Report for:

Gosport Borough Council

Demographic Projections

Final Report

December 2019

jg Consulting
Quality Specialist Research

Contents

Summary

Introduction

1. Justin Gardner Consulting (JGC) have been commissioned by Gosport Borough Council to develop a series of demographic projections for a range of different potential housing delivery scenarios across the Borough. The study also provides a high-level review of the need for affordable housing and the appropriate mix of housing along with studying the projected growth in the older person population and potential needs for specialist accommodation.

2. The modelling in the report largely focuses on three scenarios which are described below; detailed outputs from each of these have been provided as an appendix to the report.

- Housing Trajectory A: Based on 170 dwellings per annum over the period to 2036 (the current annual requirement set out in GBLP)
- Housing Trajectory B: Based on 190 dwellings per annum over the period to 2036; and
- Housing Trajectory C: Based on 238 dwellings per annum over the period to 2036 (based on the 40% capped figure advocated by the standard methodology).

Population Trends and Projections

3. Since about 2010, assessing the level of housing need has been for individual local authorities (or groups of local authorities) to prepare by following advice in Planning Practice Guidance (PPG). However, the new National Planning Policy Framework (NPPF) of February 2019 has introduced a Standard Method, based on looking at projected household growth and adjustments based on the level of affordability in an area. For Gosport, the Standard Method shows a need to provide 238 dwellings per annum (capped figures).

4. Analysis has therefore been carried out to look at the implications (for population/household growth) of delivery of 238 homes per annum in the 2016-36 period. In addition, two housing trajectory scenarios have been developed looking at provision of 170 and 190 dwellings per annum respectively.

5. Initially, a range of analysis has been undertaken to understand past trends in Gosport and how these compare with other areas. Analysis shows that the population age structure of the Borough is broadly similar to other areas with around 20% of the population being aged 65 and over. Further data shows that past population growth has generally been lower than seen in other areas – the population growing by around 4% in the past decade. Over this period the number of people aged 65 and over increased by around 27% whilst there was virtually no change in the population size aged under 65.

6. Projecting forward, the latest ONS subnational population projections (SNPP – 2016-based) show population growth of around 8% (2016-36) – a rate slightly lower than projected nationally. Within this change there is projected to be a further notable increase in the population aged 65 and over (although this is consistent with national trends). Alternative demographic scenarios were developed (including consideration of longer-term (10-year) migration trends). These scenarios all showed lower population growth than the latest official projections.

7. In converting population growth into household growth (and hence housing need) data from both the 2014-based subnational household projections (SNHP) has been utilised. The older (2014-based) data has been accessed as there are some doubts about the robustness of 2016-based figures; these latest figures are based on short-term trends and it has been argued (widely in the planning press) that they build in a degree of suppression/constraint in the formation of younger households.

8. Using data from both the 2016-based SNPP (e.g. about birth/death rates and the profile of migrants) and the 2014-based SNHP a series of scenarios have been modelled to consider what level of population growth might be expected to fill 238 additional homes per annum (and 170/190 per annum). These scenarios show population growth of between about 1% and 4% (2016-36) with a continued ageing of the population.

9. Despite the ageing population, further analysis looking at the number of people of working-age and the number of economically active residents (resident labour supply) suggests that there may be little change over time (positive increases when set against the highest of the delivery scenarios). This finding is due to future planned changes to pensionable age and a general expectation (from the Office of Budget Responsibility (OBR)) that economic activity rates will increase slightly in the future.

Affordable Housing Need

10. Analysis has been undertaken to estimate the need for affordable housing in the 2019-36 period. The analysis is split between a 'traditional' need (which is mainly for social/affordable rented accommodation and is based on households unable to buy or rent in the market) and the 'additional' category of need introduced by the revised NPPF/PPG (which includes housing for those who can afford to rent privately but cannot afford to buy a home).

11. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at traditional needs, consideration is given to estimates of the supply of social/affordable rented housing. For the additional definition, consideration is given to the potential supply (from Land Registry data) of cheaper accommodation to buy.

12. Using the traditional method, the analysis suggests a need for 194 affordable homes per annum (this is for social/affordable rented homes). The Council is therefore justified in seeking to secure additional affordable housing.

Figure 1: Estimated Need for Affordable Housing – Gosport		
	Per annum	2019-36
Current need	49	837
Newly forming households	237	4,027
Existing households falling into need	118	2,011
Total Gross Need	404	6,874
Relet Supply	211	3,580
Net Need	194	3,294

NB: Numbers may not add up due to rounding

13. It is also suggested that the cost of housing to rent within this group should be mindful of local incomes (and the Living Rent methodology) as well as considering Local Housing Allowance (LHA) limits. Rents higher than LHA maximums should be avoided (to ensure housing is affordable to those needing to claim Housing Benefit).

14. When looking at the need for affordable home ownership products (i.e. the expanded definition of affordable housing in the NPPF[1]) it is clear that there are a number of households likely to be able to afford to rent privately but who cannot afford to buy a suitable home. However, there is also a potential supply of homes within the existing stock that can make a contribution to this need. It is therefore difficult to robustly identify an overall need for affordable home ownership products.

15. However, it does seem that there are many households in Gosport who are being excluded from the owner-occupied sector. The analysis would therefore suggest that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.

16. If the Council does seek to provide some housing as affordable home ownership, then it is suggested that shared ownership is the most appropriate option. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised).

17. Where other forms of affordable home ownership are provided (e.g. Starter Homes or discounted market), it is recommended that the Council considers setting prices at a level which (in income terms) are equivalent to the levels needed to access private rented housing. This would ensure that households targeted by the new definition could potentially afford housing – this might mean greater than 20% discounts from Open Market Value for some types/sizes of homes in some locations.

18. Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

[1] The expanded definition of affordable housing in the NPPF (Annex 2) now includes a range of affordable home ownership options such as Starter homes and Discounted market sales housing.

Need for Adaptable and Specialist Accommodation

19. The population projections developed in this report (and indeed the latest official projections) identify that the number of older people (conventionally those aged 65 and over) will increase notably in the future. It is therefore of interest to consider the need for specialist accommodation and also housing that suitable for people with disabilities – including the potential requirements for housing to be built to Part M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

20. The projections suggest that in the 2016-36 period, the number of people aged 65 and over will increase by more than 50%, with greater percentage increases for older age groups (e.g. those aged 75+ or 85+). This is likely to drive an increase in the number of people with some form of disability, the number of people with a long-term health problem or disability is projected to increase by about 3,500 to 4,000 persons in the Borough over the 20-year period. Large increases are also projected for other groups, including the number of people with dementia. Additionally, a need is shown for around 250 new wheelchair-user homes.

21. The growth shown in people with disabilities provides clear evidence justifying delivering 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations and also Part M4(3) 'wheelchair user dwellings'. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base.

22. Using data from the Housing Learning and Information Network (Housing LIN) with adjustments to take account of local data a further analysis has been undertaken to consider needs for specialist accommodation. Overall, a need is shown for around 480 housing with support units, such as sheltered housing or retirement living, over the period to 2036, the majority of which are expected to be leasehold. There is also a need for around 510 housing with care units, with a need for both market and affordable provision. This can be met through provision of extra care housing. Consideration should be given to developing bespoke affordable housing policies for extra care. Additionally, a need is shown for about 750 care or nursing home bedspaces to 2036.

23. These figures (and as shown in the table below) are based on a projection linking to delivery of 190 dwellings per annum. The use of a different delivery figure (e.g. 170 dpa) would have only a minor impact on these figures – this data is set out in the main report.

Figure 2: Older Persons' Dwelling Requirements, 2016 to 2036 – Gosport – linked to Trajectory B (190 dpa)

		Housing demand per 1,000 75+	Current Supply	2016 Demand	Current Shortfall/ (Surplus)	Additional Demand to 2036	Shortfall/ (Surplus) by 2036
Housing with Support	Rented	52	658	383	(275)	289	14
	Leasehold	68	414	503	89	380	469
Housing with Care	Rented	22	50	162	112	122	234
	Leasehold	21	0	157	157	119	276
Total (dwellings)		163	1,122	1,204	82	910	993
Care bedspaces		106	628	779	151	589	740

NB: Numbers may not add up due to rounding

Need for Different Sizes of Homes

24. There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes; this takes account of both household changes and the ageing of the population:

Figure 3: Suggested Mix of Housing by Size and Tenure				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5-10%	35-40%	40-45%	10-15%
Affordable home ownership	30-35%	40-45%	20-25%	0-5%
Affordable housing (rented)	35-40%	30-35%	20-25%	5-10%

25. The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the Borough (by tenure) and the profile of households on the Housing Register.

26. The mix identified above could inform strategic policies although a flexible approach should be adopted. In applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council monitors the mix of housing delivered through the annual Authority Monitoring Report.

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

1. Introduction

1.1 Justin Gardner Consulting (JGC) have been commissioned by Gosport Borough Council to develop a series of demographic projections for a range of different potential housing delivery scenarios across the Borough. The study also provides a high-level review of the need for affordable housing and the appropriate mix of housing along with studying the projected growth in the older person population and potential needs for specialist accommodation.

1.2 For context, Gosport Borough Council has commenced a review of the Gosport Borough Local Plan (adopted in October 2015). It is proposed that the review will extend the Plan to 2036 (from a 2016 start date).

1.3 The Government's latest position is that the 2014 based CLG Household Projections figures issued in 2016 should currently form the basis for any projections. Based on these projections, over the period 2019-2029 and the rates of affordability, the standardised methodology would give Gosport a housing requirement of 343 dwellings per annum representing 6,860 dwellings over the new Plan period (2016-2036).

1.4 However, as Gosport has an up-to-date Local Plan the housing need figure is to be capped at 40% above the current adopted Local Plan housing figure (170 dwelling per annum) hence the resultant figure would be 238 dwelling per annum which is 4,760 dwellings over the plan period.

1.5 In addition, the Council is also considering two lower housing scenarios, due to housing capacity issues, which would be based on the current housing requirement of 170 dwelling per annum (3,400 dwellings over the plan period) and 190 dwellings per annum (3,800 over the plan period).

1.6 The modelling in this report therefore largely focuses on three scenarios which are described below. In addition, consideration has been given to the latest (2016-based) subnational population projections (SNPP) and also mid-year population estimates (MYE) from which a scenario looking at trends over the past decade (2008-18) has been developed. These projections do not however feature in the main conclusions. The three core scenarios are:

- Housing Trajectory A: Based on 170 dwellings per annum over the period to 2036 (the current annual requirement set out in GBLP)
- Housing Trajectory B: Based on 190 dwellings per annum over the period to 2036; and
- Housing Trajectory C: Based on 238 dwellings per annum over the period to 2036 (based on the 40% capped figure advocated by the standard methodology).

1.7 The sections to follow provide information covering a range of topics with data from the projections developed being used to draw conclusions in all cases. The sections are:

- Section 2 – Population Trends and Projections
- Section 3 – Affordable Housing Need
- Section 4 – Need for Adaptable and Specialist Accommodation
- Section 5 – Need for Different Sizes of Homes

1.8 In addition, Appendix 1 provides detailed outputs from each of the three main (Housing Trajectory) projections developed; this includes data about births and deaths (natural change), migration, age structure changes and estimates of the number of people of working-age and the resident labour-supply.

1.9 Please note that in this report some of the tables include rounded figures. This can result in some column or row totals not adding up to 100% or to the anticipated row or column 'total' due to the use of rounded decimal figures.

2. Population Trends and Projections

Introduction

2.1 This section of the report considers demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2016-based subnational population projections (SNPP) and the 2016-based household projections (SNHP) – both ONS data releases. The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2018.

2.2 Consideration is also given to the 2014-based SNHP, as these projections are to be used as part of the Ministry of Housing, Communities and Local Government (MHCLG) Standard Method for assessing housing need. This section initially sets out the housing need using the Standard Method and then develops projections that can be used for subsequent analysis in the report; this includes two housing trajectory scenarios (providing 170 and 190 dwellings per annum). In looking at projections this report covers a 20-year period from 2016 to 2036.

Housing Need and the Standard Method

2.3 Planning Practice Guidance (PPG) on Housing Need Assessment sets out a standard method to be used in calculating a housing need. The PPG then sets out a three-step process.

2.4 The first step is to establish a demographic baseline of household growth; this is to be taken directly from published household projections and should be the annual average household growth over a 10-year period. The 10-year period is taken to start in the year in which the assessment is being made (i.e. 2019 in this case).

2.5 The second step of the proposed methodology seeks to adjust the demographic baseline on the basis of market signals. The adjustment increases the housing need where house prices are high relative to workplace incomes. This uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available (2018 at the time of writing).

2.6 Specifically, the PPG says that *'for each 1% increase in the ratio of house prices to earnings, where the ratio is above 4, the average household growth should be increased by a quarter of a per cent'*. The equation to work out the adjustment factor is as follows:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25$$

2.7 As an example, if the workplace affordability ratio in an area was 8.00; i.e. median house prices were eight times the median earnings of those working in the area, then the adjustment would be 0.25 or 25%. This is calculated as follows: (8 - 4) / 4 × 0.25).

2.8 The final step in the proposed standard method is to possibly cap the market signals uplift. There are two situations where a cap is applied. The first is where an authority has reviewed their plan (including developing an assessment of housing need), or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan. The second situation is where plans and evidence is more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth or the housing requirement in the most recent plan (where this exists).

2.9 The table below therefore sets out a calculation of the need under the Standard Method. The analysis shows a need for 341 dwellings per annum; however, because the Local Plan was adopted less than five years ago (in October 2015) this figure is capped at 40% above the housing requirement in the plan. Given the Local Plan target of 170 dwellings per annum – this means that the housing need using the Standard Method reduces to 238 dwellings per annum.

Figure 2.1: MHCLG Standard Method Housing Need Calculations

	Gosport
Households 2019	37,852
Households 2028	40,660
Change in households	2,808
Per annum change	281
Affordability ratio (2017)	7.44
Uplift to household growth	22%
Total need (per annum)	341
Capped	238

Source: Derived from ONS data

2.10 The sections to follow look in more detail at linking a projection to the 238 figure (and two alternative housing trajectory scenarios), and to provide a general discussion of demographic trends, including trends in household formation (which was one of the criticisms made by MHCLG of the 2016-based projections).

Population age structure

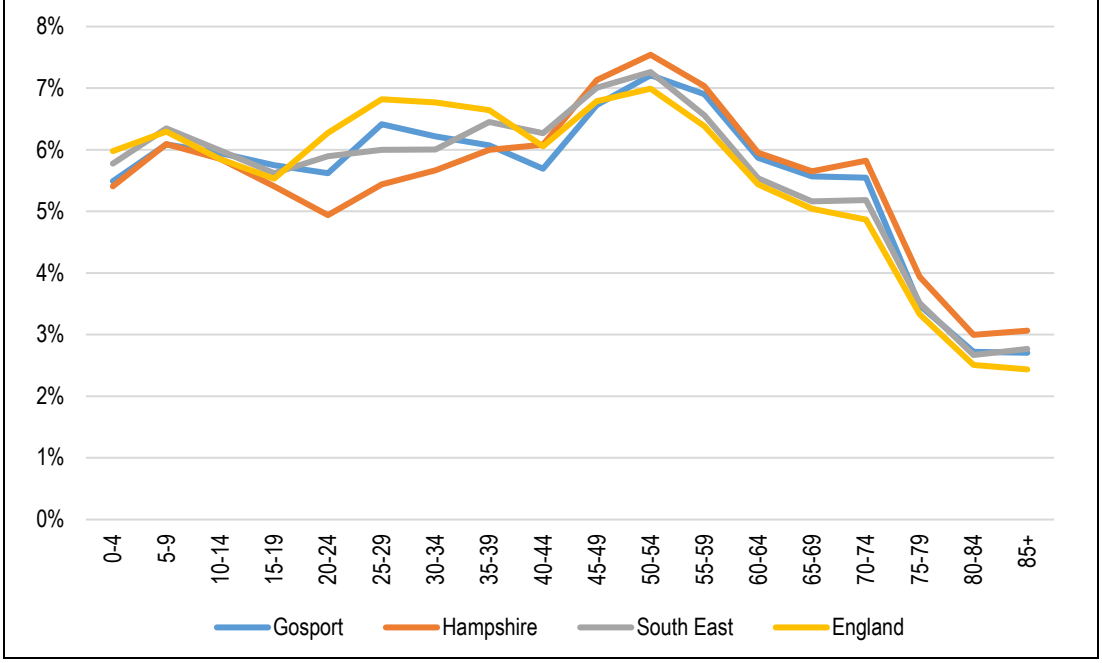
2.11 The table below shows the population profile of Gosport in five-year age bands compared with a range of other areas. The data shows a fairly typical population age profile when compared with other locations.

Figure 2.2: Population profile (2018)					
	Gosport		Hampshire	South East	England
	Population	% of population	% of population	% of population	% of population
0-4	4,682	5.5%	5.4%	5.8%	6.0%
5-9	5,190	6.1%	6.1%	6.3%	6.3%
10-14	5,072	5.9%	5.9%	6.0%	5.8%
15-19	4,903	5.7%	5.4%	5.6%	5.5%
20-24	4,793	5.6%	4.9%	5.9%	6.3%
25-29	5,470	6.4%	5.4%	6.0%	6.8%
30-34	5,300	6.2%	5.7%	6.0%	6.8%
35-39	5,179	6.1%	6.0%	6.4%	6.6%
40-44	4,854	5.7%	6.1%	6.3%	6.1%
45-49	5,735	6.7%	7.1%	7.0%	6.8%
50-54	6,150	7.2%	7.5%	7.3%	7.0%
55-59	5,886	6.9%	7.0%	6.6%	6.4%
60-64	5,005	5.9%	5.9%	5.5%	5.4%
65-69	4,747	5.6%	5.7%	5.2%	5.0%
70-74	4,730	5.5%	5.8%	5.2%	4.9%
75-79	2,961	3.5%	3.9%	3.5%	3.3%
80-84	2,319	2.7%	3.0%	2.7%	2.5%
85+	2,307	2.7%	3.1%	2.8%	2.4%
All Ages	85,283	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

2.12 The differences (or similarities) between Gosport and other areas can more clearly be seen in the figure below.

Figure 2.3: Population profile (2018)



Source: ONS mid-year population estimates

2.13 The analysis below summarises the above information by assigning population to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age. This analysis again shows similar patterns in Gosport when compared with other locations – as of 2018, it was estimated that a fifth of the population of the Borough were aged 65 and over.

