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# Dunsfold Parish Housing Needs Assessment (HNA)

July 2018

## Quality information

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**List of acronyms used in the text:**

AH	Affordable Housing (NPPF definition)
ALP	Adopted Local Plan for Waverley Borough Council
AMH	Affordable Market Housing
DPC	Dunstable Parish Council
HLIN	Housing Learning and Improvement Network
HNA	Housing Needs Assessment
LPA	Local Planning Authority
MHCLG	Ministry for Housing, Communities and Local Government (formerly DCLG)
NA	Neighbourhood Area
NP	Neighbourhood Plan
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SHLAA	Strategic Housing Land Availability Assessment
SHMA15	West Surrey Strategic Housing Market Assessment, September 2015
SHMAW	West Surrey Strategic Housing Market Assessment – Waverley Sub Area Addendum, November 2015
WBC	Waverley Borough Council

# 1. Executive Summary

## Headlines

1. AECOM's objective assessment of housing need in Dunsfold is **90 dwellings over the Plan period**. However, given that a minimum figure of 100 dwellings has recently been put forward for Dunsfold in the Adopted Local Plan (ALP), it is for Dunsfold Parish Council (DPC) to discuss with Waverley Borough Council (WBC) how both **local and strategic** housing need can be met in the parish most effectively.
2. Given the affordability pressures in Dunsfold, particularly for younger households and **first time buyers**, both affordable homeownership such as **shared ownership tenure homes**, and **affordable rented homes**, likely delivered through **built-to-rent development**, would be appropriate to meeting local housing needs, although Starter Homes may face viability issues in the context of a national cap on prices. A local connections policy can be best evidenced through a **local housing survey**, which may best be implemented via planning conditions.
3. Smaller housing is needed in Dunsfold, particularly in the context of **affordable housing tenures**. Should older households express a preference for downsizing, there would be **significant local evidence** to suggest the need for smaller homes in future. There is high demand for **terraced homes**, and Dunsfold Parish Council should consider whether site specific policies might be used to bring such housing forward, particularly where it enables **smaller homes** to be delivered.
4. AECOM has identified a need for up to **21 specialist dwellings for the elderly** in Dunsfold until the end of the Plan period, of which **5 should be provided as affordable or social rented homes**, and which should count towards. Further survey work would help to establish levels of demand for this type of housing in the market sector in Dunsfold, which could provide further evidence to underpin such developments. Where such dwellings are self-contained, these should count towards the overall housing target above, whilst non-self-contained dwellings should, according to new national guidance<sup>1</sup>, should count at a ratio of 1:1.8 (i.e. 21 non-self-contained specialist dwellings would count as 12 dwellings towards the overall target above).
5. **Starter Homes** could provide appropriate housing for **younger households**; however these will not provide for those on median incomes and may not be viable in Dunsfold. Furthermore, high house prices mean that some households may be **prevented from forming** as a result of affordability pressures. In this context, other forms of affordable housing, including **affordable rented housing** and **community led housing**, could provide appropriate solutions for young people from Dunsfold.

## Introduction

6. DPC is designated as a Qualifying Body (QB) and has decided to prepare a Neighbourhood Plan for the Parish area, referred to in this study as the Neighbourhood Area (NA). The 2011 Localism Act introduced neighbourhood planning, allowing parishes, town councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area. We have been asked to prepare a Housing Needs Assessment by the Parish Council, based on a robust methodology, local data, and focussed on a number of research questions agreed with the Parish Council.
7. As more and more town and parish councils and neighbourhood forums seek to address housing growth, including tenure and type of new housing, it has become evident that housing policies need to be underpinned by robust, objectively assessed housing data.
8. In the words of the national Planning Practice Guidance (PPG), establishing future need for housing is not an exact science, and no single approach will provide a definitive answer<sup>2</sup>. The process involves making balanced judgements based on the qualitative and statistical evidence gathered as well as having regard for relevant national and local planning policies and guidance.
9. At a neighbourhood planning level, one important consideration is determining the extent to which the neighbourhood diverges from the local authority average, reflecting the fact that a single town, village, or neighbourhood almost never constitutes a housing market area on its own and must therefore be assessed in its wider context.
10. The guidance quoted above on housing needs assessment is primarily aimed at local planning authorities preparing Strategic Housing Market Assessments (SHMAs), which are used to determine housing need at a local authority and/or housing market area level. However, it helpfully states that those preparing neighbourhood plans can use the guidance to identify specific local needs that may be relevant to a neighbourhood, but that any assessment at such a localized level should be proportionate.

<sup>1</sup> <https://www.gov.uk/government/publications/housing-delivery-test-measurement-rule-book>

<sup>2</sup> PPG Paragraph: 014 Reference ID: 2a-014-20140306 Revision date: 06 03 2014

11. Our brief was to advise on data at this more local level to help DPC understand the quantity, tenure, type, and size of housing needed to inform neighbourhood plan policies. This HNA should be read in conjunction with the Housing Needs Survey produced for DPC after the study was begun, with local plan policies taking into account both local opinions such as those expressed in surveys, as well as empirical evidence, such as Census data, collated here.

### PPG-based assessment

12. This objective and independent housing needs advice note follows the PPG approach where relevant. This ensures our findings are appropriately evidenced. The PPG advises that assessment of development needs should be thorough but proportionate and does not require planners to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.

### Summary of methodology

13. Housing Needs Assessment (HNA) at neighbourhood plan level can be focused either on quantity of housing needed, type of housing needed, or both. In most cases, there is a need to focus on quantity where the housing target for the area is unclear, for example where the local authority has not set a specific target for the area, or where there is no Local Plan in place.
14. In the case of Dunsfold however, the adopted Local Plan for Waverley Borough Council (WBC) indicates projected minimum growth of 100 homes for the parish. However, DPC have still requested that this HNA consider the appropriate level of housing required, as well as what types, tenures and sizes of housing are needed by the local population living in Dunsfold.
15. The rationale for this approach is that neighbourhood plans need to meet the basic conditions, the fulfilment of which is tested through an independent examination. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan.
16. The Government's Planning Practice Guidance indicates that the level of housing development is likely to count as a strategic policy.<sup>3</sup> As such, this HNA investigates specific local needs that are relevant to the neighbourhood whilst supporting the strategic development needs set out in the ALP. This means a neighbourhood plan can propose more housing where there is demonstrable need, but not less than the ALP.
17. In terms of the types of housing needed, there is generally more flexibility on what neighbourhood plans can cover. In order to understand the types of housing needed in Dunsfold, we have gathered a wide range of local evidence and distilled this into policy recommendations designed to inform decisions on housing characteristics.

### Focus on demand rather than supply

18. Our approach is to provide advice on the housing required based on need and/or demand rather than supply. This is in line with the PPG, which states that '*the assessment of development needs should be an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints.*'<sup>4</sup>
19. For this reason, we advise that the conclusions of this report should be assessed against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate and follow-on exercise<sup>5</sup>.

### Quantity of Housing Needed

20. Our assessment of a wide range of data sources identified three separate projections of dwelling numbers for Dunsfold between 2013 and 2032:
  - a) A figure derived from the ALP for Waverley (which gives a total of a minimum of **100 dwellings, or 5 dwellings per annum rounded**);
  - b) A 'proportionate share' derivation from the SHMA, Objectively Assessed Need<sup>6</sup> (OAN); **total of 79 dwellings** over the Plan period (rounded to the nearest whole number), or **4 dwellings per annum rounded**;

<sup>3</sup> PPG Paragraph: 006 Reference ID: 2a-006-20140306

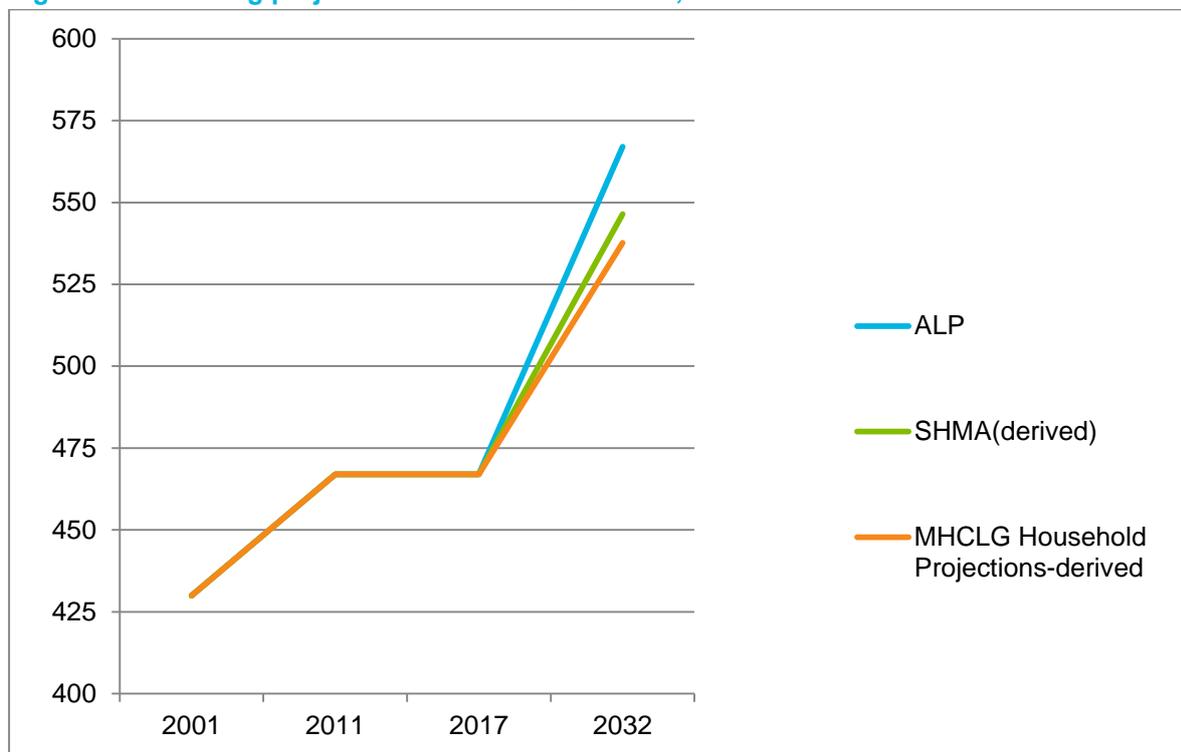
<sup>4</sup> See Planning Practice Guidance, Paragraph: 004 Reference ID: 2a-004-20140306 Revision date: 06 03 2014

