decade; and represents absolute growth of 2,090 students since 2005/06, equal to 38% growth over this period.

7.65 It is also helpful to briefly consider trends in student numbers over the 2009/10 - 2013/14 period as this is the five-year period on which the 2014-based demographic projections are based. Over this period the overall student population at the University of Winchester increased by 450 students (equal to 7% growth or 90 students per annum on avg.). This was driven by an increase in the number of full-time postgraduate and undergraduate students, despite a notable decrease in the number of part-time undergraduates.

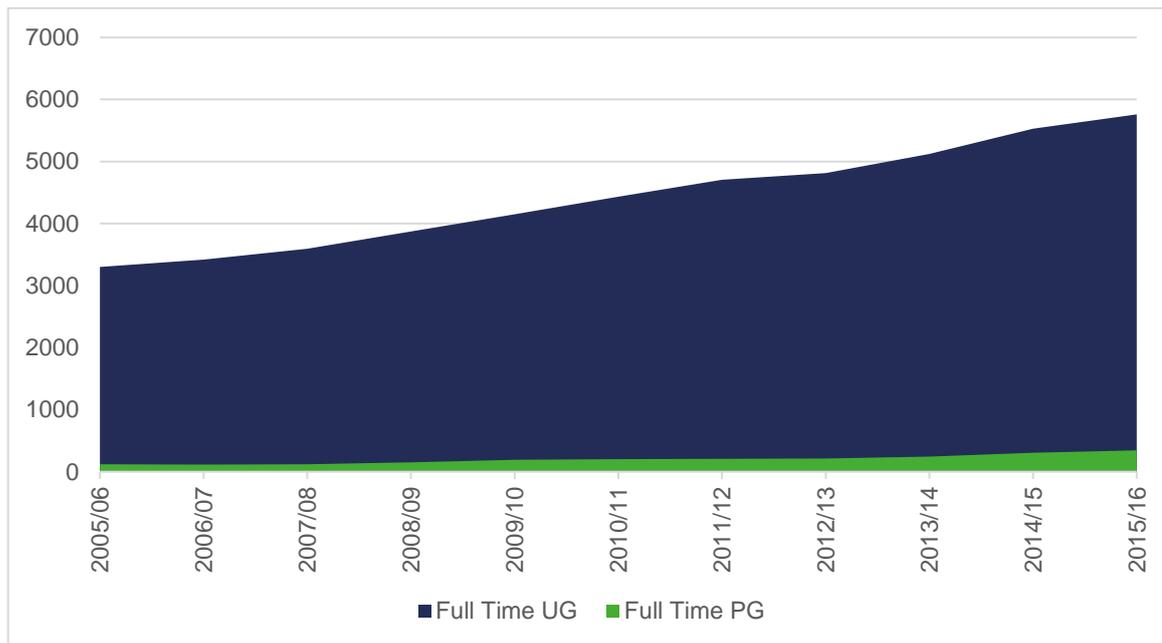
Figure 7.1: Trends in Student Numbers, University of Winchester



Source: HESA 2019

7.66 The proportion of full-time students has the most significant impact on housing in the District; and the Figure below highlights that full-time student numbers have risen year-on-year at the University of Winchester, despite the introduction of an increase in student fees by the Government in 2010/11. At 2015/16 the total number of full-time students was 6,105.

Figure 7.2: Trends in Full-Time Students, University of Winchester



Source: HESA 2019

7.67 Turning to Census data which provides further information on the total number of full-time students in the District and the type of student accommodation as at 2011, the Table below sets out the number of students separated out by those aged 16-17 (i.e. principally sixth form students) and those aged 18-74 in the District. In total, there were over 9,500 full-time students in Winchester District at 2011, aged 16 and over.

Table 7.7 Full-Time Students in Winchester District by Accommodation Type

Type of Accommodation	Aged 16-17	Aged 18-74	Total
Living with Parents	2,451	1,315	3,766
Living in Communal Establishment: University	115	1,577	1,692
Living in Communal Establishment: Other	405	170	575
Living in All Student Household	2	2,309	2,311
Living Alone	3	93	96
Other	47	1,039	1,086
Total	3,023	6,503	9,526

Source: Census 2011

7.68 First of all, the total number of full-time students at 2011 in Winchester District aged between 18-74 at 6,503 would indicate that around three-quarters (76%) of all full-time students of that age group were attending the University of Winchester on the basis of Figure 7.1 above. It is accurate to state that this establishment therefore accounts for the majority of students in the District.

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- 7.69 Second, it is clear that the large majority of students aged between 16-17 live at home with 81% of students in this age group doing so. Conversely, those aged 18-74 tend to live in all student households (likely to be in the private rented sector), with over a third (36%) doing so. Around a quarter (24%) of those aged 18-74 live in University halls of residence or similar; and a fifth live with parents.

Future Growth in Student Numbers

University of Winchester

- 7.70 In order to understand the future growth of student numbers; IcenI have engaged with the University of Winchester, Winchester School of Art and Sparsholt College to understand each establishment's intentions around growth; and the provision of accommodation for students.
- 7.71 First, IcenI engaged with the University of Winchester - the largest educational establishment in Winchester – and specifically the Facilities Manager and the Major Capital Project Manager. The University are currently developing a revised business plan as well as an estates masterplan which will set out its medium-term strategy (over a 5-year period) and how the anticipated growth in student numbers will be managed.
- 7.72 The University has made it clear that forecasting ahead is notoriously challenging; however, at present, it is forecasting growth of between 20% to 25% over the next 5 years to 2025 with growth flattening off beyond this. It is important to note however that this increase in student numbers will principally be students which are studying healthcare related courses such as osteopathy or nursing.
- 7.73 According to the University, the profile of these students is one which is typically students who do not rely on halls of residence (first year students) or private sector student housing (returning students) and are either already living in the local area; or would commute to the University from other areas within the District or outside of the District It is expected that around 50% of the planned growth will be accounted for by healthcare related courses.
- 7.74 In respect of the other 50% of additional planned growth to 2025, the University's estate masterplan is expected to demonstrate that all future accommodation requirements can be managed within the University's existing footprint, through planned purpose-built development. This provision will be standard halls of residence for first-year students.
- 7.75 In terms of the wider housing market and returning students, the University of Winchester noted that in terms of student accommodation, there is significant activity from private developers who are currently either taking applications through the planning process or constructing accommodation for students; with the University also aware of a number of prospective schemes in the pipeline.

- 7.76 With regards to the purpose-built accommodation, the main concern highlighted by the University was the monthly cost of forthcoming student accommodation; with these schemes often targeted at the higher end of the market; with rents reaching around £300 per week. According to the University, this ultimately makes these units unaffordable for a significant proportion of students. Further to this, the University say the accommodation is often located in locations where students find it difficult to access the university campus.
- 7.77 IcenI has engaged with six letting agents in Winchester Town including Martin & Co, Lithend, Austins Wyatt, Dybells, Romans and Goadsbys in order to gauge whether supply is keeping up with demand; and whether there is the potential for units to go unlet.
- 7.78 Notably, of the six agents contacted, five stated that there was an adequate supply of housing for students. Four of the agents noted that 2018/19 has been the first year where there has been a surplus and/or student housing has been more challenging to let. However, agents made it clear that if student numbers were to increase dramatically, then additional accommodation would be required.
- 7.79 IcenI has undertaken a review of recent planning applications for purpose-built private rented student accommodation to better understand the level and profile of provision coming forward. The Table below sets out recent schemes which have been subject to a planning application.

Table 7.8 Pipeline Student Accommodation Schemes in Winchester

Planning Application Ref & Address	Proposal	Status
19/01055/FUL The Cavendish Centre, Winnall Close	Provision of 85 student beds comprised of studio rooms and cluster flats.	Pending
17/01595/FUL Pine Cottage, Sparkford Road	Provision of 88 studio flats as purpose-built student accommodation.	Permitted
16/00517/FUL 180 Greenhill Road, Winchester	Provision of 134 student beds in 28 flats for returning (non-first year) students.	Permitted

Source: Council's Planning Application Portal

- 7.80 On the basis of the Table above, there is reasonable amount of purpose-built student accommodation coming forward in Winchester; and it is our understanding through discussions with the University of Winchester and letting agents that further schemes are in the development pipeline with planning applications anticipated shortly. This includes a 600-bed scheme being promoted at Milnthorpe Lane which has been subject to a number of public consultation exercises. This forthcoming provision will have a role in alleviating pressures on housing in the open market.

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- 7.81 Aside from purpose-built student accommodation, the principal form of accommodation for the majority of returning students who do not live at home is student HMOs – with the bulk of student HMOs found in the areas of Stanmore and Winnall. The Council introduced Policy WIN9 through Local Plan Part 2, in response to increasing concern about the effect of HMO accommodation in Winchester and its impact on the provision of family housing in these two areas.
- 7.82 As set out earlier in this section, the Council introduced an Article 4 Direction in Stanmore, which came into force on 2nd May 2016 and a further Article 4 Direction in Winnall, which came into force on 1st May 2018. The evidence suggests that the proportion of HMOs in Stanmore is over 20% of all households; whilst the proportion of HMOs in Winnall is around 8.5% of all households. There is currently no evidence that there are other areas in the City where the concentration of HMOs would suggest that another Article 4 Direction is justified in planning terms at this time.
- 7.83 Overall, whilst it is anticipated that student numbers will increase at the University of Winchester looking ahead to 2025; it is anticipated that future growth will partly be accounted for by students which are not expected to require student accommodation (i.e. students which typically live in the surrounding area or would commute in); with the remainder of the growth expected to be accommodated by the University's expansion plans - to be demonstrated through its emerging estate masterplan - on its existing footprint.
- 7.84 In terms of returning students at the University, there are a number of forthcoming purpose-built student accommodation schemes which can be expected to alleviate pressure on the open market, particularly in the context where there are areas including Stanmore and Winnall which are subject to concentrations of HMOs. The Council should continue to monitor the position on student numbers, student development, HMO numbers and concentration; and review its policy on student accommodation in the new Local Plan.

Winchester School of Art

- 7.85 Turning to the Winchester School of Art, the accommodation team confirmed they have two halls of residence - Erasmus and Riverside Way - which accommodate all of the current art students. Notably all the students who apply to study at the Art School are able to be accommodated within these two halls of residence.
- 7.86 Furthermore, the number of students expected to be studying at the Art School is not predicted to rise over the coming years, hence the existing provision of accommodation is sufficient for current and future students. It should be noted that there was a slightly higher intake of students for the current academic year (2019-2020) through the clearing process and the University was able to accommodate these extra students without any concerns.

Sparsholt College

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- 7.87 Turning to Sparsholt College, the accommodation team also confirmed their current halls of residence on-site can accommodate for its current student intake. The accommodation team stated that students who attend the college at an undergraduate level live in the halls of residence for the three years of their degree. These halls are able to accommodate students throughout their university career. It is intended these halls will be able to cater for the future students of Sparsholt College as there is no predicted uplift in the number of students in the future.

Summary and Conclusion

- 7.88 In summary, the current and future needs of the student population within Winchester District are currently being met by the existing accommodation provided by the three main education establishments within Winchester. There is therefore no requirement to increase the overall housing need on the basis of planned student growth or to set out any specific interventions.

The Needs of Service Families

- 7.89 The Framework (paragraph 61) seeks to ensure that the housing needs of different groups are assessed and reflected in planning policies. The paragraph lists various different groups including service families. Military personnel are also listed as part of the definition of essential local workers in Annex 2 of the Framework.
- 7.90 The Armed Forces Covenant (May 2011) was published by the Ministry of Defence and describes a moral obligation that the Government and the Nation owe to those who serve or have served in the Armed Forces and to their families. The Government has acted to implement various measures aimed at strengthening the position of ex-military personnel when seeking to access housing and support.
- 7.91 As of 2012 onwards, the Government revised national guidance to include measures to set new “priority need” categories to assist homeless ex-service personnel in accordance with the Housing Act 1996; change the rules on local connection to ensure that barriers are removed in accessing social housing; and include ex-military personnel as a priority category in terms of eligibility for certain low-cost home ownership initiatives.
- 7.92 There has therefore been a national emphasis and obligation to support ex-service personnel in terms of their housing and the rehabilitation care needed to honour the implementation of the Armed Forces Covenant. There are also a number of housing schemes that are available to the Service and Ex-Service community under the Homebuy umbrella. The Forces Help to Buy scheme operated from April 2014 to 31st December 2019.
- 7.93 In addition, the MoD Referral Scheme aims to provide low-cost, rented accommodation for service personnel on leaving the Services. There is also a requirement through the Self-Build and Custom

Housebuilding Regulations 2016 to include ex-service personnel on Part 1 of the Council's self-build register, regardless of whether or not a local connection test is met.

- 7.94 The Army Training Regiment ("the ATR") is based in Winchester District; located at Sir John Moore Barracks. According to the Ministry of Defence ("MoD")²⁰, there are approximately 202,150 military personnel stationed in the UK in as at 1st April 2019 of which 2,746 are located in Winchester (equal 1.7% of the total military population or 2.4% of Winchester District's population). Notably, 1,360 of these personnel are military personnel and 1,388 are civilian personnel.
- 7.95 At the time of the 2011 Census, the armed forces population living in Winchester District was notably lower at 815 persons – suggesting that a large proportion lived outside of the District. This represented 0.9% of the population aged 16 and over at 2011.
- 7.96 Of those living in the District, around 79% (638 persons) lived in households with 21% (176 persons) living in communal establishments. In order to better understand current and future provision as it currently stands, Icenl have engaged directly with the MOD and the Winchester ATR through the Unit Welfare Officer for Winchester.
- 7.97 According to the MoD, the number of service personnel based in Winchester has seen an uplift in the last five years due to the redevelopment of Worthy Down Barracks. The barracks now incorporates The Defence College of Logistics, Policing and Administration; it includes cutting-edge training facilities, dormitories, offices and a medical centre. The number of personnel increased from around 470 to 1,350 in the years preceding 2011.
- 7.98 In order to accommodate for these incoming military units, the residential provision at Worthy Down Barracks now provides 52,000 sq. m. of 'Single Living Accommodation' on site. Further to this, 60 additional dwellings have been built on Connaught Road to house Service Families (of an approved 90 additional dwellings), these dwellings consisting of 3 and 4 bedrooms. All are occupied with a waiting list due to their popularity; however, the MoD have not determined if the additional 30 units will be built under the current expansion programme.
- 7.99 According to the MoD, the additional accommodation provided as a result of the redevelopment of Worthy Down Barracks has provided a sufficient uplift in the overall quantity of accommodation for Service Families within Winchester; and there are no reported concerns around the need for additional housing provision. As a result, provision is sufficient to accommodate the service personnel within Winchester.

²⁰ MOD, Annual Personnel Location Statistics, 2019

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- 7.100 In respect of future needs, it is noted that the ATR (i.e. Sir J Moore Barracks) is due to close in 2023. The MoD have stated that this is likely free up the houses currently occupied by the service personnel that are serving at the ATR. The Council is due to meet with the MoD in due course to better understand their aspirations with the site moving forward.

Housing Needs of Specific Groups: Summary and Conclusions

This section has considered the need of specific groups including family households, young people, students and service families. The conclusions for each of these sections are set out below:

Family Households

The evidence points to significant projected growth in family households in Winchester, which are expected to grow by 27% equal to 3,700 households between 2016-36. However, there are clear affordability barriers which are likely to prevent younger family households and younger households in general from buying a home.

The evidence suggests that the Help-to-Buy Equity Loan has provided some support for younger households in the District in being able to buy a home; and a range of measures should also be progressed through planning in seeking to provide options for younger households to buy. This includes delivery of rented and low-cost home ownership housing both in the urban and rural parts of the District.

Younger People

The demographic projections show that the number of younger households is expected to increase by 27% in Winchester District, representing growth of around 2,700 households.

From the analysis it is clear that the particular issue affecting younger households is housing affordability. The affordability of housing to buy, and the ability of younger households to access it, has deteriorated further in recent years; and is now out-of-reach of many younger households.

The implication of this is that the delivery of (and access to) affordable housing is very important for younger (single and family) households and will be important in ensuring that a balanced population profile is maintained in the District. If housing accessibility for younger households continues to be constrained, thus inhibiting their ability to move to or stay within the local area; this could harm the economy (through affecting the ability of employers to recruit) and may lead to unsustainable longer-distance commuting patterns.

A multi-pronged strategy is needed to address the needs of younger households, through promoting delivery of affordable housing through planning policy, including through S106 agreements securing

affordable housing on mixed-tenure development schemes. The potential for public sector land to contribute to affordable housing delivery should also be investigated.

Student Accommodation

Winchester District has three further education establishments which should be considered – The University of Winchester, The University of Southampton (Winchester School of Art) and Sparsholt College.

Data allowing us to track trends in student numbers year-on-year for all establishments is not consistently available – particularly for Sparsholt College and the Winchester School of Art (as a campus of the University of Southampton). Data available for the University of Winchester shows that over the period from 2005/06 to 2015/16, there has been an increase of 2,090 students with the number of full-time students rising year-on-year over this period to 6,105 full-time students in 2015/16.

An analysis of Census data has shown that around three-quarters of students aged 18 and over at the point of the 2011 Census were studying at the University of Winchester; and overall, the majority of students in this age group lived in all student households (i.e. 36% of all students) with around a quarter (24%) living in University halls of residence or similar; and a fifth live with parents.

Iceni have engaged directly with all three establishments to build on the partly limited quantitative data and to understand future growth plans both in terms of student numbers and student accommodation. The University of Winchester have informed us that it is expecting an increase in the number of students in the coming years; however, the increase in numbers is principally from students in healthcare-related courses; where the profile of students is typically those which already live in the area or commute-in for studies from other areas. The University aims through its estate masterplan that the remaining proportion of growth will be addressed within the extent of its existing footprint through additional development of halls of residence for first-year students.

The University also notes that in terms of the wider market and accommodation for returning students, there is regular activity from private developers who are currently either taking applications through the planning process or constructing accommodation for students. Engagement with letting agents in Winchester confirms that there is sufficient accommodation in the market for returning students, with 2018/19 the first year in which there has been a surplus. A review of approved and pending planning applications suggests that further purpose-built accommodation is forthcoming in Winchester, which will help alleviate pressures on the wider housing market for student accommodation.

In this context, the report has noted that aside from purpose-built accommodation, there are concentrations of student HMOs, most notably in Stanmore and Winnall where Article 4 Directions

have been made. The Council should continue to monitor student growth at the University of Winchester and the number of HMOs.

Engagement with both the Winchester School of Art and Sparsholt College has informed us that there are no notable plans for expansion in terms of student numbers. The students at both of these establishments are able to access accommodation provided on-site or in the local area throughout their studies; and they do not consider that additional provision is required.

Service Families

The ATR is based in Winchester District; and according to the MoD, there are approximately 2,746 military and civilian personnel located in the District. At the point of the last Census in 2011, the number of armed forces was much lower at around 815 persons, with around 79% living in households and 21% living in communal establishments.

Having engaged directly with the MoD, we understand that the number of service personnel has seen an uplift within Winchester in the last five years due to the redevelopment of Worthy Down Barracks. However, as part of the redevelopment, the residential provision at Worthy Down Barracks now provides 52,000 sq. m. of 'Single Living Accommodation' on site. Further to this, 90 additional dwellings have been built on Connaught Road to house Service Families, these dwellings consisting of 3 and 4 bedrooms.

Accordingly, the MoD consider that there is now a sufficient amount of provision to accommodate the existing and future service personnel and their families within Winchester. In respect of future needs, it is noted that the ATR (i.e. Sir J Moore Barracks) is due to close in 2023. The MoD have stated that this is likely to free up the houses currently occupied by the service personnel that are serving at the ATR. The Council is due to meet with the MoD in due course to better understand their aspirations with the site moving forward.

8. NEED FOR DIFFERENT SIZES OF HOMES

- 8.1 In this section, we draw together the analysis in the preceding sections to set out an analysis and conclusions on the need for different types of market and affordable housing.
- 8.2 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections, it is possible to see which age groups are expected to change in number, and by how much. On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to work out what the profile of housing needed is over the assessment period to 2036.
- 8.3 An important starting point is to understand the current balance of housing in each area. The table below profiles the sizes of homes in different tenure groups. This shows that the profile of housing in the social and private rented sector looks to be fairly balanced in comparison with other areas (i.e. there is no obvious over- or under-supply of particular sizes of homes relative to other locations). In the owner-occupied sector, the analysis does however highlight a particularly high proportion of larger (4+-bedroom) homes when compared with other locations. Observations about the current mix feed into conclusions about future mix later in this section.

Table 8.1 Number of bedrooms by Tenure, 2011

		Winchester	Hampshire	South East	England
Owner-occupied	1-bedroom	3%	4%	5%	4%
	2-bedrooms	18%	20%	22%	23%
	3-bedrooms	37%	45%	44%	48%
	4+-bedrooms	42%	32%	30%	25%
	TOTAL	100%	100%	100%	100%
Social rented	1-bedroom	36%	30%	32%	31%
	2-bedrooms	34%	34%	33%	34%
	3-bedrooms	28%	32%	31%	31%
	4+-bedrooms	3%	4%	4%	4%
	TOTAL	100%	100%	100%	100%
Private rented	1-bedroom	17%	18%	24%	23%
	2-bedrooms	35%	38%	37%	39%
	3-bedrooms	31%	33%	27%	28%
	4+-bedrooms	18%	11%	12%	10%
	TOTAL	100%	100%	100%	100%

Source: Census (2011)

Overview of the Methodology

- 8.4 The method to consider future housing mix looks at the ages of the Household Reference Persons²¹ and how these are projected to change over time. The sub-sections to follow describe some of the key analysis.

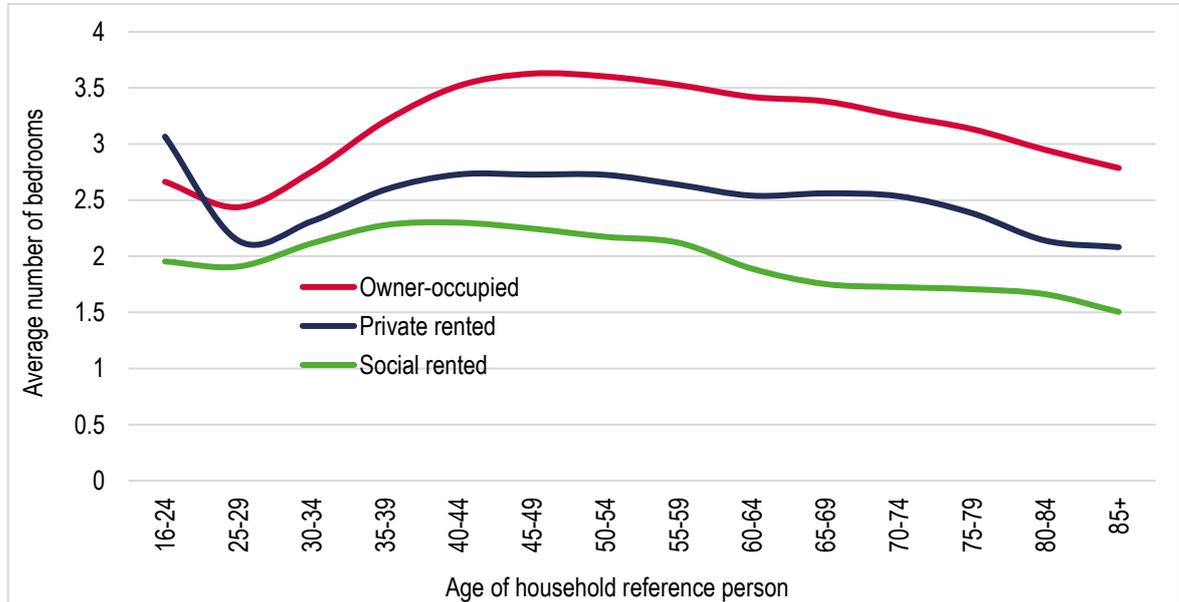
Understanding how Households Occupy Homes

- 8.5 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 8.6 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units. That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation.
- 8.7 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the 'bedroom tax').
- 8.8 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).
- 8.9 The Figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for Winchester. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 45-49; a similar pattern

²¹ Often called the head of the household

(but with smaller dwelling sizes) is seen in both the social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

Figure 8.1: Average Bedrooms by Age and Tenure in Winchester District



Source: Derived from ONS Commissioned Table CT0621

8.10 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile. This is particularly the case in the owner-occupied (market) sector. On this basis we have also applied regional occupancy assumptions for the South East region. Assumptions are applied to the projected changes in Household Reference Person by age discussed below.

