Swanage

Housing Needs Assessment (HNA)

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Quality information

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List of acronyms used in the text:

DC	Dorset Council
DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HMA	Housing Market Area
HNA	Housing Needs Assessment
HRF	Housing Requirement Figure (the total number of homes the NA is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LA	Local Authority
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
LSOA	Lower Layer Super Output Area
MSOA	Middle Layer Super Output Area
NA	Neighbourhood (Plan) Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
OA	Output Area
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
RQ	Research Question
SHMA	Strategic Housing Market Assessment
STC	Swanage Town Council
VOA	Valuation Office Agency

1. Executive Summary

1. Swanage is a Neighbourhood Area (NA) located in the unitary authority and ceremonial county of Dorset. The NA boundary conforms to the parish boundary and was designated in February 2022.
2. The Neighbourhood Plan is currently being prepared and seeks to replace the Swanage Local Plan 2016-2027 (adopted 2017) which forms part of the adopted Purbeck Local Plan 2007-2027 (adopted 2012).
3. The Neighbourhood Plan is envisaged to start in 2024 and extend to 2038, therefore covering a period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2038, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.
4. The 2021 Census indicates a population of 9,428 residents, 4,513 households and 6,003 dwellings. The population has fallen by around 100 people since 2011 (-1.8%) when the Census 2011 recorded a population of 9,601. There were 4,504 households in 2011 which suggests the number of households has remained broadly stable, but household size has fallen over the 10 year period.
5. In 2011 there were 5,812 dwellings indicating that the dwelling stock has grown by almost 200 homes over the 10 year period. The number of dwellings has grown substantially more than the number of households which is likely to reflect growth in second homes and holiday let properties in Swanage. In 2021, 25% of dwellings had ‘no usual residents’ in Swanage.
6. This Executive Summary details the conclusions of each chapter of this Housing Needs Assessment (HNA), addressing each of the themes agreed with the Swanage Town Council at the outset of the research.
7. Data from the 2021 Census is still being released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data from the Census 2021 at the localised level, will not be available until later in 2024, as well as data comparing numerous variables. As such this HNA will draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS projections where necessary to build up evidence at the neighbourhood level.
8. Whilst this HNA focuses on Swanage it is important to keep in mind that neighbourhoods are not self-contained housing market areas. In the case of Swanage, the NA sits within a housing market area which covers Dorset Unitary Authority, including the former districts of Purbeck, Weymouth & Portland, West Dorset, North Dorset and East Dorset. This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including Bournemouth, Christchurch and Poole.
9. Swanage has a proposed figure of 200 dwellings to be accommodated within the NA by the end of the Plan period (as set out in the emerging Purbeck Local Plan). 50 of these

dwellings were allocated for 2017-18 before the start of the emerging Local Plan period and are also outside of the emerging Swanage Neighbourhood Plan. In practice, therefore, the current figure for Swanage is around 150 dwellings to be delivered by 2034 (the end of the emerging Purbeck Plan period).

Patterns of Tenure in Swanage

10. The proportion of home owners in Swanage (69.7%) is similar to Dorset as a whole (70.1%) but substantially above the rate in England as a whole (61.3%). The private rented sector is marginally larger as a share of households in Swanage (17.6%) compared to Dorset (16.3%). Both areas are below the rate of private renting in England as a whole. The social rented sector is also small compared to England but both Swanage and Dorset have similar levels of social renting (around 12% of households). Shared owners account for a smaller share of households (0.6%) compared to Dorset and England (both 1%).

11. The number of home owners in Swanage fell over the last 10 years. The number of households living in other tenures grew, with the increase in the number of households living in the private rented sector growing to the greatest extent by 18.7%. This pattern is relatively common across the country and reflects, to some extent, worsening affordability of home ownership.

House Prices and Affordability

12. The median average price in Swanage, which is the middle number when you sort the data from smallest to largest, is £380,000 at the end of 2023. The mean average is higher at £436,065 but this can be affected by a small number of high priced property sales, skewing the figure.

13. The lower quartile is the middle figure of the lowest 50% of prices and a good representation of entry-level housing. At the end of 2023, the LQ price in Swanage was £290,000.

14. Prices have increased substantially over the last 10 years. The median average price increased by 52% over this period, an absolute increase of £130,000. The lower quartile price also increased by almost 57%, an absolute increase of £105,000 over the decade.

15. Prices in Swanage appear higher than in Dorset as a whole with median prices around 9% higher and lower quartile prices 14% higher.

16. Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. The average household income in Swanage was £40,800 in 2020 (the most recent year for this dataset). Dorset's gross individual lower quartile annual earnings were £17,267 in 2022. To estimate the income of households with two lower quartile earners, this figure is doubled to £34,534.

17. AECOM has determined thresholds for the income required in Swanage to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and a range of Affordable Housing tenures.

18. Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would

require an annual income more than double the current average. Entry level house prices require households to have incomes of £74,571 compared to actual average household incomes of £40,800.

19. Private renting is generally affordable to average income households. Households made up of two lower quartile earners can afford entry level rents, given rental thresholds. It is also important to note that very few properties (6) were available to rent on the market at the time of writing. Availability of private rented housing is likely to be a barrier to accessing the market in Swanage, as well as the cost to local households.

20. There is a relatively large group of households in Swanage who may be able to afford to rent privately but cannot afford home ownership. They typically have incomes between around £32,000 per year (at which point entry-level rents become affordable) and £74,571 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

21. This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Despite improving affordability substantially, none of these discounts would make First Homes affordable to Swanage households with average incomes. Discounts of 50% on market prices could enable households with incomes of around £43,000 to afford to purchase. This is slightly higher than current average incomes (£40,800) but may allow many additional households to access home ownership.

22. Shared ownership appears to be more affordable than First Homes. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.

23. Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.

24. The affordable rented sector performs a vital function in Swanage as the only option for a large segment of those in the greatest need.

Estimates of the Need for Affordable Housing

25. A Local Housing Need Assessment for Dorset, which covers the former authority area of Purbeck including Swanage, was completed in 2021. As this study is relatively recent and in line with guidance, it is reasonable to use the data it contains to provide estimates of affordable housing needs within Swanage.

Need for Social/Affordable Rented Homes

26. When the LHNA figures are pro-rated to Swanage based on its fair share of the population of the Purbeck sub-area, the figure would be 16 social/affordable rented homes per annum.[1] This estimate would equate to 221 social/affordable rented homes over the

[1] Swanage population of 9,601 in 2011, compared to 44,973 in Purbeck (former LPA), equating to 21% of the Purbeck population.

Neighbourhood Plan period (2024-2038). The need for social/affordable rented housing therefore exceeds the total requirement for housing in the NA.

Potential need/demand for Affordable Home Ownership

27. When the LHNA figures are pro rated to Swanage, based on its share of the Purbeck sub area, of which Swanage accounts for 21% of the population this would produce an estimate of 12 affordable home ownership homes per annum. This would equate to 170 households who need affordable home ownership over the plan period 2024-2038.
28. It is important to stress that these households represent potential demand for affordable home ownership because they are already, by and large, housed in the private rented sector. In general, they do not lack their own housing and are not in acute need in the same way as those households in need of social/affordable rented housing.

Affordable Housing Policies

29. The emerging Dorset Local Plan proposes in Policy HOUS2 that 35% of homes in Swanage are delivered as Affordable Housing with a split of 30% affordable home ownership and 70% social/affordable rent.
30. The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasising that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.
31. The emerging Dorset Local Plan guideline mix of 70% rented to 30% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.
32. Current national policy expects 25% of Affordable Housing to be delivered as First Homes. This leaves little scope for additional affordable home ownership products to be provided in Swanage. As Shared Ownership (particularly at lower shares of 10%) and Rent to Buy appear to offer affordable routes to ownership in Swanage the Town COuncil may wish to ensure they are considered as part of the mix of tenures on any sites.

The Mix of Housing in Swanage

33. It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local households need.
34. A striking feature of Swanage's housing stock is the large number and proportion of flats. Flats account for 32% of the accommodation in the NA, reflecting the purpose build seafront apartments and buildings which have been converted to flats.
35. Detached properties have a slightly higher share at 33.7% of the accommodation. Note that the data refers to the type of dwelling that households occupy. Dwellings that have no usual residents are not counted here.
36. Semi detached and terraced properties account for a small proportion of the stock at 18.6% and 13.9% respectively.
37. The Census does not capture bungalows as a separate category but this is provided by

VOA data. 13.8% of accommodation in Swanage is accounted for by bungalows. These are likely to be detached or semi detached homes. The share of bungalows in the stock is lower than in Dorset as a whole (19.3%) but higher than in England (9.2%).

38. The change in the number of households occupying different dwelling types from 2011 and 2021 is likely to reflect that some dwellings being bought by second home owners or converted to holiday lets. Census 2011 recorded almost 2,300 households living in flats in Swanage. Whereas in 2021 the figure was 1,450. This does not reflect a decline in the number of flats, rather that they are no longer occupied by households. Flats experienced the greatest fall in occupancy, followed by terraces, with more limited falls in the number of households living in semi detached and detached homes. This is likely to reflect the attractiveness of smaller properties and flats with sea views for purchase by second home owners and investors to use at holiday lets.

39. In terms of size, the stock in Swanage is dominated by 2 and 3 bedroom properties with more limited numbers and proportion of the smallest (1 bed) and largest homes (4 bed plus). The large proportion of 2 bed properties is, in part, likely to be driven by the high share of flats within the stock in Swanage.

40. There has been very little change in the proportion of different sized properties between 2011 and 2021. New development does not appear to have shifted the balance of stock in the NA.

Population and Households

41. The largest group in the population is aged 65-84, accounting for 29.7% of people in 2021. This group has increased markedly since 2011 when it accounted for 25% of the population – an increase of 16.6%.

42. The younger age groups, particularly children (0-14) and older children and young adults (15-24) are relatively small, accounting for 11.7% and 7.8% respectively. There has been a fall in the number of people in these younger age groups, as well as the 25-44 age group over the last 10 years.

43. Although smaller in number than the other age groups, the number of people aged 85+ has increased over the decade and now accounts for 5.8% of Swanage's population. This group in particular will have implications for the care and support residents need in their homes.

44. Taken together, older households account for 38.5% of all households in Swanage, a much greater share of households than in Dorset and England as a whole. Older households (couples) grew by 17.5% over the last 10 years which is likely to reflect in-migration of older households to Swanage as well as the natural ageing of the existing population.

45. Families with children account for just 16.8% of households compared to 20.4% in Dorset and 25.8% in England.

Future Housing Mix

46. The demographic change discussed above can be translated into an 'ideal' mix of dwelling sizes for the future. This is achieved through a model that maps the dwelling size

preferences by life stage onto the projected age profile for the NA by 2038. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

47. The result of this exercise suggests that the largest proportion of new homes should be provided as 3 bedroom homes with relatively substantial proportions of 2 and 4 bed properties as well. To meet demographic needs, it is unlikely that more 1 bedroom properties are needed, though they may continue to form part of the mix for other reasons.

48. It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

Specialist Housing for Older People

49. There is a total of 221 units of specialist housing for older people in the NA at present, the majority of which are available for social rent (61%) for those in financial need, with the remainder being offered for leasehold market purchase. The current stock is largely described as age restricted or retirement housing.

50. The 2021 Census indicates that at this time there were 1,707 individuals aged 75 or over in Swanage. This suggests that current provision is in the region of 129 units per 1,000 of the 75+ population (a common measure of specialist housing supply). It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population[2], so provision in the NA is slightly below the national average.

51. Between 2011 and 2021 there was an increase of 179 people aged 75+. Past growth suggests that the ONS projections may exaggerate the growth that may occur in this age group in the future. Swanage's population has fallen slightly between 2011 and 2021 which has moderated growth in the older population.

52. if Swanage's older population (aged 75+) grows at the same rate as in the recent past (2011-2021), a more modest expansion of people and households in this age group would be likely. Growth in over 75s might be expected to be 304 people, formed into 224 households.

53. The estimates in this report suggest that potential need for specialist accommodation could be in the range of 76-104 units over the Neighbourhood Plan period assuming past growth rates in the older population are maintained. Much higher levels may be required if growth in the population follows ONS projections. The largest share of this estimated need is for housing with limited support/care, which may be age restricted, sheltered or even mainstream housing. Most need is from households who are home owners and likely to want to buy rather than rent specialist housing.

54. The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the tally of the existing

[2] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

stock in Swanage, around 81% of the Swanage population aged 75 and over is likely to live in the mainstream housing stock.

55. The current emerging Dorset Local Plan policy HOUS1 sets specific requirements (20%) for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)). The evidence gathered here may justify the Town Council approaching the LPA to discuss setting requirements on accessibility and adaptability at the authority wide level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

56. It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings[3], although changes to Building Regulations have not yet been made.

Second Homes and Holiday Lets in Swanage

57. Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.

58. The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.

59. Swanage clearly exhibits some of wider challenges, with fairly severe affordability issues, a decline in the resident population over the last 10 years and development constraints associated with its geography as a coastal town and environmental designations.

60. Swanage contained 4,504 households and 5,812 dwellings in 2011, implying that there were 1,308 dwellings (or 'household spaces') with no usual resident household. 22.5% of dwellings therefore had no usual residents.

61. By 2021, the NA contained 4,513 households according to the Census, with 6,003 dwellings as of 2021. This implies that there were 1,490 dwellings (or 'household spaces') with no usual resident, with empty dwellings accounting for 24.8% of all housing. This represents an increase of 182 dwellings which have no usual residents.

62. For comparison, the rate of dwellings that had no usual residents across Dorset as a whole in 2021 was 7.8%, substantially lower than Swanage. For England, the rate was 6.0%.

63. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership. Due to the scale of the figures, the location of the NA and its attractiveness as a location for tourism, it is assumed that the majority of dwellings without usual residents

[3] See Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK (www.gov.uk)

are second homes, either personal or for holiday let.

64. There were 270 whole properties available for letting on Airbnb in March 2024 which gives an indication of the extent to which these properties are operating as commercial holiday lets rather than as second homes for personal use.[4]

65. If a holiday let in Swanage was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be 6x greater than associated with longer term private rental. This may go some way to explain the scale of holiday lets in the NA.

66. Nevertheless, the private rental sector in Swanage has grown 2011-2021 by 130 households (+18%). This is a slightly lower rate of increase than in England (+20%) but suggest that the increase in second home ownership and holiday lets has not, as yet, prevented growth of the PRS. However, at the timing of writing, there were very few private rented properties available on the market. Just 6 properties were available for rent in February 2024 with a relatively limited range of sizes for let.

67. It is not only Swanage within Dorset that has housing challenges relating to second home ownership. One such example is Southwold in East Suffolk, which experiences extreme challenges due to the prevalence of second home ownership and commercial holiday lets. It was estimated in 2015 that just 43% of dwellings were primary residences.

68. The Southwold Neighbourhood Plan, Made in February 2022, outlines a number of ways to tackle housing affordability issues linked to high demand for second homes. This includes using community led housing as a vehicle to ensure Affordable Housing is delivered in perpetuity, without the risk of Right to Acquire or fully staircasing shared ownership properties leading to Affordable Housing becoming second homes in the future.

69. The Neighbourhood Plan also includes a ‘Principal Residence Requirement’ (Policy SWD4) which outlines that proposals for new housing would only be supported where both first and future occupation is restricted in perpetuity to ensure that each new dwelling is only occupied as a principal residence. This would protect any new dwellings from becoming second homes or holiday lets, increasing the proportion of households living full-time in the town.

[4] This includes whole properties as part properties will still have a usual resident. The search identifies properties available for a week stay flexibly in June/July/August 2024 so it will be peak holiday season. Figures will vary on a day to day basis.

2. Context

Local context

2.1 Swanage is a Neighbourhood Area (NA) located in the unitary authority and ceremonial county of Dorset. The NA boundary conforms to the parish boundary and was designated in February 2022.

2.2 The Neighbourhood Plan is currently being prepared and seeks to replace the Swanage Local Plan 2016-2027 (adopted 2017) which forms part of the adopted Purbeck Local Plan 2007-2027 (adopted 2012).

2.3 The Neighbourhood Plan is envisaged to start in 2024 and extend to 2038, therefore covering a period of 14 years. The evidence supplied in this report will look forward to the Plan end date of 2038, but where possible will also provide annualised figures which can be extrapolated to a different term if the Plan period changes.

2.4 Swanage is a coastal town and civil parish in the south east of Dorset. It is at the eastern end of the Isle of Purbeck, approximately 7 miles south of Poole and 22 miles east of Dorchester. It is also at the eastern end of the Jurassic Coast, a World Heritage Site. The town exhibits a somewhat clustered settlement pattern around the town centre, though there are clear linear elements; namely along High Street from east to west and along the coast north to south. The town initially developed as a small port and fishing village before becoming a significant quarrying port and later a seaside resort, all of which have contributed to the town's character and settlement pattern.

2.5 Swanage is served predominantly by the A351, which connects the two major roads that run through the town (High Street and Victoria Avenue) with the rest of the country westwards. Although Swanage does have a station, this is operated as a heritage railway and therefore the nearest mainline service can be accessed at Wareham Station (about 9 miles from Swanage centre), with regular trains to London Waterloo.

2.6 The town is home to four different primary schools as well as The Swanage School which caters for children aged 11-16. As a popular tourist destination, the town offers a range of hotels, holiday parks/campsites and B&Bs, as well as a selection of pubs, high street stores and independent shops. Swanage also has publicly available tennis courts, basketball courts and table tennis at Beach Gardens, and football pitches and cricket fields at Days Park.

The NA boundary and key statistics

2.7 For Census purposes, the NA is made up, like the rest of England, of statistical units called Output Areas (OAs). A breakdown of the OAs relevant to Swanage is provided in Appendix A. A map of the Plan area appears below in Figure 2-1.

Figure 2-1: Map of the Swanage Neighbourhood Area



Source: Dorset Council [5]

[5] Available at: https://www.dorsetcouncil.gov.uk/planning-buildings-land/planning-policy/adopted-local-plans/swanage-adopted-local-plan

2.8 The 2021 Census indicates a population of 9,428 residents, 4,513 households and 6,003 dwellings.

2.9 The population has fallen by around 100 people since 2011 (-1.8%) when the Census 2011 recorded a population of 9,601. There were 4,504 households in 2011 which suggests the number of households has remained broadly stable, but household size has fallen over the 10 year period. In 2011 there were 5,812 dwellings indicating that the dwelling stock has grown by almost 200 homes over the 10 year period. Completions data from Dorset Council suggest that completions 2011-2021 totalled 318 dwellings, higher than the growth recorded by the Census. [Some of these developments may have involved demolition of existing dwellings which is not recorded in the data provided. The net figure may be closer to the Census count].

2.10 The number of dwellings has grown substantially more than the number of households which is likely to reflect growth in second homes and holiday let properties in Swanage. In 2021, 25% of dwellings had 'no usual residents' in Swanage. This is considered further in Section 7 of this HNA.

The housing market area context

2.11 Whilst this HNA focuses on Swanage it is important to keep in mind that neighbourhoods are not self-contained housing market areas. Housing market areas are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because housing market areas are inherently linked to the labour market, employment patterns and travel to work areas.