Figure 2.4: Population profile (2018) – summary age bands

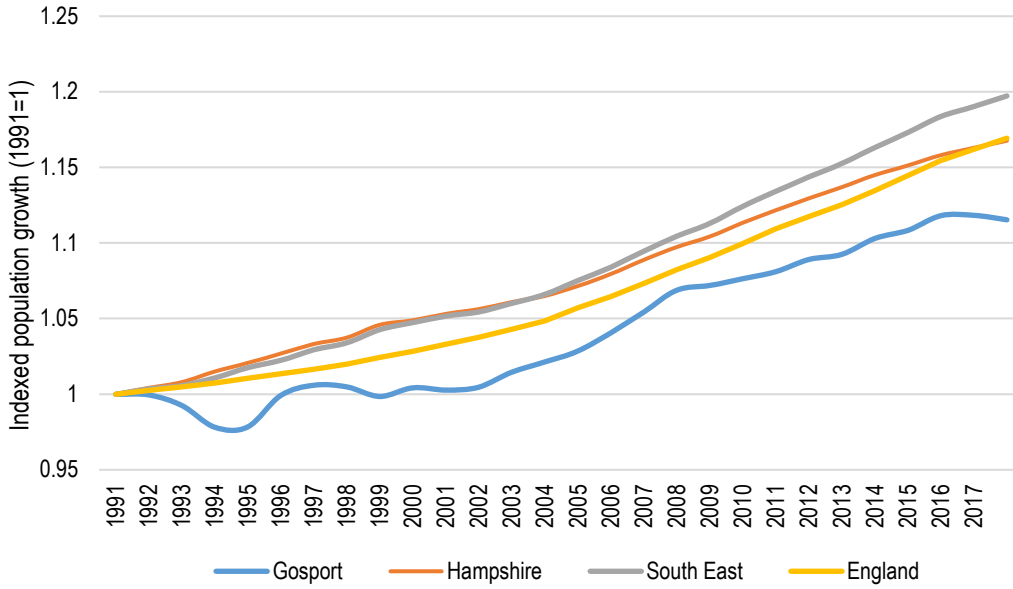
	Gosport		Hampshire	South East	England
	Population	% of population	% of population	% of population	% of population
Under 16	15,884	18.6%	18.4%	19.2%	19.2%
16-64	52,335	61.4%	60.1%	61.5%	62.6%
65+	17,064	20.0%	21.5%	19.3%	18.2%
All Ages	85,283	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

Population Changes

2.14 The figure below considers population growth in the period from 1991 to 2018. The analysis shows that generally over this period the population of Gosport has been rising, with particularly strong growth seen between 2002 and 2008. Levels of population growth have however been some way below that seen in other locations; in 2018, it is estimated that the population of the Borough had risen by 12% from 1991 levels, this is in contrast with a 20% rise across the region and a 17% increase nationally and across the County.

Figure 2.5: Indexed population growth (1991-2018)



Source: ONS (mid-year population estimates)

2.15 The table below shows the actual population figures used in the analysis and focusses on the 10-year period to 2018. This analysis again shows a lower level of population growth than seen in other locations – the population of the Borough having grown by around 4% - roughly half the level seen regionally and nationally.

Figure 2.6: Population growth (2008-18)

	2008	2018	Change	% change
Gosport	81,730	85,283	3,553	4.3%
Hampshire	1,293,565	1,376,316	82,751	6.4%
South East	8,426,399	9,133,625	707,226	8.4%
England	51,815,853	55,977,178	4,161,325	8.0%

Source: ONS

Components of Population Change

2.16 The table and figure below consider the drivers of population change 2001 to 2018. The main components of change are natural change (births minus deaths), net migration (internal/domestic and international) and other changes. There is also an Unattributable Population Change (UPC) which is a correction made by ONS upon publication of Census data if population has been under- or over-estimated.

2.17 The data shows a positive level of natural change throughout the period (increasing up until about 2008 and then reducing) – the latest data (2017/18) shows an almost exact balance between the number of births and deaths. Both internal and international migration have been highly variable over time, some years showing high positive figures and other years showing levels of net out-migration. There are arguably no obvious trends to be drawn from the migration data.

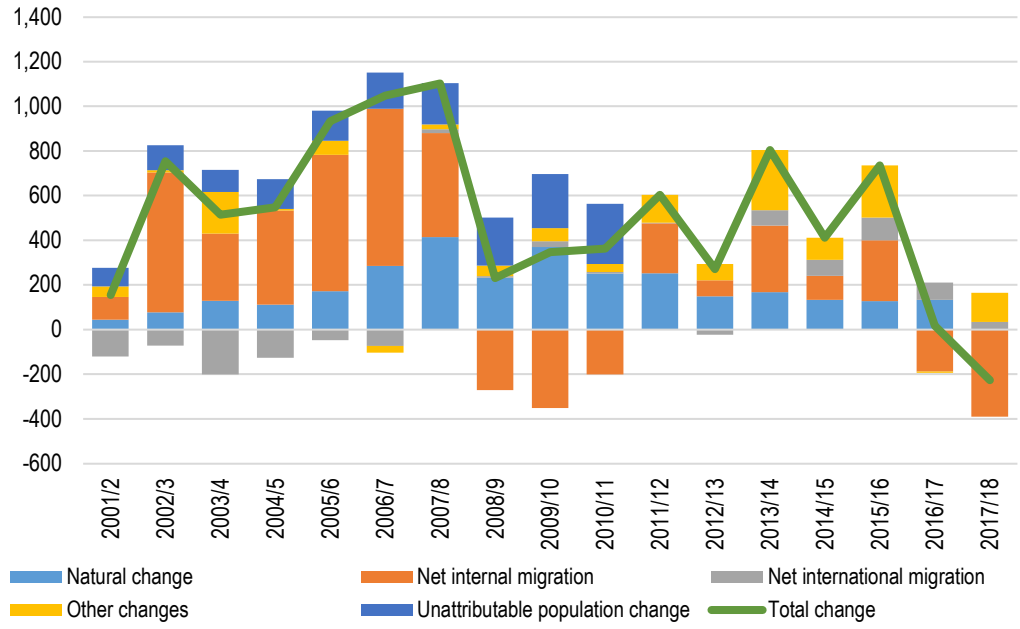
2.18 Other changes have generally been positive in the period studied. Whilst ONS does not break down what the other changes are, it does note that the three main constituents of other changes are: changes to the number of armed forces personnel and dependants stationed in the UK, changes to foreign armed forces based in the UK and changes to the prison population. The data also shows a positive level of UPC, suggesting that between 2001 and 2011, ONS may have underestimated population growth within population estimates (and this was corrected once Census data had been published).

Figure 2.7: Components of population change, mid-2001 to mid-2018 – Gosport

	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	44	102	-121	47	83	155
2002/3	77	627	-72	10	112	754
2003/4	129	300	-201	187	99	514
2004/5	112	421	-126	7	133	547
2005/6	172	611	-47	62	135	933
2006/7	285	704	-74	-29	162	1,048
2007/8	414	466	17	21	185	1,103
2008/9	232	-271	7	48	215	231
2009/10	369	-351	26	59	243	346
2010/11	250	-201	8	35	270	362
2011/12	252	224	2	125	0	603
2012/13	149	71	-24	74	0	270
2013/14	167	298	70	269	0	804
2014/15	133	107	72	99	0	411
2015/16	127	272	103	233	0	735
2016/17	133	-188	78	-6	0	17
2017/18	1	-390	33	130	0	-226

Source: ONS

Figure 2.8: Components of population change, mid-2001 to mid-2018 – Gosport



Source: ONS

Age structure changes

2.19 The table and figure below show population change by age (again for the 2008-18 period). This generally identifies the greatest increases to be in older age groups (aged 65 and over) along with some notable population declines (particularly in the 35-44 age group).

Figure 2.9: Population change by age (2008-18) – 5-year age bands (Gosport)				
	2008	2018	Change	% change
0-4	5,169	4,682	-487	-9.4%
5-9	4,727	5,190	463	9.8%
10-14	4,965	5,072	107	2.2%
15-19	5,218	4,903	-315	-6.0%
20-24	4,945	4,793	-152	-3.1%
25-29	5,508	5,470	-38	-0.7%
30-34	5,091	5,300	209	4.1%
35-39	5,919	5,179	-740	-12.5%
40-44	6,131	4,854	-1,277	-20.8%
45-49	6,025	5,735	-290	-4.8%
50-54	5,024	6,150	1,126	22.4%
55-59	4,688	5,886	1,198	25.6%
60-64	4,933	5,005	72	1.5%
65-69	3,489	4,747	1,258	36.1%
70-74	3,294	4,730	1,436	43.6%
75-79	2,826	2,961	135	4.8%
80-84	1,928	2,319	391	20.3%
85+	1,850	2,307	457	24.7%
All Ages	81,730	85,283	3,553	4.3%

Source: ONS mid-year population estimates

2.20 This information has again been summarised into three broad age bands to ease comparison. The table below shows a decrease in the number of children living in the Borough (reducing by about 0.3%) along with a modest decrease in the 'working-age' population. The key driver of population growth has therefore been in the 65 and over age group, which between 2008 and 2018 saw a population increase of about 3,700 people; this age group increasing in size by 27% over the decade.

Figure 2.10: Change in population by broad age group (2008-18) – Gosport				
	2008	2018	Change	% change
Under 16	15,931	15,884	-47	-0.3%
16-64	52,412	52,335	-77	-0.1%
65+	13,387	17,064	3,677	27.5%
TOTAL	81,730	85,283	3,553	4.3%

Source: ONS mid-year population estimates

2016-based Subnational Population Projections (SNPP)

2.21 The latest (2016-based) set of subnational population projections (SNPP) were published by ONS in May 2018 (replacing a 2014-based release). The projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2016-based national population projections.

2.22 The 2016-based SNPP contain a number of assumptions that have been changed from the 2014-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:

- ONS long-term international migration assumptions have been revised downwards to 165,000 per annum (beyond mid-2022) compared to 185,000 in the 2014-based projections. This is based on a 25-year average;
- The latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.84 compared to 1.89 in the 2014-based projections; and
- ONS is no longer assuming a faster rate of increase in life expectancy of those born between 1923 and 1938, based essentially on more recent evidence. Life expectancy still increases, just not as fast as previously projected.

2.23 The table below shows projected population growth from 2016 to 2036 in Gosport and a range of comparator areas. The data shows that the population of the Borough is projected to increase by around 8%; this is similar to the rate of growth projected across Hampshire, but lower level than the South East and England.

Figure 2.11: Projected population growth (2016-2036) – 2016-based SNPP

	Population 2016	Population 2036	Change in population	% change
Gosport	85,492	91,909	6,417	7.5%
Hampshire	1,365,103	1,480,378	115,275	8.4%
South East	9,030,347	10,043,712	1,013,365	11.2%
England	55,268,067	60,905,483	5,637,416	10.2%

Source: ONS

2.24 The table below compares the 2016-based SNPP with the previous release (2014-based). This shows that there is a slight difference in the projected level of growth in the 2016-36 period, the previous projections showing a figure of 5,900, compared with 6,400 in the more recent release.

Figure 2.12: Projected population growth (2016-2036) – Gosport

	Population 2016	Population 2036	Change in population	% change
2014-based	84,718	90,614	5,896	7.0%
2016-based	85,492	91,909	6,417	7.5%

Source: ONS

2.25 With the overall change in the population will also come changes to the age profile. The table below summarises findings for key (5 year) age groups. The largest growth will be in people aged 65 and over. In 2036 it is projected that there will be 25,900 people aged 65 and over. This is an increase of 9,300 from 2016, representing growth of 56%. The population aged 85 and over is projected to increase by an even greater proportion, 100%. Looking at the other end of the age spectrum the data shows that there is projected to be a reduction in the number of children (those aged Under 15), with increases or (mainly) decreases shown for other age groups.

Figure 2.13: Population change 2016 to 2036 by five-year age bands – Gosport (2016-based SNPP)				
	Population 2016	Population 2036	Change in population	% change from 2017
Under 5	4,958	4,481	-477	-9.6%
5-9	5,366	4,553	-813	-15.2%
10-14	4,772	4,673	-99	-2.1%
15-19	4,976	4,849	-127	-2.6%
20-24	5,037	5,211	174	3.5%
25-29	5,490	5,844	354	6.4%
30-34	5,533	5,150	-383	-6.9%
35-39	4,937	5,036	99	2.0%
40-44	5,303	5,234	-69	-1.3%
45-49	5,968	5,263	-705	-11.8%
50-54	6,162	5,258	-904	-14.7%
55-59	5,679	5,009	-670	-11.8%
60-64	4,719	5,450	731	15.5%
65-69	5,212	6,255	1,043	20.0%
70-74	4,007	6,280	2,273	56.7%
75-79	2,866	5,226	2,360	82.3%
80-84	2,277	3,680	1,403	61.6%
85+	2,230	4,456	2,226	99.8%
Total	85,492	91,909	6,417	7.5%

Source: ONS

2.26 As noted previously, the Government is proposing to amend the Standard Method so that the 2016-based SNHP are disregarded in favour of using the 2014-based version as a start point. There is some good logic for this as the 2016-based projections do seem to potentially be building in additional suppression of household formation (discussed below), however, it is considered that the 2016-based SNPP (i.e. the population data) should not be so readily disregarded – this is particularly because of the changes made to fertility and mortality rates which reflect observed recent trends.

2.27 Therefore, in moving the analysis forward, it is suggested that the most suitable approach is to maintain the 2016-based SNPP as a baseline projection and amend migration estimates so that the level of need matches that shown in the Standard Method and for alternative scenarios developed in this report.

Alternative Demographic Scenarios

2.28 The SNPP is the latest official projection and is based on looking at migration trends over the past 5 to 6 years. However, given that levels of migration and population growth have been variable over time it is reasonable to consider alternative (sensitivity) scenarios – these scenarios have been developed independently of matching population and household growth to the Standard Method level of housing need.

2.29 The sensitivity scenarios take account of longer-term migration trends and also data from the ONS mid-year population estimates (MYE) up to 2018. The analysis below considers three potential sensitivities to the SNPP figures. These can be described as:

- Including 2018 mid-year population data and retaining other assumptions in the SNPP – 2016-SNPP (+MYE);
- Implications of 10-year migration trends – 10-year migration; and
- Updating the 2016-based SNPP to take account of 2018 mid-year population data (i.e. updating migration estimates based on a different time series) – 2018-SNPP

2016-SNPP (+MYE)

2.30 This projection takes assumptions from the 2016-based SNPP, but overwrites the population projection figures for 2017 and 2018 by those in the ONS MYE (by age and sex). Moving forward from 2018, this sensitivity uses the same birth and death rates as contained in the 2016-based SNPP and the actual projected migration figures (by age and sex).

10-year migration

2.31 This projection uses information about migration levels in the 10-year period (2008-18); the scenario therefore includes the most up-to-date MYE figures (for 2018). The projection does not just look at the migration figures and roll these forward but recognises that migration can be variable over time as the age structure changes. With international migration, this projection also takes account of the fact that ONS are projecting for international net migration to decrease in the longer-term.

2.32 To overcome the issue of variable migration, the methodology employed looks at the share of migration in the Borough compared to the share in the period feeding into the 2016-based SNPP (which is 2011-16 for internal migration and 2010-16 for international migration). Where the share of migration is higher in the 10-year period, the projection applies an upward adjustment to migration, and vice versa.

2018-SNPP

2.33 This projection uses the data from the 2018 MYE to develop a 2018-based projection. The 2016-based SNPP uses migration data for the 2011-16 period for internal migration and 2010-16 for international migration. For this scenario the data is rolled forward by two years so that the periods studied are 2013-18 and 2012-18 respectively.

2.34 It should be noted that this projection is only indicative as it only looks at overall migration trends and does not apply any adjustments to take account of potential changes to the age structure of migration. As with the 10-year migration projection, a migration share approach is taken so as to ensure consistency with both local and national projections.

Outputs from different demographic projections

2.35 The table below shows the estimated level of population growth in the SNPP and the alternative projections developed. The analysis shows that using longer-term (10-year) trends sees the projected growth decrease substantially, whilst developing an indicative (2018-based) SNPP also shows lower population growth. Overall, the analysis shows that population growth in the 2016-based SNPP is very much at the top end of the range.