8.11 The analysis has been used to derive outputs for three broad categories. These are market housing, which is taken to follow the occupancy profiles in the owner-occupied sector; affordable home ownership, which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government’s desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting) and affordable (rented) housing, which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include affordable rented housing.

Changes to Household Types

8.12 The table below presents the projected change in households by age of household reference person, this clearly shows particularly strong growth as being expected in older age groups (and to some extent age groups under 40). Household headed by someone aged 40-59 are not projected to see substantial increases.

Table 8.2 Projected Change in Households by Age of Household Reference Person in Winchester District, 2016-36

	2016	2036	Change in households	% change
16-24	1,535	1,745	209	13.6%
25-29	2,196	2,633	437	19.9%
30-34	2,809	3,794	985	35.1%
35-39	3,435	4,507	1,072	31.2%
40-44	4,356	4,762	405	9.3%
45-49	4,713	4,904	191	4.1%
50-54	5,118	4,865	-253	-4.9%
55-59	4,656	4,960	304	6.5%
60-64	4,130	5,174	1,044	25.3%
65-69	4,508	5,409	901	20.0%
70-74	3,888	5,684	1,796	46.2%
75-79	3,151	4,906	1,755	55.7%
80-84	2,557	4,017	1,461	57.1%
85 & over	2,598	5,184	2,587	99.6%
Total	49,651	62,544	12,894	26.0%

Source: Demographic Projections

- 8.13 The analysis below also looks at projected changes to households by household type. This again shows large increases in older person households although there is also projected to be an increase of 27% in the number of households with dependent children.

Table 8.3 Projected Change in Household Types in Winchester District, 2016-36

	2016	2036	Change in households	% change
One-person household (aged 65 and over)	7,029	8,521	1,492	21.2%
One-person household (aged under 65)	6,620	8,229	1,610	24.3%
Couple (aged 65 and over)	7,846	12,990	5,143	65.6%
Couple (aged under 65)	8,023	7,422	-601	-7.5%
A couple and one or more other adults: No dependent children	3,390	4,072	681	20.1%
Households with one dependent child	5,645	7,493	1,848	32.7%
Households with two dependent children	5,844	7,138	1,294	22.1%
Households with three dependent children	2,279	2,814	535	23.5%
Other households	2,974	3,866	892	30.0%
Total	49,651	62,544	12,894	26.0%
Total households with dependent children	13,768	17,445	3,677	26.7%

Source: Demographic Projections

Modelled Outputs

- 8.14 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures.
- 8.15 The first table below shows the profile of need applying the local occupancy patterns and the second if instead the regional occupancy patterns are applied. Overall, the analysis clearly shows the different profiles in the three broad tenures with affordable housing being more heavily skewed towards smaller dwellings, and affordable home ownership sitting somewhere in between the market and affordable housing.
- 8.16 The data does show some difference between the outputs depending on whether local or regional occupancy patterns are used. The most notable difference (as might be expected) is in terms of the modelled need for 4+-bedroom homes in the market sector where the local occupancy shows a higher figure. There are also some modest differences with regard to affordable home ownership but relatively small differences for social/affordable rented housing.

Table 8.4 **Modelled Mix of Housing by Size and Tenure in Winchester District (Local Occupancy)**

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	4%	24%	39%	33%
Affordable home ownership	19%	36%	30%	14%
Affordable housing (rented)	43%	32%	22%	2%

Source: Housing Market Model

Table 8.5 **Modelled Mix of Housing by Size and Tenure in Winchester District (Regional Occupancy)**

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	6%	29%	44%	22%
Affordable home ownership	25%	38%	26%	10%
Affordable housing (rented)	40%	31%	26%	3%

Source: Housing Market Model

- 8.17 For comparison, the Table below shows the need for different sizes of households shown on the local authority's housing register. This represents a need for rented affordable housing and shows a notably higher need for 1-bedroom units. Data from the register has been provided by Hampshire Home Choice and is considered when drawing conclusions about an appropriate mix.

Table 8.6 Profile of homes needed by Households from the Housing Register, 2019

	Number on register	% of register
1-bedroom	877	64%
2-bedrooms	327	24%
3-bedrooms	138	10%
4+-bedrooms	37	3%
Total	1,379	100%

Source: Hampshire Home Choice

Indicative Targets for Different Sizes of Properties by Tenure

Social/Affordable Rented Housing

- 8.18 Whilst the output of the modelling provides estimates of the proportion of homes of different sizes that are needed, there are a range of factors which should be taken into account in setting policies for provision.
- 8.19 Considerations include the relative lack of past delivery of larger affordable homes. Larger affordable housing units also have a relatively low turnover. As a result, whilst the number of households coming forward for 4+-bedroom homes is typically quite small, the ability for these needs to be met is even more limited.
- 8.20 For these reasons, it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of 1 bedroom homes is slightly reduced from the local-based outputs (although the Housing Register data does potentially suggest a greater need), along with a commensurate increase in 4+ bedroom homes.
- 8.21 Through engagement with Hampshire Home Choice, as at November 2019, it is our understanding that waiting times for 1 bedroom properties in the District is around 3 years and 6 months – this is partly influenced by the scale of demand outstripping supply, However, it is also influenced by an under-provision of 3 bedroom properties which prevents households from upsizing.
- 8.22 The waiting time for 2-bedroom properties is around 2 years and 11 months; 3-bedroom properties is around 4 years and 7 months and 4-bedroom properties around 4 years and 11 months. Hampshire Home Choice has indicated that there is less demand for 2-bedroom properties – particularly 2-bedroom flatted development. As a result, and in recognition of need for a greater proportion of 1 bedroom and 3-bedroom properties, we have reduced the proportion of 2-bedroom homes from the local-based outputs.
- 8.23 On this basis, at a District-wide level, the analysis would support policies for the mix of social/affordable rented housing of:

-
- 1-bed properties: 35-40%
 - 2-bed properties: 30%
 - 3-bed properties: 25-30%
 - 4+-bed properties: 5%

8.24 By affordable rented housing in this context, we mean social rented; affordable rented; and affordable private rented homes.

8.25 The strategic conclusions recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households; together with the limited flexibility which 1-bed properties offer to changing household circumstances which feed through into higher turnover and management issues. However, on the ground, it is recognised by Hampshire Home Choice and Registered Providers that larger 4 or more-bedroom properties are not as common; principally as affordable rents for such sizes are out of reach for the majority of households in need.

8.26 The need for affordable housing of different sizes may vary by area (at a more localised level) and over time. In considering the mix of homes to be provided within specific development schemes, this information should be brought together with details of households currently on the Housing Register and the stock and turnover of existing properties.

Affordable Home Ownership

8.27 In the affordable home ownership and market sectors a profile of housing that more closely matches the outputs of the modelling is suggested. Icenic have also engaged with Registered Providers and Help to Buy South to better understand size preferences of prospective purchasers. It is understood that the greatest demand is for 2-bedroom properties, accounting for over half of expressed demand. There is limited demand for 4-bedroom properties.

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

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

8.29 Whilst the need for affordable home ownership properties is focused towards younger households, the conclusions also recognise the particular affordability challenges for family housing. This is to say that without larger discounts on market value, it will be challenging to ensure that 4 or more-bedroom affordable home ownership properties are affordable.

Market Housing

8.30 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations). Notably, the changing demographic profile is principally centred on an aging population and such households are unlikely to be seeking to buy a 1-bedroom home – particularly if downsizing from 3 or 4+ bedroom homes. Overall, market housing sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested:

- 1-bed properties: 5-10%
- 2-bed properties: 25-30%
- 3-bed properties: 40-45%
- 4+-bed properties: 20-25%

8.31 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be included in the plan making process. The ‘market’ is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time, and demand can change over time linked to macro-economic factors and local supply. Policy aspirations could also influence the mix sought.

8.32 It is also important to be highlight that if applied rigidly, the recommendations could result in unbalanced schemes where a mix of tenures is provided; with market housing focussed on larger properties and affordable housing focussed on smaller properties. This should be avoided by seeking a compatible range of unit sizes.

8.33 Whilst this report does not suggest that prescriptive figures necessarily need to be included within the Local Plan, it is the case that the figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and Icen consider that it would be reasonable to expect justification for a housing mix on such sites which significantly differs from that modelled herein.

Sub-Area Housing Mix

8.34 The analysis above has focussed on overall District-wide needs; given spatial differences between locations it is however worth considering the potential mix at the sub-area level. The Table below reproduces the profile of housing by tenure for the three sub-areas by size and tenure. As set out in Section 3, this shows some variation across areas, with the Northern sub-area generally having a larger profile of housing and smaller in the Town sub-area.

8.35 The different profile in different areas should not be taken to indicate any specific shortfalls/surplus of homes and figures will to some extent be driven by the different demographic profile across locations (e.g. in Rural areas households are less likely to be young single adults).

8.36 Additionally, rural areas see a slightly higher proportion of 4+-bedroom market housing. This may in part reflect the role and function of different locations. It seems likely that certain households (e.g. households with children) would seek to live in more rural locations and so the higher stock is reflective of a demand rather than a relative over-supply.

Table 8.7 Number of bedrooms by Tenure, 2011

		Northern	Southern	Town	District
Owner-occupied	1-bedroom	3%	3%	5%	3%
	2-bedrooms	15%	17%	22%	18%
	3-bedrooms	35%	39%	37%	37%
	4+-bedrooms	47%	41%	36%	42%
	TOTAL	100%	100%	100%	100%
Social rented	1-bedroom	28%	34%	41%	36%
	2-bedrooms	39%	28%	33%	34%
	3-bedrooms	31%	34%	24%	28%
	4+-bedrooms	3%	3%	2%	3%
	TOTAL	100%	100%	100%	100%
Private rented	1-bedroom	12%	15%	22%	17%
	2-bedrooms	31%	41%	35%	35%
	3-bedrooms	42%	32%	21%	31%
	4+-bedrooms	15%	13%	22%	18%
	TOTAL	100%	100%	100%	100%

Source: Census 2011

8.37 Following this discussion, a further analysis has been carried out to model the data separately for three sub-areas – with modelling based on both local and regional occupancy patterns (adjusted for the local profile). The Tables below show how estimated need/demand by size varies across areas. The analysis suggests that more rural areas generally have a need for a slightly lower proportion of smaller homes than urban locations – this is particularly the case when looking at market housing.

8.38 However, it is considered that the analysis does not suggest that a different mix should be proposed at a strategic level for urban and rural areas (or indeed smaller areas within this) but it does indicate that there may be a case at a smaller area level for some minor adjustments – additional local evidence (such as from the Housing Register) could be used to justify a different local mix, although it should be noted that this could vary over time.

Table 8.8 **Modelled Mix of Housing by Tenure and Sub-Area – linked to Local Occupancy Patterns, 2016-36**

		Northern	Southern	Town	District
Market	1-bedroom	4%	4%	5%	4%
	2-bedrooms	23%	23%	26%	24%
	3-bedrooms	39%	40%	39%	39%
	4+-bedrooms	34%	33%	31%	33%
	TOTAL	100%	100%	100%	100%
Affordable Home ownership	1-bedroom	17%	25%	24%	19%
	2-bedrooms	34%	44%	37%	36%
	3-bedrooms	37%	31%	23%	30%
	4+-bedrooms	13%	1%	14%	14%
	TOTAL	100%	100%	100%	100%
Social/affordable rented	1-bedroom	40%	42%	43%	43%
	2-bedrooms	34%	30%	32%	32%
	3-bedrooms	23%	25%	22%	22%
	4+-bedrooms	2%	2%	2%	2%
	TOTAL	100%	100%	100%	100%

Source: Housing Market Model

Table 8.9 **Modelled Mix of Housing by Tenure and Sub-Area – linked to Regional Occupancy Patterns, 2016-36**

		Northern	Southern	Town	District
Market	1-bedroom	5%	5%	7%	6%
	2-bedrooms	28%	28%	31%	29%
	3-bedrooms	43%	45%	44%	44%
	4+-bedrooms	23%	22%	20%	22%
	TOTAL	100%	100%	100%	100%
Affordable Home ownership	1-bedroom	20%	26%	28%	25%
	2-bedrooms	35%	45%	38%	38%
	3-bedrooms	34%	28%	21%	26%
	4+-bedrooms	11%	4%	12%	10%
	TOTAL	100%	100%	100%	100%
Social/affordable rented	1-bedroom	38%	39%	42%	40%
	2-bedrooms	33%	28%	32%	31%
	3-bedrooms	25%	29%	24%	26%
	4+-bedrooms	2%	3%	3%	3%
	TOTAL	100%	100%	100%	100%

Source: Housing Market Model

Need for Different Sizes of Homes: Summary and Implications

Understanding the existing housing mix in a place is important in considering what future mix of housing is appropriate to deliver a mixed and balanced community. This is important at both a strategic, and at a local, level.

Taking account of the current stock and expected demographic trends (including the expectation that some older households will downsize if the right properties are available), the analysis points to a need for different types of homes in the market and affordable sectors. These strategic conclusions should be brought together with local evidence, such as information on current stock and needs profile at a more local level, in considering the appropriate mix of housing on individual development sites.

9. EMERGING HOUSING MARKET SEGMENTS

9.1 In this section we move on to provide analysis which considers emerging segments of the housing market, including different models for delivery of housing.

Private Rented Sector & Build to Rent

9.2 The Private Rented Sector has been the key growth sector in the housing market for the last 15 years and now makes up just over 20% of all UK households. Since 2011, the private rented sector has been the second largest housing tenure in England behind owner-occupation, overtaking social housing.

9.3 In the context of the sector's growth over the last 20 years and a national housing shortage, successive Governments have looked to the Private Rented Sector to play a greater role in providing more new build housing and have sought to encourage "Build-to-Rent" development.

9.4 Build-to-Rent development is defined in the NPPF Glossary as "*purpose-build housing that is typically 100% rented out. It can form part of a wider multi-tenure development comprising either flats or houses, but should be on the same site and/or contiguous with the main development. Schemes will usually offer longer tenancy agreements of three years or more, and will typically be professionally managed stock in single ownership or management control.*" It represents development which is constructed with the intention that it will be let (rather than sold).

9.5 The benefits of Build to Rent are strong and are best summarised in the Government's *A Build to Rent Guide for Local Authorities*²² which was published in March 2015. The Guide notes the benefits are which ranging but can include:

- Helping local authorities to meet demand for private rented housing whilst increasing tenant's choice "as generally speaking tenants only have the option to rent from a small-scale landlord".
- Retaining tenants for longer and maximising occupancy levels as Build to Rent investment is an income focused business model;

²² Accelerating housing supply and increasing tenant choice in the private rented sector: A Build to Rent Guide for Local Authorities (DCLG, March 2015)

-
- Helping to increase housing supply, particularly on large, multiple phased sites as it can be built alongside build for sale and affordable housing; and
 - Utilising good design and high-quality construction methods which are often key components of the Build to Rent model.

9.6 The Framework now recognises the emergence of the strength of the Private Rented Sector. The Framework (paragraph 61) says the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies including **those people who rent their homes** (as separate from those in affordable housing need). The Framework's glossary also introduces a definition for Build to Rent development (as defined above), thus recognising it as a sector.

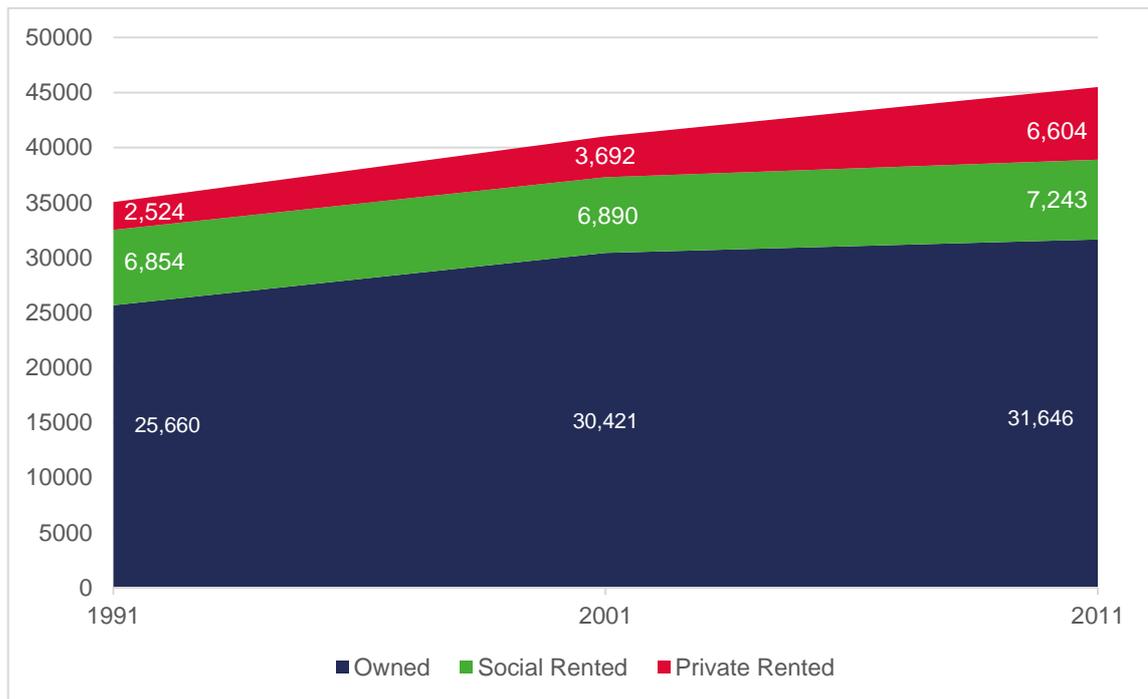
9.7 Over recent years there has been a rapid growth in the Build to Rent sector backed by domestic and overseas institutional investment. BTR accounted for 8.7% of new housing starts in 2016/17 whilst latest research from Savills (2018) for the 12 month period to Q4 2018 indicates a 29% increase in BTR unit completions (over 29,400), over 43,300 units under construction (a 39% increase) and 66,700 in a substantial planning pipeline (10% increase). Taken together, this total of 139,500 units accounts for a 22% increase since Q4 2017.

9.8 In terms of age profile, research by JLL²³ focused on BTR case studies identified tenants typically in the 25-35 age bracket with an average tenant age of 31 and occupiers who were above average earners, seeking apartments or flats in urban conurbations, together with 'satellite' towns near to or commutable to the centres of employment.

9.9 In Winchester District, there has been notably strong growth in the Private Rented Sector. The Figure below shows the growth of the sector over the last three Census points.

²³ JLL Research (2018) Build to Rent

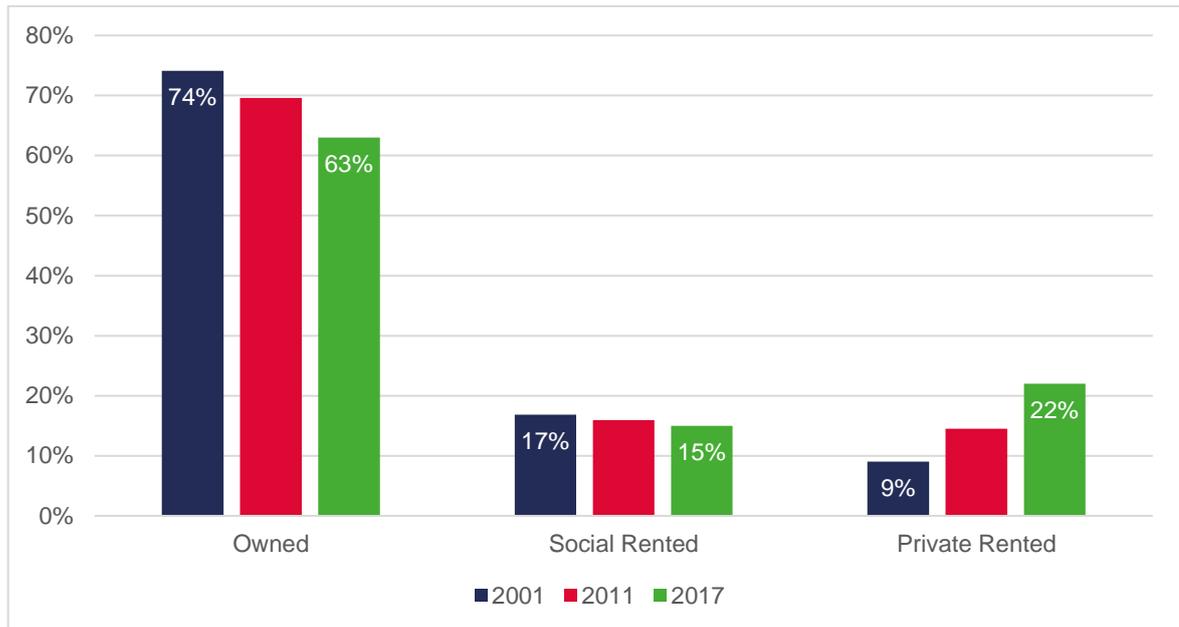
Figure 9.1: Growth of the Private Rented Sector in Winchester District



Source: 2011 Census

- 9.10 Although the number of households overall has grown in Winchester District over the two decades by over 10,000, only the owner-occupier and private rented sector have seen a sizeable increase in the number of households; with the proportionate growth of the private rented sector equal to 162% compared with 23% for owner-occupiers and just 6% for social renters. Although the private rented sector experienced strong growth, it remained the third largest sector at the point of the 2011 Census.
- 9.11 Turning to more recent research data published by ONS which looks at dwelling stock by tenure by local authority between 2012 and 2017, we have tried to give due consideration to the potential tenure profile of the District at the time of writing.
- 9.12 ONS is clear that the research outputs are not official statistics on dwelling stock by tenure; they are research outputs which provide an estimated breakdown of the number of owner-occupied and privately rented dwellings (and also social rented dwellings). However, the data is helpful in understanding how the private rented sector has potentially grown over the period since the last Census in 2011.

Figure 9.2: Tenure Changes in Winchester, 2001 to 2017



Source: Shelter & YouGov

- 9.13 On the basis of the research outputs from ONS, the data would suggest that the private rented sector is now the second largest sector by a notable margin. Over the period from 2001 to 2017, the private rented sector may have increased by 13 percentage points, whilst the social rented sector (including affordable rented) is expected to have fallen to 15% of all households. Home ownership levels are expected to have fallen to 63% in the District.
- 9.14 Turning to the private rental market, we have also reviewed current private rents in Winchester District against the relevant comparators. The data is drawn from the Valuation Office Agency “VOA” as at year end March 2019.
- 9.15 The Table below sets out median rents by property size for Winchester District, Hampshire, the South East and England. The analysis shows that there are particularly strong rental values in the District in comparison to the county, regional and national comparators across all property sizes; and therefore, a strong rental market overall. Median rents in Winchester are also the highest in the County for most property sizes; second only to Hart in respect of 2- and 3-bedroom properties.

Table 9.1 Median Rents by Property Size, 2018

Local Authority	Room	Studio	1 Bed	2 Beds	3 Beds	4+ Beds	All
Winchester	£500	£625	£765	£913	£1,200	£1,800	£995
Hampshire	£433	£515	£675	£845	£1,000	£1,505	£850
South East	£412	£525	£700	£875	£1,095	£1,650	£875
England	£390	£575	£615	£675	£760	£1,320	£695

Source: VOA

- 9.16 The Build-to-Rent sector is one which we would describe as relatively ‘embryonic’ outside London and the major Cities. It has developed over the last few years to a position where there are now a range of schemes in London, and schemes coming forwards in other Core Cities, but in many other areas there has been limited provision to date.
- 9.17 The current Winchester Local Plan does not contain policies related specifically to the Build to Rent sector, although this in part reflects the recent emergence of the sector and changes to national planning policies concerning the status and importance of Build to Rent as part of the rental market.
- 9.18 It is Icen’s understanding that to date, there has been one large Build to Rent scheme in the District at the West of Waterlooville development. The scheme has been brought forward by Grainger, one of the leading providers of Build to Rent development. The scheme comprises 104 Build to Rent houses; made up of 2, 3- and 4-bedroom properties. The scheme rents are set out in the Table below – however, it should be highlighted that this provision includes housing with private gardens in addition to around 42 flats. Owing to all flats already being rented; prices were unavailable.