2.12 In the case of Swanage, the NA sits within a housing market area which covers Dorset Unitary Authority, including the former districts of Purbeck, Weymouth & Portland, West Dorset, North Dorset and East Dorset.[1] This means that when households who live in these authorities move home, the vast majority move within this geography. The housing market area also has links to other neighbouring areas however, including Bournemouth, Christchurch and Poole.

2.13 At the neighbourhood scale it is not possible to be definitive about housing need and demand because neighbourhoods, including Swanage, are closely linked to other areas. In the case of Swanage, changes in need or demand in settlements nearby is likely to impact on the neighbourhood. The closest town, Wareham, is similar in size in terms of population to Swanage and may not exhibit a huge influence on the NA through changes in demand and need. However, Poole and Bournemouth (in the neighbouring housing market area) are within an hour drive of Swanage and the demands and needs of these larger towns may influence Swanage through migration and travel to work flows.

2.14 In summary, Swanage functions within a wider strategic area. As well as fostering good working relationships with the local planning authority Dorset Unitary Authority, it is therefore useful to think about the *role* of the neighbourhood within the wider area. This HNA can provide evidence to understand this role and the specific features of the

[1] Dorset and BCP Local Housing Need Assessment 2021

neighbourhood within this wider context. Neighbourhood Plans can have a significant impact in shaping their neighbourhoods, enhancing the positive role the neighbourhood plays within the wider housing market, or developing policies to change entrenched patterns and improve housing outcomes in the neighbourhood and wider area.

Planning policy context

2.15 Neighbourhood Plans are required to be in general conformity with adopted strategic local policies.[6] In the case of Swanage, the relevant adopted Local Plan consists of:

2.16 Purbeck Local Plan Part 1 (adopted 2012) and Swanage Local Plan (adopted 2017), which was adopted as part of the Purbeck Local Plan and was prepared jointly by the former Purbeck District Council with Swanage Town Council and Swanage Town and Community Partnership. The Neighbourhood Plan is currently being prepared and seeks to replace the Swanage Local Plan. These documents make provisions for at least 2,520 dwellings within the Purbeck district between 2006-2027, 200 of which are allocated in Swanage, across three sites. A detailed breakdown of the adopted Local Plan policies relevant to housing need is provided in Appendix B.

2.17 The Draft Purbeck Local Plan (2018-2034) is currently at examination and soon to be adopted. However, since the formation of Dorset Council as a new unitary authority, Purbeck District Council no longer exists and therefore the local planning authority, Dorset Council, is bringing forward the first emerging county-wide Local Plan which will cover the period 2021-2038. A more detailed breakdown of the Local Plan policies relevant to housing need is provided in Appendix B, however it is worth summarising the most important points of the two emerging Local Plans:

Purbeck Local Plan submission (2019)

- Emerging Local Plan Policy H1 identifies an overall housing target of 168 homes per year for the district of Purbeck;
- In Policy H1, Swanage is designated as a town, which will be a primary focus for development, with plans for 200 homes in settlement extensions. Of these, 150 can be included towards meeting Purbeck's housing need, as 50 were allocated for 2017-18 delivery (before the period when the Purbeck Local Plan comes into effect).
- Policy H11 states that 20% of all new dwellings are expected to be delivered as Affordable Housing on sites of 2-9 homes. For developments of 10 homes or more, or more than 0.5ha inside settlements, it will be required at 40% on-site for greenfield sites and 30% on-site for brownfield sites.
- The council will seek the following tenure mix for affordable housing provision: For sites with 40% (30%) provision of affordable housing:
  - 10% (10%) social rented housing
  - 65% (56%) affordable rented housing

[6] A description of the Basic Conditions of Neighbourhood Planning is available at https://www.gov.uk/guidance/neighbourhood-planning--2#basic-conditions-for-neighbourhood-plan-to-referendum

  - 25% (34%) affordable home ownership
- Policy H10 sets out an expectation that 10% of new homes will be built to Category M4(2) accessibility standards for sites of 10 or more homes or site area greater than 0.5 hectares.

Dorset Council Local Plan Consultation Document (2021)

- Emerging Local Plan Policy DEV1 identifies an overall housing target of 1,793 homes per year for the unitary authority;
- In Policy DEV2, Swanage is designated as a town, which are outlined as areas with options for growth, particularly at the edge of settlements; although Swanage is more constrained than other towns due to the fact it is located entirely within the Dorset AONB.
- Policy HOUS2 states that 35% of all new dwellings are expected to be delivered as Affordable Housing on sites larger than 10 homes. The suggested tenure mix within Affordable Housing is 70% affordable (40%) or social rent (30%) to a maximum of 30% (but not less than 10%) affordable home ownership;
- Policy HOUS1 sets out an expectation that 20% of new homes will be built to Category M4(2) accessibility standards.

Quantity of housing to provide

2.18 The NPPF 2021 (paragraphs 66 and 67) requires LPAs to provide neighbourhood groups upon request with a definitive or an indicative number of houses to plan for over the Neighbourhood Plan period.

2.19 Swanage has a proposed figure of 200 dwellings to be accommodated within the NA by the end of the Plan period (as set out in the emerging Purbeck Local Plan). 50 of these dwellings were allocated for 2017-18 before the start of the emerging Local Plan period and are also outside of the emerging Swanage Neighbourhood Plan. In practice, therefore, the current figure for Swanage is around 150 dwellings to be delivered by 2034 (the end of the emerging Purbeck Plan period).

2.20 The Swanage Neighbourhood Plan is expected to have an end date of 2038, consistent with the emerging Dorset Local Plan. Any housing requirement may be superseded by provisions in the Dorset Local Plan when it is finalised.

3. Objectives and approach

Objectives

3.1 This Housing Needs Assessment (HNA) is structured according to a number of themes or topics that were agreed at the outset of the research with Swanage Town Council. These themes are broadly aligned with the kinds of housing policy areas available to neighbourhood plans, and each will form a distinct chapter of this report. The sub-sections below give a brief overview of the objectives of each chapter.

Affordability and Affordable Housing

3.2 Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

3.3 This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

3.4 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must be in general conformity with these strategic policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Type and Size

3.5 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local people need.

3.6 The focus of this chapter is to identify relevant trends and potential gaps in the market that can be used to justify planning policies. It has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe relevant characteristics of the local **population**; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

3.7 In addition to the demographic changes revealed in the data, a variety of reasons sit behind the housing choices that households make, including wealth, accessibility requirements and personal preference. The conclusions and recommendations given here are sufficient for justifying planning policies but are not definitive. It is also appropriate to take into account other factors, evidence and objectives if desired.

Specialist Housing for Older People

3.8 It may be appropriate for neighbourhood plans in areas with ageing populations to include policies relating to specialist housing for older people.

3.9 This chapter supplements the demographic evidence, including the potential demand for downsizing, to consider the quantity and characteristics of the need for housing for older people with some form of additional care. Its approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

3.10 This element of the HNA recognises that the majority of older people will live in the mainstream housing stock and that there is no single way to meet their needs. It may also be inappropriate to focus excessively on the needs of one group or to promote a specialist scheme in a location that lacks adequate services. These issues will be drawn out.

3.11 or provides housing that is suitable for disabled people.

Second Homes

3.12 This chapter considers the potential scale of second homes ownership, including commercial holiday lets, in the NA. The approach is as follows:

- To estimate the **current level** of second home ownership (including commercial holiday lets);
- To estimate the **financial incentive** for home owners to use their properties for commercial holiday lets as opposed to long term private rentals; and
- To discuss the potential **policy options** relating to second homes in the NA.

Approach

3.13 This HNA assesses a range of evidence to ensure its findings are robust for the purposes of developing policy at the neighbourhood plan level. This includes data from the 2021 and 2011 Censuses and a range of other data sources, including:

- ONS population and household projections for future years;

- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk, crossed checked with Rightmove;
- Dorset and Bournemouth, Christchurch and Poole LHNA 2021

3.14 Data from the 2021 Census continues to be released. At present, the available data covers population, households, tenure, and dwelling stock characteristics. Some data at the localised level, or comparing numerous variables is not yet available. As such, neighbourhood level HNAs draw on the latest available data from the 2021 Census where possible and will also continue to use other data sets, including 2011 Census, Valuation Office Agency data, and ONS parish projections to build up evidence at the neighbourhood level.

3.15 Data for Swanage is compared to Dorset and England, where possible. In some limited cases, where data from 2021 is not available at the neighbourhood level or for the LPA, we draw on Census 2011. In these cases it is more appropriate to use data for Purbeck as it provides the closest proxy for Swanage, rather than to ‘make’ the Dorset Council area out of the former districts. Where 2011 data is used in this way it is explained in the text.

4. Affordability and Affordable Housing

Introduction

4.1 Neighbourhood plans may include policies that influence the scale of Affordable Housing provision and the mix of different tenures and products provided through new housing development.

4.2 This chapter has three aims, each given its own sub-section:

- To establish the existing **tenure** of homes within the NA at present (owner occupied, private rented, social/affordable rented, shared ownership);
- To examine the **affordability** of different tenures by considering house prices, rents, local incomes and earnings; and
- To estimate the scale of **need** for Affordable Housing, including the need for those who cannot afford to rent and those who cannot afford to buy.

4.3 The evidence gathered here can be used to justify planning policies in the Neighbourhood Plan, but it is likely that other supporting evidence may be needed, for example on viability. Local Plans typically include policies on Affordable Housing and whilst the Neighbourhood Plan must conform with these policies, there is scope for Neighbourhood Plan policies to adopt some local variety where this is supported by the evidence.

Definitions

4.4 This section uses a range of technical terms which are useful to define at the outset:

- **Tenure** refers to the way a household occupies their home. Broadly speaking, there are two categories of tenure: market housing (such as homes available to purchase outright or rent from a private landlord) and Affordable Housing (including subsidised products like social rent and shared ownership).
- **Affordability** refers to the relationship between the cost of housing to buy or rent and the incomes and earnings of households.
- The definition of **Affordable Housing** is set out in the NPPF 2021 (Annex 2) as 'Housing for sale or rent, for those whose needs are not met by the market…' We refer to Affordable Housing, with capital letters, to denote the specific tenures that are classified as affordable in the current NPPF (Annex 2). A relatively less expensive home for market sale may be affordable but it is not a form of Affordable Housing.
- A range of affordable home ownership opportunities are included in the Government's definition of Affordable Housing, to meet the needs of those aspiring

to own a home. As part of this, the Government has introduced a new product called First Homes, although this is not yet reflected in Annex 2 of the NPPF.[7]

- **First Homes** is a new product and expected to be an important part of the strategy for improving access to home ownership. Its key features are explained in greater detail in Appendix C.

Current tenure profile

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

4.6 Table 4-1 presents data on tenure in Swanage compared with Dorset and England from the 2021 Census. Note that this data relates to households and not dwellings. As such, any unoccupied dwellings (eg second homes or holiday lets) are not included in this measure of tenure.

4.7 The proportion of home owners in Swanage (69.7%) is similar to Dorset as a whole (70.1%) but substantially above the rate in England as a whole (61.3%). The private rented sector is marginally larger as a share of households in Swanage (17.6%) compared to Dorset (16.3%). Both areas are below the rate of private renting in England as a whole. The social rented sector is also small compared to England but both Swanage and Dorset have similar levels of social renting (around 12% of households. Shared owners account for a smaller share of households (0.6%) compared to Dorset and England (both 1%).

Table 4-1: Tenure (households) in Swanage, 2021

Tenure	Swanage	Dorset	England
Owned	69.7%	70.4%	61.3%
Shared ownership	0.6%	1.0%	1.0%
Social rented	12.1%	12.3%	17.1%
Private rented	17.6%	16.3%	20.6%

Sources: Census 2021, AECOM Calculations

4.8 It is also worth comparing how the tenure mix has changed in the last ten years, using the 2011 Census (see Table 4-4). The number of owners in Swanage fell over the 10 year period. The number of households living in other tenures grew, with the increase in the number of households living in the private rented sector growing to the greatest extent by 18.7%. This pattern is relatively common across the country and reflects, to some extent, worsening affordability of home ownership.

[7] The shape that the new First Homes product will take is set out in a Ministerial Statement issued in May 2021, available here: https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48. The relevant update to PPG is available here: https://www.gov.uk/guidance/first-homes#contents.

Table 4-4: Tenure change (households) in Swanage, 2011-2021

Tenure	2011	2021	% change
Owned	3,232	3,145	-2.7%
Shared ownership	25	28	12.0%
Social rented	516	547	6.0%
Private rented	668	793	18.7%

Sources: Census 2021 and 2011, AECOM Calculations

Affordability

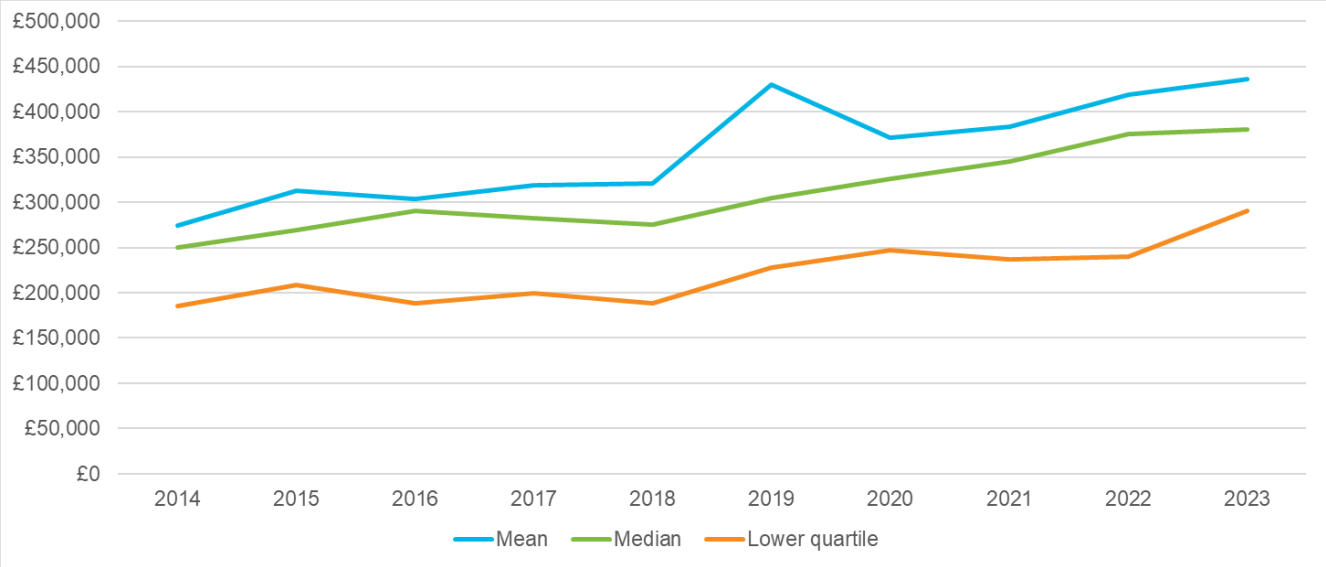
House prices

4.9 House prices provide an indication of the level of demand for homes within an area. The relationship between house prices and incomes determines whether housing is affordable to local households and, to a large extent, what tenure, type and size of home they occupy. Changes in affordability over time can indicate pressures in the housing market. As such, it is useful for the evidence base for plans to examine trends in prices and consider what this reveals about the local housing market.

4.10 Figure 4-3 looks at the average and lower quartile house prices in Swanage based on sales price data published by the Land Registry. It shows that:

- The median average price in Swanage, which is the middle number when you sort the data from smallest to largest, is £380,000 at the end of 2023. The mean average is higher at £436,065 but this can be affected by a small number of high priced property sales, skewing the average.
- The lower quartile is the middle figure of the lowest 50% of prices and a good representation of entry-level housing. At the end of 2023, the LQ price in Swanage was £290,000.
- Prices have increased substantially over the last 10 years (see Figure 4-3). The median average price increased by 52% over this period, an absolute increase of £130,000. The lower quartile price also increased by almost 57%, an absolute increase of £105,000 over the decade.
- Prices in Swanage appear higher than in Dorset as a whole with median prices around 9% higher and lower quartile prices 14% higher.

Figure 4-3: House prices by quartile in Swanage, 2014-2023



Source: Land Registry PPD

4.11 Table 4-4 breaks down house prices by type, presenting the median within each type. It shows that detached prices are highest within Swanage and have increased at the greatest rate (73%) over the last 10 years. Semi detached and terraced properties are similarly priced at around £370,000 at the end of 2023 and have increased by around 50% over the 10 year period. Flats are the lowest priced property type and are likely to account for a large share of the lower quartile priced properties in the NA. At the end of 2023, average flat prices were £285,000 having increased by 54% over the decade.

Table 4-4: Median house prices by type in Swanage, 2014-2023

Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Growth
Detached	£375,000	£411,425	£395,000	£430,000	£441,000	£447,500	£503,000	£495,000	£585,000	£650,000	73.3%
Semi-detached	£250,000	£241,000	£297,500	£309,250	£289,500	£360,000	£327,500	£345,000	£395,000	£371,250	48.5%
Terraced	£247,500	£260,000	£291,000	£295,000	£271,500	£290,000	£265,000	£348,750	£385,000	£377,500	52.5%
Flats	£185,000	£215,000	£235,000	£232,500	£192,500	£220,000	£248,000	£232,250	£245,000	£285,000	54.1%
All Types	£250,000	£268,725	£290,000	£282,000	£275,000	£305,000	£325,500	£345,000	£375,000	£380,000	52.0%

Source: Land Registry PPD

Income

4.12 Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. Two sources of data are used to examine household incomes in the NA.

4.13 The first source is ONS's estimates of incomes in small areas. This is locally specific but limited to the overall average income (i.e. it does not provide the average income of lower earners). The average household income in Swanage was £40,800 in 2020 (the most recent year for this dataset). Discussion about the area to which this data applies is provided in Appendix A.

4.14 The second source is ONS's annual estimates of UK employee earnings. This provides lower quartile average earnings (i.e. the income of the lowest 25% of earners). However, it is only available at the Local Authority level. It also relates to *individual* earnings. While this is an accurate representation of household incomes where there is only one earner, it does not represent household income where there are two or more people earning. Dorset's gross individual lower quartile annual earnings were £17,267 in 2022. To estimate the income of households with two lower quartile earners, this figure is doubled to £34,534.

4.15 There is a gap between the spending power of average income households and those with the lowest 25% of earning, particularly where the household in question has one earner only. However, households where there are two earners with lower quartile earnings are not substantially lower than average household incomes (£34,534 compared to £40,800). This suggests that the average household income in Swanage is driven by lower paid employment.

Affordability Thresholds

4.16 To gain a clearer understanding of local affordability, it is useful to understand what levels of income are required to afford different tenures. This is done using 'affordability thresholds': the estimated amount of annual income required to cover the cost of rent or a mortgage given local housing prices.

4.17 AECOM has determined thresholds for the income required in Swanage to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and the range of Affordable Housing tenures as set out in the NPPF. These calculations are detailed and discussed in more detail in Appendix C.

4.18 The key assumptions made in assessing the affordability of different tenures are explained alongside the calculations, but it is worth noting here that we have assumed that the maximum percentage of household income that should be spent on rent is 30% and that mortgage financing will be offered to most households at a maximum of 3.5 times household income. These are standard assumptions across housing needs assessments at neighbourhood and local authority scale although different approaches are sometimes taken, and a case can be made for alternatives. This is discussed in more detail at the start of Appendix C.

