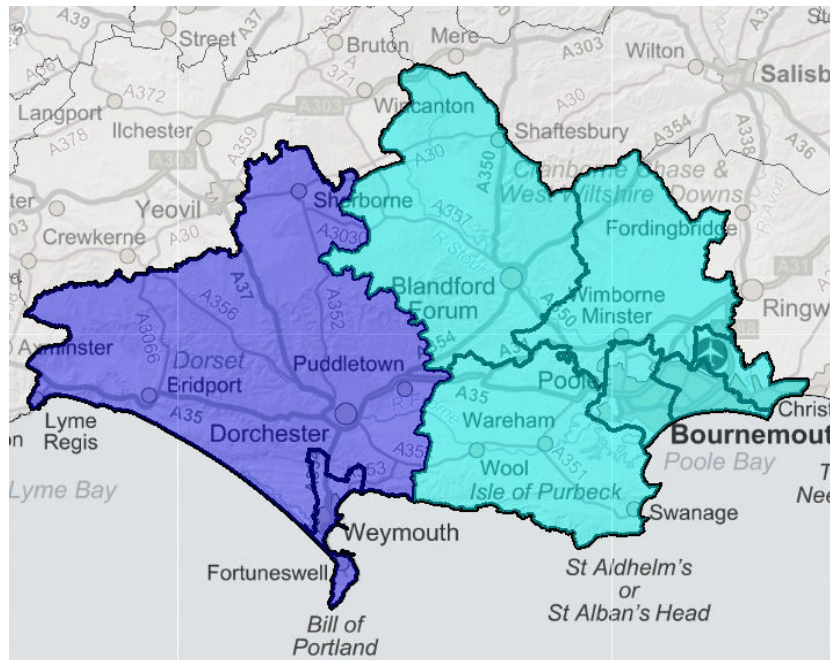




DORSET SURVEY OF HOUSING NEED AND DEMAND

Local Authority report for:

CHRISTCHURCH BOROUGH COUNCIL



June 2008



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Table of Contents

Executive summary	1
SECTION A: CONTEXT	17
1. Introduction	19
2. Data collection	23
3. Population and household mobility	27
4. The Local Housing Market	37
5. Key Survey Findings	43
SECTION B: HOUSING NEED	55
6. Guidance	57
7. Current Need	59
8. Future Need	67
SECTION C: CHARACTERISTICS OF HOUSING MARKET	75
9. Household mobility	77
10. Financial Information	85
11. Balancing Housing Markets	93
SECTION D: PARTICULAR GROUPS	99
12. The needs of particular groups	101
SECTION E: IMPLICATIONS OF THE ANALYSIS	125
13. Housing markets gaps and how to fill them	127
14. Updating	141
Glossary	147

Appendix A1 Ward Level Data	157
Appendix A2 Supporting Information.....	177
Appendix A3 Balancing Housing Markets Analysis	181
Appendix A4 Inference of housing need at ward level.....	185
Appendix A5 Survey Questionnaire	189

Executive summary

Introduction

- S1. This Survey of Housing Need and Demand forms part of a wider Housing Market Assessment being conducted by a partnership involving all nine local authorities in Bournemouth, Poole and Dorset, as well as a number of other stakeholders. The broad aim of this project was to provide the primary research at household level to understand the need and demand for different forms of housing. Ultimately the findings from this study will be fed into the wider SHMA research and used to evidence revised, local, affordable housing policies and strategies. This report presents the findings for the Christchurch Borough.
- S2. Where relevant the report follows Government advice given in PPS3: Housing (Nov 2006) and its Practice Guidance (published in March and August 2007). The former provides the formal requirements for assessment, and the latter provides detailed suggestions as to how to produce the requirements. The report therefore provides policy relevant outputs which can sensibly be translated into a range of strategies and will be an important input to both the Regional Spatial Strategy (RSS) and Local Development Framework (LDF) process..
- S3. In particular this report concentrates on the need for affordable housing and the supply and demand for housing across all tenure groups. Essentially it provides the three key requirements of PPS3 (para 22): which are to provide the market/affordable split, and the type and amount of affordable housing required (along with the types of household requiring market housing).

Data collection

- S4. A major part of the study process was the completion of the primary data collection via postal questionnaires with local households. In total 1,435 households took part in the survey. The questionnaire covered a wide range of issues including questions about:
- Current housing circumstances
 - Past moves
 - Future housing intentions
 - The requirements of newly forming households
 - Income levels

- S5. Information from the questionnaire survey was used throughout the report (along with secondary information) to make estimates about the future housing requirements in the Borough. The number of responses provided sufficient data to allow complete, accurate and detailed analysis of needs across the Borough and geographical breakdowns for eleven wards.
- S6. Overall the survey estimated that there are around 21,500 households in the Borough, of these around 81% are currently owner-occupiers with 12% living in the social rented sector and around 6% in the private rented sector.

Table S1 Number of households in each tenure group				
Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	10,660	49.6%	767	53.4%
Owner-occupied (with mortgage)	6,844	31.8%	427	29.8%
RSL	2,616	12.2%	162	11.3%
Private rented	1,380	6.4%	79	5.5%
TOTAL	21,500	100.0%	1,435	100.0%

Source: Christchurch HNDS Fordham Research 2007

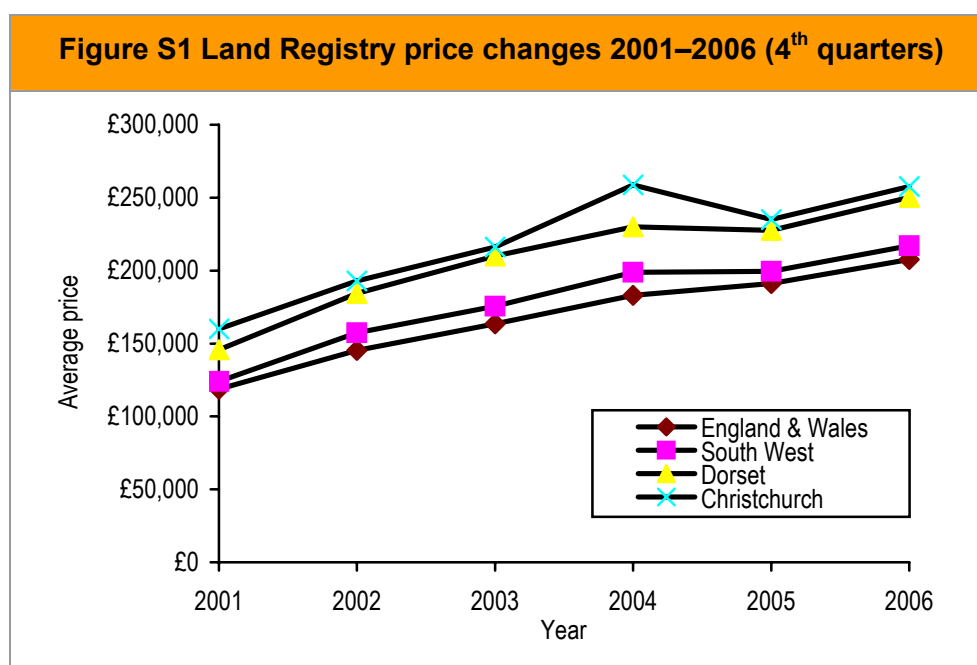
Population and household mobility

- S7. Dorset has a moderate level of self-containment (60.3%) with a substantial net inflow of people. According to the 2001 Census, a total of 30,994 people moved into Dorset from domestic sources, 10,314 more households moved into Dorset than moved out.
- S8. New Forest has the largest gross in and out flows with Dorset, other noticeable flows are from South Somerset and Salisbury. It is also notable that people from west London Boroughs show distinct flows to the county: London has a long tradition of radial migration movements outwards from it.
- S9. Christchurch shows a low level of self containment compared with other districts. 44.3% of households that have moved in the last two years have actually moved within the District. The migration between Christchurch and Bournemouth is a particularly significant one, 14.2% of all households that moved into Christchurch within the last two years came from Bournemouth. A high proportion of households expecting to move from Christchurch also expect to move to Bournemouth.

- S10. There is a strong net in-migration to the county, especially through Bournemouth. The working status profile suggests that in-migrant households are more likely to be retired, with out-migrant households more likely to be in employment. This would again accord with the overall attractiveness of the county, and the relative lack of major centres of employment, making it a net retirement location.

The Local Housing Market

- S11. A key part of the project was an assessment of the local housing market. Information was drawn from a range of sources including the Land Registry, internet searches and face-to-face interviews with local estate and letting agents. Separate and detailed reports for the whole of Dorset have been completed: in this report we provide the key findings in relation to Christchurch.
- S12. Latest Land Registry data suggests that the average property price in Christchurch (at £257,637) is around 24% higher than the average for England and Wales and above the average for the whole of Dorset (around £250,000). The rate of increase in property prices in the Borough over the past few years has been significant, information from the Land Registry shows that between the 4th Quarter of 2001 and the 4th quarter of 2006 average property prices in Christchurch rose by 61.0% - this is slightly below the average increase for both England and Wales and Dorset as a whole.



S13. A survey of local estate and letting agents identified estimates of the minimum costs of housing to both buy and rent in the Borough. Overall, the survey suggested that prices started at around £124,000 for one-bedroom properties with private rental costs starting from around £125 per week.

Table S3 Minimum property prices/rent in Christchurch		
Property size	Minimum price	Minimum rent (per week)
1 bedroom	£124,000	£125
2 bedrooms	£180,000	£160
3 bedrooms	£251,000	£180
4 bedrooms	£323,000	£230

Source: Christchurch HNDS Fordham Research 2007

S14. The information about minimum prices and rents was used along with financial information collected in the survey to make estimates of households' ability to afford market housing (without the need for subsidy).

Key Survey Findings

S15. Using data from the household survey it is possible to provide a detailed picture of the profile of local households and their dwellings. The nature of the current stock is an important consideration in identifying gaps in the market and for providing information about potential future requirements. Below we highlight some key findings from the household survey:

- In total 42.1% of households live in detached houses or bungalows, whilst 21% live in flatted accommodation. Households living in rented housing are more likely to live in flats whilst those in owner-occupation are more likely to live in detached houses than other tenures.
- Over two-fifths of all households are 'pensioner-only' and under a fifth contain children. Lone parent households were found to be concentrated in the rented sectors.
- Analysis of household moves in the last two years shows that private rented tenants are the most mobile. An estimated 51.5% of private renters had moved home in the past two years, compared to only 12.1% of social renters and 14.8% of owner-occupiers. There were more moves recorded within tenures than between them.

- Car ownership data suggests that there is an average of 1.22 cars per household in the Borough. There are however large differences by tenure with owner-occupiers (with mortgage) having an average of 1.63 cars per household. Over half of all households in social rented accommodation have no use of a car or van.
- The population of Christchurch is predominantly White and survey data suggests that only around 1% of households are non-White
- The level of overcrowding recorded in Christchurch at 0.8% is lower than the national average
- The proportion of employed household heads varied significantly across the tenures. Some 75.8% of households buying with a mortgage are headed by an employed person compared to 63.8% in the private rented sector and 25.9% for social tenants.
- Households in the private rented sector and those buying with a mortgage have the highest housing costs, households in the social rented sector the lowest.

Future Movers

- S16. Another important aspect of the survey (in relation to future demand for housing) was an assessment of households who need or are likely to move home in the future. The study looked at the future aspirations and expectations of both existing households and potential newly forming households.
- S17. The table below shows that around 16.1% of existing households need or are likely to move home in the next two years. Households in the private rented sector are most likely to be future movers although over half of all moving households are currently owner-occupiers.

Table S4 Households who need or are likely to move in next two years by tenure

Tenure	Number who need/likely to move	Total number of households	% need/likely to move
Owner-occupied (no mortgage)	1,079	10,660	10.1%
Owner-occupied (with mortgage)	1,010	6,844	14.8%
Social rented	537	2,616	20.5%
Private rented	844	1,380	61.2%
Total	3,470	21,500	16.1%

Source: Christchurch HNDS Fordham Research 2007

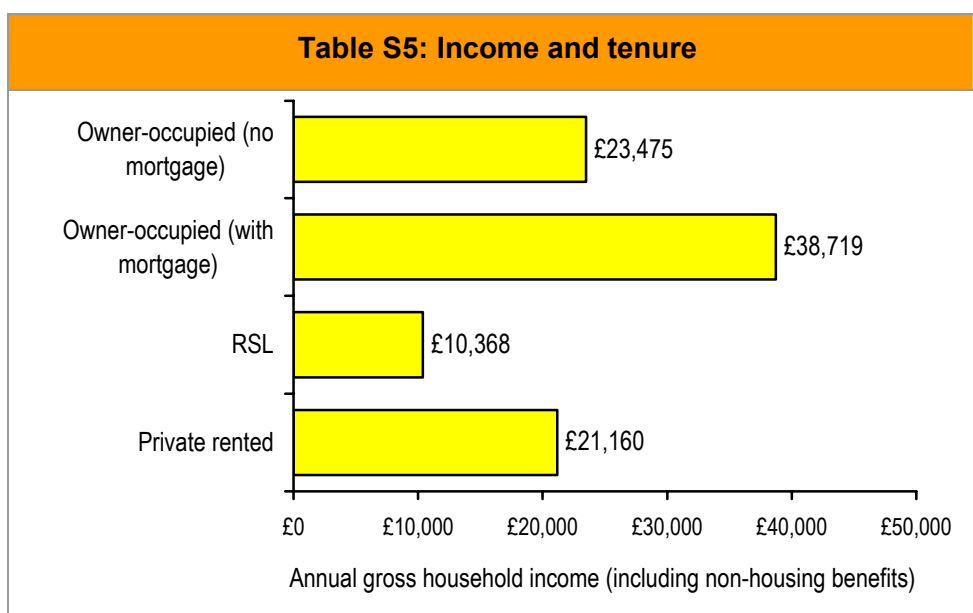
S18. In addition to the 3,470 existing households who need or are likely to move the survey also estimates that there will be 1,312 households who need or are likely to form from households currently resident in the Borough over the next two years. Other key findings in relation to these moving households include:

- Some 71.8% of existing households would like to remain in Christchurch although a slightly smaller proportion expect to
- Significantly more moving households would like owner-occupied accommodation than expect it (this finding is particularly notable for newly forming households). Similarly more moving households would like a detached home than expect it

Financial Information

S19. A key part of the housing needs and demand survey is an assessment of the financial situation of households. Data was, therefore, collected in the survey looking at a range of financial information (including incomes, savings and equity).

S20. Survey results for household income in Christchurch estimate the average (mean) gross household income level to be £26,584 per annum. The median income is noticeably lower than the mean (at £19,745 per annum). There were, however, wide variations by tenure; with households living in social rented housing having particularly low income levels.



Source: Christchurch HNDS Fordham Research 2007

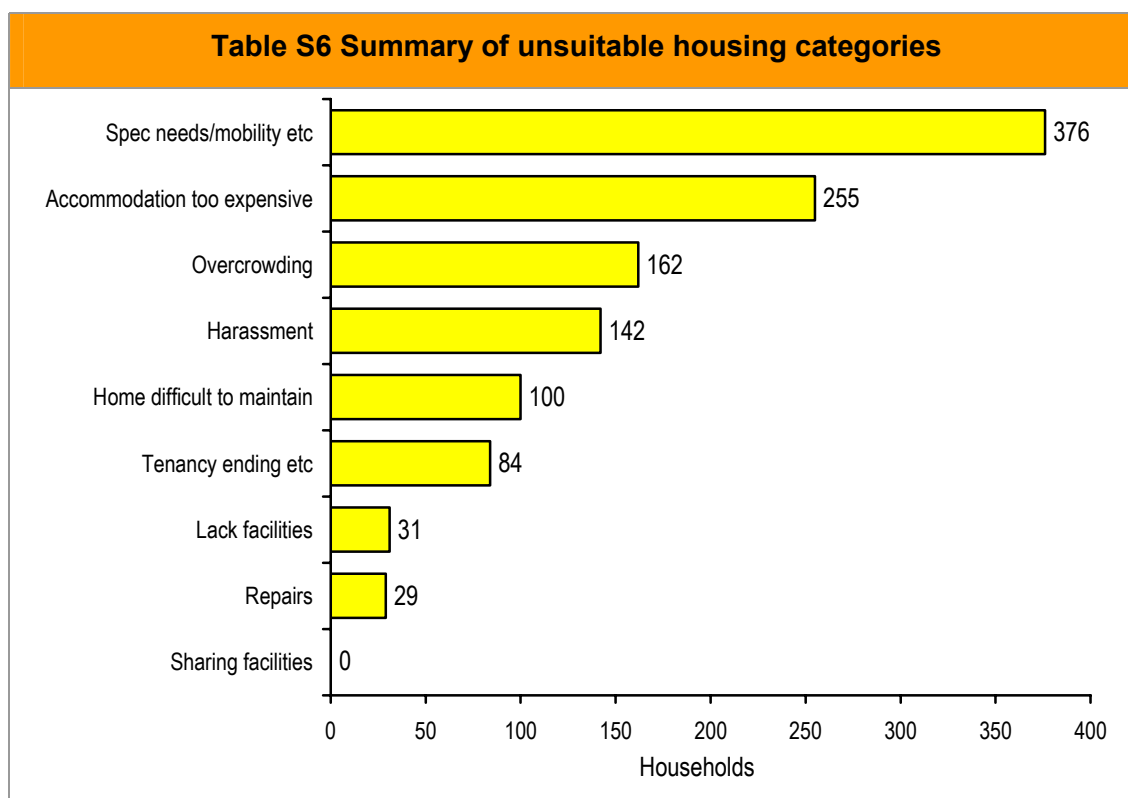
S21. The survey also collected data about households' savings and equity levels. It is estimated that the median level of savings for all households is around £8,500 whilst the median equity level is £218,254.

Housing Need - background

- S22. A key part of the study was to look at affordable housing requirements. To do this the report has closely followed guidance set out by CLG ('Strategic Housing Market Assessments: Practice Guide' March 2007). The Guide sets out methods for looking at both the backlog of need and future need and in this report both have been addressed separately.
- S23. In broad terms the assessment of need (which takes account of both the need for and supply of affordable housing) can be split into the following four categories for analysis:
- Current (backlog) need
 - Available stock to offset need
 - Newly arising (future) need
 - Future supply of affordable units

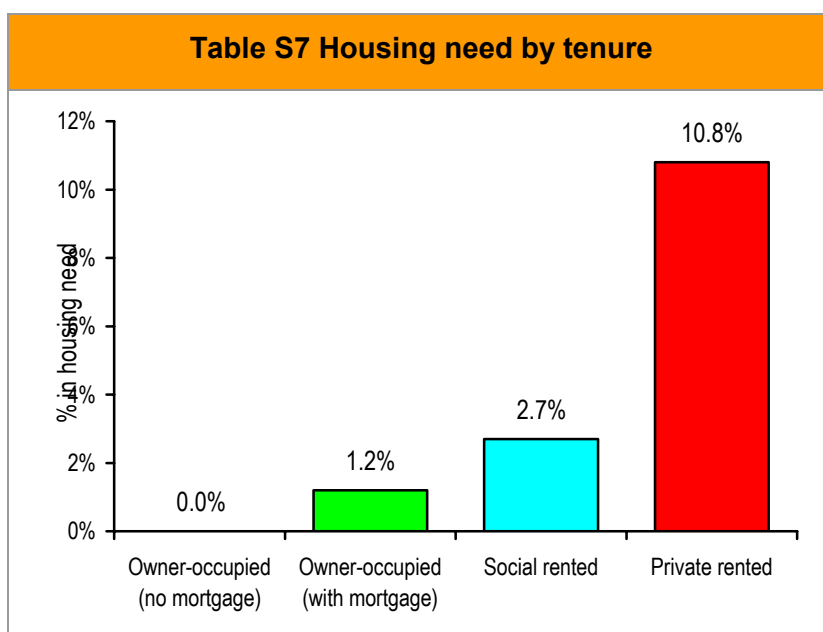
Current need

- S24. Survey data suggests that around 996 households in the Borough are currently living in unsuitable housing - the main reason being special needs and/or mobility problems, followed by accommodation too expensive.



Source: Christchurch HNDS Fordham Research 2007

- S25. The number of households in unsuitable housing whose needs could be met within their own accommodation were then considered (i.e. in-situ solutions). Overall, it was estimated that 549 of the 996 households would need to move home to find a solution to the unsuitability.
- S26. Of these 549 households, an estimated 54% cannot afford a suitable solution in the housing market without some form of subsidy and are hence considered to be in housing need (299 households). Households in the private rented sector were most likely to be in housing need.



Source: Christchurch HNDS Fordham Research 2007

- S27. Taking into account a small number of homeless households who would not have been picked up by the household-based survey (three additional household) makes for a total backlog need of 302 households.
- S28. It is estimated that at the time of the survey there was a current stock of affordable housing of around 179 which could be used to meet this need (including dwellings becoming available as households in the social rented sector move to different dwellings). Hence it was estimated that the net backlog of need for affordable housing is around 123 units (302-179). Annualised over 5 years (as recommended in the Practice Guidance) this becomes 25 households (123/5).

Future need

- S29. The future need for affordable housing has been based on survey information about past household behaviour in terms of moves to different accommodation. The future need for affordable housing is split into two categories:
- New households formation (× proportion unable to buy or rent in market)
 - Existing households falling into need
- S30. The data suggests that on an annual basis there will be 68 newly forming households requiring affordable housing and a further 280 existing households. The total future need for affordable housing is therefore estimated to be 348 units per annum.
- S31. The supply of affordable housing to meet this need has also been estimated from past trend data. This data suggests that the current stock of affordable housing is likely to provide around 130 units (128 social rented and two intermediate units (i.e. shared ownership)). Hence it is estimated that the net annual need for additional affordable housing is in the region of 243 units (25+348-130)

Balancing Housing Markets

- S32. The previous analysis looked at the need for affordable housing in isolation. However, as mentioned it is the case that there is a significant overlap between affordable housing and market housing (e.g. with the private rented sector). Therefore a further analysis has been carried out which looks at future demands across the whole housing market.
- S33. The 'Balancing Housing Markets' (BHM) assessment looks at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. It works at the simplest level by establishing the likely demand for housing of particular types by the expected supply arising from vacancies in the existing stock so as to provide a broad indication of the shortages (and in some cases surpluses) of particular types of dwelling.
- S34. The BHM model is not a purely technical assessment of housing requirements and combines a technical assessment of certain aspects (e.g. affordability) with a reasoned judgement about how exactly the housing market operates (e.g. the fact that the private rented sector is often used to meet some affordable needs through the use of Housing Benefit).

- S35. In addition the model looks at both households’ aspirations and their expectations to provide an indication of the most likely housing solution in the particular market. The model is essentially based upon the stated move expectations of the respondents, which have had the ‘aspiration’ element removed by asking about them first. The questionnaire says ‘*what would you like*’, and then ‘*what would you expect*’. Although these do not contain a formal means test (in other words no arithmetic check has been made to see whether they can afford their stated preference) our experience suggests that expectations are quite reliable as a guide. Indeed ‘expectations’ of households planning to move are likely in some ways to be more reliable than a formal means test, as no questionnaire survey can expect to discover all means of finance available to households. The stated expectations do, therefore, contain an implicit means test.
- S36. The expectations should therefore be regarded as moves which, if suitable supply of housing is available, are capable of being fulfilled. Thus the BHM analysis, which seeks to reconcile the ‘demands’ of movers with the supply of vacant dwellings, works by repeated iterations through the stock, taking account of what properties would be made vacant by moves, and then matching them with the sizes/types of dwelling stated by expected movers. The table below shows the overall results of the BHM analysis.

Table S8: Balancing Housing Markets results for Christchurch (per annum)					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	49	130	60	55	293
Private rented	12	-17	-4	-9	-17
Intermediate	26	38	14	0	78
Social rented	-4	23	57	9	85
TOTAL	83	174	127	55	439

Source: Christchurch HNDS Fordham Research 2007

- S37. The table shows that overall there is expected to be a greater demand for housing than the current stock of housing can meet. Overall, across all tenures there is an apparent shortfall of 439 dwellings per annum (excess demand over supply) of which 37.1% is for affordable housing. The above table also looks at demand shortfall and surpluses by tenure and it is worthwhile to briefly describe the findings in each of these groups.
- S38. There are two comments to make on the general interpretation of this table:

- i) **Private rented sector.** Where the figures show a surplus they do not imply that there will be empty rented flats. What the figures imply is that even viewed in terms of expectations, most people do not want the private rented sector. Viewed through the perspective of 'aspirations' very few want it. Many more expect it, but yet more will be obliged in practice to accept it. Household expectations are a realistic way to view the future market, but nothing is certain about the future, and as we have a much more detailed database on stock supply and turnover than any household is likely to have, this analysis can establish the 'true' position on overall supply and demand. A surplus shown for a particular size of private rented dwelling will only very rarely result in vacant private rented stock. In practice some households expecting to buy may be frustrated in achieving this. Such households will end up in private rented accommodation thus creating an overall demand for the sector. Similarly, but at the other end of the financial capacity range, some households only able to afford social rented housing will be unable to secure it as expected, and will enter the private rented sector on Housing Benefit.
- ii) **Social rented vs intermediate housing.** Since there is only a very limited supply of intermediate housing at present, the 'expectations' of households are not often directed towards this tenure. As a result we have taken those aspiring to something more than social renting and applied a means test to them. In this respect, the general approach to the BHM of using expectations is replaced by analysis of the ability to afford. Thus the numbers of households indicated to be in the intermediate band are those unable to afford market housing, but who can afford the mid-point of the intermediate range. The mid-point is taken because it represents the 'average' weekly cost of intermediate housing types.

S39. The following examines the results.

Housing tenure outcomes

Owner-occupation

S40. In the owner-occupied sector there is an apparent shortfall of 293 units per annum (67%) of the overall shortfall. The majority of this shortfall is for two-bedroom homes although shortages are shown for all other sizes of accommodation.

Private rented sector

S41. Overall the private rented sector appears to be roughly in balance. The potential demand for this type of accommodation is roughly in line with the overall supply. However, by size of dwelling we find that there are potential (small) shortages of one-bedroom homes and (small) surpluses of other sizes of accommodation.

Intermediate housing

S42. The requirement for intermediate housing makes up around 18% of the net shortfall of housing in the Borough and there are shortages shown for all sizes of accommodation other than four-bedrooms (this is no surprise given the general lack of supply of intermediate housing in the Borough). The main shortfall is for two-bedroom homes. However it should be borne in mind that the results may not reflect households' actual ability to pay for this type of accommodation.

Social rented housing

S43. The shortage of social rented housing makes up around 19% of the total shortfall of housing in the Borough. Most of the net need for social rented housing is for three-bedroom units and the results suggest a small surplus of one-bedroom homes in this sector.

Mix of new market housing

S44. PPS3 (para 22) requires, in the second of its three key outputs from SHMAs, indication of the likely profile of households requiring market housing, by the typology set out below. The tabulation covers all of (historic) Dorset as the comparisons between areas can be helpful.

S45. The following table shows the gross demand by four types of household. They do not overlap, so that if a household consists of 2 pensioners it is listed as 'older persons' and not also as 'multi-adult'.

Table S5 Gross demand for market housing (per annum by household type)					
<i>Area</i>	<i>Older persons</i>	<i>Single non-pensioner</i>	<i>Multi adult</i>	<i>Households with children</i>	<i>TOTAL</i>
Bournemouth	930 15.8%	1,477 25.1%	2,375 40.3%	1,111 18.9%	5,892 100.0%
Christchurch	482 30.5%	245 15.5%	545 34.5%	310 19.6%	1,582 100.0%
East Dorset	594 22.5%	299 11.3%	1,018 38.5%	733 27.7%	2,643 100.0%
North Dorset	403 20.4%	299 15.1%	772 39.0%	505 25.5%	1,980 100.0%
Poole	663 15.9%	778 18.7%	1,832 44.0%	889 21.4%	4,162 100.0%
Purbeck	158 13.0%	162 13.4%	530 43.7%	363 29.9%	1,213 100.0%
West Dorset	712 25.5%	462 16.6%	946 33.9%	670 24.0%	2,790 100.0%
Weymouth & Portland	310 17.7%	382 21.8%	581 33.1%	482 27.4%	1,756 100.0%
DORSET	4,252 19.3%	4,104 18.6%	8,599 39.1%	5,063 23.0%	22,018 100.0%
Bournemouth/Poole HMA	3,230 18.5%	3,260 18.7%	7,072 40.5%	3,911 22.4%	17,472 100.0%
Dorchester/Weymouth HMA	1,022 22.5%	844 18.6%	1,527 33.6%	1,152 25.3%	4,546 100.0%
DORSET	4,252 19.3%	4,104 18.6%	8,599 39.1%	5,063 23.0%	22,018 100.0%

Source: This appears as Table 13.6 of the main text

S46. The results show a range of patterns, summarised below:

- i) About 40% of the gross demand is from multi-adult households (Dorset wide). It is the biggest group in all the districts, although the average for the Dorchester/Weymouth HMA is a bit lower: a third rather than 40%.
- ii) The next biggest group is households with children, at county and both HMA levels, although this pattern varies slightly among the districts. The exception is Bournemouth, where the gross demand is higher for 'single non-pensioner' than for families, although both areas of demand are substantial.

- iii) The demand from single-non pensioners is joint third with older persons. This may seem odd, given that household projections show increasing numbers of single people. However a single person household, whether pensioner or not, can arise through the death or departure of a spouse, without any house move at all. That helps to explain this finding.
- iv) The gross demand from older persons is about a fifth, at the county level, but a bit higher in the Dorchester/Weymouth HMA than in the Bournemouth/Poole one. By far the highest demand figure from older persons is in Christchurch, which entirely agrees with the character of that borough as being highly attractive to older people.

S47. The outputs shown here fulfil the requirement of the middle part of Para 22 of PPS3.

The Needs of Particular Groups

- S48. In addition to the main analyses of housing need and housing need the study addressed particular client groups that may have specific housing requirements. Although such groups do not necessarily represent households in need as defined by the CLG Guide, it is important for the Council to have information on them in order to inform specific policies and service provision.
- S49. For example, the frail elderly may not be in housing need in the sense of not being able to afford market housing, but many of them are liable to require extra care in the future, whether directly, or via aids and adaptations in the home. Key findings from analysis of a range of different groups include:
- S50. There are an estimated 4,983 households in the Christchurch area with one or more members in an identified special needs group, which represents 23.2% of all households. These households were most likely to state a requirement for more support services.
- S51. Over two-fifths of households in Christchurch contain only older people (41.3%). These are almost all comprised of one or two persons, however approaching half reside in accommodation with three or more bedrooms. Within the social rented sector there are 121 older person households living in properties with at least three-bedrooms indicating an opportunity to reduce under-occupation.
- S52. The survey estimates that 1,996 households in Christchurch are headed by a key worker. Key worker households are more likely than average to be resident in owner-occupation. They also record higher average incomes than other households in employment.

- S53. The survey records that there are 4,200 people between 21 and 35 in Christchurch. Nearly four-fifths of these young people are employed and 34.7% live with their parents.
- S54. The average age of recent first-time buyers is 32 years and they required household incomes significantly above the Borough average to get onto the property ladder. Some 27.1% of these households spend over a quarter of their gross household income on their mortgage.
- S55. Christchurch Borough is largely urban with just 1.3% of households resident in a rural area. There were some noticeable differences between households living in urban and rural areas; notably, households in rural areas typically showed higher levels of income and a greater availability of cars/vans. Such households were however more likely to express problems with the adequacy of public transport. The profile recorded of rural households should be treated with caution as it is based on a small sample.
- S56. There are 3,779 households containing families in Christchurch. Lone parent families generally differ in terms of housing situation and preferences from families with younger children and families with older children. Two parent families are more likely to require owner occupied larger dwellings, often detached.

Implications for affordable housing policy

- S57. Affordable housing policy, based on rigorous Housing Needs Assessment, has been an important part of housing strategy and planning policy ever since 1991. However no Government body has provided any clear mechanism for establishing an affordable housing target.
- S58. Following the CLG Guidance the net annual housing need in Christchurch is estimated to be 243. This represents an index of 11 (the average for 350 or so Fordham Research studies of this kind is about 16, so it is significant but not high).
- S59. In reality a number of households are likely to find solutions in the private sector (e.g. by spending a greater proportion of their income on housing than is recommended by the guidance) and the requirement for affordable housing will be lower, although still much higher than what is likely to be possible to achieve.
- S60. Due to the lack of instruction from government, targets are set by the prevailing practice: what other councils with similar levels of housing need have proposed, and after examination by Planning Inspectors, adopted. The RSS Panel report for the South West suggested a minimum target of 35%. Clearly the situation in Christchurch is more serious than the minimum. Other authorities with a high level of need are pursuing targets of 50%. These are subject to 'deliverability' as specified in PPS3.

- S61. PPS3 also requires this target to be split between intermediate and social rented housing. We have studied the requirement for intermediate housing through the balancing housing markets (BHM) model. This model suggests that around 48% of all additional affordable housing should be intermediate housing (i.e. priced around midway between social rents and the entry-level cost of private sector housing (generally private rented housing)).
- S62. However there is little housing that can be truly labelled 'intermediate': for example shared ownership is typically more expensive than market entry and is therefore 'low cost market' housing in practice. There is scope in Christchurch for a Housing Corporation product called 'intermediate rent': this could meet some 9% of Christchurch's annual need. Hence this would appear to indicate a more appropriate target for the intermediate band.
- S63. The final chapter in this report presents a set of weekly costs for different sizes and tenures of housing which, if updated according to the instructions provided, will ensure that newbuild housing fits whatever tenure/size descriptions are in accordance with future policies.

SECTION A: CONTEXT

1. Introduction

Introduction

- 1.1 This Survey of Housing Need and Demand forms part of a wider Housing Market Assessment being conducted by a partnership involving all nine local authorities in Bournemouth, Poole and Dorset, as well as a number of other stakeholders. The broad aim of this project was to provide the primary research at household level to understand the need and demand for different forms of housing. Ultimately the findings from this study will be fed into the wider SHMA research and used to evidence revised, local, affordable housing policies and strategies.
- 1.2 This report presents the results for the Christchurch Borough. Equivalent reports have been produced for the seven other authority areas within Dorset.
- 1.3 The following table summarises key terms used in this report.

Table 1.1 Key terms used in the Reports

<i>Key term or reference</i>	<i>Acronym</i>
Housing need/demand study	HNDS
Strategic Housing Market Assessment	SHMA
Housing market area	HMA
Planning Policy Statement 3: Housing (Nov 2006)	PPS3
Practice Guidance on PPS3 (March and August 2007)	The Guide
Local Development Framework	LDF
Regional Spatial Strategy	RSS

Source: Fordham Research 2007

The Dorset-wide Strategic Housing Market Assessment (SHMA)

- 1.4 The Dorset-wide SHMA is already well advanced and a number of documents have been produced along with a series of consultation days (facilitated by the County Council). The main aims of the SHMA can be summarised as being to:
- Analyse primary and secondary data to produce a detailed understanding of the local housing market and sub-markets in the sub-region
 - Enable the development of strategic views on the need and demand for both market and affordable housing across the County

- Provide evidence to support both RSS and LDF policies to enable the development of mixed and balanced communities
- Inform decisions about housing requirements in areas with different characteristics (e.g. urban vs. rural areas)
- Identify the particular situation of different groups of the population (e.g. key workers, households with disabilities and older persons)
- Provide an understanding of the linkages between the housing market and the local economy

1.5 Whilst this project does not cover all of the key areas highlighted for the SHMA the data collected and analysed will provide an important source of information for many of the bullet points mentioned above.

Key outputs from this document

- 1.6 This document is designed to provide information in relation to many of the key outputs required for the Dorset-wide SHMA. In particular the survey outputs look at household and dwelling characteristics (putting these in a regional and national context), households' current financial circumstances (e.g. income, savings, equity) and future housing demands (from both current and new households).
- 1.7 This report also assesses current prices and rents in the local area (this topic is subject to a separate report) to help provide a background to the affordability of local housing.
- 1.8 Key outputs from the report also include an assessment of the need for affordable housing and a separate analysis of imbalances in the housing stock (comparing housing supply and demand across all sectors (i.e. affordable and market)).
- 1.9 Finally, the report studies the particular situation of a range of specific household groups (such as special needs households and key workers).
- 1.10 Where possible, all information has been provided at ward level to assist in the understanding of differences in the local housing market and to potentially inform policies for different parts of the Borough and housing market area.