Table 9.2 West of Waterlooville, Winchester – Build to Rent

Size	Rent (from £ PCM)
2-bedroom house	£1,100
3-bedroom house	£1,200
4-bedroom house	£1,400

- 9.19 Although there has only been one scheme to date, this is not necessarily reflective of the market, particularly given the growth of the private rented sector in the District and the strength of private rental values across all property sizes.
- 9.20 The PPG recognises where a need is identified that local planning authorities should include a specific plan policy relating to the promotion and accommodation of Build to Rent, including the circumstances and locations where build to rent schemes would be encouraged. It identifies town centre regeneration areas and parts of large sites as examples; on sites which are often close to strong public transport links. Accordingly, it is our recommendation that schemes are supported in Winchester Town with its strong employment base and transport hub; as well as within the strategic allocations to ensure that there is a diverse range of housing types and tenures.
- 9.21 The sector can be expected to accommodate households typically aged in the 25-40 bracket who are unable to afford to buy a home; but may also include some older households looking for flexibility or whose circumstances have changed (e.g. divorcees).
- 9.22 In considering the dwelling mix proposed in relation to a Build-to-Rent scheme; we would expect the focus to be on 1, 2 and some 3-bed properties given the occupancy profile associated with private

rented accommodation in the District; which is set out in Table 8.1. However, given that this is a relatively embryonic sector, we would recommend that the Council is not overly prescriptive on the mix of dwelling sizes within new Build-to-Rent development. The Grainger scheme at the West of Waterlooville development has demonstrated that Build to Rent does not have to be purely flatted development.

- 9.23 The NPPF definition of Build-to-Rent development sets out that schemes will usually offer tenancy agreements of three or more years and will typically be professionally managed stock in single ownership and management control. It would be appropriate for the Council to adopt a consistent definition.
- 9.24 The Council will need to consider affordable housing policies specifically for the Build-to-Rent sector across the District. The viability of Build-to-Rent development will however differ from that of a typical mixed tenure development: returns from the BTR development are phased over time whereas for a typical mixed tenure scheme, capital receipts are generated as the units are completed. There is potential for a proportion of build-to-rent units to be delivered as ‘affordable private rent’ housing. Planning Practice Guidance²⁴ states that:

“The National Planning Policy Framework states that affordable housing on build to rent schemes should be provided by default in the form of affordable private rent, a class of affordable housing specifically designed for build to rent. Affordable private rent and private market rent units within a development should be managed collectively by a single build to rent landlord.

20% is generally a suitable benchmark for the level of affordable private rent homes to be provided (and maintained in perpetuity) in any build to rent scheme. If local authorities wish to set a different proportion, they should justify this using the evidence emerging from their local housing need assessment, and set the policy out in their local plan. Similarly, the guidance on viability permits developers, in exception, the opportunity to make a case seeking to differ from this benchmark.

National affordable housing policy also requires a minimum rent discount of 20% for affordable private rent homes relative to local market rents. The discount should be calculated when a discounted home is rented out, or when the tenancy is renewed. The rent on the discounted homes should increase on the same basis as rent increases for longer-term (market) tenancies within the development”

²⁴ ID: 60-002-20180913

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- 9.25 The Council should have regard to the specific Planning Practice Guidance on Build-to-Rent development; with the starting point therefore that 20% affordable private rented homes at a discount of 20% to local market rents should be included within a development scheme.
- 9.26 The Council should test the feasibility of this through viability analysis, but in order to help stimulate the market; Icenii does not consider that a higher proportion of affordable housing or higher discount should necessarily be applied. Our analysis of 'living rents' considered in Section 5 may help inform judgements regarding what rent levels are 'affordable.'

Build to Rent Development: Summary

Build to Rent development is currently a reasonably embryonic market outside of London. However, there is clear support for Build to Rent from the Government, which considers it to be a key product to support the emergence of the strength of the private rented sector. In Winchester specifically, the private rented sector has seen considerable growth over the last three Census points; and more recent survey data indicates that it is now the second largest sector. Furthermore, in respect of rental values, the Winchester market is the strongest in Hampshire and sits above the South East average on all property sizes.

It is therefore appropriate that the Council gives due consideration to the sector, and crafts planning policies which help to support it and provide clarity on how policies will be applied to it. Given the nature of the sector, the Council are advised to align policy requirements to national guidance.

The Council should develop a policy supporting Build to Rent development which specifies the types of locations which are considered suitable for such development, which we consider would be Winchester City as well as within the strategic allocations to ensure that there is a diverse range of housing types and tenures..

Self-Build and Custom Housebuilding

- 9.27 The Self-Build and Custom Housebuilding Act 2015 (as amended by the Housing and Planning Act 2016) ("the 2015 Act") provides a legal definition of 'self-build and custom housebuilding' which are where individuals or associations of individuals (or persons working with or for individuals or associations of individuals) build houses to be occupied as homes for those individuals.
- 9.28 The Government has long had a clear agenda for supporting and promoting the self-build and custom-building sector. In *Laying the Foundations: a Housing Strategy for England* (November

2011), the Coalition Government set out plans to enable more people to build or commission their own home.

- 9.29 The Housing and Planning Act 2016 (“the 2016 Act”), which received Royal Assent on 12th May 2016, formally introduced the ‘Right to Build’ at Chapter 2. This 2016 Act under the ‘duty to grant planning permissions etc’ has placed a legal duty on the relevant authority to grant enough planning permissions to meet the demand for self-build housing as identified through its register in each base period. The Self-Build and Custom Housebuilding Regulations 2016 subsequently came into force on 31st October 2016, amending the 2015 Act and implementing Chapter 2 of the 2016 Act.
- 9.30 In the Government’s Housing White Paper²⁵ (paragraph 3.14) in January 2017, the commitment to support the self-build and custom housebuilding sector was reasserted, the Government stating that “*alongside smaller firms, the Government wants to support the growth of custom built homes*” in recognition of the fact that custom build homes are generally built more quickly, built to a higher quality and tend to use more productive and modern methods of construction.
- 9.31 In addition, the Government highlighted that “*fewer homes are custom built in England than many other countries, but there is evidence of more demand for them including from older people*”. According to successive Ipsos MORI polls at the time of the Paper’s publication, more than a million people across the UK expected to buy a building plot, secure planning permission or start/complete construction work on their new home.
- 9.32 On the other side of the argument however, the Government (paragraph 3.15) did acknowledge that there are barriers to self-build and custom housebuilding, including access to finance – as “*mortgages for custom and self-built homes represent a very small proportion of the overall lending market*”; the planning process and variations to local authority approaches and crucially, land supply and procurement.

²⁵ Fixing our Broken Housing Market (DCLG, February 2017)

Winchester's Self-Build Register

- 9.33 As of 1st April 2016 and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.
- 9.34 The Winchester Self-Build and Custom Housebuilding Registers assessed over the 3-year period from 1st April 2016 to 10th October 2019, shows there has been a total of 337 registered expressions of interest in a serviced plot of land in the District.
- 9.35 The Table below provides a breakdown on those who have expressed demand for serviced plots of land in Winchester District over the four base periods. In respect of the first base period, which is a level of demand expected to be met through permissions by 30th October 2019 in accordance with the 2016 Act; there were 55 expressions of interest.

Table 9.3 Serviced Plot Demand by Base Period in Winchester District

	Total
Base Period 1 (1st April 2016 to 30th October 2016)	55
Base Period 2 (31st October 2016 to 30th October 2017)	115
Base Period 3 (31st October 2017 to 30th October 2018)	84
Base Period 4 (31st October 2018 to 10th October 2019)	83
Total	337

- 9.36 It should be noted that the Council has introduced a *local connection test* in 2019 which will apply from Base Period 5. Moving forward, this means that individuals who apply for entry on the register and meet all of the eligibility criteria must be entered onto Part 1. Those who meet all of the criteria except a local connection test must be entered onto Part 2. Notably, the Council need only to grant permission for suitable serviced plots in response to entries onto Part 1 of the register.
- 9.37 It should also be noted however that an Ipsos Mori poll²⁶ undertaken for National Custom and Self-Build Association ("NaCSBA") in 2016 found that only one in eight people interested in self-build were aware of the introduction of Right to Build Registers in England. As a result, the number of expressions of interest on a local authority's self-build register may underestimate demand.

²⁶ 'Survey of Self Build Intentions 2016' – this survey questioned nearly 2,000 people about their self-build ambition and activity

Broader Demand Evidence

- 9.38 In order to supplement the data from the Council's own register, we have looked to a number of secondary sources as recommended by the PPG including *the Buildstore* and the *NaCSBA*.
- 9.39 In respect of demand, the Buildstore, who own and manage the largest national database relating to the demand and supply for self and custom build properties in the UK have provided us with further evidence of demand. The Buildstore hold two databases which are helpful in understanding the potential for additional levels of demand including:
- The Buildstore Custom Build Register: this is the UK's longest running record of demand for self-build and custom build homes. It is marketed as a register that will be used to evidence demand for custom build across the UK and demonstrate the scale of need and types of homes those registered, would like to design and create for themselves and their families; and
 - The Buildstore PlotSearch service: this is a free to subscribe PlotSearch service which records opportunities for those looking to find a serviced plot of land to build on.
- 9.40 Having engaged with Buildstore directly, they have informed us that 483 people are registered as looking to build in Winchester District on their Custom Build Register with a further 1,410 subscribers to their Plotsearch service which tracks self-build land opportunities.
- 9.41 This suggests there is potentially additional demand for serviced plots for self-build and custom housebuilding which hasn't yet been reflected in the Council's own self-build register; with an additional 146 registrants on the Buildstore's register.
- 9.42 Furthermore, is it worth highlighting that NaCSBA has undertaken primary research with Ipsos Mori at a national level which indicate that 1 in 50 of the adult population²⁷ across the country want to purchase a Custom or Self-Build Home over the next 12 months. If this is applied to the working population²⁸ of Winchester District, this would point to a potential desire for around 2,000 plots. Although research-based, this again points towards a greater level of aspiration for self-build and custom housebuilding in the District than the Council's current self-build register indicates.

²⁷ Those aged 15 or over; weighted to the known population profile

²⁸ 102,716 persons aged 15 or over on the basis of the 2018 Mid-Year Population Estimates (ONS, June 2019)

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- 9.43 In line with the recommendations of the PPG, we have also sought to supplement quantitative data with qualitative data through consultation with local estate agents across both authority areas; in order to understand the level of enquiries for suitable serviced plots of land.
- 9.44 Through engagement with three estate agents in Winchester Town²⁹, we understand that there is strong demand from those looking to build their own home in a variety of locations across the District. One agent noted that they “regularly receive enquiries about plots” for self-build development.
- 9.45 The typical age profile of those looking to build their own home are older couples reaching retirement age, although the mix can be varied with younger couples also enquiring. One agent noted that due to the nature of Winchester District, individuals are often keen to acquire for plots in rural areas of countryside. However, land availability and the possibility of gaining planning permission in these areas are both challenging.
- 9.46 Icenis have also engaged with Action Hampshire who work with individuals and communities to provide guidance on building their own homes. The Community Housing Officer has told us that Action Hampshire set up a group to try and help deliver self-build and custom housebuilding; so that individuals can work collaboratively to acquire sites and gain planning permission. Action Hampshire received 79 replies following making contact with those on the self-build register who were interested in building homes around Winchester Town.

Supporting the Self-Build and Custom Housebuilding

- 9.47 It is clear that there is a strong level of demand for self-build and custom housebuilding serviced plots of land in Winchester District. Over the last 4 base periods to date, there has been a total of:
- 337 expressions of interest in serviced plots of land on the Council's own self-build register; and there are 483 people registered on the Buildstore's Custom Build Register and 1,410 subscribers to PlotSearch which could point towards a higher level of demand in Winchester District. Local estate agents have also highlighted that there is strong demand; but an insufficient supply of land which is a common barrier to self-build development across England – this is principally due to the desired locations often being constrained in policy or landscape terms.
- 9.48 The Self-Build and Custom Housebuilding PPG³⁰ sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area. There are a

²⁹ Winkworth, Ewe Move and Connells

³⁰ Paragraph: 025 Reference ID: 57-025-201760728

number of measures which can be used to support self-build and custom housebuilding in Winchester District, including:

- developing a planning policy which supports self-build and custom housebuilding;
- promoting and encouraging submissions of land which are suitable for self-build and custom housebuilding through the Call for Sites process;
- using local authority-owned land if available and suitable for self-build and custom housebuilding and marketing it to those on the register; and
- working with custom build developers to maximise opportunities for self-build and custom housebuilding.

9.49 An increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies to encourage delivery, promote and boost housing supply. These typically require that a minimum proportion of plots within development schemes (often over a certain size) are offered to self-builders or as custom-build plots and/or allocation of sites solely for the use. This is often known as the “Teignbridge Rule” after the first District Council to adopt the first self-build policy. In this instance, 5% of all developable housing land is allocated for custom and self-build on larger sites.

9.50 However, Icen consider that there is also potential for individual small sites to come forward to deliver self-build and custom housebuilding development whereby an outline application is presented together with a design code, with individual plots then coming forward through reserved matters consents.

9.51 Icen consider that in order to respond to the level of demand in the sector in both areas, a specific planning policy should be prepared to help promote and encourage delivery of self-build and custom housebuilding, where land is available and suitable. The policy would provide sufficient flexibility for serviced plots to be delivered as part of larger schemes as well as providing support for smaller sites to deliver serviced plots directly. Through engagement with Action Hampshire, it is our understanding that large volume housebuilders would be happy to be involved in providing for self-build development if planning policy encouraged them to do so. However, for the avoidance of doubt, self-build serviced plots should not be seen as an alternative to affordable housing provision.

9.52 Icen also consider that in drafting planning policy, it would be appropriate to incorporate additional flexibility to allow for serviced plots to be introduced into the market for conventional housing – which would then be subject to affordable housing provision - should demand fail to materialise on-site after an extended period of time following marketing of the serviced plots.

Self-Build and Custom Housebuilding: Summary

Self-build and custom housebuilding is a growing sector of the housing market, and one which has potential to contribute to housing delivery. Since the introduction of the Council's self-build register on 1st April 2016, there have been a total of 337 expressions of interest in serviced plots of land.

There are also 483 people registered on the Buildstore's Custom Build Register and 1,410 subscribers to PlotSearch, which could point towards a higher level of demand than that gathered from the Council's self-build register in isolation. Furthermore, local estate agents have also highlighted that there is demand from residents in the District to build their own homes; however, land supply often prohibits the feasibility of doing so.

The PPG³¹ sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area including developing policy and working with self-builders to maximise opportunities.

Accordingly, in recognition of the level of demand in the District, a specific planning policy should be developed to help promote and encourage delivery of self-build and custom housebuilding. It is considered that schemes could come forwards on both small and larger sites in the District; and the policy should be flexible to provide for opportunities as and when they arise on suitable sites.

Rural and Entry-Level Exception Sites

- 9.53 This sub-section considers the role of rural exception site development and the new 'entry level exception sites' which have a role to play in helping younger households and family households to secure suitable housing.
- 9.54 The Framework (paragraph 71) identifies that local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home), unless such needs are already being met within the authority's area. The paragraph requires that such sites should not be on land already allocated for residential development and should comprise affordable housing as defined in the Framework's Glossary.
- 9.55 It also states that such entry-level exception sites should be adjacent to existing settlements and proportionate in size to them. In this respect Footnote 33 indicates that entry-level sites should not be larger than 1 ha or exceed 5% of the size of the existing settlement. Iceni consider that these sites

³¹ Paragraph: 025 Reference ID: 57-025-201760728

should be seen as a means of delivering additional affordable housing to meet a (authority-level) need.

- 9.56 Rural exceptions sites are different to entry-level exception sites; and are addressed in the Glossary and paragraph 77. Annex 2 of the Framework defines rural exception sites as:

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

- 9.57 The Framework (paragraph 77) confirms that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs and also to consider whether some market housing on such sites would help facilitate this. The purpose of rural exception site development is to recognise that more rural communities need new housing to help maintain their vitality and also to assist residents to find accommodation that meets their changing needs.
- 9.58 For younger individuals and households this includes offering genuine opportunities to secure affordable housing in the area where they have grown up. Rural exception housing therefore offers a policy and financial mechanism by which the choice and mix of accommodation available to younger age groups can help support access to appropriate housing. Rural exception sites do also offer opportunities for the ageing population; with the ability for provide for individuals wishing to downsize amongst other avenues.
- 9.59 Rural exception sites have the advantage of giving people with a local connection and where there is an identified local housing need, a priority in the affordable housing allocation process. Homes are offered first and foremost to households in the parish within which it is located. The development and occupancy of rural exception sites is controlled through a S106 legal agreement. This agreement ensures that the dwellings on the exception site are affordable in perpetuity and have occupancy clauses.
- 9.60 The affordable housing provided on rural exception sites should only be used to meet a clearly identified local housing need and a community will need to demonstrate through a local housing needs survey that there is a localised need. The results of the survey should demonstrate that there are people living in the parish/village who are in housing need and are unable to compete in the general housing market (to rent or buy) due to the low level of their income.

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- 9.61 In contrast on 'entry level exception sites' there is no requirement for an applicant to demonstrate a local need. What is required is evidence that there is an unmet need for entry-level housing to rent or buy at the local authority level. Entry-level schemes must however deliver 100% of homes as affordable housing.
- 9.62 The Winchester Local Plan Part 1 under Policy CP4 currently sets out that in order to maximise affordable housing provision, the authority will exceptionally grant permission or allocates sites for affordable housing to meet the specific local needs of a particular settlement, on land where housing development would not normally be permitted. In order to better understand the effectiveness of this policy, we have considered the information on exception schemes permitted under this policy since the adoption of the Local Plan in 2013. The Council has also been working closely with HARAH to help communities build affordable housing schemes on exception sites. The results since 2013 are shown in the Table below.

Table 9.4 Completions on Rural Exception Schemes in Winchester District, 2013-2019

Scheme Name	Parish	No. of Units	Size Mix	Tenure Mix
Barron Close	Micheldever	15	1b x 4 2b x 6 3b x 5	Rent x 6 Shared O x 8
Hookpit	Kings Worthy	25	1b x 4 2b x 16 3b x 5	Rent x 15 Shared O x 10
Old River	Denmead	11	1b x 4 2b x 5 3b x 2	All Rent
Shavards Lane	Corhampton & Meonstoke	6	2b x 5 3b x 1	All Rent
Forester Row	Soberton	8	2b x 6 3b x 2	Rent x 4 Shared O x 4
Ludwells Close	Shedfield	13	1b x 4 2b x 6 3b x 3	Rent x 10 Shared O x 3
Phllimore Gardens	Shedfield	13	1b x 4 2b x 6 3b x 3	Rent x 9 Shared O x 4
Harding Close	Wonston	15	1b x 6 2b x 6 3b x 3	Rent x 11 Shared O x 4
Total	-	106	-	-

9.63 The records show that there has been a total of 106 units delivered since the adoption of Policy CP4 in 2013. On this basis, it is clear that Policy CP4 has had a positive impact on meeting local housing need through rural exception sites. The results are also clear in showing that the schemes since 2013 have delivered a mix of housing both in terms of size and tenure. Furthermore, a key issue of note, is that the results also show that a range of settlements across the District have benefitted from Policy CP4. As a whole, the policy has therefore been effective in addressing the local needs of specific settlements at a District-wide level.

9.64 However, with regards to Policy CP4's provision for a modest element of other tenures in exceptional circumstances in order to enable a development to proceed on the basis that it accounts for no more than 30% of all homes to be delivered; it is clear from the list of approved housing schemes set out under Table 9.4 that this element of the policy has not been evoked with regards to approved

schemes. Through engagement with HARAH³², it is our understanding that there are no clear examples across the Hampshire area of rural exception schemes incorporating an element of market housing. Nevertheless, there is no evidence to suggest that this element of the policy has caused problems or should be removed.

- 9.65 It is considered that looking forward, the Council should continue to highlight and strongly promote the benefits of exception sites to encourage housing opportunity for younger households and family households connected to rural areas. Through engagement with Action Hampshire, the organisation has also expressed a desire to explore the opportunities to deliver joint self-build and affordable housing schemes on rural exception sites. This could be achieved within policy CP4 (up to 30%) or incorporated more specifically into a new policy; and could encourage landowners and developers to bring forward sites.
- 9.66 Separately, in the context of the revised Framework, it is considered that a separate planning policy should be developed which supports entry-level exception housing subject to the qualifying criteria; given this is fundamentally a different proposition to rural exception sites as set out above.
- 9.67 It is anticipated that entry-level exception sites are likely to incentivise a greater number of landowners to bring forward sites; given that there is no restriction on the form of affordable housing to be provided on site, providing that 100% of all homes align with the definition of affordable in the Framework's glossary. It is recommended that given entry-level exception sites are an emerging policy area; local planning policy should closely follow national policy.

Rural and Entry-Level Exception Sites: Summary

The Framework (paragraph 71) identifies that local planning authorities should support the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home). The paragraph requires that such sites should not be on land already allocated for residential development and should comprise affordable housing as defined in the Framework's Glossary.

Rural exceptions sites are different to entry-level exception sites. The Framework (paragraph 77) confirms that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs and also to consider whether some market housing on such sites would help facilitate this.

³² Hampshire Alliance for Rural Affordable Housing

The Winchester Local Plan Part 1 under Policy CP4 currently deals with rural exception sites. It sets out that in order to maximise affordable housing provision, the authority will exceptionally grant permission or allocates sites for affordable housing to meet the specific local needs of a particular settlement, on land where housing development would not normally be permitted.

Drawing on completions data since the Policy was adopted in 2013, there has been a total of 106 units delivered which comprises various affordable housing tenures and unit sizes set out in Table 9.4. It is clear therefore that Policy CP4 has had a positive impact on meeting local housing need through rural exception sites; however, it is also clear that the Policy's provision for a modest element of other tenures in exceptional circumstances to enable development has not been evoked.

Through engagement with HARA, it is our understanding that there are no clear examples across the Hampshire area of rural exception schemes incorporating an element of market housing. Nevertheless, there is no evidence to suggest that this element of the policy has caused problems or should be removed.

The Council should continue to highlight and strongly promote the benefits of exception sites to encourage housing opportunity for younger households and family households connected to rural areas. The Council should also explore the opportunity to deliver joint self-build and affordable housing schemes on rural exception sites. This could be achieved within policy CP4 (up to 30%) or incorporated more specifically into a new policy; and could encourage landowners and developers to bring forward sites.

Separately, in the context of the revised Framework, it is considered that a separate planning policy should be developed which supports entry-level exception housing subject to the qualifying criteria; given this is fundamentally a different proposition to rural exception sites as set out above.

Community-Led Housing

- 9.68 As part of diversifying the housing market, there is potential for community-led housing schemes, including co-living/buying schemes to come forward, and to contribute positively to housing delivery in Winchester District. There are various sub-categories to this form of housing, which we consider in turn below.

Co-Living

- 9.69 The concept of co-living in its modern form of housing is relatively new, and whilst it is not specifically defined in the Framework, it is often used as part of a wider definition relating to a type of intentional community where residents share living space and a set of interests, values and/or intentions.

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- 9.70 Traditionally co-living has ranged from the coming together of space, time and resources for activities (for example meals and discussion in the common living areas) through to shared workspace and collective endeavours such as living more sustainably (such as eco-centred villages).
- 9.71 Over recent years, media interest in co-living has in part been driven by the pressures faced by the millennial generation and the potential to provide communal living driven by affordability and a transient, social oriented young professional resident in high cost locations. Traditionally the idea of co-living through sharing of rented housing is not a new idea and has long operated across the country. In this context, co-living can encompass many structural forms.
- 9.72 In its current form, modern co-living in the UK tends to be urban focused and integrated into a single building, house, or apartment, a sharing of amenities, and a demographic trend towards 20 to 30 something professionals.
- 9.73 In London, companies such as The Collective, Roam, Fizzy Living and Lyvly are actively adopting a 'WeWork' model³³ to housing based on a new renting approach for the Capital that offers private bedrooms, shared common spaces and community events, and an all-inclusive rent.
- 9.74 There are a number of examples which include *The Collective* co-living scheme at Old Oak which provides for over 500 'members' who rent their own private studio apartment (all with private bathrooms, and studios with private kitchenette), with access to shared spaces for working, socialising and relaxing, events, and on-site amenities such as a gym, launderette and supermarket. The operator is due to open a new scheme at Canary Wharf, London shortly.
- 9.75 It remains to be seen whether this housing concept has any realistic potential beyond the larger, higher cost urban centres such as London, with a recognition that the modern concept of co-living is often viewed as an extension of managed student accommodation for younger professionals without dependents.
- 9.76 Many of the existing co-living examples tend to be large city schemes with studies indicating that whilst the sharing of space is deemed more acceptable, especially by city dwellers, the model of co-living needs to carefully consider the scale of provision balanced alongside personal space needs and privacy.
- 9.77 In the Winchester context, there is the potential for co-living schemes to emerge although these are anticipated to be limited to individual developments rather than a widespread adoption of this housing
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³³ WeWork (and other operators such as Regus and Clarendon for example) provide flexible managed workspaces on easy access licence terms in the commercial office sector

product. The current co-living business model and characteristics draw on a large base of transient younger, high skilled professional households and individuals (particularly those without dependents) which is not currently a predominant characteristic of household growth in Winchester District.