<sup>5</sup> Such an approach, clearly separating housing need assessment from dwelling capacity assessment, was endorsed by the Government for calculating housing need at local authority level in the ministerial statement and press release 'Councils must protect our precious green belt land' (MHCLG, 4 October 2014, available at <https://www.gov.uk/government/news/councils-must-protect-our-precious-green-belt-land>)

- c) MHCLG Household Projection of **71 dwellings to the end of the Plan period, or 4 dwellings per annum rounded.**

21. These dwelling number projections are illustrated in **Figure 1-1** below.

**Figure 1-1: Dwelling projections for the Dunsfold NA, 2017-2032**



Source: AECOM

- 22. The graph above sets out the total number of homes projected for Dunsfold according to a range of sources. The starting point to arrive at an overall projection for housing numbers to be delivered in the NA over the Plan period is the average of the three projections set out above; we depart from this approach if we have reason to believe a given projection should be awarded more weight than others, or should be excluded. For example, if the Local Plan was out of date in planning terms, or another was a clear outlier.
- 23. In the case of Dunsfold, the Planning Inspectorate has deemed the SHMA to be unreliable, and therefore we have excluded its estimate of housing from our calculations (although in some parts of this document, we have used data from the SHMA as part of the evidence to underpin our conclusions).
- 24. As such, the initial housing projection for the town is 85 dwellings over the Plan period or 5 dwellings per annum over the Plan period. However, according to PPG, housing market factors, known as 'market signals' must be taken into account in any objective assessment of housing need.
- 25. The table on the following page summarises the conclusions in Chapter 9 regarding the potential market signals which are likely to impact on the need for housing in Dunsfold over the Plan period.
- 26. We have applied our professional judgment on the scales of increase and decrease associated with each factor on a scale from one to three, where one arrow indicates 'some impact', two arrows 'stronger impact' and three arrows indicates an even stronger impact. Factors are set out in the table below in alphabetical but no other order.

<sup>6</sup> The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the PPG).

**Table 1-1: Summary of factors specific to Dunsfold with a potential impact on neighbourhood plan housing quantity**

Factor	Source(s) (detailed in Chapter 7)	Possible impact on future housing need	Rationale for judgement
<b>Employment and commuting</b>	Census 2001/2011, DataShine Commute' accessed at: <a href="http://commute.datashine.org.uk">http://commute.datashine.org.uk</a>		<p>There is a Borough-wide issue of expensive house prices combined with high levels of out-commuting. As a consequence, local companies are experiencing difficulties in recruiting workers who, for many, are unable to afford local prices.</p> <p>Yet, there are many small enterprises across the Borough, providing a significant amount of jobs locally. Therefore, there is a potential to capitalise on the growing current and future local economy by providing local affordable homes for workers.</p> <p>Furthermore, planning permission has been granted for mixed use development at Dunsfold Aerodrome which is likely to create further job opportunities. As such, two up arrows have been deemed appropriate, to account for relatively positive employment prospects locally.</p>
<b>Housing sales (prices)</b>	Land Registry Price Paid Data for 2007-2016		Prices in Dunsfold are higher than the borough average, but have dropped over the last 10 years for all types except for terraced housing. We have deemed one up arrow appropriate to account for that higher price for terraced housing, which suggests a strong demand for that type.
<b>Housing sales (volume)</b>	Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data,		There are some discrepancies between the proportion of housing of some types sold and the proportion of that type in the existing stock. This suggests that there may be a slight imbalance of supply and demand, with higher demand for terraced dwellings, and lower demand for flats, compared with availability within the existing stock. However we do not see this as a significant indicator of increased demand, and therefore a neutral arrow is appropriate.
<b>Rate of development</b>	Census Data 2001, 2011		Across Waverley, there has significantly under-delivered against HMA targets during the past five years. Therefore it is reasonable to suggest three up arrows to account for the accumulated under-delivery.
<b>Overcrowding and concealment</b>	Local Authority Monitoring Report		There is no evidence of overcrowding and concealed families in Dunsfold, therefore a neutral arrow is deemed appropriate.

27. The PPG is clear that market signals should be applied to projections of housing need. Indeed, the NPPF also makes clear that market signals should be taken account of in plan making<sup>7</sup> and that 'market trends' should inform the mix of housing.<sup>8</sup>

<sup>7</sup> NPPF, Para 17

<sup>8</sup> NPPF, Para 50

28. Whilst market signals have clearly informed the local plan figure used in these calculations, as well as the SHMA figure (which has not been factored in), the clear evidence of affordability issues in Dunsfold (as evidenced in Chapter 4), which are more significant than across Waverley, suggests the need for a further uplift to the housing figure.
29. Our judgement suggests that a 6% uplift on the base projections would be suitable based on the factors described above. This would provide Dunsfold with a housing figure of 90 over the Plan period.
30. However, given that the ALP has already specified a minimum of 100 dwellings for Dunsfold over the Plan period, partly as a result of Waverley meeting the strategic needs of other authorities, DPC should discuss with WBC how influencing the type and size of housing built in the parish might help to meet local needs as much as the exact quantity of housing delivered, particularly in relation to younger households whose formation might be constrained by the affordability issues noted above.
31. Below we consider in more detail our findings and recommendations relating to the type of housing needed.

## Types of Housing Needed

**Table 1-2: Summary of factors specific to Dunsfold with a potential impact on neighbourhood plan housing type**

Factor	Source(s) (see Chapters 4-6)	Possible impact on housing needed	Conclusion
<b>Affordable Housing<sup>9</sup></b>	Census 2001/2011, Land Registry PPD, SHMA15, Housing Register, Waverley Borough Council Housing Allocations Scheme	<p>Dunsfold is dominated by owner occupied housing, but in fact it has a slightly higher proportion (14.3%) of social rented housing than the borough average (12.3%). However, in recent years, there has been a significant shift towards the private rented sector.</p> <p>House prices and rents mean that housing is particularly unaffordable, with entry level house prices 13.89 times average annual earnings, slightly higher than the average of 13.62 across Waverley.</p> <p>There are also 8 households on the waiting list for affordable housing in Waverley, as well as numerous households expressing a preference to live there.</p> <p>Starter Homes are relatively unlikely to be viable in Dunsfold, and discounted market sale housing may not provide access to homeownership for even those on median incomes in the area.</p>	<p>The evidence suggests a very significant affordability issue in Dunsfold, but that the need for social rented housing may be smaller than the need for other tenures of affordable housing appropriate for newly forming households, as discussed in more detail below.</p> <p>A Local Connection Policy may be introduced in a Neighbourhood Plan based on robust data showing local need, and this could be potentially supplied through a household survey. Planning obligations may well be the most effective way to achieve the implementation of such a policy.</p>
<b>Demand/need for smaller dwellings</b>	Census 2001/2011, MHCLG 2014-based household projections, ONS Sub-National Population Projections	<p>We have demonstrated that the ageing of the population was more pronounced in the NA than in the Borough and that on average, households were smaller. We have shown that in Waverley, households tended to down-size to 1 bed flats and 2 bed houses after 70.</p> <p>Furthermore, the number of childless couples and one person households are</p>	Based on the evidence, we believe there should be an uplift to the proportion of 2-3 bedrooms as recommended by the SHMA15, such that these homes make up between 70% and 80% of all new homes built, although the tenure of homes will also need to be considered. There is no evidence identified for the need to provide 1 bedroom dwellings except in the context of affordable housing, for which there is an

<sup>9</sup> The term 'Affordable Housing' denotes the planning definition set out on page 50 of the National Planning Policy Framework, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)