4.19 Table 4-5 summarises the estimated cost of each tenure, the annual income required to support these costs within the NA, and whether local incomes are sufficient. The income required column assumes the household already has access to a deposit (which we have assumed to be 10% of the value to be purchased) but does not reflect the possibility that households may already hold equity from an existing property. Although these factors may be crucial to whether housing will be affordable, they are highly dependent on individual circumstances that cannot be anticipated here.

Table 4-5: Affordability thresholds in Swanage (income required, £)

Tenure	Mortgage value (90% of price)	Annual rent	Income required	Affordable on average incomes? £40,800	Affordable on LQ earnings (single earner)? £17,267	Affordable on LQ earnings (2 earners)? £34,534
Market Housing						
Median House Price	£342,000	-	£97,714	No	No	No
Estimated NA New Build Entry-Level House Price	£301,852		£86,243	No	No	No
LQ/Entry-level House Price	£261,000	-	£74,571	No	No	No
LA New Build Median House Price	£359,100	-	£102,600	No	No	No
Average Market Rent	-	£11,232	£37,440	Yes	No	No
Entry-level Market Rent	-	£9,600	£32,000	Yes	No	Yes
Affordable Home Ownership						
First Homes (-30%)	£211,297	-	£60,370	No	No	No
First Homes (-40%)	£181,111	-	£51,746	No	No	No
First Homes (-50%)	£150,926	-	£43,122	No	No	No
Shared Ownership (50%)	£150,926	£4,192	£57,096	No	No	No
Shared Ownership (25%)	£75,463	£6,289	£42,523	No	No	No
Shared Ownership (10%)	£30,185	£7,546	£33,779	Yes	No	Yes
Affordable Rented Housing						
Affordable Rent	-	£7,415	£24,691	Yes	No	Yes
Social Rent	-	£5,457	£18,173	Yes	No	Yes

Source: AECOM Calculations

4.20 Before considering each tenure category in turn, it is important to stress that these affordability thresholds have been calculated to give an indication of the costs of various tenures to inform Neighbourhood Plan policy choices. These figures rely on existing data and assumptions, and it is not possible to estimate every possible permutation. The income figures also disguise a large degree of variation. For simplicity the analysis below assesses tenure products as being 'affordable' or 'not affordable' for different groups, but individual circumstances and the location, condition and other factors of specific properties in each category have a large impact.

Market housing for purchase and rent

4.21 Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income more than double the current average. Entry level house prices require households to have incomes of £74,571 compared to actual average household incomes of £40,800.

4.22 Private renting is generally affordable to average income households. Households made up of two lower quartile earners can afford entry level rents, given rental thresholds. Affordability is improved if households are able or willing to dedicate a larger proportion of their incomes to rental costs, although this has repercussions for other quality of life

aspects and cannot be assumed to suit all individuals' circumstances. It is also important to note that very few properties (6) were available to rent on the market at the time of writing. Availability of private rented housing is likely to be a barrier to accessing the market in Swanage, as well as the cost to local households.

Affordable home ownership

4.23 There is a relatively large group of households in Swanage who may be able to afford to rent privately but cannot afford home ownership. They typically have incomes between around £32,000 per year (at which point entry-level rents become affordable) and £74,571 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

4.24 First Homes are to be offered at a discount of at least 30% on equivalent market prices (i.e. new build, entry-level properties). Local authorities and neighbourhood plan qualifying bodies will have discretion to increase the discount on First Homes to 40% or 50% where there is evidence to suggest this is appropriate.

4.25 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Despite improving affordability substantially, none of these discounts would make First Homes affordable to Swanage households with average incomes. Discounts of 50% on market prices could enable households with incomes of around £43,000 to afford to purchase. This is slightly higher than current average incomes (£40,800) but may allow many additional households to access home ownership.

4.26 It is important to note that this evidence based on affordability does not provide a complete picture: evidence about the financial viability of development is also relevant. The question is whether demanding higher discount levels on First Homes will create a financial burden on developers that leads them to argue either that the discount level is not feasible or that the total amount of Affordable Housing may need to be decreased. This could effectively sacrifice the provision of affordable rented housing to provide a more attractive First Homes product. The issue of development viability is a specialist matter involving analysis of land values and build costs that is outside the scope of this assessment. If the Swanage Town Council intend to set a higher First Homes discount level than that set at the Dorset level, further discussions with the LPA are advised.

4.27 Shared ownership appears to be more affordable than First Homes. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.[8] If this is delivered in the NA, it will make shared ownership easier to access for more households including those on average incomes and households with two lower quartile earners. However, while the income threshold for a 10% equity shared ownership home is lower, this product may not necessarily be more attractive than the

[8] The previous minimum equity share was 25%. This change took effect from 28 June 2021 and transitional arrangements are in place for planning policy documents that are prepared during the implementation timeframe. Changes are also introduced to make the process of staircasing to full ownership more gradual with lower minimum increments of 1%. The ministerial statement confirming and detailing the changes is available here: https://questions-statements.parliament.uk/written-statements/detail/2021-05-24/hlws48.

alternatives (such as shared ownership at higher equity shares and First Homes) for those who can afford them.

4.28 Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). The income required to access Rent to Buy is assumed to be the same as that required to afford market rents. However, affordability to local households would depend on how rents are set. If Rent to Buy is offered at a discount to *entry level* rents, this would expand this route to home ownership quite significantly, including to households with two lower quartile earners. However, discounts on *average* rents would make Rent to Buy affordability, in terms of the household income required, comparable to Shared Ownership (at 10% share). However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.

4.29 These three affordable home ownership products need to be considered in relation to what they offer occupants in the long term beyond simply being affordable to access or not:

- First Homes allow for a greater ownership stake in the property, enabling occupiers to benefit from price appreciation over time. Monthly outgoings are also limited to mortgage costs alone, which tend to be cheaper than renting.
- Shared ownership at high equity shares performs a similar function to First Homes, but there are additional costs associated with the rented portion.
- Shared ownership at low equity shares can usually be accessed by lower earning households (than First Homes) and requires a smaller deposit. However, this is a potentially less attractive route to eventual ownership because monthly outgoings remain high. The occupant has to pay a significant monthly rent as well as service charges and other costs, so it can be harder for them to save funds to buy out a greater share in the property over time.
- Rent to Buy requires no deposit, thereby benefitting those with sufficient incomes but low savings. It is more attractive than renting but results in a much slower accumulation of the funds that can provide an eventual route to ownership than the other tenures discussed above.

Affordable rented housing

4.30 Affordable rents set out in the table above are substantially below market rents. Whilst affordable rents can be set at up to 80% of market rents, in many locations Registered Providers (housing associations) set them to ensure that they are affordable to those claiming housing benefit, i.e. at or below Local Housing Allowance levels. This means that they are in practice below 80% of market levels. This appears to be the case in Swanage.

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

the tenures considered including social rented homes. Many such households will require additional subsidy through Housing Benefit to access housing.

4.32 The evidence in this chapter suggests that the affordable rented sector performs a vital function in Swanage as the only option for a large segment of those in the greatest need. Social rents are cheaper and would therefore leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. Where households are supported by housing benefit the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation because they receive a lower rate of housing benefit to cover their rent.

Estimates of the need for Affordable Housing

4.33 This section estimates the need for Affordable Housing, which should be considered separately for affordable rented housing and affordable home ownership. The appropriate approach is taken based on the evidence available at Local Authority and NA scale.

Evidence in the Dorset & BCP LHNA 2021

4.34 A Local Housing Need Assessment for Dorset, which covers the former authority area of Purbeck including Swanage, was completed in 2021. As this study is relatively recent and in line with guidance, it is reasonable to use the data it contains to provide estimates of affordable housing needs within Swanage.

4.35 The LHNA estimates the need for affordable housing in Dorset as and whole and separately for the Bournemouth, Christchurch and Poole housing market area. It also provides estimates for sub-areas within the two housing market areas.

4.36 The LHNA identifies the need for 950 additional affordable rented homes per annum in Dorset, of which 75 per annum are within Purbeck and 767 affordable home ownership dwellings each year in Dorset as a whole and 58 per annum in Purbeck. There are two separate estimates of the need for social/affordable rented housing and the need for affordable home ownership homes and these are explained below and summarised in the Tables extracted from the LHNA (Figure 4.6 and 4.7).

Social/ Affordable Rented Housing Needs

4.37 When the LHNA figures are pro-rated to Swanage based on its fair share of the population (2.5% of the Dorset population according to the Census 2021[9]), this equates to 24 homes per annum. If Swanage's need is estimated as a share of the Purbeck sub-area, the figure would be 16 social/affordable rented homes per annum.[10] This is likely to represent a more appropriate estimate because it is derived from a more localised area. This estimate would equate to 221 social/affordable rented homes over the Neighbourhood Plan period (2024-2038). The need for social/affordable rented housing therefore exceeds the total requirement for housing in the NA.

[9] Swanage population of 9,428 in 2021, compared to 379,579 in Dorset, equating to 2.5% of the Dorset population.
[10] Swanage population of 9,601 in 2011, compared to 44,973 in Purbeck (former LPA), equating to 21% of the Purbeck population.

Figure 4-7: Summary of Need for Social/Affordable Rented Housing in Dorset and Sub Areas

Table 7.29 Estimated Need for Social/Affordable Rented Housing by sub-area (per annum)

	Current need	Newly forming house-holds	Existing house-holds falling into need	Total Gross Need	Relet Supply	Net Need
Central Dorset	17	105	26	148	42	106
Dorchester	8	55	20	83	35	47
Eastern Dorset	16	83	27	125	45	80
Isle of Purbeck	17	69	20	106	32	75
Northern Dorset	25	150	46	221	77	144
Suburban Fringe East	39	251	48	337	77	261
Western Dorset	15	76	31	122	51	71
Weymouth & Portland	39	170	56	264	98	166
Dorset – Total	175	960	272	1,407	457	950

Source: Range of sources as discussed

Need or Potential Demand for Affordable Home Ownership

4.38 When the LHNA figures are pro rated to Swanage, based on its share of the Dorset population (2.5%), this would imply the need for 19 affordable home ownership properties per annum in Swanage. Again, the more appropriate share is likely to be derived from the Purbeck sub area, of which Swanage accounts for 21% of the population. This would produce an estimate of 12 affordable home ownership homes per annum. This would equate to 170 households who need affordable home ownership over the plan period 2024-2038.

4.39 These households are able to afford to rent but not buy (see Figure 4-9 where the middle column shows the proportion of households in Dorset who ‘can rent but can’t buy’ and may be interested and able to access affordable home ownership. This is consistent with the approach AECOM takes in estimating the need for affordable home ownership but it is important to stress that these households represent potential demand for affordable home ownership because they are already, by and large, adequately housed in the private rented sector. In general, they do not lack their own housing and are not in acute need in the same way as those households in need of social/affordable rented housing.

Figure 4-8: Summary of Need for Affordable Home Ownership in Dorset and by Sub Area

Table 7.40 Estimated Need for Affordable Home Ownership by sub-area (per annum) – Dorset

	Total Gross Need	LCHO supply	Net need
Central Dorset	86	5	81
Dorchester	50	3	48
Eastern Dorset	73	2	71
Isle of Purbeck	60	2	58
Northern Dorset	122	6	115
Suburban Fringe East	205	5	200
Western Dorset	62	4	58
Weymouth & Portland	143	6	137
Dorset – Total	800	33	767

Source: Range of sources as discussed

Figure 4-9: Households who 'can rent, can't buy' in Dorset and Sub Areas

Table 7.36 Estimated proportion of households living in Private Rented Sector able to buy and/or rent market housing – Dorset

	Can afford to buy OR rent	Can afford to rent but not buy	Cannot afford to buy OR rent
Central Dorset	29%	24%	46%
Dorchester	37%	24%	38%
Eastern Dorset	34%	23%	43%
Isle of Purbeck	20%	27%	53%
Northern Dorset	33%	23%	44%
Suburban Fringe East	21%	30%	49%
Western Dorset	31%	23%	46%
Weymouth & Portland	40%	20%	40%
Dorset - Total	30%	25%	45%

Source: Derived from Housing Market Cost Analysis and Affordability Testing

4.40 The LHNA analysis of the need for affordable home ownership properties above includes the supply of resales of affordable housing. However, the LHNA notes that some of this need (or potential demand) may be addressed through sales at the lower priced end of the market ie those properties priced below the 25th percentile.

4.41 Including the supply of half of the properties priced below the 25th percentile would imply a surplus of affordable home ownership properties in Dorset however. Including this wider definition of supply makes it difficult for the LHNA to conclude what the need for affordable home ownership is. However, the LHNA concludes that there are many households in Dorset who are being excluded from the owner-occupied sector, demonstrated by tenure change, with private

renting levels increasing and home ownership falling across Dorset. The LHNA concludes that it is likely in Dorset that access to home ownership is being restricted by access to capital (e.g. for deposits, stamp duty, legal costs) as well as affordability.

Affordable Housing policies in Neighbourhood Plans

4.42 This section outlines a common Neighbourhood Plan policy level around the tenure mix of affordable housing, provides an indicative recommendation and summarises relevant considerations.

Application of Local Plan policies

4.43 The adopted policy on this subject in the Purbeck Local Plan (2012) requires 50% of all new housing to be affordable with 90% of this provided for rent and 10% for affordable/intermediate ownership or rent.

4.44 However, this policy will be superseded when the emerging Dorset Local Plan is adopted (assuming it is adopted before the emerging Purbeck Local Plan). The emerging Dorset Local Plan proposes in Policy HOUS2 that 35% of homes in Swanage are delivered as Affordable Housing with a split of 30% affordable home ownership and 70% social/affordable rent.

4.45 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasising that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable. Changing or influencing the overall proportion of housing that must be affordable is uncommon in Neighbourhood Plans and would demand a high standard of evidence to depart from the Local Plan. If this is of interest, it should first be discussed with the LPA to ensure their support and to determine what additional evidence (e.g. about development viability) would be needed.

Affordable Housing at Neighbourhood level

4.46 The HNA can provide more localised evidence and this may be used to support Neighbourhood Plan policies. This section considers an Affordable Housing tenure mix that might be suitable for Swanage on the basis of identified housing need and a range of other considerations detailed in Appendix D.

4.47 This indicative mix is a response to the expectation that the delivery of Affordable Housing will be lower than the needs identified here. In this context, affordable rented tenures should be prioritised. The emerging Dorset Local Plan guideline mix of 70% rented to 30% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.

4.48 Current national policy expects 25% of Affordable Housing to be delivered as First Homes. This leaves little scope for additional affordable home ownership products to be provided in Swanage. As Shared Ownership (particularly at lower

shares of 10%) and Rent to Buy appear to offer affordable routes to ownership in Swanage STC may wish to ensure they are considered as part of the mix of tenures on any sites.

4.49 If Swanage Town Council wish to develop policy that deviates from that outlined in the Local Plan – either by differing from the headline split between renting and ownership or by specifying a greater level of detail around sub-tenures, it is important that they liaise with Dorset Council to determine what additional evidence (notably about development viability) may be needed, and to ensure that departures from the local policy context have their support.

Table 4-10: Indicative tenure split (Affordable Housing)

Tenure	Indicative mix	Considerations and uncertainties
Routes to home ownership, of which	**30%**	
First Homes	25%	Product untested so uncertainties around viability, developer, lenders and buyer appetite etc.
Shared ownership	0-5%	Recently confirmed changes to the model to allow purchases of 10% share - impact on viability unknown. RPs business plans currently reliant on shared ownership model. Impact of displacement by First Homes unknown.
Rent to Buy	0-5%	Emerging product with popularity and effectiveness as yet unknown. Impact of displacement by First Homes unknown.
Affordable Housing for rent, of which	**30%**	
Social rent	To be set by Registered Providers	Uncertain how much funding available to support this tenure in local area. Uncertain whether RPs willing to own/manage stock in this area.
Affordable rent	To be set by Registered Providers	Uncertain whether RPs willing to own/manage stock in this area.

Source: AECOM calculations

Conclusions- Tenure and Affordability

4.50 The proportion of home owners in Swanage (69.7%) is similar to Dorset as a whole (70.1%) but substantially above the rate in England as a whole (61.3%). The private rented sector is marginally larger as a share of households in Swanage (17.6%) compared to Dorset (16.3%). Both areas are below the rate of private renting in England as a whole. The social rented sector is also small compared to England but both Swanage and Dorset have similar levels of social

renting (around 12% of households). Shared owners account for a smaller share of households (0.6%) compared to Dorset and England (both 1%).

4.51 The number of home owners in Swanage fell over the last 10 years. The number of households living in other tenures grew, with the increase in the number of households living in the private rented sector growing to the greatest extent by 18.7%. This pattern is relatively common across the country and reflects, to some extent, worsening affordability of home ownership.

4.52 The median average price in Swanage, which is the middle number when you sort the data from smallest to largest, is £380,000 at the end of 2023. The mean average is higher at £436,065 but this can be affected by a small number of high priced property sales, skewing the figure.

4.53 The lower quartile is the middle figure of the lowest 50% of prices and a good representation of entry-level housing. At the end of 2023, the LQ price in Swanage was £290,000.

4.54 Prices have increased substantially over the last 10 years. The median average price increased by 52% over this period, an absolute increase of £130,000. The lower quartile price also increased by almost 57%, an absolute increase of £105,000 over the decade.

4.55 Prices in Swanage appear higher than in Dorset as a whole with median prices around 9% higher and lower quartile prices 14% higher.

4.56 Household incomes determine the ability of households to exercise choice in the housing market, and consequently the level of need for affordable housing products. The average household income in Swanage was £40,800 in 2020 (the most recent year for this dataset). Dorset's gross individual lower quartile annual earnings were £17,267 in 2022. To estimate the income of households with two lower quartile earners, this figure is doubled to £34,534.

4.57 AECOM has determined thresholds for the income required in Swanage to buy a home in the open market (average and entry-level prices), and the income required to afford private rent and a range of Affordable Housing tenures.

4.58 Local households on average incomes are unable to access even entry-level homes unless they have the advantage of a very large deposit. The median house price would require an annual income more than double the current average. Entry level house prices require households to have incomes of £74,571 compared to actual average household incomes of £40,800.

4.59 Private renting is generally affordable to average income households. Households made up of two lower quartile earners can afford entry level rents, given rental thresholds. It is also important to note that very few properties (6) were available to rent on the market at the time of writing. Availability of private rented housing is likely to be a barrier to accessing the market in Swanage, as well as the cost to local households.

4.60 There is a relatively large group of households in Swanage who may be able to afford to rent privately but cannot afford home ownership. They typically have incomes between around £32,000 per year (at which point entry-level rents become affordable) and £74,571 (at which point entry-level market sale homes become affordable). This 'can rent, can't buy' cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

4.61 This report has estimated the income required to afford First Homes and tested the implications of 30%, 40% and 50% discount levels. Despite improving affordability substantially, none of these discounts would make First Homes affordable to Swanage households with average incomes. Discounts of 50% on market prices could enable households with incomes of around £43,000 to afford to purchase. This is slightly higher than current average incomes (£40,800) but may allow many additional households to access home ownership.