- 9.78 The implications for future local planning policy are considered limited other than a recognition of the potential offered by the concept, and in many ways, the relevant planning considerations are deemed similar to those for comparable types development, such as student housing schemes.

Co-Buying

- 9.79 The increased costs of housing and associated affordability challenges have led to a growth in co-buying over recent years whereby a pooling of resources allows for individuals, typically friend(s) or family member(s), to collectively purchase a property which ordinarily would likely not have been possible.
- 9.80 A number of national financial lenders have launched relevant group mortgage products to support buyers get a foot on the property ladder. It is increasingly an option for millennials and those already in a house sharing rental environment. It remains however relatively uncommon with certain lenders limiting the number of people, typically two, to a group mortgage whilst the model is not without its risks, including where a co-buyer seeks to move on.
- 9.81 The concept is likely to remain an attractive option for some although overall there are considered limited implications if any from a planning policy perspective.

Community-Led Housing

- 9.82 The concept of Community-Led Housing is not a new concept. There are case studies – one of which is set out below – of community groups forming over a decade ago to drive forward community-led housing development. The Government has since reacted; with the enactment of the Localism Act 2011 which introduced new rights for communities and set the Government's context for the recent growth in community-led housing.
- 9.83 There has also been funding packages announced by the Government, including the Government's Community Housing Fund, first announced in March 2016 and extended in 2017, which has since distributed £60 million a year to local authorities across the country as at 2018/19 to support community-led housing. Through Icen's engagement with Action Hampshire³⁴, we understand that this funding, pooled by 4 Local Authorities including WCC, has enabled the organisation to employ

³⁴ For almost 70 years, Action Hampshire has been supporting not-for-profit organisations to deliver services to local people and communities and shape the future of where they live and work.

a Community Housing Officer with a role of providing guidance and support to communities across the county and Winchester District in particular to drive forward with plans for community-led housing.

9.84 In terms of defining community-led housing, it is established that the provision of such housing typically comprises the following:

- a local community group or organisation owns, manages or stewards the homes as they chose;
- benefits to the local area and/or a specified community of interest which are clearly defined and protected in perpetuity via a legal asset lock; and
- community engagement and consent throughout the process, which may involve the community initiating/managing the development process or building the homes.

9.85 The term 'Community-Led Housing' is therefore a broad one and it is considered that no community-led housing project is ever the same. The projects can be delivered in a number of ways which often overlap with each other to include:

- Community Land Trusts (CLTs) - provide affordable homes for local people in need, for rent or shared ownership, through the acquisition of land which is held as a community asset in perpetuity;
- Cooperative housing - groups of people who provide/collectively manage, via a democratic membership basis, affordable homes for their use as tenants or shared owners;
- Co-housing - groups of like-minded individuals who come together and provide self-contained private homes for their use but share management and activities, often in a communal space;
- Self-help housing – based on small, community-based organisations bringing empty properties back into beneficial use (often with a strong focus on construction skills/training/support);
- Community self-build - groups of local people building their homes with external support and managing the process collectively (individual self-build is not typically regarded as community-led housing).
- Tenant management organisations – collective responsibility for social housing tenants to manage and maintain the homes (via agreement with their council or housing association landlord).

9.86 Community-led housing is typically characterised by relatively small scale schemes, often of less than 20-25 units in rural areas, although many schemes in urban areas are significantly larger, with schemes set up and run as not for profit community based organisation driven by local volunteers

and often supported by external organisations, for example housing associations, local authorities or regional and national support organisations.

Case Study: Marmalade Lane, Cambridge

This scheme's delivery involved a notable mix of stakeholders including Mole Architects, TOWN developers Cambridge City Council and the community group driving the scheme, K1 Housing. The community group formed in 2005; with an outline planning permission submitted in 2014 demonstrating the potential for delays.

Completed in 2018, the scheme comprises 42 new homes, prefabricated off-site. The scheme is deliberately multi-generational to support a greater mix of housing including five-bedroom terraced housing to one-bedroom apartments which sit within a low-rise block of 10. The developer effectively delivered the scheme, with residents paying market rate for the properties; however, all residents were fully involved in the design of the scheme.

- 9.87 The schemes can provide affordable homes for rent, shared ownership or sale, typically on sites which are less attractive to the development industry; and ensure the long-term protection for local people in housing need through legal and/or financial controls
- 9.88 Over recent years, community-led housing has been driven by CLTs with over 320 registered in England and Wales and encouraged by government funding. At the time of writing, CLTs have delivered over 870 homes with circa 5,500 identified in the pipeline.
- 9.89 Through Iceni's engagement with the Community Housing Officer who regularly supports and guides communities in Winchester District; we understand that there are around 13 CLTs across Hampshire. The Officer informed Iceni that there are some positive examples of this concept in the District; including for instance the Wickham Community Land Trust which was established in 2008 and set up as a Company Limited by Guarantee.

Case Study: Houghton Gardens, Wickham, Winchester

The Wickham CLT made up of local people was incorporated into a Company Limited by Guarantee in 2008.

The Wickham CLT became involved in its first scheme in 2008; working with Hyde Housing Association on a site delivering a total of 20 affordable homes. Hyde obtained planning permission for, and subsequently built, 8 homes for the CLT which they subsequently purchased from Hyde and which they now manage as part of the wider Hyde scheme. The CLT are now actively looking at a

second and third scheme; one of which is with a private housebuilder where a number of the homes will be purchased and managed by the CLT.

9.90 In respect of barriers to community-led housing, the Community Housing Officer considers that there are two primary constraints – (1) community-led housing is not embedded in local planning policy (2) land availability is limited, with prime sites being bought at market rates, which communities cannot compete with, whilst more affordable sites are often situated in constrained locations, where it is more challenging to obtain planning permission.

9.91 At present, the Council's Local Plan Part 1 under Policy MTRA3 allows for development proposals which demonstrate community support. The relevant part of the policy states:

“Other development proposals [within settlements in Market Towns and Rural Area listed] may be supported to reinforce a settlement’s role and function, to meet a community need or to realise local community aspirations. These should be identified through a Neighbourhood Plan or process which demonstrates clear community support.”

9.92 Through Icenì’s engagement with relevant stakeholders, we understand that the desire to pursue community-led housing is alive and well in Winchester District. There are a small number of live projects including the Trinity Centre, Winchester which is delivering accommodation and wrap around services for homeless people. However, the volume of schemes is not significant in the District. There are two known examples submitted under Policy MTRA3 including:

- Torbay Farm, Upham [14/00199/OUT] – development of 19 homes.
- Land North of Ravenswood House Hospital, Knowle [18/01612/OUT] – development of 200 homes.

9.93 It should be noted however that neither of these schemes came forward through a Neighbourhood Plan process. Furthermore, Torbay Farm was not by definition a community-led scheme; it was prepared and submitted by a developer and was promoted at a time when HARA were working with the Parish Council to provide affordable homes for local people in addition to market homes. Following the grant of permission on Torbay Farm, Part 2 of the Local Plan clarified the use of Policy MTRA3 as follows:

“Therefore, no changes have been made to the boundaries of those settlements within the Plan area that are subject to Policy MTRA3. The policy provides for additional development in all the smaller settlements where it would meet a community need and has its clear support.”

Early experience of this provision suggests there is a risk of it being used by landowners or developers to put pressure on communities to support developments that they have not identified a need for, or initiated. This is not the intention of the policy, and in applying it, the local planning authority will expect to see evidence that any community needs and benefits that are claimed for a proposal have been instigated by the local community or clearly identified through a Neighbourhood Plan, Parish Plan or similar process”.

- 9.94 In respect of the Knowle scheme, this includes local community aspirations in addition to housing and although it was not identified through a Neighbourhood Plan process, the Parish Council played a leading role in the proposal and it has clear support from the local community. The scheme has not yet been granted planning permission.
- 9.95 With regards to planning policy, the Community Housing Officer has drawn on policy in other authorities, including the ‘East Cambridgeshire Model’ where community-led housing is ‘embedded’ in policy; and delivery of it is a key aspiration of the Council.
- 9.96 In East Cambridgeshire’s Local Plan, a specific planning policy is set out for community-led housing; with the District Council expressing general support of community-led development; with the role of CLTs acknowledged in the supporting policy text.
- 9.97 In consideration of the above, it is considered that the principle established in Policy MTRA3 could be expanded; with a new standalone planning policy which seeks to encourage and enhance the contribution and role of community-led housing particularly given the positive steps already being taken to drive the sector forward in Winchester District. This could have a positive impact on the number of schemes put forward under a policy such as MTRA3. However, ultimately, this should be balanced with the need and priority to identify and provide suitable development sites for affordable housing – particularly those which would be suitable for rural exception or entry-level exception affordable housing provision.

Community-Led Housing: Summary

The concept of Community-Led Housing is not a new concept. There are case studies – one of which is set out below – of community groups forming over a decade ago to drive forward community-led housing development. The term is broad, and no community-led housing project is ever the same.

Through engagement with the Community Housing Officer - who regularly supports and guides communities in Winchester District - we understand that there are around 13 Community Land Trusts across Hampshire. The Officer noted that there are numerous positive examples of this concept in the District; including for instance the Wickham Community Land Trust which was established in 2008 and set up as a Company Limited by Guarantee [see case study box in main text].

The two main constraints identified through our engagement are: (1) community-led housing is not embedded in local planning policy (2) land availability is limited, with prime sites being bought at market rates, which communities cannot compete with, whilst more affordable sites are often situated in constrained locations, where it is more challenging to obtain planning permission.

At present, the Council's Local Plan Part 1 under Policy MTRA3 allows for development proposals which demonstrate community support. Iceni have found that the desire to pursue community-led housing is strong in the District but ultimately the number of schemes brought forward under Policy MTRA3 are limited.

One of principal reasons for this is that community-led housing is not 'embedded' in planning policy compared with other authority areas such as East Cambridgeshire. On this basis, it is considered that the principle established in Policy MTRA3 could be expanded; with a new standalone planning policy which seeks to encourage and enhance the contribution and role of community-led housing. This should however be balanced with the need and priority to identify and provide suitable development sites for affordable housing.

10. DENMEAD NEIGHBOURHOOD PLAN AREA

- 10.1 The Framework (paragraph 65) is clear that within the overall requirement for housing across the plan area, strategic policy-making authorities should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.
- 10.2 This section therefore provides a series of information and data outputs specific to the Denmead Neighbourhood Plan area, which is the only location in the District currently with an adopted Neighbourhood Plan. The outputs follow key findings from the preceding sections of this report around the type and size of housing needed. The detail behind the approach and methodology employed (e.g. when looking at the need for affordable housing) can be found in the earlier sections of this report.

Housing Offer and Market Dynamics

- 10.3 The Table below shows the tenure profile of households in Denmead; drawn from the 2011 Census. This shows a strong concentration of owner-occupation (making up 83% of all households) and relatively few households living in the social or private rented sectors when compared with the District as a whole.

Table 10.1 Tenure Profile by Households, 2011

	Denmead	Winchester
Owned Outright	39%	35%
Owned with Mortgage	44%	33%
Social Rented	8%	15%
Private Rented	8%	14%
Living Rent Free	1%	2%
Total	100%	100%

Source: Census 2011

- 10.4 The Table below shows the number of bedrooms available to households. When compared with the District as a whole the analysis shows a relatively large dwelling profile, with 73% of homes having 3- or more bedrooms (compared with 68% across the District). The profile of dwelling sizes is likely to be linked to the tenure profile with social (and to a lesser extent private) rented homes typically being smaller than dwellings in the owner-occupied sector.

Table 10.2 **Number of Bedrooms by Households, 2011**

	Denmead	Winchester
1 Bedroom	7%	11%
2 Bedrooms	20%	23%
3 Bedrooms	38%	34%
4 or more Bedrooms	35%	32%
Total	100%	100%

Source Census 2011

- 10.5 In terms of the types of dwellings found in Denmead the Table below shows a concentration of detached homes, and to a lesser extent semi-detached properties. A total of just 25% of all homes are either terraced or flats, compared with 39% across the whole District.

Table 10.3 **Dwelling Types by Household, 2011**

	Denmead	Winchester
Detached	47%	37%
Semi-detached	28%	25%
Terrace	16%	21%
Flat/other	9%	18%
Total	100%	100%

Source: Census 2011

- 10.6 The Table below shows house prices in Denmead compared with Winchester as a whole – data is provided for the median, mean and lower quartile. For all three measures it can be seen that prices in Denmead are low relative to the wider District with the median price of a home (in the year to March 2019) being around 25% lower than the District average.

Table 10.4 **House Price Statistics, 2019**

	Median	Mean	Lower Quartile
Denmead	£304,000	£337,000	£268,000
Winchester	£410,000	£497,000	£295,000

Source: HM Land Registry

- 10.7 An analysis of median house prices by type also shows lower prices in Denmead than the District as a whole.

Table 10.5 Median House Price by Type, 2019

	Detached	Semi-Detached	Terraced	Flatted
Denmead	£414,000	£291,000	£284,000	£188,000
Winchester	£595,000	£362,000	£343,000	£230,000

Source: HM Land Registry

The Demographic Baseline & Indicative Housing Requirement

- 10.8 The Table below shows projected population growth in Denmead over the plan period to 2036. The analysis has been based on linking the standard method projection to the population and household profile of Denmead.
- 10.9 The standard method projection is set out in the Winchester Future Local Housing Need and Population Profile Assessment (January 2020); however, it should be noted that the data set out herein for Denmead is based simply on the District population that falls within Denmead and other considerations will need to be taken into account when determining any new housing requirement for the Neighbourhood Plan Review.
- 10.10 It should also be noted that this analysis does not take account of likely future delivery in the area or past trends in population growth (other than to the extent that they will have shaped the current profile); nor does it take account of a range of factors which would ultimately influence a suitable level of housing provision at a local level, including land availability, landscape and policy constraints, services, settlement hierarchy or infrastructure capacity.
- 10.11 Nevertheless, the Framework (paragraph 66) sets out that where it is not possible to provide a requirement figure for a neighbourhood area, the local planning authority should provide an indicative figure.
- 10.12 With this in mind, the analysis suggests that the population of Denmead would increase by around 1,911 people (equal to a 26% increase) with the number of households increasing by about 950 (equal to a 31% increase). Including a small vacancy allowance, the analysis suggests an increase in dwellings of around 980 in total. This would result in an average requirement of 49 homes per annum over the 2016-36 period.

Table 10.6 Core Demographic Outputs for Denmead

	2016	2021	2026	2031	2036
Population	7,451	8,050	8,900	9,292	9,362
Labour Force	3,831	4,140	4,617	4,784	4,705
Households	3,077	3,366	3,723	3,946	4,025
Dwellings	3,169	3,467	3,834	4,064	4,146

Source: Demographic Projections

Affordable Housing

- 10.13 The data below provides some of the key findings from an analysis of the need for affordable housing in Denmead. The methodology used is the same as for the District-wide analysis but using data specifically for Denmead.
- 10.14 Firstly, when looking at estimates of lower quartile prices and rents it can be seen that (consistent with analysis above) housing costs in the parish are typically lower than those seen across the District. Overall, it is estimated that the lower quartile cost of housing is a purchase price of £268,000 with an overall lower quartile rent estimated to be around £765 per month.

Table 10.7 Lower Quartile Cost of Housing to Buy & Rent, 2019

	To Buy		To Rent	
	Denmead	District-Wide	Denmead	District-Wide
1 Bedroom	£109,000	£144,000	£615	£695
2 Bedrooms	£181,000	£239,000	£690	£825
3 Bedrooms	£231,000	£305,000	£840	£1,008
4+ Bedrooms	£346,000	£457,000	£1,345	£1,600
All Properties	£268,000	£295,000	£765	£825

Source: Land Registry, VOA and Internet Price Search

- 10.15 Incomes in Denmead are estimated to be very slightly lower than seen across the District, with a median income of around £44,000, compared with £46,000 for the whole district.

Table 10.8 Estimated Average Household Income by Sub-Area, Mid-2018 Estimate

	Median	Mean	Lower Quartile
Denmead	£58,000	£44,100	£25,500
Winchester	£60,400	£45,800	£26,500

Source: Derived from EHS and ONS Data

- 10.16 Bringing together various strands of analysis the table below shows an estimate of the need for rented affordable housing (i.e. social/affordable rented). Overall, this suggests a need for around 14 affordable homes each year in the 2019-36 period.

Table 10.9 **Estimated Need for Rented Affordable Housing**

	Annual	2019-36
Gross Current Need	2	39
Newly Forming Households	17	290
Existing Households Falling into Need	6	106
Total Gross Need	26	435
Relet Supply	11	191
Net Need	14	243

Source: Range of Sources

- 10.17 A similar analysis has been carried out to look at the potential need for affordable home ownership products. This shows that there is a need for such housing, however that the potential supply is slightly in excess of that need. To some extent the 'surplus' shown is driven by the fact that at present there is a relatively small private rented sector and therefore the pool of households currently renting who might need some form of affordable home ownership is relatively limited.

Table 10.10 **Estimated Need for Affordable Home Ownership**

	Annual	2019-36
Current Need	1	11
Newly Forming Households	13	227
Existing Households Falling into Need	2	34
Total Gross Need	16	272
Supply (50% of LQ sales)	17	289
Supply (LCHO resales)	1	11
Net Need	-2	-27

Source: Range of Sources

Older Persons & Those with Disabilities

- 10.18 The Table below shows the proportion profile of Denmead in 2018 and how this compares with the whole of the District. The analysis suggests a similar population profile, although the proportion of people aged 65 and over is slightly higher in the parish than is seen across the district – 23% of the population is aged 65 and over, compared with 21% for the whole District.

Table 10.11 Older Person Population, 2018

	Denmead	Winchester
Under 65	77%	79%
65-74	12%	11%
75-84	8%	7%
85+	4%	3%
Total	100%	100%
Total 65+	23%	21%

Source: ONS 2018 Mid-Year Population Estimates and Demographic Projections

10.19 Denmead is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by 52% over the 20-years to 2036. This compares with overall population growth of 20% and a more modest increase in the Under 65 population (increasing by 11%).

10.20 In total population terms, the projections show an increase in the population aged 65 and over of 930 people. This is against a backdrop of an overall increase of 1,900 – population growth of people aged 65 and over therefore accounts for 48% of the total projected population change.

Table 10.12 Projected Change in Denmead Population of Older Persons, 2016-36

	2016	2036	Change	% Change
Under 65	5,792	6,777	985	17.0%
65-74	843	1,163	320	38.0%
75-84	590	908	318	53.9%
85+	226	513	287	127.2%
Total	7,451	9,362	1,911	25.6%
Total 65+	1,659	2,585	926	55.8%

Source: Demographic Projections

10.21 The Table below shows projected changes to number of people with specific illnesses or disabilities. Of particular note are the large increases in the number of older people with dementia (increasing by 84% from 2016 to 2036) and mobility problems (74% increase over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population.

Table 10.13 Projected Changes to Denmead Population with a Range of Disabilities

Disability	Age Range	2016	2036	Change	% Change
Dementia	65+	120	221	101	84.0%
Mobility Patterns	65+	308	536	228	73.8%
Autistic Spectrum Disorders	18-64	42	48	6	13.1%
	65+	15	24	9	55.5%
Learning Disabilities	15-64	111	126	16	14.1%
	65+	34	53	19	55.1%
Challenging Behaviour	15-64	2	2	0	14.2%
Impaired Mobility	16-64	261	298	38	14.6%

Source: POPPI/PANSI and Demographic Projections

The Need for Different Sizes of Accommodation

- 10.22 In the main report analysis was undertaken to consider an appropriate mix of housing across the District. Given some of the sources used it is difficult to replicate this analysis for much smaller areas (e.g. parishes). However, an understanding of the current profile of housing in the area combined with the District-level analysis does allow for some conclusions to be drawn.
- 10.23 The first analysis looks at the profile of housing by tenure. When compared with the District as a whole, the analysis shows a similar profile in the owner-occupied sector, a particular focus on 2-bedroom homes in the social rented sector and a greater proportion of 3-bedroom homes for those privately renting. The relative lack of 2-bedroom social rented stock is a particularly notable finding of this analysis.

Table 10.14 Number of Bedrooms by Tenure, 2011

		Denmead	Winchester
Owner-occupied	1-bedroom	3%	3%
	2-bedrooms	15%	17%
	3-bedrooms	35%	39%
	4+-bedrooms	47%	41%
	TOTAL	100%	100%
Social rented	1-bedroom	28%	34%
	2-bedrooms	39%	28%
	3-bedrooms	31%	34%
	4+-bedrooms	3%	3%
	TOTAL	100%	100%
Private rented	1-bedroom	12%	15%
	2-bedrooms	31%	41%
	3-bedrooms	42%	32%
	4+-bedrooms	15%	13%
	TOTAL	100%	100%

Source: Census 2011

- 10.24 The Table below draws on the above information, along with analysis carried out District-wide (and also for the Southern sub-area) to set out a suggested mix of housing by tenure for Denmead. In respect of the affordable home ownership tenure, some caution should be applied as the analysis earlier did not clearly identify any need for this type of accommodation.

Table 10.15 Modelled Mix of Housing by Size and Tenure in Denmead

	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
Market Housing	5-10%	25-30%	40-45%	20-25%
Affordable Home Ownership	25-30%	40-45%	20-25%	5-10%
Affordable Rented Housing	30-35%	35-40%	20-25%	5-10%

Source: Housing Market Model

- 10.25 The analysis around housing mix set out in the Table above should inform policy and decision-taking for the neighbourhood plan area.

Denmead Neighbourhood Plan Area: Summary

The Framework (paragraph 65) is clear that within the overall requirement for housing across the plan area, strategic policy-making authorities should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations.

A series of information and data outputs specific to the Denmead Neighbourhood Plan area have therefore been provided, which is the only location in the District currently with an adopted Neighbourhood Plan.

The analysis suggests that the population of Denmead would increase by around 1,911 people (equal to a 26% increase) with the number of households increasing by about 950 (equal to a 31% increase). Including a small vacancy allowance, the analysis suggests an increase in dwellings of around 980 in total. This would result in an average requirement of 49 homes per annum over the 2016-36 period.

Bringing together various strands of analysis, Icen estimate a need for rented affordable housing (i.e. social/affordable rented) of around 14 affordable homes each year in the 2019-36 period. On affordable home ownership, the analysis shows that there is a need for such housing, however that the potential supply is slightly in excess of that need.

On older persons and those with disabilities, Denmead is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by 52% over the 20-years to 2036. The analysis also points to large increases in the number of older

people with dementia (increasing by 84% from 2016 to 2036) and mobility problems (74% increase over the same period).

The analysis around housing mix in Denmead is set out in Table 10.15 and should be used to inform policy-making and decision-taking in the neighbourhood plan area.

11. CONCLUSIONS AND RECOMMENDATIONS

- 11.1 This section brings together a summary of each section of this SHMA report, our conclusions and ultimately our recommendations to be taken forward in crafting planning policies for the emerging Local Plan.