Figure 2.14: Projected population growth (2016-2036) – alternative scenarios – Gosport

	Population 2016	Population 2036	Change in population	% change
2016-based SNPP	85,492	91,909	6,417	7.5%
2016-SNPP (+MYE)	85,492	91,067	5,575	6.5%
10-year migration	85,492	86,279	787	0.9%
2018-SNPP	85,492	87,675	2,183	2.6%

Source: Demographic projections

Household Representative Rates (Household Formation)

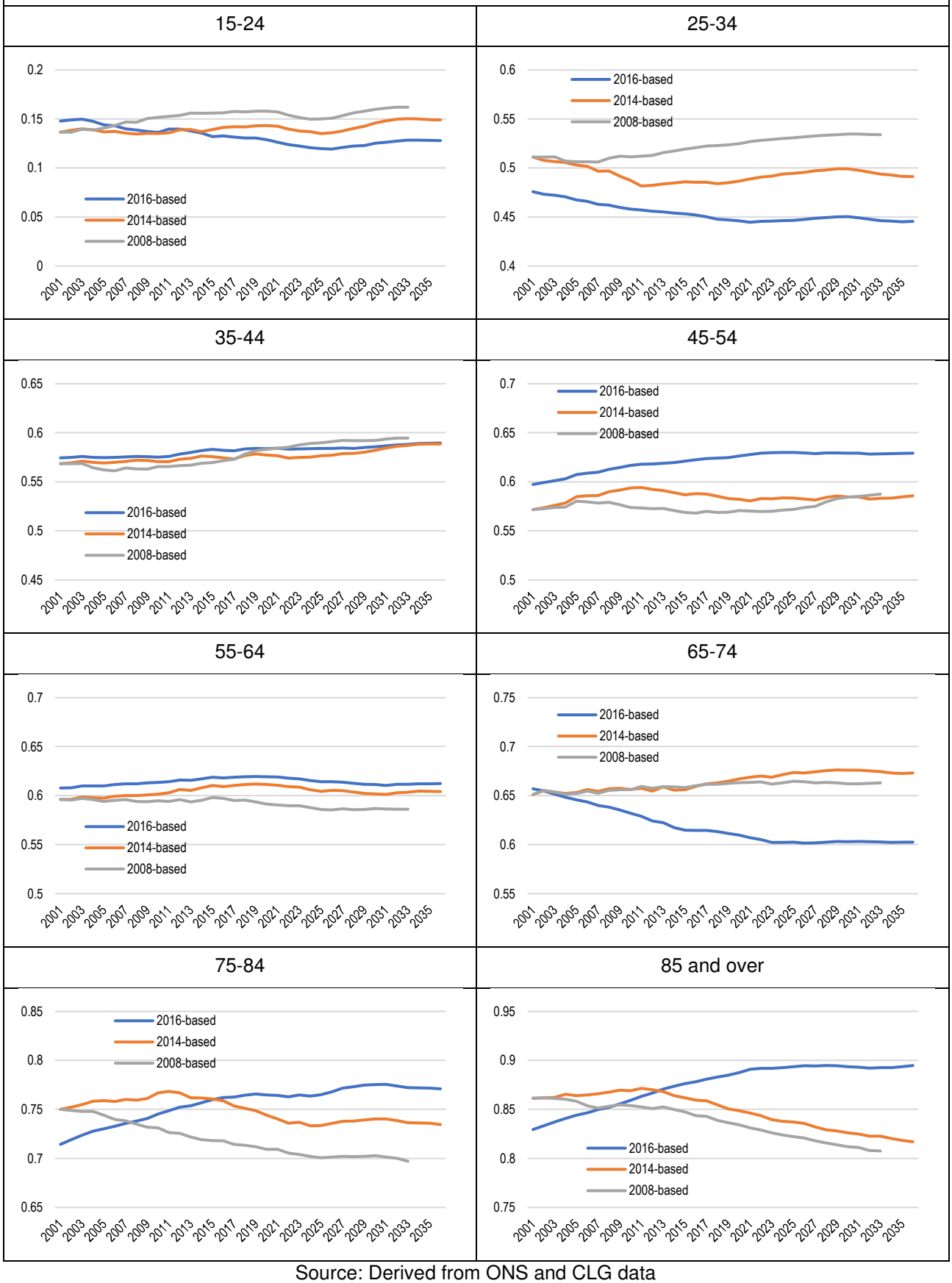
2.36 Having studied the population size, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

2.37 The latest HRRs are as contained in the ONS 2016-based subnational household projections (SNHP) – these were published in September 2018. It would be fair to say that the 2016-based SNHP have come under some criticism, this is largely because they are based only on data in the 2001-11 Census period and arguably build in the suppression of household formation experienced in that time. The previous (2014-based) projections used a longer time-series (all Census points back to 1971) and therefore do cover a wider housing market cycle.

2.38 Because of the criticisms of the 2016-based SNHP, and the fact that these have driven the Government to consult on reviewing the Standard Method (which is directly linked to official household projections) it is considered prudent in this report to look at both the 2016- and 2014-based figures. For information, data from the 2008-based figures has also been provided.

2.39 The figure below compares HRRs in the 2008-, 2014- and 2016-based SNHP – the figures are essentially the proportion of a particular age group that is considered to be the 'head of household' (HRP as described above). The analysis shows that for many age groups the projections are really quite different. When looking at some of the younger age groups (particularly 25-34) it is notable that the HRRs in the 2014-based projections are somewhat higher (certainly in moving through to 2036) – this does suggest in Gosport (as nationally) that there may be some degree of suppression being built into the 2016-based projections, or certainly not a positive improvement in the formation rates of younger people. This does suggest that a more positive approach to household formation could take account of the 2014-based projections.

Figure 2.15: Projected Household Representative Rates by age of head of household – Gosport



Source: Derived from ONS and CLG data

2.40 As well as looking at the 2014-based SNHP, a sensitivity test has been developed to look at an alternative approach to HRRs. In this sensitivity, a 'part-return-to-trend' analysis has been developed, where the rate of household formation sits somewhere between figures in the 2014-based projections and those in an older 2008-based version. This approach was widely used prior to the 2016-based SNHP being published and was an approach previously suggested by the Local Plans Expert Group (LPEG). Therefore, three HRR scenarios have been used as described below:

- Linking directly to 2016-based SNHP – 2016-SNHP HRRs;
- Linking directly to 2014-based SNHP – 2014-SNHP HRRs; and
- Linking to the 2014-based SNHP but with a part-return to previous trends for the 25-34 and 35-44 age groups – 2014-PRT

Household Growth and Housing Need

2.41 The table below shows estimates of household growth with each of the three HRR scenarios, the table also shows an estimate of the number of additional dwellings expected to be needed. All of the figures link to population growth in the 2016-based SNPP.

2.42 To convert households into dwellings the analysis includes an uplift to take account of vacant homes. For the purposes of analysis it has been assumed that the number of vacant homes in new stock would be 3% higher than the number of occupied homes (which is taken as a proxy for households) and hence household growth figures are uplifted by 3% to provide an estimate of housing need. This figure is a fairly standard assumption when looking at vacancy rates in new stock and will allow for movement within the housing stock.

2.43 The analysis below shows the housing need outputs when linked to the 2016-based SNPP (for illustrative purposes). This shows an overall housing need for 280 dwellings per annum (dpa) across the Borough when using the 2016-based SNHP as the underlying household projection. This figure increases to 301 dpa with the previous HRR figures and up slightly further (to 317 dpa) using a part-return to trend methodology.

Figure 2.16: Projected housing need – range of household representative rate assumptions – Gosport (linked to 2016-based SNPP)

	Households 2016	Households 2036	Change in households	Per annum	Dwellings (per annum)
2016-SNHP HRRs	36,997	42,426	5,429	271	280
2014-SNHP HRRs	37,409	43,245	5,836	292	301
Part-return to trend	37,409	43,555	6,146	307	317

Source: Demographic projections

Developing a Standard Method and Housing Trajectory Projections

2.44 Earlier in this section it has been calculated that the Standard Method would lead to a housing need of 238 dwellings per annum (due to the cap) and 341 without the cap. Therefore, a further scenario has been developed which adjusts migration to- and from- the Borough such that there is sufficient population for 238 additional homes each year. Similar scenarios are developed to look at how migration (and the population structure) might change if providing 170 and 190 dwellings per annum respectively.

2.45 Within the modelling, migration assumptions have been changed so that across the Borough the increase in households matches the Standard Method housing need (including a 3% vacancy allowance). The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the 2016-based SNPP with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%).

2.46 In converting the population into household numbers (and hence housing need) data about HRRs from the 2014-based SNHP has been used. As is shown above, this scenario is in the middle of the range of scenarios tested in this report and is considered to be realistic. Consideration was given to using the 'part-return to trend' method. However, in the case of Gosport it is noted to match the Standard Method (and housing trajectory scenarios) that migration would be reduced slightly from the latest official projections and therefore the scope for improving household formation might be more limited.

2.47 In summary the method includes the following assumptions:

- Base population in 2018 from the latest mid-year population estimates available at the time of developing projections;
- Household representative rates from the 2014-based SNHP;
- The migration profile (by age and sex) in the same proportions as the 2016-based SNPP; and
- A 3% vacancy allowance to convert household growth into housing need.

2.48 The tables below show how the population might be expected to change under each of the scenarios. These are summarised as:

- Housing Trajectory A: Based on 170 dwellings per annum over the period to 2036 (the current annual requirement set out in GBLP);
- Housing Trajectory B: Based on 190 dwellings per annum over the period to 2036; and
- Housing Trajectory C: Based on 238 dwellings per annum over the period to 2036 (based on the 40% capped figure advocated by the standard method).

2.49 For all scenarios, the analysis shows particularly strong changes in older age groups and more modest increases (and some decreases) for younger groups – these trends are consistent with projections nationally. Overall, it is projected that the population would grow by between 1% and 4% in the 20-year period to 2036.

2.50 In much of the analysis to follow in this report, reference is made to the three scenarios developed above, for example when looking at levels of newly forming households in the affordable housing need modelling and the needs of older people.

2.51 Full details about each of the three scenarios developed (i.e. data about births, deaths, migration and age structure) can be found in Appendix A.

Figure 2.17: Population change 2016 to 2036 by five-year age bands – Gosport (linked Trajectory A – 170 dwellings per annum)

	Population 2016	Population 2036	Change in population	% change from 2017
Under 5	4,958	4,067	-891	-18.0%
5-9	5,366	4,149	-1,217	-22.7%
10-14	4,772	4,315	-457	-9.6%
15-19	4,976	4,555	-421	-8.5%
20-24	5,037	4,762	-275	-5.5%
25-29	5,490	5,361	-129	-2.4%
30-34	5,533	4,702	-831	-15.0%
35-39	4,937	4,471	-466	-9.4%
40-44	5,303	4,661	-642	-12.1%
45-49	5,968	4,926	-1,042	-17.5%
50-54	6,162	5,008	-1,154	-18.7%
55-59	5,679	4,803	-876	-15.4%
60-64	4,719	5,185	466	9.9%
65-69	5,212	6,028	816	15.7%
70-74	4,007	6,115	2,108	52.6%
75-79	2,866	5,044	2,178	76.0%
80-84	2,277	3,546	1,269	55.7%
85+	2,230	4,294	2,064	92.6%
Total	85,492	85,993	501	0.6%

Source: Demographic projections

Figure 2.18: Population change 2016 to 2036 by five-year age bands – Gosport (linked Trajectory B – 190 dwellings per annum)				
	Population 2016	Population 2036	Change in population	% change from 2017
Under 5	4,958	4,145	-813	-16.4%
5-9	5,366	4,223	-1,143	-21.3%
10-14	4,772	4,378	-394	-8.3%
15-19	4,976	4,606	-370	-7.4%
20-24	5,037	4,827	-210	-4.2%
25-29	5,490	5,445	-45	-0.8%
30-34	5,533	4,792	-741	-13.4%
35-39	4,937	4,561	-376	-7.6%
40-44	5,303	4,735	-568	-10.7%
45-49	5,968	4,983	-985	-16.5%
50-54	6,162	5,052	-1,110	-18.0%
55-59	5,679	4,839	-840	-14.8%
60-64	4,719	5,219	500	10.6%
65-69	5,212	6,064	852	16.4%
70-74	4,007	6,148	2,141	53.4%
75-79	2,866	5,069	2,203	76.9%
80-84	2,277	3,562	1,285	56.4%
85+	2,230	4,317	2,087	93.6%
Total	85,492	86,965	1,473	1.7%

Source: Demographic projections

Figure 2.19: Population change 2016 to 2036 by five-year age bands – Gosport (linked Trajectory C – 238 dwellings per annum)				
	Population 2016	Population 2036	Change in population	% change from 2017
Under 5	4,958	4,331	-627	-12.6%
5-9	5,366	4,402	-964	-18.0%
10-14	4,772	4,527	-245	-5.1%
15-19	4,976	4,728	-248	-5.0%
20-24	5,037	4,983	-54	-1.1%
25-29	5,490	5,648	158	2.9%
30-34	5,533	5,008	-525	-9.5%
35-39	4,937	4,778	-159	-3.2%
40-44	5,303	4,914	-389	-7.3%
45-49	5,968	5,120	-848	-14.2%
50-54	6,162	5,156	-1,006	-16.3%
55-59	5,679	4,924	-755	-13.3%
60-64	4,719	5,302	583	12.4%
65-69	5,212	6,151	939	18.0%
70-74	4,007	6,226	2,219	55.4%
75-79	2,866	5,127	2,261	78.9%
80-84	2,277	3,600	1,323	58.1%
85+	2,230	4,370	2,140	96.0%
Total	85,492	89,298	3,806	4.5%

Source: Demographic projections

Working-age and Economically Active Population

2.52 Additionally, it seems useful to also provide an indication of how the working-age and economically active population would be expected to change under each of the scenarios developed. The working age population is impacted not only by the age structure but also by changes to pensionable age. The box below summarises these changes.

> The state pension ages (SPA) for people will change during the projection period. Between 2012 and 2018, SPA will change from 65 years for men and 61 years for women, to 65 years for both sexes. Then between December 2018 and October 2020, SPA will change from 65 years to 66 years for both men and women. Between 2026 and 2046, SPA will increase in two stages from 66 years to 68 years for both sexes. This is based on SPA under the Pensions Act 2014.

2.53 The table below shows the estimated number of people of working-age in each of 2016 and 2036 under the three core scenarios developed in this report. The analysis shows that the working-age population is projected to fall with the first two trajectories (170 and 190 dpa) but would be expected to remain at broadly the same level with higher deliver (linked to the Standard Method).

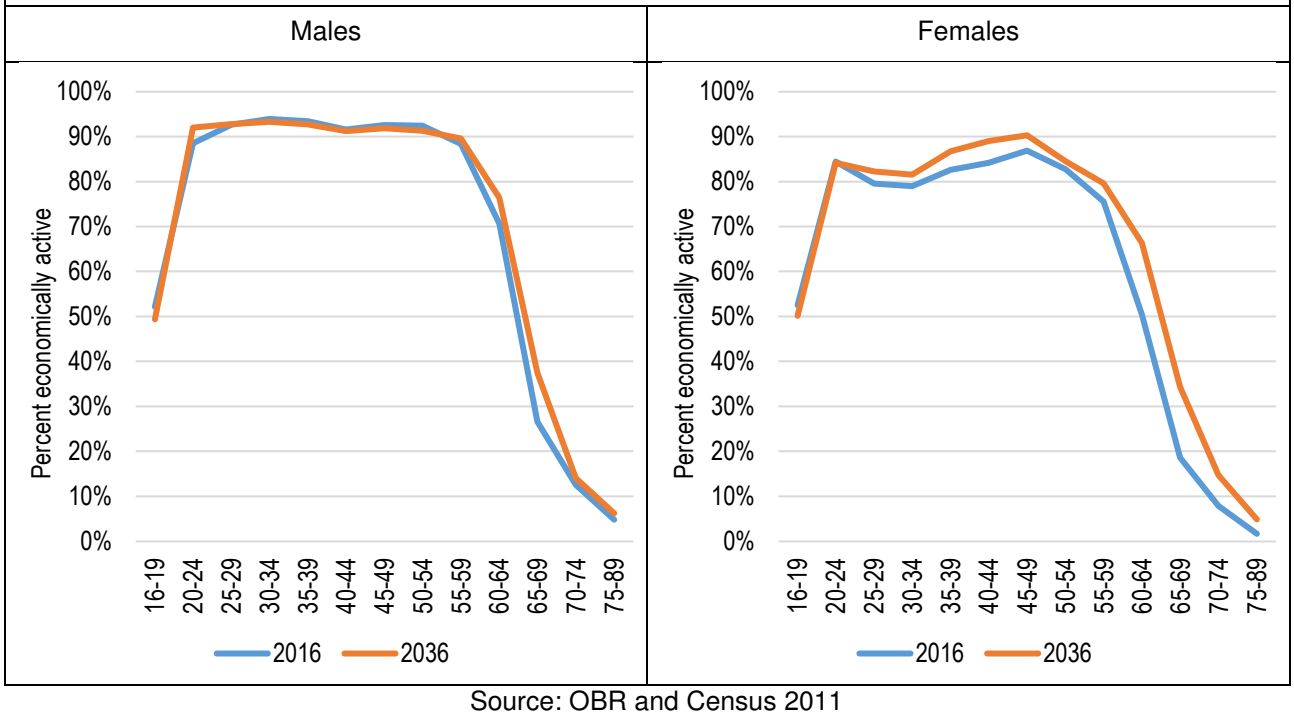
Figure 2.20: Estimated change to the working-age population (2016-36)			
	Working-age (2016)	Working-age (2036)	Total change in working-age population
Trajectory A (170 dpa)	52,003	49,921	-2,083
Trajectory B (190 dpa)	52,003	50,551	-1,453
Trajectory C (238 dpa)	52,003	52,063	60

Source: Derived from demographic projections

2.54 When looking at economic activity, the approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active. Data on economic activity rates has been drawn in this instance from the Office for Budget Responsibility (OBR) July 2018 Fiscal Sustainability Report which has been adjusted for Gosport based on 2011 Census data. This is a standard approach for estimating changes in labour supply.

2.55 The figure and table below show the assumptions made. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups linked in particular to changes to pensionable age. The OBR activity rate projections take account of broader trends in the number of older people working for longer (which in itself is linked to improved health and longevity, pension age changes and general reductions in pension provision).