4.62 Shared ownership appears to be more affordable than First Homes. Government has recently announced that the minimum equity share for shared ownership will fall to 10% of the property value.

4.63 Rent to Buy provides households with the option to rent at a discount whilst saving for a deposit to buy their property within a set period (usually within 7 years). However, for some households, the availability of a deposit rather than income level per se is the key barrier to accessing home ownership. Rent to Buy may therefore offer a useful product to meet the needs of some households.

4.64 The affordable rented sector performs a vital function in Swanage as the only option for a large segment of those in the greatest need.

4.65 A Local Housing Need Assessment for Dorset, which covers the former authority area of Purbeck including Swanage, was completed in 2021. As this study is relatively recent and in line with guidance, it is reasonable to use the data it contains to provide estimates of affordable housing needs within Swanage.

- When the LHNA figures are pro-rated to Swanage based on its fair share of the population of the Purbeck sub-area, the figure would be 16 social/affordable rented homes per annum.[11] This estimate would equate to 221 social/affordable rented homes over the Neighbourhood Plan period (2024-2038). The need for social/affordable rented housing therefore exceeds the total requirement for housing in the NA.
- When the LHNA figures are pro rated to Swanage, based on its share of the Purbeck sub area, of which Swanage accounts for 21% of the population this would produce an estimate of 12 affordable home ownership homes per annum. This would equate to 170 households who need affordable home ownership over the plan period 2024-2038.

[11] Swanage population of 9,601 in 2011, compared to 44,973 in Purbeck (former LPA), equating to 21% of the Purbeck population.

4.66 It is important to stress that these households represent potential demand for affordable home ownership because they are already, by and large, housed in the private rented sector. In general, they do not lack their own housing and are not in acute need in the same way as those households in need of social/affordable rented housing.

4.67 The emerging Dorset Local Plan proposes in Policy HOUS2 that 35% of homes in Swanage are delivered as Affordable Housing with a split of 30% affordable home ownership and 70% social/affordable rent.

4.68 The overall proportion of housing that must be affordable is not an area of policy that a Neighbourhood Plan can usually influence, but it is worth emphasising that the HNA finds there to be robust evidence of need for Affordable Housing in the NA, and every effort should be made to maximise delivery where viable.

4.69 The emerging Dorset Local Plan guideline mix of 70% rented to 30% ownership appears to offer a suitable benchmark, which also complies with the various minimum requirements mandated nationally.

4.70 Current national policy expects 25% of Affordable Housing to be delivered as First Homes. This leaves little scope for additional affordable home ownership products to be provided in Swanage. As Shared Ownership (particularly at lower shares of 10%) and Rent to Buy appear to offer affordable routes to ownership in Swanage the Town Council may wish to ensure they are considered as part of the mix of tenures on any sites.

4.71 Table 4.11 summarises Swanage's position with regards to the expected delivery of Affordable Housing, and how this might ideally be apportioned among sub-categories of tenure to meet local needs over the Plan period. This exercise simply applies the housing requirement figure for the area to the Local Plan policy expectation, and shows the quantities of affordable housing for rent and sale that would be delivered if the tenure mix proposed in this HNA were to be rigidly enforced. In this sense it is hypothetical, and the outcomes in practice may differ, either as a result of measures taken in the neighbourhood plan (e.g. if the group plans for more housing (and therefore more affordable housing) than the local plan, or if the group decides to influence the tenure mix in other ways), or as a result of site-specific constraints.

4.72 The potential delivery of Affordable Housing based on the proposed housing requirement for Swanage would not meet all of the need identified in this HNA, based on the figures in the Dorset LHNA and applied to Swanage.

4.73 Affordable housing is typically provided and made financially viable by its inclusion as a proportion of larger market developments, as guided by Local Plan policy. However, if the community wishes to boost the supply of affordable housing, there are other, proactive routes available for its provision. For example, using neighbourhood development orders, identifying exception sites or developing community land trusts.

Table 4-11: Estimated delivery of Affordable Housing in Swanage

	Step in Estimation	Expected delivery
A	Proposed housing requirement	200
B	Affordable housing quota (%) in emerging Dorset Local Plan	35%
C	Potential total Affordable Housing in NA (A x B)	70
D	Rented % (e.g. social/ affordable rented)	70%
E	Rented number (C x D)	49
F	Affordable home ownership % (e.g. First Homes, Rent to Buy)	30%
G	Affordable home ownership number (C x F)	21

Source: AECOM estimate based on LPA's affordable housing policies, AECOM's indicative tenure mix

5. Type and Size

Introduction

5.1 It is common for neighbourhood plans to include policies that influence what form new housing should take in terms of type and size. This requires evidence of what local households need.

5.2 This can be done using statistics to identify relevant trends and potential gaps in the market. That is the focus of this chapter of the HNA. The evidence gathered here can be used to justify planning policies either on its own or in combination with survey results expressing the specific aspirations and concerns of local residents. It will also build up a picture of the population and existing range of homes that may provide useful context for the neighbourhood plan.

5.3 This chapter has three aims, each given its own sub-section:

- To establish what **mix** of housing exists in the NA at present;
- To describe characteristics of the local **population** that are relevant to housing need; and
- To look to the **future**, considering how the population is likely to evolve and what mix of homes would be most appropriate to build.

5.4 It is important to keep in mind that housing need is not an exact science. To get from a set of facts about the population to an ideal mix of homes requires making assumptions. For example, there are clear patterns about what size of home families tend to live in at different stages of life. However, a variety of other reasons sit behind people's housing choices that are less easy to predict, including wealth, accessibility requirements and personal preference. Some trends can also change rapidly over time, such as the increasing preference for home working.

5.5 The conclusions and recommendations given here are therefore not definitive. Rather, they are what the statistics suggest future needs will look like based on current trends. This is sufficient for justifying planning policies, but it is also appropriate to take into account other factors and evidence if desired.

Definitions

- **Dwelling type**: whether a home is detached, semi-detached, terraced, a flat, bungalow or other type. Which a household chooses to occupy tends to be more about wealth and preference than a specific need.
- **Dwelling size**: how many rooms or bedrooms a home contains. While this could also mean floor area or number of storeys, the number of bedrooms is most reliably recorded in housing statistics. Bedroom numbers are also closely linked to family size and life stage.

- **Household**: a unit of people who live together, commonly a family, couple or single person. Not all dwellings contain a household, including properties that are vacant and second homes, so the number of dwellings and the number of households in an area is usually different.
- **Household composition**: the specific combination of adults and children who form a household. The Census offers a number of categories, for example distinguishing between families with children who are dependent or non-dependent (i.e. adults). 'Other' households in the Census include house-sharers, groups of students, and multi-family households.
- **Household life stage**: the age of the lead member of a household – usually the oldest adult, or what used to be called the 'head of household'. Life stage is correlated with dwelling size as well as wealth.
- **Housing mix**: the range of home sizes and types in an area.
- **Over- and under-occupancy**: the degree to which the size and composition of a household lines up with the number of bedrooms in their home. If there are more bedrooms than the household would be expected to need, the home is considered under-occupied, and vice versa.

The current housing mix

5.6 This section establishes the current housing mix of Swanage, highlighting recent changes to it and comparing the mix to wider averages.

Dwelling type

5.7 Table 5-1 shows that a striking feature of Swanage's housing stock is the large number and proportion of flats. Flats account for 32% of the accommodation in the NA, reflecting the purpose build seafront apartments and buildings which have been converted to flats.

5.8 Detached properties have a slightly higher share at 33.7% of the accommodation. Note that the data refers to the type of dwelling that households occupy. Dwellings that have no usual residents are not counted here.

5.9 Semi detached and terraced properties account for a small proportion of the stock at 18.6% and 13.9% respectively.

5.10 The Census does not capture bungalows as a separate category but this is provided by VOA data. 13.8% of accommodation in Swanage is accounted for by bungalows. These are likely to be detached or semi detached homes. The share of bungalows in the stock is lower than in Dorset as a whole (19.3%) but higher than in England (9.2%).

5.11 The change in the number of households occupying different dwelling types from 2011 and 2021 is likely to reflect, in large part, some dwellings being bought by second home owners or converted to holiday lets. Census 2011 recorded almost 2,300 households living in flats in Swanage. Whereas in 2021 the figure was

1,450. This does not reflect a decline in the number of flats, rather that they are no longer occupied by households. Flats experienced the greatest fall in occupancy, followed by terraces, with more limited falls in the number of households living in semi detached and detached homes. This is likely to reflect the attractiveness of smaller properties and flats with sea views for purchase by second home owners and investors to use at holiday lets.

Table 5-1: Accommodation type (households), Swanage, 2011-2021

Type	2011	%	2021	%
Detached	1,699	29.2%	1,522	33.7%
Semi-detached	938	16.1%	839	18.6%
Terrace	836	14.4%	627	13.9%
Flat	2,292	39.4%	1,450	32.1%
Total	5,812		4,512	

Source: Census 2021 and 2011, AECOM Calculations

5.12 Table 5-2 compares the NA mix to wider benchmarks. It shows that Swanage has a share of flats that is substantially higher than Dorset and England as a whole. As a result, its share of terraces and semi detached homes looks small by comparison to the wider benchmarks. Swanage's share of detached homes is larger than in England but below Dorset as a whole. The data suggests a housing stock that is relatively polarised between flats and detached houses, with implications for the choice available to those needing or wanting mid sized homes.

Table 5-2: Accommodation type, various geographies, 2021

Type	Swanage	Dorset	England
Detached	33.7%	40.6%	22.9%
Semi-detached	18.6%	23.4%	31.5%
Terrace	13.9%	19.3%	23.0%
Flat	32.1%	15.4%	22.2%

Source: Census 2021, AECOM Calculations

Dwelling size

5.13 Table 5-3 below presents the current housing mix in terms of size. It shows that the stock in Swanage is dominated by 2 and 3 bedroom properties with more limited numbers and proportion of the smallest (1 bed) and largest homes (4 bed plus). The large proportion of 2 bed properties is, in part, likely to be driven by the high share of flats within the stock in Swanage.

5.14 There has been very little change in the proportion of different sized properties between 2011 and 2021. New development does not appear to have shifted the balance of stock in the NA.

Table 5-3: Dwelling size (bedrooms), Swanage, 2011-2021

Number of bedrooms	2011	%	2021	%
1	485	10.8%	480	10.6%
2	1684	37.4%	1,601	35.5%
3	1605	35.6%	1,648	36.5%
4+	730	16.2%	783	17.4%
Total	4,504		4,512	

Source: ONS 2021 and 2011, AECOM Calculations

5.15 Again, it is useful to look at the percentage breakdown of dwelling sizes in comparison with Dorset and England. Table 5-4 shows that the key difference is the larger share of 2 bedroom properties in Swanage (35.5%) compared to both Dorset and England (both 27%). The share of 3 bedroom homes is similar to the benchmark areas but Swanage has a substantially smaller share of large (4+ bed) properties (17.4%) compared to Dorset as a whole (24%) and is also below the level in England (21%).

Table 5-4: Dwelling size (bedrooms), various geographies, 2021

Number of bedrooms	Swanage	Dorset	England
1	10.6%	8.8%	11.6%
2	35.5%	27.1%	27.3%
3	36.5%	40.2%	40.0%
4+	17.4%	24.0%	21.1%

Source: Census 2021, AECOM Calculations

Population characteristics

5.16 This section examines key characteristics of the local population that have a bearing on what housing might be needed in future years. Where available, recent data is used. However, for some information it is necessary to fall back on the 2011 Census.

Age

5.17 Table 5-5 shows the most recent age structure of the NA population, alongside 2011 Census figures. The largest group in the population is aged 65-84, accounting for 29.7% of people in 2021. This group has increased markedly since 2011 when it accounted for 25% of the population – an increase of 16.6%.

5.18 The younger age groups, particularly children (0-14) and older children and young adults (15-24) are relatively small, accounting for 11.7% and 7.8% respectively. There has been a fall in the number of people in these younger age groups, as well as the 25-44 age group over the last 10 years.

5.19 Although smaller in number than the other age groups, the number of people aged 85+ has increased over the decade and now accounts for 5.8% of Swanage's population. This group in particular will have implications for the care

and support residents need in their homes and is considered further in Section 6.

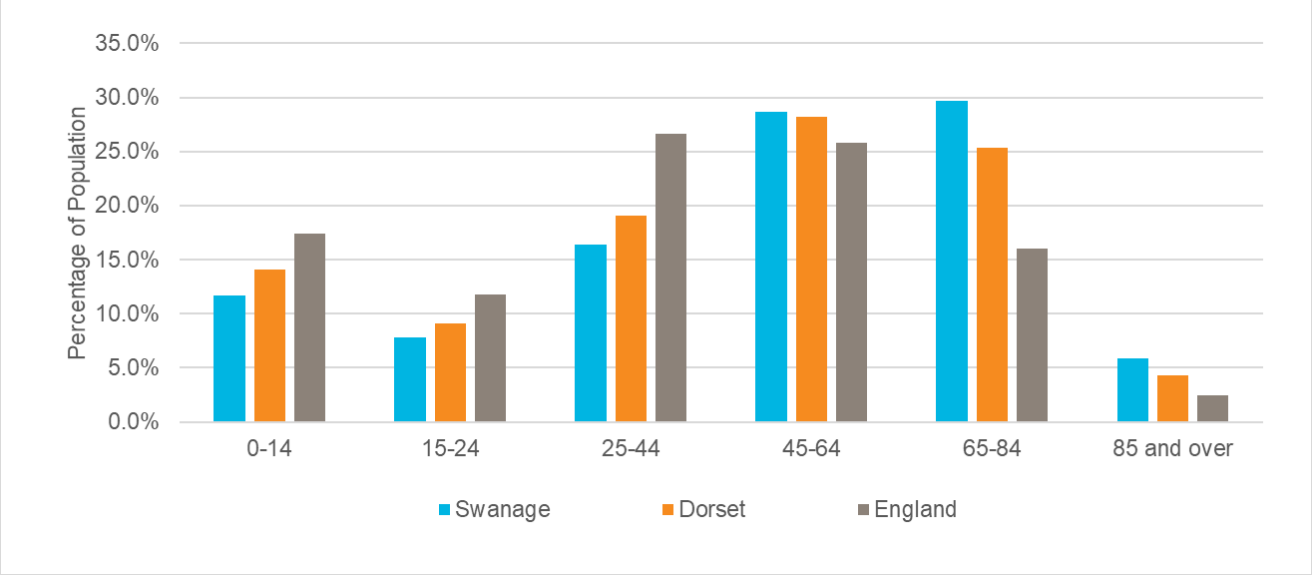
Table 5-5: Age structure of Swanage, 2011 and 2021

Age group	2011 (Census)	%	2021 (Census)	%	Change
0-14	1,207	12.6%	1,101	11.7%	-8.8%
15-24	974	10.1%	735	7.8%	-24.5%
25-44	1,717	17.9%	1,544	16.4%	-10.1%
45-64	2,790	29.1%	2,698	28.6%	-3.3%
65-84	2,401	25.0%	2,799	29.7%	16.6%
85 and over	512	5.3%	551	5.8%	7.6%
Total	9,601	100.0%	9,428	100.0%	-1.8%

Source: ONS 2011, ONS 2021, AECOM Calculations

5.20 It is useful to look at the NA population structure alongside that of Dorset and England. Figure 5-6 (using 2021 Census data) shows that Swanage has a greater share of people in the older age groups (65+) than Dorset and England as a whole. This is also true for the 45-65 age group but the difference with Dorset is more marginal. The younger age groups are notably smaller as a share of the population when compared to Dorset and England.

Figure 5-6: Age structure in Swanage, 2021



Source: ONS 2021, AECOM Calculations

Household composition and occupancy

5.21 Household composition (the combination and relationships of adults and children in a dwelling) is an important factor in the kinds of housing needed over the Neighbourhood Plan period. Table 5-7 shows that Swanage has a large proportion of single person households (35.1%) with the majority of these aged over 65. Older single households account for 21.1% of households in 2021. The second largest group of households (also accounting for 17.4%) is older couples (all aged 65+). Taken together, older households account for 38.5% of all

households in Swanage, a much greater share of households than in Dorset and England as a whole.

5.22 Older households (couples) grew by 17.5% over the last 10 years which is likely to reflect in-migration of older households to Swanage as well as the natural ageing of the existing population.

5.23 Families with children account for just 16.8% of households compared to 20.4% in Dorset and 25.8% in England. The proportion of families with non dependent children is similar to Dorset but lower than in England. Note that non-dependent children refer to households in which adult children are living at home, or which students still call their primary residence despite living for most of the year near to university. A marked increase in this category can be taken to indicate the relative unaffordability of entry-level homes, where young people are financially unable to move out and form their own households. It is interesting to observe that this category grew by 2% between 2011 and 2021 in the NA. Whilst this is lower than the growth in England (3.5%) the increase in the size of this group in Swanage is notable because all other household groups (except older households) declined in size over the period.

Table 5-7: Household composition, Swanage, 2021

Household composition		Swanage	Dorset	England
One person household	**Total**	35.1%	30.6%	30.1%
	Aged 66 and over	21.1%	17.6%	12.8%
	Other	14.1%	13.0%	17.3%
One family only	**Total**	60.6%	64.9%	63.1%
	All aged 66 and over	17.4%	16.0%	9.2%
	With no children	17.0%	18.7%	16.8%
	With dependent children	16.8%	20.4%	25.8%
	With non-dependent children[12]	9.1%	9.4%	10.5%
Other household types	**Total**	4.3%	4.5%	6.9%

Source: ONS 2021, AECOM Calculations

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

[12] Refers to households containing children who are older than 18 e.g students or young working people living at home.

5.25 Most households in Swanage live in a home with at least one extra bedroom. This is particularly true amongst older households, particularly older couples. This is a common pattern across the country, with many older households choosing to remain in their homes or choosing to buy larger homes which fit with their lifestyle. Some may be unable to downsize due to lack of available choice or for practical reasons.

5.26 Whilst overoccupany or overcrowding is relatively uncommon overall (1.6%) of households, it is more common amongst families with dependent children. 5.4% of these households are living in over crowded homes. This provides an indicator of acute housing needs within Swanage.