Local Housing Need

- 11.2 The Government has implemented a standard method for assessing housing need which takes 2014-based Household Projections and applies an upward adjustment based on the median house price to earnings ratio.
- 11.3 The Council have commissioned a separate assessment, titled 'Future Local Housing Need and Population Profile Assessment' (January 2020) which sets out to provide a realistic indication of the District's future local housing need based on the Government's standard method.
- 11.4 The assessment - acknowledging that the Local Plan is likely to be submitted for Examination in 2021 - seeks to rebase the standard method 'starting year' to 2021, which results in a need of **664 homes per annum** with an overall need across the 20 year plan period for 13,280 homes
- 11.5 This scale of local housing need would support substantial population growth of 25,500 over the 2019-36 period in the District. It would also support the growth of 12,900 households and support an increase in the labour force of 11,400 persons taking account of expected changes in economic participation.

Affordable Housing

- 11.6 This SHMA includes an updated assessment of affordable housing need which responds to the widened definition of affordable housing set out in the 2019 NPPF. This includes households who might be able to rent a home in the private sector without financial support but aspire to own a home and require support to do so.
- 11.7 The assessment shows an annual need for 220 rented affordable homes in Winchester District.

2019-36	Northern	Southern	Town	District
Net Need for Rented Affordable (p.a.)	94	63	64	220

- 11.8 The SHMA has also assessed the potential scale of need for affordable home ownership housing, identifying a need for 123 low cost home ownership homes per annum, which is shown in the Table

below. This need could be met through both various low-cost home ownership products, as identified in the NPPF Glossary, as well as the Government's Help-to-Buy Scheme. The various affordable home ownership products are price pointed in this report; serving the needs of different households wanting to buy.

2019-36	Northern	Southern	Town	District
Net Need for Affordable Home Ownership (p.a.)	49	4	70	123

- 11.9 These components of analysis are brought together to provide estimates of the total affordable housing need in the Table below; with the analysis pointing to a tenure split of 64% affordable rented to 36% affordable home ownership as a proportion of all affordable housing need (which notably now reflects a wider definition).

2019-36	Northern	Southern	Town	District
Rented Affordable Housing (p.a.)	94	63	64	220
% of Sub-Area Total	66%	94%	48%	64%
Affordable Home Ownership (p.a.)	49	4	70	123
% of Sub-Area Total	34%	6%	52%	36%
Total Affordable Housing (p.a.)	143	67	134	343

- 11.10 In bringing together evidence through the new Local Plan, Winchester District needs to consider the evidence of need, the relative acuteness of the need, and issues of residential development viability. The NPPF advises that at least 10% of all new housing on large sites of 10 or more homes should be for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.
- 11.11 The evidence in this report points towards the scale of need for affordable home ownership equating to more than 10% of the overall housing need at around 18.5% of local housing need (at 664 homes per annum); and therefore, it is considered this report provides sufficient evidence to justify the 10% provision recommended by the NPPF. The focus for supporting home ownership in the District should be on providing shared ownership homes.
- 11.12 However, there is also a clear and acute need for rented affordable housing from lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authority have a statutory housing duty. Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).

R1: A clear need for affordable housing is shown and IcenI consider that the Council is fully justified in seeking affordable housing through new development schemes. The new Local Plan Review should include policies advising on the proportion of affordable housing sought through new development and the recommended tenure and size profile.

In negotiating affordable housing on individual schemes, the Council should have regard to this report and ultimately the new Local Plan which this report informs; as well as the profile of need at the local level at the time of considering a planning application and where applicable, the viability of the development scheme

R2: In setting policies on affordable housing, the Council is advised to bring together evidence of need within this report with consideration of how they wish to prioritise the delivery of different types of affordable housing and evidence/testing of residential development viability.

The NPPF advises that at least 10% of all new housing on larger sites should be for affordable home ownership unless this would exceed the level of affordable housing required in the area and the evidence within this report is considered to provide sufficient evidence to justify this. In order to ensure that affordable home ownership is affordable to a greater proportion of occupants, Shared Ownership should be prioritised.

R3: IcenI recommend that the Council requires through policy that rented affordable housing is priced and maintained at levels which are in the range from a Living Rent up to the maximum Local Housing Allowance level.

R4: IcenI recommend that affordable home ownership homes are priced to be affordable to households who cannot afford lower quartile house prices. Note that Table 5.21 in this report provides guidance of how homes of different sizes should be priced based on current evidence.

Older Persons Housing Needs & those with Disabilities

- 11.13 The analysis in this report has shown a notable growth in the population of older persons aged 65+ in Winchester District over the period to 2036 – projected to increase by 12,400 people (a 49% increase). The specific projections undertaken show an expected increase of those with dementia by 1,400 persons and with mobility problems by 3,100 persons to 2036.
- 11.14 Many older households will continue to live in mainstream housing but given the substantial growth in the population of older persons and associated increases in those with a disability, it is recommended that 25% of new market housing is delivered to meet Part M4(2) accessible and

adaptable home standards, subject to viability testing and site suitability. In respect of affordable housing, all new dwellings should be delivered to meet Part M4(2) standards in line with LPP2 Policy DM2, subject to viability and site suitability.

R5: IcenI recommend that the Council develops planning policy which requires 25% of new market housing and all affordable housing to be delivered to Part M4(2) ‘accessible and adaptable’ standards”, subject to viability testing and site suitability.

- 11.15 Some older households, particularly those aged over 75, will require specialist housing provision. The analysis in this section points to a need for 998 leasehold units of housing with support to 2036, 251 rented units of housing with care and 371 leaseholds units of housing with care. There is a surplus of 448 rented units of housing with support. In considering extra-care schemes, there is a need to carefully consider the viability and practical feasibility of delivering affordable housing on-site.

2016-36	Rented	Leasehold	Total
Housing with Support	-448	998	998
Housing with Care	251	371	622

- 11.16 The analysis also identifies a need for 812 care home bedspaces across Winchester District to 2036.
- 11.17 It is important that the council's planning policies support the delivery of specialist housing in particular. A notable by-product of doing so will be the release of existing mainstream housing, including family housing, for other groups within the population.

R6: The Council should consider making specific allocations of land for older persons housing, given that developers of specialist housing can in some instances struggle to secure sites against mainstream market housing developers.

R7: The Council should carefully consider the economics of delivery of different types of older persons housing through the preparation of viability evidence and consider whether a differential affordable housing policy should be applied to different types of specialist housing schemes. In particular, for schemes with higher levels of care provision, consideration should also be given to whether it is practical to manage market and affordable provision within a single development. This may be influenced by the nature of the site and scheme

- 11.18 In addition, a need for 561 dwellings from wheelchair users in Winchester has been identified, equivalent to 4% of the total housing need. IcenI consider that it would be appropriate to seek

provision as part of major new-build schemes, subject to support from viability evidence studies and evaluation on a site-by-site basis.

R8: Planning policies should require 4% of dwellings on major development schemes to be delivered to wheelchair adaptable standards. This should be reviewed on a site-by-site basis.

Needs for Different Sizes of Homes

- 11.19 Understanding the existing housing mix in the District is important in considering what future mix of housing is appropriate to deliver a mixed and balanced community. This is important at both a strategic, and at a local, level.
- 11.20 The analysis in this report shows that the profile of housing in the social and private rented sector looks to be fairly balanced in comparison with other areas (i.e. there is no obvious over- or under-supply of particular sizes of homes relative to other locations). In the owner-occupied sector, the analysis does however highlight a particularly high proportion of larger (4+-bedroom) homes when compared with other locations.
- 11.21 Taking into account the current housing stock and expected demographic trends – including the expectation that some older households will downsize if the right properties are available, this report points towards a need for different sizes of homes in the market and affordable sectors which are reflected in the Table below for Winchester District.

	Affordable Rented	Affordable Home Ownership	Market Housing
1-Bedroom	35-40%	25-30%	5-10%
2-Bedrooms	30%	40%	25-30%
3-Bedrooms	25-30%	25-30%	40-45%
4+-Bedrooms	5%	5%	20-25%

R9: Icenl recommend that this Table informs planning policy and informs negotiations regarding the mix of housing to be delivered on individual development sites going forward; alongside consideration of the existing housing mix in the settlement, and where appropriate evidence of the profile of households on the Housing Register in an area or needs shown through local survey evidence.

- 11.22 This SHMA has also considered the mix of housing needed at the sub-area level; with the analysis suggesting that more rural areas generally have a need for a slightly lower proportion of smaller homes than urban locations – this is particularly the case when looking at market housing. It is considered that the analysis does not suggest that a different mix should be proposed at a strategic

level for urban and rural areas (or indeed smaller areas within this) but it does indicate that there may be a case at a smaller area level for some minor adjustments.

- 11.23 Table 8.8 and Table 8.9 of this SHMA show how estimated need/demand by size varies across sub-areas.

R10: Iceni recommend that planning policy recognises that, at a sub-area level, there may be a case for some minor adjustments. This SHMA at Table 8.8 and Table 8.9 provides guidance on the need and demand by size across the sub-areas.

- 11.24 Whilst this report does not suggest that prescriptive figures necessarily need to be included within the Local Plan, it is the case that the figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and Iceni consider that it would be reasonable to expect justification for a housing mix on such sites which significantly differs from that modelled herein.

The Needs of Specific Groups

Family Households

- 11.25 The evidence in this report points to significant projected growth in family households in Winchester, which are expected to grow by 27% equal to 3,700 households between 2016-36. However, there are clear affordability barriers which are likely to prevent younger family households and younger households in general from buying a home.
- 11.26 The evidence suggests that the Help-to-Buy Equity Loan has provided some support for younger households in the District in being able to buy a home; and a range of measures should also be progressed through planning in seeking to provide options for younger households to buy. This includes delivery of rented and low-cost home ownership housing both in the urban and rural parts of the District.
- 11.27 The analysis in this report has highlighted particular issues around the affordability of market housing for family households on lower incomes, in particular as lower quartile rental costs are above LHA (and particularly so for larger properties) for Winchester District.
- 11.28 This emphasises the important role for the delivery of family-sized affordable housing in ensuring that there is adequate supply of housing available for lower income households and promotes setting rents for larger properties at levels which do not exceed LHA levels.

Younger People

- 11.29 The demographic projections show that the number of younger households is expected to increase by 27% in Winchester District, representing growth of around 2,700 households.
- 11.30 From the analysis it is clear that the particular issue affecting younger households is housing affordability. The affordability of housing to buy, and the ability of younger households to access it, has deteriorated further in recent years; and is now out-of-reach of many younger households.
- 11.31 The implication of this is that the delivery of (and access to) affordable housing is very important for younger (single and family) households and will be important in ensuring that a balanced population profile is maintained in the District. If housing accessibility for younger households continues to be constrained, thus inhibiting their ability to move to or stay within the local area; this could harm the economy (through affecting the ability of employers to recruit) and may lead to unsustainable longer-distance commuting patterns.
- 11.32 There is a need to address the needs of younger households, through promoting delivery of affordable housing through planning policy, including through S106 agreements securing affordable housing on mixed-tenure development schemes. The potential for public sector land to contribute to affordable housing delivery should also be investigated.

Student Accommodation

- 11.33 Winchester District has three further education establishments which should be considered – The University of Winchester, The University of Southampton (Winchester School of Art) and Sparsholt College (which also offers higher education courses).
- 11.34 Data allowing us to track trends in student numbers year-on-year for all establishments is not consistently available – particularly for Sparsholt College and the Winchester School of Art (as a campus of the University of Southampton). Data available for the University of Winchester shows that over the period from 2005/06 to 2015/16, there has been an increase of 2,090 students with the number of full-time students rising year-on-year over this period to 6,105 full-time students in 2015/16.
- 11.35 An analysis of Census data has shown that around three-quarters of students aged 18 and over at the point of the 2011 Census were studying at the University of Winchester; and overall, the majority of students in this age group lived in all student households (i.e. 36% of all students) with around a quarter (24%) living in University halls of residence or similar; and a fifth live with parents.
- 11.36 IcenI have engaged directly with all three establishments to build on the partly limited quantitative data and to understand future growth plans both in terms of student numbers and student accommodation. The University of Winchester have informed us that it is expecting an increase in

the number of students in the coming years; however, the increase in numbers is principally from students in healthcare-related courses; where the profile of students is typically those which already live in the area or commute-in for studies from other areas. The University aims to through its estate masterplan that the remaining proportion of growth will be addressed within the extent of its existing footprint through additional development of halls of residence for first-year students.

- 11.37 The University also notes that in terms of the wider market and accommodation for returning students, there is regular activity from private developers who are currently either taking applications through the planning process or constructing accommodation for students. Engagement with letting agents in Winchester confirms that there is sufficient accommodation in the market for returning students, with 2018/19 the first year in which there has been a surplus. A review of approved and pending planning applications suggests that further purpose-built accommodation is forthcoming in Winchester, which will help alleviate pressures on the wider housing market for student accommodation.
- 11.38 In this context, the report has noted that aside from purpose-built accommodation, there are concentrations of student HMOs, most notably in Stanmore and Winnall where Article 4 Directions have been made. The Council should continue to monitor student growth at the University of Winchester and the number of HMOs.
- 11.39 Engagement with both the Winchester School of Art and Sparsholt College has informed us that there are no notable plans for expansion in terms of student numbers. The students at both of these establishments are able to access accommodation provided on-site or in the local area throughout their studies; and they do not consider that additional provision is required.

Service Families

- 11.40 The ATR is based in Winchester District; and according to the MoD, there are approximately 2,746 military and civilian personnel located in the District. At the point of the last Census in 2011, the number of armed forces was much lower at around 815 persons, with around 79% living in households and 21% living in communal establishments.
- 11.41 Having engaged directly with the MoD, we understand that the number of service personnel has seen an uplift within Winchester in the last five years due to the redevelopment of Worthy Down Barracks. However, as part of the redevelopment, the residential provision at Worthy Down Barracks now provides 52,000 sq. m. of 'Single Living Accommodation' on site.
- 11.42 Further to this, 60 additional dwellings have been built on Connaught Road to house Service Families (of an approved 90 additional dwellings), these dwellings consisting of 3 and 4 bedrooms. All are occupied with a waiting list due to their popularity; however, the MoD have not determined if the additional 30 units will be built under the current expansion programme.

-
- 11.43 Accordingly, the MoD consider that there is now a sufficient amount of provision to accommodate the existing and future service personnel and their families within Winchester. In respect of future needs, it is noted that the ATR (i.e. Sir J Moore Barracks) is due to close in 2023. The MoD have stated that this is likely to free up the houses currently occupied by the service personnel that are serving at the ATR. The Council are due to meet with the MoD in due course to discuss their aspirations with the site moving forward.

Build to Rent Development

- 11.44 Build to Rent development is currently a reasonably embryonic market outside of London. However, there is clear support for Build to Rent from the Government, which considers it to be a key product to support the emergence of the strength of the private rented sector. In Winchester specifically, the private rented sector has seen considerable growth over the last three Census points; and more recent survey data indicates that it is now the second largest sector. Furthermore, in respect of rental values, the Winchester market is the strongest in Hampshire and sits above the South East average on all property sizes.
- 11.45 It is therefore appropriate that the Council gives due consideration to the sector, and crafts planning policies which help to support it and provide clarity on how policies will be applied to it. Given the nature of the sector, the Council are advised to align policy requirements to national guidance.
- 11.46 The Council should develop a policy supporting Build to Rent development which specifies the types of locations which are considered suitable for such development, which we consider would be in and around Winchester Town as well as within the strategic allocations to ensure that there is a diverse range of housing types and tenures.

R11: The Council develop a policy supporting Build to Rent development. This should specify the types of locations which are considered suitable for such development, which we would consider would be in and around Winchester Town as well as within the strategic allocations to ensure that there is a diverse range of housing types and tenures.

R12: The Council should, subject to viability testing, include a clear policy on the level of affordable housing provision to be sought within Build-to-Rent schemes. Iceni consider that the evidence points to a requirement of 20% of units to be delivered as affordable private rented housing at a 20% discount to market rents (inclusive of service charge) in line with Government guidance in the PPG.

Self-Build and Custom Housebuilding

- 11.47 The Self-Build and Housebuilding sector is a growing sector of the housing market, and one which has potential to contribute to housing delivery. Following the introduction of the Council's self-build

register on 1st April 2016, there have been a total of 337 expressions of interest in serviced plots of land.

11.48 There are also 483 people registered on the Buildstore's Custom Build Register and 1,410 subscribers to PlotSearch; which point towards a higher level of demand than that gathered from the Council's self-build register in isolation. Furthermore, local estate agents have also highlighted that there is demand from residents in the District to build their own homes; however, land supply often prohibits the feasibility of doing so. This is a common issue across England on the basis of our analysis in other local authority areas.

11.49 The PPG³⁵ sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area including developing policy and working with self-builders to maximise opportunities.

Accordingly, in recognition of the level of demand in the District, a specific planning policy should be developed to help promote and encourage delivery of self-build and custom housebuilding in appropriate locations. It is considered that schemes could come forwards on both small and larger sites in the District; and the policy should be flexible to provide for suitable opportunities as and when they arise. However, planning policy should be clear that the delivery of self-build and custom housebuilding plots should not be at the expense of affordable housing provision.

R13: The Council should develop a flexible planning policy to support the self-build and custom housebuilding sector on both small sites and larger strategic sites within the District; and encourage the submission of sites suitable for self-build and custom housebuilding through the Call for Sites process.

Community-Led Housing

11.50 Building on the provision of self-build and custom housebuilding; and as part of diversifying the housing market, there is potential for community-led housing schemes, including co-living/buying schemes to come forward, and to contribute positively to housing delivery in Winchester District.

11.51 Through engagement with the Community Housing Officer at Action Hampshire who regularly supports and guides communities in Winchester District; we understand that there are around 13 CLTs across Hampshire. The Officer informed Iceni that there are numerous positive examples of this concept in the District; including for instance the Wickham Community Land Trust which was

³⁵ Paragraph: 025 Reference ID: 57-025-201760728

established in 2008 and set up as a Company Limited by Guarantee. The CLT already manages eight properties and is actively involved in two new schemes.

- 11.52 It is important therefore that local planning policy seeks to encourage and enhance the contribution and role of community-led housing particularly given the positive steps already being taken to drive the sector forward in Winchester District.

R14: The Council should continue to work with groups such as Action Hampshire and Community Land Trusts across the District in seeking to support the promotion and delivery of community led housing schemes.

R15: The Council should develop planning policy which supports the development of community-led housing schemes on suitable and sustainable sites. Applications for development on these sites should be supported by a local housing needs assessment.

A1. WINCHESTER HOUSING MARKET GEOGRAPHIES PAPER



SEPTEMBER
2019

Strategic Housing Market Assessment

Defining Sub-Markets: Technical Paper

Winchester District

Iceni Projects Limited on behalf of
Winchester City Council

September 2019

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ON BEHALF
OF
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Strategic Housing Market Assessment

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1. INTRODUCTION

- 1.1 Winchester City Council has initiated a review of its adopted Local Plans (Parts 1 and 2) and needs to put in place a comprehensive and robust evidence base on housing needs to inform and support this. The Plan area comprises that part of the District which falls outside of the South Downs National Park, which has produced and indeed has recently adopted its own Local Plan.
- 1.2 Since the adoption of the Winchester Core Strategy (Local Plan Part 1) in 2013, there have been a number of significant shifts in the underlying planning and housing policy landscape. It is against this context, and the need for up-to-date evidence to inform and support policies within the new local plan, that Winchester City Council has commissioned preparation of a new Strategic Housing Market Assessment. The Council has commissioned a consultancy team comprising Icení Projects Limited (“Icení”) and Justin Gardner Consulting (JGC) to prepare this.
- 1.3 This technical paper addresses issues regarding the spatial inter-relationships between Winchester and surrounding areas with a view to considering what the relevant housing market geographies are. This is of potential relevance to Duty-to-Cooperate discussions regarding housing provision. It also considers and defines sub-market areas within the District which are then used as building blocks for further elements of analysis.
- 1.4 The purpose of circulating this Technical Paper at this point is to seek to agree these housing market and sub-market geographies, as they then can be used for subsequent elements of the work.

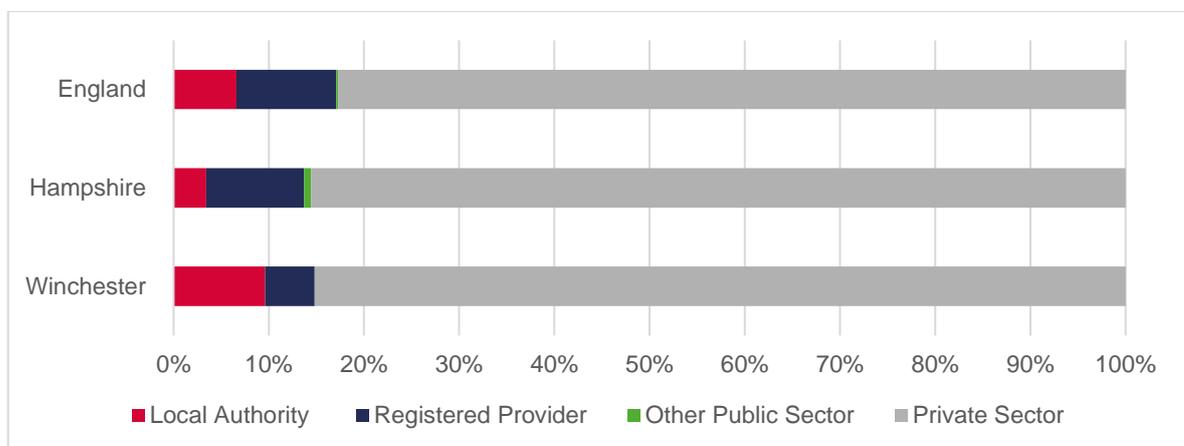
2. DEFINING HOUSING SUB-MARKETS

- 2.1 Winchester is located in the south east of England; it has a population of 124,300 (2011 Census). The geographical position of Winchester means that it has a common boundary with a number of neighbouring local authorities, including Eastleigh Borough Council, Fareham Borough Council, Portsmouth City Council, Havant Borough Council, Test Valley Borough Council and East Hampshire District Council.
- 2.2 The Winchester District is centred around the county town of Winchester itself, which is home to 36% percent of the district population (45,000 people) and 50% of the District Employment Provision (Local Plan Part 1, 2013). The district has a further 50 rural settlements, the largest of these settlements in terms of population being Bishops Waltham, Denmead and Alresford.
- 2.3 A large proportion is covered by the South Down National Park, which has its own Local Plan. However, it is worth noting many of the rural smaller settlements such as Cheriton located within the National Park relate to the larger settlements with the Winchester District in functions terms for employment and services.
- 2.4 The nature of the District and the way it functions depends upon a variety of inter-relationships with its neighbours for employment, leisure, shopping and housing needs. In particular, those settlements in the south of the District often look to the urban areas of Portsmouth and Fareham rather than to Winchester itself. These inter-relationships are explored further below.
- 2.5 The southern half of the District thus relates to the South Hampshire Area including Fareham and Waterlooville. The smaller settlements such as Wickham and Southwick, located within the south of this district, largely relate to these larger settlements as well as to Eastleigh in the west, in terms of employment, leisure, retail and community facilities.
- 2.6 Winchester District benefits from a range of transport services, yet the car is the most dominant form of transport with nearly 60% of commuters driving into the City. Many commuters utilise the main transport corridors of the M27 to Eastleigh and Portsmouth and M3 which provide connections to Southampton, Newbury and Basingstoke. Commuters that travel by rail use the line between Weymouth to London Waterloo, which connects Winchester to Basingstoke and Farnborough to the north and Eastleigh, Portsmouth and Southampton to the south.

Housing Mix

- 2.7 There is a total of 44,230 dwellings within Winchester district, of these, 85% are in the private sector (which includes both owner-occupied and private rented properties) and 15% owned by public sector organisations (including the Councils and Registered Providers).
- 2.8 These figures are broadly similar within Hampshire as a whole with 86% of dwellings in the private sector, and 14% owned by public sector organisations. England has a higher proportion of dwellings in public sector at 18% and 83% in the private sector.

Figure 2.1: Tenure Profile, 2018



Source: MHCLG Table 100

- 2.9 The profile of homes in Winchester is focused particularly towards three-bedroom detached houses. 36.6 percent of houses in Winchester are detached with a further 24.7 percent living in semi-detached houses. There is limited proportion of flats, maisonettes or apartments, however this type of dwelling is more prominent within city centre locations, hence the rural nature of the Winchester allows for a greater proportion of houses compared to flats.
- 2.10 This is similar to neighbouring authorities such as Test Valley and East Hampshire who have a high proportion of detached houses. In comparison, in the wider South East 28.0 percent of households are detached and further 27.6 percent are in semi-detached, hence Winchester has a significantly higher proportion of detached houses compared to the South East. However, the average number of bedrooms across the South East is still 2.8, similar to Winchester.