Government guidance

- 1.11 Although this report is only providing information which is to feed into the Dorset-wide SHMA it is important to briefly summarise key points from Government guidance which are relevant to this assessment. These documents are of particular importance:

- Planning Policy Statement 3 (Housing) – PPS3 (November 2006)
- Strategic Housing Market Assessments Practice Guidance – The Guide (March 2007)

1.12 PPS3 sets out a number of key definitions relevant to this project (including affordable housing, intermediate housing and housing need). In addition the PPS is clear about the outputs required from a Housing Market Assessment. Paragraph 22 of PPS summarises the requirements nicely:

Based upon the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents

- *The likely overall proportions of households that require market or affordable housing*
- *The likely profile of household types requiring market housing*
- *The size and type of affordable housing required*

1.13 The Guide provides details about the whole process of conducting a Housing Market Assessment. Whilst much of this information is not relevant to this project there are a number of areas within guidance which are important for this particular study. The most important aspect of the Guide for this study is the information about measuring housing need.

1.14 The Guide sets out a series of steps to be followed when assessing affordable housing requirements and also sets out some key definitions for particular aspects of analysis (such as the measurement of housing suitability and a detailed discussion of measuring affordability).

1.15 As far as is possible (and relevant) this project has sought to follow the requirements of both PPS3 and The Guide.

Summary

1.16 This report details the findings of a survey of housing need and demand carried out across Christchurch. The results of this survey will be fed into the Dorset-wide Housing Market Assessment work. This report presents the findings for Christchurch Borough.

1.17 In particular this report concentrates on the need for affordable housing and the supply and demand for housing across all tenure groups.

- 1.18 Where relevant the report follows government advice given in PPS3 and The Guide and therefore provides policy relevant outputs which can sensibly be translated into a range of strategies and will be an important input to both the RSS and LDF process.

2. Data collection

Introduction

- 2.1 The primary data was collected using postal questionnaires. The same questionnaire was distributed across the whole of Dorset to ensure the results produced are comparable. A copy of the questionnaire is provided in Appendix A5. The sample for the survey was drawn, at random, from the Council Tax Register covering all areas and tenures groups in the Borough.
- 2.2 In total 1,435 postal questionnaires were returned. The number of responses provides sufficient data to allow complete, accurate and detailed analysis of needs across the Borough and down to ward level. The sample size of 1,435 gives a maximum margin of error Borough-wide of 2.5% at the 95% confidence interval.
- 2.3 Although the response represents only a small percentage of the total household population, this does not undermine the validity of the survey as paragraph 18 of Strategic Housing Market Assessment Practice Guidance Annex C states:

A common misconception when sampling is that it should be based on a certain percentage of the population being studied. In fact, it is the total number of cases sampled which is important. As the number of cases increase, the results become more reliable but at a decreasing rate...Approximately 1500 responses should allow a reasonable level of analysis for a local authority area.

- 2.4 Prior to analysis, data must be weighted in order to take account of any measurable bias. The procedure for doing this to the main dataset is presented in the following section.

Base household figures and weighting procedures

- 2.5 Firstly, the total number of households is estimated. This is necessary in order to gross up the data to represent the entire household population. A number of different sources were consulted, primarily the Council's Housing Strategy Statistical Appendix (HSSA) (2006), the Council Tax Register and CLG household projection information. Using this information, it is estimated that the number of households resident in the Borough at the time of the survey was 21,500.

2.6 The table below shows an estimate of the current tenure split in Christchurch along with the sample achieved in each group. The data shows that around 81% of households were owner occupiers with 12% in the social rented sector and the remaining 6% in the private rented sector. The private rented sector includes those living in tied accommodation and those living in accommodation owned by relatives or friends.

Table 2.1 Number of households in each tenure group				
Tenure	Total number of households	% of households	Number of returns	% of returns
Owner-occupied (no mortgage)	10,660	49.6%	767	53.4%
Owner-occupied (with mortgage)	6,844	31.8%	427	29.8%
RSL	2,616	12.2%	162	11.3%
Private rented	1,380	6.4%	79	5.5%
TOTAL	21,500	100.0%	1,435	100.0%

Source: Christchurch HNDS Fordham Research 2007

2.7 Survey data was weighted to match the suggested tenure profile shown above. An important aspect of preparing data for analysis is ‘weighting’ it. As can be seen from the table above, social survey responses never exactly match the estimated population totals. As a result it is necessary to ‘rebalance’ the data to correctly represent the population being analysed via weighting. Weighting is recognised by the Strategic Housing Market Assessment Guidance as being a way of compensating for low response amongst certain groups. Although response rates were lower amongst certain groups of the population (private rented in the table above) the application of a sophisticated weighting process, as has been used in this survey, removes any bias.

2.8 In keeping with this discussion it is necessary to ‘rebalance’ the data to correctly represent the population being analysed. Data was also weighted to be in line with the estimated number of households in each of various groups:

- Eleven wards
- Council Tax Band
- Number of people in household
- Household type
- Accommodation type
- Car ownership

2.9 Further information on this process is presented in Appendix A2.

Rounding

- 2.10 Figures presented in the analytical text and tables of this report have been rounded and discrepancies may occur between the sums of the component items and totals. Percentages are calculated prior to rounding and therefore discrepancies may also exist between these percentages and those calculated from the rounded figures.

Summary

- 2.11 This Survey of Housing Need and Demand in Christchurch is based on primary survey data collected via a postal questionnaire from 1,435 households. The survey data was grossed up to an estimated total of 21,500 households and weighted according to key characteristics so as to be representative of the Borough's household population.

3. Population and household mobility

Introduction

- 3.1 This chapter helps to set the scene for the study by providing context on people's mobility. Further analysis of household mobility will be found in the context of turnover rates in Chapter 5, and in terms of tenure and future movement in Chapter 9. This introductory chapter is intended to provide context.
- 3.2 The analysis begins with 2001 Census information (based on people not households), firstly showing the relationship of Dorset with the outside world, and then the dynamics of movement within Dorset. This is followed by a parallel analysis within Dorset using the primary data. This cannot of course provide the wider focus outside the (historic) county as it was limited to Dorset, but can provide extra insights, for example through future movement plans.

Movements of population between Dorset and the outside world: Census

- 3.3 The tables below show the overall migration statistics for Dorset, taken from the 2001 Census. The selection of places outside Dorset is based on examination of the locations most frequently involved in movements of population into and out of the county.
- 3.4 The net inflow from domestic sources in Dorset is a significant one. 10,314 more people coming into Dorset from within the UK than we find leaving to elsewhere in the UK will have a significant impact upon the housing market. A total of 4,240 people arrived from international sources in the year before the Census; however since outflows are not recorded from the UK, no net figure can be calculated.
- 3.5 Dorset has a moderate level of self-containment in terms of migration; there were more people moving into homes in Dorset from within the County (60.3%) as there were from outside the County (39.7%).

Table 3.1 Dorset: Total Migration, Domestic and International			
	Inflow	Outflow	Net Flow
Domestic	30,994	20,680	10,314
International	4,240	?	?
TOTAL	35,234	?	?
Internal Flow	53,624	53,624	n/a
Self-containment	60.3%	(72.2%)	n/a

Source: 2001 Census

- 3.6 Table 3.1 is not a complete count of all migrating households, as the analyses excludes partly moving households, defined by NOMIS as including households where no household member had a usual address one year ago. The inflow also excludes households who previously did not have a usual address and did not live within the area.
- 3.7 The table below provides a more detailed view of the inflows and outflows to/from Dorset (from local authorities outside of Dorset). A large selection of areas has been included, from both authorities neighbouring the study area and from authorities from further afield. International moves have been excluded from the table.
- 3.8 New Forest in Hampshire records the largest gross in and out flows with Dorset. New Forest borders both East Dorset and Christchurch. In terms of net migration Test Valley shows the largest inflow to Dorset, with Southampton recorded as taking the largest outflow. To the west and north of the county there are relatively large flows between South Somerset and Dorset and smaller flows between East Devon and Dorset, in both cases these result in net out- migration from the County.

Table 3.2 Dorset Migration Data (LA's outside of the study area)

	Into Dorset HMA	Out of Dorset HMA	Net Migration
Basingstoke and Deane	280	138	142
Birmingham	211	207	4
Bristol, City of	284	299	-15
Ealing	212	109	103
East Devon	262	302	-40
Eastleigh	195	145	50
Hillingdon	247	107	140
Hounslow	249	115	134
Isle of Wight	218	213	5
New Forest	1,394	1,267	127
Plymouth	198	262	-64
Portsmouth	239	234	5
Richmond upon Thames	192	89	103
Salisbury	725	725	0
South Somerset	941	1,035	-94
Southampton	427	570	-143
Test Valley	329	127	202
Wandsworth	206	234	-28
Winchester	283	282	1
Wokingham	229	96	133

Source: 2001 Census

Movements within Dorset: Census

- 3.9 This analysis will continue with further analysis of Census data, looking at the movements to and within Dorset (from the year previous to Census day 2001). We have then conducted the same analysis using more recent data from the household survey. Of particular interest may be the final two tables in this section where we analyse expected future movers for households in each of the Districts.

Table 3.3 Movement to and within Dorset (people) (Census)

Current location	Previous location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	12,594	679	667	1,954	140	104	93	73	10,377	26,681
Christchurch	776	1,919	96	115	21	17	15	0	1,796	4,755
East Dorset	695	105	3,082	878	137	118	34	36	3,128	8,213
Poole	1,831	115	712	7,494	475	116	78	71	5,106	15,998
Purbeck	156	3	117	435	2,148	55	99	46	2,115	5,174
North Dorset	131	6	170	148	83	3,222	172	59	4,809	8,800
West Dorset	63	12	70	104	164	264	4,915	525	4,803	10,920
Weymouth & Portland	41	3	21	42	59	48	584	4,419	3,100	8,317
TOTAL	16,287	2,842	4,935	11,170	3,227	3,944	5,990	5,229	35,234	88,858

Source: 2001 Census

Table 3.4 Movement to and within Dorset (row percentages) (Census)

Current location	Previous location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	47.2%	2.5%	2.5%	7.3%	0.5%	0.4%	0.3%	0.3%	38.9%	100.0%
Christchurch	16.3%	40.4%	2.0%	2.4%	0.4%	0.4%	0.3%	0.0%	37.8%	100.0%
East Dorset	8.5%	1.3%	37.5%	10.7%	1.7%	1.4%	0.4%	0.4%	38.1%	100.0%
Poole	11.4%	0.7%	4.5%	46.8%	3.0%	0.7%	0.5%	0.4%	31.9%	100.0%
Purbeck	3.0%	0.1%	2.3%	8.4%	41.5%	1.1%	1.9%	0.9%	40.9%	100.0%
North Dorset	1.5%	0.1%	1.9%	1.7%	0.9%	36.6%	2.0%	0.7%	54.6%	100.0%
West Dorset	0.6%	0.1%	0.6%	1.0%	1.5%	2.4%	45.0%	4.8%	44.0%	100.0%
Weymouth & Portland	0.5%	0.0%	0.3%	0.5%	0.7%	0.6%	7.0%	53.1%	37.3%	100.0%
TOTAL	18.3%	3.2%	5.6%	12.6%	3.6%	4.4%	6.7%	5.9%	39.7%	100.0%

Source: 2001 Census

3.10 The tables above show varying levels of self containment for each of the districts, more than half of the moves from Weymouth and Portland are from within the District whereas just over a third of the moves into North Dorset come from within the District. It is interesting to note the large number, and proportion, of people moving into Dorset from outside the area, 35,234 (39.7% of all movers). Bournemouth has a high level of self containment but because of its size is the most likely destination for people moving in from outside, nearly 30% of people moving into Dorset move to Bournemouth.

Movements within Dorset: survey based

3.11 The tables below show the movement patterns for households who have moved to their current accommodation within the past two years (from survey data). The following figures are based on households, unlike the Census data above, which is numbers of people.

3.12 These again are displayed in gross numbers and percentages of all moves. The gross numbers for the following tables are not comparable with the Census tables from above as these figures are based over a two year period and are based on households as opposed to population. However it is interesting to compare the percentage tables when considering potential changes since the 2001 Census.

Table 3.5 Household movement to and within Dorset (households) (Survey)

Current location	Previous location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	11,925	661	531	1,040	122	151	0	0	4,716	19,146
Christchurch	514	1,604	43	109	54	0	29	0	1,270	3,622
East Dorset	635	191	2,537	531	50	150	43	0	1,727	5,864
Poole	1,064	232	614	6,371	368	101	85	30	2,752	11,617
Purbeck	123	11	71	367	1,816	46	109	22	995	3,559
North Dorset	87	15	224	193	126	3,162	159	33	2,185	6,184
West Dorset	104	38	34	41	92	251	4,081	507	2,935	8,083
Weymouth & Portland	37	14	36	57	17	14	360	3,953	1,301	5,788
TOTAL	14,490	2,765	4,089	8,709	2,645	3,877	4,865	4,545	17,880	63,864

Source: Christchurch HNDS Fordham Research 2007

Table 3.6 Household movement to and within Dorset (row percentages) (Survey)

Current location	Previous location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	62.3%	3.5%	2.8%	5.4%	0.6%	0.8%	0.0%	0.0%	24.6%	100.0%
Christchurch	14.2%	44.3%	1.2%	3.0%	1.5%	0.0%	0.8%	0.0%	35.1%	100.0%
East Dorset	10.8%	3.3%	43.3%	9.1%	0.9%	2.6%	0.7%	0.0%	29.4%	100.0%
Poole	9.2%	2.0%	5.3%	54.8%	3.2%	0.9%	0.7%	0.3%	23.7%	100.0%
Purbeck	3.4%	0.3%	2.0%	10.3%	51.0%	1.3%	3.1%	0.6%	27.9%	100.0%
North Dorset	1.4%	0.2%	3.6%	3.1%	2.0%	51.1%	2.6%	0.5%	35.3%	100.0%
West Dorset	1.3%	0.5%	0.4%	0.5%	1.1%	3.1%	50.5%	6.3%	36.3%	100.0%
Weymouth & Portland	0.6%	0.2%	0.6%	1.0%	0.3%	0.2%	6.2%	68.3%	22.5%	100.0%
TOTAL	22.7%	4.3%	6.4%	13.6%	4.1%	6.1%	7.6%	7.1%	28.0%	100.0%

Source: Christchurch HNDS Fordham Research 2007

- 3.13 The first thing that is noticeable in the percentage table above, when compared with the internal movements recorded in 2001 by the Census is how much higher they are. The ‘within district’ historic movements from the survey are about 10% higher across the many districts in Dorset. This suggests a degree of systematic change, which may have to do with the higher prices that now prevail.
- 3.14 Similar to the reported in-migration of people shown by the Census data, household data from the survey shows a substantial proportion of households moving into Dorset from outside the area. 17,880 households accounting for 28% of all moves have come from outside of the HMA.
- 3.15 For the sake of comparability, the following table shows the Census data household position compared with the 2007 survey data equivalents:

Table 3.7: % Self containment by Local Authority				
Local Authority	2001 Census - population	2001 Census - households	2007 HNS - households	Difference between 2001 households and 2007 HNS
Bournemouth	47.2	55.2	62.3	7.1
Poole	41.5	52.3	51.0	-1.3
Christchurch	40.4	44.0	44.3	0.3
East Dorset	37.5	40.6	43.3	2.7
North Dorset	46.8	46.3	54.8	8.5
Purbeck	36.6	45.9	51.1	5.2
West Dorset	45.0	48.9	50.5	1.6
Weymouth and Portland	53.1	59.6	68.3	8.7

Source: Christchurch HNDS Fordham Research 2007: combined 2001 Census and survey data

- 3.16 The margins of accuracy are naturally smaller for the Census than for the survey, but on the face of these figures self-containment would appear to have risen in Weymouth and Portland, North Dorset and Bournemouth, and to a lesser extent Purbeck. The other differences are not large enough to be regarded as meaningful given the sample size difference.
- 3.17 Christchurch has a low level of self containment in comparison with other districts, just 44.3% of all households in Christchurch that have moved in the last two years have actually moved within the District. It is interesting to note the seemingly “strong” migration relationship between Christchurch and Bournemouth, 14.2% (514) of households that moved into Christchurch in the last two years came from Bournemouth. East Dorset is another neighbour of Christchurch, however just 43 households moved from East Dorset to Christchurch in the previous two years.

- 3.18 Households living in Christchurch are most likely to move to Bournemouth or Poole, 32.3% of all movers from Christchurch move to one of these areas, with the majority of these moving to Bournemouth.

Future expected movement patterns: Survey based

- 3.19 The tables below show the expected future moves of households moving in the next two years.

Table 3.7 Future household movement from and within Dorset (households) (Survey)

Current location	Future location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	13,158	463	248	1,982	180	321	121	0	2,934	19,407
Christchurch	382	2,360	90	54	29	0	55	0	501	3,470
East Dorset	257	109	3,418	544	138	135	100	14	1,260	5,975
Poole	802	99	583	8,459	130	125	24	33	1,699	11,953
Purbeck	51	16	60	424	2,136	68	129	17	498	3,399
North Dorset	101	49	145	201	57	3,148	160	49	1,204	5,113
West Dorset	71	7	31	86	53	156	5,047	255	1,328	7,034
Weymouth & Portland	15	9	68	38	37	52	501	4,003	725	5,448
TOTAL	14,838	3,112	4,643	11,787	2,761	4,003	6,135	4,371	10,148	61,799

Source: Christchurch HNDS Fordham Research 2007

Table 3.8 Future household movement from and within Dorset (row percentages) (Survey)

Current location	Future location									TOTAL
	Bourne-mouth	Christ-church	East Dorset	Poole	Pur-beck	North Dorset	West Dorset	Weymouth & Portland	Outside Dorset	
Bournemouth	67.8%	2.4%	1.3%	10.2%	0.9%	1.7%	0.6%	0.0%	15.1%	100.0%
Christchurch	11.0%	68.0%	2.6%	1.6%	0.8%	0.0%	1.6%	0.0%	14.4%	100.0%
East Dorset	4.3%	1.8%	57.2%	9.1%	2.3%	2.3%	1.7%	0.2%	21.1%	100.0%
Poole	6.7%	0.8%	4.9%	70.8%	1.1%	1.0%	0.2%	0.3%	14.2%	100.0%
Purbeck	1.5%	0.5%	1.8%	12.5%	62.8%	2.0%	3.8%	0.5%	14.6%	100.0%
North Dorset	2.0%	0.9%	2.8%	3.9%	1.1%	61.6%	3.1%	1.0%	23.5%	100.0%
West Dorset	1.0%	0.1%	0.4%	1.2%	0.8%	2.2%	71.8%	3.6%	18.9%	100.0%
Weymouth & Portland	0.3%	0.2%	1.2%	0.7%	0.7%	0.9%	9.2%	73.5%	13.3%	100.0%
TOTAL	24.0%	5.0%	7.5%	19.1%	4.5%	6.5%	9.9%	7.1%	16.4%	100.0%

Source: Christchurch HNDS Fordham Research 2007

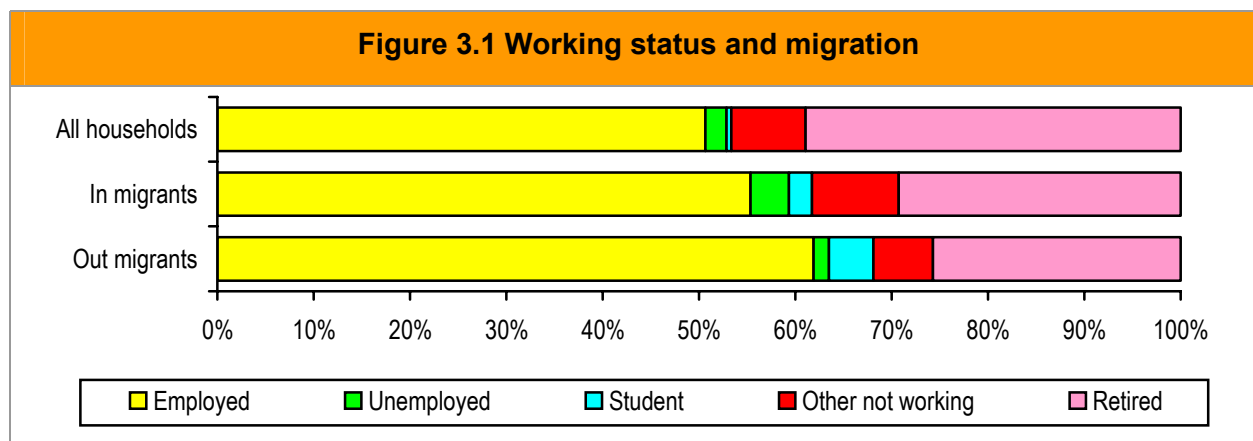
- 3.20 As can be seen from the percentage table immediately above, this shows higher levels of internal movement within the Districts, just like the past survey based moves, and distinctly higher than the Census 2001 figures.
- 3.21 Of the 61,799 households that expect to move in the next two years just 16.4% expect to move outside of Dorset, compared to 28.0% who have moved into Dorset from outside the area in the previous two years. If you were to look at taking a net figure from the gross inflow and expected gross outflow it comes to 7,732 households coming into Dorset over a two year period. Although we are not comparing like with like in this situation and it is too simplistic to rely upon this as an accurate number, it is however informative and of interest.
- 3.22 It is also interesting to note that generally higher proportions of households expect to move within their district than actually achieve it. For example of all households in Christchurch that moved within the last two years into another Dorset authority, just 58.0% moved into a dwelling in Christchurch (the majority of the remainder moved to Bournemouth). When looking at households in Christchurch looking to move in the next two years within Dorset, we find that 79.5% expect to move within Christchurch.
- 3.23 The expected future moves table affirms the relationship between Christchurch and Bournemouth. Of all Christchurch households expecting to move within Dorset 62.6% (382/610) expect to move to Bournemouth.

Working status and migration (survey)

- 3.24 The table and figure below show the working status (in numbers and percentages) of in-migrant households (households who have moved into the area in the previous two years) and out-migrant households (households looking to move in the next two years), these are shown against the working status of survey respondents existing in the area.

Table 3.9 Working status and migration			
Working status (survey respondent)	All households	In-migrants	Out-migrants
Employed	160,178	9,907	6,278
Unemployed	7,004	716	159
Student	1,669	421	471
Retired	123,177	5,231	2,612
Other not working	24,518	1,604	627
Total	316,545	17,880	10,148

Source: Christchurch HNDS Fordham Research 2007



Source: Christchurch HNDS Fordham Research 2007

- 3.25 It is interesting to note the differences between the in-migrant and out-migrant households in terms of working status. Out-migrant households tend to be employed, whereas in-migrant households have a higher proportion of retired households. Although the differences are not very large, the results would suggest that the in-migrants into Dorset are often wealthy households, retired or looking to retire.

Summary

- 3.26 Dorset has a moderate level of self-containment (60.3%) with a substantial net inflow of people. According to the 2001 Census, a total of 30,994 people moved into Dorset from domestic sources, 10,314 more households moved into Dorset than moved out.
- 3.27 New Forest has the largest gross in and out flows with Dorset. Other noticeable flows are from South Somerset and Salisbury. It is also notable that people from west London Boroughs show distinct flows to the county: London has a long tradition of radial migration movements outwards from it.
- 3.28 Christchurch shows a low level of self containment compared with other districts. 44.3% of households that have moved in the last two years have actually moved within the District. The migration between Christchurch and Bournemouth is a particularly significant one, 14.2% of all households that moved into Christchurch within the last two years came from Bournemouth. A high proportion of households expecting to move from Christchurch also expect to move to Bournemouth.
- 3.29 There is a strong net in-migration to the county, especially through Bournemouth. The working status profile suggests that in-migrant households are more likely to be retired, with out-migrant households more likely to be in employment. This would again accord with the overall attractiveness of the county, and the relative lack of major centres of employment, making it a net retirement location.

4. The Local Housing Market

Introduction

- 4.1 This chapter uses information extracted from the supplementary report on the Dorset housing market to briefly describe the housing market in Christchurch. It uses data from the Land Registry to compare the Christchurch area with the sub-regional market and summarises information from a survey of estate and letting agents on the entry-level costs to the market.

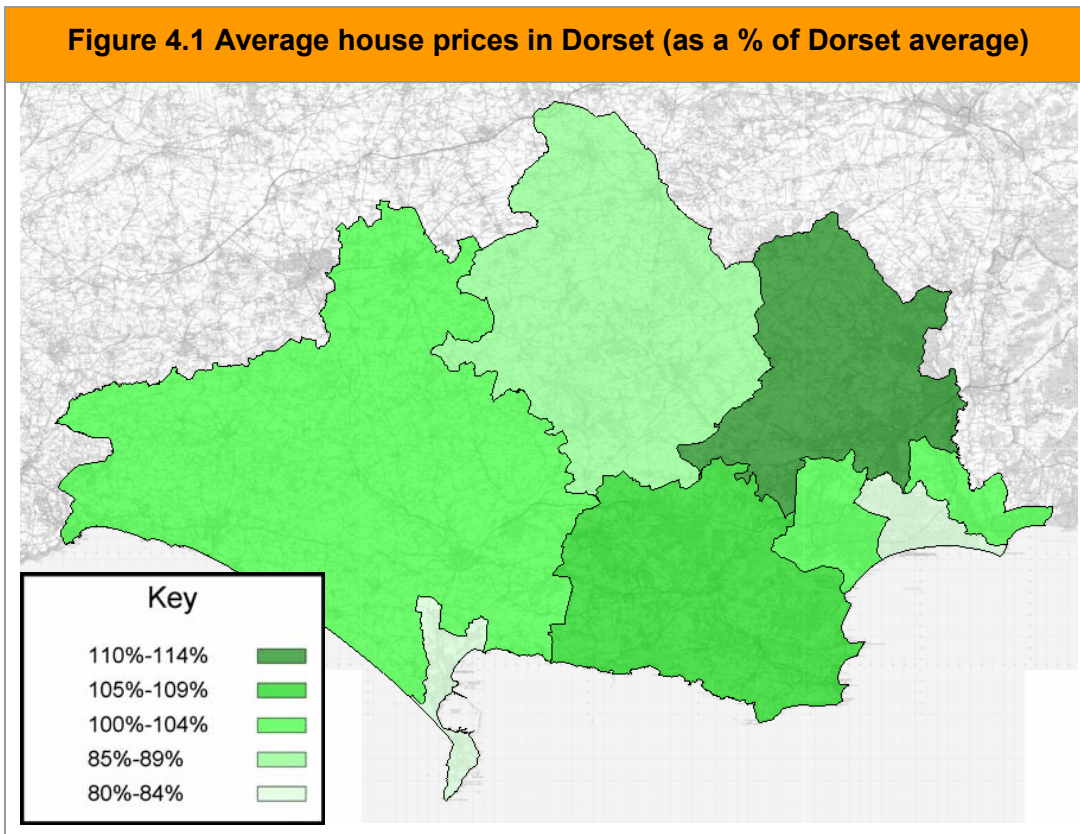
Sub-regional market position

- 4.2 The table below shows average prices in the fourth quarter of 2006 for each of England and Wales, the South West, Dorset and Christchurch. The table shows that average prices in Christchurch are 124.1% of the average for England and Wales, noticeably higher than the average for the South West and slightly higher than the average for Dorset.

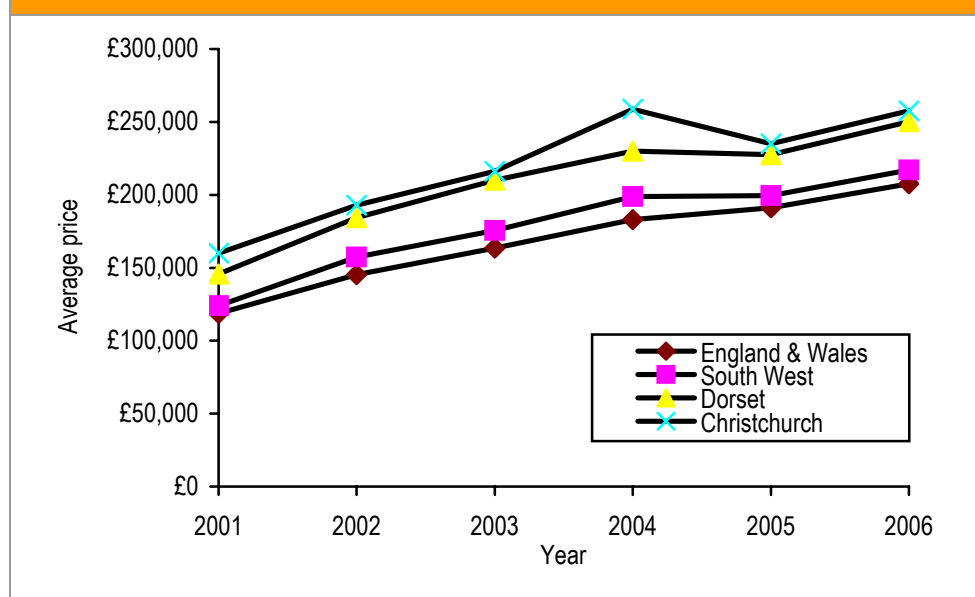
Table 4.1 Land Registry average prices (4th quarter 2006)		
Area	Average price	As % of E & W
England & Wales	£207,573	100.0%
South West	£216,998	104.5%
Dorset	£250,092	120.5%
Christchurch	£257,637	124.1%

Source: Land Registry – 2006

- 4.3 The figure below shows the average property price in each Local Authority area in Dorset as a percentage of the average property price in Dorset as a whole. This clearly shows the areas of high and low property prices. The figure shows that Christchurch records an average property price close to the County average.



- 4.4 The figure below shows how the average house prices in Christchurch have changed since 2001 compared with the averages for Dorset, the South West and England and Wales. The data shows that Christchurch recorded one of the lowest increases in average property prices at 61.0% compared to 71.6% for Dorset, 75.1% for the South West and 74.7% across England and Wales.
- 4.5 The figure shows that average property prices in Christchurch have consistently been slightly above the average for Dorset as a whole (other than for a small 'blip' in 2004).

Figure 4.2 Land Registry price changes 2001–2006 (4th quarters)

Source: Land Registry

- 4.6 The information presented so far suggests that average property prices in Christchurch are relatively high for the County and that the market is buoyant, however it is important to ensure that this is not a result of a different profile of properties being sold. The table below therefore shows average house prices of Dorset and Christchurch by dwelling type.
- 4.7 It indicates that average prices for each dwelling type are higher for Christchurch than for Dorset as a whole with the exception of detached properties where the price difference is not significant. The table also indicates that Christchurch shows a smaller proportion of sales of terraced properties and higher proportions of flats/maisonettes.

Table 4.2 Land Registry average prices and sales (4th quarter 2006)

Dwelling type	Dorset		Christchurch	
	Average price	% of sales	Average price	% of sales
Detached	£332,595	36.4%	£323,416	39.7%
Semi-detached	£212,888	17.4%	£227,460	18.8%
Terraced	£190,365	18.2%	£237,249	19.1%
Flat/maisonette	£175,772	27.9%	£183,646	22.4%
All dwellings	£242,037	100.0%	£257,637	100.0%

Source: Land Registry

Entry-level market costs

- 4.8 Interviews were conducted with estate and letting agents across the County to gain more information on the main characteristics of the housing market. According to one Christchurch estate agent, the area constitutes quite a unique housing market in that it has many town houses and an attractive waterfront. As with Dorset generally, decreasing housing affordability was becoming an important issue. As such, there are few properties available that are suitable for first-time buyers. The exception is Purwell which is not too far from Christchurch town centre but offers much cheaper housing.
- 4.9 Due to decreasing affordability, most estate agents stated that most of their buyers were middle aged. In terms of supply, there was the opinion that there used to be a shortage of flats, but recent developments has meant that the main shortage is now houses at both the lower and upper price range. School catchment areas were also perceived by estate agents to impact on houses prices with Twynham Comprehensive having most impact on local house prices. There is also high demand for second homes, especially from London. Lastly, the Christchurch rental market was perceived to be part of the larger Bournemouth market as it is the latter that determines rents. However, the Christchurch lettings market is different to Bournemouth in that there are few properties at the lower end of the market and as such, fewer students.
- 4.10 .A more extensive discussion of the estate agents views is presented in the supplementary housing market report.
- 4.11 The table below shows the cost of entry-level market housing in Christchurch as derived from discussions with estate and letting agents. The entry-level cost equates the cheapest cost of housing in good repair of which there is a reasonable supply.

Table 4.3 Entry-level market costs in Christchurch		
Property size	Home to purchase	Cost to rent (per week)
1 bedroom	£124,000	£125
2 bedrooms	£180,000	£160
3 bedrooms	£251,000	£180
4 bedrooms	£323,000	£230

Source: Survey of estate and letting agents 2006

- 4.12 The table shows that estimated entry-level prices ranged from £124,000 for a one-bedroom property up to £323,000 for four-bedrooms. Entry-level weekly rents varied from £125 (one-bed) to £230 (four-beds). These entry-level prices are used to assess whether or not a household is able to access the housing market as described in Chapter 13.

Affordable housing

- 4.13 To complete the housing cost profile in the local market it is appropriate to present information on the cost of social rented housing. The cost of social rented properties by dwelling size can be obtained from CORE (the Continuous Recording System) and these are presented in the table below. As can be seen the costs are significantly below those for private rented housing indicating a significant potential gap between the social rented and market sectors.

Table 4.4 Social rented costs in Christchurch	
Property size	Social rent costs (per week)
1 bedroom	£67
2 bedrooms	£75
3+ bedrooms	£90

Source: CORE data

Summary

- 4.14 Information from the Land Registry indicates that average property prices in Christchurch are significantly higher than the average for England and Wales and also slightly higher than the average for Dorset (which in turn is higher than the average for the South West).
- 4.15 Interviews with estate and letting agents established the cost of entry-level accommodation in the Borough. It was found that entry-level prices ranged from £124,000 for a one-bedroom property up to £323,000 for four-bedrooms. Entry-level weekly rents varied from £123 (one-bed) to £230 (four-beds).

5. Key Survey Findings

Introduction

- 5.1 This chapter sets out some of the main findings from the survey of local households. Throughout the analysis tabulations are made along with tenure. Where possible figures are compared with information at a national and regional level from the Survey of English Housing (SEH).