Figure 2.21: Projected changes to economic activity rates (2016 and 2036) – Gosport



Source: OBR and Census 2011

Figure 2.22: Projected changes to economic activity rates (2016 and 2036) – Gosport						
	Males			Females		
	2016	2036	Change	2016	2036	Change
16-19	52.1%	49.3%	-2.8%	52.5%	50.1%	-2.3%
20-24	88.5%	92.0%	3.5%	84.5%	84.2%	-0.3%
25-29	92.6%	92.8%	0.2%	79.5%	82.2%	2.7%
30-34	94.0%	93.3%	-0.7%	79.0%	81.5%	2.6%
35-39	93.4%	92.7%	-0.7%	82.6%	86.8%	4.2%
40-44	91.6%	91.2%	-0.3%	84.2%	89.0%	4.9%
45-49	92.6%	91.9%	-0.7%	86.9%	90.4%	3.4%
50-54	92.4%	91.3%	-1.2%	82.8%	84.5%	1.8%
55-59	88.4%	89.6%	1.2%	75.5%	79.6%	4.1%
60-64	70.7%	76.4%	5.7%	50.3%	66.3%	16.0%
65-69	26.6%	37.4%	10.9%	18.6%	34.3%	15.7%
70-74	12.5%	14.0%	1.5%	7.9%	14.7%	6.9%
75-89	4.8%	6.2%	1.5%	1.7%	4.9%	3.2%

Source: OBR and Census 2011

2.56 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people under each scenario (see table below). The analysis shows a reduction in the resident labour supply with Trajectories A and B along with a modest increase with the higher (Standard Method) housing figure.

Figure 2.23: Estimated change to the economically active population (2016-36) – Gosport			
	Economically active (2016)	Economically active (2036)	Total change in economically active
Trajectory A (170 dpa)	45,024	43,409	-1,614
Trajectory B (190 dpa)	45,024	43,953	-1,071
Trajectory C (238 dpa)	45,024	45,257	233

Source: Derived from demographic projections

2.57 More detailed (year-by-year) outputs for the working-age population and the labour supply can be found in Appendix A of this report.

Population Trends and Projections: Key Messages

- Since about 2010, assessing the level of housing need has been for individual local authorities (or groups of local authorities) to prepare by following advice in Planning Practice Guidance (PPG). However, the new National Planning Policy Framework (NPPF) of February 2019 has introduced a Standard Method, based on looking at projected household growth and adjustments based on the level of affordability in an area. For Gosport, the Standard Method shows a need to provide 238 dwellings per annum (capped).

- Analysis has therefore been carried out to look at the implications (for population/household growth) of delivery of 238 homes per annum in the 2016-36 period. In addition, two housing trajectory scenarios have been developed looking at provision of 170 and 190 dwellings per annum respectively.

- Initially, a range of analysis has been undertaken to understand past trends in Gosport and how these compare with other areas. Analysis shows that the population age structure of the Borough is broadly similar to other areas with around 20% of the population being aged 65 and over. Further data shows that past population growth has generally been lower than seen in other areas – the population growing by around 4% in the past decade. Over this period the number of people aged 65 and over increased by around 27% whilst there was virtually no change in the population aged under 65.

- Projecting forward, the latest ONS subnational population projections (SNPP – 2016-based) show population growth of around 8% (2016-36) – a rate slightly lower than projected nationally. Within this change there is projected to be a further notable increase in the population aged 65 and over (although this is consistent with national trends). Alternative demographic scenarios were developed (including consideration of longer-term (10-year) migration trends). These scenarios all showed lower population growth than the latest official projections.

- In converting population growth into household growth (and hence housing need) data from both the 2014-based subnational household projections (SNHP) has been utilised. The older (2014-based) data has been accessed as there are some doubts about the robustness of 2016-based figures; these latest figures are based on short-term trends and it has been argued (widely in the planning press) that they build in a degree of suppression/constraint in the formation of younger households.

- Using data from both the 2016-based SNPP (e.g. about birth/death rates and the profile of migrants) and the 2014-based SNHP a series of scenarios have been modelled to consider what level of population growth might be expected to fill 238 additional homes per annum (and 170/190 per annum). These scenarios show population growth of between about 1% and 4% (2016-36) with a continued ageing of the population.

- Despite the ageing population, further analysis looking at the number of people of working-age and the number of economically active residents (resident labour supply) suggests that there may be little change over time (positive increases when set against the highest of the delivery scenarios). This finding is due to future planned changes to pensionable age and a general expectation (from the Office of Budget Responsibility (OBR)) that economic activity rates will increase slightly in the future.

3. Affordable Housing Need

Introduction

3.1 This section seeks to update analysis of the need for affordable housing in Gosport. This is in particular to reflect the changed definition of affordable housing in Annex 2 of the National Planning Policy Framework (NPPF). The revised NPPF definition is slightly wider than the previous NPPF definition; in particular a series of 'affordable home ownership' options are considered to be affordable housing.

3.2 The opportunity has also been taken to update aspects of the analysis to a 2019 base (including data on house prices/rents, incomes, levels of new household formation and the supply of affordable housing). The analysis looks at need in the 17-year period from 2019 to 2036, to be consistent with the end date of the Local Plan.

3.3 A methodology is set out in Planning Practice Guidance (PPG) to look at affordable need (within the Housing need assessment guide), this is largely the same as the previous PPG method and does not really address the additional (affordable home ownership) definition. The analysis below splits between the current definition of affordable need and the additional definition, providing distinct analysis for each.

Affordable Need – Established Definition

3.4 The method for studying the need for affordable housing has been enshrined in Strategic Housing Market Assessment (SHMA) guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy). The analysis below follows the methodology and key data sources in guidance and can be summarised as:

- Current need (an estimate of the number of households who have a need now and based on a range of data modelled from local information);
- Projected newly forming households in need (based on the most up-to-date (2016-based) household projections (2019-36) along with an affordability test to estimate numbers unable to afford the market);
- Existing households falling into need (based on studying the types of households who have needed to access social/affordable rented housing and based on study past lettings data);
- These three bullet points added together provide an indication of the gross need (the current need is divided by 17 so as to meet the need over the 2019-36 period);
- Supply of affordable housing (an estimate of the likely number of letting that will become available from the existing social housing stock – drawing on data from CoRe[2]); and
- Subtracting the supply from the gross need provides an estimate of the overall (annual) need for affordable housing

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

3.5 Each of these stages is described below. In addition, much of the analysis requires a view about affordability to be developed. This includes looking at house prices and private rents along with estimates of local household incomes. The following sections therefore look at different aspects of the analysis.

Local Prices and Rents

3.6 An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'.

3.7 For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes); establishing, in numerical terms, the overall need for affordable housing.

3.8 Analysis below considers the entry-level costs of housing to both buy and rent across the study area. The approach has been to analyse Land Registry and Valuation Office Agency (VOA) data to establish lower quartile prices and rents – using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market.

3.9 Data from the Land Registry for the year to March 2019 (i.e. Q2-Q4 of 2018 and Q1 of 2019) shows estimated lower quartile property prices in the area by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £105,000 for a flat and rising to £300,000 for a detached home. Looking at the lower quartile price across all dwelling types the analysis shows a lower quartile 'average' price of £165,000.

Figure 3.1: Lower quartile cost of housing to buy by type – year to March 2019 – Gosport

	Lower quartile price
Flat/maisonette	£105,000
Terraced	£172,000
Semi-detached	£212,000
Detached	£300,000
All dwellings	£165,000

Source: Land Registry

3.10 It is also useful to provide estimates of property prices by the number of bedrooms in a home. Analysis for this draws together Land Registry data with an internet search of prices of homes for sale (using sites such as Rightmove). To some extent the prices should be seen as indicative, in particular the supply of 1-bedroom homes to buy was quite small.

Figure 3.2: Lower quartile cost of housing to buy by size (estimated) – year to March 2019 – Gosport	
	Lower quartile price
1-bedroom	£92,000
2-bedrooms	£138,000
3-bedrooms	£193,000
4-bedrooms	£248,000
All dwellings	£165,000

Source: Land Registry and internet price search

3.11 A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – this covers a 12-month period to March 2019. For the rental data, information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of £625 per month.

Figure 3.3: Lower Quartile Market Rents, year to March 2019 – Gosport	
	Lower Quartile rent, pcm
Room only	-
Studio	£480
1-bedroom	£545
2-bedrooms	£650
3-bedrooms	£795
4-bedrooms	£995
All properties	£625

Source: Valuation Office Agency

3.12 A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than a particular percentage of gross income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40%. Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics).

3.13 The threshold of income to be spent on housing should be set by asking the question 'what level of income is expected to be required for a household to be able to access market housing without the need for a subsidy (e.g. through Housing Benefit)?' The choice of an appropriate threshold will to some degree be arbitrary and will be linked to the cost of housing rather than income. Income levels are only relevant in determining the number (or proportion) of households who fail to meet the threshold. It would be feasible to find an area with very low incomes and therefore conclude that no households can afford housing, alternatively an area with very high incomes might show the opposite output. The key here is that local income levels are not setting the threshold but are simply being used to assess how many can or can't afford market housing.

3.14 Rent levels in Gosport are slightly higher than those seen nationally (a lower quartile rent of £525 per month across England). This would suggest that a proportion of income to be spent on housing could be higher than the bottom end of the range and it is considered that a proportion of 30% is reasonable – the previous assessment (in 2016) looked at a range of thresholds from 25% to 40%.

3.15 Generally, the income required to access owner-occupied housing is higher than that required to rent and so the analysis to follow is based solely on the ability to afford to access private rented housing. However, the local house prices are important when looking at the extended definition of affordable housing in NPPF and are returned to when looking at this new definition.

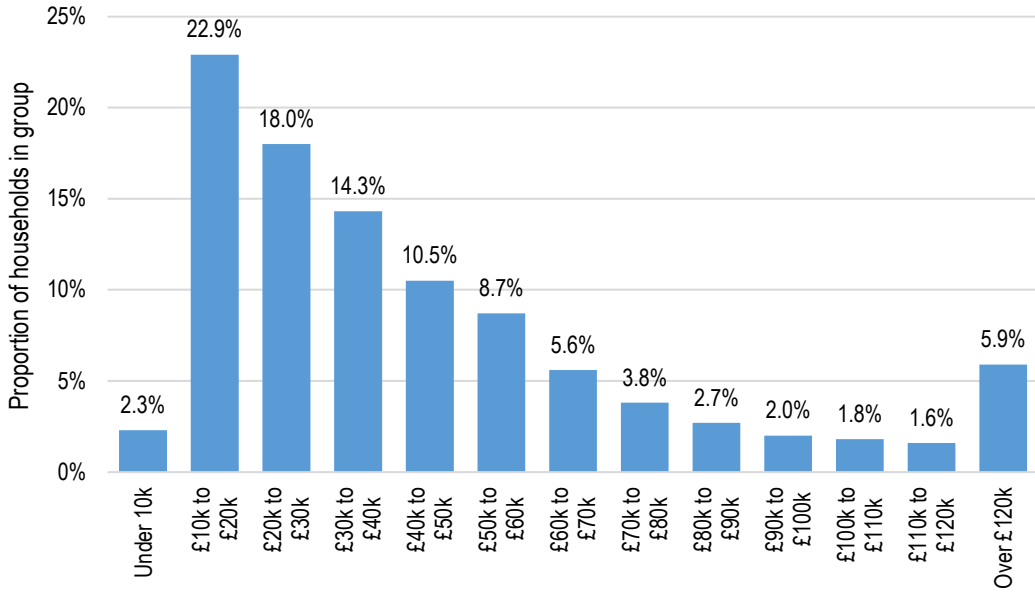
Income Levels and Affordability

3.16 Following on from the assessment of local housing costs it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy); the analysis also provides an indication of the potential for intermediate housing to meet needs. Data about total household income has been modelled on the basis of a number of different sources of information to provide both an overall average income and the likely distribution of income. The key sources of data include:

- ONS modelled income estimates (published in April 2018 with a 2015/16 base) – this information is provided for middle layer super output areas (MSOA) and is therefore used to build up to local authority areas;
- English Housing Survey (EHS) – to provide information about the distribution of incomes; and
- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed since the ONS base date.

3.17 Drawing all of this data together, an income distribution for 2018 has been constructed. The figure below shows the income distribution estimated across the Borough. Overall the average (mean) income is estimated to be around £45,300, with a median income of £34,500; the lower quartile income of all households is estimated to be £19,900. The estimated income across the Borough is around 25% higher than was assessed in the SHMA update (which took a 2014 base).

Figure 3.4: Distribution of household income (2018) – Gosport



Source: Derived from a range of data as discussed

3.18 To assess affordability, a household's ability to afford private rented housing without financial support has been studied. The distribution of household incomes is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.

3.19 Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households (this has consistently been shown to be the case in the English Housing Survey and the Survey of English Housing). Assumptions about income levels for specific elements of the modelling are the same as in previous assessments of affordable need.

Current Affordable Housing Need

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

Figure 3.5: Main sources for assessing the current unmet need for affordable housing		
	Source	Notes
Homeless households (and those in temporary accommodation	CLG Live Table 784	Total where a duty is owed but no accommodation has been secured PLUS the total in temporary accommodation
Households in overcrowded housing	Census table LC4108EW	Analysis undertaken by tenure and updated by reference to national changes (from the English Housing Survey (EHS))
Concealed households	Census table LC1110EW	Number of concealed families
Existing affordable housing tenants in need	Modelled data linking to past survey analysis	Excludes overcrowded households – tenure estimates updated by reference to the EHS
Households from other tenures in need	Modelled data linking to past survey analysis	

Source: PPG [2a-020]

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

3.22 The table below shows the initial estimate of the number of households within the Borough with a current housing need. These figures are before any consideration of affordability has been made and has been termed 'the number of households in unsuitable housing'. Overall, the analysis suggests that there are currently some 2,850 households living in unsuitable housing (or without housing).

Figure 3.6: Estimated number of households living in unsuitable housing	
Category of 'need'	Households
Households in overcrowded housing	1,349
Concealed/homeless households	514
Existing affordable housing tenants in need	131
Households from other tenures in need	856
Total	2,850

Source: CLG Live Tables, Census (2011) and data modelling

3.23 In taking this estimate forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes 90% of owner-occupiers under the assumption (which is supported by analysis of survey data) that the vast majority will be able to afford housing once savings and equity are taken into account. A final adjustment is to slightly reduce the unsuitability figures in the private rented sector to take account of student-only households – such households could technically be overcrowded/living in unsuitable housing but would be unlikely to be allocated affordable housing (student needs are essentially assumed to be transient). Once these households are removed from the analysis, the remainder are taken forward for affordability testing.

3.24 The table below shows it is estimated that there were 1,600 households living in unsuitable housing (excluding current social tenants and the majority (90%) of owner-occupiers).

Figure 3.7: Unsuitable housing by tenure and numbers to take forward into affordability modelling

	In unsuitable housing	Number to take forward for affordability testing
Owner-occupied	651	65
Affordable housing	659	0
Private rented	1,027	1,025
No housing (homeless/concealed)	514	514
Total	2,850	1,604

Source: CLG Live Tables, Census (2011) and data modelling

3.25 Having established this figure, it needs to be considered that a number of these households might be able to afford market housing without the need for subsidy. For an affordability test the income data has been used, with the distribution adjusted to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income distribution that reduces the level of income to 88% of the figure for all households has been used to identify the proportion of households whose needs could not be met within the market (for households currently living in housing). A lower figure (of 42%) has been used to apply an affordability test for the concealed/homeless households who do not currently occupy housing.

3.26 These two percentage figures have been based on a consideration of typical income levels of households who are in unsuitable housing (based mainly on estimates in the private rented sector) along with typical income levels of households accessing social rented housing (for those without accommodation). The figures have been based on analysis of the English Housing Survey (mainly looking at relative incomes of households in each of the private and social rented sectors) as well as consideration of similar information collected through household surveys (across the country) by JGC. These modelling assumptions are considered to be best estimates, and likely to approximately reflect the differing income levels of different groups with a current housing problem.

3.27 In practice these assumptions mean that it is estimated that households currently living in housing have a median annual income of around £30,300 (lower quartile of £17,500) whilst homeless/concealed households are estimated to have a median income of £14,500 (lower quartile of £8,400).

3.28 Overall, just over half of households with a current need are estimated to be likely to have insufficient income to afford market housing and so the estimate of the total current need is reduced to around 840 households in the Borough.

Figure 3.8: Estimated Current Affordable Housing Need

	In unsuitable housing (taken forward for affordability test)	% Unable to Afford Market Housing (without subsidy)	Revised Gross Need (including Affordability)
Households living in housing	1,090	40.8%	445
No housing (homeless/concealed)	514	76.3%	392
Total	1,604	52.2%	837

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

Newly Forming Households

3.29 The number of newly-forming households has been estimated through demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below, 5 years previously, to provide an estimate of gross household formation.

3.30 The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007 – Strategic Housing Market Assessments Practice Guidance (Version 2 – August 2007)) which notes after age 45 that headship (household formation) rates 'plateau' – there is no more up to date guidance on this topic. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households. The analysis utilises data from each of the three Trajectory scenarios previous developed.

3.31 In looking at the likely affordability of newly-forming households, data has been drawn from previous surveys. This establishes that the average income of newly-forming households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

3.32 The analysis has therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this it is possible to calculate the proportion of households unable to afford market housing without any form of subsidy (such as LHA/HB). The assessment suggests that overall just under half of newly-forming households will be unable to afford market housing (to rent) and that a total of between 232 and 249 new households will have a need on average in each year to 2036 (depending on the trajectory used).

3.33 The range of figures from the different scenarios is quite small and in the analysis to follow key outputs focus on the middle of the three figures below (Trajectory B). **It is clear that the choice of scenario will not have any substantial impact on the findings or conclusions**.

Figure 3.9: Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)			
	No. of new households	% unable to afford	Total in need
Trajectory A (170 dpa)	540	42.9%	232
Trajectory B (190 dpa)	552	42.9%	237
Trajectory C (238 dpa)	581	42.9%	249

Source: Projection Modelling/affordability analysis

Existing Households Falling into Affordable Housing Need

3.34 The second element of newly arising need is existing households falling into need. To assess this, information from CoRe has been used. This looked at households who have been housed over the past three years – this group will represent the flow of households onto the Housing Register over this period. From this, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another social/affordable rented property. An affordability test has also been applied.