Table 2.1 Housing Stock by Type, 2011

	Detached (%)	Semi Detached (%)	Terraced (%)	Flats (%)
Winchester	36.6	24.7	20.8	16.7
Fareham	36.0	31.8	19.0	12.8
Gosport	13.2	26.2	36.3	24.1

Test Valley	38.6	25.6	22.5	12.5
Havant	28.4	28.3	23.9	19.0
Southampton	13.2	25.7	21.1	39.9
Portsmouth	4.1	15.6	44.8	35.4
Eastleigh	33.5	27.5	22.1	16.2
Basingstoke and Deane	30.8	24.8	29.1	14.8
East Hampshire	42.5	24.5	17.8	14.4
South East	28.0	27.6	22.4	21.2
England and Wales	22.6	30.7	24.7	21.6

Source: 2011 Census

- 2.11 Levels of home ownership within Winchester are high, with 68.4 percent of occupiers owning their homes and a further 16.1 percent living in private rented (based on 2011 Census data). This is 4.8 percent higher than the national average at 63.6 percent, but in keeping the trend of home ownership in the South East where 67.6 percent of occupiers own their home. There is a low level of social housing within the district at 15.5 percent, slightly lower than the national average of 17.6 percent, yet the average of people living within social housing within the South East is 13.7 percent, hence Winchester has a slightly higher level of social housing than the South East but it is still lower than the national average. The position in Havant and Basingstoke is similar.

Table 2.2 Housing Stock by Tenure, 2011

	Owner Occupier	Social Rented	Private Rented
Winchester	36%	15%	28%
Fareham	40%	8%	19%
Gosport	30%	16%	30%
Test Valley	35%	14%	25%
Havant	36%	20%	20%
Southampton	23%	23%	49%
Portsmouth	25%	18%	48%
Eastleigh	34%	12%	24%
Hart	37%	8%	23%
Basingstoke and Deane	30%	18%	24%
East Hampshire	38%	12%	23%
South East	32%	18%	33%
England and Wales	34%	14%	32%

Source: 2011 Census

House Price Dynamics

- 2.12 The median house price in Winchester is generally higher than the median house prices in the surrounding authorities and is 20% above the South East average.

Table 2.3 Average and Lower Quartile House Prices (Year to December 2018)

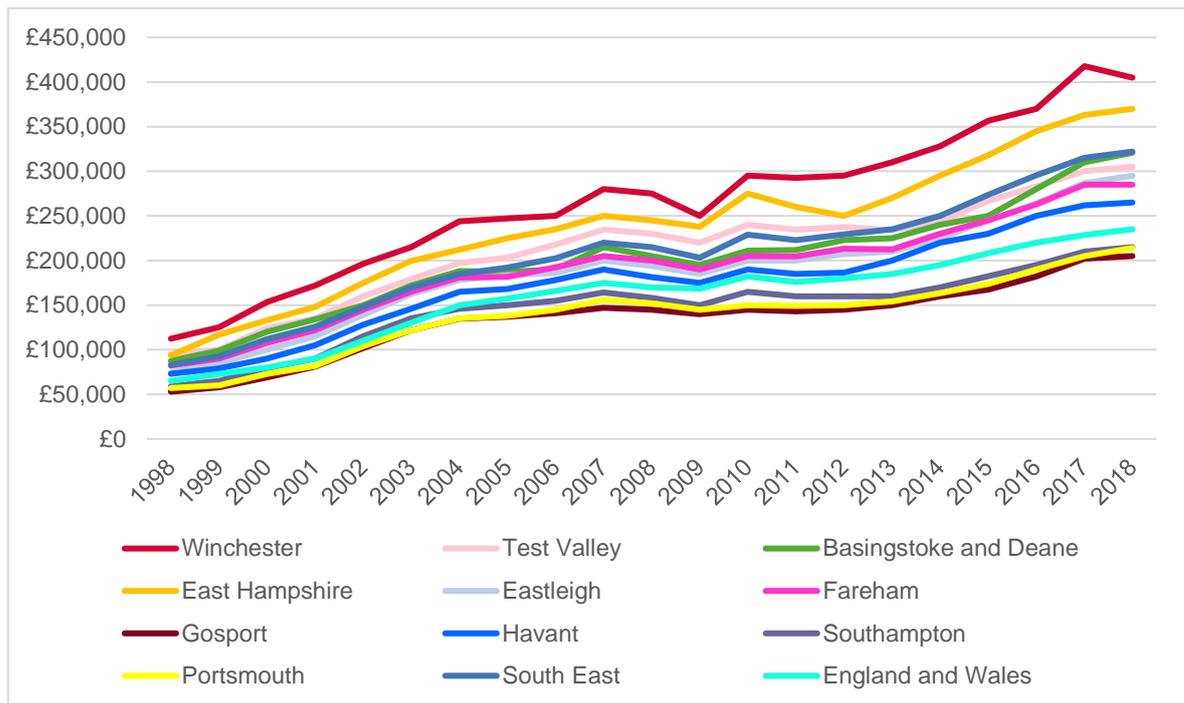
Area	Median	Mean	Lower Quartile
Winchester	£405 000	£494 801	£295 000
Test Valley	£304 973	£355 064	£244 973
Basingstoke and Deane	£320 750	£352 524	£255 000
East Hampshire	£370 000	£425 606	£284 950
Eastleigh	£295 000	£319 592	£233 000
Fareham	£285 000	£316 116	£237 000
Gosport	£205 000	£230 549	£165 000
Havant	£265 000	£290 801	£210 000
Southampton	£215 000	£224 970	£165 000
Portsmouth	£214 000	£236 698	£170 000
South East	£322 000	£381 746	£240 000
England and Wales	£235 000	£297 241	£153 000

Source: ONS, House price statistics for small areas in England and Wales, year ending December 2018

Overall House Prices

- 2.13 Figure 2.1 profiles the house price change across Winchester and its neighbouring authorities, the region and nationally from 1998 to 2018.
- 2.14 Between 1998 and 2008, median prices in Winchester increased from £112,000 to £275,000 – an increase of almost £160,000 (145%). The median house price across the South East rose by £132,000 (159%) and across England prices increased by £105,000 (162%). This period was characterised by macro-economic stability and growth, historically low interest rates and of increasing availability of mortgage finance supporting households' ability to purchase homes.

Figure 2.2: Median House Price Trends, 1998-2018



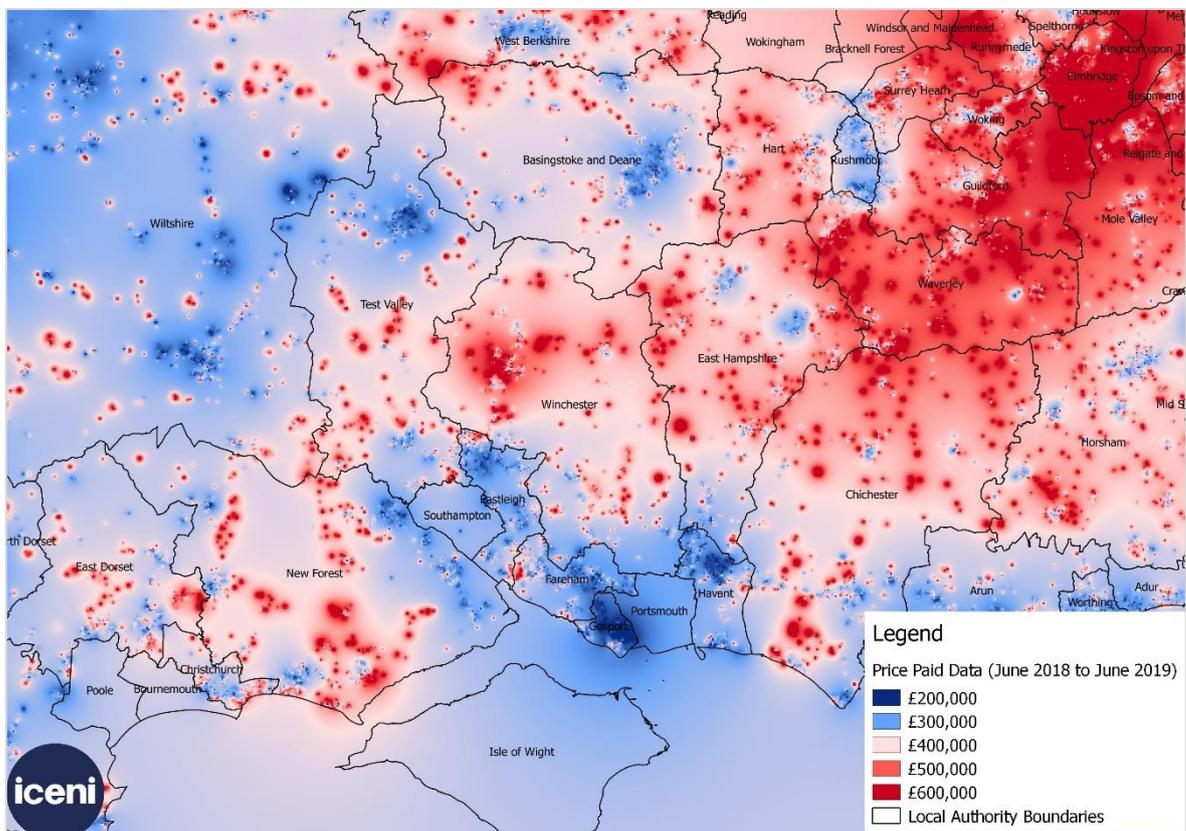
Source: ONS, House price statistics for small areas in England and Wales, year ending June 2018

- 2.15 Reflecting the economic backdrop, trends in house prices since 2007 have understandably been different. Winchester experienced a slight fall in house prices however by 2010 prices were significantly recovered.
- 2.16 House price growth remained consistent over the 2010-13 period. With improving economic performance, increased access to mortgage finance and Government support (such as through the Help-to-Buy scheme) the market began to recover more strongly from 2013 onwards.
- 2.17 Since 2013, there has been a steady increase in house prices nationally. However, Winchester has seen relative rapid house price growth, with price increases notably above the South East average.
- 2.18 The house price geography can be understood at a number of different tiers. At a regional level, it shows higher house prices in proximity to London. At a sub-regional level, we see higher housing costs in Surrey than we do in Hampshire.
- 2.19 This does point towards areas in the northern parts of Winchester District being similar to house prices in East Hampshire and Hart, which fall within the same Housing Market area – the Central Hampshire Market Area. In contrast there is a similarity in house prices between the southern parts of Winchester District which display similar house prices to the authorities falling within the PfSH Area – Eastleigh, Southampton, Portsmouth, Fareham, Havant and Gosport.

2.20 At a more local level, we find an urban/ rural distinction in house prices which is influenced by differences in the housing stock and profile of sales (with higher sales of larger, more expensive homes in rural areas) as well as an influence of 'quality of place' on house prices.

2.21 Winchester Town principally displays house prices in the £400,000 to £600,000 range. In comparison, the southern areas in the District demonstrate a variance in house prices, with areas surrounding Southwick, Knowle, Whiteley and Denmead displaying lower prices similar to the ranges in the PfSH authorities (ranges between £100,000 and £300,000) whilst areas within the South Downs National Park and the more rural parts in north Winchester District demonstrating higher house price ranges (£500,000+) (e.g. Easton, Old Alresford and Micheldever)

Figure 2.3: Median House Prices, June 2018 to June 2019



2.22 In line with findings in the previous section, Price Paid Data (Land Registry, 2019) on residential property transactions for the period between June 2018 and June 2019 reveal that there is a significant proportion of detached and semi-detached houses in Winchester District as a whole (see Appendix A1).

2.23 The data shows high concentration of highly priced properties in the £500,000 to £600,000 price bracket in Winchester town as well as areas to the north-east of the District around Kings Worthy and New Alresford.

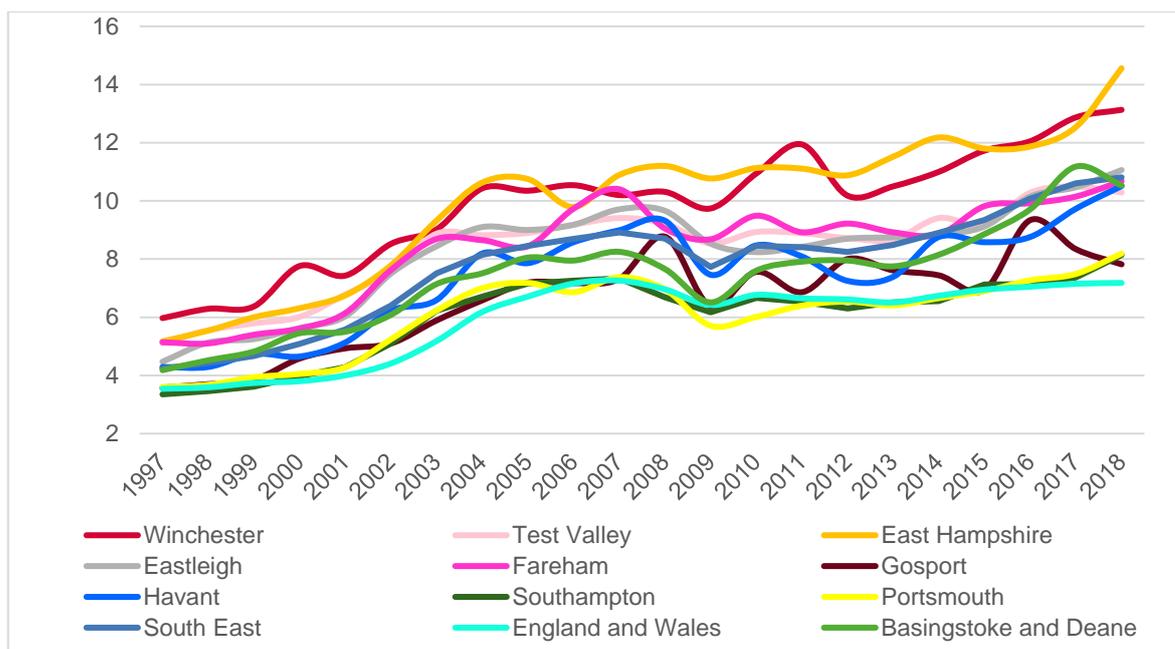
2.24 The highest concentrations of flats sales can be seen in Winchester town (Appendix 1) when compared to the rest of the District. Despite this concentration of flats, prices for all house types remain higher in Winchester town and the northern parts of the District when compared to the south, which can be due to good transport links such as the M3 and Southampton Main Line Rail Corridor, going through Winchester and the northern areas of the District.

Affordability Characteristics

2.25 We have considered evidence relating to the affordability of market housing by looking specifically at the relationship between lower quartile and median house prices and incomes.

2.26 The Figure the national and regional trends post 2009, albeit at a higher level. The trend in the affordability ratio has been similar to that in East Hampshire, with the exception of the most recent year's data.

Figure 2.4: Workplace-based Median Affordability Ratio, 1997-2018



Source: ONS, Ratio of house price to workplace-based earnings (lower quartile and median) 1997-2018

2.27 Table 2.4 presents the most recent median and lower quartile workplace-based affordability ratios. In 2018 the median house price was a significant 12.25 times median earnings in Winchester.

2.28 Lower quartile house prices in Winchester were 13.13 times earnings; compared to 10.8 times earnings across the South East. This points to significant barriers for households, who are not existing homeowners, in being able to afford to own a home.

Table 2.4 Affordability Ratio 2018 (Workplace Based)

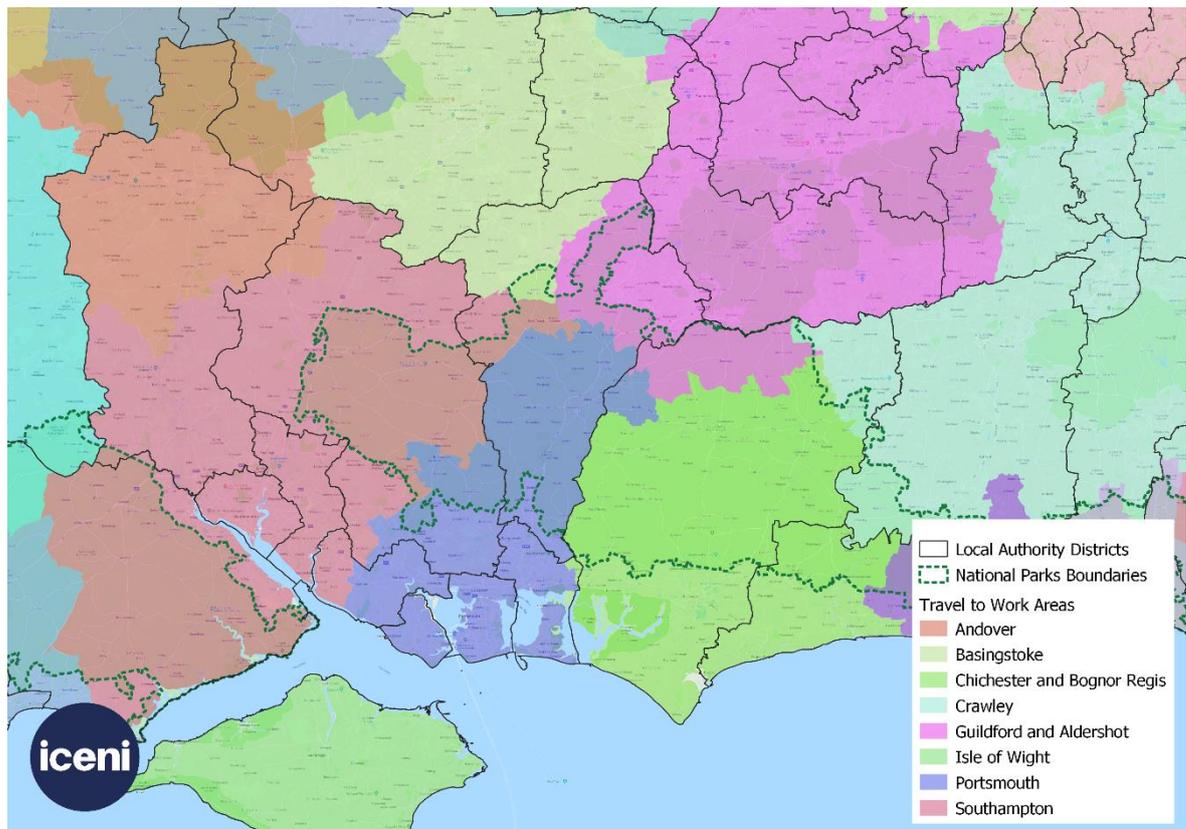
Area	Lower Quartile Ratio	Median Ratio	Difference
Winchester	13.13	12.25	0.88
Test Valley	10.29	10.05	0.24
Basingstoke and Deane	10.53	9.48	1.05
East Hampshire	14.56	12.65	1.91
Eastleigh	11.06	10.44	0.62
Fareham	10.68	9.12	1.56
Gosport	7.82	7.44	0.38
Havant	10.51	9.43	1.08
Southampton	8.14	7.68	0.46
Portsmouth	8.19	7.16	1.03
South East	10.81	10.38	0.43
England and Wales	7.18	7.83	-0.65

Source: ONS, 2019

Commuting and Travel to Work

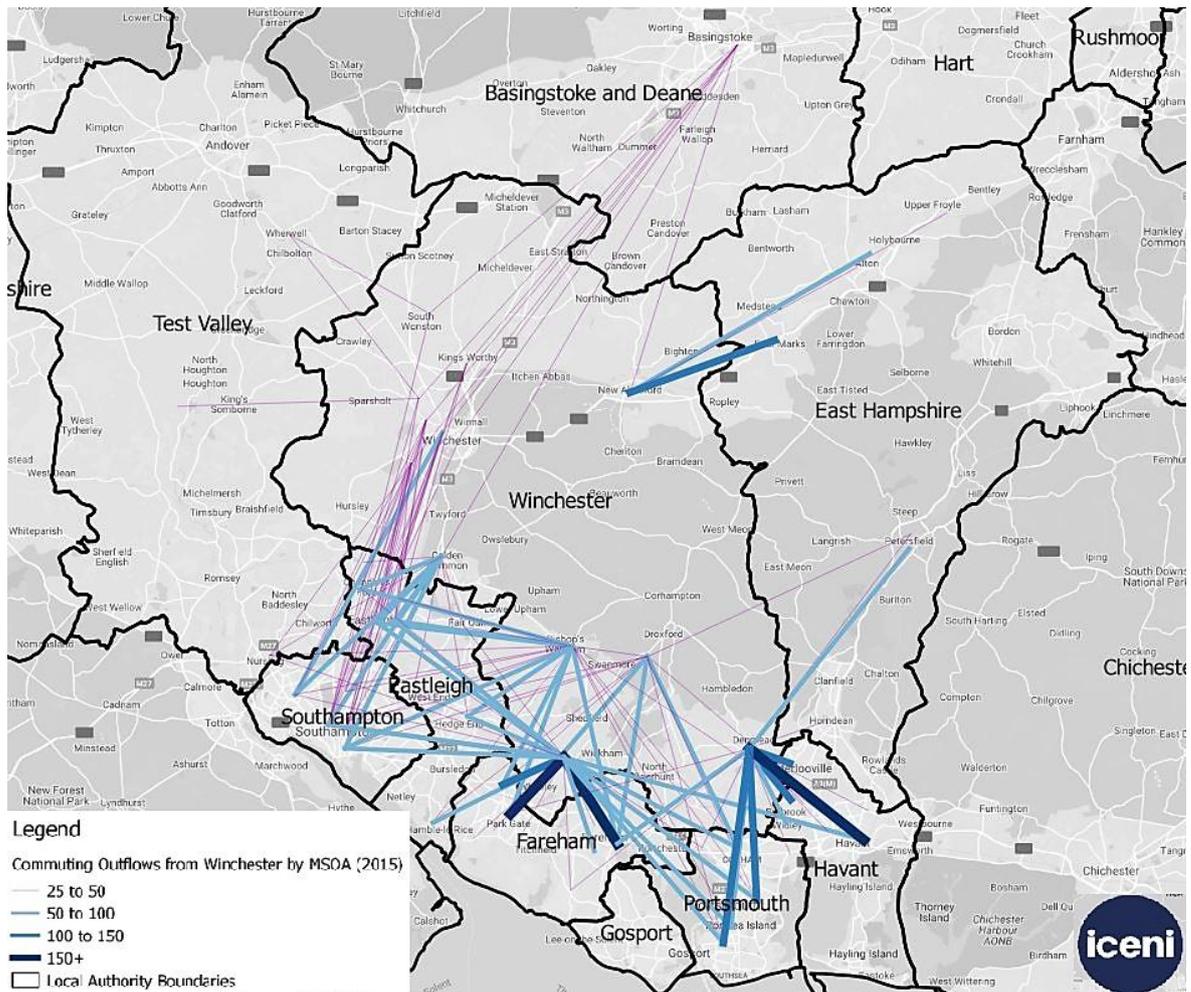
- 2.29 The Office for National Statistics (ONS) has defined Travel to Work Areas using 2011 Census data. This was published in July 2014. Overall the 2011 Census data shows a pattern of out-commuting from Winchester for work in Southampton, hence in the map below Winchester District is principally part of a Southampton focused Travel to Work Area (TTWA).
- 2.30 However, the south-east of the District – including Denmead and Southwick - sees commuting more towards Portsmouth and forms part of a Portsmouth TTWA; whilst Sutton Scotney and Wonston relate to Andover.