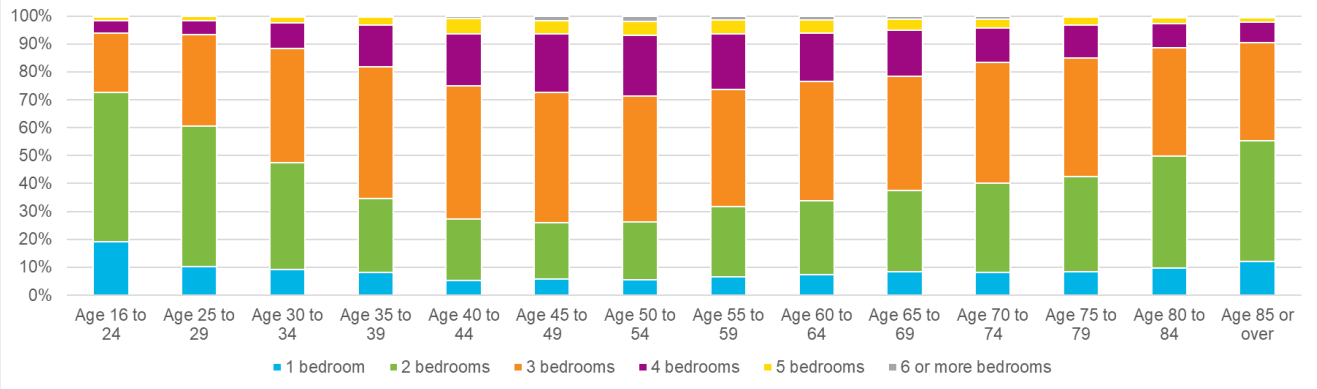
Table 5-8: Occupancy rating by age in Swanage, 2021

Household type	+2 rating	+1 rating	0 rating	-1 rating
Family 66+	61.7%	35.2%	3.1%	0.0%
Single person 66+	35.6%	46.7%	17.7%	0.0%
Family under 66 - no children	58.6%	34.3%	7.1%	0.0%
Family under 66 - dependent children	13.7%	34.8%	46.0%	5.4%
Family under 66 - adult children	21.0%	44.4%	31.9%	2.7%
Single person under 66	24.9%	40.7%	34.4%	0.0%
All households	36.8%	38.8%	22.8%	1.6%

Source: ONS 2021, AECOM Calculations

5.27 As noted in the introduction to this chapter, the life stage of households is strongly correlated with the size of home they tend to occupy. Figure 5-9 sets out this relationship for Purbeck in 2011. This data is not available at smaller scales and has not been updated for local authorities for 2021 as yet and so Purbeck still provides the best proxy. It is also unlikely that the general patterns have changed markedly over time. The graph shows how the youngest households tend to occupy the smallest dwellings, before rapidly taking up larger homes as their families expand, and then more gradually downsizing to smaller homes again as they age.

Figure 5-9: Age of household reference person by dwelling size in Purbeck, 2011



Source: ONS 2011, AECOM Calculations

Future population and size needs

5.28 This section projects the future age profile of the population in Swanage at the end of the Neighbourhood Plan period and then estimates the mix of dwelling sizes they may need.

Age

5.29 The result of applying Local Authority level household projections to the age profile of Swanage households in 2011 is shown in Table 5-10. This makes clear that population growth can be expected to be driven by the oldest households, with only the 65+ age group expected to grow by 68% compared to levels in 2011. Given that the number of households in Swanage has remained stable over the last 10 years this projected growth may not be as strong as expected. Nevertheless, the continued shift in the household population towards older households is likely to continue.

Table 5-10: Projected age of households, Swanage, 2011 - 2038

Year	24 and under	25 to 34	35 to 54	55 to 64	65 and over
2011	87	297	1,301	864	1,955
2038	87	328	1,133	877	3,283
% change 2011-2038	0%	11%	-13%	2%	68%

Source: AECOM Calculations

5.30 The demographic change discussed above can be translated into an 'ideal' mix of dwelling sizes. This is achieved through a model that maps the dwelling size preferences by life stage shown earlier (in Figure 5-9 (rainbow bar graph)) onto the projected age profile for the NA in Table 5-10 immediately above. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

5.31 This approach has limitations, in that it embeds existing size preferences and does not anticipate changes in what people want from their homes. As such, it is appropriate for the results to be taken as a baseline scenario – what would occur if current trends persisted. It may well be the intention of the community to intervene to produce a different outcome more in line with their interpretation of emerging trends and their place- and community-shaping objectives. Layering these factors on top of the indicative picture provided by this model is appropriate for the purpose of drafting neighbourhood plan policies.

5.32 The result of this exercise is presented in Table 5-11. It suggests that the largest proportion of new homes should be provided as 3 bedroom homes with relatively substantial proportions of 2 and 4 bed properties as well. To meet demographic needs, it is unlikely that more 1 bedroom properties are needed, though they may continue to form part of the mix for other reasons.

Table 5-11: Suggested dwelling size mix to 2038, Swanage

Number of bedrooms	Mix (2011)	Current mix (2021)	Suggested mix (2038)	Balance of new housing to reach suggested mix
1	10.7%	10.6%	8.4%	0.1%
2	35.5%	35.5%	31.7%	17.3%
3	36.6%	36.5%	41.5%	60.0%
4+	17.4%	17.4%	18.5%	22.6%

Source: AECOM Calculations

5.33 The following points are useful to keep in mind when thinking about policy options.

- This modelling exercise is not a precise science and so the results should not be translated into precise targets to be met through new development. Some plans include broad indications of the mix, usually rounded to the nearest 5 or 10% or expressed as a range so that some flexibility is retained.
- Section 4 found that affordability is a serious and worsening challenge in the NA. While the provision of Affordable Housing (subsidised tenure products) is one way to combat this, another is to ensure that homes come forward which are of an appropriate size, type and density for local residents' budgets. Continuing to provide smaller homes with fewer bedrooms would help to address this situation.
- Smaller dwellings, particularly flats appear to have been attractive as second homes and holiday let investments. Building these types of homes may increase the risk that they are taken up by these buyers rather than local households who wish to live in Swanage.
- To best meet the needs of the growing cohort of older households expected to be present by the end of the Plan period, it should also be considered whether the existing options are well tailored to older people's requirements in terms of space, flexibility, quality, location and accessibility.
- Variety should be sought within the mid-sized homes that are built in future to attract both newly forming households on lower budgets and older households with equity from their existing larger homes. While the number of bedrooms required may be similar, other preferences and levels of purchasing power could be very different. Facilitating downsizing among older households may also release those larger homes for use by families who need more bedrooms if they existing stock of larger homes is sufficiently affordable.

Tenure

5.34 The guidance discussed above applies to all housing in the NA over the Plan period. This is considered proportionate for devising policy at neighbourhood scale. However, in practice different size mixes may be appropriate for market housing and Affordable Housing. While this distinction may not be appropriate to make in Neighbourhood Plan policy, since Local Authorities tend to define the

precise mix of Affordable Housing required on applicable sites, it is worth thinking through the factors at play.

5.35 The size mix needed within affordable tenures, particularly affordable and social rent, is often smaller than the size mix of market housing. This is because large numbers of households (including small families) are likely to be eligible only for smaller (1 or 2 bedroom properties) on the basis of local authority allocation policies. In contrast, people buying their own homes tend to want more space than they technically 'need', such as spare rooms for guests, home working or other uses. This fact is established in the data on under-occupancy presented earlier in this chapter.

5.36 There are three key sources of information for thinking through the size needs of different households in different tenures. These are:

- The relevant SHMA or LHNA for the Local Authority, which will (usually) set out the projected need by size within each tenure over the long-term. In this case, the Dorset LHNA provides estimates for market, affordable home ownership and social/affordable rented homes across the market area. Table 9.19 in the LHNA is presented as an extract below and shows that the largest need in the market sector is likely to be for 2 and 3 bedroom homes. This is also true for affordable home ownership properties although the LHNA anticipates greater need for smaller homes than in the market sector. In the affordable rented sector the LHNA expects highest need for 1 and 2 bedroom properties, albeit substantial need for 3 bed and larger accommodation (26%) is also anticipated. Whilst this modelling is for the Dorset market area as a whole it is broadly consistent with AECOM's modelling for Swanage.

Table 9.19 **Modelled Mix of Housing by Size and Tenure in Dorset (combining methodologies)**

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5%	35%	44%	15%
Affordable home ownership	21%	40%	29%	10%
Affordable housing (rented)	38%	35%	24%	2%

Sources: Housing Market Model

- The waiting list for affordable rented housing, kept by the Local Authority will also provide a more current snapshot of the size needs of applicant households. As this changes over time, individual planning applications can be decided in ways that meet evolving needs. In many cases, high priority applicants on local authority waiting lists are often households with children living in overcrowded homes and needing a larger property. Larger properties become available through re-let less frequently and so these households may wait long periods to be housed. So whilst LHNAs and waiting lists may indicate greater need for smaller properties, there may be more acute need for a number of larger properties.

- Any relevant household survey or consultation work in the NA can also highlight any specific gaps in the market within particular segments of the population.

5.37 To summarise, the overall size mix recommendation presented above applies generally to new housing in the NA. Within this mix, Affordable Housing might require a greater weighting to particular sizes to meet acute needs, while market homes focus on mid-sized homes and some larger options. It is not necessary (and is potentially not appropriate) for Neighbourhood Plans to be prescriptive about the size mix within different tenures, but a range of data sources exist that indicate a direction of travel, which Local Planning Authorities will draw upon when determining applications, and which it is possible for the neighbourhood planners to monitor.

Type

5.38 Planning policy tends to be less prescriptive about the mix of dwelling types that are needed than the mix of home sizes. This is because the choice to occupy a terraced rather than a detached home, for example, is primarily a matter of wealth, personal preference, and the amount of outdoor space or other features sought than 'need' in the strict sense. This stands in contrast to the matter of dwelling size, where it can be more clearly established that a household with a certain number of members, closely correlated with age, requires a particular number of bedrooms.

5.39 The key distinctions when it comes to dwelling type are between flats and houses and, to a lesser extent, bungalows, each of which tend to appeal to occupants with different life circumstances. However, it remains difficult to generalise about this, particularly when drawing on demographic evidence. A further dimension within Swanage is the appeal of flats and smaller properties to second home owners and as holiday lets.

5.40 The benefits of delivering a certain blend of dwelling types are more closely related to affordability, which is clearly established as an issue in Swanage, and which favours more dense options (e.g. terraces and flats). This imperative to improve affordability is often in conflict with matters of character on some sites which may favour lower density options that blend in with the existing built environment.

5.41 In summary, there is a balance to be struck between, on the one hand, improving affordability and choice in the market by encouraging flats and smaller dwelling types, preserving the distinctive character and other features that residents value and considering whether certain dwelling types are more likely to become second homes or holiday lets. How far the Neighbourhood Plan should guide on this issue, and in what direction, is a policy decision for the Town Council and community to consider.

Conclusions- Type and Size

5.42 A striking feature of Swanage's housing stock is the large number and proportion of flats. Flats account for 32% of the accommodation in the NA, reflecting the purpose build seafront apartments and buildings which have been converted to flats.

5.43 Detached properties have a slightly higher share at 33.7% of the accommodation. Note that the data refers to the type of dwelling that households occupy. Dwellings that have no usual residents are not counted here.

5.44 Semi detached and terraced properties account for a small proportion of the stock at 18.6% and 13.9% respectively.

5.45 The Census does not capture bungalows as a separate category but this is provided by VOA data. 13.8% of accommodation in Swanage is accounted for by bungalows. These are likely to be detached or semi detached homes. The share of bungalows in the stock is lower than in Dorset as a whole (19.3%) but higher than in England (9.2%).

5.46 The change in the number of households occupying different dwelling types from 2011 and 2021 is likely to reflect that some dwellings being bought by second home owners or converted to holiday lets. Census 2011 recorded almost 2,300 households living in flats in Swanage. Whereas in 2021 the figure was 1,450. This does not reflect a decline in the number of flats, rather that they are no longer occupied by households. Flats experienced the greatest fall in occupancy, followed by terraces, with more limited falls in the number of households living in semi detached and detached homes. This is likely to reflect the attractiveness of smaller properties and flats with sea views for purchase by second home owners and investors to use at holiday lets.

5.47 In terms of size, the stock in Swanage is dominated by 2 and 3 bedroom properties with more limited numbers and proportion of the smallest (1 bed) and largest homes (4 bed plus). The large proportion of 2 bed properties is, in part, likely to be driven by the high share of flats within the stock in Swanage.

5.48 There has been very little change in the proportion of different sized properties between 2011 and 2021. New development does not appear to have shifted the balance of stock in the NA.

5.49 The largest group in the population is aged 65-84, accounting for 29.7% of people in 2021. This group has increased markedly since 2011 when it accounted for 25% of the population – an increase of 16.6%.

5.50 The younger age groups, particularly children (0-14) and older children and young adults (15-24) are relatively small, accounting for 11.7% and 7.8% respectively. There has been a fall in the number of people in these younger age groups, as well as the 25-44 age group over the last 10 years.

5.51 Although smaller in number than the other age groups, the number of people aged 85+ has increased over the decade and now accounts for 5.8% of Swanage's population. This group in particular will have implications for the care and support residents need in their homes.

5.52 Taken together, older households account for 38.5% of all households in Swanage, a much greater share of households than in Dorset and England as a whole. Older households (couples) grew by 17.5% over the last 10 years which is likely to reflect in-migration of older households to Swanage as well as the natural ageing of the existing population.

5.53 Families with children account for just 16.8% of households compared to 20.4% in Dorset and 25.8% in England.

5.54 The demographic change discussed above can be translated into an 'ideal' mix of dwelling sizes for the future. This is achieved through a model that maps the dwelling size preferences by life stage onto the projected age profile for the NA by 2038. The resulting 'ideal' future mix of dwelling sizes can then be compared to the current stock of housing to identify how future development might best fill the gaps.

5.55 The result of this exercise suggests that the largest proportion of new homes should be provided as 3 bedroom homes with relatively substantial proportions of 2 and 4 bed properties as well. To meet demographic needs, it is unlikely that more 1 bedroom properties are needed, though they may continue to form part of the mix for other reasons.

5.56 It is important to remember that other factors should be considered in determining the dwelling mix that is desirable in the NA or on any particular site. These include the specific characteristics of the nearby stock of housing (such as its condition and design), the role of the NA or site within the wider housing market area (linked to any Local Authority strategies or plans) and site-specific factors.

6. Specialist housing for older people

Introduction

6.1 It is relatively common for neighbourhood plans in areas with ageing populations to include policies relating to specialist housing for older people. This chapter considers in detail the specialist housing needs of older people in Swanage. It focuses on specialist forms of provision but recognises that the majority of older people will live in the mainstream housing stock. The approach is as follows:

- To review the **current provision** of specialist housing in the NA;
- To estimate the **potential demand** for this form of accommodation with reference to the projected growth in the older population and current rates of mobility limitation; and
- To discuss the potential for meeting this need through adaptations to the mainstream stock and other **additional considerations**.

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

6.3 It is important to note that the need for housing for particular groups of people may well exceed, or be proportionally high in relation to, the total housing need or requirement. This is because the needs of particular groups will often be calculated having consideration to the whole population of an area as opposed to the projected new households which form the baseline for estimating housing need overall.[13]

6.4 This study covers the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).[14] Residences that fall into Use Class C2 (institutions including prisons, boarding schools and some care homes for older people) are largely beyond the scope of this research. However, it is possible to estimate the likely need for residential and nursing care over the Neighbourhood Plan period.

6.5 The distinction between care homes for older people that fall into use class C2 and those where accommodation is counted as C3 is blurred. As such, the findings of this chapter may justify the provision of extra-care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required. C3 specialist accommodation is typically self-contained with its own front door, made available on an individual basis with support provided in the home or not at all if the resident does not require it, and offered for sale or rent on the open market.

[13] See Paragraph: 017 Reference ID: 2a-017-20190220, at https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments)
[14] For a full description of Planning Use Classes, please refer to https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

Definitions

- **Older people:** people over retirement age, ranging from the active newly retired to the very frail elderly. Their housing needs tend to encompass accessible and adaptable general needs housing as well as the full spectrum of retirement and specialised housing offering additional care.
- **Specialist housing for older people:** a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups. This could include residential institutions, sheltered housing, extra care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services.
- **Sheltered Housing[15]:** self-contained flats or bungalows where all the residents are older people. Schemes on the whole provide independent, self-contained homes, either to rent or buy. Properties in most schemes have features like raised electric sockets, lowered worktops, walk-in showers, and so on, as well as being linked to an emergency alarm service. Some will be designed to accommodate wheelchair users. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, guest flats and gardens.
- **Extra Care Housing:** housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required. Residents are able to live independently with 24-hour access to support services and staff, and meals are often also available. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.
- **Category M4(2):** accessible and adaptable dwellings.
- **Category M4(3):** wheelchair user dwellings.

Specialist housing for older people

6.6 There is a total of 221 units of specialist housing for older people in the NA at present, the majority of which are available for social rent (61%) for those in financial need, with the remainder being offered for leasehold market purchase. The current stock is largely described as age restricted or retirement housing. There are no schemes which provide onsite care for those with higher support or care needs. Details are provided in Appendix E.

6.7 The 2021 Census indicates that at this time there were 1,707 individuals aged 75 or over in Swanage. This suggests that current provision is in the region of 129 units per 1,000 of the 75+ population (a common measure of specialist housing supply). It is relevant to note that the national average for England is 136

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

units per 1,000 of the 75+ population[16], so provision in the NA is slightly below the national average.

Demographic characteristics

6.8 The starting point for estimating the need for specialist housing for older people is to project how the overall number of older people in Swanage is likely to change in future. This is calculated by extrapolating population projections from the ONS Sub-National Population Projections for Dorset. The results are set out in Table 6-1.

6.9 Swanage is projected to experience a substantial increase in the number of people aged 75+ by 2038 (+886 people). By 2038, 25.9% of the population is expected to be over the age of 75. Between 2011 and 2021 there was an increase of 179 people aged 75+. Past growth suggests that the ONS projections may exaggerate the growth that may occur in this age group in the future. Swanage's population has fallen slightly between 2011 and 2021 which has moderated growth in the older population.

6.10 A key assumption for the estimate given at the end of this section is that the older people living in the NA currently are already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made appropriate adaptations to their own homes or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without evidence from a household survey (which itself may not give a complete picture). As such, the growth in the older population rather than the total at the end of the Plan period is the key output of this calculation.

Table 6-1: Modelled projection of older population in Swanage by end of Plan period

Age group	2021		2038	
	Swanage	Dorset	Swanage	Dorset
All ages	9,428	379,579	9,993	402,316
75+	1,707	54,842	2,593	83,293
%	18.1%	14.4%	25.9%	20.7%

Source: ONS SNPP 2020, AECOM Calculations

6.11 The next step is to consider the need for different tenures of dwelling for older people. It is assumed that those currently occupying their own home will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

[16] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

6.12 The 2011 55-75 age bracket is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2038. The top row in Table 6-2 outlines the tenure mix among households aged 55-75 at Local Authority level[17], which indicates that the vast majority are home owners (just over 80%) with broadly equal proportions renting privately and in the social rented sector).

6.13 The expected growth in the 75+ population in the NA is 886 additional individuals by the end of the plan period. This can be converted into 652 households based on the average number of people per household aged 75+ at Local Authority scale. Multiplying this figure by the percentages of 55-75 year olds occupying each tenure gives a breakdown of which tenures Swanage households are likely to need in 2038, and is shown in the bottom row of Table 6-2.

6.14 Note that if Swanage's older population (aged 75+) grows at the same rate as in the recent past (2011-2021), a more modest expansion of people and households in this age group would be likely. Growth in over 75s might be expected to be 304 people, formed into 224 households. The implication of this is considered in the final estimates in this section.

Table 6-2: Tenure of households aged 55-75 in Purbeck (2011) and projected aged 75+ in Swanage (2038)

	All owned	Owned outright	Owned (mortgage) or Shared Ownership	All Rented	Social rented	Private rented	Living rent free
Purbeck (2011 mix)	80.4%	59.8%	20.6%	19.6%	9.7%	8.2%	1.7%
Swanage (2038)	524	390	134	128	63	54	11

Source: Census 2011

6.15 It is also important to consider rates of disability by tenure. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs they may find that the only suitable and affordable option to them is available in the social rented sector. Table E-2 in Appendix E presents this data for Swanage from the 2011 Census.