3.35 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *'Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless household applicants)'*.

3.36 Following the analysis through suggests a need arising from 118 existing households each year from 2019 to 2036.

Supply of Affordable Housing Through Relets

3.37 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets.

3.38 The Practice Guidance suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from the CoRe system has been used to establish past patterns of social housing turnover. The figures include general needs and supported lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock.

3.39 On the basis of past trend data is has been estimated that 211 units of social/affordable rented housing are likely to become available through relets each year moving forward.

Figure 3.10: Analysis of past social/affordable rented housing supply (per annum 2015/16 – 2017/18) – Gosport			
	General needs	Supported housing	Total
Total lettings	345	105	450
% as non-newbuild	91.3%	89.2%	90.8%
Lettings in existing stock	315	94	409
% non-transfers	50.0%	56.6%	51.5%
Lettings to new tenants	157	53	211

Source: CoRe

3.40 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock) – as of 2018, CLG data shows around 45 vacant social rented homes across the Borough – less than 1% of stock. Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Affordable Housing Need

3.41 The table below shows the overall calculation of affordable housing need. This excludes supply arising from sites with planning consent (the 'development pipeline'). The analysis shows that there is a need for 194 dwellings per annum to be provided – a total of around 3,300 over the 17-year period (2019-36). The net need is calculated as follows:

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

Figure 3.11: Estimated Need for Affordable Housing – Gosport		
	Per annum	2019-36
Current need	49	837
Newly forming households	237	4,027
Existing households falling into need	118	2,011
Total Gross Need	404	6,874
Relet Supply	211	3,580
Net Need	194	3,294

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

3.42 The table below shows how the estimates in this report compare with those in the previous SHMA update dated 2016. Overall, this report shows a slightly lower level of affordable need although differences overall are not substantial. Establishing affordable need is not an exact science and so a direct comparison should be treated with caution. The evidence does not point to there having been any notable change in the level of affordable need over time. **Both assessments clearly demonstrate a need for affordable housing and the Council should seek to maximise delivery where opportunities arise**.

Figure 3.12: Estimated Need for Rented Affordable Housing – Gosport – Comparing this Study with the 2016 SHMA update (per annum figures)

	This Study	2016 SHMA update
Current need	49	30
Newly forming households	237	298
Existing households falling into need	118	180
Total Gross Need	404	508
Re-let Supply	211	255
Net Need	194	253

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

How Much Should Affordable (rented) Housing Cost?

3.43 The analysis above has studied the overall need for affordable housing using a well-established model. This model focusses on households who cannot afford to rent in the market. These households are therefore most likely to have a need for rented housing and below is an analysis that sets out what might be an affordable rent for different sizes of accommodation (in different locations) based on local incomes and housing costs.

3.44 The analysis essentially considers what might be a 'Living Rent'. These calculations are based on research by JRF/Savills[3] and use the following methodology:

- Annual Survey of Hours and Earnings (ASHE) lower quartile earnings;
- Adjustment for property size by recognised equivalence model; and
- Starting rent set at 28% of net earnings
- Rent set at Local Housing Allowance (LHA) limits where calculations show a higher figure

3.45 Across the whole of the Borough, the analysis shows rents starting at about £290 for a 1-bedroom home in and rising to £460 for homes with 3-bedrooms. In all cases, the suggested Living Rents are lower than the relevant LHA (see second table below). As a general rule it is not considered sensible to be charging a rent in excess of LHA, as this would mean many households having to top up their rent from other income sources. In setting rents, the local authority could therefore consider that the 'affordable level' is in the range from a Living Rent up to the maximum LHA level.

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

Figure 3.13: Living rents (per month) – 2017/18			
	1-bedroom	2-bedroom	3-bedrooms
Gosport	£287	£374	£460

Source: ASHE and Living Rents methodology

3.46 The table below shows LHA limits in the Broad Rental Market Area (BRMA) covering Gosport (the Portsmouth BRMA). As noted, there is a case for ensuring that rents are capped at the maximum amount of benefit able to be claimed. The issue of LHA limits should be a key consideration when setting rent levels for any new developments.

Figure 3.14: Maximum Local Housing Allowance (Housing Benefit) by location and property size (September 2019)			
	1-bedroom	2-bedroom	3-bedrooms
Portsmouth BRMA	£520	£644	£770

Source: Valuation Office Agency

Affordable Housing – Expanded NPPF Definition

3.47 Using the previously established method to look at affordable need, it was estimated that there is a need for around 194 units per annum – this is for subsidised housing at a cost below that to access the private rented sector (i.e. for households unable to access any form of market housing without some form of subsidy). It would be expected that this housing would be delivered primarily as social/affordable rented housing.

3.48 The new NPPF introduces a new category of household in affordable housing need and widens the definition of affordable housing (as found in the NPPF – Annex 2). It is considered that households falling into the definition would be suitable for Starter Homes or Discounted market sales housing, although other forms of affordable home ownership (such as shared ownership) might also be appropriate.

3.49 This section considers the level of need for these types of dwellings in Gosport. The NPPF states *"Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups."* (NPPF 2019, para 64).

Establishing a Need for Affordable Home Ownership

3.50 The Planning Practice Guidance (PPG) of February 2019 confirms a widening definition of those to be considered as in affordable need; now including *'households from other tenures in need and those that cannot afford their homes, either to rent, or to own, where that is their aspiration'*. However, at the time of writing, there is no guidance about how the number of such households should be measured.

3.51 The methodology used in this report therefore draws on the current method, and includes an assessment of current needs, projected need (newly forming and existing households). The key difference is that in looking at affordability an estimate of the number of households in the 'gap' between buying and renting is used. There is also the issue of establishing an estimate of the supply of affordable home ownership homes – this is considered separately below.

3.52 The first part of the analysis seeks to understand what the gap between renting and buying actually means in Gosport – in particular establishing the typical incomes that might be required.

3.53 Just by looking at the relative costs of housing to buy and to rent it is clear that there will be households in the Borough who can currently rent but who may be unable to buy. In the year to March 2019, the 'average' lower quartile private rent is shown by VOA to cost £625 a month, assuming a household spends no more than 30% of income on housing, this would equate to an income requirement of about £25,000. For the same period, Land Registry data records a lower quartile price in the Borough of about £165,000, which (assuming a 10% deposit and 4.5 times mortgage multiple) would equate to an income requirement of around £33,000.

3.54 Therefore, on the basis of these costings, it is reasonable to suggest that affordable home ownership products would be pitched at households with an income between £25,000 (i.e. able to afford to privately rent) and £33,000 (the figure above which a household might reasonably be able to buy).

3.55 Using the income distributions developed for use in the previous analysis of affordable housing need it has been estimated that of all households living in the private rented sector, around 46% already have sufficient income to buy a lower quartile home, with 14% falling in the rent/buy gap. The final 41% are estimated to have an income below which they cannot afford to rent privately.

3.56 These figures have been based on an assumption that incomes in the private rented sector are around 88% of the equivalent figure for all households (a proportion derived from the English Housing Survey) and are used as it is clear that affordable home ownership products are likely to be targeted at households living in or who might be expected to access this sector (e.g. newly forming households).

3.57 The finding that a significant proportion of households (46%) in the private rented sector are likely to have an income that would allow them to buy a home is also noteworthy and suggests that for many households, barriers to accessing owner-occupation are less about income/the cost of housing and more about other factors (which could for example include the lack of a deposit or difficulties obtaining a mortgage (for example due to a poor credit rating or insecure employment)).

3.58 To study current need, an estimate of the number of household living in the private rented sector (PRS) has been established, along with the same (rent/buy gap) affordability test described above. the start point is the number of households living in private rented accommodation; as of the 2011 Census there were some 5,800 households living in the sector. Data from the Survey of English Housing (EHS) suggests that since 2011, the number of households in the PRS has increased notably and on the basis of national changes it is estimated that there may currently be around 7,000 households in the sector in Gosport.

3.59 Additional data from the EHS suggests that 60% of all PRS households expect to become an owner at some point and of these some 25% would expect this to happen in the next 2-years. This proportion (i.e. 25% of 60% = 15%) is therefore taken as the number of households potentially with a current need for affordable home ownership before any affordability testing.

3.60 As noted above, on the basis of income it is estimated that around 14% of the private rented sector sit in the gap between renting and buying; applying this proportion would suggest a current need for around 143 affordable home ownership products (8 per annum if annualised over a 17-year period).

3.61 In projecting forward, the analysis can consider newly forming households and also the remaining existing households who expect to become owners further into the future. Applying the same affordability test (albeit on a very slightly different income assumption for newly forming households) suggests an annual need from these two groups of around 102 dwellings (76 from newly forming households and 25 from existing households in the PRS (figures rounded)).

3.62 Bringing together all of this analysis suggests that there is a need for around 110 affordable home ownership homes (priced for households able to afford to rent but not buy) per annum in the 2019-36 period.

Figure 3.15: Estimated Gross Need for Affordable Home Ownership (per annum) – Gosport

	Per annum	2019-36
Current need	8	143
Newly forming households	76	1,295
Existing households falling into need	25	429
Total Gross Need	110	1,868

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

Potential Supply of Housing to Meet the Affordable Home Ownership Need

3.63 As with assessing the need for affordable home ownership, it is the case that at present the PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated. The estimates of need (above) are based on households able to afford something between the lower quartile cost of renting and the lower quartile cost to buy.

3.64 Analysis of Land Registry data has therefore been undertaken to assess the number of homes sold at below lower quartile prices. However, it is the case that market housing is not allocated in the same way as social/affordable rented homes (i.e. anyone is able to buy a home as long as they can afford it and it is possible that a number of lower quartile homes would be sold to households able to afford more, or potentially to investment buyers). Furthermore, some homes sold at below a lower quartile house price are in poor condition and in need of investment/ repair and may not therefore be suitable for lower income households. In addition, there will be some 'resales' of existing shared ownership and shared equity housing within the Council area.

3.65 A broad further assumption has been used for modelling purposes that around half of the lower quartile homes would be available to meet the needs of households with an income in the gap between buying and renting. This assumption has been made in the absence of any guidance about how this supply should be accounted for but is arguably reasonable given the discussion above (i.e. that there is clearly a supply of homes sold for below lower quartile prices but that only a portion of this supply is likely to be taken by households who are in the income band between being able to rent and buy).

3.66 According to the Land Registry source, there were a total of 1,353 sales in the year to March 2019 and therefore around 338 would be priced below the lower quartile – half of this supply would amount to 169 dwellings. In addition, data from CoRe about resales of affordable housing (likely to mainly be shared ownership) shows an average of around 5 resales per annum (based on data for the 2015-18 period). These properties would also potentially be available for these households and can be included within the potential supply. Therefore, a total supply of 174 dwellings per annum is estimated to be available to meet the affordable home ownership need.

3.67 The table below brings together the analysis of need and supply. It shows a potential surplus of affordable home ownership homes based on the methodology adopted in this report.

Figure 3.16: Estimated Net Need for Affordable Home Ownership (per annum) – Gosport

	Per annum	2019-36
Current need	8	143
Newly forming households	76	1,295
Existing households falling into need	25	429
Total Gross Need	110	1,868
Supply (50% of LQ sales)	169	2,875
Supply (LCHO resales)	5	91
Net need	-65	-1,098

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

Implications of the Analysis

3.68 In bringing together evidence in the review of their local plan, the Council need to consider the evidence of need, the relative acuteness of the need, and issues of residential development viability. The NPPF advises that at least 10% of all new housing on larger sites should be for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

3.69 Given the analysis above, it would be reasonable to conclude that there is no need to provide housing under the new definition of 'affordable home ownership' – whilst there are clearly some household in the gap between renting and buying, there may well be a surplus supply of affordable homes for ownership. There is also a clear and acute need for rented affordable housing from lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty. Such housing is cheaper than that available in the open market and can be accessed by many more households (some of whom may be supported by benefit payments).

How Much Should Affordable Home Ownership Homes Cost?

3.70 The analysis and discussion above suggest that there are a number of households likely to fall under the new PPG definition of affordable housing need (i.e. in the gap between renting and buying) but that the potential supply of housing to buy makes it difficult to fully quantify this need (indeed there may well be a surplus). Hence, whilst the NPPF gives a clear steer that 10% of all new housing (on larger sites) should be for affordable home ownership, it is not clear that this is the best solution.

3.71 If the Council does seek to provide 10% of housing as affordable home ownership, then it is suggested that shared ownership is the most appropriate form of affordable home ownership due to lower likely deposit requirements, consideration of other packages such as providing support for deposits are also encouraged. However, it is possible that some housing would come forward as other forms of housing such as Starter Homes or discounted market sale. If this is the case, it will be important for the Council to ensure that such homes are sold at a price that is genuinely affordable for the intended target group.

3.72 On this basis, it is worth discussing what sort of costs affordable home ownership properties should be sold for. The Annex 2 (NPPF) definitions suggest that such housing should be made available at a discount of at least 20% from Open Market Value (OMV). The problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that housing is more expensive than that typically available in the open market.

3.73 The preferred approach in this report is to set out a series of affordable purchase costs for different sizes of accommodation. These are set out as a range with the bottom end being based on equivalising the private rent figures into a house price so that the sale price will meet the needs of all households in the gap between buying and renting. The upper level is set based on the estimated lower quartile price to buy a home.

3.74 Setting higher prices would mean that such housing would not be available to households for whom the Government is seeking to provide an 'affordable' option. For 1-bedroom homes, the equivalent price to private renting is higher than homes currently available to buy and so there is no range (the figures being equivalent to estimates of the lower quartile purchase price).

Figure 3.17: Affordable Home Ownership Prices (year to March 2019)				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Lower limit	-	£130,000	£159,000	£199,000
Upper limit	£92,000	£138,000	£193,000	£248,000

Source: Derived from VOA and Land Registry Data

3.75 If the Council do seek for some additional housing to be in the affordable home ownership sector, the Council might consider setting up a register of people interested in these products (in a similar way to the current Housing Register). This will enable any properties to be 'allocated' to households whose circumstances best meet the property on offer. Alternatively, the Council and developers should liaise with the Help-to-Buy agent.

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

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

3.77 The analysis suggests that an equity share of about 50% would potentially be affordable as a general rule, although there is some variation across the different sizes of homes. It should be noted that these figures are based on a specific estimate of OMV and similar calculations would need to be carried out for any specific scheme to test affordability.

Figure 3.18: Estimated Affordable Equity Share for Shared Ownership by Size of Dwelling – Gosport				
	1-bedroom	2-bedrooms	3-bedrooms	4+ bedrooms
OMV	£105,800	£158,700	£221,950	£285,200
Share	78%	48%	52%	49%
Equity bought	£82,524	£75,859	£116,302	£138,892
Mortgage Needed	£74,272	£68,273	£104,672	£125,003
Monthly Cost of Mortgage	£392	£360	£553	£660
Retained Equity	£23,276	£82,841	£105,648	£146,308
Monthly Rent on Retained Equity	£53	£190	£242	£335
Service Charge	£100	£100	£0	£0
Total Cost	£545	£650	£795	£995

Source: Derived from VOA and Land Registry Data

Affordable Housing Need: Key Messages

- Analysis has been undertaken to estimate the need for affordable housing in the 2019-36 period. The analysis is split between a 'traditional' need (which is mainly for social/affordable rented accommodation and is based on households unable to buy or rent in the market) and the 'additional' category of need introduced by the revised NPPF/PPG (which includes housing for those who can afford to rent privately but cannot afford to buy a home).

- The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. Additionally, when looking at traditional needs, consideration is given to estimates of the supply of social/affordable rented housing. For the additional definition, consideration is given to the potential supply (from Land Registry data) of cheaper accommodation to buy.

- Using the traditional method, the analysis suggests a need for 194 affordable homes per annum (this is for social/affordable rented homes). The Council is therefore justified in seeking to secure additional affordable housing.

- It is also suggested that the cost of housing to rent within this group should be mindful of local incomes (and the Living Rent methodology) as well as considering Local Housing Allowance (LHA) limits. Rents higher than LHA maximums should be avoided (to ensure housing is affordable to those needing to claim Housing Benefit).

- When looking at the need for affordable home ownership products (i.e. the expanded definition of affordable housing in the NPPF) it is clear that there are a number of households likely to be able to afford to rent privately but who cannot afford to buy a suitable home. However, there is also a potential supply of homes within the existing stock that can make a contribution to this need. It is therefore difficult to robustly identify an overall need for affordable home ownership products.

- However, it does seem that there are many households in Gosport who are being excluded from the owner-occupied sector. The analysis would therefore suggest that a key issue in the Borough is about access to capital (e.g. for deposits, stamp duty, legal costs) as well as potentially mortgage restrictions (e.g. where employment is temporary) rather than simply the cost of housing to buy.

- If the Council does seek to provide some housing as affordable home ownership, then it is suggested that shared ownership is the most appropriate option. This is due to the lower deposit requirements and lower overall costs (given that the rent would also be subsidised).

- Where other forms of affordable home ownership are provided (e.g. Starter Homes or discounted market), it is recommended that the Council considers setting prices at a level which (in income terms) are equivalent to the levels needed to access private rented housing. This would ensure that households targeted by the new definition could potentially afford housing – this might mean greater than 20% discounts from Open Market Value for some types/sizes of homes in some locations.

- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the Borough. It does however need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

4. Need for Adaptable and Specialist Accommodation

Introduction

4.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to Part M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards)[4]. The analysis in this section is mindful of the Planning Practice Guidance on 'Housing for older and disabled people' published in June 2019.

4.2 Regarding housing specifically for older people, the PPG (63-004) states the following (which is reflected in this section):

'The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered, enhanced sheltered, extra care, registered care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector… The assessment can also set out the level of need for residential care homes'.