Type of housing

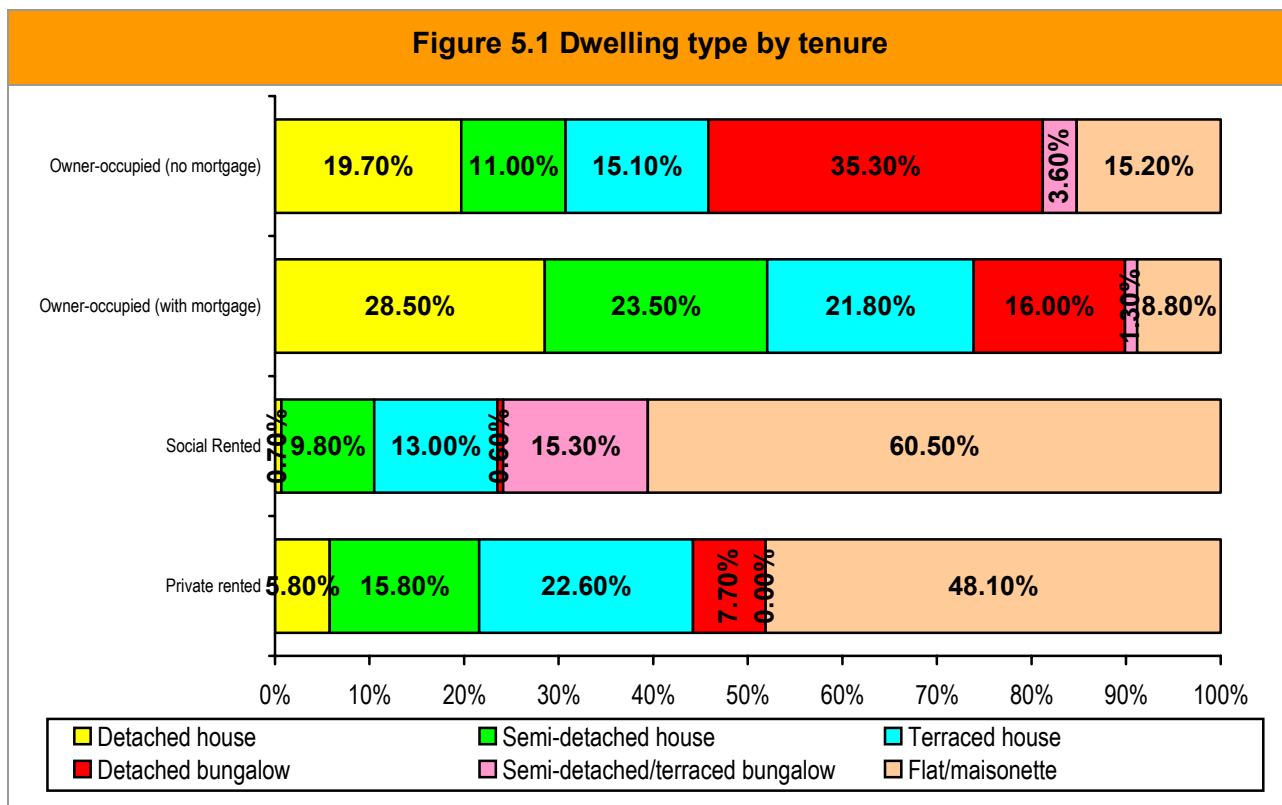
- 5.2 The table below shows current accommodation types in the Borough. The table shows that a large proportion of households live in flatted accommodation (20.8% of households). The latest SEH suggests that nationally around 17% of households live in flats whilst the figure for the South West region is around 12%. The main house type is detached with 42.1% of all households living in detached houses or bungalows; this figure is higher than the total proportion living in terraced or semi-detached houses and bungalows (36.8%).

Table 5.1 Dwelling type		
Dwelling type	Number of households	% of households
Detached house	4,157	19.3%
Semi detached house	3,260	15.2%
Terraced house	3,753	17.5%
Detached bungalow	4,905	22.8%
Semi or terraced bungalow	880	4.1%
Purpose-built flat	3,848	17.9%
Converted flat or shared house	472	2.2%
Flat in commercial building	152	0.7%
Caravan or temporary	75	0.3%
TOTAL	21,500	100.0%

Note: In this analysis 'caravan' and 'mobile home' are taken to be the same

Source: Christchurch HNDS Fordham Research 2007

5.3 By tenure a clear trend emerges with households living in owner occupation particularly likely to live in houses/bungalows and particularly likely to be in detached homes. There are very few detached homes outside of the owner-occupied tenure group. The social and private rented sectors have a high proportion of flats/maisonettes. For the purposes of this analysis the three flat categories have been merged into one whilst mobile homes are merged with detached bungalows.



Source: Christchurch HNDS Fordham Research 2007

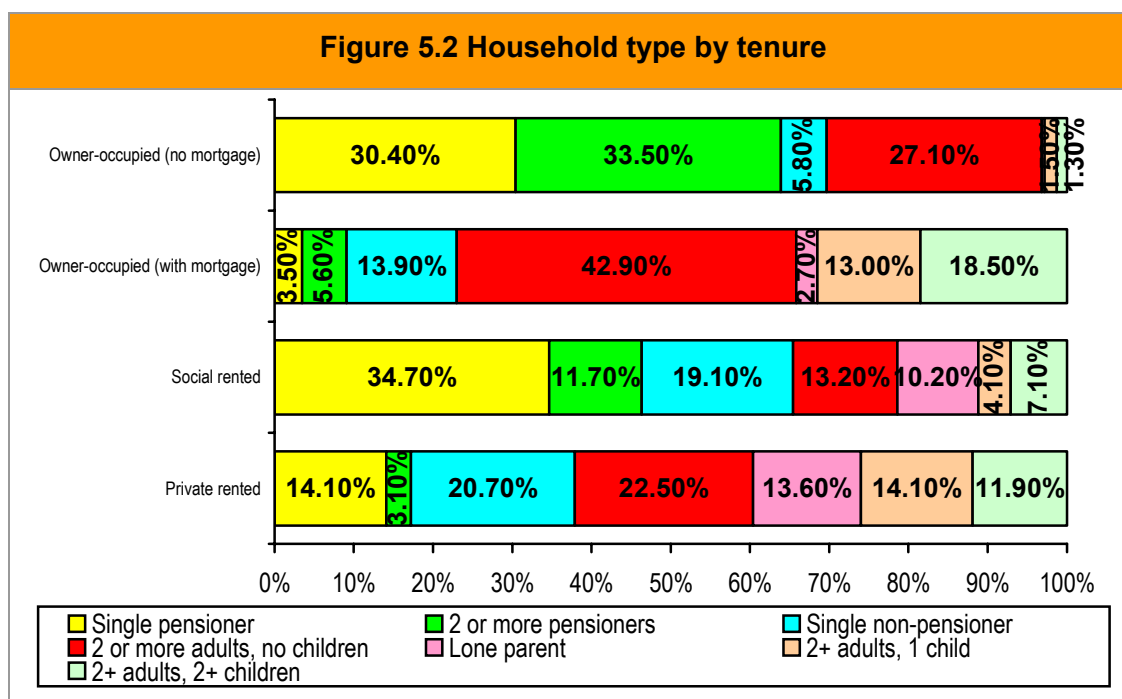
Household type and size

5.4 The table below shows the household type breakdown in the Borough. The survey estimates that over two-fifths (41.3%) of households are pensioner only and that under a fifth (17.6%) of households contain children. Around 3% of households are lone parent households. Direct comparisons with the SEH are not possible for household types due to the different definitions used, however 2001 Census data suggests that nationally around 24% of households were pensioner only with an equivalent figure of 27% in the South West region.

Table 5.2 Household type		
Household type	Number of households	% of households
Single pensioner	4,585	21.3%
2 or more pensioners	4,299	20.0%
Single non-pensioner	2,352	10.9%
2 or more adults, no children	6,485	30.2%
Lone parent	677	3.1%
2+ adults, 1 child	1,347	6.3%
2+ adults, 2+ children	1,755	8.2%
TOTAL	21,500	100.0%

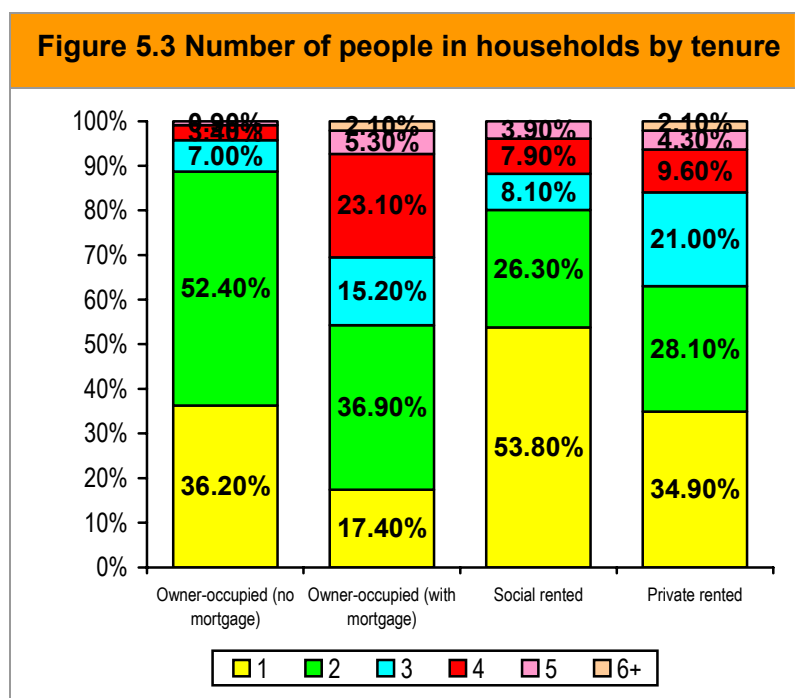
Source: Christchurch HNDS Fordham Research 2007

- 5.5 The figure below shows household type by tenure. As with dwelling type there are clear differences between the tenure groups. The owner-occupied (no mortgage) sector contains a large proportion of pensioner households whilst lone parent households appear to be concentrated in the social and private rented sectors. Surprisingly, the private rented sector has the largest proportion of households with children.



Source: Christchurch HNDS Fordham Research 2007

- 5.6 The average household size in Christchurch was estimated from the survey to be 2.1. This figure is below the most recent national estimates of around 2.4 persons per household. By tenure the largest households were those buying with a mortgage (average 2.7) whilst the smallest were outright owners (average 1.8). The figure below shows the number of people in households by tenure.



Source: Christchurch HNDS Fordham Research 2007

5.7 One-person households were more common than households of any other size amongst social renters. Amongst owner-occupiers, two-person households were the most common. Over a third of owners with a mortgage are three or four person households compared with around 10% of outright owners and a 16% of social housing tenants. These differences tend to reflect the large proportion of older persons in the social sector and the greater concentration of people with families who are owner-occupiers repaying a mortgage.

Length of residence and recent movers

5.8 At the time of the survey an estimated 3,622 households (16.8%) had been resident at their current address for less than two years. This figure is noticeably lower than the most recent SEH data which suggests that 10% of households at a point in time will have been resident at their address for less than one year.

5.9 Of the households moving in the past two years, 20% are private renters, 72% owner-occupiers and 9% in the social rented sector. An estimated 51.5% of private renters had moved home in the past two years, compared to only 12.1% of social renters and 14.8 of owner-occupiers. Private tenants are therefore much more mobile than social renters or owner-occupiers.

- 5.10 Nearly two-thirds of all households have lived in their home for more than five years. In the case of outright owners, nearly three-quarters (72.0%) have lived in their home for more than five years – this compares with only 21.2% of private tenants.

Table 5.3 Length of residence of household by tenure					
Tenure	Length of residence				Total
	Less than 1 year	1 to 2 years	3 to 5 years	Over 5 years	
Owner-occupied (no mortgage)	696	699	1,593	7,671	10,660
Owner-occupied (with mortgage)	700	499	1,373	4,272	6,844
Social rented	188	129	753	1,547	2,616
Private rented	417	294	377	292	1,380
Total	2,001	1,621	4,096	13,782	21,500
Owner-occupied (no mortgage)	6.5%	6.6%	14.9%	72.0%	100.0%
Owner-occupied (with mortgage)	10.2%	7.3%	20.1%	62.4%	100.0%
Social rented	7.2%	4.9%	28.8%	59.1%	100.0%
Private rented	30.2%	21.3%	27.4%	21.2%	100.0%
Total	9.3%	7.5%	19.1%	64.1%	100.0%

Source: Christchurch HNDS Fordham Research 2007

- 5.11 In terms of tenure mobility, the most common types of move were from one owner-occupied property to another (2,181 households) followed by moves within the private rented sector. There was also a fair degree of movement within the social rented sector. Overall, movement within sectors was more common than movement between them.
- 5.12 Around 26% of all moves involved the private rented sector – households moving into it, out of it or within it – showing how important the sector is in providing mobility in the housing market. The private rented sector shows the highest turnover of any tenure in most local authorities: it is the ‘gateway’ to other tenures. Overall it is estimated that only around 6% of all households currently live in the private rented sector. This is a very low figure: the national average is about 12%.
- 5.13 Around 60% of newly-formed households moved into owner-occupation and a further 28% into private rented accommodation. Therefore around 12% of newly forming households moved into a socially rented dwelling (a figure significantly below the national average of around 23%). This is clearly related to the relatively low proportion of social rented stock generally found in Dorset.

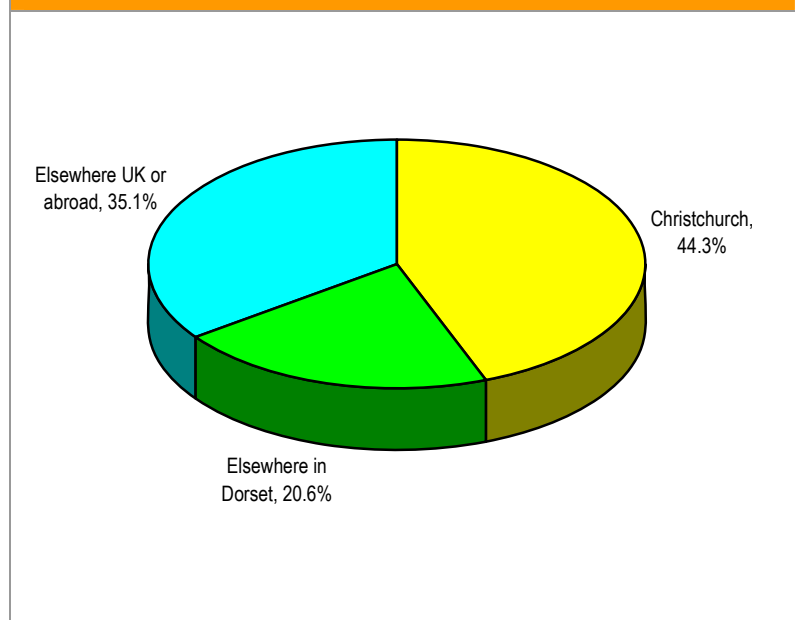
Table 5.4 Previous tenure by current tenure (households moving in past two years)

Tenure	Previous tenure				Total
	Newly formed household	Owner-occupied	Social rented	Private rented	
Owner-occupied (no mortgage)	69	1,282	0	45	1,395
Owner-occupied (with mortgage)	178	899	0	123	1,199
Social rented	51	35	167	63	316
Private rented	116	224	25	345	711
Total	413	2,440	192	576	3,622
Owner-occupied (no mortgage)	4.9%	91.8%	0.0%	3.2%	100.0%
Owner-occupied (with mortgage)	14.8%	75.0%	0.0%	10.2%	100.0%
Social rented	16.0%	11.2%	52.9%	19.9%	100.0%
Private rented	16.3%	31.6%	3.5%	48.6%	100.0%
Total	11.4%	67.4%	5.3%	15.9%	100.0%

Source: Christchurch HNDS Fordham Research 2007

5.14 It is also possible to look at the previous locations of households who have moved home in the past two year – this is shown in the figure below. The figure shows a considerable amount of in-migration into the Borough. In total, over a half of all moves made were by households previously living outside the Borough (55.7%).

Figure 5.4 Location of previous home (movers in past two years)



Source: Christchurch HNDS Fordham Research 2007

- 5.15 It is therefore of interest to look briefly at the characteristics of households moving into the Borough. The table below shows the tenures secured by in-migrant households and a broad household type profile (older and non-older persons). These figures are contrasted with figures for households moving with the Borough.

Table 5.5 Tenure and household characteristics of in-migrant households				
Tenure	Total moves	% of moves from outside Borough	% of older person in-migrants	% of older person internal movers
Owner-occupied (no mortgage)	1,395	67.9%	76.6%	71.2%
Owner-occupied (with mortgage)	1,199	53.0%	16.1%	12.3%
Social rented	316	35.3%	72.7%	14.2%
Private rented	711	45.5%	19.2%	11.3%
Total	3,622	55.7%	48.1%	28.8%

Source: Christchurch HNDS Fordham Research 2007

- 5.16 The table shows some interesting findings. Of the owner-occupiers (no mortgage) who moved to their dwelling in the past two years over two-thirds (67.9%) were previously resident outside the Borough, this compares with only around a third of social tenants. The data also shows that around three-quarters (76.6%) of in-migrant outright owners contain an older person. Overall, 48.1% of all in-migrant households contain an older person, compared with only 28.8% of internal movers. These findings would suggest that a high proportion of households are moving to the area for retirement purposes.

Car ownership

- 5.17 A further question asked in the survey was car ownership/availability. Although not directly linked to housing, this is a useful variable as it can provide some indication of wealth. The table below shows the number of cars households have available for use by tenure.
- 5.18 Over half (52.7%) of all households in social rented housing have no access to a car or van, this compares with only 3.9% of owner-occupied (with mortgage) households. The average household has 1.22 cars/vans; this figure varies from 0.56 in the social rented sector to 1.63 for owner-occupiers with a mortgage.

Table 5.6 Car ownership and tenure

Tenure	Number of cars/vans available for use				Average number of cars/vans
	0	1	2	3+	
Owner-occupied (no mortgage)	15.7%	58.6%	21.0%	4.7%	1.15
Owner-occupied (with mortgage)	3.9%	41.2%	43.5%	11.4%	1.63
Social rented	52.7%	39.7%	7.0%	0.7%	0.56
Private rented	25.1%	46.7%	27.1%	1.2%	1.04
TOTAL	17.0%	50.0%	26.9%	6.1%	1.22

Source: Christchurch HNDS Fordham Research 2007

Ethnicity

- 5.19 The population of Christchurch is predominantly White and survey data suggests that only around 1% of households are non-White (survey respondent or their partner non-White). This figure is broadly in-line with 2001 Census estimates and suggests that BME groups are adequately represented in the sample.
- 5.20 As only 11 survey forms were returned from non-White households it is not statistically possible to conduct any detailed analysis of such households. However, the data that does exist does show some trends which might be expected – namely that non-White households are more likely to live in rented housing (particularly the private rented sector) and are less likely than White households to contain older persons.

Overcrowding and under-occupation

- 5.21 Levels of overcrowding are measured using the ‘bedroom standard’ (see Glossary for definition). Essentially this is the difference between the number of bedrooms needed to avoid undesirable sharing and the number of bedrooms actually available to the household. Using the same standard it is also possible to study under-occupation – in this study it is assumed that any household with more than one spare bedroom is under-occupying their dwelling.
- 5.22 The table below shows a comparison between the numbers of bedrooms in each home against the number of bedrooms required for all households.

Table 5.7 Overcrowding and under-occupation					
Number of bedrooms required	Number of bedrooms in home				TOTAL
	1	2	3	4+	
1 bedroom	2,203	5,722	5,797	1,402	15,124
2 bedrooms	15	1,271	2,165	638	4,089
3 bedrooms	0	131	1,142	853	2,126
4+ bedrooms	0	0	16	145	161
TOTAL	2,219	7,124	9,120	3,038	21,500

KEY: Overcrowded households Under-occupied households

Note: The bottom two cells of the 4+ bedroom column contain some households that are either overcrowded or under-occupied – for example they may require three-bedrooms but live in a five bedroom property or may require a five bedroom property but are currently occupying a four-bedroom property.

Source: Christchurch HNDS Fordham Research 2007

5.23 The estimated number of overcrowded and under-occupied households is as follows:

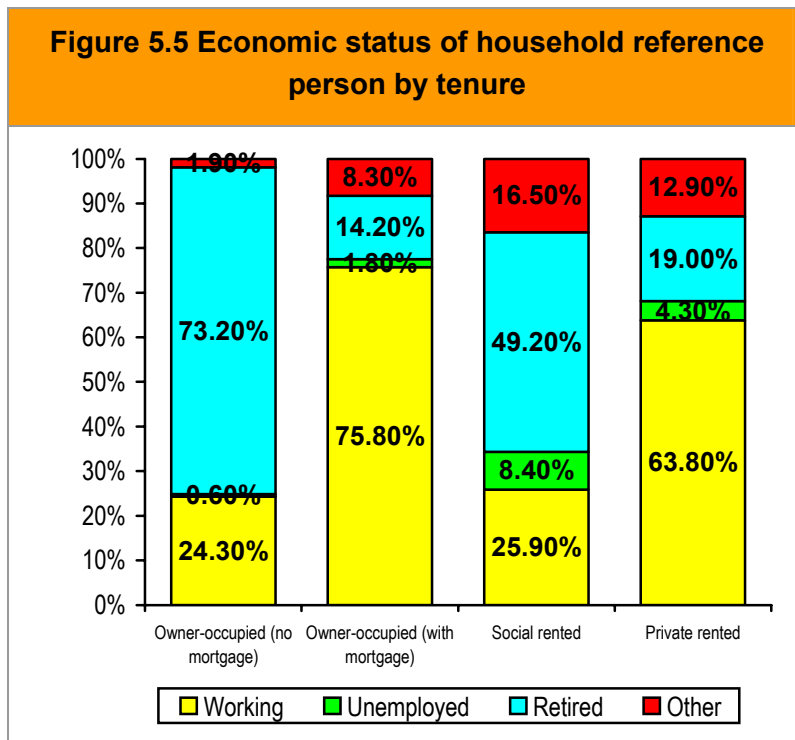
- **Overcrowded:** 0.8% of households = 162 households
- **Under-occupied:** 37.3% of households = 8,011 households

5.24 The latest SEH data on overcrowding suggests that nationally around 2.5% of households are overcrowded with the figure for the South West being 1.6%. The sample size of overcrowded households is relatively small and so further detailed analysis is not possible. However the data does suggest that overcrowded households are more likely to be living in rented accommodation (particularly in the social rented sector) and that the majority of overcrowded households state a need or likelihood of moving home over the next two years.

Economic status

5.25 For the purpose of analysis the status of the survey respondent is taken to represent the household reference person. At the time of the survey, 75.8% of those buying with a mortgage were working. For private renters the figure was 63.8%, and for social renters the percentage was 25.9%. For outright owners, only 24.3% were working and 73.2% were retired. Overall, some 48.0% of household reference persons were retired with the lowest percentage for households buying with a mortgage.

5.26 The figure below summarises economic status by tenure. Although direct comparisons are not possible with the SEH (due to a different definition of household reference person) the main trends shown by tenure are in-line with the situation nationally.



Source: Christchurch HNDS Fordham Research 2007

5.27 Around a third of the ‘other’ category were renting in the social rented sector and the percentage of persons who are economically inactive but not retired is higher than other tenures. This finding is reflected by a high proportion of people in the social rented sector who have classified themselves as permanently sick or disabled (6% of social tenants). Around 1% of all other tenure groups together are classified as sick/disabled.

Housing costs

5.28 The survey asked a series of questions about how much households currently pay for their housing. The table below shows estimates of the amount of rent/mortgage paid by households by tenure (figures exclude households where there are no housing costs such as outright owners and some households in tied accommodation).

5.29 The table shows that households in the private rented sector and those buying with a mortgage have the highest housing costs. The average private tenant pays £142 per week, this compares with £71 for social housing tenants.

Table 5.8 Housing costs by tenure				
Weekly housing cost	Owner-occupied (with mortgage)	Social rented	Private rented	TOTAL
Under £30	7.1%	5.6%	0.0%	5.9%
£30-£59	14.0%	22.0%	5.0%	14.8%
£60-£89	12.9%	55.7%	12.0%	23.1%
£90-£119	13.0%	14.4%	8.4%	12.8%
£120-£149	12.9%	1.2%	30.4%	12.3%
£150-£179	10.8%	0.6%	26.4%	10.3%
£180-£209	9.6%	0.0%	11.8%	7.5%
£210-£239	7.3%	0.0%	2.2%	4.9%
£240-£269	3.0%	0.0%	1.2%	2.0%
£270 or more	9.5%	0.5%	2.6%	6.5%
TOTAL	100.0%	100.0%	100.0%	100.0%
Average cost	£136	£71	£142	£121

Source: Christchurch HNDS Fordham Research 2007

Summary

5.30 The household survey collected a significant amount of data about the resident household population. Some of the main findings were:

- In total 42.1% of households live in detached houses or bungalows, whilst 21% live in flatted accommodation. Households living in rented housing are more likely to live in flats whilst those in owner-occupation are more likely to live in detached houses than other tenures
- Over two-fifths of all households are 'pensioner-only' and under a fifth contain children. Lone parent households were found to be concentrated in the rented sectors
- Analysis of household moves in the last two years shows that private rented tenants are the most mobile. An estimated 51.5% of private renters had moved home in the past two years, compared to only 12.1% of social renters and 14.8% of owner-occupiers. There were more moves recorded within tenures than between them
- Car ownership data suggests that there is an average of 1.22 cars per household in the Borough. There are however large differences by tenure with owner-occupiers (with mortgage) having an average of 1.63 cars per household. Over half of all households in social rented accommodation have no use of a car or van
- The population of Christchurch is predominantly White and survey data suggests that only around 1% of households are non-White
- The level of overcrowding recorded in Christchurch at 0.8% is lower than the national average

- The proportion of employed household heads varied significantly across the tenures. Some 75.8% of households buying with a mortgage are headed by an employed person compared to 63.8% in the private rented sector and 25.9% for social tenants
- Households in the private rented sector and those buying with a mortgage have the highest housing costs, households in the social rented sector the lowest .

SECTION B: HOUSING NEED

6. Guidance

Introduction

- 6.1 The two chapters following this one study the need for affordable housing in the Borough (both in terms of a backlog of need and likely future needs). This initial chapter sets out some key definitions which are central to both of the following chapters. Where appropriate definitions have been drawn from the CLG 'Strategic Housing Market Assessment Guidance' of March 2007 and PPS3.

Housing need

- 6.2 Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.
- 6.3 In this assessment we have fully followed the Guide's definition of unsuitable housing. In addition we have considered those types of unsuitability which will require a move to a different dwelling prior to applying the affordability test.

Newly arising need

- 6.4 Newly arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future (measured annually). In this assessment we have used survey data about past household moves (along with affordability) to estimate future needs. In line with the Guide we have split future needs into two groups – newly forming households and existing households.
- 6.5 An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the future need to make an assessment of the net future need for affordable housing. In this report we have also estimated the likely supply of Housing Benefit supported private rented housing so as to provide an alternative output regarding suggested future provision.

Affordability

6.6 Affordability is assessed using survey data regarding the full range of financial information available along with an estimate of a household's size requirements and the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting and are summarised below (both tests are fully in line with the advice given in the Guide):

- **Assessing whether a household can afford home ownership** - A household is considered able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households. Allowance is also made for any access to capital that can be used towards home ownership (e.g. savings or equity).
- **Assessing whether a household can afford market renting** - A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 25% of gross income.

Affordable housing

6.7 Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below the costs of housing typically available in the open market and be available at a sub-market price in perpetuity (although there are some exceptions to this such as the Right-to-Acquire).

Summary

6.8 A key element of this report is an assessment of both current and future affordable housing needs. There are a number of definitions which are central to making estimates of need (such as definitions of housing need, affordability and affordable housing). All definitions used in this report are consistent with guidance given in the CLG 'Strategic Housing Market Assessment Guidance' of March 2007 and PPS3 and the following two chapters look at the analysis of housing need.

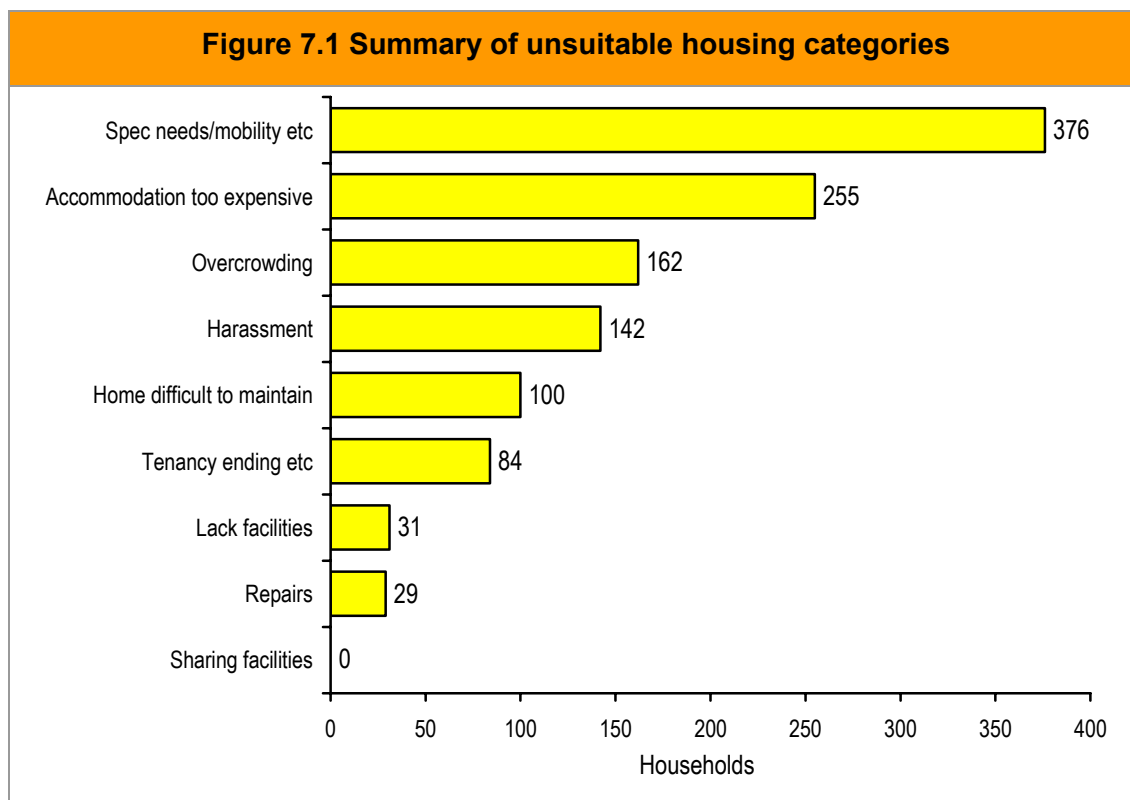
7. Current Need

Introduction

- 7.1 This chapter of the report assesses the first two stages of the needs assessment model – Current Need. This begins with an assessment of housing suitability and affordability and also considers homeless households before arriving at a total current need estimate (gross). An assessment of the stock available to offset this need follows, which then enables the net current need estimate to be calculated.

Unsuitable housing

- 7.2 A key element of housing need is an assessment of the suitability of a household's current housing. The CLG guide sets out a series of nine criteria for unsuitable housing - which has been followed in this report. It is estimated that a total of 996 households are living in unsuitable housing. This represents 4.6% of all households in the Borough.
- 7.3 The figure below shows a summary of the numbers of households living in unsuitable housing (ordered by the number of households in each category). It should be noted that the overall total number of reasons for unsuitability shown in the figure will be greater than the total number of households with unsuitability, as some households have more than one reason for unsuitability.
- 7.4 The main reason for unsuitable housing is 'special needs and/or mobility problems', followed by 'accommodation too expensive'.



Source: Christchurch HNDS Fordham Research 2007

7.5 The table below shows unsuitable housing by tenure. The patterns emerging suggest that households living in rented accommodation are more likely to be in unsuitable housing than owner-occupiers. Some 15.7% of households in private rented accommodation and 7.4% of households in the social rented sector are estimated to be living in unsuitable housing. This compares with 2.7% and 4.3% of households in owner-occupied (no mortgage) and owner-occupied (with mortgage) tenures respectively.

Tenure	Unsuitable housing				
	In unsuitable housing	Not in unsuitable housing	Number of h'holds in Borough	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Owner-occupied (no mortgage)	289	10,371	10,660	2.7%	29.0%
Owner-occupied (with mortgage)	297	6,547	6,844	4.3%	29.9%
Social rented	193	2,423	2,616	7.4%	19.4%
Private rented	217	1,163	1,380	15.7%	21.8%
TOTAL	996	20,504	21,500	4.6%	100.0%

Source: Christchurch HNDS Fordham Research 2007

'In-situ' solutions

- 7.6 The survey has highlighted that 996 households are in unsuitable housing. However it is most probable that some of the unsuitability can be resolved in the households' current accommodation. Households living in housing deemed unsuitable for the following reasons were not considered to have an in-situ solution: end of tenancy, accommodation too expensive, overcrowding, sharing facilities, harassment.
- 7.7 The survey data therefore estimates that of the 996 households in unsuitable housing, 549 (55.1%) do not have an in-situ solution and therefore require a move to alternative accommodation.

Affordability

- 7.8 Using the affordability methodology set out in the previous chapter it is estimated that there are 299 existing households that cannot afford market housing and are living in unsuitable housing (and require a move to alternative accommodation). This represents 1.4% of all existing households in the Borough.
- 7.9 The table below shows the tenure of the 299 households currently estimated to be in housing need. The results show that private rented tenants are most likely to be in housing need – 10.8% of households in the private rented sector are in housing need. Of all households in need, 23.8% currently live in social rented accommodation and 49.6% in private rented housing.

Table 7.2 housing need and tenure					
Tenure			Housing need		
	In need	Not in need	Number of h'holds in Borough	% of total h'holds in need	% of those in need
Owner-occupied (no mortgage)	0	10,660	10,660	0.0%	0.0%
Owner-occupied (with mortgage)	80	6,764	6,844	1.2%	26.6%
Social rented	71	2,545	2,616	2.7%	23.8%
Private rented	149	1,231	1,380	10.8%	49.6%
TOTAL	299	21,201	21,500	1.4%	100.0%

Source: Christchurch HNDS Fordham Research 2007

7.10 For the purposes of the Housing Needs Assessment, households considered to be in housing need have been split into two categories: current occupiers of affordable housing in need (this includes occupiers of social rented and shared ownership accommodation), and households from other tenures in need. Some 71 households fall into the former category and 228 into the latter category.

Homeless households

7.11 The Housing Needs Assessment is a ‘snapshot’ survey that assesses housing need at a particular point in time. There will, in addition to the existing households in need, be some homeless households who were in need at the time of the survey and should also be included within any assessment of backlog need.

7.12 Such households will include those in temporary accommodation which would not have formed part of the survey sampling frame (i.e. in an address not registered on the residential Council Tax Register). In Christchurch the number of such cases is low and the 2006 HSSA suggested as of April 2006 only three households were living in bed and breakfast style accommodation. This number is however added to our total estimated backlog of need.

Total current need

7.13 The table below summarises the first stage of the overall assessment of housing need as set out by the CLG. The data shows that there are an estimated 302 households in need.

Table 7.3 Backlog of housing need		
Step	Notes	Output
1.1 Homeless households and those in temporary accommodation		3
1.2 Overcrowding and concealed households	Two steps taken together	299
1.3 Other groups		
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	302

Source: Christchurch HNDS Fordham Research 2007

Available stock to offset need

7.14 The next stage in the backlog considers the stock available to offset the current need. This includes stock from current occupiers of affordable housing in need, surplus stock from vacant properties and committed supply of new affordable units. Units to be taken out of management are removed from the calculation.

- 7.15 Firstly, it is important when considering net need levels to discount households already living in affordable housing. This is because the movement of such households within affordable housing will have an overall nil effect in terms of housing need. The figure to be used in this section is therefore 71 (as presented earlier in this chapter).

Surplus stock

- 7.16 A certain level of vacant dwellings is normal as this allows for transfers and for work on properties to be carried out. The CLG Guide suggests that if the vacancy rate in the affordable stock is in excess of 3% then these should be considered as surplus stock which can be included within the supply to offset needs. Christchurch records a vacancy rate in the social rented sector of less than 1%; therefore no adjustment needs to be made to the figures.

Committed supply of new affordable units

- 7.17 The CLG Guide recommends that this part of the assessment includes 'new social rented and intermediate housing which are committed to be built over the period of the assessment'. For the purpose of analysis we have taken HSSA data showing the number of planned and proposed affordable units for the period 2006-2008 as a guide to new provision.
- 7.18 Overall the 2006 HSSA data suggests that there are 108 affordable dwellings planned or proposed for this two year period.

Units to be taken out of management

- 7.19 The Guide states that this stage 'involves estimating the numbers of social rented or intermediate units that will be taken out of management'. The main component of this step will be properties which are expected to be demolished (or replacement schemes that lead to net losses of stock). At the time of reporting the proposed number of affordable dwellings expected to be 'taken out of management' in the future was unknown and hence a figure of zero has been used in this step of the model.

Total available stock to offset need

7.20 Having been through a number of detailed stages in order to assess the total available stock to offset need in the Borough we shall now bring together all pieces of data to complete this part of the needs assessment. The data (in the table below) shows that there are an estimated 179 properties available to offset the current need.