Future needs for specialist accommodation and adaptations

6.16 Based on the evidence outlined above, the number of households falling into potential need for specialist accommodation over the Plan period is calculated to be 316. As discussed, this is reached by applying local authority population projections to Swanage. However, recent population growth in Swanage has been lower than these projections anticipate for the future, partly as a result of

[17] Purbeck is used for this data because it is the closest proxy data for Swanage.

the expansion of second homes and holiday lets which appears to have suppressed growth in the resident population. As such, applying past growth rates (2011-2021) in the older population would result in an estimated need for 104 specialist homes over the plan period.

6.17 AECOM's modelling, summarised in Table 6-3, presenting estimates for both scenarios discussed above and is based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. extra care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. However, it is important to note that, even those people who have high support or care needs can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aim to reduce the need to commission increasing numbers of care home beds.

6.18 Overall, the largest proportion of estimated need is for housing which provides limited support or care, for example sheltered or retirement living schemes, or potentially suitable adaptations or accessibility features in mainstream homes. Nevertheless, there is relatively substantial need for housing with care. Typically this is delivered as extra care or assisted living schemes where support and care is available 24 hours on site. As a minimum, based on past growth in the older population, AECOM's estimate suggests 45 properties, defined as housing with care, might be required by the end of the plan period.

6.19 The majority of specialist housing is required to meet demand from households who are home owners (over 70%). This contrasts with the availability of specialist housing in Swanage at present, which is dominated by social rented stock.

Table 6-3: AECOM estimate of specialist housing for older people need in Swanage by the end of the Plan period

Type	Affordable	Market	Total (based on ONS projections)	Total (based on past growth rates)
Housing with care	28%	72%	**130**	**45**
Adaptations, sheltered, or retirement living	22%	78%	**185**	**59**
Total	**25%**	**75%**	**316**	**104**

Source: Census 2011, AECOM Calculations

6.20 It is worth comparing these findings with the recommendations of the Housing Learning and Improvement Network (HLIN), one of the simplest and widely used models estimating for the housing needs of older people. HLIN calculations

6.21 **Ta**3 in Appendix E reproduces the key assumptions of HLIN's Strategic Housing for Older People (SHOP) toolkit. Applying those assumptions to the growth in the older population of Swanage results in a total of 222 specialist dwellings that might be required to the end of the Plan period. This is set out in Table 6-4. As with AECOM's estimates described above, these figures are driven by ONS projected population growth at the local authority level. When past growth rates in the older population of Swanage are used, the overall estimate is reduced to 76.

6.22 Again, the largest proportion of demand is likely to be for market housing from older home owners, albeit with a substantial need from those needing affordable options. HLIN also estimates a similar balance between housing with care and specialist homes with more limited support provided.

Table 6-4: HLIN estimate of specialist housing for older people need in Swanage by the end of the Plan period

Type	Affordable	Market	Total (based on ONS projections)	Total (based on past growth rates)
Housing with care	43%	57%	**63**	**22**
Adaptations, sheltered, or retirement living	33%	67%	**159**	**55**
Total	**36%**	**64%**	**222**	**76**

Source: Housing LIN, AECOM calculations

6.23 The Dorset LHNA has estimated need for 4,422 additional dwellings with support or care by 2038. This would equate to 111 dwellings in Swanage based on its share of the Dorset population (2.5% in 2021). The LHNA estimates indicate a similar scale of need for specialist accommodation as the two estimates presented here that are based on past growth rates.

Further considerations

6.24 The above estimates suggest that potential need for specialist accommodation could be in the range of 76-104 units over the Neighbourhood Plan period assuming past growth rates in the older population are maintained. Much higher levels may be required if growth in the population follows ONS projections. However, it may not be possible or appropriate to deliver this scale of new accommodation. It is proportionally high in relation to the overall housing delivery expectation in the NA, and therefore should not necessarily be prioritised to the exclusion of other groups, such as those in need of Affordable Housing.

6.25 In addition, specialist housing for older people should only be provided in sustainable, accessible locations that offer services and facilities, public transport options, and the necessary workforce of carers and others.

6.26 Alongside the need for specialist housing to be provided in accessible locations, another important requirement is for cost effectiveness and economies of scale. This can be achieved by serving the specialist older persons housing needs arising from a number of different locations and/or Neighbourhood Areas from a single, centralised point (i.e. what is sometimes referred to as a 'hub-and-spoke' model).

6.27 It is considered that Swanage is, in broad terms, a suitable location for specialist accommodation on the basis of the accessibility criteria and the considerations of cost-effectiveness above. As such, there is potential for such accommodation to be provided within the Neighbourhood Area (while noting there is no specific requirement or obligation to do so if there is potential to meet need arising from Swanage in other suitable locations near to but outside the Plan area boundaries).

6.28 It is also important to emphasise that the potential need for specialist housing for older people overlaps with the need for care home bedspaces and the need for adaptations to mainstream housing. These topics are considered in the sections below.

Care homes

6.29 Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing. There are currently 111 care home beds within 3 care homes in Swanage.

6.30 However, some residents of care homes may be similar in terms of their care and support needs as those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation can be provided. Nevertheless, there is likely to be continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.

6.31 Given the overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available, estimates of the future need for care home accommodation, as with estimates of the need for specialist housing above, are uncertain and depend on both local and national policies, delivery, and the appetite of private developers.

6.32 AECOM has estimated the likely need for care home accommodation over the plan period, based on the HLIN SHOP toolkit prevalence rates for residential and nursing care homes for older people (aged 75+). This estimate applied the prevalence rates in the 'More Choice, Greater Voice' 2008 report which informed

the development of the HLIN toolkit. This report suggested that 65 residential care beds per 1,000 people aged 75+ was an appropriate rate. Based on this rate, applied to the growth in the older population for consistency with the calculations above, it is estimated that in 2038 there would be a need for 20 additional residential care homes beds in the NA. This estimate is based on the growth rate of the population aged 75+ between 2011-2021. As with other estimates in this section, if ONS population projections were applied to Swanage, the figure would increase to an additional 57 beds.

6.33 It is important to note that as these estimates relate to care homes (or the population in institutions) rather than independent housing, these figures are in addition to the overall need for housing in the NA. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.

The Role of Mainstream Housing

6.34 The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the tally of the existing stock in Appendix E, around 81% of the Swanage population aged 75 and over is likely to live in the mainstream housing stock[18].

6.35 It is not possible to be precise about how well older people are accommodated within mainstream housing, in terms of whether their accommodation in suitable to their needs and whether adequate care or support is provided within the home when they need.

6.36 However, given that there is unlikely to be a large volume of additional specialist supply during the Plan period, another avenue to addressing those with relevant needs is to discuss the standards of accessibility and adaptability in new development to be met in the Local Plan.

6.37 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings[19], although changes to Building Regulations have not yet been made.

6.38 The current emerging Dorset Local Plan policy HOUS1 sets specific requirements (20%) for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)). The evidence gathered here may justify the Town Council approaching the LPA to discuss setting requirements on accessibility and adaptability at the authority wide level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and

[18] 1,707 over 75s in 2021, of which 221 are accommodated in specialist housing and a further 111 in care homes, leaving 1,375 people living in mainstream housing. This is approximate since some people in specialist housing and care homes will be under the age of 75.
[19] See Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK (www.gov.uk)

accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

6.39 The proportion of new housing that might accommodate those using wheelchairs is harder to define at small scales. Typically, at Local Authority scale, this might be set with reference to the proportion of Affordable Housing applicants in the Local Authority area falling into this category or to wider data from surveys and other sources where available.

6.40 Table 6-5 sets out the proportion of wheelchair users in England as a whole, either using a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population). As a crude estimate, these percentages are applied to the expected level of housing delivery for Swanage to suggest the number that might be encouraged to be wheelchair friendly or adaptable. This would imply a potential need for 1-6 wheelchair accessible dwellings over the Plan period. It is worth noting that these national figures are for all age categories, not just older persons, although it is likely that a significant proportion of households using a wheelchair will be older persons.

Table 6-5: Wheelchair use Nationally Applied to Swanage

	Percentage in England	% applied to NA housing requirement figure (200 to end of plan period)
Households using wheelchair all the time	0.6%	1.2
Households using wheelchair either indoors or outdoors	3.0%	6

Source: Survey of English Housing 2018/19

Conclusions- Specialist Housing for Older People

6.41 There is a total of 221 units of specialist housing for older people in the NA at present, the majority of which are available for social rent (61%) for those in financial need, with the remainder being offered for leasehold market purchase. The current stock is largely described as age restricted or retirement housing.

6.42 The 2021 Census indicates that at this time there were 1,707 individuals aged 75 or over in Swanage. This suggests that current provision is in the region of 129 units per 1,000 of the 75+ population (a common measure of specialist housing supply). It is relevant to note that the national average for England is 136 units per 1,000 of the 75+ population[20], so provision in the NA is slightly below the national average.

6.43 Between 2011 and 2021 there was an increase of 179 people aged 75+. Past growth suggests that the ONS projections may exaggerate the growth that may occur in this age group in the future. Swanage's population has fallen slightly between 2011 and 2021 which has moderated growth in the older population.

[20] Table 22, 'More Choice Greater Voice' (2008), published by Housing LIN for CLG (now DLUHC) and the Care Services Improvement Partnership

6.44 if Swanage's older population (aged 75+) grows at the same rate as in the recent past (2011-2021), a more modest expansion of people and households in this age group would be likely. Growth in over 75s might be expected to be 304 people, formed into 224 households.

6.45 The estimates in this report suggest that potential need for specialist accommodation could be in the range of 76-104 units over the Neighbourhood Plan period assuming past growth rates in the older population are maintained. Much higher levels may be required if growth in the population follows ONS projections. The largest share of this estimated need is for housing with limited support/care, which may be age restricted, sheltered or even mainstream housing. Most need is from households who are home owners and likely to want to buy rather than rent specialist housing.

6.46 The majority of older people live in mainstream housing and will continue to do so all of their lives. Based on the estimated number of older people and the tally of the existing stock in Swanage, around 81% of the Swanage population aged 75 and over is likely to live in the mainstream housing stock.

6.47 The current emerging Dorset Local Plan policy HOUS1 sets specific requirements (20%) for the proportion of new housing that might be required to meet national standards for accessibility and adaptability (Category M4(2)). The evidence gathered here may justify the Town Council approaching the LPA to discuss setting requirements on accessibility and adaptability at the authority wide level. It is unclear whether Neighbourhood Plans can set their own requirements for the application of the national standards of adaptability and accessibility for new housing and so discussions with the LPA are advised if this is a key priority.

6.48 It is relatively common for Local Plans to require that all or a majority of new housing meets Category M4(2) standards in response to the demographic shifts being observed nationwide. Government is considering mandating M4(2) on newly erected dwellings[21], although changes to Building Regulations have not yet been

[21] See Raising accessibility standards for new homes: summary of consultation responses and government response - GOV.UK (www.gov.uk)

7. Second Homes

Introduction

7.1 Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.

7.2 The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.

7.3 Swanage clearly exhibits some of wider challenges, with fairly severe affordability issues, as demonstrated in Chapter 4, a decline in the resident population over the last 10 years and development constraints associated with the AONB and coastal area.

7.4 This section of the HNA gathers the limited available data on the rate of second home ownership in Swanage that may be used to support policy decisions in this area. The approach is as follows:

- To estimate the **current level** of second home ownership (including commercial holiday lets);
- To estimate the **financial incentive** for home owners to use their properties for commercial holiday lets as opposed to long term private rentals; and
- To discuss the potential **policy options** relating to second homes in the NA.

Second and Holiday Homes Data

7.5 Before looking at second home ownership levels in the NA, it is important to understand the levels of second home ownership, and specifically holiday lets, across the country. According to the English Housing Survey 2018-2019, 2.4 million households in England reported having at least 1 additional residence, with 772,000 of these second homes (including homes primarily used as holiday homes, holiday lets, or working away from home). It was also noted that 57% of second homes were in the UK. Therefore, it could be estimated in 2018/19 that there were at least 440,040 second homes in the UK from households in England, assuming each of 772,000 households above had just 1 additional home.

7.6 The impact of this nationally is more simply understood as a percentage of all dwellings. There were an estimated 28.9 million dwellings in the UK in 2019[22], meaning that second homes (of which the households that owned them lived in England) in the UK accounted for around 1.5% of total dwellings. The UK second

[22] Collated dwelling stock data from GOV.UK, GOV.WALES, National Records of Scotland, and Northern Ireland Department of Finance.

home ownership levels would of course be higher than this when also taking into account second homes owned by households in Wales, Scotland, and Northern Ireland.

7.7 Turning to the NA specifically, Swanage contained 4,504 households and 5,812 dwellings in 2011, implying that there were 1,308 dwellings (or 'household spaces') with no usual resident household. 22.5% of dwellings therefore had no usual residents.

7.8 Looking to 2021, the NA contained 4,513 households according to the Census, with 6,003 dwellings as of 2021. This implies that there were 1,490 dwellings (or 'household spaces') with no usual resident, with empty dwellings accounting for 24.8% of all housing. This represents an increase of 182 dwellings which has no usual residents.

7.9 For comparison, the rate of dwellings that had no usual residents across Dorset as a whole in 2021 was 7.8%, substantially lower than Swanage.

7.10 For England, the rate was 6.0%. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership. Due to the location of the NA it is assumed that the majority of dwellings without usual residents are second homes, either personal or for holiday let.

7.11 To understand what proportion of these properties might be commercial holiday lets rather than second homes research was undertaken on the number of properties in the NA registered for holiday let on Airbnb in March 2024. At this time, there were 270 whole properties available for letting.[23]

7.12 It is clear that with such high levels of second home ownership in the NA, and the demand for second homes, that this has had an adverse effect on affordability for local people. It is worth assessing here the difference in potential income between private landlords and holiday lets in Swanage as part of the explanation for the number of holiday lets.

7.13 In order to undertake this comparison, the number of whole property holiday lets available for a week rental in peak holiday season (July and August) 2024 was established from holiday rental site Airbnb[24]. The average letting price was determined, which could then be compared to the average rental price of private rented properties in Swanage. This process is outlined below:

- Average nightly cost of Swanage holiday let (July/August 2024) from Airbnb properties = £210.53
- Average weekly cost of above = £210.53 * 7 = £1,473.71
- Average monthly cost of above = £1,473.71 * 4 = £5,894.83

[23] This includes whole properties as part properties will still have a usual resident. The search identifies properties available forr a week stay flexibly in June/July/August 2024 so it will be peak holiday season. Figures will vary on a day to day basis.
[24] Search of properties as of 10th January 2022

- Average monthly cost of private rented dwelling in the NA[25] = £936

7.14 These calculations show that if a holiday let was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be 6x greater than associated with longer term private rental. This may go some way to explain the scale of holiday lets in the NA.

7.15 Nevertheless, the private rental sector in Swanage has grown 2011-2021 by 130 households (+18%). This is a slightly lower rate of increase than in England (+20%) but suggest that the increase in second home ownership and holiday lets has not, as yet, prevented growth of the PRS. However, at the timing of writing this HNA, there were very few private rented properties available on the market. Just 6 properties were available for rent in February 2024 with a relatively limited range of sizes for let.

7.16 Although the potential income difference is clear to see above, there are other factors to be taken into consideration. These include the fact that holiday lets may not be occupied for the whole year, as well as running and maintenance costs (which would be associated with both holiday lets and private rentals), and the greater amount of work potentially required with holiday lets in terms of weekly cleaning and booking administration.

Policy Considerations

7.17 It is not only Swanage within Dorset that has housing challenges relating to second home ownership. One such example is Southwold in East Suffolk, which experiences extreme challenges due to the prevalence of second home ownership and commercial holiday lets. It was estimated in 2015 that just 43% of dwellings were primary residences. It is further estimated that 22% of dwellings were holiday lets and 35% second homes[26].

7.18 The Southwold Neighbourhood Plan, Made in February 2022, outlines a number of ways to tackle housing affordability issues linked to high demand for second homes. This includes using community led housing as a vehicle to ensure Affordable Housing is delivered in perpetuity, without the risk of Right to Acquire or fully staircasing shared ownership properties leading to Affordable Housing becoming second homes in the future.

7.19 The Neighbourhood Plan also includes a 'Principal Residence Requirement' (Policy SWD4) which outlines that proposals for new housing would only be supported where both first and future occupation is restricted in perpetuity to ensure that each new dwelling is only occupied as a principal residence. This would protect any new dwellings from becoming second homes or holiday lets, increasing the proportion of households living full-time in the town.

[25] As of 20th December 2021 – covering the private rented sector proxy area discussed in the Appendix.
[26] Southwold Neighbourhood Plan - https://www.eastsuffolk.gov.uk/assets/Planning/Neighbourhood-Planning/Designated-Neighbourhood-Areas/Southwold/Southwold-Neighbourhood-Plan.pdf

7.20 The affordability evidence establishes a clear context of poor and worsening affordability in Swanage that prevents local people from moving to homes better suited to their needs within the neighbourhood and prevents younger households without significant financial help from accessing suitable housing.

7.21 It is not possible to establish a precise causal link between second home ownership and declining affordability because rising prices and declining affordability is affected by other factors such as economic growth at the national level. However, given the scale of second home ownership in the NA, AECOM suggest that it is highly likely that the second homes market is a factor in the price in prices and declining affordability in the area. Furthermore, there are substantial financial incentives to let properties to holiday makers rather than long term tenants in the private rented sector.

7.22 The private rented sector in the NA is a reasonable size (17.6% of households) and has grown over the last decade which may indicate that the growth of the holiday let and second home market has not impacted detrimentally on private renting. However, in the context where new housing development is limited, all other things being equal, the expansion of second homes and holiday lets will reduce the availability of housing for households wishing to live in the area. Reduced availability (or supply) when demand is the same or growing, leads to increased prices and rents.

7.23 AECOM suggest this may be a reason to apply a Principal Residence Policy or similar in the NA. As this policy is developed, if new data becomes available (e.g. additional data sources quantifying levels of second home ownership), the group may wish to refine the policy to adapt to any changes in the scale of the market.

Conclusions- Second homes

7.24 Neighbourhood Plan policies controlling second home ownership are typically evidenced by demonstrating a high or rapidly increasing rate of second home ownership within a context of acute affordability challenges and/or serious constraints in the availability of overall housing.

7.25 The existence of second or holiday homes is not necessarily a problem in and of itself. It becomes a problem when it creates intense competition for local home buyers (or renters), inflates prices, or reduces the resident population to the extent that local services, employment, and community vitality are impacted.

7.26 Swanage clearly exhibits some of wider challenges, with fairly severe affordability issues, a decline in the resident population over the last 10 years and development constraints associated with its geography as a coastal town and environmental designations.

7.27 Swanage contained 4,504 households and 5,812 dwellings in 2011, implying that there were 1,308 dwellings (or ‘household spaces’) with no usual resident household. 22.5% of dwellings therefore had no usual residents.

7.28 By 2021, the NA contained 4,513 households according to the Census, with 6,003 dwellings as of 2021. This implies that there were 1,490 dwellings (or 'household spaces') with no usual resident, with empty dwellings accounting for 24.8% of all housing. This represents an increase of 182 dwellings which has no usual residents.