Demographic Profile

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

4.4 The table below provides baseline population data about older persons and compares this with other areas. The data for has been taken from the published 2018 ONS mid-year population estimates (MYE). The table shows that Gosport has a fairly average age structure in terms of older people (for the purposes of this report generally considered to be people aged 65 and over), with 20% of the population being aged 65 and over in 2018; this compares with 19.1% regionally and 18.0% nationally.

Figure 4.1: Older Persons Population, 2018

	Gosport	Hampshire	South East	England
Under 65	80.0%	78.5%	80.7%	81.8%
65-74	11.1%	11.5%	10.3%	9.9%
75-84	6.2%	6.9%	6.2%	5.8%
85+	2.7%	3.1%	2.8%	2.4%
Total	100.0%	100.0%	100.0%	100.0%
Total 65+	20.0%	21.5%	19.3%	18.2%

Source: ONS 2018 Mid-Year Population Estimates

[4] As defined in Building Regulations

Changing Demographic Profile

4.5 As well as providing a baseline position for the proportion of older persons in the Borough, population projections can be used to provide an indication of how the numbers might change in the future compared with other areas.

4.6 The three tables below show projected population change by age group for each of the three core projections developed in this report (linked to 170 dpa, 190 dpa and 238 dpa). In all cases Gosport is projected to see a notable increase in the older person population, with the total number of people aged 65 and over projected to increase by over 50% in the 20-years to 2036. This compares with overall population growth of between 1% and 4% and a decrease in the Under 65 population.

4.7 In total population terms, the projections show an increase in the population aged 65 and over of 8,400-8,900 people – population growth of people aged 65 and over accounts for over 100% of the total projected population change.

Figure 4.2: Projected Change in Population of Older Persons, 2016 to 2036 – linked to 170 dpa

	2016	2036	Change in population	% change
Under 65	68,900	60,965	-7,935	-11.5%
65-74	9,219	12,144	2,925	31.7%
75-84	5,143	8,590	3,447	67.0%
85+	2,230	4,294	2,064	92.6%
Total	85,492	85,993	501	0.6%
Total 65+	16,592	25,028	8,436	50.8%

Source: Demographic Projections

Figure 4.3: Projected Change in Population of Older Persons, 2016 to 2036 – linked to 190 dpa

	2016	2036	Change in population	% change
Under 65	68,900	61,805	-7,095	-10.3%
65-74	9,219	12,212	2,993	32.5%
75-84	5,143	8,631	3,488	67.8%
85+	2,230	4,317	2,087	93.6%
Total	85,492	86,965	1,473	1.7%
Total 65+	16,592	25,160	8,568	51.6%

Source: Demographic Projections

Figure 4.4: Projected Change in Population of Older Persons, 2016 to 2036 – linked to 238 dpa				
	2016	2036	Change in population	% change
Under 65	68,900	63,823	-5,077	-7.4%
65-74	9,219	12,378	3,159	34.3%
75-84	5,143	8,727	3,584	69.7%
85+	2,230	4,370	2,140	96.0%
Total	85,492	89,298	3,806	4.5%
Total 65+	16,592	25,475	8,883	53.5%

Source: Demographic Projections

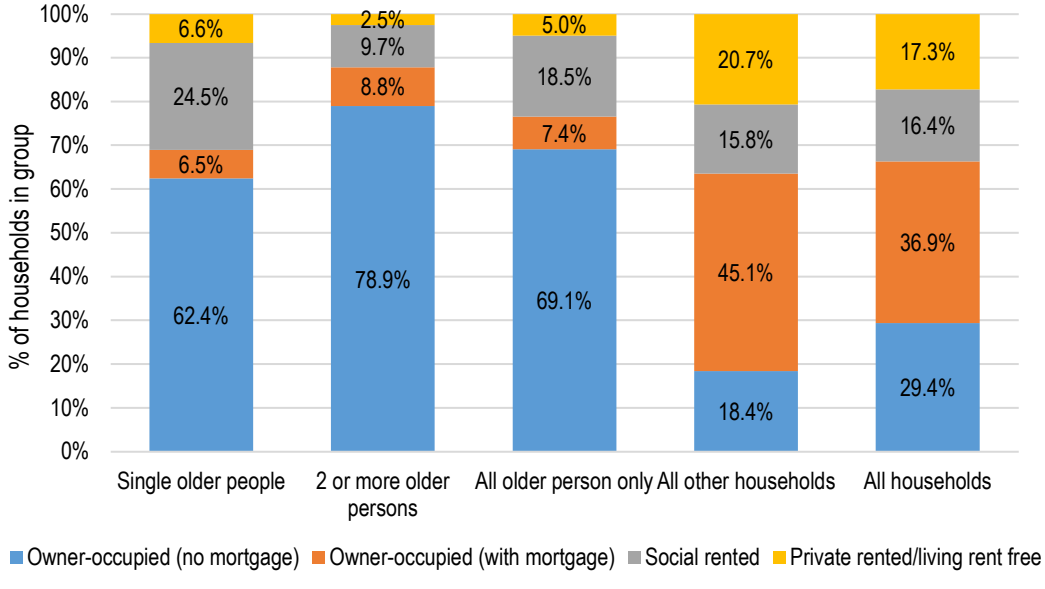
Tenure of Older Person Households

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

4.9 The figure below shows the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that older person households are relatively likely to live in outright owned accommodation (69%) and are also more likely than other households to be in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (around 5% (including those living rent free)).

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

Figure 4.5: Tenure of Older Persons Households in Gosport, 2011



Source: 2011 Census

People with Disabilities

4.11 The table below shows the proportion of people with a long-term health problem or disability (LTHPD) drawn from 2011 Census data, and the proportion of households where at least one person has a LTHPD. The data suggests that some 32% of households contain someone with a LTHPD. This figure is similar to that seen nationally, but is slightly higher than the County and regional average. The figures for the population with a LTHPD again show a similar pattern in comparison with other areas (an estimated 18% of the population of the local authority having a LTHPD).

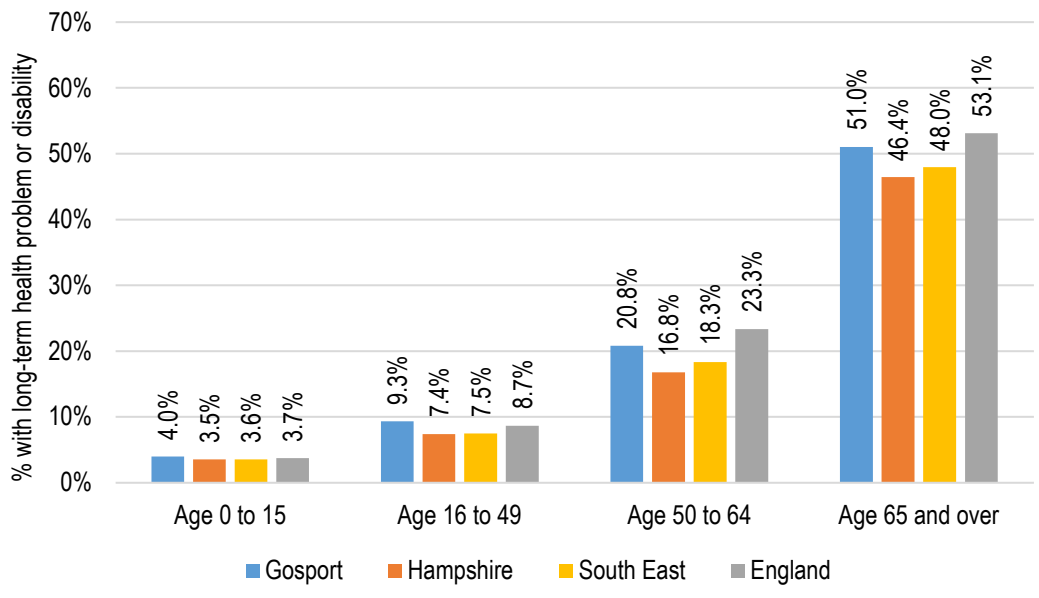
Figure 4.6: Households and People with a Long-Term Health Problem or Disability, 2011

	Households Containing Someone with a Health Problem		Population with a Health Problem	
	No.	%	No.	%
Gosport	11,375	32.1%	14,500	17.5%
Hampshire	160,310	29.4%	207,325	15.7%
South East	1,048,887	29.5%	1,356,204	15.7%
England	7,217,905	32.7%	9,352,586	17.6%

Source: 2011 Census

4.12 It is likely that the age profile will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. The figure below shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD. The analysis also shows lower levels of LTHPD in most age bands within Gosport when compared with national position, although higher levels of disability when compared with County and regional data.

Figure 4.7: Population with Long-Term Health Problem or Disability by age



Source: 2011 Census

4.13 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to the demographic projections, it is estimated that the number of people with a LTHPD will increase by around 3,500 to 4,000 (up to 25%) between 2016 and 2036 (depending on the housing growth scenario being used). The population increase of people with a LTHPD for all scenarios is higher than the overall projected increase in the population estimated by the projections.

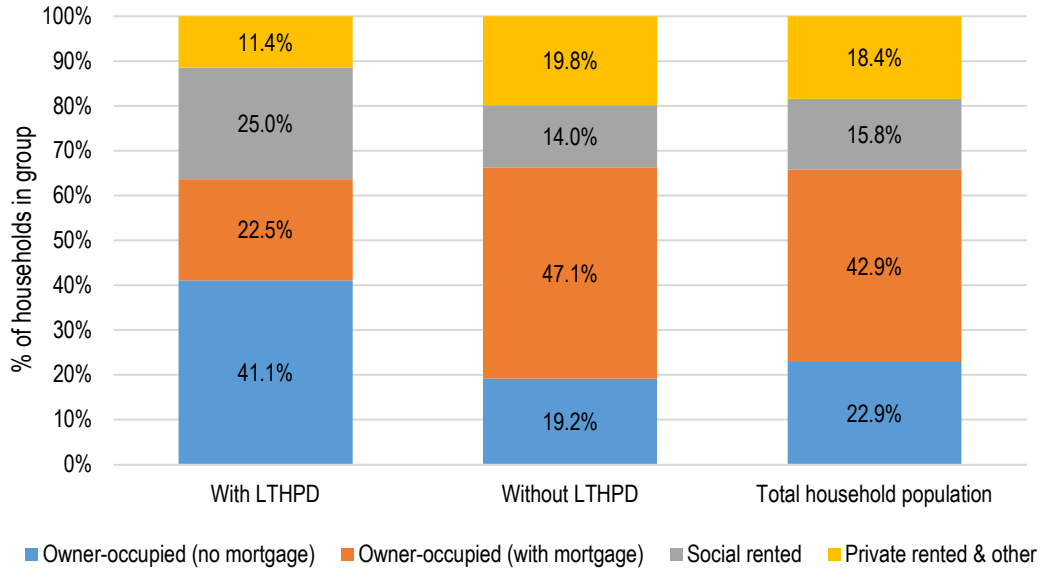
Figure 4.8: Estimated Change in Population with LTHPD, 2016 to 2036

	Population with LTHPD		Change	% Change
	2016	2036		
Trajectory A (170 dpa)	15,923	19,448	3,525	22%
Trajectory B (190 dpa)	15,923	19,594	3,671	23%
Trajectory C (238 dpa)	15,923	19,945	4,022	25%

Source: Derived from Demographic Modelling and Census 2011

4.14 The figure below shows the tenures of people with a LTHPD – it should be noted that the data is for 'population living in households' rather than 'households'. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing or are also more likely to be outright owners (this will be linked to the age profile of the population with a disability). Given that typically the lowest incomes are found in the social rented sector, and to a lesser extent for outright owners (many of whom are retired), the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population in terms of income levels and therefore the ability to afford goods and services (as well as to access the housing market in many instances).

Figure 4.9: Tenure of people with LTHPD – Gosport



Source: Census (2011)

4.15 The table below shows further information about the tenure split of the household population with a LTHPD. This shows that people living in the social rented sector are nearly twice as likely to have a LTHPD than those in other tenures.

Figure 4.10: Tenure of people with a LTHPD		
	% of social rent with LTHPD	% of other tenures with LTHPD
Gosport	26.6%	15.0%

Source: Census (2011)

Health Related Population Projections

4.16 In addition to providing projections about how the number and proportion of older people is expected to change in the future the analysis can look at the likely impact on the number of people with specific illnesses or disabilities. The analysis covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. In all cases the analysis links to estimates of population growth based on Standard Method housing need estimates.

4.17 Of particular note are the large increases in the number of older people with dementia (increasing by around 70% from 2016 to 2036) and mobility problems (over 60% increase over the same period). Changes for younger age groups are negative, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population with reductions in the number of people aged under 65.

4.18 It should be noted that there will be an overlap between categories (i.e. some people will have both dementia and mobility problems). Hence the numbers for each of the illnesses/disabilities should not be added together to arrive at a total.

Figure 4.11: Projected Changes to Population with a Range of Disabilities – Gosport (linked to Trajectory A – 170 dpa)					
Disability	Age Range	2016	2036	Change	% Change
Dementia	65+	1,133	1,921	788	69.6%
Mobility problems	65+	3,003	4,870	1,867	62.2%
Autistic Spectrum Disorders	18-64	512	468	-44	-8.5%
	65+	154	238	84	54.7%
Learning Disabilities	15-64	1,317	1,186	-131	-10.0%
	65+	344	519	175	50.7%
Challenging behaviour	15-64	24	22	-2	-10.0%
Impaired mobility	16-64	2,775	2,537	-238	-8.6%

Source: POPPI/PANSI and Demographic Projections

Figure 4.12: Projected Changes to Population with a Range of Disabilities – Gosport (linked to Trajectory B – 190 dpa)					
Disability	Age Range	2016	2036	Change	% Change
Dementia	65+	1,133	1,931	798	70.4%
Mobility problems	65+	3,003	4,895	1,892	63.0%
Autistic Spectrum Disorders	18-64	512	474	-38	-7.4%
	65+	154	239	86	55.5%
Learning Disabilities	15-64	1,317	1,201	-116	-8.8%
	65+	344	521	177	51.5%
Challenging behaviour	15-64	24	22	-2	-8.8%
Impaired mobility	16-64	2,775	2,562	-213	-7.7%

Source: POPPI/PANSI and Demographic Projections

Figure 4.13: Projected Changes to Population with a Range of Disabilities – Gosport (linked to Trajectory C – 238 dpa)					
Disability	Age Range	2016	2036	Change	% Change
Dementia	65+	1,133	1,955	822	72.6%
Mobility problems	65+	3,003	4,955	1,952	65.0%
Autistic Spectrum Disorders	18-64	512	488	-24	-4.7%
	65+	154	242	89	57.5%
Learning Disabilities	15-64	1,317	1,239	-79	-6.0%
	65+	344	528	184	53.4%
Challenging behaviour	15-64	24	23	-1	-6.0%
Impaired mobility	16-64	2,775	2,625	-150	-5.4%

Source: POPPI/PANSI and Demographic Projections

4.19 The growth shown in those with disabilities provides clear evidence justifying delivering 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base.

Need for Specialist Accommodation for Older Persons

4.20 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below considers different types of older persons housing.

Definitions of Different Types of Older Persons' Housing (dwellings)

Retirement/sheltered housing: A group of self-contained flats or bungalows typically reserved for people over the age of 55 or 60; some shared facilities such as residents' lounge, garden, guest suite, laundry; plus on-site supportive management. A regularly visiting scheme manager service may qualify as long as s/he is available to all residents when on site. An on-call-only service does not qualify a scheme to be classified as retirement/sheltered housing. Developments usually built for either owner occupation or renting on secure tenancies.

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

Extra care housing: Schemes where a service registered to provide personal or nursing care is available on site 24/7. Typically at least one daily meal will be provided and there will be additional shared facilities. Some schemes specialise in dementia care, or may contain a dedicated dementia unit.

Source: Housing Older People Supply Recommendations (HOPSR)

4.21 The needs analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) Shop@ online toolkit (SHOP@ toolkit)[5]. This data is considered alongside demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.

4.22 The prevalence rates used in the analysis are based on the SHOP@ toolkit. This sets out a series of baseline rates which form a starting point for assessing appropriate prevalence rates to apply. These baseline rates are:

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

4.23 Following the Housing LIN methodology, an initial adjustment has then been made to these rates to reflect the relative health of the local older person population. This has been based on Census data about the proportion of people aged 65 and over who have a long-term health problem or disability compared with the England average. In Gosport, the data shows a slightly more healthy older person population and so the prevalence rates used have been reduced by around 4% (this figure is based on comparing the proportion of people aged 65 and over with a LTHPD in Gosport (51.0%) with the equivalent figure for England (53.1%) – these figures have previously been shown in this report).

[5] The Shop@ toolkit is a model developed by the Housing Learning and Information Network (Housing LIN). The model seeks to estimate demand based on prevalence rates that are guided by informed assumptions (for example, about the health, social care and support needs of the older person population) to estimate the current and future needs of older people

4.24 A second local adjustment has been to estimate a tenure split for the housing with support and housing with care categories (no tenure is associated with residential care bedspaces). This again draws on suggestions in the Shop@ toolkit which suggests that less deprived local authorities could expect a higher proportion of their specialist housing to be in the market sector. Using the 2015 Index of Multiple Deprivation (IMD) the analysis suggests a slightly lower need for market homes for older people in Gosport when compared with national figures – the IMD shows Gosport to be the 131st most deprived local authority in England (out of 326) – i.e. a relatively high level of deprivation. To be clear this is market housing within the categories described above (e.g. sheltered/retirement and extra-care housing).

4.25 This analysis suggests a need for 163 units of specialist accommodation per 1,000 population aged 75 and over, and of these 90 (55%) are for market housing. This is before any consideration of the current supply of housing is made. Data about supply draws on a database from the Elderly Accommodation Counsel (EAC).

4.26 The analysis initially focusses on needs within self-contained units (the majority of which are likely to fall within a C3 use class) before separately looking at residential care bedspaces (which would arguably be in a C2 use class).