Table 7.4 Current supply of affordable housing

Step	Notes	Output
3.1 Affordable dwellings occupied by households in need		71
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		108
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3+3.4	179

Source: Christchurch HNDS Fordham Research 2007

Total backlog need

7.21 In the tables above it is estimated that there is a current need to provide 302 units of affordable housing to meet the backlog of need. Current sources are estimated to be able to provide 179 of these units leaving an estimated shortfall of around 123 units of affordable housing.

Summary

7.22 Survey data suggests that around 996 households in the Borough are currently living in unsuitable housing. In addition, it was estimated that 549 of the 996 households would need to move home to find a solution to the unsuitability.

7.23 Of these 549 households, an estimated 54% cannot afford a suitable solution in the housing market without some form of subsidy and are hence considered to be in housing need (299 households). Households in the private rented sector were most likely to be in housing need, followed by households in the social rented sector.

7.24 Taking into account a small number of homeless households who would not have been picked up by the household-based survey (three additional households) makes for a total backlog need of 302 households.

7.25 It is estimated that at the time of the survey there was a current stock of affordable housing of around 179 which could be used to meet this need (including dwellings becoming available as households in the social rented sector move to different dwellings). Hence it was estimated that the net backlog of need for affordable housing is around 123 units (302-179).

8. Future Need

Introduction

8.1 In addition to the current needs discussed so far in this report there is also future need. This is split, as per CLG guidance, into two main categories. These are as follows:

- New households formation (× proportion unable to buy or rent in market)
- Existing households falling into need

8.2 There will be a flow of affordable housing to meet this need. Calculation of the future supply of affordable units follows this analysis; this consists of the annual supply of social re-lets and intermediate housing. The following sections deal with these points in detail.

New household formation

8.3 The estimate of the number of newly forming households in need of affordable housing is based on an assessment of households that have formed over the past two years. Such an approach is preferred to studying households likely future intentions as it provides more detailed information on the characteristics of these households contributing to this element of newly arising need.

8.4 The table below shows details of the derivation of new household formation. The table begins by establishing the number of newly forming households over the past two years – an affordability test is then applied.

Table 8.1 Derivation of newly arising need from new household formation		
Aspect of calculation	Number	Sub-total
Number of households moving in past two years		3,622
Minus households NOT forming in previous move	-3,209	413
Times proportion unable to afford		32.9%
ESTIMATE OF NEWLY ARISING NEED		136
ANNUAL ESTIMATE OF NEWLY ARISING NEED		68

Source: Christchurch HNDS Fordham Research 2007

8.5 The table above shows that an estimated 413 households are newly formed within the Borough over the past two years (207 per annum). Of these it is estimated that 68 (per annum) are unable to afford market housing without some form of subsidy – this represents the annual estimate of the number of newly forming households falling into need.

Existing households falling into need

8.6 This is an estimate of the number of existing households who will fall into housing need over the next two years (and then annualised). The basic information for this is households who have moved home within the last two years and affordability. A household will fall into need if it has to move home and is unable to afford to do this within the private sector (examples of such a move will be because of the end of a tenancy agreement). A household unable to afford market rent prices but moving to private rented accommodation may have to either claim Housing Benefit or spend more than a quarter of their gross income on housing, which is considered unaffordable (or indeed a combination of both).

8.7 Households previously living with parents, relatives or friends are excluded as these will double-count with the newly forming households already considered in the previous table. The data also excludes moves between social rented properties. Households falling into need in the social rented sector have their needs met through a transfer to another social rented property, hence releasing a social rented property for someone else in need. The number of households falling into need in the social rented sector should therefore, over a period of time, roughly equal the supply of ‘transfers’ and so the additional needs arising from within the social rented stock will be net zero.

8.8 The table below shows the derivation of existing households falling into need.

Table 8.2 Derivation of Newly Arising Need from existing households		
Aspect of calculation	Number	Sub-total
Number of households moving in past two years		3,622
Minus households forming in previous move	-413	3,209
Minus households transferring within affordable housing	-102	3,107
Times proportion unable to afford		18.0%
ESTIMATE OF NEWLY ARISING NEED		560
ANNUAL ESTIMATE OF NEWLY ARISING NEED		280

Source: Christchurch HNDS Fordham Research 2007

- 8.9 The table above shows that a total of 3,107 existing households are considered as potentially in need (1,554 per annum). Using the standard affordability test for existing households it is estimated that 18.0% of these households cannot afford market housing. Therefore our estimate of the number of households falling into need excluding transfers is 560 households ($3,107 \times 0.180$) over the two-year period. Annualised this is 280 households per annum.

Total newly arising need

- 8.10 The data from each of the above sources can now be put into the needs assessment table below. It indicates that additional need will arise from a total of 348 households per annum.

Table 8.3 Future need (per annum)		
Step	Notes	Output
2.1 New household formation (gross per year)		207
2.2 Proportion of new households unable to buy or rent in the market	Leaves 68	32.9%
2.3 Existing households falling into need		280
2.4 Total newly arising housing need (gross per year)	2.1x2.2+2.3	348

Source: Christchurch HNDS Fordham Research 2007

The future supply of social rented housing

- 8.11 The table below shows an estimate of the supply of lettings from RSL stock (excluding RSL to RSL transfers) over the past two years, using CORE data. The average for the two-year period is 128 per annum.

Table 8.4 Analysis of past housing supply – (RSL sector)			
	2005/06	2006/07	Average
CORE data	118	138	128

Source: Christchurch HNDS Fordham Research 2007

Intermediate supply

- 8.12 In most local authorities the amount of intermediate housing (mostly shared ownership) available in the stock is fairly limited (as is the case in Christchurch). However, it is still important to consider to what extent the current supply may be able to help those in need of affordable housing.

8.13 Therefore we include an estimate of the number of shared ownership units that become available each year. Based on survey data it is estimated that around two units of shared ownership housing will become available to meet housing needs from the existing stock of such housing.

Total future supply

8.14 The total future supply is estimated to be 130, comprised of 128 units of social re-lets and two units of shared ownership. This is shown in the below table.

Table 8.5 Future supply of affordable housing (per annum)

Step	Notes	Output
3.6 Annual supply of social re-lets (net)		128
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		2
3.8 Annual supply of affordable housing	4.1+4.2	130

Source: Christchurch HNDS Fordham Research 2007

Net annual need estimate

8.15 The table below shows how all of these 16 steps fit into the overall needs assessment model.

Table 8.6 Housing Needs Assessment model for Christchurch

Stage and step in calculation	Notes	Output
STAGE 1: CURRENT NEED (Gross)		
1.1 Homeless households and those in temporary accommodation		3
1.2 Overcrowding and concealed households	Two steps taken together	299
1.3 Other groups		
1.4 equals Total current housing need (gross)	1.1+1.2+1.3	302
STAGE 2: FUTURE NEED		
2.1 New household formation (gross per year)		207
2.2 Proportion of new households unable to buy or rent in the market		32.9%
2.3 Existing households falling into need		280
2.4 Total newly arising housing need (gross per year)	(2.1x2.2)+2.3	348
STAGE 3: AFFORDABLE HOUSING SUPPLY		
3.1 Affordable dwellings occupied by households in need		71
3.2 Surplus stock		0
3.3 Committed supply of affordable housing		108
3.4 Units to be taken out of management		0
3.5 Total affordable housing stock available	3.1+3.2+3.3-3.4	179
3.6 Annual supply of social re-lets (net)		128
3.7 Annual supply of intermediate housing available for re-let or resale at sub-market levels		2
3.8 Annual supply of affordable housing	3.6+3.7	130

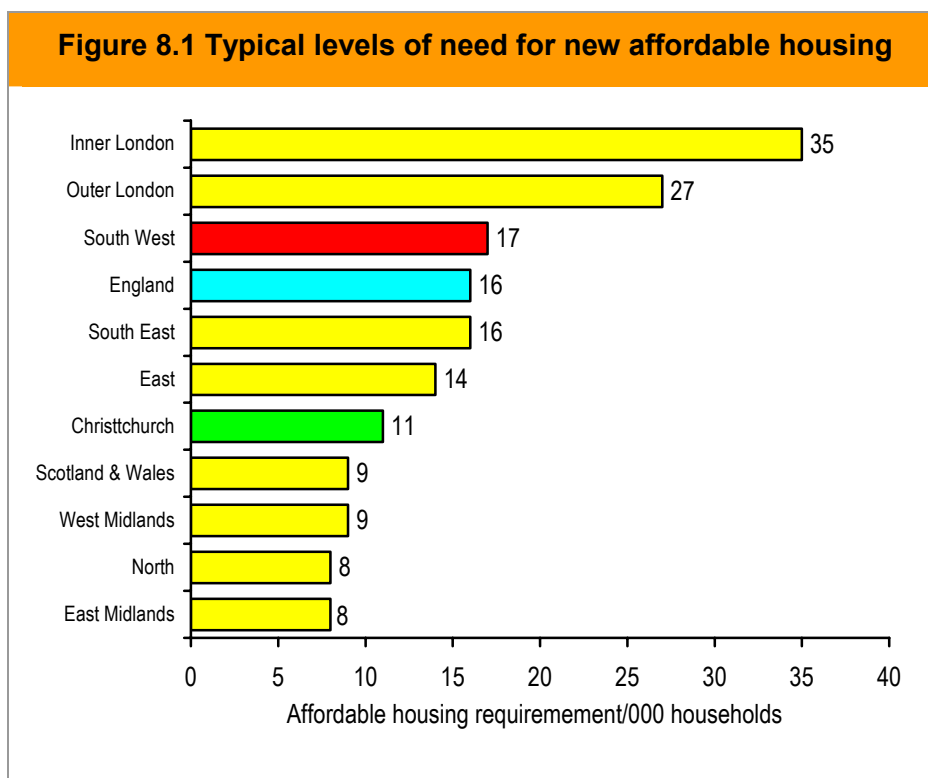
Source: Christchurch HNDS Fordham Research 2007

- 8.16 The Guide states that these figures need to be annualised to establish an overall estimate of net housing need. The first step in this process is to calculate the net current need. This is derived by subtracting the estimated total stock of affordable housing available of 179 (step 3.5) from the gross current need of 302 (step 1.4). This produces a net current need figure of 123.
- 8.17 The second step is to convert this net backlog need figure into an annual flow. The Guide acknowledges that this backlog can be addressed over any length of time although a period of less than five years should be avoided. For the purposes of this study the quota of five years proposed in the Guide will be used. Therefore to annualise the net current need figure it will be divided by five. This calculation results in a net annual quota of households who should have their needs addressed of 25 (123/5).
- 8.18 The final step is to sum the net annual quota of households who should have their needs addressed with the total newly arising housing need (step 2.4) and subtract the future annual supply of affordable housing (step 3.8). This leads to a total net annual housing need in Christchurch of 243 (25+348-130).

Findings in context

8.19 The net shortfall of 243 can be related to the Fordham Research Affordable Housing Index, which is the result of standardising the finding by dividing it by the number of thousands of households in the local authority area:

$$(243/21,500) \times 1,000 = 11$$



Source: Fordham Research 2007

8.20 This Index figure is lower than the national average (of 16) and the figure for the South West (of 17).

8.21 While this measure gives an indication of the scale of the affordability problem it may hide important issues such as the difficulties particular types of household have in affording property in an area.

The private rented sector

- 8.22 The Strategic Housing Market Assessment Guidance requires the extent of the private rented sector to be estimated to meet the requirements of households in need (through the Housing Benefit system). Survey data suggests that over the past two years around 242 new lets of Housing Benefit supported private rented housing have been made (121 per annum).
- 8.23 It is not however appropriate to treat this sector as a form of affordable housing and net it from the overall annual housing needs estimate of 243 in Christchurch as there is significant evidence that this is not a secure tenure. Survey data reveals that over half of households in the private rented sector have moved in the last two years and households leaving this tenure are a notable source of homelessness in Christchurch. Whilst the private rented sector can provide accommodation (through the Housing Benefit system) for those in housing need it also creates housing need and it cannot therefore be considered part of the supply of homes to meet housing need.

Summary

- 8.24 The future need for affordable housing has been based on survey information about past household behaviour in terms of moves to different accommodation. The data suggests that on an annual basis there will be 68 newly forming households requiring affordable housing and a further 280 existing households. The total future need for affordable housing is therefore estimated to be 348 units per annum.
- 8.25 The supply of affordable housing to meet this need has also been estimated from past trend data. This data suggests that the current stock of affordable housing is likely to provide around 130 units (128 social rented and two intermediate units (i.e. shared ownership)).
- 8.26 The total net annual housing need in Christchurch is calculated by annualising the net current need and adding this to the difference between the future need and supply. The total net annual housing need in Christchurch is therefore 243 (25+348-130).

SECTION C: CHARACTERISTICS OF HOUSING MARKET

9. Household mobility

Introduction

9.1 An important part of the survey is an analysis of the future demand for housing and the survey questionnaire collected information about households' future needs, expectations and aspirations. Information was collected about both existing households and newly forming households. This information is particularly important in the 'Balancing Housing Markets' exercise carried out later in this report.

Future moves – existing households

9.2 The table below shows estimates of the number and proportion of households who would consider themselves to need or expect to move home per annum over the next two years by tenure. The data shows that around 16.1% of households state a need or likelihood of moving home over the next two years. Households living in the private rented sector are particularly likely to be future movers.

Table 9.1 Households who need or are likely to move in next two years by tenure

Tenure	Number who need/likely to move	Total number of households	% need/likely to move
Owner-occupied (no mortgage)	1,079	10,660	10.1%
Owner-occupied (with mortgage)	1,010	6,844	14.8%
Social rented	537	2,616	20.5%
Private rented	844	1,380	61.2%
Total	3,470	21,500	16.1%

Source: Christchurch HNDS Fordham Research 2007

9.3 The survey moved on to look at where households would both like and expect to move. The results of this analysis are shown in the table below. The table suggests that 71.8% of households would like to remain in the Borough whilst a slightly lower proportion actually expect to remain (68.0%). A greater proportion of households would expect to move from Dorset completely than would like to.

Table 9.2 Where households would like and expect to move		
Location of next home	Like	Expect
Christchurch	71.8%	68.0%
Elsewhere in Dorset	17.3%	17.6%
Elsewhere in UK or abroad	10.9%	14.4%
TOTAL	100.0%	100.0%

Source: Christchurch HNDS Fordham Research 2007

9.4 Households were similarly asked about what tenure they would both like and expect to move to; the results are shown below. The results suggest that over three-quarters (76.8%) of all households would like to move to owner-occupation, however, only 64.6% expect to secure this type of accommodation. More households expect to rent privately than would like to.

Table 9.3 Housing tenure aspirations and expectations		
Tenure	Like	Expect
Buy own home	76.8%	64.6%
Social rented	21.4%	20.8%
Private rented	1.8%	14.5%
TOTAL	100.0%	100.0%

Source: Christchurch HNDS Fordham Research 2007

9.5 The tables below show cross-tabulations between current tenure and future tenure preference as well as future tenure expectations.

9.6 The first table shows that generally households would like to remain in the same tenure as they currently live. The exception to this is the private rented sector. The majority of households in this sector want to move to either owner-occupation or the social rented sector.

9.7 In terms of expectations (second table below) we find that the main difference is the greater number of private tenants who expect to remain in the sector when they would prefer owner-occupation. In total, 58.8% of private tenant movers would like to become owners but only 27.3% expect to do so.

Table 9.4 Current tenure and tenure preference

	Tenure preference			Total
	Owner-occupied	Social rented	Private rented	
Owner-occupied (no mortgage)	994	69	16	1,079
Owner-occupied (with mortgage)	1,010	0	0	1,010
Social rented	166	371	0	537
Private rented	496	303	46	844
Total	2,665	744	61	3,470

Source: Christchurch HNDS Fordham Research 2007

Table 9.5 Current tenure and tenure expectations

	Tenure preference			Total
	Owner-occupied	Social rented	Private rented	
Owner-occupied (no mortgage)	981	82	16	1,079
Owner-occupied (with mortgage)	950	0	61	1,010
Social rented	82	455	0	537
Private rented	230	186	428	844
Total	2,243	723	504	3,470

Source: Christchurch HNDS Fordham Research 2007

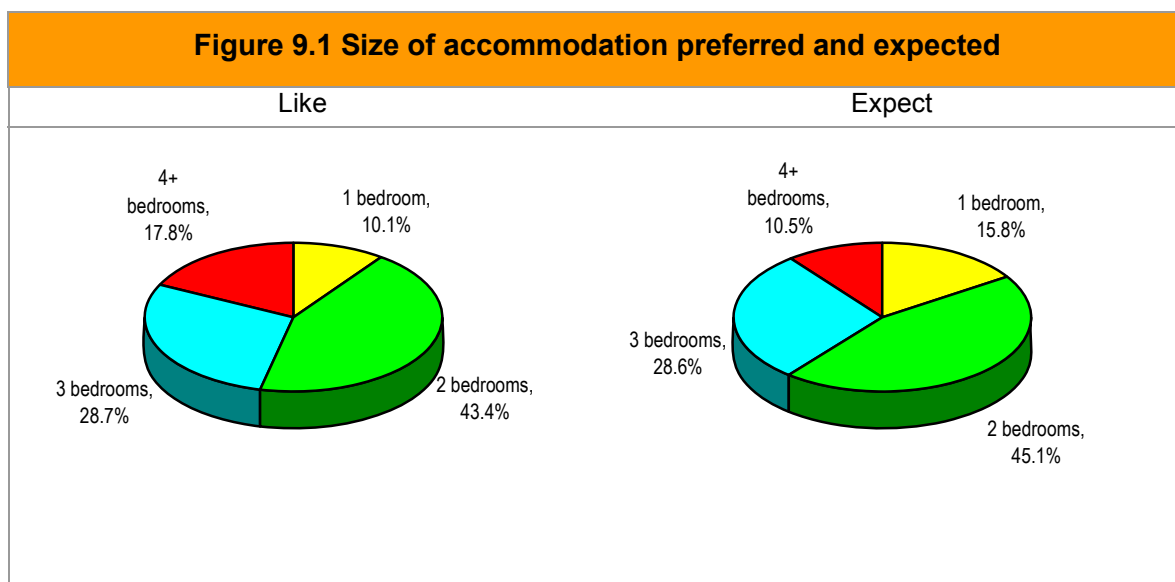
- 9.8 The table below shows the type of dwellings households would like and expect to move to. Unsurprisingly a large proportion of households would like detached accommodation (64.7%) but a much smaller proportion would expect to move to such accommodation (36.6%). Overall more households expect to move to all other dwelling types than is their preference (e.g. whilst 16.4% of households would like a flat approaching double this proportion would expect to move to that type of accommodation).

Table 9.6 Housing type aspirations and expectations

Type of home	Like	Expect
Detached house	44.1%	20.9%
Semi-detached house	10.5%	17.1%
Terraced house	3.8%	11.7%
Detached bungalow	20.6%	15.7%
Semi-detached/terraced bungalow	4.7%	5.7%
Flat/maisonette	16.4%	29.0%
TOTAL	100.0%	100.0%

Source: Christchurch HNDS Fordham Research 2007

9.9 In terms of the sizes of accommodation required we find that the largest proportion of households would like two-bedroom accommodation (43.4%). In addition just under a fifth (17.8%) would like a four or more bedroom home. In terms of expectations we find that the largest group is still two-bedroom homes (45.1%) whilst only 10.5% expect to secure four or more bedrooms. Around 16% of households expect to secure a one-bedroom home but only around 10% would like this size of accommodation.



Source: Christchurch HNDS Fordham Research 2007

9.10 In addition, households were asked if they would like or expected to move to specialist accommodation. The vast majority of households would either like (89.9%) or expect (87.1%) ordinary residential accommodation. Where households have indicated either a preference or expectation for specialist accommodation the main form is sheltered housing with a warden.

Future moves – newly forming households

9.11 A similar analysis can be carried out for newly forming households. The survey estimates that there are 1,312 households who need or are likely to form from households in the Borough over the next two years.

9.12 The table below suggests that newly forming households are less likely to want to remain in the area than existing households. In total 67.9% of potential households would like to remain in the area but only 47.3% expect to. A greater proportion of newly forming households expect to move to elsewhere in Dorset than would like to (mainly to Bournemouth).

Table 9.7 Where potential households would like and expect to move

Location of next home	Like	Expect
Christchurch	67.9%	47.3%
Elsewhere in Dorset	16.2%	29.4%
Elsewhere in UK or abroad	15.9%	23.3%
TOTAL	100.0%	100.0%

Source: Christchurch HNDS Fordham Research 2007

- 9.13 In terms of tenure preferences and expectations, the table below shows some interesting results. In total an estimated 69.9% of potential households would like to move to owner-occupied accommodation, however, less than a third expect to secure such accommodation (29.1%). Around 16% would like social rented housing but 19% expect to secure it. In total only 14.5% want to move to private rented accommodation but over half (52.0%) expect to do so.

Table 9.8 Housing tenure aspirations and expectations – newly forming households

Tenure	Like	Expect
Buy own home	69.9%	29.1%
Social rented	15.6%	18.8%
Private rented	14.5%	52.0%
TOTAL	100.0%	100.0%

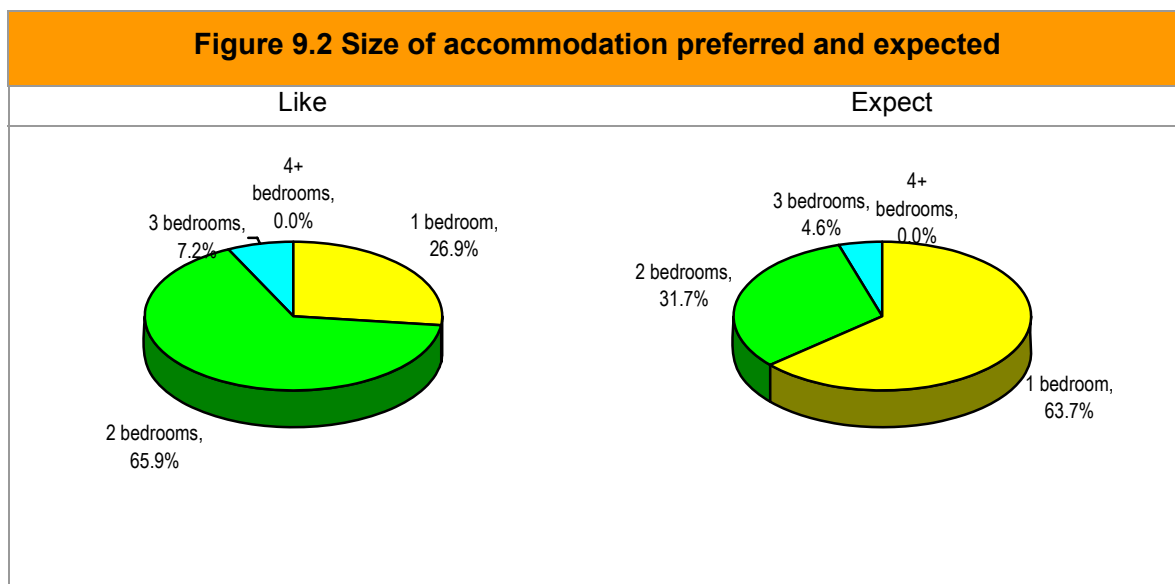
Source: Christchurch HNDS Fordham Research 2007

- 9.14 The table below shows the type of dwellings newly forming households would like and expect to move to. Compared with the results for existing households the figures show that there is a greater preference and expectation of flatted accommodation amongst newly forming households. In total 48.8% of newly forming households would like a flat (compared with 16.4% of existing households) whilst over three-quarters (77.8%) expect to secure this type of accommodation.

Table 9.9 Housing type aspirations and expectations of newly forming households		
Type of home	Like	Expect
Detached house	12.0%	2.2%
Semi-detached house	17.0%	6.4%
Terraced house	17.6%	10.1%
Detached bungalow	1.0%	2.2%
Semi-detached/terraced bungalow	3.6%	1.3%
Flat/maisonette	48.8%	77.8%
TOTAL	100.0%	100.0%

Source: Christchurch HNDS Fordham Research 2007

9.15 In terms of the sizes of accommodation required we find that the largest proportion of households would like two-bedroom accommodation (65.9%). In addition just over a quarter (26.9%) would like a one-bedroom home. In terms of expectations we find that the largest group is now one-bedroom homes (63.7%) with lower proportions expecting to secure two and three-bedroom homes than would like to.



Source: Christchurch HNDS Fordham Research 2007

9.16 In addition, newly forming households were asked if they would like or expected to move to specialist accommodation. The vast majority of households would either like (97.8%) or expect (96.9%) ordinary residential accommodation.

Summary

9.17 This chapter presented information on the future housing intentions of households in Christchurch. The main findings were:

- Around a sixth (16.1%) of existing households state a need or likelihood of moving home over the next two years
- Some 71.8% of these households would like to remain in Christchurch although a slightly smaller proportion expect to
- Significantly more moving households would like owner-occupied accommodation than expect it. Notably more moving households would like a detached home than expect it
- The survey estimates that there are 1,312 households who need or are likely to form from households in the Borough over the next two years
- In total an estimated 69.9% of potential households would like to move to owner-occupied accommodation. However, less than a third expect to secure such accommodation (29.1%).

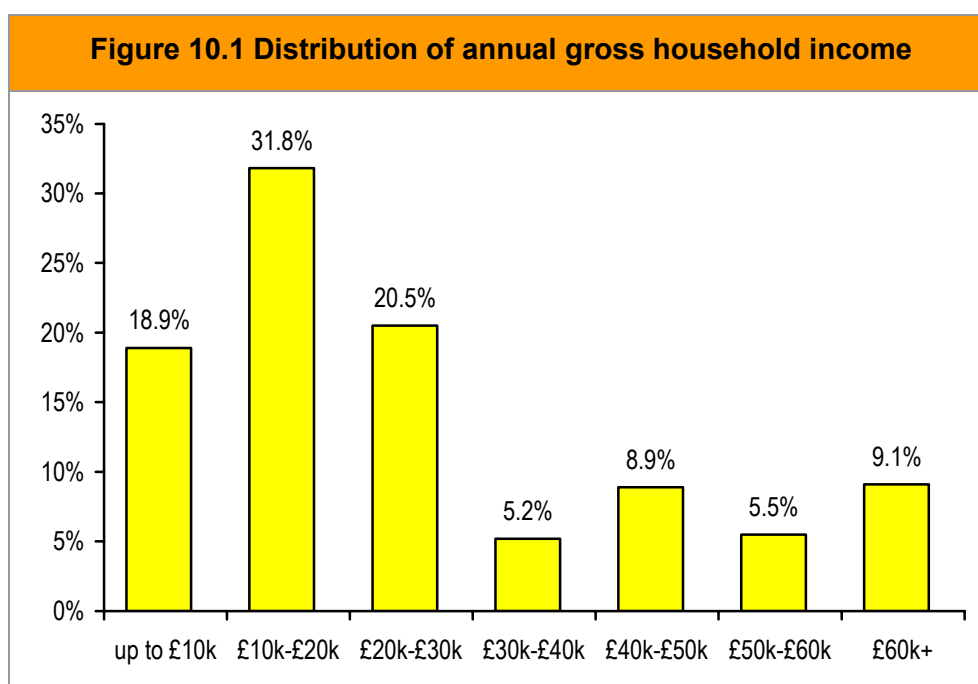
10. Financial Information

Introduction

10.1 A key part of the housing needs and demand survey is an assessment of the financial situation of households. Data was therefore collected in the survey looking at a range of financial information (including incomes, savings and equity). This chapter contains the analysis of the survey results with regard to household's financial situation.

Household income

10.2 The response to the survey income question was good with 81.3% of respondents answering this question. Survey results for household income in Christchurch estimate the average (mean) gross household income level to be £26,584 per annum. The median income is noticeably lower than the mean (at £19,745 per annum). The figure below shows the distribution of income in the Borough.

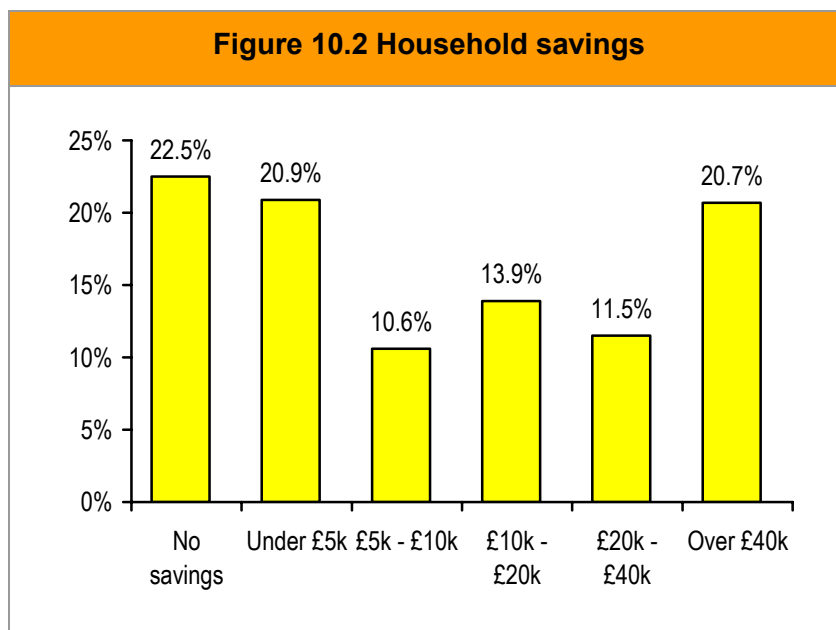


Source: Christchurch HNDS Fordham Research 2007

Household Savings and Equity

10.3 The response to the survey savings question was also good with 80.9% of respondents answering this question. The average (mean) household has £40,428 in savings (median of £8,546). The figure below shows the distribution of savings in the Borough.

10.4 An estimated 43.4% of households had less than £5,000 in savings whilst 20.7% had savings of over £40,000. Households with no savings also include those in debt.



Source: Christchurch HNDS Fordham Research 2007

10.5 The survey also collected information about the amount of equity owner-occupiers have in their property. For both owner occupier groups together (with and without mortgages) the average (mean) amount of equity was estimated to be £235,228 (median of £218,254). There was no evidence from the survey of any owner-occupiers being in negative equity. Negative equity is a 'yes/no' question in the questionnaire and so the exact amount is not determined. Based on general experience in other surveys, an assumption of -£5,000 is made where a respondent indicates negative equity.

Household characteristics and income

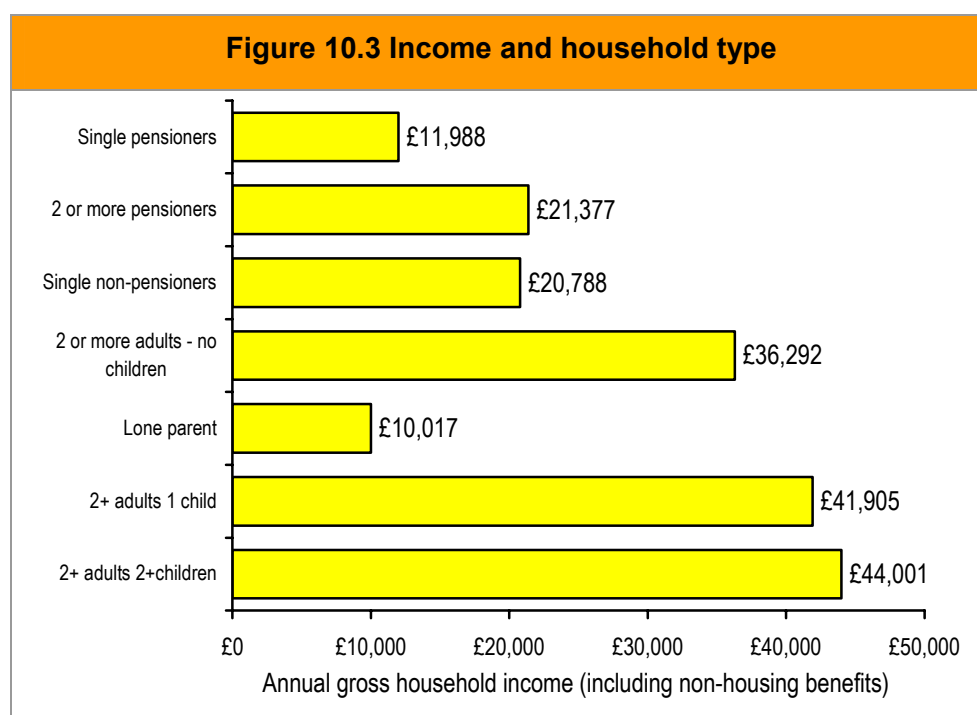
10.6 The table below shows average income, savings and equity by tenure. As might be expected, the households with the lowest average incomes (and savings) are those in the social rented sector. Whilst owner-occupiers with no mortgage have an average household income considerably lower than those with a mortgage, this group contains many older people who are not working but have redeemed their mortgages. These households therefore have much higher levels of savings and equity.

- 10.7 The income figures by tenure are generally slightly lower than the latest national estimates (from SEH 2005/06). The latest national figures are: outright owners - £24,522, owners with a mortgage - £40,910, social renters - £12,185 and private tenants - £24,833.

Table 10.1 Financial information by tenure			
Tenure	Average annual gross household income	Average savings	Average equity
Owner-occupied (no mortgage)	£23,475	£68,691	£279,415
Owner-occupied (with mortgage)	£38,719	£16,776	£166,404
Social rented	£10,368	£4,057	-
Private rented	£21,160	£8,356	-
AVERAGE	£26,584	£40,428	£235,228

Source: Christchurch HNDS Fordham Research 2007

- 10.8 The figure below looks at income levels by household type. Single pensioner and lone parent households show average incomes considerably below the Borough average. Households with two or more adults and two or more children show the highest average incomes.



Source: Christchurch HNDS Fordham Research 2007

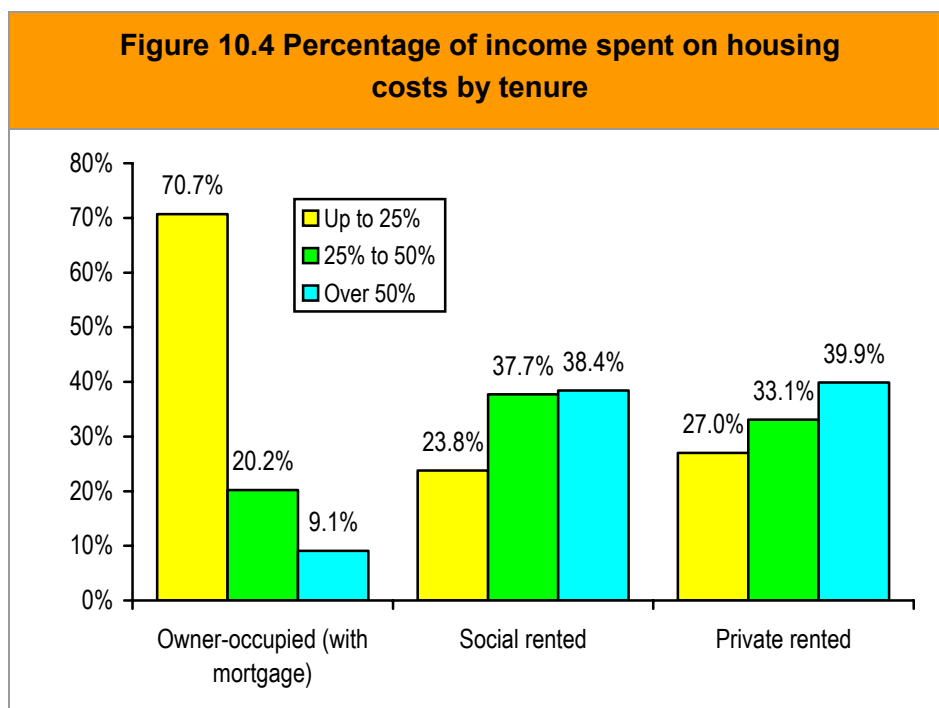
Other financial information

10.9 In addition to the information collected about income, savings and equity the survey form asked households whether they had access to any other financial resources which might be able to be used towards a deposit on a property (and if so – how much). The vast majority of households (85.9%) stated that they had no further access to financial resources other than those already analysed.