Factor	Source(s) (see Chapters 4-6)	Possible impact on housing needed	Conclusion
	2014, SHMA15	<p>forecast to grow, most of them aged over 65. While some of the childless couples will choose to remain in their large properties after their children have left, the ageing of the population combined with a reduction in the size of household is likely to increase the need for smaller dwellings with 2-3 rooms or 1 to 2 bedrooms flats/house.</p> <p>Although 2 and 3-bedroom dwellings combined have increased by 13.4% between 2001 and 2011, they only form 10.5% of the housing stock in 2011, with a similar level in the Borough.</p>	identified local need.
<b>Demographic change</b>	Census 2001/2011, MHCLG 2014-based household projections, ONS Sub-National Population Projections 2014, SHMA15	<p>Regarding demographics, trends in Dunsfold are relatively similar to Waverley.</p> <p>There are, however, some differences. Firstly, the population of Dunsfold is older on average (the median age in Dunsfold as of 2011 was 48.7, against 42 in Waverley). This is reflected in the current age distribution, as the majority of residents are above the age of 45. Secondly, the average household is smaller in Dunsfold (2.24) than in Waverley (2.47).</p> <p>Over the inter-censal period, the population of Dunsfold aged over 45 has increased by 62.2% whilst its population aged below 45 has decreased by 26.2%. By contrast, Waverley has experienced an increase of 44.2% of the population aged over 45 and a small increase of 2.3% of its population below 45. Therefore, both areas have been experiencing ageing, although that phenomenon has been more prominent in the NA.</p>	Given the trends described in the SHMA15 towards the ageing of the HMA population, and the forecast reduction of the size of households from now until the end of the Plan period, Dunsfold is likely to be strongly influenced by Borough-wide trends, and should households express a preference for downsizing (for example in household surveys), there is a case for developing smaller housing and appropriate specialist housing as discussed in more detail below.
<b>Dwelling type</b>	Census 2001/2011, SHMA15	Currently, detached and semi-detached are the two predominant types; almost 50% of households in Dunsfold live in a detached property. The NA has very few flats and terraced housing. Terraced houses are likely to be appropriate to meet the demand for smaller properties. In addition, the evidence from the Market Signals section suggests an unmet demand for terraced properties.	We would recommend that the parish council consider how site specific allocations policies might help shape the design of housing developments towards providing terraced properties, given the identified demand for this type. Such prescriptions will be subject to viability considerations, and it may be that flats of a similar size to a smaller terraced home (2-3 bedrooms) could adequately meet identified local needs.
<b>Family-sized</b>	Census 2001/2011,	29% of households in Dunsfold are families with children. This number has	Although the number of families with children will not increase as much as other household types,

Factor	Source(s) (see Chapters 4-6)	Possible impact on housing needed	Conclusion
<b>housing</b>	SHMA15	increased during the inter-censal period by 13.5% and projections suggest it will increase by 12.1% in Waverley over the Plan period, significantly less than other household types, suggesting that there is unlikely to be significant need for large dwellings in future. Furthermore, as many current families will downsize from now until the end of the Plan period, part of the family-sized stock will likely be released and made available to newly-formed family households.	it is important in the context of an aging population to maintain a balance of different housing types so as to attract different kinds of households to the area. Therefore, a proportion of houses should be family-sized with 4 to 5 rooms (flat/house with 3 bedrooms and 2 reception rooms). Based on the evidence assembled here, we recommend a smaller percentage than the one put forward by the SHMA15 20% to 30% of new buildings in the NA should have 3 to 4 bedrooms.
<b>Housing for independent living for older people</b>	HLIN, Census 2001/2011, ONS Sub-National Population Projections 2014, SHMA15	<p>There are slightly fewer very elderly people aged 85+ people in Dunsfold than across Waverley, although this is more than made up for by the greater number of people aged 65+. Both groups are projected to grow by more than 50% over the Plan period.</p> <p>Pensioners are more likely to occupy social rented housing (14.6%) than other households (11.8%), but also more likely to own their own home (80.6%), with those owning without a mortgage (74.2%) being the dominant tenure across the HMA.</p> <p>Partly as a result of this tenure mix, older people are also more likely to under-occupy housing, with 58.8% have two or more extra bedrooms, verses just 36.2% across the HMA. In Dunsfold itself, other households were much more likely to under-occupy housing (51.1%) though still less likely than pensioners (62.5%).</p> <p>In terms of health, older people in Dunsfold have similar levels of mobility limitations to the rest of the Borough, if slightly lower.</p>	<p>It is worthwhile collecting local views via a household survey on whether older people in Dunsfold would like to downsize and remain in the village, as not all older households living with extra bedrooms may wish to do so, partly because of care and social needs in later life. This would help to establish the need for market sector specialist housing.</p> <p>Our assessment of the need for specialist housing for the elderly in Dunsfold is 21 units over the Plan period, of which 5 should be affordable. This is based on the existing rate of provision across Waverley, which is 94 per 1000 households aged 75+. It is also worth considering whether in the future, housing of this type might be aimed at those in other age groups, namely those aged 55+, both to enable a wider target market for developments, as well as to create balanced, mixed communities for older people living in specialist housing.</p>
<b>Specialist housing for younger people</b>	EHS 15/16, ONS, House Price Statistics for Small Areas, UKHPI, IFS, NHPAU, Resolution Foundation, SHMA15, Demos	Whilst the number of first time buyers has increased to its highest point across the UK since 2008, such households spend on average £50,000 on a deposit, and 29% receive assistance from friends or family. Indeed, just 5% of first time buyers came from those on the lowest 20% of incomes, and approximately three quarters of first time buyers earn over £30,000 per annum after tax. As noted above, entry level properties (those at lower quartile prices) are extremely unaffordable in Dunsfold, being more than 13 times the wages of those on	<p>Starter homes could offer a potential solution to younger people wishing to buy more affordable forms of housing in Dunsfold, particularly as these are the government's primary specialist housing programme for the young delivered through planning policy. However these will not provide for those on median incomes and may not be viable in Dunsfold.</p> <p>Furthermore, younger people are much more likely to be students or unemployed than all other age groups, and thus, other forms of affordable housing may be appropriate to meet their needs. These could include other forms of</p>

Factor	Source(s) (see Chapters 4-6)	Possible impact on housing needed	Conclusion
		lower quartile incomes. The ONS estimates that an annual income of more than £64,000 would be required to buy an entry level (£340,000) home in Dunsfold, more than twice the England and Wales Average.	affordable home ownership products such as shared ownership, allowing households to buy only a portion of their home, or where these types of homes are still too expensive (as has been demonstrated, particularly for those on Lower Quartile Incomes), housing built to rent may be most appropriate, which could include affordable rented housing let at a 20% discount on market rates. There are also a range of community-led Housing models that could also help Dunsfold Parish Council to deliver housing for young people from the area.

Source: AECOM

### Recommendations for next steps

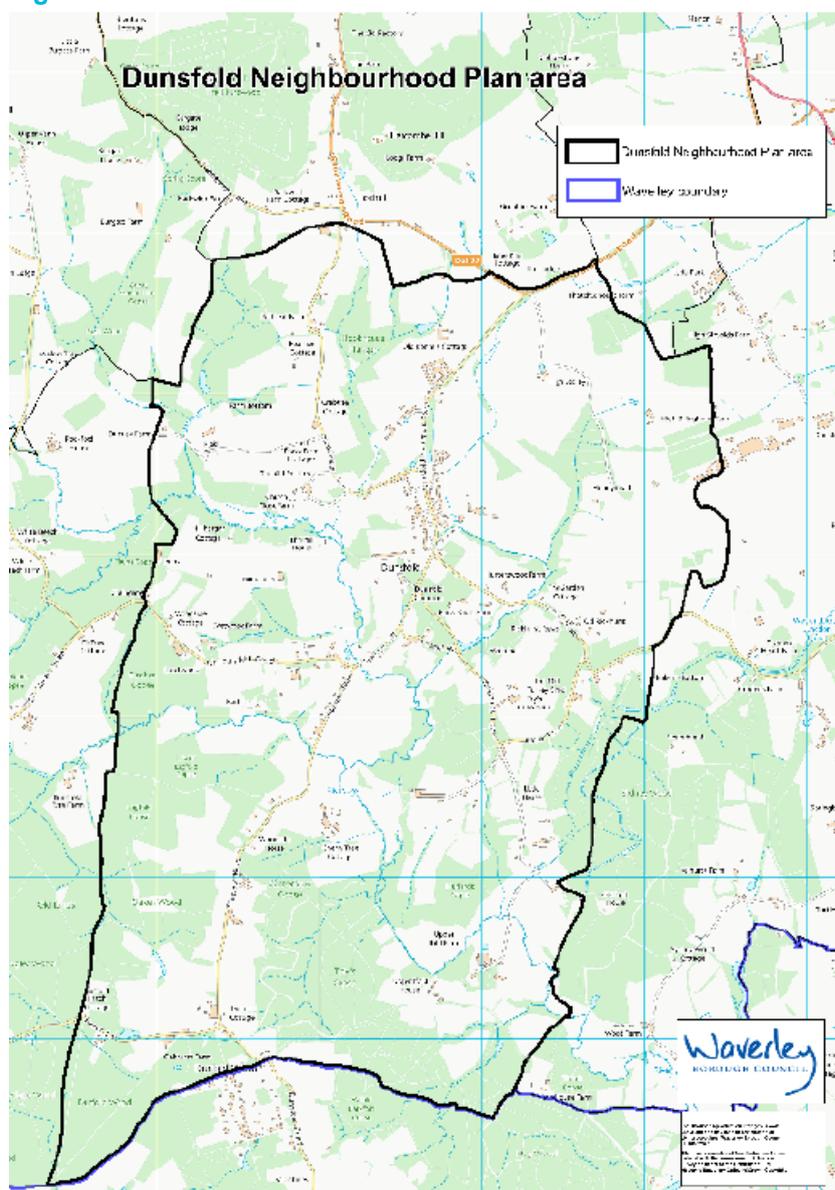
32. This neighbourhood plan housing needs advice has aimed to provide DPC with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with WBC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:
- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
  - the views of WBC– in particular in relation to the housing need figure that sites should be allocated to meet;
  - the views of local residents;
  - the views of other relevant local stakeholders, including housing developers;
  - the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the WBC, including but not limited to the Land Availability Assessment (LAA) 2016;
  - the findings and recommendations of this study; and
  - the impact of the new Government proposed standard methodology on calculating housing need on the Borough and its neighbourhoods.
33. Recent changes to the planning system, recent proposed changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.
34. This advice note has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information).
35. Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the WBC or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
36. We would also recommend some degree of monitoring of the trends identified in this study, which could potentially trigger the need for a review of the draft neighbourhood plan, should key indicators, for example house prices, change significantly.