Figure 2.5: Travel to Work Areas, 2011



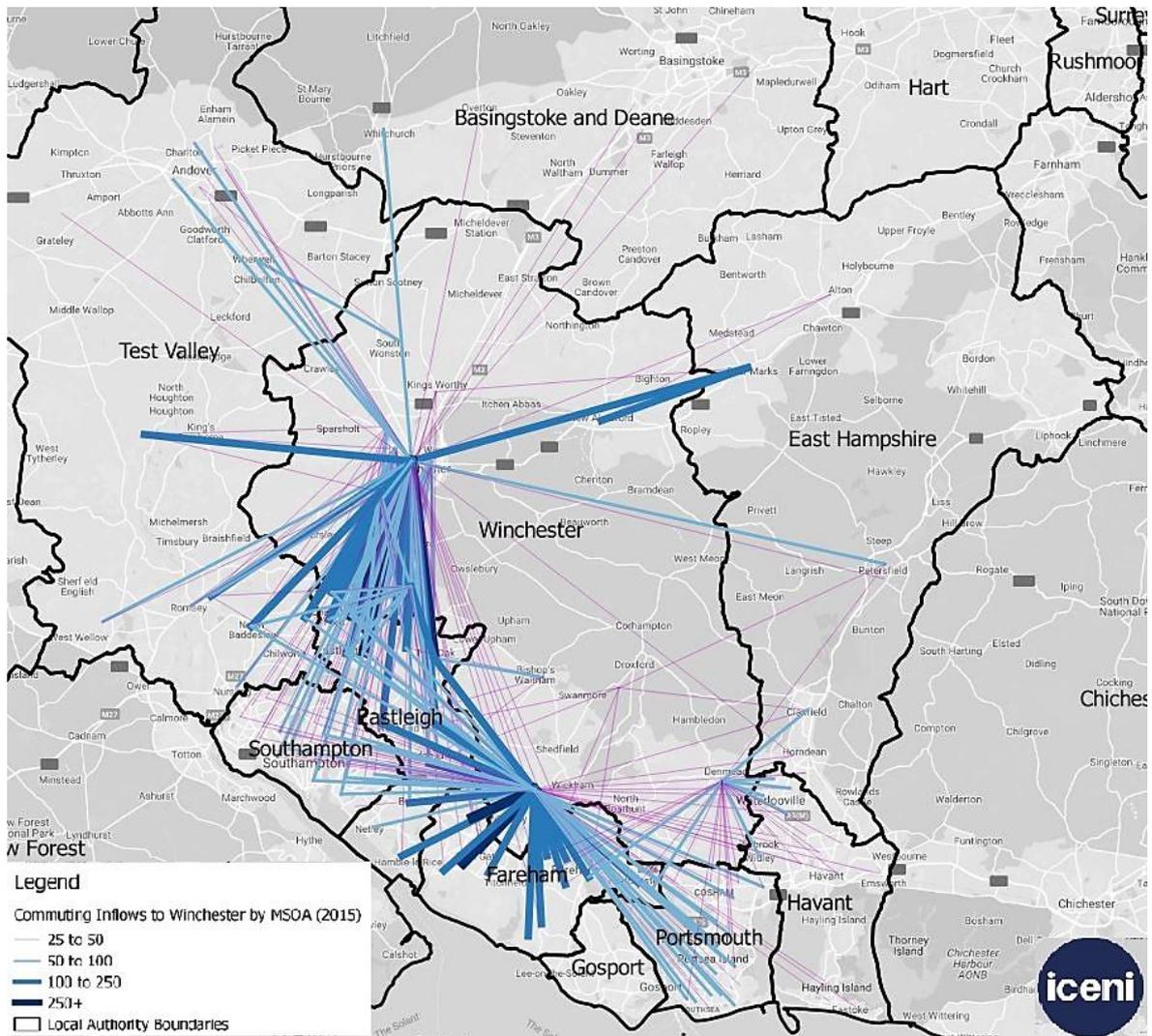
- 2.31 Drawing on data from the 2011 Census; we note that daily, 23,642 working residents aged 16 and over in Winchester travelled outside the District for employment - principally to Eastleigh, Southampton and Portsmouth. On the other hand, 42,003 working residents commuted into Winchester for employment – principally from Eastleigh, Southampton and Fareham.
- 2.32 Delving further into the detail at a more local level, we have reviewed where people are travelling to and from for employment utilising middle-layer super output areas (MSOAs). The results of this across the District looking outward to other MSOAs are shown in the Figure below.

Figure 2.6: Commuting Outflows from Winchester by MSOA, 2011



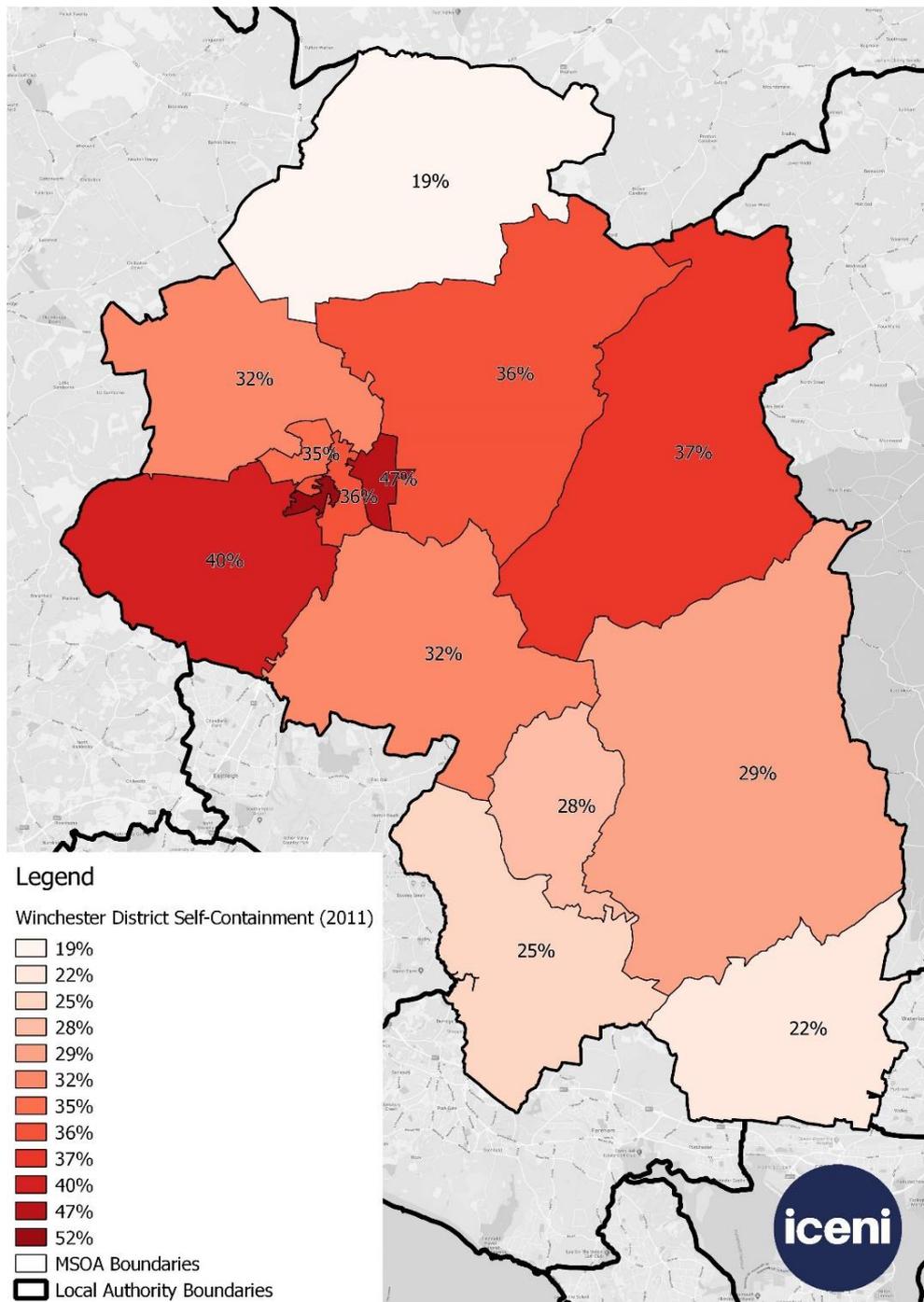
- 2.33 The analysis shows a distinction across the District between the north and south of the District in respect of out-commuting flows. The north of the District around Winchester town has a strong relationship with the northern MSOAs in Eastleigh and Southampton, with some level of commuting outflow to Basingstoke and Deane. The south of the District has a strong relationship with Havant, Portsmouth and Fareham, followed by a lower level of outflows to Eastleigh and Southampton.
- 2.34 Turning to in-commuting, we can again see a clear distinction across the District. The evidence does point towards commuting into the northern parts of the District from Test Valley, East Hampshire, Southampton and the northern MSOAs of Eastleigh. The Southern parts of Winchester show stronger in-commuting links with Portsmouth and Fareham and the central and eastern MSOAs of Eastleigh, demonstrating the strong influence of Solent Business Park in Whiteley.
- 2.35 Overall, the commuting patterns across the District define a clear separation of sub-areas with varying relationships between the north and south of Winchester.

Figure 2.7: Commuting Inflows to Winchester by MSOA, 2011



- 2.36 Winchester District demonstrates high levels of self-containment rates (Figure 2.8), which helps explain the low level of commuting to areas outside of the District boundary (Figure 2.6).
- 2.37 The highest rates can be seen in the northern MSOAs and the ones around Winchester Town which demonstrates there is a strong employment market in these particular areas as it attracts people from across the District.

Figure 2.8: Self-Containment Rates, 2011



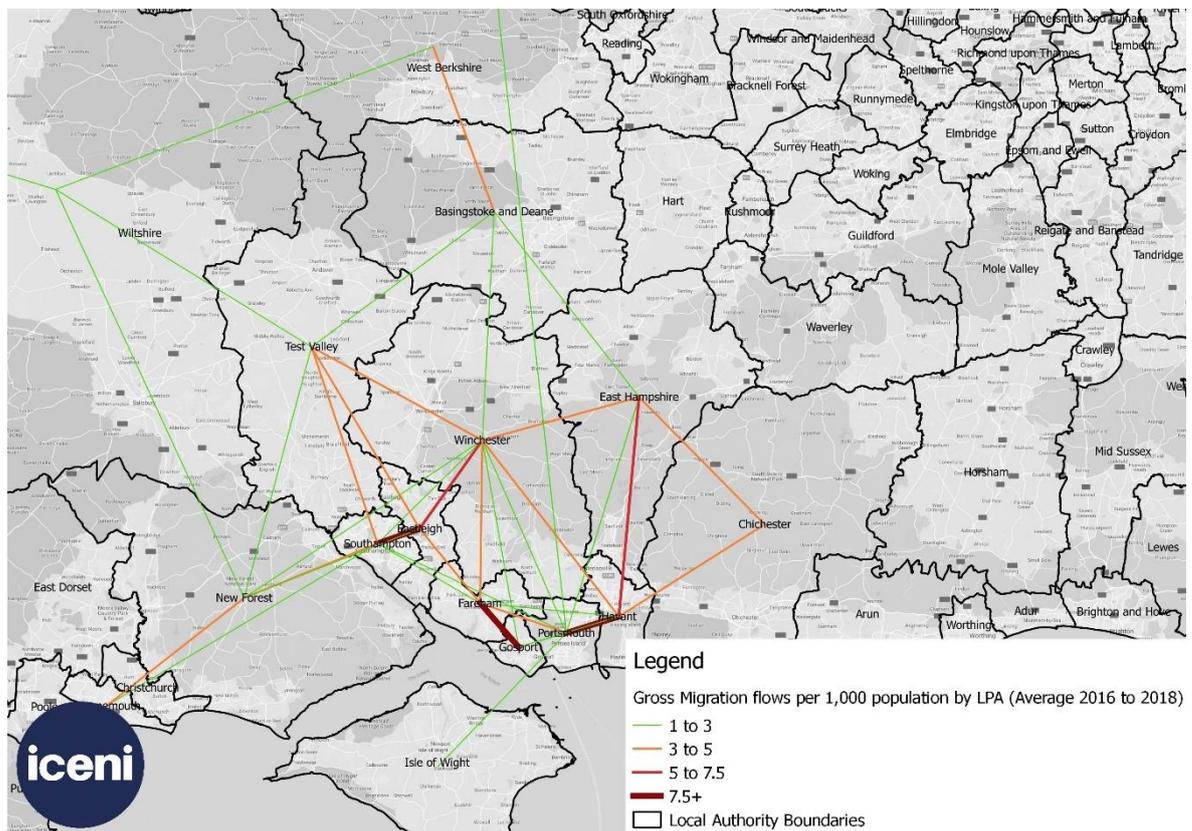
Migration Flows

2.38 The latest ONS migration data relates to the period ending June 2018. The largest in-flows to Winchester are from Eastleigh (827), Southampton (641), and Gosport (542). A detailed breakdown of the top ten highest migration inflows and outflows for Winchester and its neighbouring authorities (ONS,2018) are provided in Appendix A2.

2.39 Whilst understanding the places people are moving from it is important in understanding the housing demand in Winchester; Icen consider that for the purposes of considering housing market interactions with other areas it is preferable to consider gross (two-way) flows expressed per 1,000 head of combined population. This approach allows consideration of the strength of a relationship between areas, given that two areas with a larger population in proximity to one another would be expected to have a stronger flow than two less populous areas.

2.40 Mapping gross migration flows per 1,000 population shows that the strongest migration relationships are between Portsmouth and Havant, followed by a strong relationship between Fareham and Gosport, and between Eastleigh and Southampton. Winchester has strong migration flows relationships with Eastleigh, followed by Test Valley, East Hampshire, Havant and Fareham. The relationship with Basingstoke and Deane is comparatively weaker.

Figure 2.9: Gross Migration Flows per 1,000 population by Local authority, 2016-2018 Avg.



Other Studies

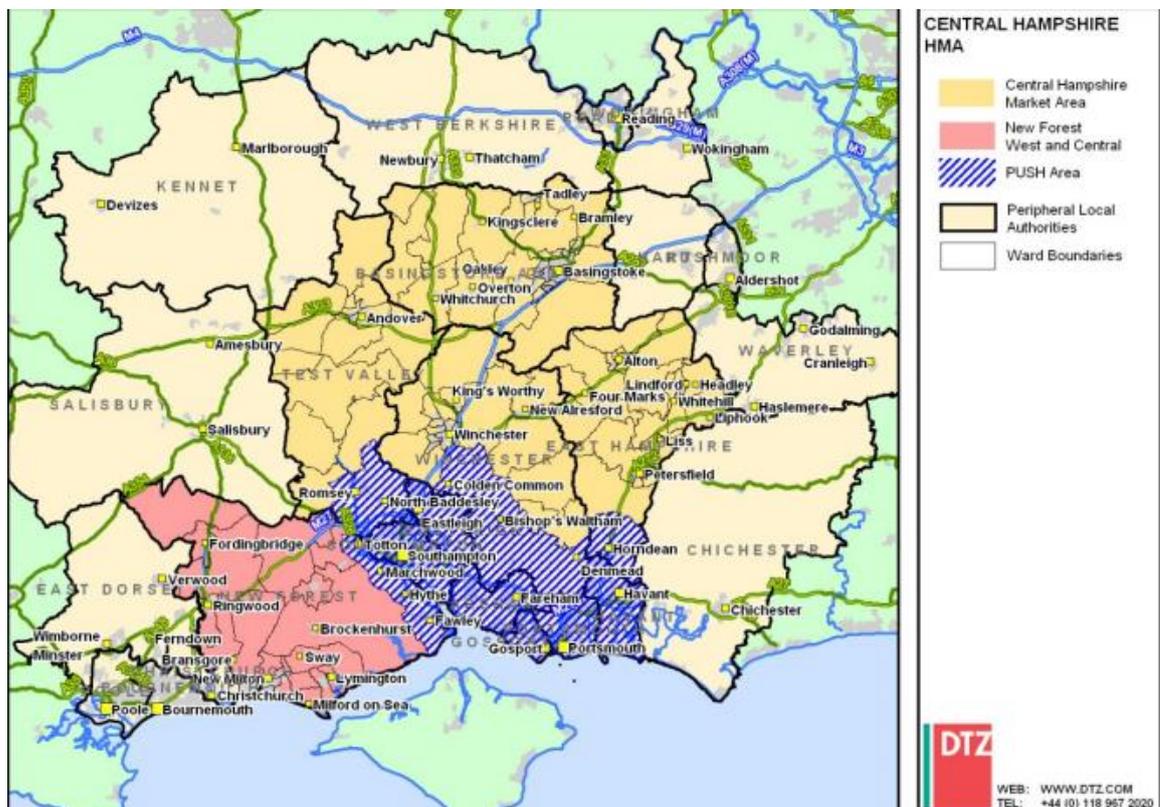
Winchester SHMA (2007)

2.41 This report was based on 2001 Census Data; hence it is outdated. This report concluded Winchester had increasing population due to in migration from Hampshire, London and the rest of the south east. It further concluded the City of Winchester has a well-defined labour market that attracts travel to work movements from across the north and north east of the district. It shows signs of integration

southwards, with heavy travel to work movements evident into Winchester town from Eastleigh and Southampton. There is also a labour market influence on the south east of Winchester District boundary from Fareham, Havant and Portsmouth.

- 2.42 The SHMA concluded the Housing Market Areas included Central Hampshire incorporating Test Valley, Basingstoke, northern Winchester and East Hampshire. The second housing market area is the New Forest West and Central incorporating the New Forest. The South Hampshire housing market area is also included in Figure 2.10 below.

Figure 2.10 Winchester SHMA Housing Market Areas



- 2.43 Central Hampshire has a number of localised but interconnected housing markets operating across it, with Winchester, Basingstoke, and Andover forming the sub-region’s key nuclei. It concluded the labour market is more integrated than the housing market.
- 2.44 The settlements in the southern fringes of Winchester District quite clearly relate to the urban parts of South Hampshire in both labour market and housing markets terms.

South Downs National Park SHMA (2015)

- 2.45 This report was prepared by GL Hearn in 2015. It concluded the South Downs National Park (SDNP) population was likely to increase by 10.5% between 2013-33. If this population trend continues between 350-455 homes per annum would be needed across the SDNP.

- 2.46 294 additional households per year require affordable housing (using a 30% income threshold). This provides clear evidence of the need to increase the supply of affordable housing.
- 2.47 Development potential in SDNP is restricted due to environmental/landscape constraints, thus housing provision may fall below the projected level of need.
- 2.48 The SHMA provided the Housing Market Areas within the National Park; These comprised of Central Hampshire which relates to East Hampshire and Winchester, in the west; Coastal Sussex in the centre, relating to settlements either side of Arundel; Northern West Sussex the north east, relating to Horsham and Mid Sussex and Eastbourne in the east, relating to Eastbourne and Wealden. These housing market areas are displayed below in Figure 2.10.

Figure 2.11 SDNP Housing Market Areas, 2014



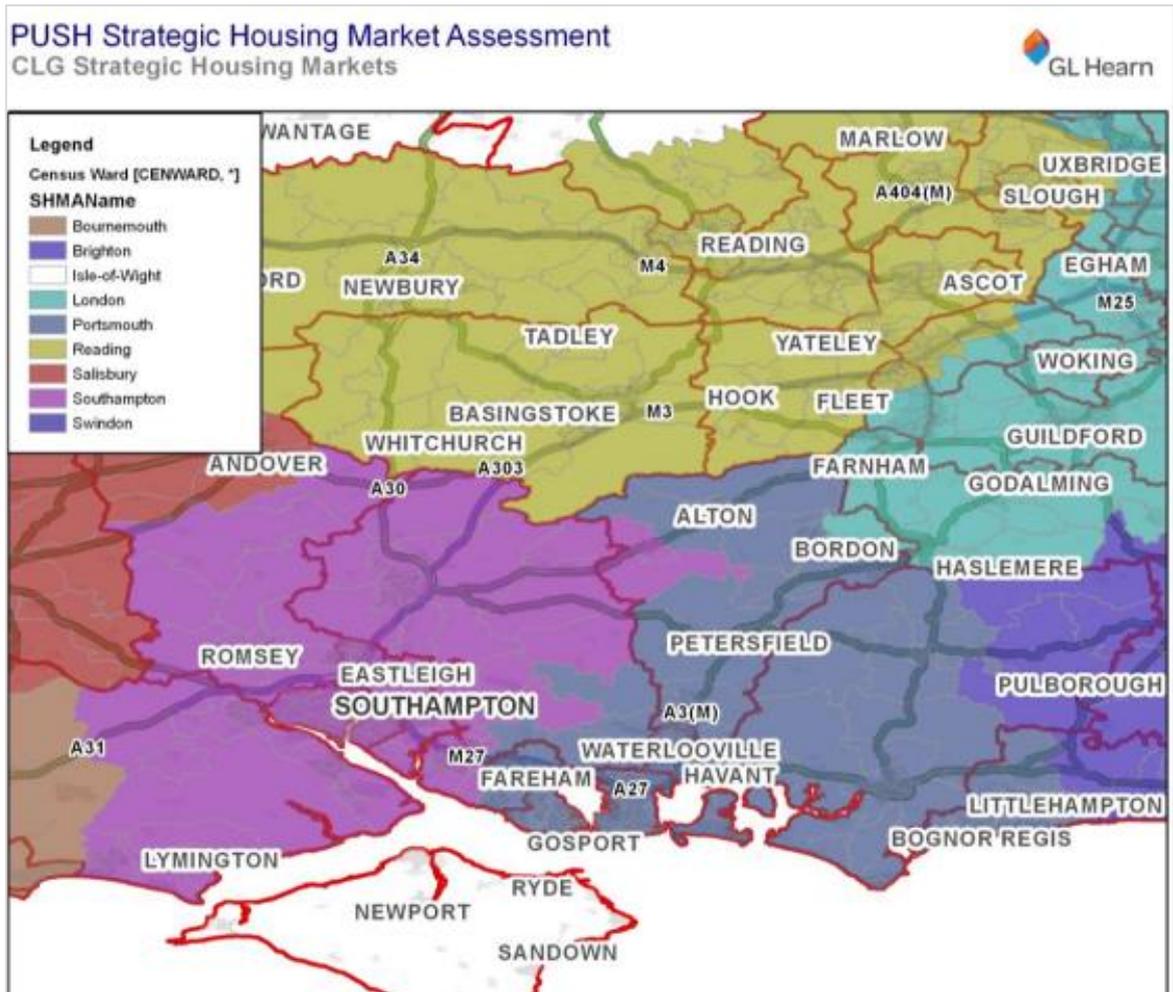
Source: GL Hearn, 2014

South Hampshire SHMA

- 2.49 Compiled by GL Hearn Limited, this independent evidence base provides projections of housing need to 2036 in the two housing market areas, focused on Portsmouth and Southampton, in South Hampshire.
- 2.50 Taking into account latest Government guidance at the time, the report identified a housing need for the PUSH area (excluding the Isle of Wight) of 4,160 homes per year to 2036.

2.51 In terms of housing market areas the SHMA concluded there are two broader housing market areas, one focused on Southampton in the west and the other on Portsmouth in the east. The Southampton strategic housing market area extends beyond the PfSH area to include Lymington, Brockenhurst, Totton and Lyndhurst as well as the main areas of Southampton, Winchester and Eastleigh. Whereas, the Portsmouth housing market area covers Chichester, Bognor Regis, Fareham and Gosport and Portsmouth. These housing market areas are displayed in Figure 2.12 below.