10.10 Despite the majority having no access to financial resources, the minority that do (e.g. borrowing from relatives) raise the overall average extra funding to around £2,258 from sources other than savings and equity. Therefore some of this 14% remainder have access to quite large amounts of funding. It is therefore possible that such additional funds will be able to help a small number of households to afford suitable market housing without the need for any subsidy.

Relationship of income to housing costs

10.11 It is of interest to study the amount of income that households are spending on their housing costs (whether rent or mortgage). The figure below shows the number of households in each tenure group by what proportion of income is spent on housing. The figure shows that there are a significant number of households spending over 25% and in many cases in excess of 50%. Households paying more than 50% are most likely to be found in the social rented and private rented sectors.



Source: Christchurch HNDS Fordham Research 2007

- 10.12 The above analysis does not however take account of the fact that many households will be in receipt of Housing Benefit (or income support in the case of owners) which will be helping them to afford housing. The table below investigates the receipt of benefits towards housing costs. The table clearly shows that the greater the proportion of income spent on housing the greater the number of households who are claiming assistance.
- 10.13 For example, of all households paying up to 25% of income on housing costs some 7.6% are also claiming Housing Benefit. For households spending over 50% this figure rises to 59.9%. Whilst this finding shows that to a certain extent the benefit system is meeting the needs of low income households the data does suggest that a notable number of households are spending large proportions of their income on housing and receiving no subsidy to help with the costs.

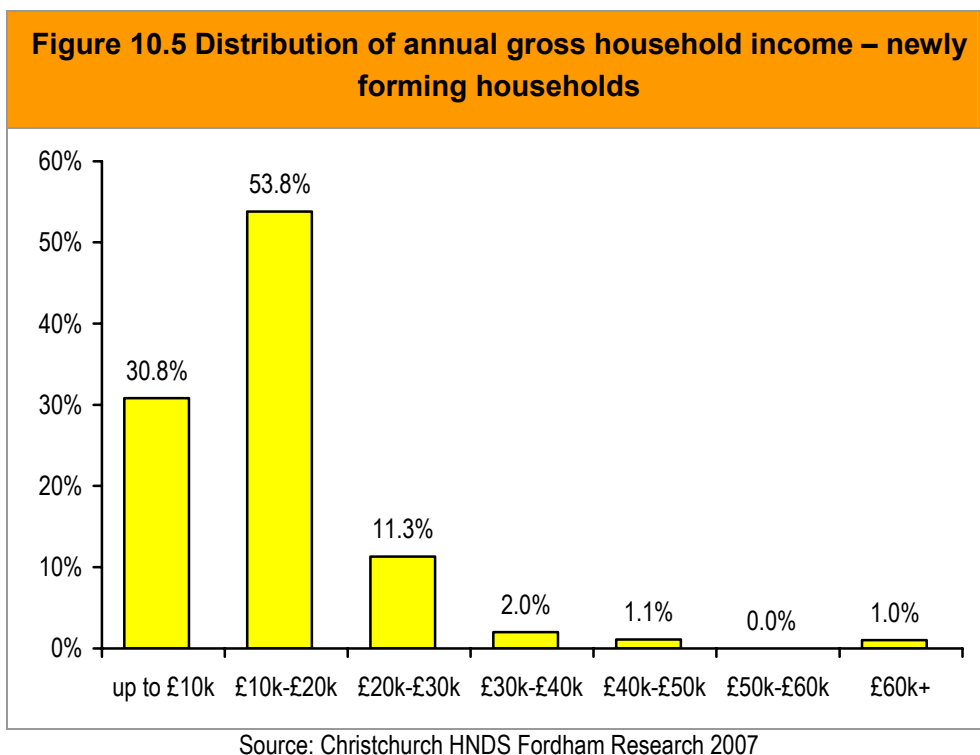
Table 10.2 Percentage of households receiving Housing Benefit (income support) by tenure and proportion of income spent on housing

	Owner-occupied (with mortgage)	Social rented	Private rented	Total
Spend up to 25%	2.4%	46.5%	9.5%	7.6%
Spend 25%-50%	2.4%	56.9%	35.3%	26.8%
Spend over 50%	12.8%	84.1%	69.2%	59.9%
Total	3.3%	64.9%	41.9%	23.1%

Source: Christchurch HNDS Fordham Research 2007

Newly forming households financial situation

- 10.14 The previous chapter highlighted that there are an estimated 1,312 households who need or are likely to form over the next two years. The housing preferences and expectations of these households (in terms of location, tenure and type of dwelling) have also been studied. In addition to the future preferences and expectations of newly forming households the survey form collected a series of data about these households financial situation (including income and savings data) which is presented below.
- 10.15 The table below shows estimated income levels for newly forming households. The table shows that income distribution is heavily concentrated in the lower income brackets with 30.8% having an income of below £10,000 and 84.6% an income below £20,000. The average (mean) income of newly forming households is estimated to be £12,917 – significantly below the figure for all households of around £27,000.



- 10.16 In addition, newly forming households were asked about any financial resources which might be available for a deposit/bond when buying or renting a home. Separate answers were sought for the newly forming household's own finances (e.g. savings) and other finance (e.g. money from parents).
- 10.17 Taking these two categories together it is estimated that the average newly forming household will have access to around £7,428 – over half of this (64.8%) would be from sources other than the households' own savings. There is however a considerable difference between different households in terms of likely financial resources available with 39.2% stating that they have no money to use as a deposit/bond and 10.9% having more than £20,000.
- 10.18 Given the level of income and savings shown for newly forming households from the survey data it is clear that many will have difficulty accessing the housing market without some form of subsidy. However, it is widely recognised that this group of households can have rapidly changing financial situations (for example households who have actually formed over the past two years show an average income of £29,000 per annum) and therefore to rely solely on the information provided here may not properly reflect the affordability of this important group.
- 10.19 Therefore the survey form also asked a 'subjective' question about future affordability. In response to this question 71.5% of newly forming households stated that they would not be able to afford market housing without some sort of subsidy (e.g. Housing Benefit).

Summary

10.20 The collection of financial information is a fundamental part of any assessment of housing need and future housing demand. The survey estimates that mean annual gross household income (including non-Housing Benefits) in Christchurch is £26,584. The average conceals wide variations among different tenure groups with households in social rented housing showing average incomes significantly below the Borough average. When income is compared with housing costs the data reveals that many households spend more than a quarter of their income on their housing costs.

11. Balancing Housing Markets

Introduction

- 11.1 A 'Balancing Housing Markets' (BHM) assessment looks at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. It works at the simplest level by establishing the likely demand for housing of particular types by the expected supply arising from vacancies in the existing stock so as to provide a broad indication of the shortages (and in some cases surpluses) of particular types of dwelling.
- 11.2 The BHM model is not a purely technical assessment of housing requirements and combines a technical assessment of certain aspects (e.g. affordability) with a reasoned judgement about how exactly the housing market operates (e.g. the fact that the private rented sector is often used to meet some affordable needs through the use of Housing Benefit).
- 11.3 In addition the model looks at both household's aspirations and their expectations to provide an indication of the most likely housing solution in the particular market.

Methodology

- 11.4 There are six stages of analysis in the Balancing Housing Markets Model (three for supply and three related to demand). The six stages in detail are:
- **Stage 1. Supply from household dissolution:** Assessing the size, type and tenure of dwellings likely to become available from household dissolution (using national mortality rates).
 - **Stage 2. Supply from out-migrant households:** Assessing the size, type and tenure of dwellings existing households moving away from the Borough are going to make available.
 - **Stage 3. Supply from existing households:** Assessing the size, type and tenure of housing that existing households moving within the Borough are going to make available.
 - **Stage 4. Demand from in-migrant households:** Assessing the size, type and tenure of accommodation secured by households that recently moved into the Borough.

- **Stage 5. Demand from newly forming households:** Assessing the likely sizes, types and tenures of housing required by newly forming households moving to a property within the Borough
- **Stage 6. Demand from existing households:** Assessing the likely sizes, types and tenure of accommodation required by existing households moving from one property in the Borough to another.

Relationship with the CLG housing need model

- 11.5 The CLG Needs Model produces a number for the annual amount of extra affordable housing which would, after a period, mean that there is no further need for affordable housing in an area. The presence of households living in unsuitable housing, or in the private rented sector on Housing Benefit would stop. Since in most parts of Britain it is clear that housing need will exist for many decades (at the present rate of production of new affordable housing) it can be seen that this model is geared to an ideal state of affairs and not the current reality.
- 11.6 One particular assumption that affects the estimates is that no more than 25% of income should be spent on housing. However the reality is that many households will be spending more like 50% of their income on housing (whether low or high income), sometimes because they are forced to, but sometimes because they prefer to achieve a particular type or location of housing and are prepared to make sacrifices to achieve it.
- 11.7 Many households will be found in the private rented sector who cannot afford market rents at 25% of income on housing. Of these a proportion will be on Housing Benefit, but a substantial proportion will not be. In both cases, the private rented sector on shorthold does not provide affordable housing in the CLG definition, and does not provide long term security for vulnerable households.
- 11.8 The CLG model is an important part of Guidance and so the calculation must be done as part of any HNS. In order to provide realistic outputs for the three key PPS3 requirements it is necessary to use a different and more pragmatic approach to analysing the housing market.
- 11.9 The Balancing Housing Markets model is therefore produced to provide the outputs required by PPS3 and to better reflect the current local practices across the whole housing market (in terms of amount of income used on housing and the decisions made when moving within the local market). It does this by containing a sensitivity that would not be appropriate within the CLG model.

- 11.10 The BHM model looks at both household's aspirations and their expectations to provide an indication of the most likely housing solution in the particular market. The model is essentially based upon the stated move expectations of the respondents, which have had the 'aspiration' element removed by asking about them first. The questionnaire says '*what would you like*', and then '*what would you expect*'. Although these do not contain a formal means test (in other words no arithmetic check has been made to see whether they can afford their stated preference) our experience suggests that expectations are quite reliable as a guide. Indeed 'expectations' of households planning to move are likely in some ways to be more reliable than a formal means test, as no questionnaire survey can expect to discover all means of finance available to households. The stated expectations do, therefore, contain an implicit means test.
- 11.11 The expectations should therefore be regarded as moves which, if suitable supply of housing is available, are capable of being fulfilled. Thus the BHM analysis, which seeks to reconcile the 'demands' of movers with the supply of vacant dwellings, works by repeated iterations through the stock, taking account of what properties would be made vacant by moves, and then matching them with the sizes/types of dwelling stated by expected movers. The table below shows the overall results of the BHM analysis.
- 11.12 The process of arriving at an allocation of sizes and tenures of housing, matching supply with demand, is complex. It typically involves upwards of 20 iterations. The combination of technical analysis and judgement involved is informed by qualitative research, principally with estate agents, and by secondary data on the area. However the process cannot, if it is to be a reliable guide to that market, be based on a simple formula. The nature of the interactions between supply and demand across four sub-groups of tenures and four sizes of dwelling cannot be made into a mechanical analysis without losing practical relevance to the market(s) in question.
- 11.13 The combination of quantitative and qualitative analysis in one calculation process is a novel one. It is prompted by the complexity of the task. As a result of its origin, the process cannot be made completely transparent (as can an arithmetic calculation) but enough cross checking can be done to reassure a detached observer. In most cases the obvious cross-check for the affordable sector is the CLG Needs Model discussed above. The market sector of the calculation is more easily checked against qualitative evidence.

Results

11.14 A summary table bringing together all of the demand and supply information is presented below (the full results for each of the six stages of analysis can be found in Appendix A3). The table shows that overall there is expected to be a greater demand for housing than the current stock of housing can meet. Overall, across all tenures there is an apparent shortfall of 439 dwellings per annum (excess demand over supply).

Table 11.1 Balancing Housing Markets results for Christchurch (per annum)					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	49	130	60	55	293
Private rented	12	-17	-4	-9	-17
Intermediate	26	38	14	0	78
Social rented	-4	23	57	9	85
TOTAL	83	174	127	55	439

Source: Christchurch HNDS Fordham Research 2007

11.15 There are two comments to make on the general interpretation of this table:

- i) **Private rented sector.** Where the figures show a surplus they do not imply that there will be empty rented flats. What the figures imply is that even viewed in terms of expectations, most people do not want the private rented sector. Viewed through the perspective of 'aspirations' very few want it. Many more expect it, but yet more will be obliged in practice to accept it. Household expectations are a realistic way to view the future market, but nothing is certain about the future, and as we have a much more detailed database on stock supply and turnover than any household is likely to have, this analysis can establish the 'true' position on overall supply and demand. A surplus shown for a particular size of private rented dwelling will only very rarely result in vacant private rented stock. In practice some households expecting to buy may be frustrated in achieving this. Such households will end up in private rented accommodation thus creating an overall demand for the sector. Similarly, but at the other end of the financial capacity range, some households only able to afford social rented housing will be unable to secure it as expected, and will enter the private rented sector on Housing Benefit.

- ii) **Social rented vs intermediate housing.** Since there is only a very limited supply of intermediate housing at present, the 'expectations' of households are not often directed towards this tenure. As a result we have taken those aspiring to something more than social renting and applied a means test to them. In this respect, the general approach to the BHM of using expectations is replaced by analysis of the ability to afford. Thus the numbers of households indicated to be in the intermediate band are those unable to afford market housing, but who can afford the mid-point of the intermediate range. The mid-point is taken because it represents the 'average' weekly cost of intermediate housing types.

11.16 The following section examines the results.

Housing tenure outcomes

Owner-occupation

11.17 In the owner-occupied sector there is an apparent shortfall of 293 units per annum (67%) of the overall shortfall. The majority of this shortfall is for two-bedroom homes although shortages are shown for all other sizes of accommodation.

Private rented sector

11.18 Overall the private rented sector appears to be roughly in balance. The potential demand for this type of accommodation is roughly in line with the overall supply. However, by size of dwelling we find that there are potential (small) shortages of one-bedroom homes and (small) surpluses of other sizes of accommodation.

Affordable housing

11.19 The CLG Needs model set out in Chapter 7 showed a fairly high level of need (an Index of 11, and an annual need for 243 dwellings). This represents the CLG based assessment and is the main indicator of need. However the practical value lies with the BHM, since it reflects what is more likely to happen, although this too does not take into account a household's ability to pay for the type of housing that they are seeking. Thus the figure for affordable housing requirement is some 163 new affordable dwellings per annum. This is still beyond the likely level of feasible provision, but is only a bit over half the CLG Needs estimate. This reflects the reality that many households in need will find a home in the private rented sector on Housing Benefit, which is the main alternative to affordable housing. It is by no means an adequate substitute in many cases, as it is both of poorer physical condition in many instances, and also does not provide security of tenure (6 month shortholds). Nevertheless, this is the reality for many households in housing need.

Intermediate housing

11.20 The BHM analysis indicates that the requirement for intermediate housing makes up around 18% of the net shortfall of housing in the Borough and there are shortages shown for all sizes of accommodation other than four-bedrooms (this is no surprise given the general lack of supply of intermediate housing in the Borough). The main shortfall is for two-bedroom homes.

Social rented housing

11.21 The shortage of social rented housing makes up around 19% of the total shortfall of housing in the Borough. Most of the net demand for social rented housing is for three-bedroom units and the results suggest a small surplus of one-bedroom homes in this sector.

Summary

11.22 A 'Balancing Housing Markets' (BHM) assessment looks at the whole local housing market, considering the extent to which supply and demand are 'balanced' across tenure and property size. The analysis reveals that there is an ongoing requirement for owner-occupied accommodation and a potentially large requirement for affordable housing. In terms of the size of property required, the methodology shows the main shortfall is for two-bedroom properties with notable shortfalls also recorded for all other sizes of accommodation.

SECTION D: PARTICULAR GROUPS

12. The needs of particular groups

Introduction

12.1 This section addresses particular client groups that may have specific housing requirements. Although such groups do not necessarily represent households in need as defined by the CLG Guide, it is important for the Council to have information on them in order to inform specific policies and service provision.

12.2 For example, the frail elderly may not be in housing need in the sense of not being able to afford market housing, but many of them are liable to require extra care in the future, whether directly, or via aids and adaptations in the home.

12.3 This section covers the following groups:

- Households with special needs
- Older person households
- Key workers
- Young people (including first-time buyers)
- Households in rural areas
- Families with children

Households with special needs

12.4 Information collected through the survey enables us to identify whether any household members have a particular special need. Information about the characteristics of these households can inform the Council's Supporting People strategy.

12.5 The survey looked at whether household members fell into one or more of a range of groups. Whilst these represent the larger client groups covered in Supporting People Strategy, they are not exhaustive. There are, for example, many groups for which it would not be possible to obtain results through the questionnaire type approach (either due to the small numbers or because of the nature of the special need).

12.6 It should also be noted that the finding of a household with a special need does not necessarily mean that the household needs to move to alternative accommodation. In many cases the special need can be catered for within the household's current home whilst for others the issue may be the need for support rather than any specific type of accommodation.

12.7 The groups covered were:

- Frail elderly
- Persons with a physical disability
- Persons with a learning disability
- Persons with a mental health problem
- Persons with a severe sensory disability
- Persons with a medical condition
- Persons with another need

12.8 Some special needs are uncommon, while others are numerous. The accuracy of each figure will of course vary according to the size of the group involved.

Special needs groups: overview

12.9 Overall there are an estimated 4,983 households in the Christchurch area with one or more members in an identified special needs group. This represents 23.2% of all households. The table below shows the numbers of households with different types of special needs. The numbers of households in each category exceed the total number of special needs households because people can have more than one category of special need.

12.10 Households with a ‘medical condition’ are the predominant group. There are 2,730 households containing a person with a medical condition. The next largest group is ‘frail elderly’, with 2,594 households having a member in this category. These two categories represent 54.8% and 52.1% of all special needs households respectively.

Table 12.1 Special needs categories			
Category	Number of households	% of all households	% of special needs households
Frail elderly	2,594	12.1%	52.1%
Physical disability	2,289	10.6%	45.9%
Learning difficulty	434	2.0%	8.7%
Mental health problem	591	2.7%	11.9%
Severe sensory disability	616	2.9%	12.4%
Medical Condition	2,730	12.7%	54.8%
Other	241	1.1%	4.8%

Source: Christchurch HNDS Fordham Research 2007

12.11 The tables below show the characteristics of special needs households in terms of age, tenure and unsuitable housing.

Table 12.2 Special needs households with and without older people

Age group	Special needs households				
	Special needs	No special needs	Number of h'holds	% of total h'holds with special needs	% of those with a special need
No older people	1,623	8,527	10,149	16.0%	32.6%
Both older & non older people	742	1,724	2,467	30.1%	14.9%
Older people only	2,618	6,266	8,884	29.5%	52.5%
TOTAL	4,983	16,517	21,500	23.2%	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.12 The survey data shows that special needs households are also more likely to contain older persons.

12.13 The table below indicates that special needs households are more likely to be living in social rented housing. Some 38.2% of RSL households contain a special needs member. Additionally, 24.1% of owner-occupied (no mortgage) households contain a special needs member.

Table 12.3 Special needs households and tenure

Tenure	Special needs households				
	Special needs	No special needs	Number of h'holds	% of total h'holds with special needs	% of those with a special need
Owner-occupied (no mortgage)	2,568	8,092	10,660	24.1%	51.5%
Owner-occupied (with mortgage)	1,079	5,765	6,844	15.8%	21.7%
RSL	999	1,617	2,616	38.2%	20.0%
Private rented	337	1,043	1,380	24.4%	6.8%
TOTAL	4,983	16,517	21,500	23.2%	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.14 The table below indicates that special needs households are around four times as likely to be living in unsuitable housing as non-special needs households. Some 11.0% of all special needs households are living in unsuitable housing, which compares with 4.6% of all households and 2.7% of all non-special needs households.

Table 12.4 Special needs households and unsuitable housing

Special needs	Unsuitable housing				
	In unsuitable housing	Not in unsuitable housing	Number of h'holds	% of total h'holds in unsuitable housing	% of those in unsuitable housing
Special needs	549	4,433	4,983	11.0%	55.1%
No special needs	447	16,071	16,517	2.7%	44.9%
TOTAL	996	20,504	21,500	4.6%	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.15 The figure below shows the average income and savings levels for special needs households in comparison to other households in the Borough. The figure shows that special needs groups have average income and savings levels noticeably below the average for non-special needs households.

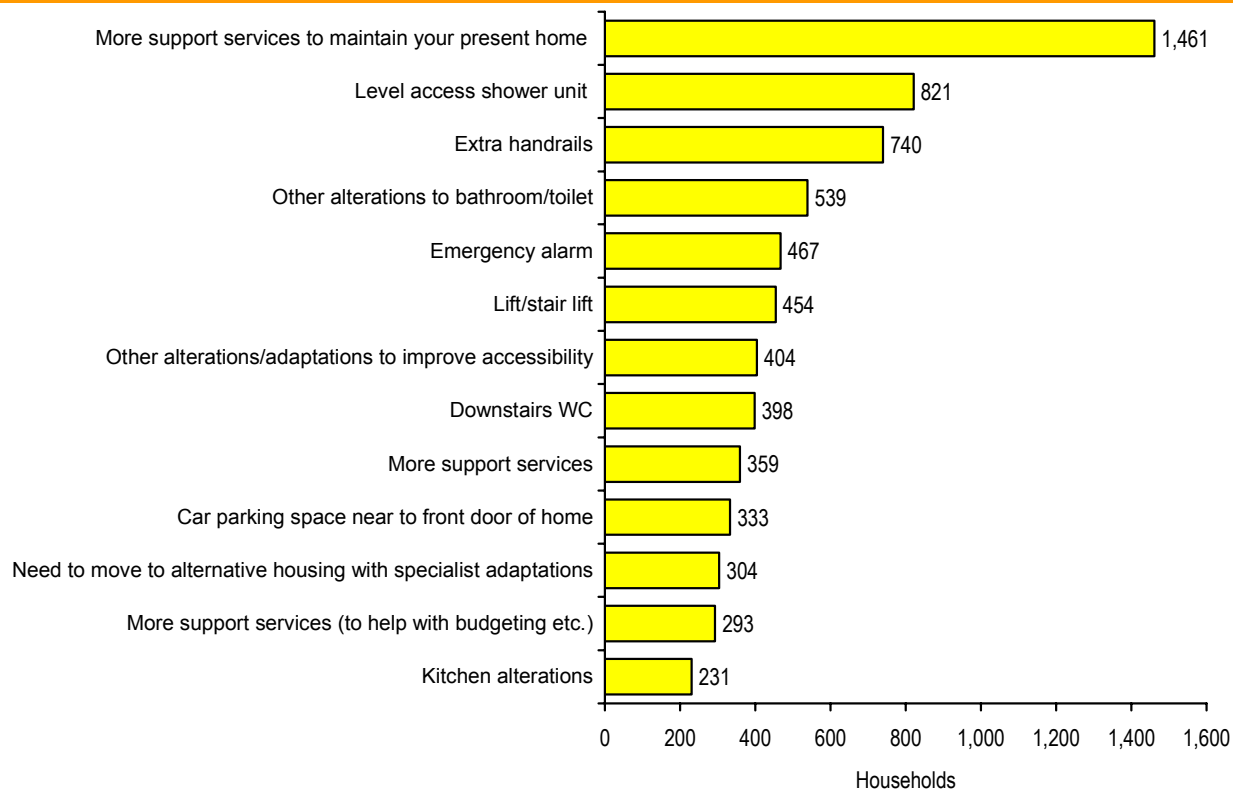
Table 12.5 Income and savings levels of special needs households

Special needs	Annual gross household income	Average household savings
Special needs	£20,012	£29,324
No special needs	£28,567	£43,778

Source: Christchurch HNDS Fordham Research 2007

Requirements of special needs households

12.16 Those households with a member with special needs were asked to indicate if there was a need for improvements to their current accommodation and/or services. The responses are detailed in the figure below.

Figure 12.1 Special needs households: improvements to accommodation & services

Source: Christchurch HNDS Fordham Research 2007

12.17 The results show requirements for a wide range of adaptations and improvements across the special needs households. The most commonly-sought improvements needed were:

- More support services (to help maintain current home) (1,461 households – 29.3% of all special needs households)
- Shower Unit (821 households – 16.5% of all special needs households)
- Extra handrails (740 households – 14.9% of all special needs households)

Older person households

12.18 Older people are defined as those over the state pension eligibility age (currently 65 for men, 60 for women). For the purpose of this chapter, households have been divided into three categories:

- Households without older persons
- Households with both older and non-older persons
- Households with only older persons

12.19 Over two-fifths of all households in Christchurch contain only older people (41.3%) and a further 11.5% contain both older and non-older people. The table below shows the number and percentage of households in each group.

Table 12.6 Older person households		
Categories	Number of households	% of all households
Households without older persons	10,149	47.2%
Households with both older and non-older persons	2,467	11.5%
Households with older persons only	8,884	41.3%
TOTAL	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Characteristics of older person households

12.20 The number of occupants in older person households is shown in the table below. The data suggests that almost all households containing older persons only are comprised of one or two persons only – there are only 17 older person households containing three or more people. Over half of all single person households are older person households.

Table 12.7 Size of older person only households					
Number of persons in household	Age group				
	Older persons only	Other h'holds	Number of h'holds	% of total h'holds with older persons	% of those with older persons
One	4,585	2,352	6,937	66.1%	51.6%
Two	4,282	4,908	9,190	46.6%	48.2%
Three	17	2,280	2,297	0.7%	0.2%
Four	0	2,282	2,282	0.0%	0.0%
Five	0	622	622	0.0%	0.0%
Six or more	0	171	171	0.0%	0.0%
TOTAL	8,884	12,616	21,500	41.3%	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.21 The table below shows the housing tenures of households with older persons. Over four-fifths of older person only households are owner-occupiers. The overwhelming majority of these do not have a mortgage. This finding suggests that the potential for equity release schemes in Christchurch is quite high.

12.22 Another significant finding is the relatively high proportion of social rented accommodation containing older people only. Approaching half of social rented dwellings contain only older people. This may have implications for future supply of specialised social rented accommodation.

Table 12.8 Older person only households and tenure

Tenure	Age group				
	Older persons only	Other h'holds	Number of h'holds	% of total h'holds with older persons	% of those with older persons
Owner-occupied (no mortgage)	6,814	3,846	10,660	63.9%	76.7%
Owner-occupied (with mortgage)	621	6,223	6,844	9.1%	7.0%
Social Rented	1,213	1,403	2,616	46.4%	13.6%
Private rented	237	1,143	1,380	17.2%	2.7%
TOTAL	8,884	12,616	21,500	41.3%	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.23 The table below shows that older person only households are more likely than non-older person households in the Christchurch area to be living in one and two-bedroom properties. However, the results also show that approaching half (44.9%) of all older person households are in three or four-bedroom dwellings. Given that previous information has shown that all older person only households are comprised of almost only one or two persons, this finding suggests that there could be potential scope to free up larger units for younger families if the older households chose to move into suitable smaller units.

Table 12.9 Size of dwellings (number of bedrooms) for older person only households

Number of bedrooms	% of older person households	% of non-older person households
1 bedroom	13.7%	7.9%
2 bedrooms	41.4%	27.3%
3 bedrooms	38.2%	45.4%
4+ bedrooms	6.7%	19.4%
TOTAL	100.0%	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.24 This information can be further broken down by tenure (for older person households) and this is shown in the table below. The table indicates that whilst the majority of large (3+ bedroom) properties are in the owner-occupied sector there are 121 properties in the social rented sector which may therefore present some opportunity to reduce under-occupation.

Table 12.10 Older person only households size of accommodation and tenure

Tenure	Size of accommodation				TOTAL
	1 bed	2 bed	3 bed	4+ bed	
Owner-occupied (no mortgage)	245	3,006	2,966	597	6,814
Owner-occupied (with mortgage)	63	269	289	0	621
Social rented	814	278	121	0	1,213
Private rented	97	126	15	0	237
TOTAL	1,218	3,679	3,390	597	8,884

Source: Christchurch HNDS Fordham Research 2007

Key worker households

12.25 For the purposes of analysis key workers were defined as people working in any one of six categories. These were:

- Nurses and other NHS staff
- Prison/Probation staff
- Teacher
- Junior and retained fire fighter
- Police officer
- Social worker, educational physiologist, therapists

12.26 The nature of this study means that the key workers identified within the survey are those that are resident in the District. The data, therefore, includes key workers resident in the Borough who work outside its boundaries and excludes key workers who work in Christchurch but live outside. The analysis of key workers concentrates on their current housing situation, future demands for housing and affordability.

12.27 In total it is estimated that 1,996 households are headed by a key worker (head of household taken as survey respondent). These households are subject to further analysis in the section below.

12.28 The table below shows the tenure of key worker households. The results indicate that the majority of key worker households (89%) are currently living in owner-occupied accommodation and are more likely to be owner-occupiers than non-key workers (82%). Key worker households are less likely than non-key worker households to be living in the social rented sector, and also the private rented sector.

Table 12.11 Tenure of Key worker households

Tenure	Key worker household		Not key worker household	
	Number of households	% of households	Number of households	% of households
Owner-occupied (no mortgage)	537	26.9%	2,054	28.0%
Owner-occupied (with mortgage)	1,239	62.1%	3,945	53.8%
Social Rented	90	4.5%	588	8.0%
Private rented	130	6.5%	750	10.2%
TOTAL	1,996	100.0%	7,338	100.0%

Source: Christchurch HNDS Fordham Research 2007

Income and affordability of key worker households

12.29 The table below shows a comparison of income and savings levels for key worker and non-key worker households.

12.30 The figure for non-key worker households has been split depending on whether the head of household is in employment or not. Figures shown are for annual gross income (including non-Housing Benefits). The table suggests that generally key worker households have significantly higher income levels than non-key worker households (those in employment). Key worker households do however have slightly lower levels of savings than non-key worker households. In comparison with all households, income levels for both key worker and non-key worker households are above the Borough average although savings levels are below. This reflects the fact that the Borough-wide figures include retired households who have no earned income but much higher levels of savings.

Table 12.12 Income and savings levels of key worker households

Category	Annual gross household income (including non-Housing Benefits)	Average household savings
All key worker household	£41,209	£26,923
All non-key worker (in employment)	£35,476	£29,452
All other households (no-one working)	£18,821	£49,264
All households	£26,584	£40,428

Source: Christchurch HNDS Fordham Research 2007

12.31 It is possible to consider the ability of key worker households to afford both minimum market prices and intermediate forms of housing and this is presented in the table below for all key worker households.

Table 12.13 Key worker households and ability to afford housing

Category	Number of households	% of households
Afford market housing	1,769	88.6%
Afford intermediate housing	82	4.1%
Social rent only	145	7.3%
Total	1,996	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.32 The table indicates that 88.6% of all key worker households are able to afford entry-level prices in the market. It is interesting to note that of the 227 households unable to afford minimum market prices, 63.9% can only afford social rented housing, whilst 36.1% can afford intermediate housing.

Situation of younger people

12.33 For the purpose of this study younger people are defined as those aged between 21 and 35. The survey records that there are 4,200 younger people in Christchurch.

12.34 The table below presents the working status of younger people in the Borough. The table indicates that almost four-fifths of younger people are employed, with the overwhelming majority of these in full-time employment. However there are some 5.6% of younger people that are unemployed.

Table 12.14 Working status of younger people

Working status	Number of people	% of all people
Full-time employment	2,561	61.0%
Part-time employment	550	13.1%
Self-employed	205	4.9%
Unemployed	234	5.6%
Full-time student	47	1.1%
Looking after home/family	370	8.8%
Permanently sick/disabled	88	2.1%
Other	119	2.8%
TOTAL	4,200	100.0%

Source: Christchurch HNDS Fordham Research 2007

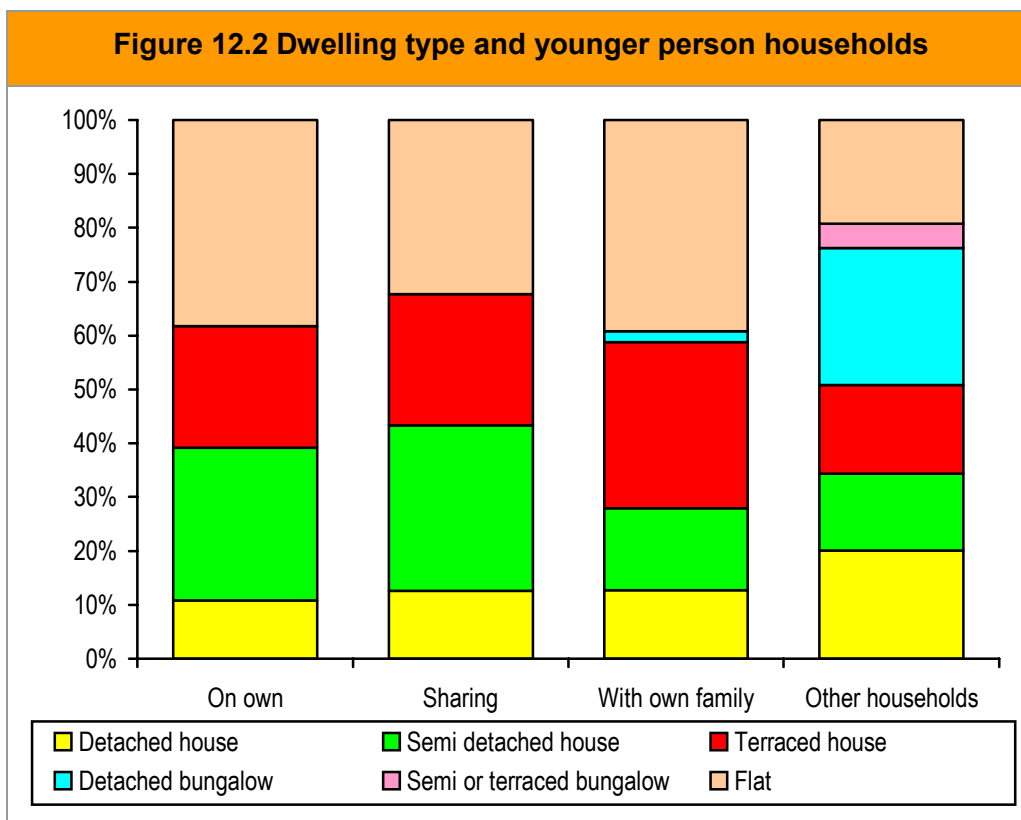
12.35 The table below indicates the type of households these younger people live in. The table shows that almost 30% of younger people live in a home as a family with their own children, over a quarter share their home with other younger people, 9.9% live alone and 34.7% live with their parents or others.

Table 12.15 Type of household younger people reside in		
Type of household	Number of people	% of all people
On own	415	9.9%
Sharing house with others the same age	1,076	25.6%
Live in family with own children	1,253	29.8%
Live with parents/others	1,456	34.7%
TOTAL	4,200	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.36 It is possible to examine the housing circumstances of the three clearly defined groupings of younger households; those living on their own, those sharing with other younger people and those living with their own family. This is presented in the following section. The housing implications of the young people living with parents/others are discussed in the section on first-time buyers.

12.37 The figure below shows the type of properties in which the three groups of younger households live. The equivalent information is presented for all other households in the Borough for comparison. The figure indicates that younger households are less likely than other households in the Borough to live in detached houses or bungalows and are more likely to live in flats. Almost 40% of young people living on their own reside in a flat.



Source: Christchurch HNDS Fordham Research 2007

12.38 The table below shows the size of accommodation in which the three groups of younger households live. Again the equivalent information is presented for all other households for comparison. The data suggests young single households are particularly likely to live in one bedroom accommodation with over a quarter resident in a home this size. All younger households are less likely to live in accommodation with four or more bedrooms than other households in Christchurch.

Table 12.16 Size of dwellings (number of bedrooms) and young person households

Number of bedrooms	Household type			
	Young on own	Young sharing	Young with own family	Other households
1 bedroom	27.8%	13.8%	1.8%	10.2%
2 bedrooms	29.8%	36.9%	52.6%	32.3%
3 bedrooms	34.2%	39.8%	35.5%	43.0%
4+ bedrooms	8.2%	9.4%	10.2%	14.6%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.39 The table below shows the tenure of the three groups of younger households. The data indicates that all three groups of younger households are less likely than average to own their own home and are more likely than average to be resident in private rented and social rented accommodation.