## 2. Context

### 2.1 Local context

- 37. Dunsfold is a village and civil parish in the Borough of Waverley, Surrey in the South East of England.
- 38. It lies five miles south of Godalming close to the West Sussex border, 4.5 miles to Cranleigh, 8.7 miles south of Guildford and 55 miles south of London. The village has a Thirteenth Century church, a community shop (with post office), a village hall, a sports & social club and a public house.
- 39. It lies in the Weald and at its Northern edge reaches the southern escarpment of the Greensand Ridge. It includes the Wey and Arun Canal, and just under half of Dunsfold Aerodrome, which is shared with the neighbouring Parish of Alfold. The Dunsfold Road crosses the village and links it to Plaistow in the south and to the A281 to the North, which in turn links it to Guildford.
- 40. The Neighbourhood Area (NA) for the Dunsfold Parish Neighbourhood Plan (DPNP) was designated by WBC on 31<sup>st</sup> May 2017 and covers the area of the Dunsfold Parish depicted in **Figure 2-1** below.

**Figure 2-1: Dunsfold NA**



Source: Waverley Borough Council

## 2.2 Planning policy context

41. In line with the basic conditions of Neighbourhood Planning, Neighbourhood Plans (NPs) are required to be in general conformity with the adopted strategic local policies. Consequently, there is a requirement for the relevant Local Plan to be reviewed as part of this HNA.
42. The current local development policy comprises of Waverley Borough Local Plan Part 1: Strategic Policies and Sites (LPP1) adopted in February 2018<sup>10</sup> and Waverley Borough Local Plan Part 2: Site Allocations and Development Management Policies (LPP2). LPP1 replaces a number of policies from Local Plan 2002; however some of the Local Plan 2002 policies have been retained until the adoption of LPP2.
43. The Local Plan Part 1: Strategic Policies and Sites (LPP1) sets out the Council's spatial framework for delivering the development and change needed in Waverley Borough up to 2032. As the LPP was adopted after 2012, it is up-to-date and reliable for the purposes of arriving at a housing need figure for Dunsfold. However, we note that the Local Plan Part 1 is currently subject to legal challenge in the High Court.
44. The LLP1 provides the following 6 policies that are relevant to this HNA:
  - **Policy SP2: Spatial Strategy** – which states that in order to maintain Waverley's character whilst insuring that development needs are met, the Spatial Strategy will allow limited levels of development in/around Dunsfold. Villages not within Surrey Hills AONB or Green Belt offer more scope for growth (in Dunsfold Green Belt surrounds the Parish but is not actually within the Parish).
  - **Policy ALH1: The Amount and Location of Housing** – which states a housing target of 11,210 net additional homes in the period from 2013 to 2032 or 590 dwelling per annum. As part of this policy, each parish is allocated a minimum number of new homes (including homes permitted and built since April 2013). Dunsfold is categorised as a 'Smaller village' and will accommodate a minimum of 100 dwellings. In addition to that, 188 dwellings will be delivered on windfall sites in all settlements types.
  - **Policy AHN1: Affordable Housing on Development Sites** – which requires a minimum provision of 30% of affordable housing on housing developments providing a net increase of 6 dwellings or more (for designed rural areas), of 11 dwellings (in non-designated rural areas), and in developments that have a maximum combined gross floorspace of more than 1000 sq m.
  - On-site provision of AH is required and alternative to on-site provision will only be considered in exceptional circumstances. In that case, a contribution in the form of a payment equivalent to the cost of providing 30% of on-site provision may be sought. Finally, the mix of dwelling types, sizes and tenure split should reflect the type of housing identified as being required in the most up-to-date evidence of housing needs and the SHMA.
  - **Policy AHN2: Rural Exception Sites** – which states that small scale developments of affordable housing may be on land that is within an existing rural settlement when there is a genuine local need for affordable housing which cannot be met in some other way.
  - **Policy AHN3: Housing Type and Size** – which states that proposals for new housing must provide an appropriate range of different types and sizes of housing to meet the needs of the community, reflecting the most up-to-date evidence in the SHMA. The Council will also support the provision of new housing that meets the needs of specific groups identified in the SHMA: older people, families with children, people with disabilities. The Council will also encourage the development of specialist housing and appropriate types of older persons' housing on suitable sites. **Figure 2-2** below shows the mix of housing recommended across the whole housing market area in the SHMA. The figure in the brackets shows the figure for Waverley specifically.

**Figure 2-2: Need for different size homes in the West Surrey HMA and Waverley**

	1 bed	2 bed	3 bed	4+ bed
Market	10% (9.3%)	30% (32.1%)	40% (38.2%)	20% (20.4%)
Affordable	40% (47.3%)	30% (29.2%)	25% (21.9%)	5% (1.7%)
All dwellings	20%	30%	35%	15%

Source: Waverley Borough Local Plan Part 1, 2018

<sup>10</sup> The Planning Inspectorate issued the Waverley Borough Local Plan Part 1 Examination Inspector's Report on 1 February 2018.

- **Policy AHN4: Gypsies, Travellers and Travelling Showpeople Accommodation** – which states that provision, should be made for that group, in conformity with the Waverley Traveller Accommodation Assessment. The identification of sites will be within Part 2 of the Local Plan.

### 3. Approach

#### 3.1 Research questions

45. Housing Needs Assessment at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. In most cases, there is a need to focus on quantity where the housing target for the settlement being assessed is unclear, for example where the local authority has not set a specific target for the settlement, or where there is no local plan in place.
46. Research Questions, abbreviated to 'RQ;' are arrived at the start of the project through discussion with the parish. They serve to direct our research and provide the structure for the HNA.
47. The key research questions can be summarised as follows:

##### 3.1.1 Quantity

48. The Local Authority, WBC, have allocated a minimum of 100 dwellings to Dunsfold Parish in the ALP within Policy ALH1: The Amount and Location of Housing<sup>11</sup>. In **Table 3-1** below we reproduce the main modifications which relate to the components of the housing land supply that have informed the housing allocations for Dunsfold.

**Table 3-1: Extract from Inspector's Main Modifications to the Waverley Local Plan 1 February, 2018**

Parishes	Completions 13-17 A	Outstanding Permissions (Including resolutions to permit) B	Windfalls C	Total Commitments (Completions, Permissions and Windfalls) D (Total of A-C)	Outstanding Dwellings on Strategic Sites (Including Neighbourhood Plan Allocations) E	Total Commitments and Allocations (D+E) F	LAA within settlements G	Housing from LAA sites outside settlements & allocations in NPs and LPP2 H	Local Plan allocation in Policy ALH1 I
<b>Main settlements</b>									
Farnham	300	981	280	1561	634	2195	8	577	2780
Godalming	364	558	246	1168		1168	58	294	1520
Haslemere	131	269	178	578		578	200	212	990
Cranleigh	73	1222	70	1365	101	1466	118	116	1700
<b>Large Villages</b>									
Bramley	9	57		66		66		24	90
Elstead	12	81		93		93		67	160
Milford/Witley	19	46		65	180	245	22	213	480
Chiddingfold	8	11		19		19		111	130
<b>Small Villages</b>									
Alfold	11	73		84		84		41	125
Churt	5	11		16		16			15
Dunsfold		49		49		49		51	100
Ewhurst	4	36		40		40		60	100
Frensham	8	13		21		21		-1	20
Tilford	2	14		16		16		4	20
Wonersh & Shamley Green	9	19		28		28		2	30
Other Villages	93	64		157		157		3	160
Village windfalls			188	188		188		2	190
<b>Dunsfold Aerodrome</b>					2600	2600			2600
<b>Totals</b>	<b>1048</b>	<b>3504</b>	<b>962</b>	<b>5514</b>	<b>3515</b>	<b>9029</b>	<b>406</b>	<b>1775</b>	<b>11210</b>

Source: Final Schedule of Main Modifications to the Waverley Borough Local Plan, pp.39

49. However, in the context of uncertainty as to the future of the Dunsfold Aerodrome site, and how this might affect the number of dwellings currently allocated to the Parish, the purpose of the HNA is therefore to generate a HNF for Dunsfold using an objective and robust methodology that may provide the intelligence required to engage actively with WBC to arrive at this figure and determine where these dwellings may be located. Therefore, the first research question is:

**RQ1: What quantity of housing in the Plan Area is appropriate over the Plan period?**

##### 3.1.2 Tenure

50. Dunsfold is a working village with active agriculture and small industries. These employ people on modest incomes who are increasingly unable to afford market dwellings. DPC's current perspective is that a mix of social rented and intermediate dwellings (for example shared ownership) are needed over the Plan period so as to maintain a balanced community in Dunsfold. Therefore, we consider the following research question:

<sup>11</sup> Waverley Borough Pre-submission Local Plan Part1: Strategic Policies and Sites, page 6-5

**RQ2. What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) and market tenures should be included in the housing mix?**

51. In addition, DPC are interested in reserving Affordable Homes delivered as part of new development for people with a local connection to Dunsfold.

**RQ3. Does the evidence exist to justify a local connection test policy in Dunsfold?**

### 3.1.3 Type and size

52. DPC feels there may be an adequate number of larger family dwellings of four or more bedrooms in Dunsfold, and a shortage of smaller dwellings. The high demand for the small number of bungalows in the parish is cited as evidence of this under-supply. The HNA should therefore consider the appropriate type and size of dwellings to be delivered over the Plan period.

**RQ4. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?**

### 3.1.4 Housing for specialist groups

53. A substantial proportion of the population are aged 65+, and there has been a growth in recent years of those aged 85 and above. As a result, the HNA should consider the needs of the elderly. In addition, so as to address concerns about the displacement of younger households, the needs of newly formed households should be examined.