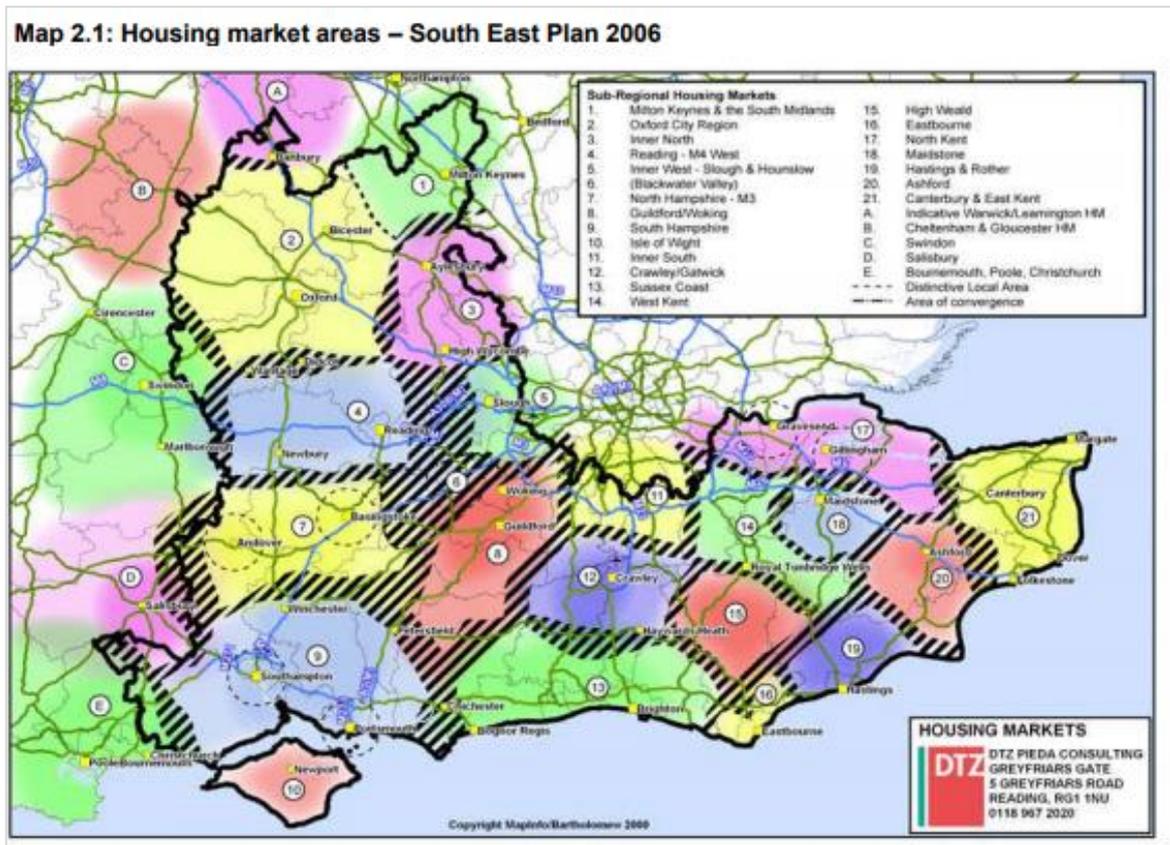
Figure 2.12 South Hampshire Housing Market Areas



Basingstoke and Deane SHMA (2014)

2.52 Figure 2.13 below illustrates the pattern of housing markets identified in a report produced by DTZ PIEDA Consulting which identifies Local Housing Markets of South East England.

Figure 2.13: South East Plan 2006 Housing Market Areas



2.53 The SHMA states that Basingstoke and Deane lies within the North Hampshire HMA and Basingstoke is defined as a 'Distinctive Local Area'. The South East Plan was based on Census 2001 data and remains one of the most up to date sources of information regarding local housing market areas in advance of comparable statistics from the 2011 Census. It was therefore considered to remain relevant.

2.54 The assessment concludes that Strategic, Local and Sub-regional HMAs give different conclusions – which is itself evidence of the degree to which housing markets overlap and merge into each other. Basingstoke and Deane lies within the Strategic Reading HMA but is included in the Sub-regional North Hampshire – West Surrey HMA.

2.55 The SHMA concluded that the Local HMA provides the best basis for what might be a sensible geography in terms of the production of a SHMA. Analysis supports the conclusion that Basingstoke and Deane is highly self-contained and other authorities have confirmed that they do not consider that Basingstoke and Deane shares a Housing Market Area with them. Therefore, the HMA extends

to the borough boundary. It is acknowledged that there is some overlap across administrative boundaries in relation to internal migration, and this must be fully taken into account in determining housing requirements for Basingstoke and Deane borough.

Test Valley SHMA (2013)

- 2.56 Justin Gardner Consulting (JGC) were commissioned to carry out a comprehensive Strategic Housing Market Assessment (SHMA) for Test Valley Borough Council. The assessment takes a long-term view, looking over period to 2031.
- 2.57 Southern Test Valley (Romsey and Southern-rural sub-areas) is identified as forming part of the PUSH sub-region with the remaining three subareas (Andover, Central-Rural and North-Rural) being part of a Northern Test Valley sub-market
- 2.58 The assessment concludes that on the basis of studying migration patterns and past research about housing market areas, it is considered that it is reasonable for Test Valley to progress work as a single local authority but recommend that the duty to cooperate concentrates on discussions with councils in the PUSH sub-region (particularly Southampton) and also Wiltshire with regard to the north of the Borough.

East Hampshire Functional Economic and Housing Market Areas in East Hampshire (2018)

- 2.59 East Hampshire has HMA and FEA relationships with Waverley and Chichester district to the east, Havant borough and Portsmouth to the south, as well as some links with Winchester district to the west. Across the indicators included in the report, the most significant interrelationships appear to be with Chichester district, Waverley and Havant borough.

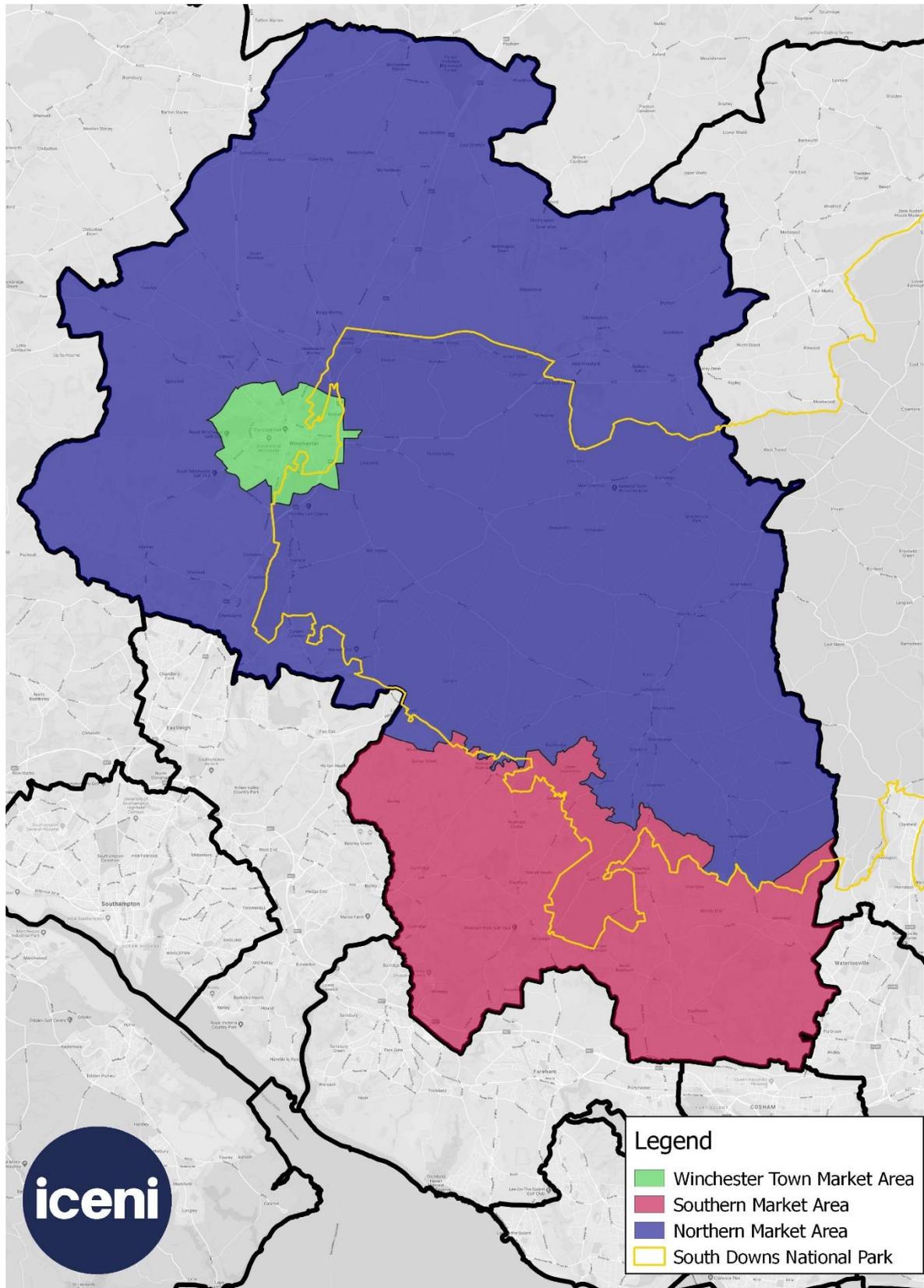
Drawing the Evidence Together

- 2.60 Considering both housing type, tenure and house price dynamics as well as commuting and migration flows, it is clear Winchester District shows a differentiation between north and south. The southern parts of the local authority have strong commuting connections with Havant, Portsmouth and Fareham, displaying similar house prices and types.
- 2.61 On the other hand, Winchester town shows consistently higher house prices than the rest of the District, with many people from neighbouring authorities commuting to Winchester itself, showing it is a centre of attraction for both people wanting to work and live there.

2.62 IcenI have utilised the LSOA administrative level boundaries to try and capture these differences. Therefore, IcenI consider that the evidence points to the following sub-market areas:

Sub-Market Area	LSOA
Winchester Town	Winchester 003C, Winchester 005B, Winchester 005C, Winchester 006A, Winchester 007A, Winchester 003D, Winchester 007B, Winchester 006B, Winchester 006C, Winchester 006D, Winchester 006E, Winchester 009E, Winchester 008A, Winchester 008B, Winchester 008C, Winchester 007C, Winchester 007D, Winchester 007E, Winchester 008D, Winchester 007F, Winchester 005D, Winchester 005E, Winchester 005F, Winchester 009B, Winchester 009C, Winchester 005A
Northern	Winchester 001A, Winchester 001B, Winchester 001C, Winchester 010B, Winchester 010C, Winchester 009A, Winchester 010D, Winchester 002A, Winchester 003E, Winchester 002B, Winchester 002C, Winchester 002D, Winchester 003A, Winchester 004B, Winchester 003B, Winchester 004C, Winchester 004D, Winchester 004E, Winchester 009D, Winchester 004A, Winchester 010A, Winchester 010E, Winchester 011E, Winchester 011A, Winchester 012C
Southern	Winchester 013F, Winchester 013G, Winchester 012A, Winchester 012B, Winchester 012D, Winchester 014A, Winchester 014B, Winchester 014C, Winchester 014D, Winchester 014E, Winchester 013B, Winchester 012E, Winchester 012F, Winchester 011B, Winchester 011C, Winchester 011D, Winchester 013A, Winchester 013D, Winchester 013E

Figure 2.14: Winchester District Market Areas



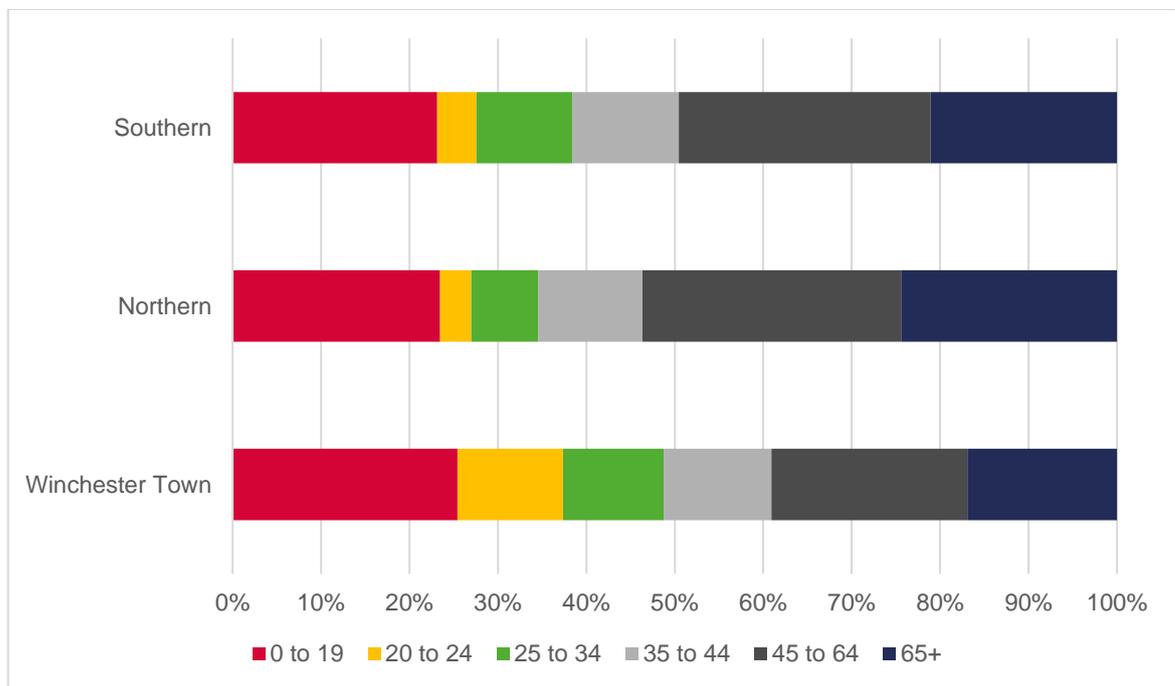
Characteristics of Different Areas

2.63 Each market area identified in the section above displays its own distinguishing characteristics when compared to the rest. The sections below provide a breakdown on main differences.

Population structure

2.64 As can be seen in in Figure 2.15 below, the highest proportion of young people (0-19 and 20-24) are concentrated in Winchester town. In comparison the highest proportions of elderly people are concentrated in the Northern Market Area.

Figure 2.15: Market Areas Population Structure



Source: ONS, Mid-2017 population estimates for LSOA levels (2018)

Housing Mix

2.65 The Table below illustrates the housing stock profile by tenure using data from the 2011 Census. The Northern market area demonstrates high proportions of owned outright properties. In terms of social rented and private rented, Winchester town market area has recorded the highest proportions when compared with the remaining three sub-areas.

Table 2.5 Tenure by Sub-Area

Area	Owned Outright	Owned with a Mortgage	Shared Ownership	Social Rented - Council	Social Rented – Other	Private Rented	Living Rent Free
Winchester Town	28%	26%	1%	17%	8%	17%	2%
Northern	41%	33%	1%	7%	3%	12%	3%
Southern	35%	40%	1%	7%	3%	13%	2%

Source: Census 2011

Housing Costs

2.66 The highest number of sales achieved for detached properties in the period June 2018 to June 2019 was achieved in the Southern Market area (297), followed by the Northern Market area (287). In terms of flats, the highest number of sales was registered in Winchester town market area (162), followed by the Southern Market area (77).

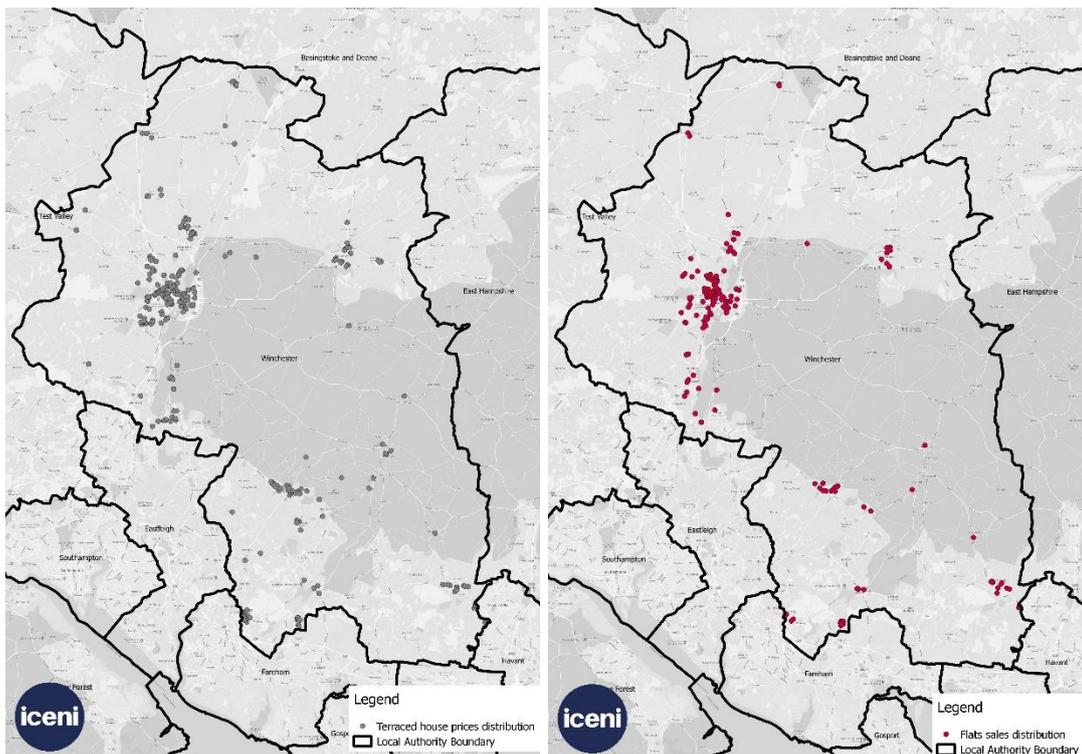
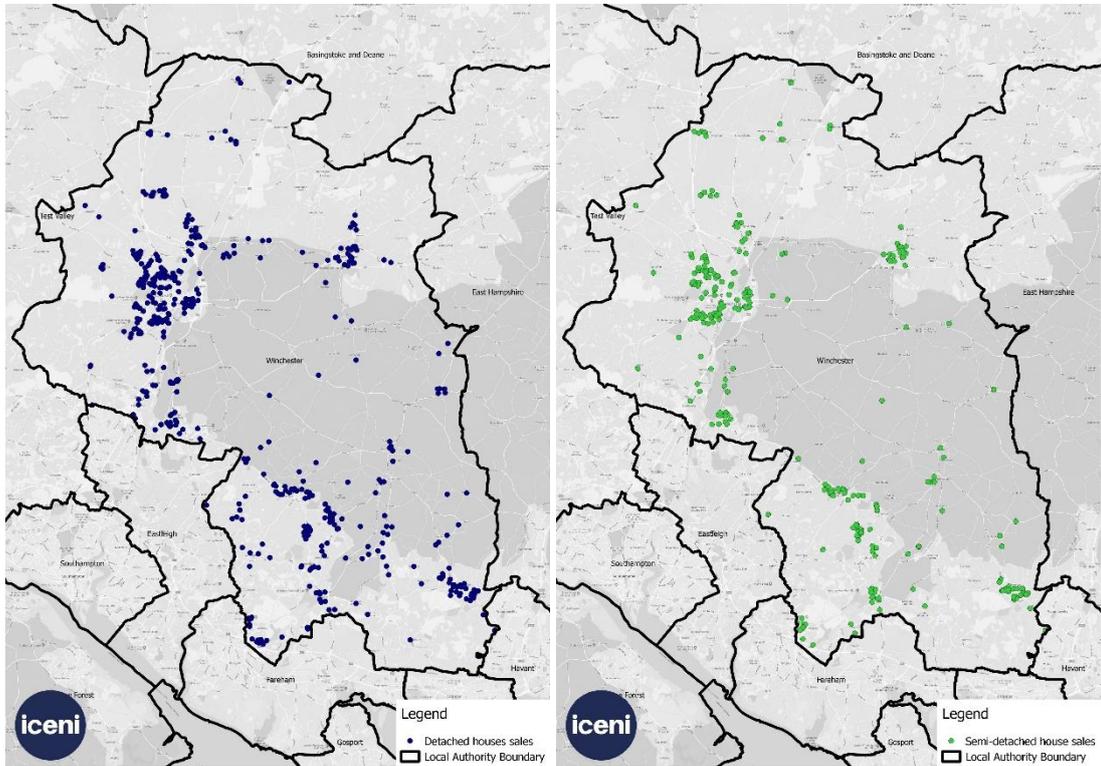
2.67 Figure 2.16 below demonstrates the difference in median house prices by type of dwelling for each sub-area. As it can be seen, house prices in Winchester town market area are consistently higher than in the other sub-areas for all house types. Conversely, the lowest house prices for all housing types are achieved in the Southern Market area.

Figure 2.16: Market Area Median House prices, June 2018 to June 2019



A1. SPATIAL DISTRIBUTION OF SALES BY TYPE

Spatial Distribution of sales by type (June 2018-June 2019)



A2. DETAILED MIGRATION DATA

Migration Inflows (ONS, 2018)

Destination	Origin									
	1st	2d	3rd	3th	5th	6th	7th	8th	9 th	10th
Winchester	Eastleigh (827)	Southampton (641)	Gosport (542)	Havant (501)	Test Valley (419)	Portsmouth (403)	East Hampshire (392)	Bournemouth (295)	Basingstoke and Deane (290)	Wiltshire (249)
Test Valley	Southampton (919)	Wiltshire (681)	Basingstoke and Deane (619)	Eastleigh (612)	Winchester (424)	New Forest (343)	West Berkshire (170)	Bournemouth (147)	Hart (118)	Dorset (111)
Basingstoke and Deane	West Berkshire (805)	Hart (428)	Reading (369)	Wokingham (284)	Rushmore (265)	Winchester (248)	Southampton (228)	Test Valley (223)	Bournemouth (166)	Wiltshire (165)
East Hampshire	Waverley (874)	Havant (706)	Guildford (417)	Chichester (404)	Portsmouth (367)	Winchester (356)	Hart (214)	Rushmoor (205)	Basingstoke and Deane (197)	Bournemouth (122)
Eastleigh	Southampton (2,516)	Winchester (874)	Test Valley (544)	Fareham (433)	New Forest (280)	Portsmouth (178)	Bournemouth (173)	Basingstoke and Deane (115)	Havant (96)	Gosport (93)
Fareham	Portsmouth (977)	Gosport (937)	Winchester (564)	Southampton (502)	Eastleigh (499)	Havant (251)	Bournemouth (113)	East Hampshire (108)	Chichester (76)	Test Valley (72)
Gosport	Fareham (851)	Portsmouth (386)	Winchester (169)	Havant (141)	Southampton (132)	Scotland (97)	Eastleigh (85)	Bournemouth (68)	Cornwall (55)	East Hampshire (47)
Havant	Portsmouth (2,047)	East Hampshire (654)	Chichester (460)	Winchester (357)	Fareham (211)	Gosport (185)	Southampton (160)	Arun (133)	Guildford (88)	Eastleigh (64)
Southampton	Eastleigh (1,429)	New Forest (778)	Bournemouth (575)	Test Valley (492)	Winchester (476)	Portsmouth (426)	Fareham (395)	Wiltshire (382)	Dorset (292)	Gosport (195)
Portsmouth	Havant (1,309)	Fareham (595)	Gosport (405)	Southampton (388)	East Hampshire (290)	Winchester (264)	Isle of Wight (232)	Croydon (203)	Brighton and Hove (169)	Wiltshire (169)

									Hove (190)	
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Migration Outflows (ONS,2018)

Destination	Origin									
	1st	2d	3rd	3th	5th	6th	7th	8th	9 th	10th
Winchester	Eastleigh (874)	Fareham (564)	Southampton (476)	Test Valley (424)	Havant (357)	East Hampshire (356)	Wiltshire (279)	Portsmouth (264)	Basingstoke and Deane (248)	Dorset (211)
Test Valley	Wiltshire (924)	Eastleigh (544)	Southampton (492)	Winchester (419)	New Forest (342)	Basingstoke and Deane (223)	Bournemouth (150)	Dorset (126)	Scotland (104)	West Berkshire (83)
Basingstoke and Deane	Test Valley (619)	West Berkshire (582)	Hart (421)	Winchester (290)	Wiltshire (283)	Wokingham (278)	Reading (205)	Bournemouth (203)	East Hampshire (197)	Southampton (195)
East Hampshire	Havant (654)	Waverley (402)	Winchester (392)	Chichester (370)	Portsmouth (290)	Basingstoke and Deane (165)	Guildford (140)	Hart (131)	Southampton (111)	Fareham (108)
Eastleigh	Southampton (1,429)	Winchester (827)	Test Valley (612)	Fareham (499)	New Forest (252)	Bournemouth (180)	Portsmouth (142)	Wiltshire (105)	Dorset (101)	Isle of Wight (94)
Fareham	Gosport (851)	Portsmouth (595)	Winchester (542)	Eastleigh (433)	Southampton (395)	Havant (211)	Bournemouth (124)	Scotland (103)	New Forest (101)	Chichester (93)
Gosport	Fareham (937)	Portsmouth (405)	Winchester (205)	Southampton (195)	Havant (185)	Scotland (108)	Eastleigh (93)	Bournemouth (72)	Isle of Wight (72)	New Forest (70)
Havant	Portsmouth (1,309)	East Hampshire (706)	Winchester (501)	Chichester (477)	Fareham (251)	Gosport (141)	Southampton (127)	Eastleigh (96)	Bournemouth (70)	Arun (68)

A2. WINCHESTER MEDIAN HOUSE PRICE MAP, 2018 TO 2019