Table 12.17 Tenure of younger households				
Tenure	Household type			
	Young on own	Young sharing	Young with own family	Other households
Owner-occupied (no mortgage)	7.0%	4.4%	0.0%	54.2%
Owner-occupied (with mortgage)	66.5%	72.6%	35.6%	29.5%
Social rented	16.7%	13.9%	33.9%	11.1%
Private rented	9.7%	9.1%	30.5%	5.2%
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: Christchurch HNDS Fordham Research 2007

First time buyers

12.40 The rapid increase in house prices that has been witnessed across most of Britain in the last decade or so has made it harder for households to become owner-occupiers, the most common tenure of choice. This has particularly affected younger people, who are attempting to access the housing market at a time when house price to income ratios are some of the highest in history and they have not had time to accumulate significant savings.

12.41 This section considers the characteristics of recent first-time buyers in the Borough using past-trend information from the survey. It then looks in more detail at those younger households (the typical age bracket that first-time buyers come from in a balanced housing market) looking to purchase their first home in the next two years.

Characteristics of recent first-time buyers

12.42 The survey identifies households that have moved into owner-occupied accommodation from a different tenure in the last two years. It is assumed that all of these households are first-time buyers although a few may have owned a home at some stage previously before a spell of renting.

12.43 The survey records that there are 431 households that have become first-time buyers in Christchurch in the last two years. The table below shows the age of the respondent in first-time buyer households. It shows that 45.4% of respondents are between 20 and 29, whilst 17.3% are between 30 and 39. The average (median) age of respondents in first-time buyer households is 32 years.

Table 12.18 Age of respondent in first-time buyer households		
Respondent age	Number of households	% of all households
Up to 20	0	0.0%
20-29	196	45.4%
30-39	74	17.3%
40-49	27	6.3%
50 and over	134	31.0%
TOTAL	431	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.44 The average annual income of first-time buyer households is £38,480 which is significantly higher than the average for the Borough of £26,584. The financial situation of those households that have become first-time buyers suggests that households have to be on a high income before they can access owner-occupation and implies that the number of first-time buyers in Christchurch may be being restricted by the cost of housing.

12.45 Finally the survey indicates that some 27.1% of first-time buyers are using a higher proportion of their income to pay for their housing costs than is recommended by CLG guidance. This indicates that many first-time buyer households are prepared to spend a significant proportion of their income to allow them to enter the property ladder.

Existing younger households aspiring to own

12.46 Although the level of owner-occupation amongst young households is quite high there are likely to be many more younger households that aspire to become owners. The survey indicates that amongst the three groups of younger households analysed above, there are 189 households that would like to become owner-occupiers in the next two years.

12.47 The survey suggests that these 189 households have an average annual income of £25,024 and average savings of £578, which are both below the average across the Borough.

12.48 The ability of these potential first-time buyer households to afford owner-occupation in Christchurch is now examined. The data suggest that just 32 (16.7%) of these households would be able to purchase an appropriately sized home if they were to move now.

Concealed younger households aspiring to own

12.49 The survey data reveals that 1,200 younger households currently living with a host household (commonly parents/relatives) are likely to form within Christchurch in the next two years. Some 838 of these households would like to become owner-occupiers in the next two years.

12.50 The survey indicates that these 838 concealed households have an average annual income of £13,249, which is significantly below the average across the Borough. Further analysis reveals that only 20.3% of these households would be able to afford to purchase a home in Christchurch if they were to move now.

Rural households

12.51 In order to produce a meaningful database for analysis the Borough was subdivided. This was done by assigning each household with an urban or rural classification, based on the National Statistics Rural and Urban Classification of Output Areas (July 2004). Households were assigned one of four categories based on their postcode. The postcode is considered to be 'Urban' when the majority of the Output Area live within settlements with a population of 10,000 or more. The remaining three categories comprise the rural area, which is divided into 'Towns and Fringes', 'Villages' and 'Hamlets'; the latter includes isolated dwellings.

12.52 The table below indicates the urban and rural classification that each household in Christchurch is recorded in. The data shows that the overwhelming majority of households in the Borough are urban (98.7%), with just 1.3% recorded as rural.

Table 12.19 Population urban/rural (based on 4 categories)

Classification	Number of households	Percentage of households
Urban	21,227	98.7%
Town and Fringe	0	0.0%
Village	161	0.7%
Hamlet	112	0.5%
Total	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.53 This section will therefore compare the nature of the rural and urban populations. It is important to note however that the sample of rural households is very small so the results of this group should be treated with caution.

12.54 The table below shows the variation in the tenure profile of urban and rural households. The data indicates that urban households are more likely to own their home and are less likely to live in private or social rented accommodation. The tenure distribution amongst rural households should be treated with extreme caution as it is a product of a small sample.

Table 12.20 Rural households and tenure				
Tenure	Urban households		Rural households	
	Number of households	% of households	Number of households	% of households
Owner-occupied (no mortgage)	10,582	49.8%	78	28.6%
Owner-occupied (with mortgage)	6,727	31.7%	117	42.9%
Social Rented	2,569	12.1%	47	17.2%
Private rented	1,350	6.4%	30	11.0%
TOTAL	21,227	100.0%	273	99.6%

Source: Christchurch HNDS Fordham Research 2007

12.55 When considering the differences between household types we find no strong difference between the area types (as the table below shows) with broadly the same proportions of each household type group found in each of the urban and rural areas.

Table 12.21 Rural households and household type				
Household type	Urban households		Rural households	
	Number of households	% of households	Number of households	% of households
Single pensioners	4,524	21.3%	61	22.3%
2 or more pensioners	4,235	20.0%	64	23.4%
Single non-pensioners	2,352	11.1%	0	0.0%
2 or more adults - no children	6,397	30.1%	89	32.6%
Lone parent	677	3.2%	0	0.0%
2+ adults 1 child	1,318	6.2%	29	10.6%
2+ adults 2+ children	1,725	8.1%	30	11.0%
TOTAL	21,227	100.0%	273	100.0%

Source: Christchurch HNDS Fordham Research 2007

12.56 The table below compares the incomes and savings levels of households in the two areas. The data clearly shows that rural households record higher average incomes, whilst urban households have higher average savings.

Table 12.22 Income and savings levels of rural households

Categories	Annual gross household income	Average household savings
Urban	£26,514	£40,540
Rural	£32,030	£31,714

Source: Christchurch HNDS Fordham Research 2007

Accessibility in rural areas

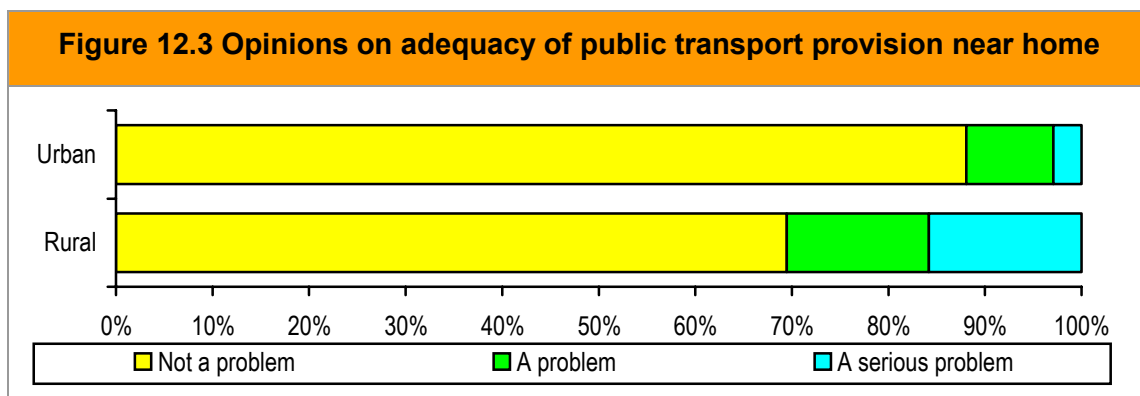
- 12.57 A further question asked in the Christchurch survey was car ownership/availability. Although not directly linked to housing, it influences the ability of household's to access necessary services.
- 12.58 Some 17.5% of all households in the urban area have no access to a car or van, this compares with 6.6% of rural households. The average household has 1.22 cars; this figure varies from 1.21 for urban households to 1.79 for rural households.

Table 12.23 Rural households and car ownership

Number of cars/vans available for use	Urban households		Rural households	
	Number of households	% of households	Number of households	% of households
0	3,647	17.2%	18	6.6%
1	10,679	50.3%	67	24.5%
2	5,631	26.5%	142	52.0%
3+	1,270	6.0%	45	16.5%
TOTAL	21,227	100.0%	273	99.6%
Average number of cars/vans	1.21		1.79	

Source: Christchurch HNDS Fordham Research 2007

- 12.59 The survey asked households whether public transport provision near their home was adequate for the household's needs. The responses received are presented in the figure below. The figure indicates that households within rural areas were more likely to record public transport provision as being inadequate than households within urban areas. In the case of rural areas a total of 30.5% stated that there were problems with the adequacy of public transport, in urban areas the figure was only 11.9%.



Source: Christchurch HNDS Fordham Research 2007

Families with children

Introduction

12.60 PPS3 acknowledges the importance of providing suitable housing for families, especially those with children, to ensure that communities are appropriately mixed. The rest of this chapter will briefly consider the current housing situation of families with children in Christchurch before considering the future housing requirements of this group. This will enable the Council to assess whether the type of new accommodation at a particular site is likely to attract families with children and generate the desired mix.

12.61 For the purposes of this analysis children are defined as those aged under 16 and the rest of this chapter will focus on any household with at least one child in it. To provide more detail on what is a large sub-section of the population three different groups of households with children will be analysed. These are lone parent households, households with young children and households with older children. Households with young children are those where the children’s age is under nine or the average age of the children is under nine. Households with older children are those where the children’s age is nine or over or the average age of the children is nine or over.

12.62 The table below shows the number of each type of household with children. The survey estimates that there are 3,779 households with children in Christchurch. Of this 3,779 households 17.9% are lone parents, 43.9% are families with older children with the remaining 38.2% families with younger children.

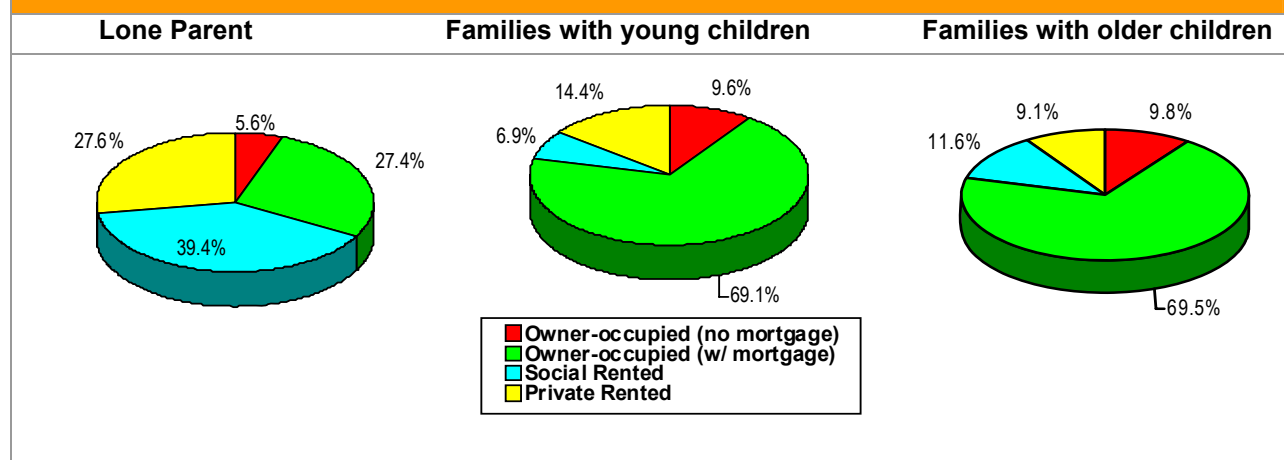
Table 12.24 Number of families with children

Households with children	Number of households	Percentage of households
Lone parent families	677	3.1%
Families with older children	1,659	7.7%
Families with young children	1,443	6.7%
Other households	17,721	82.4%
Total	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Housing circumstances of families with children

12.63 The figure below shows the tenure of the three groups of family households. The results suggest that lone parents are more likely to be living in social rented and private rented accommodation. There is little difference between households containing families with young children and those with older children.

Figure 12.4 Tenure

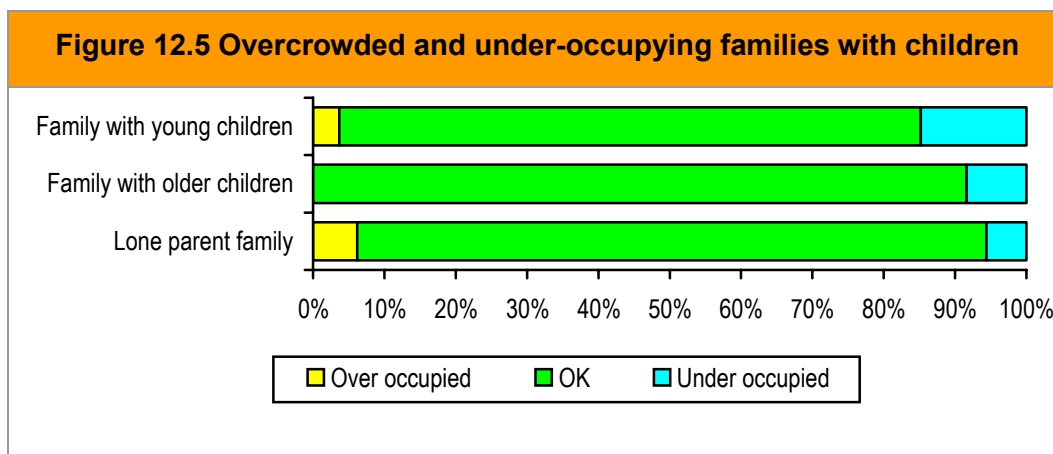
Source: Christchurch HNDS Fordham Research 2007

12.64 The table below presents the proportion of families with children living in unsuitable housing. The table indicates that lone parent families are significantly more likely than other family types to be living in unsuitable housing.

Table 12.25 Families with children in unsuitable housing			
Unsuitable housing	Households with children		
	Lone parent families	Families with older children	Families with young children
In unsuitable housing	20.9%	3.7%	10.0%
Not in unsuitable housing	79.1%	96.3%	90.0%
TOTAL	100.0%	100.0%	100.0%
Total count	677	1,659	1,443

Source: Christchurch HNDS Fordham Research 2007

12.65 The table below presents the level of overcrowding and under-occupation for families. The table shows lone parent families are slightly more likely to be overcrowded and slightly less likely to be under occupying their property.



Source: Christchurch HNDS Fordham Research 2007

Housing preferences of families with children

12.66 The table below indicates that a larger proportion of lone parent families are the most likely to need or to be likely to move within the next two years. The results suggest that families with older children are the content to stay in the property for the long term.

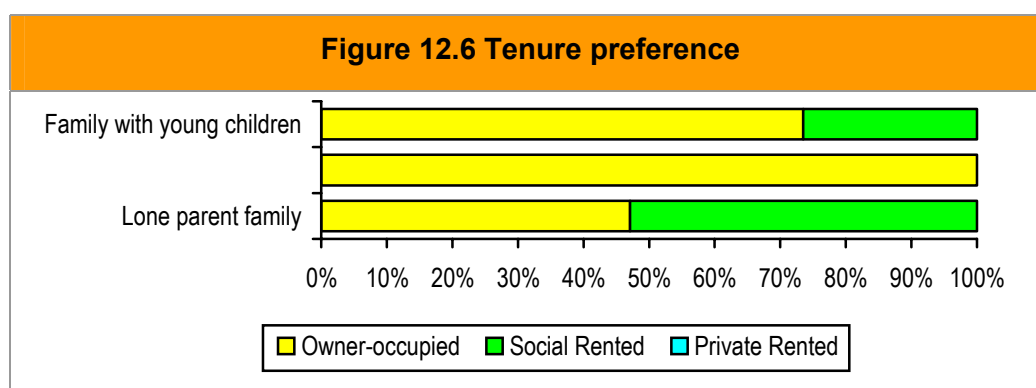
Table 12.26 Moving intentions of families with children

When need/likely to move	Households with children		
	Lone parent families	Families with older children	Families with young children
Now	15.6%	1.1%	7.9%
Within a year	21.4%	4.3%	11.6%
1 to 2 years	12.6%	9.2%	10.4%
2 to 5 years	10.9%	13.0%	21.8%
No need/not likely to move	39.5%	72.5%	48.3%
TOTAL	100.0%	100.0%	100.0%
Total count	677	1,659	1,443

Source: Christchurch HNDS Fordham Research 2007

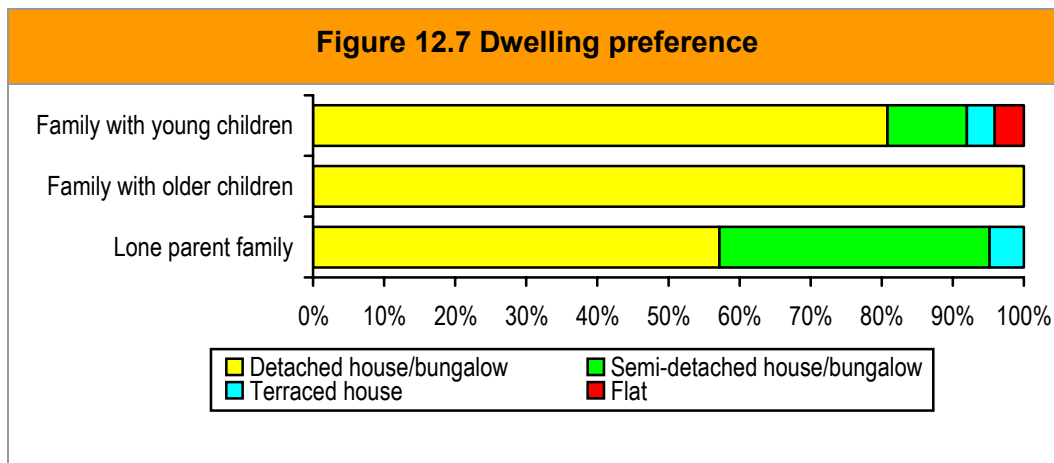
12.67 Some of the results in the remainder of this chapter are based on a relatively small sample size, therefore have an increased margin for error.

12.68 The housing preferences of families with children who stated they were likely or would need to move within the next two years (in terms of tenure, type and size) are presented in the figures below.



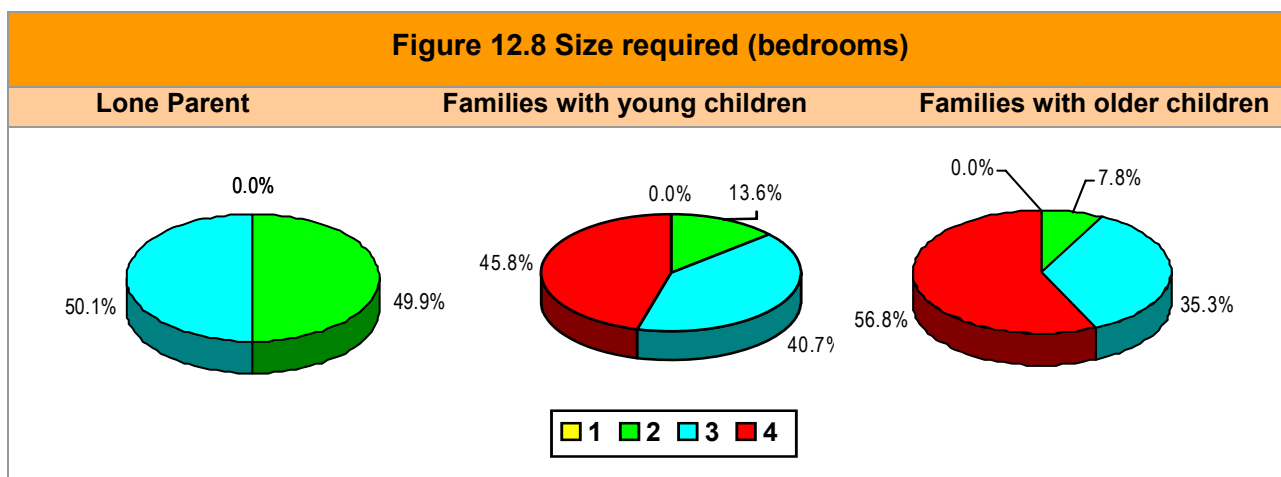
Source: Christchurch HNDS Fordham Research 2007

12.69 The survey suggests no demand for private rented dwellings for families in the area, although in reality this would be the likely tenure destination for at least some of the households. Lone parent households are the most likely to prefer social rent, with more than half stating this as their tenure of choice.



Source: Christchurch HNDS Fordham Research 2007

12.70 The figure above shows the dwelling type preferences of families with children. Detached properties are the most preferred dwelling type for each family group, lone parent households are more likely to prefer semi-detached properties.



Source: Christchurch HNDS Fordham Research 2007

12.71 The figure above shows the number of bedrooms preferred by family households. Two parent families are much more likely to prefer larger properties, with little demand for smaller units. Lone parent families are more likely to prefer smaller dwellings.

Summary

12.72 This chapter focused on particular groups of interest to the Council within the population. It showed that:

- There are an estimated 4,983 households in the Christchurch area with one or more members in an identified special needs group, which represents 23.2% of all households. These households were most likely to state a requirement for more support services
- Over two-fifths of households in Christchurch contain only older people (41.3%). These are almost all comprised of one or two persons, however approaching half reside in accommodation with three or more bedrooms. Within the social rented sector there are 121 older person households living in properties with at least three-bedrooms indicating an opportunity to reduce under-occupation.
- The survey estimates that 1,996 households in Christchurch are headed by a key worker. Key worker households are more likely than average to be resident in owner-occupation. They also record higher average incomes than other households in employment.
- The survey records that there are 4,200 people between 21 and 35 in Christchurch. Nearly four-fifths of these young people are employed and 34.7% live with their parents.
- The average age of recent first-time buyers is 32 years and they required household incomes significantly above the Borough average to get onto the property ladder. Some 27.1% of these households spend over a quarter of their gross household income on their mortgage.
- Christchurch Borough is largely urban with just 1.3% of households resident in a rural area. There were some noticeable differences between households living in urban and rural areas; notably, households in rural areas typically showed higher levels of income and a greater availability of cars/vans. Such households were however more likely to express problems with the adequacy of public transport. The profile recorded of rural households should be treated with caution as it is based on a small sample.
- There are 3,779 households containing families in Christchurch. Lone parent families generally differ in terms of housing situation and preferences from families with younger children and families with older children. Two parent families are more likely to require owner occupied larger dwellings, often detached.

SECTION E: IMPLICATIONS OF THE ANALYSIS

This section analyses the housing market gaps revealed, and considers what may fill them, and also provides guidance on updating the results

13. Housing markets gaps and how to fill them

Introduction

- 13.1 It has been a concern of Government for at least two decades that there should be a well functioning 'housing ladder' so that newly forming households could enter the market, and 'climb' towards home ownership, and then move as appropriate up the size scale. This public concern has grown more acute as house prices have risen rapidly especially over the last decade.
- 13.2 This has led to many initiatives to encourage access to the market, and in particular the owner occupied market. Some two decades of evolution of 'low cost' home ownership and partial ownership (where typically a Registered Social Landlord owns part and the occupant owns the rest) have produced the present structure of tenures encouraged by the Housing Corporation (particularly Open Market HomeBuy and New Build HomeBuy).
- 13.3 This chapter examines the cost of different types and tenures of housing. This is done to provide an updateable benchmark for assessing the affordability of new housing schemes. In order to decide, for instance, whether a new shared ownership (HomeBuy) scheme is intermediate housing or Low cost market housing, it is simply necessary to compare the weekly equivalent cost of the proposed scheme with a (suitably updated for inflation etc) figure from the graph and table below.

Variations in prices/rents across the HMA

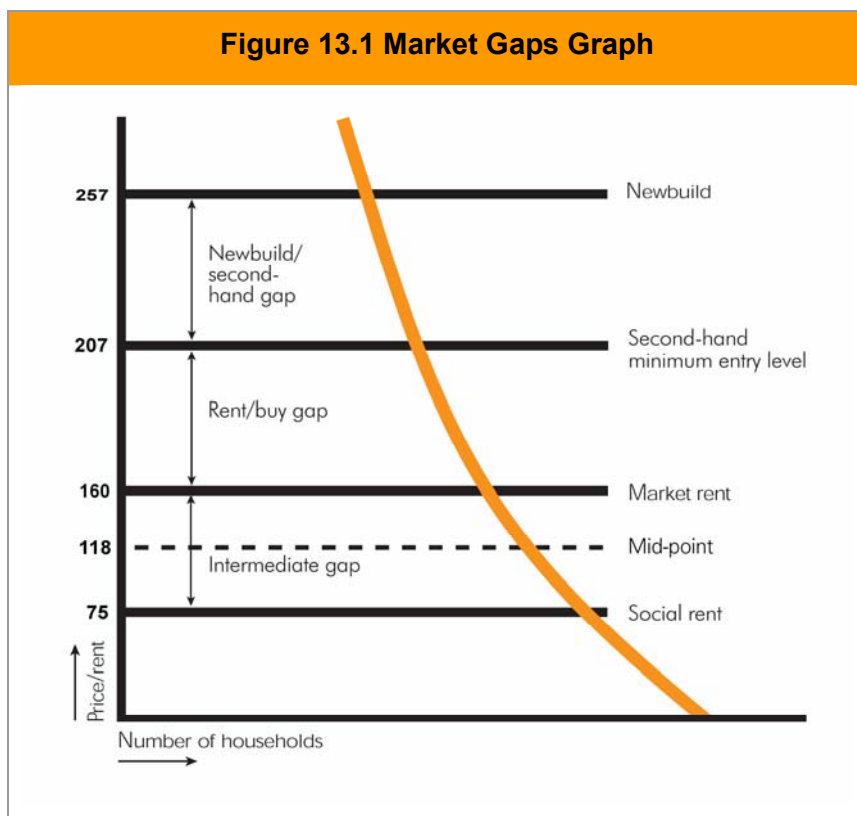
- 13.4 There are clearly variations in the housing market within the HMA. For the purposes of this discussion average prices are assumed, which clearly do not represent all the sub-market variations that actually exist. The prices/rents used here are minimum ones. That is because the general purpose of this analysis is to examine what housing ladder exists for households in the HMA to 'climb'. Since the underlying problem is one of inability to afford, the important point is the cheapest one at which a given type of housing (to rent, part buy or buy for instance) can be accessed.

- 13.5 This may seem unrealistic, as a household may be long established in a given area (especially if that area is rural) and not easily accept the idea of a move to any other place, let alone across the entire market area. However that is not the practical likelihood. Any additional housing, whether market or affordable, will be a very small addition to the existing stock. It will help to relieve pressure in its locality, both directly and indirectly by meeting a local demand/need, which will therefore cease to put pressure on supply there and elsewhere. In that way new housing stock, even if not put where the demand/need is greatest, will help in a small way to reduce the overall pressure.
- 13.6 The fact that in practice households may, for instance, choose to private rent in an area they come from, rather than move even a few miles to a place where they could afford a new shared ownership scheme, is not something which analysis in a SHMA can affect. Each district is the housing and planning authority for the whole of that district, and will have its own policy focus.
- 13.7 It would however be an impossible task to ensure that housing in all parts of a district is equally affordable. It is necessary to assume that households who find affordability a problem, will be able to move a little way if the only solution is a new supply.

Housing market gaps

- 13.8 Housing market gaps analysis has been developed by Fordham Research to allow easy comparisons of the costs of the tenure range, in order to facilitate the testing of different newbuild proposals, and to show generally the nature of the housing ladder in a particular locality.
- 13.9 The following figures show a stylized graph designed to illustrate the nature of the housing market gaps in each sub-area. The figures are based on:
- i) Plotting the weekly cost of housing for each tenure group (on the vertical y-axis, against the notional numbers of households (illustrated only figuratively by the orange curve) along the horizontal x-axis
 - ii) This is done for two-bed dwellings only (the weekly costs for the full range of dwelling sizes is shown in Table 13.2 below)
 - iii) The bars on the gap graphs show key tenure distinctions:
 - Newbuild to buy
 - Secondhand to buy
 - Private rental

- Inferred mid-point of intermediate band
 - Social rent
- iv) Between each of the bars is a gap. The main two gaps of interest are:
- The Rent/Buy gap: households in this gap can afford market rent without the need for Housing Benefit, but cannot afford to buy outright. Hence they are potentially candidates for partial equity forms of housing: shared ownership
 - The intermediate gap: intermediate housing is defined in PPS3 as housing at between a social rent and market rent. Although technically intermediate housing begins at £1 or so below market rent level, housing at such a weekly cost would clearly not be of much use to households in housing need. We put the mid-point on the graph and infer the weekly costs. This normally addresses the needs of rather less than half of those in intermediate housing need, but that is a difficult enough task, as it is difficult to produce newbuild housing at this level of weekly cost.
- v) To enable comparisons, the capital cost of buying new and second hand housing is expressed as a weekly costs (by analogy like a mortgage payment). The technicalities of doing this are shown in the final chapter which explains how to update the base data shown in Table 13.2)
- vi) Table 13.1 below then shows the key gaps: Intermediate and Rent/Buy in terms of their relative size.



Source: Christchurch HNDS Fordham Research 2007

13.10 As can be seen from the graphs, there are some major gaps. This discussion ignores the gaps within the owner occupied market, as they are less problematic than those below the owner occupation level. The overall level of owner occupation in England has been about 70% for several decades, despite great efforts by Government, assisted by the housebuilding industry and local authorities to increase the proportion from 70%. The analysis in this report will have shown the difficulties that are faced: the low financial capacity of many non-owner households, who are very far from being able to buy any equity. In the case of those who could afford some equity there is currently some difficulty with Government Guidance, which has not yet clarified what low cost market housing (mentioned as market housing in PPS3) is in specific terms.

13.11 The following table therefore looks only at the intermediate and rent/buy gaps. Above and below that is relatively quite simple!

Table 13.1 Scale of key housing market gaps in The HMA			
Area	Social rent/market entry private rent	Rent/buy gap	Social rent/newbuild gap
Christchurch	213%	129%	343%

Source: Christchurch HNDS Fordham Research 2007

Note that these percentages are calculated from the table below for 2-bed dwellings.

13.12 The gaps shown in the table above are clearly very large, and it is hard to see how households could easily climb the ladder implied by them. This puts extra pressure on the need to find newbuild housing variants which fill the gaps, rather than appear at each extreme, as discussed below.

13.13 The following table provides figures for the full range of sizes and tenures. This table is extremely important for two main reasons:

- i) It provides a test for any newbuild housing that might seek to provide housing in the intermediate or rent/buy gaps, as to whether it actually does.
- ii) It provides the basis for updating and monitoring, techniques for which are discussed later in this section.

Table 13.2 Comparative outgoings by tenure					
Dwelling size	Tenure				
	Social rent	<i>Mid-point intermediate</i>	Private rent	Second hand purchase	Newbuild to buy
	Cost per week	<i>cost per week</i>	cost per week	cost per week	cost per week
1 bedroom	£67	£96	£125	£143	£173
2 bedrooms	£75	£118	£160	£207	£257
3 bedrooms	£90	£135	£180	£289	£379
4 bedrooms	£108	£169	£230	£372	£476

Sources are: CORE, survey of estate and letting agents, and Rightmove and other websites. The Intermediate costs are imputed (being halfway between social rent and market entry) and put into italic to distinguish them from the observed prices in the rest of the

How to fill the market gaps

13.14 The scale of the housing market gaps in Christchurch is not the greatest in the country, but still daunting. It is all the more so when it is considered that newbuild housing, on a significant scale, is provided mainly in the form of:

- Newbuild housing to buy
- Social rented housing

13.15 In other words newbuild tends to be concentrated at the top and the bottom of the ladder. This has for long been the pattern, and clearly it does not help to reduce the significance of the gaps, as would provision of newbuild in the Intermediate or rent/buy gaps. The Barker Review of 2004 demonstrated that no feasible amount of newbuild is likely to reduce prices, i.e. to diminish the existing housing market gaps. Short of a market collapse, the main possibility is the production of newbuild housing in those two gaps.

13.16 The main source of housing between these extremes is shared equity as mentioned above (now known as New Build HomeBuy). Although this form of housing is often seen as filling the intermediate gap illustrated in the graph above, it is commonly too expensive for that, and lies instead in the rent/buy gap. This does not remove its value: it can be of use in providing a step in equity ownership towards full scale home ownership, but only on a limited scale.

13.17 Discount for sale housing would, based upon the information in Figure 12.1 above, have to be about a 38% discount to be affordable housing (based on 2-bed types). In practice the sorts of discount available are 20-30% at most, and so it is most unlikely that discount newbuild could be affordable housing in Christchurch.

13.18 This is confirmed by Liam Sage, an official at the CLG, who wrote (in a comment to Mansfield DC in Nottinghamshire) in January 2007 that he had not found any example of discount sale housing that was affordable:

'In practice I agree that discounted sale models are very unlikely to be affordable, and I have not heard of any'.

13.19 The Government has, in PPS3, said that 'low cost market' housing is market housing and not affordable housing. It is not yet clear, however, at what point in the market section of the above graph low cost market housing is intended by CLG to be located. However it is clear in Christchurch that low cost market housing, to be of practical value, would need to be located in the middle of the rent buy gap to be of significant use.

Intermediate rent: a practical possibility

13.20 In terms of the general lack of affordable housing products to fill the very wide intermediate gap, we have considered the variant called 'Intermediate rent'. This is priced at 80% of the Reference Rent (or "Local Housing Allowance" (LHA) as it will be known as from April 2008). The latter is a figure set for each district by size of dwelling as a basis for calculating Housing Benefit, the subsidy paid to enable households otherwise unable to do so to access housing.

13.21 The size range and weekly costs for the Reference Rents/LHAs closely matches the weekly market rent entry prices shown in Table 4.3 above. The following are the Reference Rents for Dorset by district.

Table 13.3 Weekly reference rents* (Indicative LHAs) for Dorset, October 2007

BRMA** Area	Room	Number of Rooms***				
		1	2	3	4	5
Bournemouth	£63.00	£121.15	£154.62	£183.46	£253.85	£311.54
Mid Dorset	£68.31	£98.08	£126.92	£155.77	£206.54	£328.85
West Dorset	£73.00	£109.62	£135.00	£155.77	£213.46	£213.46
Yeovil	£60.00	£92.31	£125.77	£147.12	£201.92	£300.00

“Bournemouth” BRMA area covers the LA areas of Bournemouth, Poole, Christchurch, the southern fringe of East Dorset (Wimborne) and Purbeck as far west as Wool.
“Mid Dorset” BRMA covers most of North Dorset district, including Shaftesbury, Gillingham, Blandford Forum and Sturminster Newton, as well as the northern part (Cranborne Chase) of East Dorset.
“West Dorset” BRMA includes Weymouth & Portland district, the western fringes of Purbeck and North Dorset, and all of West Dorset except the Sherborne area.
“Yeovil” BRMA includes the Sherborne area of West Dorset.

* The appropriate price level for intermediate rented housing in Dorset is stated to be 80% of these rental figures.

** BRMA = Broad Reference Market Area.

*** These figures represent different numbers of bedrooms. The "Room" column covers bedsit or single room accommodation.

Source: Rent Officer, Bournemouth (2007)

13.22 The figures shown above have therefore been used to analyse the affordability of intermediate housing. The detailed analysis was done using the CLG model of housing need.