**RQ5. What provision should be made for the needs of older and newly formed households over the Plan period?**

## 3.2 Study objectives

54. The objectives of this report can be summarised as:

- Collation of a range of data with relevance to housing need in Dunsfold in relation to Waverley;
- Analysis of that data to determine patterns of housing need and demand;
- Investigating the agreed-upon research questions; and
- Setting out recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

55. The remainder of this report is structured around the research questions set out above, whilst Chapter 9 sets out our conclusions and recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

## 3.3 Relevant Data

### 3.3.1 SHMA

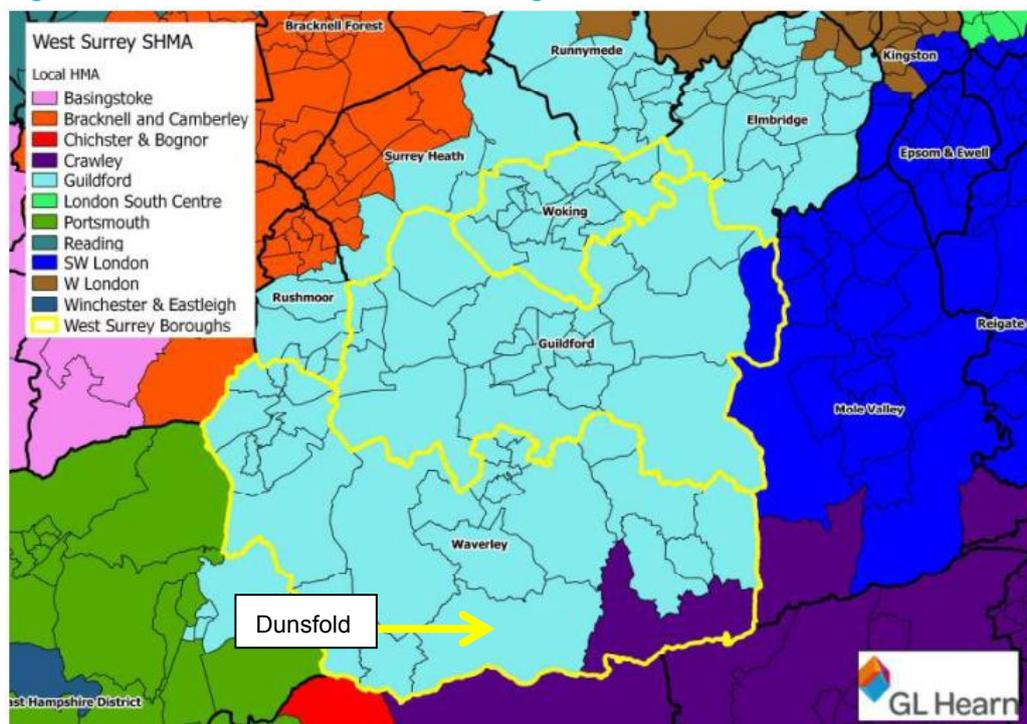
56. The PPG states that neighbourhood planners can refer to existing needs assessment prepared by the local planning authority as a starting point. As Dunsfold NA is located in Waverley Borough, within the West Surrey Strategic Housing Market Area, we therefore turned to the West Surrey Strategic Housing Market Assessment (September 2015, henceforth SHMA15) which covers West Surrey and informs emerging housing policies at a local authority level, including affordable housing policy.

57. Also relevant is the West Surrey SHMA Waverley Sub Area Addendum, published in November 2015 (Henceforth SHMAW).

58. While these are credible sources, and their statistical robustness can be assumed, their usefulness also depends on whether the Housing Market Area (HMA, that the SHMA studies treat as their subject area) can be used as a proxy for the NA. This requires an assessment of the extent to which the demographic characteristics and economic trends that it identifies are common to the NA. Shared characteristics emerge as a result of internal linkages fundamental to the notion of an HMA.

59. PPG defines an HMA as a geographical area 'defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.'<sup>12</sup>
60. It goes on to remark that 'establishing the assessment area may identify smaller sub-markets with specific features, and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is important also to recognise that there are 'market segments', i.e. not all housing types or economic development have the same appeal to different occupants.'<sup>13</sup>
61. Dunsfold is located well within the Guildford HMA as shown in **Figure 3-1** below. This would suggest that the findings in the SHMA should form the primary evidence base for the Dunsfold HNA, as the PPG makes clear that parish/town councils should "refer to existing needs assessments prepared by the local planning authority as the starting point", as well as planning to support the strategic development needs set out in Local Plans, including policies on housing<sup>14</sup>. However, we have noted above the concern from the Local Plan inspector regarding the SHMA, in technical terms, it is still relevant to Dunsfold and therefore to this study.

**Figure 3-1: MHCLG Defined Local Housing Market Areas**



Source: SHMA

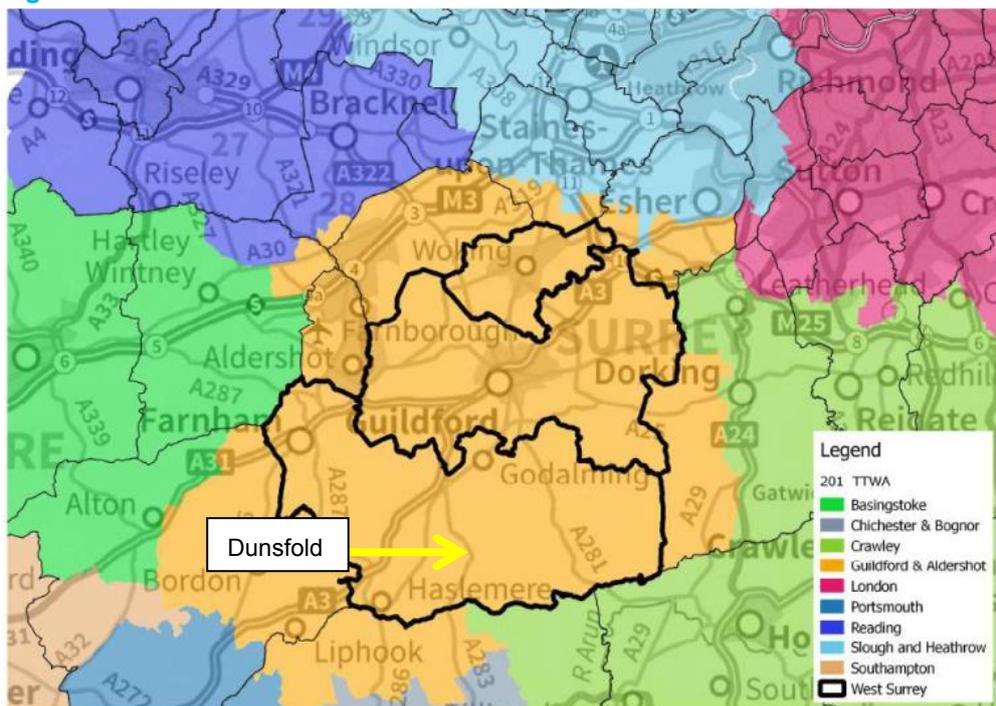
62. Indeed, this is supported by data on travel to work area, as shown in the **Figure 3-2**, which demonstrates that in terms of employment, Dunsfold residents' sphere of influence is primarily within Guildford and Aldershot, with 48.7% of residents working less than 30km, equivalent to about 76% of those commuting.

<sup>12</sup> PPG Paragraph: 010 Reference ID: 2a-010-20140306 Revision date: 06 03 2014

<sup>13</sup> PPG Paragraph: 008 Reference ID: 2a-008-20140306 Revision date: 06 03 2014

<sup>14</sup> PPG Paragraph: 006 Reference ID: 2a-006-20140306

Figure 3-2: ONS Travel to Work Areas



Source: SHMA

- 63. However, in the SHMAW, also published in 2015, a further sub-division of housing markets within Waverley was developed to aid in more local housing market area understanding and calculations. As such, we have carried through these geographies, shown in **Figure 3-3** below, in our analysis, with Dunsfold falling into the Rest of Borough sub-market area.

Figure 3-3: Ward composition of Waverley sub-markets

Sub-market	Wards
Godalming	Charterhouse, Central and Ockford, Binscombe, Farncombe and Cattlehsall, Holloway
Farnham	Upper Hale, Hale and Heath End, Weybourne and Badshot Lea, Moor Park, Bourne, Shortheath and Boundstone, Wrecclesham and Rowledge, Firgrove, Castle.
Haslemere	Hindhead, East and Grayswood, Critchmere and Shottermill
Cranleigh	East, West, Alford Cranleigh Rural and Ellens Green, Shamley Green and Cranleigh North
Rest of Borough	Frensham, Dockenfield and Tilford, Elstead and Thursley, Milford, Witley and Hambledon, Chiddingfold and Dunsfold, Bramley, Busbridge and Hascombe, Blackheath and Wonersh, Ewhurst

Source: SHMAW

- 64. The SHMA studies draw upon a range of data including population and demographic projections, housing market transactions and employment scenarios to derive the objectively-assessed housing need for the Borough. As such, it contains a number of points of relevance when determining housing need within the NA.
- 65. This provides a strong starting point for policy development that aims to build on and add local specificity to those of the Local Planning Authority by enabling a comparison to be made with parish-level data (gathered as part of the preparation of this study), given that such an exercise reveals contrasts as well as similarities.

### 3.3.2 Other relevant data

- 66. A range of additional sources of information have been used to complete this study. These include data from the 2001 and 2011 Census, data from WBC on the housing register and dwelling completions since 2011, and data from the

Land Registry on Prices Paid for housing sales. We have also spoken to local estate agents with knowledge of the Dunsfold housing market, in line with PPG, including Burns & Weber, House Partnership, and Strutt & Parker.