4.27 The tables below show estimated needs for different types of housing linked to the three Trajectory Projections. In all cases, the analysis shows a potentially high need for leasehold (market) accommodation and an apparent current surplus of affordable sheltered housing (although a shortfall in affordable Extra-care dwellings). Overall, the analysis suggests a need for around 1,000 additional units by 2036 across all tenures (equivalent to around 50 per annum).

Figure 4.14: Older Persons' Dwelling Requirements, 2016 to 2036 – Gosport – linked to Trajectory A (170 dpa)

		Housing demand per 1,000 75+	Current Supply	2016 Demand	Current Shortfall/ (Surplus)	Additional Demand to 2036	Shortfall/ (Surplus) by 2036
Housing with Support	Rented	52	658	383	(275)	286	10
	Leasehold	68	414	503	89	376	465
Housing with Care	Rented	22	50	162	112	121	233
	Leasehold	21	0	157	157	117	274
Total		163	1,122	1,204	82	900	982

Source: Derived from Demographic Projections and Housing LIN/HOPSR/EAC

Figure 4.15: Older Persons' Dwelling Requirements, 2016 to 2036 – Gosport – linked to Trajectory B (190 dpa)							
		Housing demand per 1,000 75+	Current Supply	2016 Demand	Current Shortfall/ (Surplus)	Additional Demand to 2036	Shortfall/ (Surplus) by 2036
Housing with Support	Rented	52	658	383	(275)	289	14
	Leasehold	68	414	503	89	380	469
Housing with Care	Rented	22	50	162	112	122	234
	Leasehold	21	0	157	157	119	276
Total		163	1,122	1,204	82	910	993

Source: Derived from Demographic Projections and Housing LIN/HOPSR/EAC

Figure 4.16: Older Persons' Dwelling Requirements, 2016 to 2036 – Gosport – linked to Trajectory C (238 dpa)							
		Housing demand per 1,000 75+	Current Supply	2016 Demand	Current Shortfall/ (Surplus)	Additional Demand to 2036	Shortfall/ (Surplus) by 2036
Housing with Support	Rented	52	658	383	(275)	297	22
	Leasehold	68	414	503	89	391	479
Housing with Care	Rented	22	50	162	112	126	237
	Leasehold	21	0	157	157	122	279
Total		163	1,122	1,204	82	935	1,017

Source: Derived from Demographic Projections and Housing LIN/HOPSR/EAC

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

4.29 The analysis indicates that the tenure profile of need for housing with support (such as sheltered and retirement housing) is principally for private sector provision. For housing with care (such as extra care schemes), just over half of the need is for leasehold (i.e. private sector) provision.

Older Persons' Housing Needs (Residential Care Bedspaces)

4.30 The analysis below provides outputs (drawing on the same sources) for the estimated need for care home bedspaces. The analysis draws on that above, including making adjustments for the relative health of the population of the local authority. It should be noted that the rows in tables are for bedspaces and do not have an associated tenure. The box below shows the definition of care beds assumed for this assessment.

Definitions of Different Types of Older Persons' Accommodation (care bedspaces)

Care beds:
Care homes: Residential settings where a number of older people live, usually in single rooms, and have access to on-site care and personal care services (such as help with washing and eating).
Care homes with nursing: These homes are similar to those without nursing care but they also have registered nurses who can provide care for more complex health needs.

Source: Housing Older People Supply Recommendations (HOPSR)

4.31 The table below shows the prevalence rates used and the need associated with these. The analysis shows a small current shortfall and notable projected future need. Overall, it is estimated that there is a need for around 750 additional bedspaces to 2036.

Figure 4.17: Older Persons' Care Bedspace Requirements, 2016 to 2036

	Housing demand per 1,000 75+	Current Supply	2016 Demand	Current Shortfall/ (Surplus)	Additional Demand to 2036	Shortfall/ (Surplus) by 2036
Trajectory A (170 dpa)	106	628	779	151	583	734
Trajectory B (190 dpa)	106	628	779	151	589	740
Trajectory C (238 dpa)	106	628	779	151	605	756

Source: Derived from Demographic Projections and Housing LIN/HOPSR/EAC

Wheelchair User Housing

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

4.33 The report identifies that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive. Furthermore, it is estimated (based on English House Condition Survey data) that just 0.5% of homes meet criteria for 'accessible and adaptable', while 3.4% are 'visitable' by someone with mobility problems puts the proportion of 'visitable' properties at a slightly higher 5.3%.[6]

4.34 Overall, the report estimates that there is an unmet need for wheelchair user dwellings equivalent to 3.5 per 1,000 households.[7] Moving forward, the report estimates a wheelchair user need from around 3% of households. Applying both of these figures to the demographic projections (see table below) suggests a need for around 230-270 wheelchair user homes in Gosport in the period to 2036.

[6] Data from the CLG Guide to available disability (taken from the English Housing Survey)
[7] This is described in the Habinteg report as the number of wheelchair user households with unmet housing need

Figure 4.18: Estimated Need for Wheelchair User Homes, 2016 to 2036 – Gosport			
	Current Need	Projected Need (2016-36)	Total
Trajectory A (170 dpa)	131	99	230
Trajectory B (190 dpa)	131	111	242
Trajectory C (238 dpa)	131	139	270

Source: Derived from Demographic Projections and Habinteg Prevalence Rates

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

Need for Adaptable and Specialist Accommodation: Key Messages

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

- The population projections developed in this report suggest in the 2016-36 period, that the number of people aged 65 and over will increase by more than 50%, with greater percentage increases for older age groups (e.g. those aged 75+ or 85+). This is likely to drive an increase in the number of people with some form of disability, the number of people with a long-term health problem or disability is projected to increase by about 3,500 to 4,000 persons in the Borough over the 20-year period. Large increases are also projected for other groups, including the number of people with dementia. Additionally, a need is shown for around 250 wheelchair-user homes.

- The growth shown in those with disabilities provides clear evidence justifying delivering 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations and also M4(3) 'wheelchair user dwellings'. The Council should ensure that the viability of doing so is also tested as part of drawing together its evidence base.

- Using data from the Housing Learning and Information Network (Housing LIN) with adjustments to take account of local data a further analysis has been undertaken to consider needs for specialist accommodation. Overall, a need is shown for around 480 housing with support units, such as sheltered housing or retirement living, over the period to 2036, the majority of which are expected to be leasehold. There is also a need for around 510 housing with care units, with a need for both market and affordable provision. This can be met through provision of extra care housing. Consideration should be given to developing bespoke affordable housing policies for extra care. Additionally, a need is shown for about 750 care or nursing home bedspaces to 2036.

5. Need for Different Sizes of Homes

Introduction

5.1 In this section, we draw together the analysis in the preceding sections to set out an analysis and conclusions on the need for different types of market and affordable housing.

5.2 A model has been developed that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections, it is possible to see which age groups are expected to change in number, and by how much. On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to work out what the profile of housing needed over the assessment period to 2036.

5.3 An important starting point is to understand the current balance of housing in each area. The table below profiles the sizes of homes in different tenure groups. This shows that the profile of housing in Gosport looks to be fairly balanced in comparison with other areas (i.e. there is not obvious over- or under-supply of particular sizes of homes relative to other locations).

5.4 That said, small differences can be observed, and this includes a relatively low proportion of 4+-bedroom units in the owner-occupied sector (more 2- and 3-bedroom homes) and a relatively high proportion of 1-bedroom social rented units. Observations about the current mix feed into conclusions about future mix later in this section.

Figure 5.1: Number of bedrooms by Tenure, 2011

		Gosport	Hampshire	South East	England
Owner-occupied	1-bedroom	4%	4%	5%	4%
	2-bedrooms	27%	20%	22%	23%
	3-bedrooms	52%	45%	44%	48%
	4+-bedrooms	17%	32%	30%	25%
	TOTAL	100%	100%	100%	100%
Social rented	1-bedroom	40%	30%	32%	31%
	2-bedrooms	26%	34%	33%	34%
	3-bedrooms	30%	32%	31%	31%
	4+-bedrooms	3%	4%	4%	4%
	TOTAL	100%	100%	100%	100%
Private rented	1-bedroom	17%	18%	24%	23%
	2-bedrooms	42%	38%	37%	39%
	3-bedrooms	32%	33%	27%	28%
	4+-bedrooms	9%	11%	12%	10%
	TOTAL	100%	100%	100%	100%

Source: Census (2011)

Overview of Methodology

5.5 The method to consider future housing mix looks at the ages of the Household Reference Persons (HRP – often more normally called the head of household) and how these are projected to change over time.

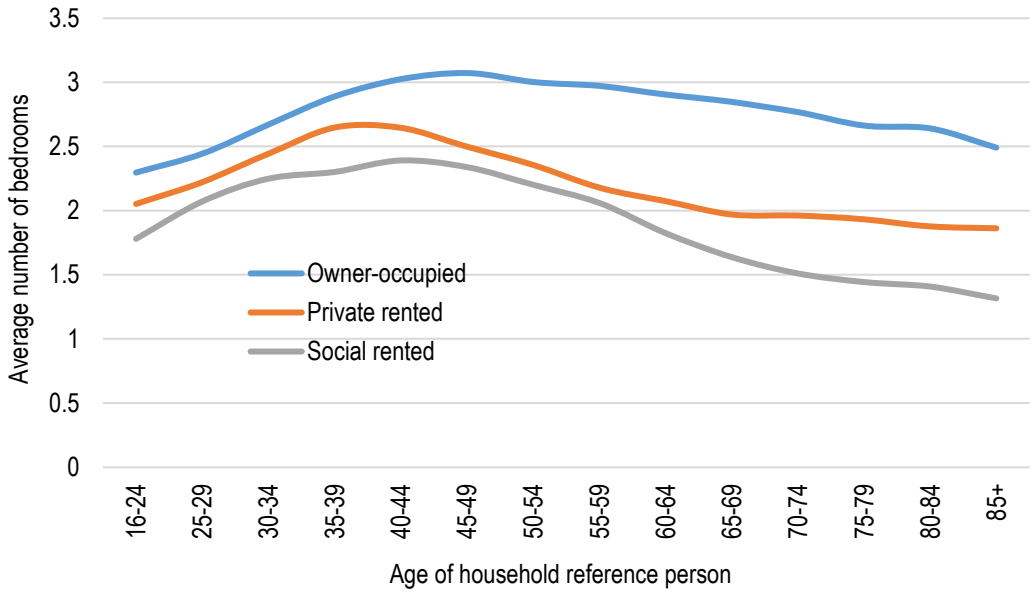
5.6 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that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

5.7 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single person households does not automatically translate into a need for smaller units. That said, issues of supply can also impact occupancy patterns, for example it may be that a supply of additional smaller bungalows (say 2-bedrooms) would encourage older people to downsize but in the absence of such accommodation these households remain living in their larger accommodation. The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the 'bedroom tax').

5.8 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups. The base data for this analysis is taken from the 2011 Census.

5.9 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group in Gosport. In the owner-occupied sector the average size of accommodation rises over time to typically reach a peak around the age of 45-49; a similar pattern (but with smaller dwelling sizes) is seen in both the social and private rented sector. After peaking, the average dwelling size decreases – as typically some households downsize as they get older.

Figure 5.2: Average Bedrooms by Age and Tenure – Gosport



Source: Derived from ONS Commissioned Table CT0621

5.10 Replicating the existing occupancy patterns at a local level would however result in the conclusions being skewed by the existing housing profile (e.g. the relatively low proportion of 4+-bedroom units in the market sector). On this basis, the modelling also applies regional occupancy assumptions for the South East region.

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

Modelled Outputs

5.12 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing in each of the three broad tenures linking to both local and regional occupancy patterns. The data below is all linked to the Trajectory B projection (for 190 dwellings per annum) and it should be noted that there would only be expected to be very minor differences in the outputs if a different scenario were chosen.

Figure 5.3: Modelled Mix of Housing by Size and Tenure – Gosport (Local Occupancy)				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	10%	41%	42%	6%
Affordable home ownership	35%	46%	20%	-1%
Affordable housing (rented)	57%	22%	19%	2%

Source: Housing Market Model

Figure 5.4: Modelled Mix of Housing by Size and Tenure – Gosport (Regional Occupancy)				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	7%	39%	45%	10%
Affordable home ownership	30%	42%	23%	5%
Affordable housing (rented)	43%	31%	24%	2%

Source: Housing Market Model

5.13 The analysis clearly shows the different profiles in the three broad tenures with affordable housing being more heavily skewed towards smaller dwellings, and affordable home ownership sitting somewhere in between the market and affordable housing.

5.14 For comparison, the table below shows the need for different sizes of households shown on the Council's Housing Register. This represents a need for rented affordable housing.

Figure 5.5: Profile of need by Households on Housing Register	
	Gosport
1-bedroom	45%
2-bedrooms	34%
3-bedrooms	15%
4+-bedrooms	7%
Total	100%

Source: Local Authority Housing Statistics

Indicative Targets for Different Sizes of Properties by Tenure

5.15 The analysis below draws on the outputs of the modelling (and information from the Housing Register) to provide some indicative conclusions about an appropriate mix of housing in different tenures. The conclusions are compared with figures in the Council's adopted Local Plan which provides a series of ranges that are encouraged for new developments (see paragraph 11.9 of the adopted Local Plan).

5.16 The adopted plan includes figures for market and affordable housing separately, which is a slightly different split to that used in this report (this report also including an affordable home ownership tenure). It is considered that the figures for affordable housing in the plan will largely relate to social/affordable rented housing and so a comparison is made between the plan and that tenure in the discussion below.

Social/Affordable Rented Housing

5.17 Whilst the output of the modelling provides estimates of the proportion of homes of different sizes that are needed, there are a range of factors which should be taken into account in setting policies for provision.

5.18 Considerations include the relative lack of past delivery of larger affordable homes. Larger affordable housing units also have a relatively low turnover. As a result, whilst the number of households coming forward for 4+-bedroom homes is typically quite small, the ability for these needs to be met is even more limited. In addition, the analysis recognises that the social rented stock in the Borough has a higher proportion of 1-bedroom units when compared with other locations, but at the same time noting that the need for 1-bedroom homes has the highest proportions shown on the Housing Register.

5.19 At a Borough-wide level, the analysis would support policies for the mix of **social/affordable rented housing** as shown in the table below (with a comparison with the equivalent figures in the adopted Local Plan).

Figure 5.6: Suggested mix of social/affordable rented housing – Gosport

	Suggested range	Adopted Local Plan
1-bedroom	35-40%	45-60%
2-bedrooms	30-35%	25-35%
3-bedrooms	20-25%	10-20%
4+-bedrooms	5-10%	1-10%

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

5.21 The strategic conclusions recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households; together with the limited flexibility which 1-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

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

Affordable Home Ownership

5.23 In the affordable home ownership and market sectors a profile of housing that more closely matches the outputs of the modelling is suggested. On the basis of these factors it is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of affordable home ownership is suggested (noting that there is no comparison with the adopted Local Plan to be made):

- 1-bed properties: 30-35%
- 2-bed properties: 40-45%
- 3-bed properties: 20-25%
- 4+-bed properties: 0-5%

Market Housing

5.24 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile. This sees a slightly larger recommended profile compared with other tenure groups. The following mix of market housing is suggested and it can be seen that the mix suggested in this report does not differ substantially from that set out in the adopted Plan.

Figure 5.7: Suggested mix of market housing – Gosport

	Suggested range	Adopted Local Plan
1-bedroom	5-10%	5-15%
2-bedrooms	35-40%	30-40%
3-bedrooms	40-45%	40-45%
4+-bedrooms	10-15%	10-15%

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

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

Need for Different Sizes of Homes: Key Messages

- There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population:

Suggested Mix of Housing by Size and Tenure				
	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	5-10%	35-40%	40-45%	10-15%
Affordable home ownership	30-35%	40-45%	20-25%	0-5%
Affordable housing (rented)	35-40%	30-35%	20-25%	5-10%

- The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bed properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing in the Borough (by tenure) and the profile of households on the Housing Register.

- The mix identified above could inform strategic policies although a flexible approach should be adopted. In applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered.