Table 13.4 Social rented and intermediate housing requirements in Christchurch

	Social rented	Intermediate housing	Total
Annualised current need	60	0	60
Annualised available stock	29	7	36
Newly arising need	317	31	348
Future supply	128	2	130
Net shortfall or surplus	220	22	242
% of net shortfall	91%	9%	100%
Gross annual need	377	31	408
Gross annual supply	157	9	166
Net annual need	220	22	242

Source: Christchurch HNDS Fordham Research 2007

13.23 As can be seen, the proportion of need in Christchurch (as measured by the CLG model) that could be met through intermediate housing at the levels suggested by the weekly reference rents is at about 9%.

Review of how affordable housing can meet the need

13.24 The information on housing gaps can be set against the two measures of need for affordable housing discussed in this report, and against the one practical variant of intermediate housing that seems currently to exist.

13.25 The following table summarises key features of the analysis in this report.

Table 13.5 CLG Needs Model and BHM estimates of annual affordable housing requirement

Area	CLG Needs model annual requirement	Fordham Research Index (national average: 16)	BHM model annual need for affordable housing	BHM as a fraction of CLG need	BHM proportion of need as intermediate	Proportion of CLG need which can afford Intermediate Rent
Bournemouth	3,015	39	718	24%	35%	5% (150 dwgs pa)
Christchurch	243	11	163	67%	48%	9% (22 dwgs pa)
East Dorset	440	12	243	55%	25%	15% (64 dwgs pa)
North Dorset	399	14	220	55%	27%	30% (119 dwgs pa)
Poole	1,199	19	815	68%	45%	13% (159 dwgs pa)
Purbeck	409	21	138	34%	50%	3% (11 dwgs pa)
West Dorset	737	17	542	74%	52%	3% (25 dwgs pa)
Weymouth & Portland	800	28	282	35%	51%	31% (246 dwgs pa)
Dorchester/Weymouth HMA	1,538	21	824	54%	51%	n/a
Bournemouth/Poole HMA	5,704	23	2,234	39%	35%	n/a

Source: Dorset Survey of Housing Need and Demand, Fordham Research 2007. Note: n/a means not available

13.26 This table provides the context for Christchurch within the overall Dorset analysis. Some general patterns can be observed:

- i) The overall level of housing need is high in most places in Dorset, though Christchurch has a relatively low level, though substantial in absolute terms.

- ii) As would be expected, the CLG needs assessment shows a much higher level of need than the BHM, but the annual requirement in both cases is far above any likely annual production of affordable housing.
- iii) In principle there is a large role for intermediate housing, as defined by CLG (the range between social rent and market rent). However there is little sign of practical housing options within this gap, given that in Christchurch a discount of at least x% on newbuild market value would be required for the resulting properties to be considered affordable.

13.27 The levels of social rented housing required are not a major issue: most districts in England require more new social rented housing than can be provided. The more problematic issue, from an assessment point of view is the intermediate gap since so few new housing products fit within it. The above table does suggest a degree of light at the end of the tunnel in that intermediate rent would be an option that provides a part of the answer. Clearly it only provides an option at the top end of the intermediate range.

13.28 There is as yet no more than encouragement in PPS3 for the idea of low cost market housing that would fit between private rented and market housing. Clearly there is a considerable demand for it. However it is not yet clear what part of the rent/buy gap, or indeed any part of the gap between market entry private rent and newbuild for sale that CLG envisages to be occupied by low cost market housing.

Profile of household types requiring market housing

13.29 The middle requirement of PPS3 (para 22) can be calculated from the BHM dataset. The requirement is phrased in terms of the *'likely requirement for household types requiring market housing e.g. multi-person, including families and children, single parents and couples'* (expressed as percentages).

13.30 The analysis here is based on the expected moves of households, as set out previously in Chapter 9, when considering household mobility. This subsection uses the same household survey data on future movement expectations, but limits it to the market, and looks at household groups as mentioned in PPS3.

Table 13.6 Gross demand for market housing (per annum by household type

<i>Area</i>	<i>Older persons</i>	<i>Single non-pensioner</i>	<i>Multi adult</i>	<i>Households with children</i>	<i>TOTAL</i>
Bournemouth	930 15.8%	1,477 25.1%	2,375 40.3%	1,111 18.9%	5,892 100.0%
Christchurch	482 30.5%	245 15.5%	545 34.5%	310 19.6%	1,582 100.0%
East Dorset	594 22.5%	299 11.3%	1,018 38.5%	733 27.7%	2,643 100.0%
North Dorset	403 20.4%	299 15.1%	772 39.0%	505 25.5%	1,980 100.0%
Poole	663 15.9%	778 18.7%	1,832 44.0%	889 21.4%	4,162 100.0%
Purbeck	158 13.0%	162 13.4%	530 43.7%	363 29.9%	1,213 100.0%
West Dorset	712 25.5%	462 16.6%	946 33.9%	670 24.0%	2,790 100.0%
Weymouth & Portland	310 17.7%	382 21.8%	581 33.1%	482 27.4%	1,756 100.0%
DORSET	4,252 19.3%	4,104 18.6%	8,599 39.1%	5,063 23.0%	22,018 100.0%
Bournemouth/Poole HMA	3,230 18.5%	3,260 18.7%	7,072 40.5%	3,911 22.4%	17,472 100.0%
Dorchester/Weymouth HMA	1,022 22.5%	844 18.6%	1,527 33.6%	1,152 25.3%	4,546 100.0%
DORSET	4,252 19.3%	4,104 18.6%	8,599 39.1%	5,063 23.0%	22,018 100.0%

Source: Fordham Research 2008

13.31 It should be noted that these groups are non-overlapping. Thus if a couple are pensioners they go into the 'older persons' category, and not also into the 'multi-adult' one.

13.32 The results show a range of patterns, summarised below:

- i) About 40% of the gross demand is from multi-adult households (Dorset wide). It is the biggest group in all the districts, although the average for the Dorchester/Weymouth HMA is a bit lower: a third rather than 40%.
- ii) The next biggest group is households with children, at county and both HMA levels, although this pattern varies slightly among the districts. The exception is Bournemouth, where the gross demand is higher for 'single non-pensioner' than for families, although both areas of demand are substantial.

- iii) The demand from single-non pensioners is joint third with older persons. This may seem odd, given that household projections show increasing numbers of single people. However a single person household, whether pensioner or not, can arise through the death or departure of a spouse, without any house move at all. That helps to explain this finding.
- iv) The gross demand from older persons is about a fifth, at the county level, but a bit higher in the Dorchester/Weymouth HMA than in the Bournemouth/Poole one. By far the highest demand figure from older persons is in Christchurch, which entirely agrees with the character of that borough as being highly attractive to older people.

13.33 The outputs shown here fulfil the requirement of the middle part of Para 22 of PPS3.

Recent performance

13.34 The statistics on recent levels of housebuilding completions in Christchurch are as follows:

Table 13.7 Housing Completions in Christchurch over stated periods							
Gross							
Year	01/02	02/03	03/04	04/05	05/06	01–06	94–06
Affordable	0	0	64	0	16	80	370
Private	156	105	191	116	145	713	1,744
Total	156	105	255	116	161	793	2,114
Net							
Affordable	0	0	62	0	16	78	356
Private	145	83	156	92	116	592	1,572
Total	145	83	218	92	132	670	1,928

Source: Christchurch HNDS Fordham Research 2007

**Table 13.8 Housing Completions in Dorset (inc. Bournemouth & Poole)
over stated periods**

Gross						
Year	01/02	02/03	03/04	04/05	05/06	01 – 06
Affordable	347	282	476	251	816	2,172
Private	3,271	3,061	3,706	3,438	3,465	16,941
Total	3,618	3,343	4,182	3,689	4,281	19,113
Net						
Affordable	343	277	473	249	759	2,101
Private	2,959	2,663	3,258	2,971	2,973	14,824
Total	3,302	2,940	3,731	3,220	3,732	16,925

Source: Christchurch HNDS Fordham Research 2007

- 13.35 As can be seen, for the most recent year (2005/6) for Christchurch, of the 132 dwellings completed, some 16 (or 12.1%) were affordable (and 11.6% for the period 2001-6). This is closely comparable with the Dorset norm, which is 12% for the period 2001-6. It must be considered that new completions will include many sites that are too small to attract a target for affordable housing, and that the total will include planning permissions granted before current levels of target were introduced.
- 13.36 In relation to the overall need, which from Table 13.5 can be seen as 243 per annum, there is need for a significant increase in the provision of affordable housing in the District. It must be borne in mind, though, that nationally the production of new affordable housing falls well below the need (however measured), although an increase in the production of affordable housing does seem necessary.
- 13.37 In terms of market housing Table 11.1 shows that the overall annual requirement (for all housing) is 439 and the average for Bournemouth over the past 5 years from the table above is 134 per annum. Given the constraints on development in Dorset generally this shortfall is understandable but an increase in building of market housing also seems desirable.
- 13.38 These figures can also be examined in the context of the Regional Spatial Strategy targets for the area, shown below. From these and the Policy H1 information also from the RSS (June 2006) it can be seen that:
- i) In producing some 134 dwellings a year Christchurch is slightly short of achieving its RSS target.
 - ii) In terms of affordable housing the 11.6% achieved in the recent past is significantly below the minimum of 35% required by the RSS.

Table 13.9 Regional Spatial Strategy (RSS) Table 4.1 and Policy H1**Table 4.1 Housing Market Areas, Unitary Authorities and Districts: Housing Totals and Phasing**

	2006-2026 Overall Annual Average Net Dwelling Requirement	2006-2016 Annual Average Net Dwelling Requirement	2016-2026 Annual Average Net Dwelling Requirement
BOURNEMOUTH & POOLE HOUSING MARKET AREA	1,925 – 2,090	2,285	1,565 – 1,895
BOURNEMOUTH	680-780	720	640-840
POOLE	450-500	700	200-300
CHRISTCHURCH	165-180	200	130-160
EAST DORSET IN JSA	260	260	260
ELSEWHERE IN EAST DORSET DISTRICT	10	10	10
PURBECK	105	105	105
NORTH DORSET	255	290	220
WEYMOUTH & DORCHESTER HOUSING MARKET AREA	690	690	690
WEST DORSET	410	410	410
WEYMOUTH & PORTLAND	280	280	280

H1 Affordable Housing

Within the 23,060 dwellings per annum required for the region, at least 7,500 affordable homes per annum will be provided in the period to 2026. Provision will be made for at least 30% of all housing development annually across each local authority area and Housing Market Area to be affordable, with authorities specifying rates up to 60% or higher in areas of greatest need.

Source: South West of England Regional Spatial Strategy 2006

13.39 Following the Examination in Public into the Draft RSS the independent Panel of Inspectors has recommended to the Government that overall housing figures in the South west should be increased by around 23%. In Dorset it is proposed to increase housing targets in the Bournemouth/Poole HMA by around 15% and in the Dorchester/Weymouth HMA by 31%. It is also proposed that provision should be made for at least 35% of all housing development annually to be affordable housing, with authorities specifying rates of 60% or higher in areas of greatest need. While these figures have not been approved by the Secretary of State and so hold no statutory weight, they do signify the possibility that higher housing targets will apply in the South West over the next 20 years.

Summary

- 13.40 There are substantial housing market gaps in Christchurch which mean that the local housing 'ladder' is not an easy one to climb. This is the case even though the gaps are smaller in relative terms than in some parts of the country.
- 13.41 At the two-bed level the overall gap from social rent to newbuild purchase ranges from 359% to 448% in different parts of the subregion: all these gaps are very large.
- 13.42 Newbuild housing is mainly available as for sale and as social rent, in other words at the extreme ends of the range. There is little newbuild housing in between. Shared ownership (New Build HomeBuy in Housing Corporation terminology) is the main option. The problem is that this is normally more expensive than market rental due to the newbuild purchase element. Hence it is normally to be seen as 'low cost market' housing in the rent/buy gap, and not intermediate housing.
- 13.43 There is at present little prospect of any newbuild housing being made available in the intermediate band, and even less of its being 'usefully affordable' at the halfway point of that range. This provides a challenge for the future, since there is a need for it.
- 13.44 The Housing Market Gaps analysis provides a template which, suitably updated, provides a lasting basis for testing newbuild housing options in terms of their affordability to fill the various gaps. The most important are the intermediate and rent/buy gaps.
- 13.45 The need for social rented housing is clear. It is also clear that there is a large intermediate gap, and that intermediate rented housing would fill the top end of that intermediate gap.
- 13.46 When demand/need is set against recent performance in Christchurch, it is seen that there is room for improvement. Although the results would suggest that there is a demand for more market housing also.
- 13.47 Christchurch has averaged (over the past five years) a slightly lower level of house building than its RSS target, and the proportion of that supplied as affordable housing is significantly below the minimum of 35% set by the RSS.

14. Updating

Introduction

- 14.1 One of the central features of the Guidance is that housing market research should be a continuing process, not just production of a report. This requirement is implied by the Local Development Framework approach and the strong emphasis on flexibility in the response to changing housing market demands (e.g. para 60 of PPS3). This emphasis is mirrored in the Practice Guidance, where Figure 1.1 gives the key outputs but is matched by Figure 1.2 which provides a checklist of the key processes. The last of these process requirements is:

‘Explain how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken’

- 14.2 Monitoring and updating occurs at all levels from national to local. The housing needs and demand study is designed to apply mainly at local authority level, and so the comments in this chapter are directed to that level. However the principles involved apply generally.
- 14.3 The rapid movement of prices and rents, and the key importance of the checklist of (weekly) costs of different tenures/sizes of dwellings provided in this housing needs and demand study, makes it evident that monitoring and updating is an essential part of the process.
- 14.4 The key thing is to update the weekly costs: they are the key to most practical policy decisions on both planning and housing issues.

Updating weekly costs

- 14.5 It has been emphasised through this report that the old focus on price/income ratios is not relevant to housing market studies. A full range of financial information (income, savings and equity) is required to measure the ability to afford. However it has been emphasised that the main focus should be upon comparative prices and rents: what are the housing market gaps and how are they changing? That is what governs the issue of how fast people can ‘climb the housing ladder’.
- 14.6 The most fundamental set of data for monitoring and updating is therefore the tabulation of weekly cost equivalents for purchase and rental. That is the main focus of the updating suggestions here, as it is both (relatively) simple and central. As a first step a couple of related issues will be addressed, followed by specific instruction on the updating process.

Why not update incomes as well as the weekly costs of housing?

- 14.7 The short answer is: because it is not relevant. There is no problem with updating incomes (indices exist for doing so) but it will not help with the question of affordability and policy for newbuild housing generally.
- 14.8 The key point to emphasise is that the issue of affordability is about the different costs to types (and tenures) of housing. Whether a household can afford social rent or outright purchase is a financial matter, but as emphasised in this report, income is only part of the answer to that question: a full range of financial information is required.
- 14.9 From the point of view of planning and housing policy and practice the key updating issue is the relative costs of types/tenures of housing. The housing needs and demand study has indicated the ability to afford housing in general. The policy issues which will arise from day to day are of a different type, for example:
- i) A house builder offers what is stated to be affordable housing of 2 bedrooms at a cost of £X per week. Is it affordable? All that needs to be done is to ensure that the costs are on a comparable and complete weekly basis, and the answer takes a few moments when comparing it with the cost table below.
 - ii) An RSL proposes shared ownership homes at a given price. Again when reduced to an overall weekly cost (including management/service charges) by making the purchase element into a weekly cost, the comparison with the table will soon show if the product is indeed intermediate or low cost market.
 - iii) When negotiating S106 Agreements reference to updated versions of this table will serve the purpose of ensuring that what is agreed to be housing of a given affordability really is.
- 14.10 As can be seen, all this important operational policy information can be derived directly from the table there is no need for any elaborate calculation.

How to calculate the updated prices

- 14.11 Before putting the purchase and weekly rent costs on a common basis, as discussed in the next sub-section, it is necessary to set out some points on the way in which a reasonable set of updated prices can be derived for a given (probably district) area. The following table sets out some guidance.

Table 14.2 Establishing new prices/rents

1. Prices/rents for each size of dwelling may vary substantially across a district (or Housing Market Area if different), often within short distances. It is therefore necessary to be careful in deriving district wide averages.
2. This tabulation sets out the issues to bear in mind when doing so, and should be treated as a general guide only. Each housing market has its individual characteristics which may suggest a somewhat different approach.
3. For social rents, the figures should be easily available within the Council's records. The points below concern the weekly costs of other tenure groups.
4. Using Rightmove, or similar website, enter the names of the main settlements and request one of the key groupings. In each case the data should be by size of dwelling in the four main size bands indicated in the table below.
 - (i) Market rent
 - (ii) Second hand purchase
 - (iii) Newbuild purchase (in this case there may be only a small sample in some cases, and so a degree of judgement will be necessary. For example there may be over-representation of one type/size of dwelling if there are only a few current housing schemes underway). A simple averaging may be misleading, if there are many sites in one part of a district and few or none in others.
5. Look for the 25th percentile in each case: in other words the 25th from the cheapest. Hence if there were 200 properties in a given band, the 50th would be the chosen one
6. That rent/price is the new figure for the revised table. Where it is a price, rather than a rent, it will need to be turned into a weekly cost using the table below.

Source: Fordham Research 2007

- 14.12 The next section describes a procedure for putting prices into a weekly cost format to enable comparison with rental information. The comparison could equally well be put into capital (i.e. equivalent to purchase) rather than weekly cost terms, but people are more familiar with weekly budgeting, and so weekly costs seem the more sensible approach.

Putting purchase prices on a weekly cost basis

14.13 The following table explains how to put purchase prices on a weekly basis, for insertion into the table.

Table 14.3 Turning the purchase price for a house into a weekly cost

1. Procedure

For interest only mortgage (which is preferable because it represents the cheapest method of entering the sector and therefore the entry level)

Cost of home = C

Interest rate = I

Interest to be on mortgage to be paid per year = P

Weekly Interest payment = W

Number used to derive weekly cost of owner occupation = N

$C \cdot I = P$

$P/52 = W$

$W/C = N$

2. Example of how it works

For example on a £50,000 home with an interest only mortgage rate of 5.99% the yearly payment will be £2,995, which equates to £57.60 per week.

Source: Fordham Research 2007

14.14 Once a full set of weekly costs has been obtained, this can be compared with the weekly costs table in the previous chapter, and rates of change in different parts of the size/tenure spectrum assessed. If the local housing market is strongly differentiated, this may need to be done for several sub-markets.

Policy use of the information

14.15 The revised table can be referred to in policy documents as a basic tool for assessing affordability. As emphasised above, it is not necessary to add income or other financial information. If the housing is cheaper than a given threshold, then it is affordable to the groups in question (those who can afford intermediate housing, or low cost market housing for example).

14.16 The revised table will, like that in this housing needs and demand study, represent a central policy tool both for the local authority to check the affordability of different types of housing (e.g. Intermediate or low cost market) and for private sector bodies to check the affordability of what they are offering. This tabulation should provide a neutral basis for comparison of alternative packages whether of market or affordable housing.

Summary

14.17 It is an important feature of housing research that it be a continuing process, not a 'one shot' report. Updating and monitoring is therefore a key feature of that process. Strategies are needed for regular monitoring and updating, and triggers may be added where rapid changes are noted.

14.18 Updating the primary data is not easily carried out, as it is a technical exercise. This is not a serious drawback as the structure of a housing market does not usually change fundamentally in less than about five years. As a result, most market responses are due to changes in weekly costs of housing.

14.19 The key statistic is the weekly cost of different tenures/sizes of dwelling. It is not, as is still sometimes thought], price income ratios. It is therefore essential to be able to update the key table of weekly costs in this housing needs and demand study. A simple procedure is set out for doing this.

Glossary

[This Glossary aims to define terms used in the report. Where there is an existing definition (e.g. in Government Guidance) references is made to it. Otherwise the terms are defined simply in the way used in the report]

County

This term is used to mean the historic county of Dorset in most cases in this report. The administrative County Council which leads the Steering Group that commissioned this study, does not administer the separate unitary councils of Bournemouth and Poole. However the data and analysis described as being for the 'county' includes all of the historic county, including Bournemouth and Poole.

Affordability

A measure of whether households can access and sustain the cost of private sector housing. There are two main types of affordability measure: mortgage and rental. Mortgage affordability assesses whether households would be eligible for a mortgage; rental affordability measures whether a household can afford private rental. Mortgage affordability is based on conditions set by mortgage lenders – using standard lending multipliers (2.9 times joint income or 3.5 times single income (whichever the higher)). Rental affordability is defined as the rent being less than a proportion of a household's gross income (in this case 25% of gross income).

Affordable housing

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should be at a cost which is below the costs of housing typically available in the open market and be available at a sub-market price in perpetuity (although there are some exceptions to this such as the Right-to-Acquire). [There is an ambiguity in PPS3: Housing, where 'intermediate housing' is defined as being below market entry to rent, while 'affordable housing' is defined to be below the threshold to buy (normally much higher than the private rental one). But in principle the Guidance defines affordable housing as below the market threshold, and rationally speaking, that includes the private rented as well as purchase sectors].

Annual need

The combination of the net future need plus an allowance to deal progressively with part of the net current need.

Average

The term 'average' when used in this report is taken to be a mean value unless otherwise stated.

Balanced Housing Market model

A model developed by Fordham Research which examines the supply and demand for different types and sizes of housing across different areas and for specific groups.

Bedroom standard

The bedroom standard is that used by the General Household Survey, and is calculated as follows: a separate bedroom is allocated to each co-habiting couple, any other person aged 21 or over, each pair of young persons aged 10-20 of the same sex, and each pair of children under 10 (regardless of sex). Unpaired young persons aged 10-20 are paired with a child under 10 of the same sex or, if possible, allocated a separate bedroom. Any remaining unpaired children under 10 are also allocated a separate bedroom. The calculated standard for the household is then compared with the actual number of bedrooms available for its sole use to indicate deficiencies or excesses. Bedrooms include bed-sitters, box rooms and bedrooms which are identified as such by respondents even though they may not be in use as such.

Concealed household

A household that currently lives within another household but has a preference to live independently and is unable to afford appropriate market housing.

Current need

Households whose current housing circumstances at a point in time fall below accepted minimum standards. This would include households living in overcrowded conditions, in unfit or seriously defective housing, families sharing, and homeless people living in temporary accommodation or sharing with others.

Demand

This refers to market demand. In principle anyone who has any financial capacity at all can 'demand' something, in other words want to acquire it and be prepared to pay for it. The question is whether they can pay enough actually to obtain it. Thus many households who are unable fully to afford market housing to buy do aspire to buy it. The word 'demand' is therefore used in two senses in this report:

'demand' when used in the general text refers to the ordinary understand of 'wanting' something that has a market price

‘demand’ when associated with numbers (as in the Balancing Housing Markets model) refers to expressed demand: the numbers of people who can actually afford the type of housing in question

In relation to (expressed) demand mention should be made of the private rented sector where typically there are not only households who can afford to rent at market prices, but also others who are unable to access affordable housing but who are able to access the private rented sector due to the subsidy of Housing Benefit. Such households do not have a demand in the sense used here, as they can only access the private rented sector with a subsidy.

Disaggregation

Breaking a numerical assessment of housing need and supply down, either in terms of size and/or type of housing unit, or in terms of geographical sub-areas within the District.

Entry level market housing.

The survey of prices and rents is focussed on ‘entry level’ prices/rents. That is to say the price/rent at which there is a reasonable supply of dwellings in reasonable condition. The purpose of this approach is to ensure that when assessments are made of say first time buyers, that the prices are the appropriate ones for the typical members of this group. Thus it would in many areas involve second-hand terraced housing, rather than newbuild, which would be much more expensive. Testing affordability against newbuild would clearly produce an underestimate of those who could afford to buy.

Financial capacity

This is defined as household income+savings+equity (the value of the property owned by owner occupiers, typically the family home, net of mortgage. This provides an indication, when put on a capital basis, of the amount which the household could afford to pay for housing. Since equity is now a substantial part of the overall financial capacity of the large fraction of owner occupiers it is essential to use this measure rather than the old price/income ratio to measure the activity of a housing market.

Forecast

Either of housing needs or requirements is a prediction of numbers which would arise in future years based on a model of the determinants of those numbers and assumptions about (a) the behaviour of households and the market and (b) how the key determinants are likely to change. It involves understanding relationships and predicting behaviour in response to preferences and economic conditions.

Grossing-up

Converting the numbers of actual responses in a social survey to an estimate of the number for the whole population. This normally involves dividing the expected number in a group by the number of responses in the survey.

Headship rates

Measures the proportion of individuals in the population, in a particular age/sex/marital status group, who head a household. Projected headship rates are applied to projected populations to produce projected numbers of households.

Household

One person living alone or a group of people who have the address as their only or main residence and who either share one meal a day or share a living room.

Household formation

The process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households which form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year which did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs).

(A) household living within another household

Is a household living as part of another household of which they are neither the head or the partner of the head.

Households sharing

Are households (including single people) who live in non-self-contained accommodation but do not share meals or a living room (e.g. 5 adults sharing a house like this constitute 5 one-person households).

Housing demand

The quantity of housing that households are willing and able to buy or rent.

Housing Market Area

The geographical area in which a substantial majority of the employed population both live and work, and where most of those changing home without changing employment choose to stay. In the local context the Council areas of Weymouth and Dorchester have been designed as a housing market area, although sub-markets exist within this boundary.

Housing need

Housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Housing Register

A database of all individuals or households who have applied to a local authority or RSL for a social tenancy or access to some other form of affordable housing. Housing Registers, often called Waiting Lists, may include not only people with general needs but people with support needs or requiring access because of special circumstances, including homelessness.

Housing size

Measured in terms of the number of bedrooms, habitable rooms or floorspace. This guidance uses the number of bedrooms.

Housing type

Refers to the type of dwelling, for example, flat, house, specialist accommodation.

Income

Income means gross household income unless otherwise qualified

Intermediate Housing

PPS3 defines intermediate housing as 'housing at prices and rents above those of social rent but below market prices or rents and which meet the criteria set out above. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent.'

Lending multiplier

The number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Lower quartile

The value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Market housing/low cost market housing

This is defined by CLG as anything not affordable. In the Housing Gaps Figure: anything above market entry. CLG has not defined 'low cost market' other than that it falls within the market range. Since this is very wide, it is not very helpful. The most useful kind of low cost market would be that which falls into the rent/buy gap on the Housing Gaps Figure. Shared ownership would provide a partial equity solution for those unable to afford second hand entry level purchase, for example.

Mean

The mean is the most common form of average used. It is calculated by dividing the sum of a distribution by the number of incidents in the distribution.

Median

The median is an alternative way of calculating the average. It is the middle value of the distribution when the distribution is sorted in ascending or descending order.

Migration

The movement of people between geographical areas primarily defined in this context as local authority Districts. The rate of migration is usually measured as an annual number of households, living in the District at a point in time, who are not resident in that District one year earlier.

Net need

The difference between need and the expected supply of available affordable housing units (e.g. from the re-letting of existing social rented dwellings).

Newly arising need

New households which are expected to form over a period of time and are likely to require some form of assistance to gain suitable housing together with other existing households whose circumstances change over the period so as to place them in a situation of need (e.g. households losing accommodation because of loss of income, relationship breakdown, eviction, or some other emergency).

Non-self-contained accommodation

Where households share a kitchen, bathroom or toilet with another household, or they share a hall or staircase that is needed to get from one part of their accommodation to another.

Overcrowding

An overcrowded dwelling is one which is below the bedroom standard. (See 'Bedroom Standard' above).

Primary data

Information that is collected from a bespoke data collection exercise (e.g. surveys, focus groups or interviews) and analysed to produce a new set of findings.

Potential households

Adult individuals, couples or lone parent families living as part of other households of which they are neither the head nor the partner of the head and who need to live in their own separate accommodation, and/or are intending to move to separate accommodation rather than continuing to live with their 'host' household.

Projection

Either of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Random sample

A sample in which each member of the population has an equal chance of selection.

Relets

Social rented housing units which are vacated during a period and become potentially available for letting to new tenants.

Rounding error

Totals in tables may differ by small amounts (typically one) due to the fact that fractions have been added together differently. Thus a table total may say 2011, and if the individual cell figures are added the total may come to 2012. This is quite normal and is a result of the computer additions made. Figures should never be taken to be absolutely accurate. No such state exists. The figures in this document are robust estimates not absolutely precise ones. The usual practice is to use the stated total (in the above case 2011) rather than the figure of 2012 to which the individual figures sum. That is because the total will have resulted from a rounding after all the fractions are taken fully into account.

Sample survey

Collects information from a known proportion of a population, normally selected at random, in order to estimate the characteristics of the population as a whole.

Sampling frame

The complete list of addresses or other population units within the survey area which are the subject of the survey.

Secondary data

Existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared equity schemes

Provide housing that is available part to buy (usually at market value) and part to rent.

SHMA (Strategic Housing Market Assessment)

SHMA drives from government guidance suggesting that the 'evidence base' required for the good planning of an area should be the product of a process rather than a technical exercise.

Social rented housing

PPS3 defines social rented housing as 'rented housing owned by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime, the proposals set out in the Three Year review of Rent Restructuring (July 2004) were implemented in policy in April 2006. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Housing Corporation as a condition of grant'

Special Needs

Relating to people who have specific needs: such as those associated with a disability.

Stratified sample

A sample where the population or area is divided into a number of separate sub-sectors ('strata') according to known characteristics based, for example, on sub-areas and applying a different sampling fraction to each sub-sector.

Specialised housing

Refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Supporting People

This term refers to a programme launched in 2003 which aims to provide a better quality of life for vulnerable people by aiding them to live independently and maintain their tenancies/current home life. The programme covers a wide variety of vulnerable people from travellers, to young people at risk, to those with HIV or AIDS. Supporting People provide housing related support in many different forms but include enabling individuals to access their correct benefits entitlement, ensuring they have the correct skills to manage their tenancy and providing advice on property adaptations.

Under-occupation

An under-occupied dwelling is one which exceeds the bedroom standard by two or more bedrooms.

Unsuitably housed households

All circumstances where households are living in housing which is in some way unsuitable, whether because of its size, type, design, location, condition or cost. Households can have more than one reason for being in unsuitable housing, and so care should be taken in looking at the figures: a total figure is presented for households with one or more unsuitability reason, and also totals for the numbers with each reason

Definitions

ABI - Annual Business Inquiry

BME - Black and Minority Ethnic

CBL - Choice Based Lettings

CORE - The Continuous Recording System (Housing association and local authority lettings/new tenants)

DETR - Department of the Environment, Transport and the Regions

GIS - Geographical Information Systems

HMO - Households in Multiple Occupation

HSSA - The Housing Strategy Statistical Appendix

IMD - Indices of Multiple Deprivation

LA - Local Authority

LCHO - Low Cost Home Ownership

LDF - Local Development Framework

NeSS - Neighbourhood Statistics Service

NHSCR - National Health Service Central Register

NOMIS - National On-line Manpower Information System

NROSH - National Register of Social Housing

ODPM - Office of the Deputy Prime Minister

ONS - Office for National Statistics

PPS - Planning Policy Statement

RSL - Registered Social Landlord

RSR - Regulatory and Statistical Return (Housing Corporation)

RTB - Right to Buy

SEH - Survey of English Housing

TTWA - Travel to Work Area

Appendix A1 Ward Level Data

Introduction

A1.1 This appendix provides details of the key survey findings at ward level. Although the sample sizes are generally good at ward level (and all are above the suggested figure of 100 in CLG guidance) care should be taken when interpreting the results as the findings at this level are subject to a greater degree of 'error' when compared with the figures presented in the main body of the report for all households in the Borough.

Number of households and sample size

A1.2 The table below shows the estimated number of households in each area and the number of returns from the postal survey. The largest ward in household terms is West Highcliffe (with 2,612 households) followed by Mundeford & Friars Cliffe. In terms of sample sizes it can be seen that these vary from 162 in West Highcliffe to 104 in Grange.

Table A1.1 Number of households in each ward and sample size

Ward	Number of households	% of households	Sample size	% of sample
Burton & Winkton	1,755	8.2%	120	8.4%
Grange	2,120	9.9%	104	7.2%
Highcliffe	1,882	8.8%	140	9.8%
Jumpers	1,646	7.7%	135	9.4%
Mundeford & Friars Cliffe	2,512	11.7%	144	10.0%
North Highcliffe & Walkford	1,562	7.3%	114	7.9%
Portfield	1,781	8.3%	115	8.0%
Purewell & Stanpit	1,924	8.9%	125	8.7%
St Catherine's & Hurn	1,631	7.6%	123	8.6%
Town Centre	2,075	9.7%	153	10.7%
West Highcliffe	2,612	12.1%	162	11.3%
Total	21,500	100.0%	1,435	100.0%

Source: Christchurch HNDS Fordham Research 2007

Tenure

A1.3 The table below shows the estimated tenure split in each of the 11 wards. The results show significant differences in the tenure profile of households in different locations within the Borough. The proportion of owner-occupiers without a mortgage varies from 17.5% in Grange to 69.3% in Highcliffe whilst the proportion of owners with a mortgage varies from 13.3% in Highcliffe to 44.8% in Portfield. In the rented sector the range of social renting tenants varies from 1.8% in West Highcliffe to 42.5% in Grange whilst the private rented sector varies in proportion from 0.8% in Jumpers to 11.2% in Town Centre.

Table A1.2 Tenure by ward

Ward	Owner-occupied (no mortgage)		Owner-occupied (with mortgage)		Social rented		Private rented		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Burton & Winkton	695	39.6%	750	42.7%	166	9.4%	145	8.2%	1,755	100.0%
Grange	371	17.5%	732	34.6%	902	42.5%	115	5.4%	2,120	100.0%
Highcliffe	1,303	69.3%	250	13.3%	208	11.1%	120	6.4%	1,882	100.0%
Jumpers	749	45.5%	656	39.9%	227	13.8%	13	0.8%	1,646	100.0%
Mundeford & Friars Cliffe	1,569	62.5%	631	25.1%	102	4.0%	211	8.4%	2,512	100.0%
North Highcliffe & Walkford	944	60.4%	461	29.5%	103	6.6%	54	3.5%	1,562	100.0%
Portfield	584	32.8%	797	44.8%	243	13.6%	157	8.8%	1,781	100.0%
Purewell & Stanpit	922	47.9%	629	32.7%	217	11.3%	155	8.1%	1,924	100.0%
St Catherine's & Hurn	871	53.4%	600	36.8%	112	6.8%	49	3.0%	1,631	100.0%
Town Centre	990	47.7%	563	27.2%	289	13.9%	233	11.2%	2,075	100.0%
West Highcliffe	1,664	63.7%	773	29.6%	47	1.8%	128	4.9%	2,612	100.0%
Total	10,660	49.6%	6,844	31.8%	2,616	12.2%	1,380	6.4%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Dwelling types

A1.4 The tables below show how the type of accommodation in each ward varies across the Borough. The results indicate that the proportion of detached houses or bungalows varies from 16.0% in Grange to 81.0% in St Catherine's & Hurn. Highcliffe records the highest proportion of flats at 51.7%, whilst four wards have less than 10% flats.