## 4. Quantity

### RQ 1. What quantity of housing is appropriate in the NA over the Plan period?

67. We have estimated the quantity of housing needed in NA according to a range of different sources including:
- a. Local Plan (LP)
  - b. SHMA - proportional share drawn from OAN
  - c. MHCLG Household projections
  - d. Net home completion rates 2001-2017
68. These calculations are set out below.

#### 4.1 Local Plan

69. As noted above, the ALP allocates 100 dwellings to Dunsfold, based on the Inspector's main modifications. Indeed, the ALP puts forward a housing requirement of 11,210 in the Borough over the Plan period between 2011 and 2032. The proportional share may be calculated for DPC based on the proportion of homes in the NA. At the time of the last Census there were 467 dwellings in the NA, or 0.91%% of all homes in the Borough (51,545). Therefore, 102 homes (0.91% of 11,210) homes would be allocated as the 'fair share' of the borough target. Given that there were no dwellings completed in the parish between 2011-2017, this indicates a requirement for **102 additional dwellings from 2018-2032, or 7 dwellings per annum.**

#### 4.2 SHMA

70. It is important to remember that the SHMA presents a demand-side only, or 'unconstrained' assessment of need (often identified as Objectively Assessed Need, or OAN<sup>15</sup>), as opposed to a final housing target. The final housing target put forward in the ALP and discussed above takes into account a number of other factors, including for example the availability of land, viability, infrastructure and environmental constraints and the results of consultation.
71. However, the SHMA can present an appropriate starting point for deriving need at the NP level, because it is usually the most up-to-date evidence available, and takes into account the latest population and household projections, which the PPG guidance suggests should be taken as a 'starting point' in determining need at the local authority level.
72. The SHMA for West Surrey is now somewhat dated, and is based on household projections data from 2012 (published 2014). Indeed, the inspector laid out a number of justifications for an uplift to the housing needs figure from 9,861 to 11,210. On this basis, **we have excluded the previous SHMA figure from these calculations**, as its validity has been questioned by the Planning Inspectorate.

#### 4.3 MHCLG household projections

73. MHCLG periodically publishes household projections. The PPG recommends that these household projections should form the starting point for the assessment of housing need.
74. The most recent (2014-based) household projections were published in July 2016<sup>16</sup>, and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for the NA is nevertheless possible for the household projections based on the NA's household numbers in the 2011 Census.
75. At the 2011 Census, Waverley had 49,280 households and Dunsfold had 441 households, or 81% of the total (rounded). These statistics are of course somewhat dated: mid-year population estimates suggest that the population of Waverley may have increased from 121,572 to 123,768 people by mid-2016. This could result in an additional 890 households across Waverley by that year. However, monitoring data from the local authority suggests that no new dwellings have been completed in Dunsfold since 2011, suggesting that very little of this growth has occurred within the parish.

<sup>15</sup> The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the PPG). This is sometimes described as 'policy off' because it does not take account of final policy responses as a result of taking into account capacity, environmental and infrastructure constraints.

<sup>16</sup> See 2014-based DHCLG Household Projections live tables at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

76. Any growth that may have occurred in households was accommodated either by households occupying multi-family homes (i.e. living as concealed households), or as homes being subdivided into multiple dwellings, without any net new additions to the housing stock as a result of house building. On this basis, the number of households in Dunsfold in 2018 is likely to be relatively similar to the number living there in 2011.
77. In the 2014-based household projections, the projection for 2032 is for 56,871 households in Waverley. Assuming it continues to form 0.89% of the Borough total, the NA's new total number of households would be 509 (rounded); therefore 68 new households would form in the NA between 2011 and 2032 (or a rate of growth of 3 households per year).
78. Number of households does not, however, equate precisely to number of homes, with the latter slightly higher in most places. The NA is no exception; in the 2011 Census, there were 441 households but 467 homes. This gives a ratio of 0.94 households per home. In the case of NA, then, a projection of (68) new households translates into a need for 72 new homes (rounded to the nearest whole number).
79. These figures are based on the assumption that the 2014-based projections as to household growth at the Local Authority level are accurate. As the annual mid-year population estimates have now been released for 2016, the 2014-based household projections may need to be 'rebased' for accuracy. The mid-2016 population estimates give the actual number of people in the Borough at that point, meaning the difference between the estimated and the previously projected number of households can be taken into account in future projections.
80. The 2014-based household projections were based on the 2014-based Sub-National Population Projections, which estimated that by 2016 there would be 124,100 people in Waverley. The mid-2016 Estimates show that based on the latest information there were estimated to be 123,768 people, which is lower than the projections by 332 people. Assuming average household sizes remain constant (in 2011 there were an average of 2.47 people per household in Waverley, obtained by dividing population by number of households) this equates to 135 fewer households across Waverley.
81. Taking 56,736 (56,871-135) as our household number of households in Waverley at 2032, this equates to 508 households in the NA (rounded), producing a revised growth in the number of households between 2011 and 2032 of 67. Taking into account the disparity between household numbers and dwelling numbers (0.94 households per dwelling), this produces figure of 71 homes. Netting off the 42 dwellings granted permission since 2011, we arrive at a **re-based household projections-derived dwellings of 29, or 2 additional dwellings (rounded) over the period 2018-2032.**
82. This projection is an entirely unconstrained, theoretical figure comprising a relative proportion of the overall projected increase, and thus does not take into account political, economic, demographic or any other factors that might have influenced, or may in future influence, the ALP housing distribution across the Borough and hence any difference between this figure and the ALP-derived figure above. Indeed, the PPG makes clear that demographic projections should only be used as the starting point for determining housing need, particularly given the potential need for adjustment as a result of "factors affecting local demography and household formation rates which are not captured in past trends."<sup>17</sup>

#### 4.4 Home growth 2001 – 2017

83. Consideration of home growth 2001-2011 provides a projection based on the rate of delivery of net new homes between the two Censuses. Census data shows that there was an increase of 37 homes in the NA between these two dates, or an average annual rate of increase of 4 homes (rounded). Multiplying this annual figure by the number of years remaining of the Plan period from 2018 **produces a gross need for 60 homes.**
84. However, since 2011, there have been no homes delivered in Dunsfold according to monitoring data from Waverley Borough Council. As noted above, 42 homes have been granted permission, but given that this was in February 2017, it seems reasonable to suggest that the total of these homes may only be delivered by 2021, i.e. 10 years since the last Census and also suggesting an annual delivery rate of 4 homes per annum (rounded) as above, which, if projected forward, would yield a gross need of **an additional 60 homes from 2021-2032, or closer to 5 homes per annum.** These differences are as a result of how the backlog of need created by a lack of housing delivery between 2011 and 2018 is dealt with.

<sup>17</sup> PPG Paragraph: 015 Reference ID: 2a-015-20140306

## 4.5 The Standard Methodology

85. On September 14<sup>th</sup>, 2017, MHCLG published “Planning for the right homes in the right places: consultation proposals” (the consultation proposals), a consultation on a new proposed Standard Methodology for Assessing Housing Need (SMAHN) for arriving at an OAN for housing for individual local authorities, thus avoiding both the expense of producing complex SHMAs and the disagreements surrounding their methodologies. MHCLG has stated that “this consultation sets out a number of proposals to reform the planning system” including “how neighbourhood planning groups can have greater certainty on the level of housing need to plan for”.<sup>[1]</sup>
86. It is important to consider the implications of this emerging policy guidance for potential housing need calculations in the NP. Therefore, what follows is an assessment of the NA’s housing need based on the new proposed methodology which, should the policy be put in place in its current form, provide the likely figures for housing need in the area. This projection is included *for information only*, bearing in mind that the consultation makes clear that LPAs will have the option of using alternative methods of calculating their OAN, so long as the number they arrive at exceeds that produced by the new standard methodology.
87. Proposed updates to the PPG include a requirement that LPAs provide a housing need figure to neighbourhood planning groups, and that they may do this by making a reasoned judgement based on the settlement strategy and housing allocations in their plan, so long as the local plan provides a sufficiently up-to-date basis to do so.<sup>18</sup> The starting point for using the SMAHN for the neighbourhood level is therefore whether the current Local Plan was adopted before or after the introduction of the NPPF.
88. In the case of WBC, the ALP has been adopted and is therefore up-to-date. However, the indicative assessment using the SMAHN formula is 538 dwellings per annum for Waverley, an uplift of approximately 4% from the previous figure. This suggests there should be an increase of 11298 dwellings over the Plan period from 2011 to 2032, slightly higher (by 88 dwellings) than the amount suggested by the inspector.
89. On this basis, it is unlikely that the new methodology will have a significant effect on the housing need figure for Waverley Borough Council, given the similarity between the two figures, and therefore this can be discounted.

## 4.6 Conclusions

90. Using MHCLG’s own population projections, and the methodology of a fair share, based on the percentage of households across Waverley who are currently living in Dunsfold, AECOM’s calculations suggest that dwellings growth of 71 homes would satisfy need in the NA. Further qualifications regarding these calculations are detailed in Appendix B.

## 5. Tenure

### **RQ2. What affordable housing (social housing, affordable rented, shared ownership, intermediate rented) and market housing tenures should be included in the housing mix?**

91. The provision of affordable housing is critical to the continuation of most communities as viable settlements; it needs however to be understood in relation to other tenures.
92. The PPG states that HNAs should investigate household tenure within the current stock of housing, including any recent supply. It suggests that planners should make an assessment of whether continuation of these trends would meet future needs, based on a reasonable interpretation of the evidence gathered.
93. It also suggests that planners should assess whether there are significant misalignments between supply of housing in each tenure, and local need/demand. From this, policies can be developed to support a change to the profile of tenure within the NA’s housing stock.<sup>19</sup>
94. Our assessment of the tenures of housing needed are contained in the following chapter. However, it is first necessary to consider the background for policies on housing tenure, including the specific definition of affordable housing.

