

First Occupation' Expenditure

Research suggests that the average homeowner, when moving into a new dwelling, spends approximately £5,500 to make their house 'feel like home'¹. This money is generally spent on furnishing and decorating a property, which will generate a range of economic benefits including further indirect and induced jobs in local businesses.

By applying this average value of one-off spending on household products and services, it is estimated that the new residents of the 1,700 dwellings could generate £9.4 million of 'first occupation' expenditure. This injection of resident spending within the local economy will help to support local businesses.

Ongoing Resident Expenditure

An analysis of Output Area Classifications data indicates that the neighbourhoods surrounding the proposed development are largely occupied by households in the 'Suburbanites' socio-economic classification group². The population in this group tends to be a mixture of those above retirement age and middle-aged parents with school age children. Individuals from this group are likely to have higher-level qualifications than the national average, with the levels of unemployment in these areas tending to fall below the national average. Residents who are employed are more likely to work in information, communication and financial related industries.

The latest ONS Family Spending Survey (2020 edition)³ provides data on household spending by socio-economic classification group. This indicates UK average spending levels of £682 per week for households in the 'Suburbanites' socio-economic group. Spending by South West households is 4% higher than the UK on average. Assuming that the population of the proposed development at Dorset were to broadly reflect these socio-economic characteristics, it is estimated that average household expenditure could be equivalent to £710.7 per week.

It is assumed that households living within the 35% affordable units in the proposed development will broadly match the ONS 'hard-pressed living' socio-economic group. Based on data from the latest ONS Family Spending Survey, it is estimated that weekly expenditure by households within the 'hard-pressed living' socio-economic group amounts to £482.5 per week in the South West.

As a result, it is estimated that the residents of the proposed development could generate **total gross expenditure of around £55.8m per annum** once fully occupied.

Net Resident Expenditure

It is recognised that not all residents of the proposed development will be 'new' to the local area, as some will move from elsewhere in Dorset and beyond. National research provides standards on the average distance moved between a head of the household's present and previous residential address, which can be used to estimate the share of residents of the scheme that may be genuinely new to the locality⁴.

In addition, only a proportion of the gross expenditure will be retained in the local area. Based on analysis of the Council's latest comprehensive retail evidence (Bournemouth, Christchurch and East Dorset Joint Retail and Leisure Study 2016⁵) where a detailed survey within Dorset has been undertaken on the retained expenditure and turnover of comparison goods and convenience goods, it

¹ Research carried out by OnePoll surveying around 2,000 UK adults in August 2014: <https://www.barratthomes.co.uk/the-buying-process/home-buying-advice/>

² ONS, (2011); Area Classification for Output Areas

³ ONS, (2020); ONS Family Spending Survey

⁴ DTLR, (2016); Survey of English Housing, Tenure by Distance Moved

⁵ Lichfields (2016); Bournemouth, Christchurch, and East Dorset Joint Retail and Leisure Study [Available at: <https://www.dorsetcouncil.gov.uk/documents/35024/369456/Volume+1+Bournemouth%2C+Christchurch+and+East+Dorset+Joint+Retail+and+Leisure+Study.pdf/4681f4df-6d13-8986-d27b-4bae6152b2c9>]

is estimated from this study that 68% of spending on goods and services will be retained within the retail study area where the proposed development is located.

Taking these factors into account, it is estimated that residents of the proposed development could **generate £25.9m of net additional expenditure per annum** within Dorset. This additional spending will support the vitality and viability of local firms and could encourage other businesses to move to the local market as well as supporting the function of local centres.

It is estimated that this additional expenditure could support a further **386 FTE jobs** in retail, leisure, hospitality, catering and other local service sectors.

The economic benefits of Land at Alderholt, Dorset

The proposed development at Alderholt will provide 1,700 new homes, a new employment centre and a mixed use village centre which will include new local shops, community floorspace and a doctor's surgery. This will stimulate economic growth, assist in meeting Dorset's housing requirements and add to the authority's revenues.

The proposal



1,700 New homes **35%** Affordable homes

Other details:

The scheme will also deliver a significantly larger recreation ground/ village park with enhanced sports facilities and all weather pitches. As well as approximately 50 hectares of new open space linked by over 7 miles of new walking and cycling routes.

Construction benefits



£475m
Construction value
(total construction cost)



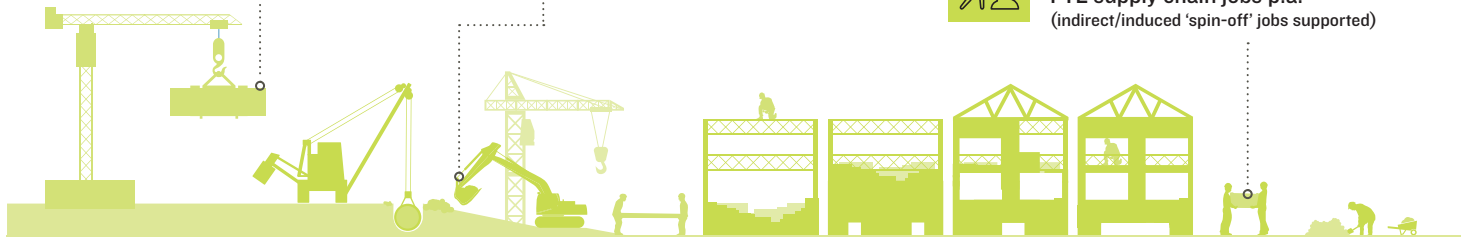
£178m GVA
Economic output
(additional GVA p.a.)



1,095 Jobs
Direct FTE construction jobs p.a.
(temporary jobs over the build period)



1,435 Jobs
FTE supply chain jobs p.a.
(indirect/induced 'spin-off' jobs supported)



Operational and expenditure benefits



£9.4m
First occupation expenditure
(spending to make a house 'feel like a home')



564 Direct jobs
(additional jobs from new commercial/community uses)



210 Supply chain jobs
(indirect/induced jobs supported)



£25.9m
Resident expenditure
(additional expenditure to the wider economy)



386 Supported jobs
(from increased expenditure in local area)



£35.5m
Economic output
(additional GVA p.a.)



Local Authority revenue benefits



£4.1m
Council Tax revenues
(p.a.)



£20m
Planning contributions
(S106 or CIL)



£529,000
Business rate revenues
(p.a.)