Table A1.3 Dwelling type by ward (households)

Ward	Detached house	Semi detached house	Terraced house	Detached bungalow	Semi or terraced bungalow	Flat	Total
Burton & Winkton	256	296	663	321	99	119	1,755
Grange	117	467	415	222	117	783	2,120
Highcliffe	267	33	106	484	19	973	1,882
Jumpers	421	349	233	334	194	115	1,646
Mudford & Friars Cliffe	536	264	486	787	51	388	2,512
North Highcliffe & Walkford	359	198	269	612	39	85	1,562
Portfield	450	463	163	132	34	540	1,781
Purewell & Stanpit	263	378	719	309	49	207	1,924
St Catherine's & Hurn	503	60	69	818	54	126	1,631
Town Centre	446	345	348	116	0	820	2,075
West Highcliffe	539	407	282	845	224	315	2,612
Total	4,157	3,260	3,753	4,980	880	4,471	21,500

Source: Christchurch HNDS Fordham Research 2007

Table A1.4 Dwelling type by ward (percentages)

Ward	Detached house	Semi detached house	Terraced house	Detached bungalow	Semi or terraced bungalow	Flat	Total
Burton & Winkton	14.6%	16.9%	37.8%	18.3%	5.6%	6.8%	100.0%
Grange	5.5%	22.0%	19.6%	10.5%	5.5%	36.9%	100.0%
Highcliffe	14.2%	1.8%	5.6%	25.7%	1.0%	51.7%	100.0%
Jumpers	25.6%	21.2%	14.1%	20.3%	11.8%	7.0%	100.0%
Mudford & Friars Cliffe	21.3%	10.5%	19.4%	31.3%	2.0%	15.4%	100.0%
North Highcliffe & Walkford	23.0%	12.7%	17.2%	39.2%	2.5%	5.4%	100.0%
Portfield	25.3%	26.0%	9.1%	7.4%	1.9%	30.3%	100.0%
Purewell & Stanpit	13.6%	19.6%	37.4%	16.1%	2.6%	10.7%	100.0%
St Catherine's & Hurn	30.8%	3.7%	4.2%	50.2%	3.3%	7.8%	100.0%
Town Centre	21.5%	16.6%	16.8%	5.6%	0.0%	39.5%	100.0%
West Highcliffe	20.6%	15.6%	10.8%	32.3%	8.6%	12.1%	100.0%
Total	19.3%	15.2%	17.5%	23.2%	4.1%	20.8%	100.0%

Source: Christchurch HNDS Fordham Research 2007

Household type

A1.5 The tables below show the variation in the type of household resident in each ward. The tables show that the proportion of pensioner households varies from 28.1% in Portfield to 69.1% in Highcliffe, whilst the proportion of households containing children varies from 5.8% in Highcliffe to 35.8% in Burton & Winkton.

Table A1.5 Household type by ward (households)

Ward	Single pensioners	2 or more pensioners	Single non-pensioners	2 or more adults - no children	Lone parent	2+ adults 1 child	2+ adults 2+ children	Total
Burton & Winkton	223	333	109	460	111	247	271	1,755
Grange	443	211	345	566	232	110	214	2,120
Highcliffe	743	556	142	332	0	29	78	1,882
Jumpers	265	243	176	698	11	98	154	1,646
Mundeford & Friars Cliffe	512	592	311	833	21	99	143	2,512
North Highcliffe & Walkford	238	404	196	432	45	65	183	1,562
Portfield	307	195	249	574	82	173	200	1,781
Purewell & Stanpit	437	278	192	695	87	138	96	1,924
St Catherine's & Hurn	342	408	48	592	16	120	105	1,631
Town Centre	549	419	280	555	29	140	103	2,075
West Highcliffe	524	659	305	749	42	126	207	2,612
Total	4,585	4,299	2,352	6,485	677	1,347	1,755	21,500

Source: Christchurch HNDS Fordham Research 2007

Table A1.6 Household type by ward (percentages)

Ward	Single pensioners	2 or more pensioners	Single non-pensioners	2 or more adults - no children	Lone parent	2+ adults 1 child	2+ adults 2+ children	Total
Burton & Winkton	12.7%	19.0%	6.2%	26.2%	6.3%	14.1%	15.4%	100.0%
Grange	20.9%	10.0%	16.2%	26.7%	10.9%	5.2%	10.1%	100.0%
Highcliffe	39.5%	29.6%	7.6%	17.7%	0.0%	1.6%	4.2%	100.0%
Jumpers	16.1%	14.8%	10.7%	42.4%	0.7%	6.0%	9.3%	100.0%
Mundeford & Friars Cliffe	20.4%	23.6%	12.4%	33.1%	0.9%	4.0%	5.7%	100.0%
North Highcliffe & Walkford	15.3%	25.9%	12.5%	27.6%	2.9%	4.1%	11.7%	100.0%
Portfield	17.2%	10.9%	14.0%	32.2%	4.6%	9.7%	11.2%	100.0%
Purewell & Stanpit	22.7%	14.5%	10.0%	36.1%	4.5%	7.2%	5.0%	100.0%
St Catherine's & Hurn	21.0%	25.0%	2.9%	36.3%	1.0%	7.4%	6.5%	100.0%
Town Centre	26.5%	20.2%	13.5%	26.7%	1.4%	6.7%	5.0%	100.0%
West Highcliffe	20.1%	25.2%	11.7%	28.7%	1.6%	4.8%	7.9%	100.0%
Total	21.3%	20.0%	10.9%	30.2%	3.1%	6.3%	8.2%	100.0%

Source: Christchurch HNDS Fordham Research 2007

Household size

A1.6 The table below shows the variation in the size of household resident in each ward. The table shows that the proportion of one person households varies from 18.9% in Burton & Winkton to 47.0% in Highcliffe, whilst the proportion of households containing four or more people varies from 5.5% in Highcliffe to 26.4% in Burton & Winkton.

Table A1.7 Household size by ward

Ward	One person		Two people		Three people		Four or more people		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Burton & Winkton	332	18.9%	708	40.3%	251	14.3%	464	26.4%	1,755	100.0%
Grange	787	37.1%	615	29.0%	298	14.1%	419	19.8%	2,120	100.0%
Highcliffe	885	47.0%	835	44.4%	58	3.1%	103	5.5%	1,882	100.0%
Jumpers	441	26.8%	699	42.5%	217	13.2%	288	17.5%	1,646	100.0%
Mudford & Friars Cliffe	823	32.8%	1,254	49.9%	165	6.6%	269	10.7%	2,512	100.0%
North Highcliffe & Walkford	434	27.8%	727	46.5%	126	8.1%	275	17.6%	1,562	100.0%
Portfield	556	31.2%	628	35.3%	298	16.7%	299	16.8%	1,781	100.0%
Purewell & Stanpit	629	32.7%	829	43.1%	277	14.4%	189	9.8%	1,924	100.0%
St Catherine's & Hurn	390	23.9%	802	49.2%	249	15.2%	190	11.7%	1,631	100.0%
Town Centre	829	40.0%	900	43.4%	153	7.4%	193	9.3%	2,075	100.0%
West Highcliffe	829	31.7%	1,192	45.7%	206	7.9%	385	14.7%	2,612	100.0%
Total	6,937	32.3%	9,190	42.7%	2,297	10.7%	3,076	14.3%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Overcrowding and under-occupation

A1.7 It can be seen in the table below that overcrowding is relatively uncommon in Christchurch, and therefore figures for the number of overcrowded households should be treated with caution. The highest proportions of overcrowded households were in Grange and Purewell & Stanpit. Under-occupation was much more common; with the proportion of households under-occupying varying from 22.8% in Grange to 51.9% in North Highcliffe & Walkford.

Table A1.8 Overcrowding/under-occupation by ward

Ward	Overcrowded		OK		Under-occupied		Total	
	No.	%	No.	%	No.	%	No.	%
Burton & Winkton	16	0.9%	1,115	63.5%	624	35.5%	1,755	100.0%
Grange	39	1.8%	1,599	75.4%	483	22.8%	2,120	100.0%
Highcliffe	13	0.7%	1,209	64.2%	660	35.1%	1,882	100.0%
Jumpers	11	0.7%	990	60.2%	644	39.1%	1,646	100.0%
Mudford & Friars Cliffe	23	0.9%	1,530	60.9%	959	38.2%	2,512	100.0%
North Highcliffe & Walkford	15	1.0%	736	47.1%	811	51.9%	1,562	100.0%
Portfield	0	0.0%	1,256	70.5%	526	29.5%	1,781	100.0%
Purewell & Stanpit	32	1.7%	1,174	61.0%	718	37.3%	1,924	100.0%
St Catherine's & Hurn	0	0.0%	838	51.4%	793	48.6%	1,631	100.0%
Town Centre	14	0.7%	1,344	64.8%	718	34.6%	2,075	100.0%
West Highcliffe	0	0.0%	1,535	58.8%	1,076	41.2%	2,612	100.0%
Total	162	0.8%	13,326	62.0%	8,011	37.3%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Household mobility

A1.8 The table below shows that by far the most mobile population, based on past trends, is found in the Town Centre with 24.7% of households having lived in their current home for less than two years. The ward of Jumpers showed the most stable population, with 70.1% having lived at their present address for over 5 years.

Table A1.9 Length of residence by ward

Ward	Less than 1 year		1 to 2 years		3 to 5 years		Over 5 years		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Burton & Winkton	167	9.5%	90	5.2%	305	17.4%	1,192	67.9%	1,755	100.0%
Grange	151	7.1%	165	7.8%	512	24.1%	1,292	61.0%	2,120	100.0%
Highcliffe	216	11.5%	171	9.1%	324	17.2%	1,171	62.2%	1,882	100.0%
Jumpers	114	6.9%	65	4.0%	313	19.0%	1,154	70.1%	1,646	100.0%
Mudford & Friars Cliffe	143	5.7%	163	6.5%	528	21.0%	1,678	66.8%	2,512	100.0%
North Highcliffe & Walkford	91	5.8%	83	5.3%	385	24.6%	1,003	64.2%	1,562	100.0%
Portfield	159	8.9%	159	8.9%	267	15.0%	1,197	67.2%	1,781	100.0%
Purewell & Stanpit	158	8.2%	232	12.0%	403	20.9%	1,131	58.8%	1,924	100.0%
St Catherine's & Hurn	196	12.0%	57	3.5%	255	15.6%	1,123	68.9%	1,631	100.0%
Town Centre	278	13.4%	235	11.3%	380	18.3%	1,182	57.0%	2,075	100.0%
West Highcliffe	328	12.5%	201	7.7%	425	16.3%	1,658	63.5%	2,612	100.0%
Total	2,001	9.3%	1,621	7.5%	4,096	19.1%	13,782	64.1%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Moving intentions – existing households

A1.9 The table below shows the number and proportion of households who need or expect to move home in the next two years. Households living in Grange are particularly likely to be future movers with 25.0% of households in this area stating that they need or are likely to move in the next two years. At the other end of the scale the figure for Highcliffe is only 7.3%.

Table A1.10 Moving intentions of existing households by ward

Ward	Now		Within a year		1 to 2 years		Not moving with 2 years		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Burton & Winkton	18	1.0%	161	9.2%	120	6.9%	1,455	82.9%	1,755	100.0%
Grange	172	8.1%	227	10.7%	132	6.2%	1,590	75.0%	2,120	100.0%
Highcliffe	26	1.4%	96	5.1%	15	0.8%	1,745	92.7%	1,882	100.0%
Jumpers	38	2.3%	24	1.5%	93	5.6%	1,490	90.6%	1,646	100.0%
Mudeford & Friars Cliffe	93	3.7%	144	5.7%	138	5.5%	2,136	85.0%	2,512	100.0%
North Highcliffe & Walkford	27	1.7%	66	4.2%	71	4.6%	1,398	89.5%	1,562	100.0%
Portfield	91	5.1%	144	8.1%	159	9.0%	1,387	77.8%	1,781	100.0%
Purewell & Stanpit	63	3.3%	158	8.2%	214	11.1%	1,489	77.4%	1,924	100.0%
St Catherine's & Hurn	55	3.4%	53	3.2%	136	8.3%	1,388	85.1%	1,631	100.0%
Town Centre	54	2.6%	151	7.3%	123	5.9%	1,747	84.2%	2,075	100.0%
West Highcliffe	62	2.4%	192	7.4%	151	5.8%	2,206	84.5%	2,612	100.0%
Total	699	3.3%	1,417	6.6%	1,353	6.3%	18,030	83.9%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Newly forming households

A1.10 The table below shows the rate of intended future household formation by ward. It shows the highest rate was recorded in Burton & Winkton (5.3%) and the lowest in Highcliffe (0.7%).

Table A1.11 Rate of new household formation by ward

Ward	Number of households intending to form in the next two years	Number of existing households	Annual rate of household formation
Burton & Winkton	186	1,755	5.3%
Grange	167	2,120	3.9%
Highcliffe	27	1,882	0.7%
Jumpers	115	1,646	3.5%
Mudford & Friars Cliffe	114	2,512	2.3%
North Highcliffe & Walkford	125	1,562	4.0%
Portfield	96	1,781	2.7%
Purewell & Stanpit	132	1,924	3.4%
St Catherine's & Hurn	139	1,631	4.3%
Town Centre	98	2,075	2.4%
West Highcliffe	112	2,612	2.1%
Total	1,312	21,500	3.1%

Source: Christchurch HNDS Fordham Research 2007

Car ownership

A1.11 The table below considers variations in car ownership by ward. There is some variation in car ownership across the eleven wards with Grange showing 31.9% of households questioned had no car; this compares with only 6.1% of households in North Highcliffe & Walkford. Multiple car ownership was most frequent in St Catherine's & Hurn, where 46.1% of households had more than one car.

Table A1.12 Car ownership by ward

Ward	None		One		Two		Three or more		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Burton & Winkton	155	8.8%	790	45.0%	642	36.6%	169	9.6%	1,755	100.0%
Grange	675	31.9%	966	45.6%	334	15.7%	145	6.8%	2,120	100.0%
Highcliffe	574	30.5%	947	50.3%	347	18.4%	14	0.8%	1,882	100.0%
Jumpers	274	16.6%	773	47.0%	482	29.3%	117	7.1%	1,646	100.0%
Mudeford & Friars Cliffe	271	10.8%	1,506	59.9%	606	24.1%	129	5.1%	2,512	100.0%
North Highcliffe & Walkford	95	6.1%	905	57.9%	519	33.3%	43	2.7%	1,562	100.0%
Portfield	364	20.4%	858	48.2%	455	25.5%	104	5.9%	1,781	100.0%
Purewell & Stanpit	343	17.8%	921	47.9%	526	27.4%	133	6.9%	1,924	100.0%
St Catherine's & Hurn	200	12.2%	680	41.7%	574	35.2%	177	10.9%	1,631	100.0%
Town Centre	449	21.6%	1,002	48.3%	518	25.0%	106	5.1%	2,075	100.0%
West Highcliffe	266	10.2%	1,398	53.5%	769	29.5%	179	6.8%	2,612	100.0%
Total	3,665	17.0%	10,747	50.0%	5,773	26.9%	1,315	6.1%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Economic status

A1.12 Employment rates were also measured; the proportion of household heads in work was highest in Burton & Winkton (56.3%), and lowest in Highcliffe (18.4%), which also had the largest proportion of retired people in the area, at 78.0% of households. Unemployment figures were low, but unemployment was highest in Portfield (7.3%).

Table A1.13 Economic status of household head by ward

Ward	Working		Unemployed		Retired		Other		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Burton & Winkton	988	56.3%	16	0.9%	606	34.5%	145	8.3%	1,755	100.0%
Grange	947	44.7%	74	3.5%	801	37.8%	299	14.1%	2,120	100.0%
Highcliffe	347	18.4%	26	1.4%	1,468	78.0%	41	2.2%	1,882	100.0%
Jumpers	818	49.7%	35	2.1%	649	39.4%	143	8.7%	1,646	100.0%
Mudford & Friars Cliffe	969	38.6%	36	1.4%	1,338	53.3%	169	6.7%	2,512	100.0%
North Highcliffe & Walkford	719	46.0%	0	0.0%	772	49.4%	72	4.6%	1,562	100.0%
Portfield	903	50.7%	130	7.3%	593	33.3%	155	8.7%	1,781	100.0%
Purewell & Stanpit	1,007	52.4%	57	2.9%	768	39.9%	92	4.8%	1,924	100.0%
St Catherine's & Hurn	701	43.0%	15	0.9%	858	52.6%	57	3.5%	1,631	100.0%
Town Centre	887	42.7%	25	1.2%	1,058	51.0%	106	5.1%	2,075	100.0%
West Highcliffe	1,049	40.2%	46	1.7%	1,412	54.0%	106	4.0%	2,612	100.0%
Total	9,334	43.4%	460	2.1%	10,323	48.0%	1,383	6.4%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Income and savings

A1.13 Household incomes and savings varied significantly between wards, as shown in the table below. The levels of savings appear high, but as explained in the Financial Information chapter above, there is a wide distribution of levels of savings, and so the presence of a significant retired and/or wealthy element in the population makes raises the average. The lowest average income was found in Grange (at £17,572). The ward with the highest income, 87% higher than the lowest at £32,891, was St Catherine's & Hurn.

Table A1.14 Average household income and savings by ward

Ward	Average annual gross household income	Average savings
Burton & Winkton	£28,138	£23,778
Grange	£17,572	£7,277
Highcliffe	£22,744	£63,831
Jumpers	£28,636	£29,650
Mudford & Friars Cliffe	£28,101	£66,810
North Highcliffe & Walkford	£26,484	£52,055
Portfield	£24,756	£22,508
Purewell & Stanpit	£28,799	£30,418
St Catherine's & Hurn	£32,891	£57,168
Town Centre	£28,997	£42,986
West Highcliffe	£26,690	£43,233
Average	£26,584	£40,428

Source: Christchurch HNDS Fordham Research 2007

Unsuitable housing

A1.14 The table below shows the location of unsuitably housed households in Christchurch. The table indicates that the level of unsuitable housing varies from 2.0% in North Highcliffe & Walkford to 9.8% in Grange.

Table A1.15 Location of households in unsuitable housing

Ward	In unsuitable housing		Not in unsuitable housing		Total	
	No.	%	No.	%	No.	%
Burton & Winkton	81	4.6%	1,674	95.4%	1,755	100.0%
Grange	208	9.8%	1,912	90.2%	2,120	100.0%
Highcliffe	70	3.7%	1,812	96.3%	1,882	100.0%
Jumpers	73	4.5%	1,572	95.5%	1,646	100.0%
Mudford & Friars Cliffe	111	4.4%	2,401	95.6%	2,512	100.0%
North Highcliffe & Walkford	31	2.0%	1,531	98.0%	1,562	100.0%
Portfield	68	3.8%	1,713	96.2%	1,781	100.0%
Purewell & Stanpit	113	5.9%	1,810	94.1%	1,924	100.0%
St Catherine's & Hurn	103	6.3%	1,528	93.7%	1,631	100.0%
Town Centre	64	3.1%	2,011	96.9%	2,075	100.0%
West Highcliffe	72	2.8%	2,540	97.2%	2,612	100.0%
Total	996	4.6%	20,504	95.4%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Housing need

A1.15 The table below shows the location of households currently in need in Christchurch. The table indicates that there are three wards where no current need has been identified (Highcliffe, Portfield and St Catherine's & Hurn). The highest level of housing need was estimated to be in Grange (4.3% of households).

Table A1.16 Location of households currently in need

Ward	In need		Not in need		Total	
	No.	%	No.	%	No.	%
Burton & Winkton	32	1.8%	1,723	98.2%	1,755	100.0%
Grange	90	4.3%	2,030	95.7%	2,120	100.0%
Highcliffe	0	0.0%	1,882	100.0%	1,882	100.0%
Jumpers	13	0.8%	1,633	99.2%	1,646	100.0%
Mudford & Friars Cliffe	23	0.9%	2,489	99.1%	2,512	100.0%
North Highcliffe & Walkford	15	1.0%	1,547	99.0%	1,562	100.0%
Portfield	0	0.0%	1,781	100.0%	1,781	100.0%
Purewell & Stanpit	64	3.3%	1,860	96.7%	1,924	100.0%
St Catherine's & Hurn	0	0.0%	1,631	100.0%	1,631	100.0%
Town Centre	28	1.4%	2,047	98.6%	2,075	100.0%
West Highcliffe	34	1.3%	2,578	98.7%	2,612	100.0%
Total	299	1.4%	21,201	98.6%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Future need

A1.16 The table below shows the location of households likely to be in need in the future. The figures are annualised. The table indicates that there are four wards where the level of future need is less than 1% of the number of households. The highest level of future need is estimated to be in Grange where the future gross need per annum is estimated to be equivalent to 3.0% of the current number of households.

Table A1.17 Location of households in future need (annual)

Ward	In need		Not in need		Total	
	No.	%	No.	%	No.	%
Burton & Winkton	43	2.4%	1,712	97.6%	1,755	100.0%
Grange	64	3.0%	2,056	97.0%	2,120	100.0%
Highcliffe	30	1.6%	1,852	98.4%	1,882	100.0%
Jumpers	8	0.5%	1,638	99.5%	1,646	100.0%
Mundeford & Friars Cliffe	22	0.9%	2,490	99.1%	2,512	100.0%
North Highcliffe & Walkford	9	0.6%	1,553	99.4%	1,562	100.0%
Portfield	13	0.7%	1,768	99.3%	1,781	100.0%
Purewell & Stanpit	41	2.1%	1,883	97.9%	1,924	100.0%
St Catherine's & Hurn	26	1.6%	1,605	98.4%	1,631	100.0%
Town Centre	56	2.7%	2,019	97.3%	2,075	100.0%
West Highcliffe	37	1.4%	2,575	98.6%	2,612	100.0%
Total	348	1.6%	21,152	98.4%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Special needs households

A1.17 The table below shows the location of special needs households in Christchurch. The table indicates that the proportion of special needs households varies from 16.2% in Purewell & Stanpit to 31.9% in Grange.

Table A1.18 Location of special needs households						
Ward	Special needs		Non-special needs		Total	
	No.	%	No.	%	No.	%
Burton & Winkton	441	25.2%	1,313	74.8%	1,755	100.0%
Grange	677	31.9%	1,443	68.1%	2,120	100.0%
Highcliffe	428	22.7%	1,454	77.3%	1,882	100.0%
Jumpers	432	26.2%	1,214	73.8%	1,646	100.0%
Mundeford & Friars Cliffe	503	20.0%	2,009	80.0%	2,512	100.0%
North Highcliffe & Walkford	272	17.4%	1,290	82.6%	1,562	100.0%
Portfield	437	24.5%	1,344	75.5%	1,781	100.0%
Purewell & Stanpit	311	16.2%	1,613	83.8%	1,924	100.0%
St Catherine's & Hurn	455	27.9%	1,176	72.1%	1,631	100.0%
Town Centre	562	27.1%	1,513	72.9%	2,075	100.0%
West Highcliffe	465	17.8%	2,147	82.2%	2,612	100.0%
Total	4,983	23.2%	16,517	76.8%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Older person households

A1.18 The table below shows the location of older person only households in Weymouth & Portland. The table indicates that the proportion of older person only households varies from 28.2% in Portfield to 69.0% in Highcliffe.

Table A1.19 Location of older person only households

Ward	Older person only households		Other households		Total	
	No.	%	No.	%	No.	%
Burton & Winkton	556	31.7%	1,199	68.3%	1,755	100.0%
Grange	654	30.9%	1,466	69.1%	2,120	100.0%
Highcliffe	1,299	69.0%	583	31.0%	1,882	100.0%
Jumpers	508	30.9%	1,138	69.1%	1,646	100.0%
Mudford & Friars Cliffe	1,105	44.0%	1,407	56.0%	2,512	100.0%
North Highcliffe & Walkford	643	41.1%	920	58.9%	1,562	100.0%
Portfield	502	28.2%	1,279	71.8%	1,781	100.0%
Purewell & Stanpit	716	37.2%	1,208	62.8%	1,924	100.0%
St Catherine's & Hurn	750	46.0%	881	54.0%	1,631	100.0%
Town Centre	969	46.7%	1,106	53.3%	2,075	100.0%
West Highcliffe	1,183	45.3%	1,429	54.7%	2,612	100.0%
Total	8,884	41.3%	12,616	58.7%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Key workers

A1.19 The table below shows the location of households headed by a key worker in Christchurch. The table shows that the proportion of key worker households varies from 3.7% in Highcliffe to 14.0% in Purewell & Stanpit.

Table A1.20 Location of key worker households						
Ward	Key worker households		Non-key worker households		Total	
	No.	%	No.	%	No.	%
Burton & Winkton	204	11.6%	1,551	88.4%	1,755	100.0%
Grange	144	6.8%	1,976	93.2%	2,120	100.0%
Highcliffe	69	3.7%	1,813	96.3%	1,882	100.0%
Jumpers	171	10.4%	1,474	89.6%	1,646	100.0%
Mundeford & Friars Cliffe	206	8.2%	2,306	91.8%	2,512	100.0%
North Highcliffe & Walkford	163	10.4%	1,400	89.6%	1,562	100.0%
Portfield	176	9.9%	1,605	90.1%	1,781	100.0%
Purewell & Stanpit	270	14.0%	1,654	86.0%	1,924	100.0%
St Catherine's & Hurn	210	12.9%	1,421	87.1%	1,631	100.0%
Town Centre	231	11.1%	1,844	88.9%	2,075	100.0%
West Highcliffe	152	5.8%	2,460	94.2%	2,612	100.0%
Total	1,996	9.3%	19,504	90.7%	21,500	100.0%

Source: Christchurch HNDS Fordham Research 2007

Appendix A2 Supporting Information

Non-response and missing data

A2.1 Missing data is a feature of all housing surveys: mainly due to a respondent's refusal to answer a particular question (e.g. income). For all missing data in the survey imputation procedures were applied. In general, throughout the survey the level of missing data was minimal. The main exception to this was in relation to financial information, where there was an appreciable (although typical) level of non-response.

A2.2 Non-response can cause a number of problems:

- The sample size is effectively reduced so that applying the calculated weight will not give estimates for the whole population
- Variables which are derived from the combination of a number of responses each of which may be affected by item non-response (e.g. collecting both respondent and their partners income separately) may exhibit high levels of non-response
- If the amount of non-response substantially varies across sub-groups of the population this may lead to a bias of the results

A2.3 To overcome these problems missing data was 'imputed'. Imputation involves substituting for the missing value, a value given by a suitably defined 'similar' household, where the definition of similar varies depending on the actual item being imputed.

A2.4 The specific method used was to divide the sample into sub-groups based on relevant characteristics and then 'Probability Match' where a value selected from those with a similar predicted value was imputed. The main sub-groups used were tenure, household size and age of respondent.

Weighting data

A2.5 The survey data was weighted to estimated profiles of households based on various secondary sources of information. The tables below show the final estimates of the number of households in each group (for four different variables) along with the number of actual survey responses (data for tenure can be found in Chapter 2 and data for ward can be found in Appendix A1). Although in some cases it is clear that the proportion of survey responses is close to the 'expected' situation there are others where it is clear that the weighting of data was necessary to ensure that the results as presented are reflective of the household population of Christchurch.

Table A2.1 Accommodation type profile

Accommodation type	Estimated households	% of households	Number of returns	% of returns
Detached house/bungalow	9,136	42.5%	633	44.1%
Semi-detached house/bungalow	7,892	36.7%	514	35.8%
Flat	4,471	20.8%	288	20.1%
TOTAL	21,500	100.0%	1,435	100.0%

Source: Christchurch HNDS Fordham Research 2007

Table A2.2 Car ownership

Cars owned	Estimated households	% of households	Number of returns	% of returns
None	3,665	17.0%	209	14.6%
One	10,747	50.0%	749	52.2%
Two	5,773	26.9%	396	27.6%
Three or more	1,315	6.1%	81	5.6%
TOTAL	21,500	100.0%	1,435	100.0%

Source: Christchurch HNDS Fordham Research 2007

Table A2.3 Household type profile

Household type	Estimated households	% of households	Number of returns	% of returns
Single pensioner	4,585	21.3%	307	21.4%
2 or more pensioners	4,299	20.0%	321	22.4%
Single non-pensioner	2,352	10.9%	160	11.1%
Other households	10,264	47.7%	647	45.1%
TOTAL	21,500	100.0%	1,435	100.0%

Source: Christchurch HNDS Fordham Research 2007

Table A2.4 Household size

Number of people in household	Estimated households	% of households	Number of returns	% of returns
One	6,937	32.3%	467	32.5%
Two	9,190	42.7%	644	44.9%
Three	2,297	10.7%	134	9.3%
Four	2,282	10.6%	147	10.2%
Five	622	2.9%	36	2.5%
Six or more	171	0.8%	7	0.5%
TOTAL	21,500	100.0%	1,435	100.0%

Source: Christchurch HNDS Fordham Research 2007

Table A2.5 Council Tax Band				
Council Tax Band	Estimated households	% of households	Number of returns	% of returns
A	1,526	7.1%	78	5.4%
B	1,976	9.2%	130	9.1%
C	5,383	25.0%	343	23.9%
D	5,861	27.3%	410	28.6%
E	4,699	21.9%	326	22.7%
F to H	2,054	9.6%	148	10.3%
TOTAL	21,500	100.0%	1,435	100.0%

Source: Christchurch HNDS Fordham Research 2007

Appendix A3 Balancing Housing Markets Analysis

Introduction

A3.1 The following tables show the detailed analysis for the six components contributing to the Balancing Housing Market Analysis presented in Chapter 10 of this report.

Analysis of Christchurch data

A3.2 The first table shows an estimate of the housing requirements of potential households. The table is based on the number of potential households who need or expect to form over the next two years within the Borough along with estimates about affordability and stated size requirement. Any potential households who would both like and expect to move from the Borough are excluded from this analysis. Figures are annualised.

Table A3.1 Demand I: Household formation by tenure and size required

Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	33	63	0	0	96
Private rented	60	24	21	0	105
Intermediate	26	0	0	0	26
Social rented	62	23	0	0	84
TOTAL	180	110	21	0	311

Source: Christchurch HNDS Fordham Research 2007

A3.3 The table below shows the estimated demand from in-migrant households. This is based on the profile of households who have moved into the Borough over the past two years (in terms of affordability and size/type of accommodation secured). Figures are again annualised.

Table A3.2 Demand II: Demand from in-migrants by tenure and size required					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	50	280	359	103	792
Private rented	7	110	36	9	162
Intermediate	0	0	0	0	0
Social rented	38	18	0	0	56
TOTAL	95	408	395	111	1,009

Source: Christchurch HNDS Fordham Research 2007

A3.4 The table below shows estimated future demand from existing households. The figures are based on what tenure and size of accommodation households would like or expect to move to in the future (next two years) along with considerations of affordability. Figures are again annualised.

Table A3.3 Demand III: Demand from existing households by tenure and size required					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	18	262	275	139	694
Private rented	35	78	23	12	148
Intermediate	0	38	14	0	53
Social rented	52	148	76	9	286
TOTAL	105	526	389	160	1,180

Source: Christchurch HNDS Fordham Research 2007

A3.5 The table below is an overall summary of the demand situation and is calculated as the sum of the three previous tables.

Table A3.4 Demand IV: Total demand by tenure and size required					
Tenure	Size requirement				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	101	605	635	241	1,582
Private rented	101	212	80	21	414
Intermediate	26	38	14	0	78
Social rented	152	188	76	9	425
TOTAL	380	1,044	805	271	2,500

Source: Christchurch HNDS Fordham Research 2007

A3.6 The table below provides an estimate of the likely future supply of accommodation (by tenure and size) from household dissolutions (i.e. death). The table is based on applying age specific national mortality statistics (2001) to the local population to estimate the proportion of households who are likely to wholly dissolve each year.

Table A3.5 Supply I: Supply from household dissolution					
Tenure	Size released				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	14	137	83	10	245
Private rented	5	4	0	0	9
Intermediate	0	0	0	0	0
Social rented	53	13	5	0	72
TOTAL	72	155	89	10	326

Source: Christchurch HNDS Fordham Research 2007

A3.7 The table below shows an estimate of the supply of housing that would be released when households who would like and expect to move from the Borough do so. For example a household out-migrating from a four-bedroom owner-occupied dwelling is assumed to free-up a four-bedroom owner-occupied dwelling for use by another household. The data is annualised and based on moves over the next two years.

Table A3.6 Supply II: Supply from out-migrant households					
Tenure	Size released				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	
Owner-occupation	20	142	165	62	389
Private rented	25	86	29	0	140
Intermediate	0	0	0	0	0
Social rented	26	0	0	0	26
TOTAL	71	228	194	62	555

Source: Christchurch HNDS Fordham Research 2007

A3.8 The table below shows estimated future supply from existing households. As with the above data the figures are based on the type and size of accommodation that would become available if a household moved to alternative accommodation. Figures are annualised from data for two years.

Table A3.7 Supply III: Supply from existing households					
Tenure	Size released				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	18	196	326	115	656
Private rented	59	139	55	30	282
Intermediate	0	0	0	0	0
Social rented	77	151	14	0	242
TOTAL	154	487	395	144	1,180

Source: Christchurch HNDS Fordham Research 2007

A3.9 The table below is the sum of the three previous tables and shows the overall estimated annual supply for each tenure and size group.

Table A3.8 Supply IV: Total supply					
Tenure	Size released				TOTAL
	1 bedroom	2 bedrooms	3 bedrooms	4+bedrooms	
Owner-occupation	52	475	575	187	1,289
Private rented	89	229	84	30	431
Intermediate	0	0	0	0	0
Social rented	156	165	19	0	340
TOTAL	297	870	678	216	2,061

Source: Christchurch HNDS Fordham Research 2007

Appendix A4 Inference of housing need at ward level

Introduction

A4.1 This appendix expands on the information on the location of housing need presented in Appendix A1 by providing an annual estimate of housing need at ward level alongside data on the distribution of the social rented stock. The purpose is to provide indicative information on levels of need for affordable housing at the detailed local level. The gross needs figures are subject to wider margins of error than those at district level, due to the smaller samples, but generally provide reasonable indications of relative gross need. If desired, wards can be grouped, and this will clearly improve the accuracy of the estimates.

Inferred housing need at ward level

A4.2 The table below presents the information that can be used to estimate the relative housing need in each ward. It presents the annualised level of gross need in each ward, which is calculated by annualising the current need and adding it to the future need. This allows the propensity of need in each ward to be calculated, alongside the distribution of need across the District.

A4.3 The distribution of supply cannot be reliably modelled from the survey; therefore the estimated affordable housing stock in each ward is presented. This is based on the distribution recorded by the Census, applied pro-rata to the estimated size of the affordable stock in Christchurch currently.

A4.4 In order to infer a net housing need figure it is necessary to make assumptions about the turnover of the affordable stock listed in the last column. This will vary from ward to ward. Typically turnover rates are lower in rural than in urban areas. The current national level of turnover is 6.6%, and the general range is fairly closely around this figure. In the national scale, affordable housing shows higher turnover than owner occupied housing although, apart from poor quality urban estates, normally lower turnover rates than the private rented sector. Due to the general shortage of affordable housing in Dorset, plus the rural factor, turnover rates are relatively low. These points should be considered whilst inferring net housing needs figures at the ward, or groups of wards, level.

A4.5 It is also important to be aware that it is not normally feasible, and often not desirable to meet housing need exactly where it arises. The wider strategic context of site allocation, access to services and many other factors are involved in decisions about where to put both market and affordable housing. Hence it would be wrong to apply these figures mechanistically.

Inferred housing need in Christchurch

A4.6 The table provides gross annual figures for housing need (first column) and estimated size of affordable housing stock (last column). By applying a turnover rate, inferences can be made about the net affordable housing requirement in each ward. The overall turnover of relets in the affordable stock (including shared ownership accommodation) in Christchurch is $(130/2,665) \times 100 = 4.9\%$.

Table A4.1: Location of households in need and affordable housing stock

Ward	Number of households in need (annually)	Total Number of h'holds	% of h'hold in ward in need	As a % of those in need	Estimated size of affordable sector
Burton & Winkton	49	1,755	2.8%	12.1%	186
Grange	82	2,120	3.9%	20.1%	921
Highcliffe	30	1,882	1.6%	7.3%	160
Jumpers	11	1,646	0.6%	2.6%	235
Mudford & Friars Cliffe	27	2,512	1.1%	6.5%	148
North Highcliffe & Walkford	12	1,562	0.8%	2.9%	138
Portfield	13	1,781	0.7%	3.2%	176
Purewell & Stanpit	54	1,924	2.8%	13.2%	296
St Catherine's & Hurn	26	1,631	1.6%	6.4%	52
Town Centre	62	2,075	3.0%	15.1%	321
West Highcliffe	44	2,612	1.7%	10.7%	23
Total	408	21,500	1.9%	100.0%	2,655

Source: Fordham Research Dorset HNA 2007

Summary

A4.7 The table shows sharp variations in both the gross level of need (first column) and the amount of social housing stock (last column). It must always be considered, however, that it is normally impossible, and often undesirable to meet need where it arises.

A4.8 Hence it is important to look at the detailed figures provided here, in the context of wider local knowledge of each area in coming to a policy view on where new affordable housing should be put.

Appendix A5 Survey Questionnaire