<sup>[1]</sup> <https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>

<sup>18</sup> DHCLG, [planning for the right homes in the right places: consultation proposals](#), page 31

<sup>19</sup> PPG Paragraph: 021 Reference ID: 2a-021-20160401

## 5.1 Background and definitions

95. It is necessary at this stage of the study to make clear the distinction between affordable homes as planning terminology and the colloquial meaning of the phrase. In the course of this study, we refer to Affordable Housing, abbreviated to 'AH'. We mean by this those forms of housing tenure that fall within the definition of Affordable Housing set out in the current NPPF: social, affordable rented and various forms of intermediate housing<sup>20</sup>. To distinguish this from the colloquial definition, we refer to the latter as Affordable Market Housing (AMH).
96. In this paragraph we review the tenures that appear under the new definition of Affordable housing set out in the consultation draft of the NPPF published in March 2018 (henceforward, NPPF18). These revisions make clear the government's commitment to home ownership but recognise the important role of affordable rent for those not currently seeking home ownership. The changes remove references to 'social rented,' although its definition remains, those dwellings where 'rent is set in accordance with the Government's rent policy.' The revisions seek to broaden the definition of affordable housing to include a range of low cost housing opportunities for those aspiring to own a home, including starter homes. **For the purposes of this HNA we assume this new definition will be introduced following the consultation process and will remain broadly unchanged.**
97. The NPPF18 puts in place the revised definition of affordable housing envisaged in the Housing White Paper<sup>21</sup> as 'housing that is provided for sale or rent to those whose needs are not met by the market (this can include housing that provides a subsidised route to home ownership and/or is for essential local workers; and which complies with one or more of the following definitions:
- a. **Affordable housing for rent:** *meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).*
  - b. **Starter homes:** *is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute at the time of plan preparation or decision-making. Income restrictions should be used to limit a household's eligibility to purchase a starter home to those who have maximum household incomes of £80,000 a year or less (or £90,000 a year or less in Greater London)*
  - c. **Discounted market sales housing:** *is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.*
  - d. **Other affordable routes to home ownership:** *is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.<sup>22</sup>*
98. In paragraph 65 of the NPPF18, Government introduces a recommendation that 'where major housing development is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership'. In line with PPG<sup>23</sup>, the assumption should be that 'major housing development' can be defined as sites of more than 10 units, and that affordable home ownership includes starter Homes, shared ownership homes and homes available for discount market sale.

## 5.2 Current tenure profile

99. As discussed above, the starting point for making recommendations as to the tenure of new homes built in the NA over the Plan period is a consideration of the existing tenures in the parish. The table below presents census data

<sup>20</sup> At the time of writing the 2018 version of the NPPF is out for consultation and includes the following tenures, Affordable housing for rent, Starter homes, Discounted market sales housing, and other affordable routes to home ownership.

<sup>21</sup> DHCLG (2017) Fixing our Broken Housing Market (para A.120)

<sup>22</sup> NPPF18, page 62

<sup>23</sup> PPG 031 Reference ID: 23b-031-20161116

from 2011 that shows the vast majority of households in Dunsfold own their own homes, a slightly lower rate of ownership than the Borough average, but still significantly higher than the rate across England as a whole.

**Table 5-1: Tenure (households) in Dunsfold, 2011**

Tenure	Dunsfold	Waverley	England
Owned; total	70.1%	73.7%	63.3%
Shared ownership	2.7%	1.0%	0.8%
Social rented; total	14.3%	12.3%	17.7%
Private rented; total	8.8%	11.3%	16.8%

Source: Census 2011, AECOM Calculations

100. In addition, it is worth considering the way tenures have shifted during the inter-censal period. The following table shows the change in the total number of households occupying each tenure. In the case of Dunsfold, there has been a very significant percentage increase in shared ownership homes, albeit from a relatively small base. The most significant increase overall has been in the private rented sector, which has increased more in Dunsfold than in both Waverley and England, although the SHMA notes that Waverley has the lowest rates of PRS across the HMA. It is also notable that there was an increase in the number of social rented dwellings in Dunsfold, against national and Borough trends.

**Table 5-2: Rates of tenure change in Dunsfold, 2001-2011**

Tenure	Dunsfold		Change	%Change	Waverley	England
	2001	2011				
Owned; total	305	309	4	1.3%	1.6%	-0.6%
Shared ownership	3	12	9	300%	42.3%	30.0%
Social rented; total	47	63	16	34%	-1.2%	-0.9%
Private rented; total	15	39	24	160%	71.3%	82.4%

Source: Census 2001/2011, AECOM Calculations

101. Given that homes are rarely built in a rural context specifically for the purposes of renting, it is reasonable to assume that the 24 additional homes that moved into owner occupation were previously under a different tenure. The shift of homes from owner occupation is likely to be as a result of demand for private rented homes, partly due to households being unable to access mortgage finance, as well as a range of other factors occurring at the national level which make homes more attractive to rent out than to occupy directly.

### 5.3 Factors Affecting Housing Need: Costs and Affordability

102. To further understand the picture of housing need in Dunsfold, it is necessary to consider the issues of cost and affordability of housing. Affordability considers the relationship between price of a good, and the resources available to purchase it. In the context of housing, a useful though crude indicator that provides an understanding of this relationship is the Lower Quartile Affordability Ratio (LQAR); this produces a number that expresses lower quartile house-prices as multiple of lower quartile household income.
103. Indeed the PPG notes that “The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing.”<sup>24</sup> This is helpful both as a way of understanding the extent to which those on lower incomes can access affordable market housing (AHM) for sale and the relative affordability of housing in the NA compared to other places.
104. First, it is necessary to consider the cost of for sale housing in the NA, particularly as this is the dominant tenure of housing. Below we have analysed Land Registry Price Paid Data to provide up-to date annual average prices, divided by type according to PPG recommendations, for Dunsfold.

<sup>24</sup> PPG Paragraph: 019 Reference ID: 2a-019-20140306

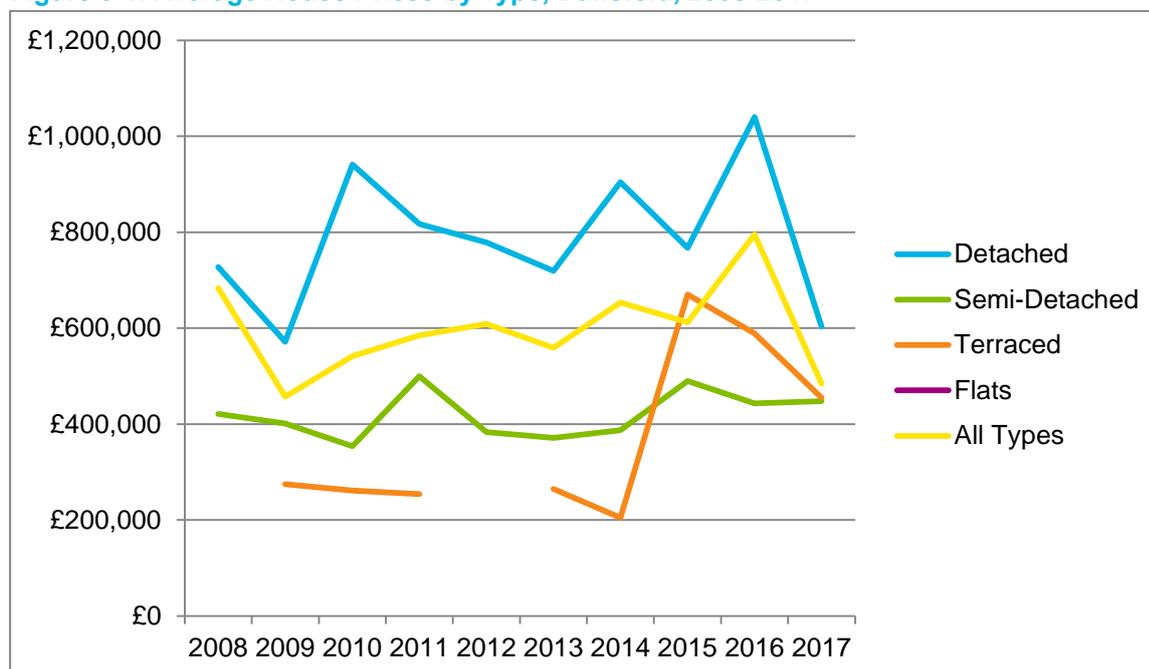
**Table 5-3 : Average House Prices by Type, Dunsfold, 2008-2017**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Detached	£727,083	£571,750	£940,833	£817,000	£778,463	£719,606	£904,063	£767,500	£1,040,000	£603,317
Semi-Detached	£421,000	£401,400	£353,875	£500,000	£382,917	£371,500	£387,500	£490,000	£443,167	£447,500
Terraced	N/A	£275,000	£261,500	£254,167	N/A	£264,667	£205,000	£670,000	£589,000	£455,000
Flats	N/A	N/A	£138,250	N/A	N/A	N/A	£80,000	N/A	N/A	£292,000
All Types	£683,357	£456,900	£541,433	£584,750	£608,943	£558,997	£653,654	£612,500	£795,227	£484,661

Source: Land Registry PPD

105. This data covers a total of 110 sales over the 10 year period, i.e. an average of 11 sales per annum. However, no data exists for some years due to no houses of a given type being sold in that year. Indeed, in general, the data shows the relative volatility of house prices in Dunsfold, although this is likely to be as a result of the relatively small number of sales in any given year, with a small number of very expensive homes skewing the figures. For example, in 2017, three homes were sold over £1 million, significantly skewing the average for all types.