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

Appendix 1: Detailed Population Projection Outputs

HOUSING TRAJECTORY A – based on 170 dwellings per annum (2016-36)

Components of change		**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**
Births		938	895	907	901	888	880	871	863	855	847	839	832	827	822	816	813	811	810	809	809
Deaths		805	894	826	834	840	850	854	860	869	879	889	900	908	921	931	945	960	973	993	1,008
Natural change		133	1	81	67	48	29	17	3	-14	-32	-50	-68	-81	-100	-115	-132	-149	-163	-184	-199
In-migration		4,087	3,913	3,812	3,817	3,820	3,822	3,823	3,831	3,843	3,856	3,871	3,887	3,905	3,922	3,938	3,953	3,968	3,981	3,994	4,006
Out-migration		4,197	4,270	3,780	3,770	3,758	3,754	3,757	3,762	3,773	3,783	3,791	3,790	3,801	3,807	3,816	3,825	3,826	3,832	3,839	3,844
Net migration		-110	-357	32	47	62	68	66	68	70	74	80	97	104	115	122	128	142	149	155	162
Population (broad age groups)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Age 0-4	4,958	4,870	4,682	4,638	4,598	4,531	4,470	4,443	4,402	4,360	4,321	4,284	4,247	4,212	4,180	4,150	4,124	4,103	4,086	4,074	4,067
Age 5-9	5,366	5,289	5,190	5,096	4,889	4,821	4,744	4,642	4,605	4,572	4,510	4,453	4,430	4,392	4,353	4,317	4,281	4,245	4,211	4,179	4,149
Age 10-14	4,772	4,975	5,072	5,131	5,270	5,254	5,206	5,119	5,036	4,846	4,785	4,712	4,622	4,588	4,561	4,500	4,446	4,424	4,388	4,350	4,315
Age 15-19	4,976	4,853	4,903	4,803	4,752	4,805	4,929	5,051	5,110	5,233	5,219	5,180	5,113	5,027	4,866	4,808	4,738	4,664	4,632	4,612	4,555
Age 20-24	5,037	4,916	4,793	4,818	4,812	4,744	4,680	4,692	4,622	4,589	4,637	4,740	4,844	4,909	5,013	5,024	5,019	4,976	4,921	4,802	4,762
Age 25-29	5,490	5,517	5,470	5,383	5,267	5,259	5,181	5,108	5,103	5,090	5,019	4,947	4,946	4,895	4,880	4,939	5,042	5,149	5,230	5,328	5,361
Age 30-34	5,533	5,390	5,300	5,313	5,317	5,301	5,336	5,297	5,215	5,081	5,041	4,952	4,875	4,852	4,838	4,769	4,699	4,694	4,651	4,643	4,702
Age 35-39	4,937	5,051	5,179	5,190	5,227	5,210	5,089	5,006	5,020	5,033	5,035	5,074	5,041	4,959	4,816	4,758	4,663	4,585	4,551	4,537	4,471
Age 40-44	5,303	5,079	4,854	4,809	4,811	4,843	4,948	5,066	5,075	5,103	5,084	4,978	4,903	4,920	4,938	4,950	4,990	4,959	4,877	4,728	4,661
Age 45-49	5,968	5,812	5,735	5,569	5,464	5,162	4,970	4,789	4,753	4,758	4,798	4,908	5,018	5,028	5,052	5,031	4,935	4,867	4,884	4,907	4,926
Age 50-54	6,162	6,175	6,150	6,041	5,836	5,875	5,751	5,671	5,501	5,398	5,107	4,918	4,751	4,726	4,737	4,784	4,897	5,001	5,009	5,032	5,008
Age 55-59	5,679	5,821	5,886	5,988	6,124	6,120	6,138	6,093	5,996	5,802	5,834	5,716	5,638	5,470	5,371	5,092	4,907	4,752	4,735	4,747	4,803
Age 60-64	4,719	4,877	5,005	5,241	5,466	5,631	5,787	5,896	6,008	6,150	6,162	6,190	6,146	6,058	5,875	5,904	5,791	5,716	5,548	5,455	5,185
Age 65-69	5,212	4,924	4,747	4,620	4,608	4,721	4,883	5,053	5,286	5,508	5,675	5,836	5,959	6,082	6,232	6,256	6,294	6,252	6,174	6,001	6,028
Age 70-74	4,007	4,463	4,730	4,951	4,967	4,964	4,705	4,600	4,487	4,481	4,590	4,744	4,907	5,134	5,347	5,510	5,671	5,802	5,928	6,081	6,115
Age 75-79	2,866	2,895	2,961	3,097	3,331	3,610	4,038	4,285	4,478	4,491	4,487	4,264	4,183	4,090	4,090	4,194	4,336	4,486	4,700	4,895	5,044
Age 80-84	2,277	2,309	2,319	2,371	2,401	2,351	2,379	2,441	2,563	2,769	2,995	3,363	3,563	3,719	3,739	3,742	3,566	3,516	3,444	3,451	3,546
Age 85+	2,230	2,293	2,307	2,337	2,378	2,428	2,490	2,553	2,617	2,667	2,675	2,745	2,845	2,994	3,183	3,351	3,677	3,879	4,086	4,206	4,294
Total population	85,492	85,509	85,283	85,396	85,518	85,628	85,725	85,806	85,877	85,932	85,973	86,003	86,032	86,055	86,070	86,078	86,075	86,069	86,057	86,028	85,993
Change from previous year		17	-226	113	123	110	96	82	70	56	41	29	29	23	16	7	-3	-6	-12	-28	-35
Households	37,409	37,515	37,561	37,781	38,009	38,202	38,392	38,561	38,755	38,955	39,164	39,364	39,565	39,766	39,959	40,126	40,262	40,388	40,501	40,608	40,710
Change from previous year		106	46	219	228	194	189	169	194	199	209	200	201	201	193	167	136	126	114	107	101
Dwelling need		109	48	226	235	199	195	175	200	205	216	206	207	207	199	172	140	130	117	111	104
Working-age population	52,003	52,115	52,208	52,582	52,946	52,966	52,842	52,701	52,559	52,294	52,306	52,607	52,745	52,414	52,058	51,638	51,226	50,912	50,521	50,232	49,921
Change from previous year		112	92	374	364	21	-124	-141	-142	-265	11	301	139	-331	-356	-420	-412	-315	-390	-290	-311
Economically active population	45,024	44,823	44,729	44,800	44,858	44,860	44,800	44,769	44,713	44,663	44,668	44,604	44,541	44,415	44,293	44,142	43,980	43,846	43,671	43,525	43,409
Change from previous year		-200	-94	70	58	2	-60	-31	-56	-51	6	-64	-64	-126	-121	-151	-162	-134	-175	-146	-115

HOUSING TRAJECTORY B – based on 190 dwellings per annum (2016-36)

Components of change		**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**
Births		938	895	907	902	890	883	875	868	861	854	847	841	836	832	828	825	824	824	824	824
Deaths		805	894	826	834	840	851	855	862	871	881	892	902	911	925	935	949	965	977	998	1,013
Natural change		133	1	81	68	50	31	19	6	-10	-27	-44	-62	-75	-92	-107	-124	-141	-154	-175	-189
In-migration		4,087	3,913	3,837	3,842	3,845	3,847	3,848	3,856	3,868	3,881	3,896	3,912	3,930	3,948	3,964	3,979	3,994	4,007	4,020	4,032
Out-migration		4,197	4,270	3,757	3,747	3,735	3,731	3,734	3,739	3,750	3,759	3,768	3,767	3,777	3,784	3,793	3,801	3,803	3,809	3,816	3,820
Net migration		-110	-357	80	95	110	116	114	116	118	122	128	145	153	164	171	177	192	199	204	212
Population (broad age groups)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Age 0-4	4,958	4,870	4,682	4,641	4,606	4,543	4,487	4,464	4,428	4,391	4,357	4,324	4,292	4,262	4,234	4,208	4,186	4,170	4,157	4,148	4,145
Age 5-9	5,366	5,289	5,190	5,099	4,895	4,830	4,756	4,659	4,625	4,596	4,538	4,486	4,467	4,434	4,400	4,368	4,337	4,306	4,277	4,249	4,223
Age 10-14	4,772	4,975	5,072	5,133	5,275	5,260	5,215	5,131	5,050	4,863	4,805	4,736	4,649	4,618	4,596	4,539	4,489	4,472	4,440	4,408	4,378
Age 15-19	4,976	4,853	4,903	4,807	4,759	4,813	4,940	5,063	5,124	5,250	5,239	5,202	5,138	5,054	4,896	4,841	4,774	4,703	4,675	4,659	4,606
Age 20-24	5,037	4,916	4,793	4,824	4,826	4,764	4,706	4,722	4,655	4,624	4,675	4,781	4,887	4,955	5,062	5,076	5,074	5,033	4,981	4,865	4,827
Age 25-29	5,490	5,517	5,470	5,389	5,279	5,277	5,206	5,139	5,140	5,134	5,069	5,002	5,004	4,957	4,944	5,006	5,113	5,223	5,308	5,410	5,445
Age 30-34	5,533	5,390	5,300	5,318	5,326	5,315	5,356	5,322	5,246	5,119	5,084	5,001	4,930	4,914	4,906	4,843	4,776	4,775	4,735	4,730	4,792
Age 35-39	4,937	5,051	5,179	5,193	5,233	5,219	5,102	5,023	5,042	5,060	5,067	5,112	5,084	5,008	4,870	4,819	4,730	4,658	4,630	4,622	4,561
Age 40-44	5,303	5,079	4,854	4,811	4,816	4,850	4,958	5,079	5,092	5,123	5,108	5,005	4,934	4,955	4,979	4,996	5,042	5,016	4,940	4,797	4,735
Age 45-49	5,968	5,812	5,735	5,571	5,469	5,168	4,978	4,799	4,765	4,773	4,816	4,929	5,042	5,055	5,082	5,065	4,972	4,909	4,931	4,958	4,983
Age 50-54	6,162	6,175	6,150	6,044	5,840	5,882	5,760	5,681	5,514	5,413	5,123	4,936	4,770	4,748	4,760	4,811	4,927	5,034	5,046	5,072	5,052
Age 55-59	5,679	5,821	5,886	5,990	6,128	6,127	6,147	6,104	6,009	5,817	5,851	5,735	5,659	5,493	5,396	5,118	4,933	4,780	4,765	4,780	4,839
Age 60-64	4,719	4,877	5,005	5,243	5,470	5,637	5,795	5,907	6,021	6,165	6,179	6,209	6,167	6,082	5,901	5,931	5,820	5,747	5,581	5,488	5,219
Age 65-69	5,212	4,924	4,747	4,621	4,611	4,725	4,889	5,061	5,296	5,520	5,689	5,853	5,979	6,103	6,256	6,283	6,323	6,283	6,207	6,035	6,064
Age 70-74	4,007	4,463	4,730	4,952	4,969	4,967	4,709	4,606	4,494	4,489	4,600	4,756	4,921	5,150	5,365	5,530	5,694	5,827	5,956	6,111	6,148
Age 75-79	2,866	2,895	2,961	3,098	3,332	3,613	4,042	4,290	4,484	4,498	4,495	4,273	4,193	4,101	4,102	4,208	4,351	4,504	4,719	4,917	5,069
Age 80-84	2,277	2,309	2,319	2,372	2,402	2,352	2,381	2,444	2,567	2,774	3,000	3,370	3,571	3,729	3,749	3,753	3,578	3,528	3,458	3,466	3,562
Age 85+	2,230	2,293	2,307	2,338	2,380	2,430	2,494	2,558	2,622	2,674	2,682	2,753	2,855	3,004	3,195	3,364	3,692	3,897	4,105	4,226	4,317
Total population	85,492	85,509	85,283	85,444	85,615	85,774	85,921	86,053	86,175	86,283	86,377	86,461	86,544	86,622	86,694	86,759	86,813	86,865	86,911	86,941	86,965
Change from previous year		17	-226	161	171	159	146	132	122	108	94	83	84	78	72	64	54	52	46	30	24
Households	37,409	37,515	37,561	37,798	38,045	38,258	38,467	38,656	38,871	39,091	39,321	39,543	39,766	39,990	40,205	40,395	40,554	40,704	40,841	40,972	41,098
Change from previous year		106	46	237	247	213	209	189	215	220	231	222	223	223	216	190	159	149	137	131	126
Dwelling need		109	48	244	254	219	215	195	221	227	238	228	230	230	222	196	164	154	141	135	129
Working-age population	52,003	52,115	52,208	52,616	53,014	53,069	52,979	52,873	52,764	52,534	52,580	52,917	53,091	52,794	52,473	52,088	51,712	51,433	51,079	50,825	50,551
Change from previous year		112	92	408	398	55	-90	-106	-108	-231	46	337	175	-297	-321	-385	-377	-279	-354	-254	-274
Economically active population	45,024	44,823	44,729	44,828	44,916	44,947	44,917	44,915	44,888	44,867	44,903	44,869	44,835	44,739	44,648	44,528	44,396	44,294	44,150	44,036	43,953
Change from previous year		-200	-94	99	88	31	-30	-2	-26	-21	35	-34	-34	-96	-91	-120	-132	-103	-143	-115	-83

HOUSING TRAJECTORY C – based on 238 dwellings per annum (2016-36)

Components of change		**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**2024/25**	**2025/26**	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**2030/31**	**2031/32**	**2032/33**	**2033/34**	**2034/35**	**2035/36**
Births		938	895	907	905	895	890	884	880	876	870	866	862	860	857	855	854	854	856	857	860
Deaths		805	894	826	835	842	853	858	865	876	886	897	909	918	932	944	958	975	989	1,010	1,026
Natural change		133	1	81	70	53	37	26	15	0	-16	-31	-47	-59	-75	-89	-104	-120	-133	-153	-167
In-migration		4,087	3,913	3,897	3,901	3,904	3,907	3,908	3,916	3,928	3,942	3,957	3,973	3,991	4,009	4,026	4,041	4,056	4,070	4,083	4,095
Out-migration		4,197	4,270	3,702	3,692	3,680	3,676	3,679	3,684	3,694	3,704	3,712	3,711	3,722	3,728	3,737	3,745	3,747	3,752	3,759	3,764
Net migration		-110	-357	195	210	225	230	229	231	234	238	244	262	270	281	288	295	310	317	323	331
Population (broad age groups)	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Age 0-4	4,958	4,870	4,682	4,651	4,625	4,572	4,526	4,514	4,490	4,465	4,443	4,422	4,401	4,382	4,365	4,349	4,337	4,330	4,326	4,326	4,331
Age 5-9	5,366	5,289	5,190	5,106	4,908	4,852	4,785	4,697	4,672	4,654	4,605	4,564	4,555	4,534	4,512	4,492	4,473	4,453	4,435	4,417	4,402
Age 10-14	4,772	4,975	5,072	5,138	5,285	5,276	5,237	5,159	5,085	4,903	4,853	4,792	4,714	4,692	4,679	4,632	4,593	4,586	4,566	4,546	4,527
Age 15-19	4,976	4,853	4,903	4,816	4,774	4,833	4,964	5,093	5,159	5,291	5,285	5,255	5,197	5,120	4,968	4,920	4,860	4,798	4,779	4,772	4,728
Age 20-24	5,037	4,916	4,793	4,840	4,858	4,811	4,766	4,793	4,734	4,709	4,764	4,877	4,991	5,065	5,180	5,201	5,206	5,171	5,126	5,014	4,983
Age 25-29	5,490	5,517	5,470	5,403	5,308	5,320	5,265	5,213	5,230	5,239	5,188	5,132	5,145	5,105	5,098	5,166	5,281	5,401	5,493	5,604	5,648
Age 30-34	5,533	5,390	5,300	5,328	5,349	5,350	5,404	5,383	5,321	5,208	5,188	5,120	5,064	5,062	5,069	5,020	4,963	4,971	4,939	4,939	5,008
Age 35-39	4,937	5,051	5,179	5,200	5,248	5,243	5,135	5,066	5,096	5,126	5,145	5,204	5,189	5,127	5,002	4,966	4,891	4,833	4,820	4,827	4,778
Age 40-44	5,303	5,079	4,854	4,817	4,827	4,868	4,983	5,111	5,131	5,170	5,163	5,069	5,009	5,041	5,077	5,107	5,166	5,154	5,092	4,962	4,914
Age 45-49	5,968	5,812	5,735	5,577	5,479	5,183	4,998	4,824	4,795	4,809	4,859	4,979	5,100	5,120	5,156	5,146	5,063	5,009	5,042	5,083	5,120
Age 50-54	6,162	6,175	6,150	6,049	5,850	5,897	5,781	5,707	5,545	5,447	5,162	4,978	4,817	4,799	4,818	4,876	4,999	5,115	5,134	5,168	5,156
Age 55-59	5,679	5,821	5,886	5,995	6,138	6,142	6,168	6,131	6,040	5,853	5,892	5,781	5,709	5,547	5,454	5,178	4,997	4,847	4,837	4,858	4,924
Age 60-64	4,719	4,877	5,005	5,247	5,479	5,651	5,815	5,932	6,052	6,202	6,221	6,256	6,219	6,139	5,962	5,997	5,890	5,821	5,658	5,569	5,302
Age 65-69	5,212	4,924	4,747	4,624	4,617	4,736	4,903	5,080	5,320	5,549	5,724	5,893	6,025	6,156	6,314	6,346	6,391	6,356	6,285	6,117	6,151
Age 70-74	4,007	4,463	4,730	4,955	4,974	4,976	4,720	4,620	4,511	4,509	4,624	4,784	4,954	5,188	5,409	5,579	5,749	5,888	6,023	6,184	6,226
Age 75-79	2,866	2,895	2,961	3,099	3,336	3,619	4,051	4,302	4,498	4,515	4,515	4,295	4,217	4,128	4,132	4,241	4,389	4,546	4,767	4,969	5,127
Age 80-84	2,277	2,309	2,319	2,373	2,405	2,357	2,387	2,452	2,576	2,785	3,014	3,387	3,591	3,751	3,774	3,780	3,606	3,559	3,490	3,501	3,600
Age 85+	2,230	2,293	2,307	2,340	2,385	2,437	2,503	2,570	2,636	2,690	2,700	2,773	2,878	3,030	3,224	3,397	3,729	3,938	4,150	4,276	4,370
Total population	85,492	85,509	85,283	85,559	85,847	86,124	86,391	86,645	86,891	87,125	87,347	87,560	87,775	87,986	88,192	88,393	88,585	88,775	88,961	89,132	89,298
Change from previous year		17	-226	276	288	277	267	254	246	234	222	213	215	211	207	200	192	190	186	171	166
Households	37,409	37,515	37,561	37,841	38,133	38,392	38,647	38,884	39,148	39,418	39,700	39,973	40,249	40,526	40,797	41,042	41,257	41,463	41,657	41,846	42,030
Change from previous year		106	46	280	292	259	256	237	264	270	282	273	276	277	270	246	215	206	194	189	184
Dwelling need		109	48	288	300	266	263	244	271	278	290	282	284	285	279	253	221	212	200	195	190
Working-age population	52,003	52,115	52,208	52,698	53,180	53,317	53,308	53,284	53,257	53,108	53,238	53,661	53,922	53,709	53,471	53,170	52,877	52,684	52,416	52,249	52,063
Change from previous year		112	92	491	481	137	-8	-25	-27	-149	129	423	261	-213	-238	-301	-292	-194	-267	-167	-186
Economically active population	45,024	44,823	44,729	44,897	45,055	45,156	45,196	45,265	45,309	45,358	45,465	45,503	45,542	45,518	45,500	45,454	45,396	45,368	45,301	45,262	45,257
Change from previous year		-200	-94	167	158	102	40	68	44	50	107	38	39	-24	-18	-47	-57	-28	-68	-38	-5