7.29 For comparison, the rate of dwellings that had no usual residents across Dorset as a whole in 2021 was 7.8%, substantially lower than Swanage.

7.30 For England, the rate was 6.0%. It is worth noting that across the country (or even the local authority area), dwellings will be empty for different reasons (including being uninhabitable), not just second home ownership. Due to the location of the NA it is assumed that the majority of dwellings without usual residents are second homes, either personal or for holiday let.

7.31 There were 270 whole properties available for letting on Airbnb in March 2024.If a holiday let in Swanage was rented back-to-back, as it is assumed it would be in the summer months, the income (exclusive of any related costs) associated with the holiday let would be 6x greater than associated with longer term private rental. This may go some way to explain the scale of holiday lets in the NA.

7.32 Nevertheless, the private rental sector in Swanage has grown 2011-2021 by 130 households (+18%). This is a slightly lower rate of increase than in England (+20%) but suggest that the increase in second home ownership and holiday lets has not, as yet, prevented growth of the PRS. However, at the timing of writing, there were very few private rented properties available on the market. Just 6 properties were available for rent in February 2024 with a relatively limited range of sizes for let.

7.33 It is not only Swanage within Dorset that has housing challenges relating to second home ownership. One such example is Southwold in East Suffolk, which experiences extreme challenges due to the prevalence of second home ownership and commercial holiday lets. It was estimated in 2015 that just 43% of dwellings were primary residences.

7.34 The Southwold Neighbourhood Plan, Made in February 2022, outlines a number of ways to tackle housing affordability issues linked to high demand for second homes. This includes using community led housing as a vehicle to ensure Affordable Housing is delivered in perpetuity, without the risk of Right to Acquire or fully staircasing shared ownership properties leading to Affordable Housing becoming second homes in the future.

7.35 The Neighbourhood Plan also includes a 'Principal Residence Requirement' (Policy SWD4) which outlines that proposals for new housing would only be supported where both first and future occupation is restricted in perpetuity to ensure that each new dwelling is only occupied as a principal residence. This would protect any new dwellings from becoming second homes or holiday lets, increasing the proportion of households living full-time in the town.

8. Next Steps

Recommendations for next steps

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

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

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

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

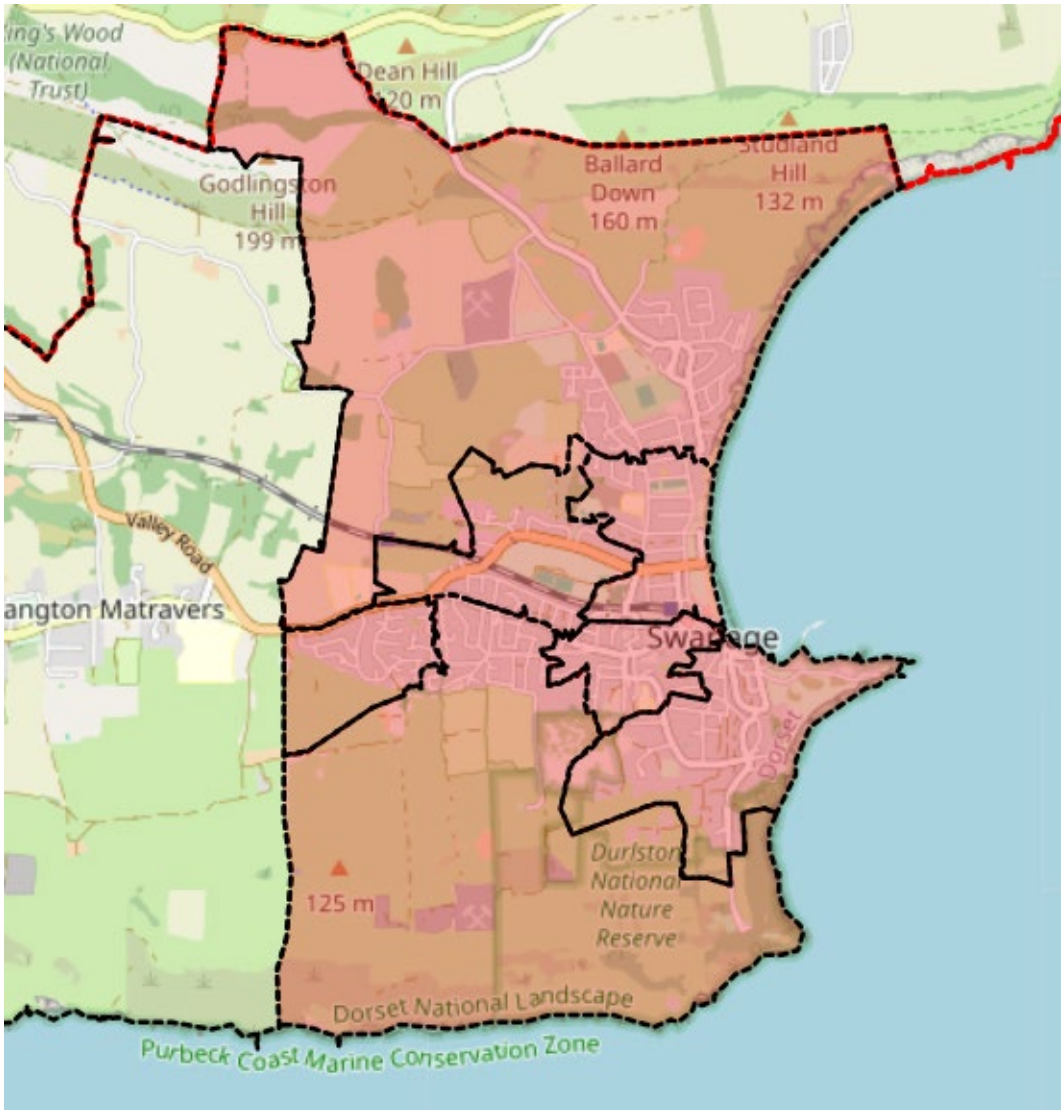
8.4 At the same time, monitoring on-going demographic or other trends over the Neighbourhood Plan period will help ensure the continued relevance and credibility of its policies.

Appendix A : Assessment geography

1. For Census purposes, the whole of England is divided into statistical units of similar population size called Output Areas (OAs) and their larger equivalents. OAs are the smallest units. They make up Lower Layer Super Output Areas (LSOAs), which in turn make up Middle Layer Super Output Areas (MSOAs). The Swanage NA equates to the following combination of LSOAs@

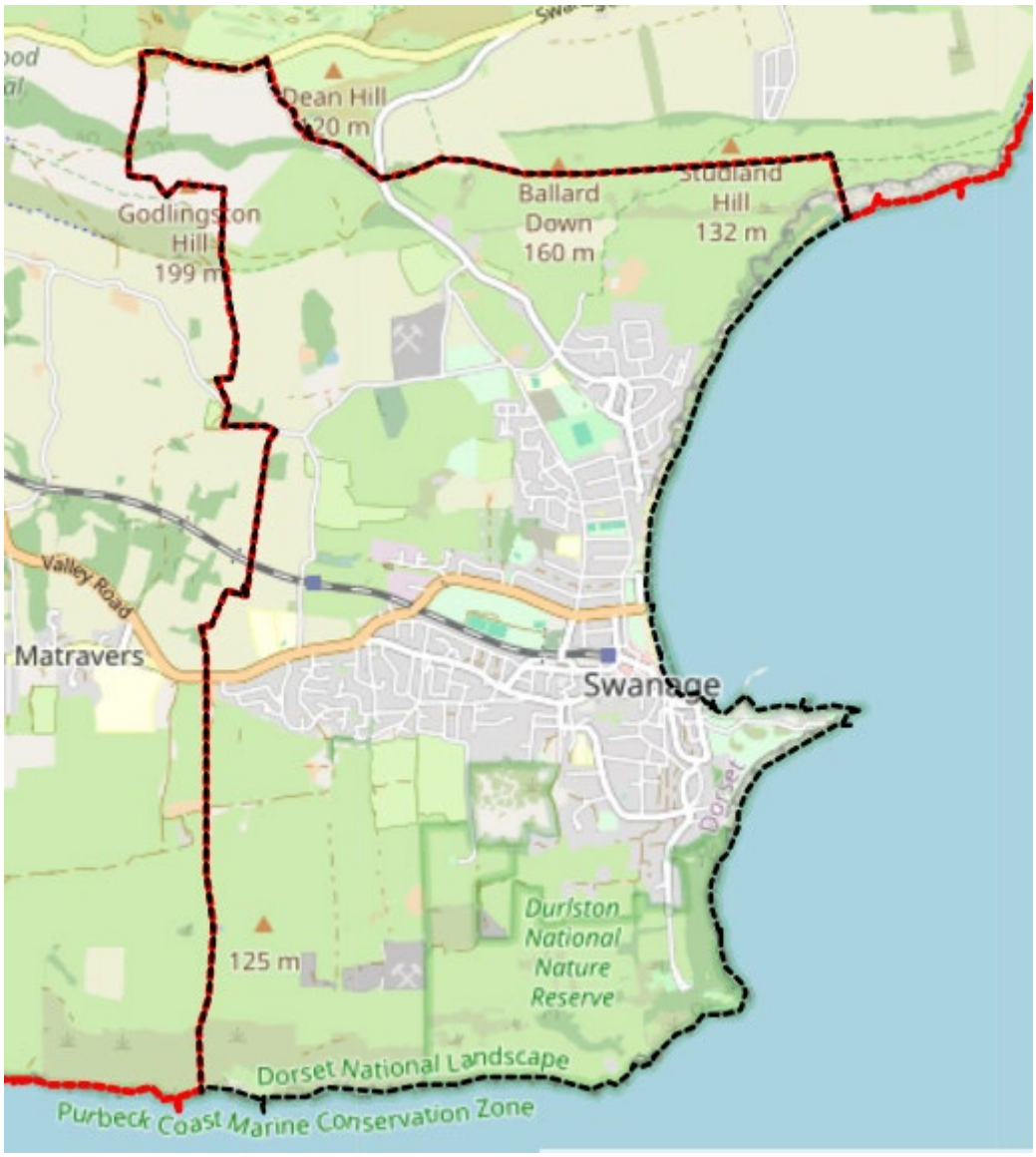
    - E01020478
    - E01020479
    - E01020480
    - E01020481
    - E01020482
    - E01020483
    - E01020484

Figure A1: LSOAs that make up Swanage Neighbourhood Area



Source: ONS

Figure A2: MSOA E02004268 covering Swanage Neighbourhood Area



Source: ONS

2. Many other datasets besides the Census itself make use of OAs, but not necessarily down to the same level of detail. For example, Valuation Office Agency (VOA) data, which can be used to understand the type and size mix of housing, is only available down to the scale of LSOAs. The most relevant MSOA in this case, is shown in Figure A2 above and matches the NA boundary.
3. Finally, as noted in the analysis of affordability in the main body of the report, household income data for small areas is only provided down to the scale of MSOAs. Figure A2 shows the MSOA covering Swanage. In this case, the MSOA matches the NA boundary.

Appendix B : Local Plan context

Policies in the adopted local plan

1. Table B-1 below summarises adopted Local Plan policies (Purbeck Local Plan Part 1 (2012) and Swanage Local Plan (2017)) that are relevant to housing need and delivery in Swanage.

Table B-1: Summary of relevant adopted policies in the Purbeck Local Plan Part 1 (2012) and Swanage Local Plan (2017)

Policy	Provisions
Purbeck Local Plan Part 1 (2012)	
HS Housing Supply	Provision will be made for 2,520 dwellings to meet housing needs over the plan period 2006–2027. This will include 50 new dwellings at Swanage between 2013-2017 and 150 more between 2018-2022.
AHT Affordable Housing Tenure	The tenure of affordable housing will be negotiated on a site-by-site basis to reflect identified local need, but is likely to be split as follows: • 90% Social Rented/Affordable Rented Housing • 10% Intermediate Housing to Rent or Purchase
AH Affordable Housing	In Swanage, developments that result in a net increase of 2 or more dwellings, or are on a site area of 0.05 hectares or more will be required to provide at least 50% affordable housing. Any part units will be met through a commuted sum. Affordable housing provision should be provided on site. Where on site provision is not feasible, the Council will in the first instance seek to secure equivalent off-site provision and, where this is demonstrated to be undeliverable, the payment of a commuted sum to the equivalent amount of on site provision. Affordable housing should be integrated or 'pepper potted' throughout sites.
Policy SE South East Purbeck	The allocation in the Swanage Local Plan of a settlement extension(s) of approximately 200 dwellings (50% affordable). There will be a focus on the provision of family housing to redress the balance from flat development that was prevalent in the early part of the plan period
Swanage Local Plan (2017)	
SS Swanage Settlement	Identifies three settlement extensions to provide approximately 200 homes (including 52 homes which already have permission). The settlement extensions are located at Northbrook Road East (approximately 90 homes), Northbrook Road West (approximately 90 homes) and Prospect Farm (approximately 20 homes).
SHM Swanage Housing Mix	Policy SHM encourages a mix of dwelling types and sizes on all new residential developments, to meet the needs of current and future households in Swanage.

Source: Documents can be found here and here.

Policies in the emerging local plan(s)

2. Table B-2 below summarises emerging Local Plan policies that are relevant to housing need and delivery in Swanage.

Table 2-2: Summary of relevant emerging policies in the Purbeck Local Plan submission (2019) and Dorset Council Local Plan consultation document (2021).

Policy	Provisions
Purbeck Local Plan submission (2019)	
H1 Local housing requirement	Over the plan period of 2018 to 2034, at least 2,688 homes will be required to enable the District to meet its identified housing need, equivalent to 168 homes per year.
H2 The housing land supply	Housing development will be distributed across Purbeck, in accordance with the overarching Policy V1: Spatial strategy for sustainable communities. In Swanage, 200 homes are planned for in the Swanage Local Plan. Of these, 150 can be included towards meeting Purbeck's housing need, as 50 were allocated for 2017-18 delivery (before the period when the Purbeck Local Plan comes into effect).
H3: New housing development requirements	All proposals for new housing development on allocated sites should, amongst other requirements: demonstrate a high quality of design in accordance with Policy E12; and deliver affordable homes, a mix of different types of homes and accessible homes as required by Policies H9, H10 and H11;
H8: Small sites next to existing settlements	Applications for small sites will be permitted where adjacent to existing homes in the closest town or village (as defined in the settlement hierarchy in the glossary of this plan), and not appear isolated in the countryside, provided: the scale of proposed development is proportionate to the size and character of the existing settlement; development does not harm the character and value of any landscape or settlements potentially affected; and the development would contribute to the provision of a mix of different types and sizes of homes.
H9 Housing Mix	For sites delivering 20 or more units, development proposals will be permitted where of the proposed market homes: 5% are offered for sale as self-build plots and 10% are single storey homes. For the identified housing allocations in the Purbeck Local Plan, the Council will expect 20% of the market and affordable housing mix to provide specialist purpose built accommodation for the elderly.
H10 Part M of the Building Regulations	Building Regulations requirement M4(1) will be applied unless to do so would be inconsistent with planning policies which protect assets or areas of particular importance. For sites of 10 or more homes or site area greater than 0.5 hectares: 10% of the new homes proposed must meet the Building Regulation optional requirement M4(2).
H11 Affordable housing	Affordable housing will be required at 20% for developments of 2-9 homes on both greenfield and brownfield sites. For developments of 10 homes or more, or more than 0.5ha inside settlements, it will be required at 40% on-site for greenfield sites and 30% on-site for brownfield sites. The council will seek the following tenure mix for affordable housing provision: For sites with 40% (30%) provision of affordable housing: • 10% (10%) social rented housing • 65% (56%) affordable rented housing • 25% (34%) affordable home ownership
H14 Second homes	Proposals for all new housing in the AONB will only be supported where there is a restriction in perpetuity to ensure that such homes are occupied only as a principal residence. This policy includes changes of use to residential and replacement homes.
Dorset Council Local Plan Consultation Document (2021)	
DEV1 The housing requirement and the need for employment land in Dorset	In the period 2021 to 2038 provision is made for a deliverable supply of housing land to accommodate a minimum of 30,481 dwellings across Dorset, which will be delivered at a minimum average annual rate of 1,793 dwellings per annum.

Policy	Provisions
HOUS1 Housing mix	New residential developments of all tenures should contribute towards achieving sustainable and balanced communities through an appropriate mix of homes of different sizes, types and affordability. On major residential development sites, at least 20% of all dwellings across all tenures should be provided at the Accessible and Adaptable Dwellings (M4(2)) standard.
HOUS2 Affordable housing	In Swanage, 35% of the total number of dwellings on sites should contribute to the provision of affordable housing. In most cases, where one or more affordable homes are being provided, these should be provided on the open market site. The affordable homes should be provided at: • a maximum of 30% (but not less than 10%) affordable home ownership products; and • a minimum of 30% social rent; and • a minimum of 40% affordable rent.
HOUS3 Affordable housing exception sites	An affordable housing exception scheme will be permitted if it is adjoining an existing settlement; is capable of meeting an identified local need for affordable housing which cannot otherwise be met; the character, scale and design of the scheme is appropriate to the location and size of the existing settlement; and there are secure arrangements to ensure the homes remain affordable in perpetuity.
HOUS4 Specialist purpose built accommodation	Proposals for specialist purpose built accommodation will be supported where they respond to an identified need in the immediate area; and provide a range of tenures.
HOUS5 Housing for complex dementia and nursing care	Residential Care Homes will only be permitted where they respond to a specific evidenced need for residents who require round the clock care.
HOUS6 Self-build and custom-build housing	Self-build and custom-build housing schemes may be permitted on sites within development boundaries or on strategic housing allocations.
SWAN2 Northbrook Road East	Land to the east of Northbrook Road, as shown on the policies map, is allocated for residential development.
SWAN3 Land to the west of Prospect Allotments	Land to the west of Prospect Allotments, as shown on the policies map, is proposed for residential development including the provision of a care facility.

Source: Documents can be found here and here.

Appendix C : Affordability calculations

1. This section outlines how the affordability thresholds discussed in the Affordability and Affordable Housing have been calculated.

C.1 Market housing

2. Market housing is not subsidised and tends to be primarily accessible to people on higher incomes.

i) Market sales

3. The starting point for calculating the affordability of a dwelling for sale from the perspective of a specific household is the loan to income ratio which most mortgage companies are prepared to agree. This ratio is conservatively estimated to be 3.5. In practice this can be highly variable. Multipliers up to 4.5 or even above 5 times income increasingly available, although the actual average in practice tends to be lower, particularly where applicants are dual earning. The Financial Conduct Authority uses 3.5 or more as its standard assumption for single applicants and 2.75 or more for dual applicants.
4. To produce a more accurate assessment of affordability, the savings required for a deposit should be taken into account in addition to the costs of servicing a mortgage. However, unlike for incomes, data is not available for the savings available to households in Swanage, and the precise deposit a mortgage provider will require of any buyer will be determined by their individual circumstances and the state of the mortgage market. An assumption is therefore made that a 10% purchase deposit is required and is available to the prospective buyer. In reality it is possible that the cost of the deposit is a greater barrier to home ownership than the mortgage costs.
5. The calculation for the purchase threshold for market housing is as follows:
    - Value of a median NA house price (2023) = £380,000;
    - Purchase deposit at 10% of value = £38,000;
    - Value of dwelling for mortgage purposes = £342,000;
    - Divided by loan to income ratio of 3.5 = purchase threshold of £97,714.
6. The purchase threshold for an entry-level dwelling is a better representation of affordability to those with lower incomes or savings, such as first-time buyers. To determine this threshold, the same calculation is repeated but with reference to the lower quartile rather than the median house price. The lower quartile average in 2023 was £290,000, and the purchase threshold is therefore £74,571.
7. It is also worth assessing the purchase threshold for new build homes, since this most closely represents the cost of the new housing that will come forward in future. Land Registry records 17 sales of new build properties in the NA in 2023. The average new build price in 2023 in Swanage was £361,000. There were too

few sales of entry level new build homes to provide a reliable figure for Swanage. Indeed, the average new build flat price was £975,000 in 2023 which is more likely to reflect premium apartments.

8. To estimate the new build entry level price of a property in Swanage this HNA has applied an uplift reflecting the average typical difference between average and new build prices in Dorset as a whole. In the LA as a whole, new build properties are 15.7% higher than the average for all properties. When this 15.7% is applied to LQ prices in Swanage (£290,000) this results in an estimated entry level new build price of £335,391 in Swanage.

ii) Private Rented Sector (PRS)

9. It is assumed here that rented housing is affordable if the annual rent does not exceed 30% of the household's gross annual income. The percentage of income to be spent on rent before the property is considered affordable varies considerably for individuals, and it is increasingly common for households to dedicate a larger proportion of their earnings to rent. When considering affordability it is considered good practice to be conservative, and the 30% benchmark is used as ONS's current standard assumption.
10. This is an important assumption because it is possible that a household will be able to afford tenures that are deemed not affordable in this report if they are willing or able to dedicate a higher proportion of their income to housing costs. It is becoming increasingly necessary for households to do so. However, for the purpose of planning it is considered more appropriate to use this conservative lower benchmark for affordability on the understanding that additional households may be willing or able to access housing this way than to use a higher benchmark which assumes that all households can afford to do so when their individual circumstances may well prevent it.
11. The property website Home.co.uk shows rental values for property in the Neighbourhood Area. The sample size is small (6 properties) but was cross checked with Rightmove which also contained the same number.
12. According to home.co.uk, there were 6 properties for rent at the time of search in February, 2024, with an average monthly rent of £936. There were 2 two-bed properties listed, with an average price of £800 per calendar month.
13. The calculation for the private rent income threshold for entry-level (2 bedroom) dwellings is as follows:
    - Annual rent = £800 x 12 = £9,600;
    - Multiplied by 3.33 (so that no more than 30% of income is spent on rent) = income threshold of £32,000.
14. The calculation is repeated for the overall average to give an income threshold of £37,440.

C.2 Affordable Housing

15. There are a range of tenures that constitute the definition of Affordable Housing within the NPPF 2021: social rent and affordable rent, discounted market sales housing, and other affordable routes to home ownership. More recently, a new product called First Homes has been introduced in 2021. Each of the affordable housing tenures are considered below.

i) Social rent

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

17. To determine social rent levels, data and statistical return from Homes England is used. This data is only available at Local Authority scale so must act as a proxy for Swanage. This data provides information about rents and the size and type of stock owned and managed by private registered providers and is presented for Purbeck (the closest available proxy in the data) in Table C-1.

18. To determine the income needed, it is assumed that no more than 30% of income should be spent on rent. This is an assumption only for what might generally make housing affordable or unaffordable – it is unrelated to the eligibility criteria of Affordable Housing policy at Local Authority level. The overall average across all property sizes is taken forward as the income threshold for social rent.

Table C-1: Social rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average social rent per week	£88.33	£101.81	£112.37	£120.86	£104.95
Annual average	£4,593	£5,294	£5,843	£6,285	£5,457
Income needed	£15,295	£17,629	£19,458	£20,928	£18,173

Source: Homes England, AECOM Calculations

ii) Affordable rent

19. Affordable rent is controlled at no more than 80% of the local market rent. However, registered providers who own and manage affordable rented housing may also apply a cap to the rent to ensure that it is affordable to those on housing benefit (where under Universal Credit the total received in all benefits to working age households is £20,000).

20. Even an 20% discount on the market rent may not be sufficient to ensure that households can afford this tenure, particularly when they are dependent on benefits. Registered Providers in some areas have applied caps to larger properties where the higher rents would make them unaffordable to families under Universal Credit. This may mean that the rents are actually 60-70% of market levels rather than 80%.

21. Data on the most realistic local affordable rent costs is obtained from the same source as social rent levels for the former Purbeck authority area. Again it is assumed that no more than 30% of income should be spent on rent, and the overall average is taken forward.

22. Comparing this result with the average 2 bedroom annual private rent above indicates that affordable rents in the NA are around 75% of market rates than the maximum of 80%, a feature that is necessary to make them achievable to those in need.

Table C-2: Affordable rent levels (£)

Size	1 bed	2 beds	3 beds	4 beds	All
Average affordable rent per week	£107.06	£138.08	£161.33	£198.36	£142.59
Annual average	£5,567	£7,180	£8,389	£10,315	£7,415
Income needed	£18,539	£23,910	£27,936	£34,348	£24,691

Source: Homes England, AECOM Calculations

iii) Affordable home ownership

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

24. In paragraph 65 of the NPPF 2021, the Government introduces a recommendation that "where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership." The recently issued Ministerial Statement and updates to PPG state that 25% of all Affordable Housing should be First Homes – the Government's new flagship discounted market sale product. When the NPPF is next updated, it is expected that the 10% affordable home ownership requirement referenced above may be replaced by the First Homes requirement.

First Homes

25. Because First Homes are a new tenure product, it is worth explaining some of their key features:

    - First Homes should be available to buy with a minimum discount of 30% below their full market value (i.e. the value of an equivalent new home);
    - The discount level can be set higher than 30% – at 40% or 50% – where this can be suitably evidenced. The setting and justifying of discount levels can happen at neighbourhood as well as local authority scale;
    - After the discount is applied the initial sale price must not exceed £250,000 (or £420,000 in Greater London), and lower caps can be set locally;

- Purchasers must be first-time buyers with an income less than £80,000 (or £90,000 in Greater London), and First Homes can be prioritised for local people and/or key workers;
- They will be subject to legal restrictions ensuring the discount is retained for future occupants, and renting out or sub-letting will not normally be permitted;
- In addition to setting the discount level, local authorities and neighbourhood planning groups can apply additional criteria, such as a lower income cap, local connection test or prioritisation for key workers through adopted plans, emerging policy or Supplementary Planning Documents.
- 25% of all homes delivered through section 106 developer contributions on sites enabled through the planning process should be sold as First Homes. In simpler terms, 25% of all subsidised Affordable Housing on mainstream housing developments should be First Homes. This is likely to mean that First Homes will take the place of shared ownership housing in many circumstances, and in some cases may also displace social or affordable rented homes.

26. The starting point for considering whether First Homes are affordable is the estimated cost of new build entry-level housing in the NA noted above of £335,391.
27. For the minimum discount of 30% the purchase threshold can be calculated as follows:
    - Value of a new home (estimated NA new build entry-level) = £335,391;
    - Discounted by 30% = £234,774;
    - Purchase deposit at 10% of value = £23,477;
    - Value of dwelling for mortgage purposes = £211,297;
    - Divided by loan to income ratio of 3.5 = purchase threshold of £60,370.
28. The income thresholds analysis in the Affordability and Affordable Housing chapter also compares local incomes with the costs of a 40% and 50% discounted First Home. This would require an income threshold of £51,746 and £43,122 respectively.
29. All of the income thresholds calculated here for First Homes are below the cap of £80,000 above which households are not eligible.
30. Note that discounted market sale homes may be unviable to develop if the discounted price is close to (or below) build costs. Build costs vary across the country but as an illustration, the build cost for a 2 bedroom home (assuming 70 sq. m and a build cost of £1,750 per sq. m[27]) would be around £122,500. This cost excludes any land value or developer profit. This would not appear to be an issue in Swanage.
31. Table C-3 shows the discount required for First Homes to be affordable to the three

[27] It is estimated that in 2022, build costs for a house are between £1,750 and £3,000 per square metre - https://urbanistarchitecture.co.uk/cost-to-build-a-house-uk/

income groups. The cost of a typical First Home is calculated using an estimate for new build entry-level housing in the NA. However, it is worth thinking about First Homes in relation to the cost of new build prices in the wider area, as well as median and entry-level existing prices locally to get a more complete picture. The discount levels required for these alternative benchmarks are given below.

Table C-3: Discount on sale price required for households to afford First Homes

House price benchmark	Mean household income	Single LQ earner	Dual LQ earning household
NA median house price	58%	82%	65%
NA estimated new build entry-level house price	53%	80%	60%
NA entry-level house price	45%	77%	54%
LA median new build house price	60%	83%	66%

Source: Land Registry PPD; ONS MSOA total household income

Shared ownership

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

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

34. To determine the affordability of shared ownership, calculations are again based on the estimated costs of new build housing as discussed above. The deposit available to the prospective purchaser is assumed to be 10% of the value of the dwelling, and the standard loan to income ratio of 3.5 is used to calculate the income required to obtain a mortgage. The rental component is estimated at 2.5% of the value of the remaining (unsold) portion of the price. The income required to cover the rental component of the dwelling is based on the assumption that a household spends no more than 30% of the income on rent (as for the income threshold for the private rental sector).

35. The affordability threshold for a 25% equity share is calculated as follows:

    - A 25% equity share of £335,391 is £83,848;
    - A 10% deposit of £8,385 is deducted, leaving a mortgage value of £75,463;
    - This is divided by the loan to value ratio of 3.5 to give a purchase threshold of £21,561;

- Rent is charged on the remaining 75% shared ownership equity, i.e. the unsold value of £251,543;
- The estimated annual rent at 2.5% of the unsold value is £6,289;
- This requires an income of £20,961 (annual rent multiplied by 3.33 so that no more than 30% of income is spent on rent).
- The total income required is £42,523 (£25,561 plus £20,961).

36. The same calculation is repeated for equity shares of 10% and 50% producing affordability thresholds of £33,779 and £57,096 respectively.

Rent to Buy

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

Help to Buy (Equity Loan)

38. The Help to Buy Equity Loan is not an affordable housing tenure but allows households to afford market housing through a loan provided by the government. With a Help to Buy Equity Loan the government lends up to 20% (40% in London) of the cost of a newly built home. The household must pay a deposit of 5% or more and arrange a mortgage of 25% or more to make up the rest. Buyers are not charged interest on the 20% loan for the first five years of owning the home.
39. It is important to note that this product widens access to market housing but does not provide an affordable home in perpetuity.

Appendix D : Affordable Housing need and policy

Affordable housing policy

1. The following table reviews the relevant factors in developing a policy on the Affordable Housing tenure mix, which inform the recommendation given in the main body of the report.

Table D-3: Wider considerations in developing Affordable Housing mix policy

Consideration	Local Evidence
A. **Evidence of need for Affordable Housing**: The need for affordable rent and affordable home ownership is not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit to transition to ownership.	This HNA suggests that the NA requires around 16 units of affordable rented housing and 12 units of affordable home ownership homes per annum over the Plan period. Both forms of Affordable Housing appear to be valuable in meeting the needs of people on various incomes. The relationship between these figures suggests that: affordable rented housing should be prioritized over affordable home ownership, particularly because these households are in acute housing need.
B. **Can Affordable Housing needs be met in full?** How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of overall housing delivery expected.	If the emerging Dorset Local Plan target of 35% were achieved on every site, assuming the delivery of the NA's housing requirement for 200 homes overall, up to 70 affordable homes might be expected in the NA over Plan period. This level of potential affordable housing delivery would not be sufficient to meet all of the need identified and is further justification for prioritizing the delivery of homes to meet acute needs.
C. **Government policy (eg NPPF) requirements**: Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this	For 10% of all housing to be affordable ownership in Swanage, where 35% of all housing should be affordable, 29% of Affordable Housing should be for affordable ownership. This complies with the guideline

requirement if it would prevent the delivery of other forms of Affordable Housing.	tenure split sought in the emerging Dorset Local Plan.
D. **Local Plan policy**:	The emerging Local Plan seeks a tenure split of 70% social/affordable rent and 30% affordable home ownership.
E. **First Homes policy:** The Government recently concluded a consultation on the introduction of First Homes (to provide at least 30% discount on new build home prices). The proposals have now been enacted through a ministerial statement. A minimum of 25% of all Affordable Housing secured through developer contributions are now required to be First Homes. After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan. AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.	This new minimum requirement may have the effect of displacing other products in any established tenure mix, and will reduce the amount of social or affordable rent if this was proposed to be more than 75% of Affordable Housing. The emerging policy in the Dorset Local Plan would allow for 25% First Homes to be delivered within the affordable home ownership component (which is required to be up to 30% of Affordable Housing).
F. **Viability**:	HNAs cannot take into consideration the factors which affect viability in the neighbourhood area or at the site-specific level. Viability issues are recognised in the Local Plan and it is acknowledged that this

	may affect the provision of affordable housing, the mix of tenures provided and the discounts that can be sought on First Homes properties.
G. **Funding**: The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site.	Swanage Town Council may wish to keep this in mind so that it can take up any opportunities to secure funding if they become available.
H. **Existing tenure mix in Swanage**: The current stock of homes in an area, in terms of balance between ownership, rented and affordable provision may be a consideration in the mix of tenures provided on new development sites.	The Affordable Housing stock in Swanage is small by comparison to England as a whole at just 12% Social Rent and 0.6% Shared Ownership. This is likely to limit choice within the neighbourhood and make it difficult for lower income households to remain in or move to the area.
I. **Views of registered providers**:	It is not within the scope of this HNA to investigate whether it would be viable for housing associations (registered providers) to deliver and manage affordable rented homes in the NA. The funding arrangements available to housing associations will determine rent levels.
J. Wider policy objectives:	The Town Council may wish to take account of broader policy objectives for Swanage and/or the wider local authority area. These could include, but are not restricted to, policies to attract younger households, families or working age people to the NA. These wider considerations may influence the mix of Affordable Housing provided.

Appendix E : Specialist housing for older people

Background data tables

Table E-1: Existing specialist housing supply, Swanage

	Name	Description	Dwellings	Tenure	Type
1	James Day Mead	39 flats & bungalows, non resident management staff, careline alarm, communal areas	39	Social Rent	Retirement
2	Shore House	McCarthy & Stone development of 22 flats (1-3 beds), careline alarm, communal garden	22	Leasehold	Age exclusive
3	St Aldehelms Court	65 flats (1 & 2 beds), resident management staff, careline alarm, communal areas and activities	65	Leasehold	Retirement
4	Beauchamp Court	24 flats (2 bed), specifically for those nominated by London Boroughs	24	Social Rent	Age exclusive
5	Gilbert Court	11 flats, non resident management staff, careline alarm	11	Social Rent	Retirement
6	Woodlands	9 flats (studio-1 bed), communal facilities, some meals available, non resident management staff, careline alarm	9	Social Rent	Retirement
7	Burrstone Mead	24 flats (1 bed), non resident management staff, careline alarm, communal areas	24	Social Rent	Retirement
8	Queensmead	27 flats and bungalows	27	Social Rent	Retirement

Source: http://www.housingcare.org

Table E-2: Tenure and mobility limitations of those aged 65+ in Swanage, 2011 (65+ is the closest proxy for 75+ in this data)

Tenure	Day-to-day activities limited a lot		Day-to-day activities limited a little		Day-to-day activities not limited	
All categories	555	19.6%	798	28.2%	1,473	52.1%
Owned Total	440	18.4%	660	27.5%	1,297	54.1%
Owned outright	394	18.0%	601	27.5%	1,192	54.5%
Owned (mortgage) or shared ownership	46	21.9%	59	28.1%	105	50.0%
Rented Total	115	26.8%	138	32.2%	176	41.0%
Social rented	78	31.7%	80	32.5%	88	35.8%
Private rented or living rent free	37	20.2%	58	31.7%	88	48.1%

Source: DC3408EW Health status

HLIN calculations

Table E-3: Recommended provision of specialist housing for older people from the HLIN SHOP toolkit

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

Source: Housing LIN SHOP Toolkit

2. As Table 6-1 in the main report shows, Swanage is forecast to see an increase of 652 individuals aged 75+ by the end of the Plan period. According to the HLIN tool, this translates into need as follows:

    - Conventional sheltered housing to rent = 60 x .652 = 39
    - Leasehold sheltered housing = 120 x .652 = 78
    - Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) = 20 x .652 = 13

- Extra care housing for rent = 15 x .652 = 9.8
- Extra care housing for sale = 30 x .652 = 19.6
- Housing based provision for dementia = 6 x .652 = 3.9

Appendix F : Housing Needs Assessment Glossary

Adoption

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

Affordability

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

Affordability Ratio

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

Affordable Housing (NPPF Definition)

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

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

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

c) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low-cost homes for sale (at a price equivalent to at least 20% below local market value) and

Rent to Buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

Affordable rented housing

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods[28].

Age-Restricted General Market Housing

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

Annual Monitoring Report

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

Basic Conditions

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

Backlog need

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

Bedroom Standard[29]

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

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

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

Co-living

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

Community Led Housing/Community Land Trusts

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

Community Right to Build Order[30]

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

Concealed Families (Census definition)[31]

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

Equity Loans/Shared Equity

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

[30] See https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary
[31] See http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf

Extra Care Housing or Housing-With-Care

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

Fair Share

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

First Homes

First Homes is another form of discounted market housing which will provide a discount of at least 30% on the price of new homes, introduced in 2021. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the HNA.

Habitable Rooms

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

Household Reference Person (HRP)

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

Housing Market Area

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

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

Housing Needs

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

Housing Needs Assessment

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

Housing Products

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

Housing Size (Census Definition)

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

Housing Type (Census Definition)

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

Housing Tenure (Census Definition)

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

Income Threshold

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

Intercensal Period

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

Intermediate Housing

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

Life Stage modelling

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

Life-time Homes

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

Life-time Neighbourhoods

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

Local Development Order

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

Local Enterprise Partnership

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

Local housing need (NPPF definition)

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

Local Planning Authority

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

Local Plan

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

Lower Quartile

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

Lower Quartile Affordability Ratio

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

Market Housing

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

Mean (Average)

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

Median

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

Median Affordability Ratio

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

Mortgage Ratio

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in recent years[32], i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

Neighbourhood Development Order (NDO)

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

Neighbourhood plan

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

Older People

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

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

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

Overcrowding

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

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

living room and one kitchen would be deemed overcrowded if three adults were living there.

Planning Condition

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

Planning Obligation

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

Purchase Threshold

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

Proportionate and Robust Evidence

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

Private Rented

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

Retirement Living or Sheltered Housing

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

Residential Care Homes and Nursing Homes

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually

include support services for independent living. This type of housing can also include dementia care homes.

Rightsizing

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

Rural Exception Sites

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

Shared Ownership

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

Sheltered Housing[33]

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

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

usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

Strategic Housing Land Availability Assessment

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

Strategic Housing Market Assessment (NPPF Definition)

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

Specialist Housing for Older People

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

Social Rented Housing

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.[34]

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

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