**Figure 5-1: Average House Prices by Type, Dunsfold, 2008-2017**

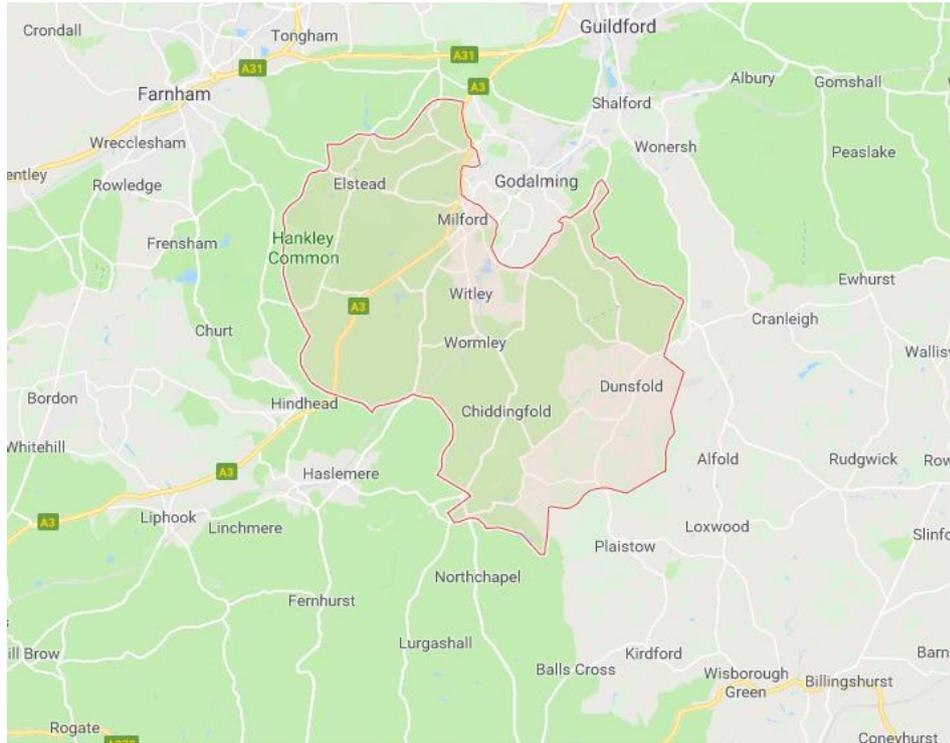


Source: Land Registry PPD

106. The data above presents a relatively mixed picture, which is again likely to have been influenced by the relatively small number of transactions in Dunsfold. So whilst the average price for flats and terraced homes was much higher in Dunsfold than in Waverley in 2017, the average price for semi-detached homes was very similar, and the average price for detached homes actually lower. Still, taking all types of house sales (which obviously represent only a tiny proportion of the actual overall housing stock in Dunsfold), average prices were somewhat higher in Dunsfold than in Waverley.

107. Given the low number of sales, it is helpful to consider house prices in the slightly wider geographical area of the post-code GU8, as shown in the **Figure 5-2** below. This includes Dunsfold as well as some other areas to the south of Godalming.

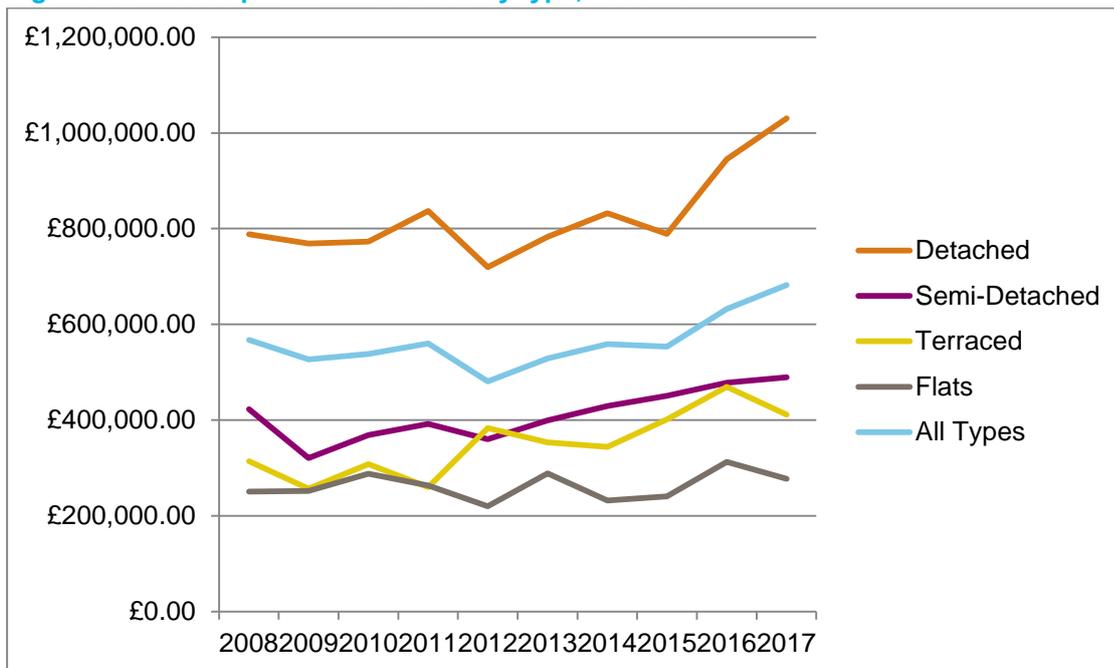
Figure 5-2: GU8 Postcode area



Source: Google.co.uk

- 108. **Figure 5-3** below demonstrates that even across a wider area (in which there were more than 2000 sales over the 10 years) there were still fairly significant price fluctuations year to year, with noticeable peaks in 2011, and a dip in 2012. This was likely in part as a result of the second dip of the national recession, with prices decreasing.
- 109. Our discussions with local estate agents suggest that political uncertainty, both locally as a result of the outcome of the decision whether to develop Dunsfold Aerodrome, as well as nationally, with regards to Brexit, may have impacted prices and caused them to be more uncertain.

Figure 5-3: House prices in Dunsfold by type, 2008-2017



Source: Land Registry PPD

110. It is interesting to note that the situation in Dunsfold in 2017 represented a fairly significant change from the picture in 2008, when housing in Dunsfold cost nearly twice as much on average as that in Waverley, partly as a result of no terraced homes or flats being sold in that year, the earliest for which data is available from the Land Registry. Where no sales occurred in a given year, we have used N/A.

**Table 5-4: House Price Growth in Dunsfold and Waverley, 2008 and 2017**

	2008		2017	
	Dunsfold	Waverley	Dunsfold	Waverley
Detached	£727,083	£524,572	£603,317	£746,809
Semi-Detached	£421,000	£317,861	£447,500	£447,346
Terraced	N/A	£251,435	£455,000	£347,390
Flats	N/A	£226,852	£292,000	£250,654
<i>All Types</i>	£683,357	£329,920	£484,661	£453,479

Source: Land Registry PPD

111. This shift is likely as a result of higher house price growth overall across the Borough than in Dunsfold, although due to the incompleteness of the dataset, i.e. due to the relative unavailability of terraced homes and flats, which are generally cheaper than semi-detached and terraced homes as a result of their size and desirability, this is difficult to verify.
112. Indeed, detached houses, which make up approximately 49% of all housing in the parish, experienced similar growth in prices in both Dunsfold and Waverley to 2016 (42% approximately), but in 2017, the average price of a detached home in Dunsfold dropped dramatically from £1,040,000 to £603,317, demonstrating how unrepresentative a small number of sales can be.
113. In November 2015, Waverley Borough Council published an addendum to the West Surrey SHMA, the Waverley Sub Area Addendum (SHMA), also produced by GL Hearn. The purpose of this addendum was to set out “a range of key outputs for five sub-areas in Waverley”<sup>25</sup> These five sub-areas are shown in **Table 5-4** below, with Dunsfold falling into the Rest of Borough Sub-market. In particular, the Affordable Housing model used to produce data in the SHMA itself has been applied to these sub-areas to produce outputs for Affordable Housing figures and type and size needs.
114. Data on Lower Quartile Sales Prices, which the PPG makes clear are equivalent to entry-level prices, suggest that the Rest of Borough is more expensive in terms of both sales prices and rental prices than housing in the main settlements.

**Figure 5-4: Lower quartile sales prices and rents by sub-area (2014)**

Area	LQ price	LQ rent (pcm)	Total Rental Properties Advertised
Godalming	£250,000	£670	76
Farnham	£248,300	£620	70
Haslemere	£250,000	£585	36
Cranleigh	£268,300	£605	23
Rest of Borough	£350,000	£810	69
Waverley	£260,000	£670	274

Source: SHMA15

115. The SHMA also provides data on income levels for each sub-area. This shows that the Rest of the Borough had the highest mean and median income of any area save Haslemere, i.e. that incomes are relatively high compared with the Borough average.

<sup>25</sup> SHMAW, pp.4

**Figure 5-5: Income levels by sub-area (2014)**

	Mean Income	Median Income
Godalming	£50,930	£38,736
Farnham	£48,038	£36,537
Haslemere	£55,364	£42,109
Cranleigh	£44,534	£33,872
Rest of Borough	£54,790	£41,673
Waverley	£50,729	£38,584

Source: SHMA15

116. What is also clear from the data above is that there is a significant gap between mean and median incomes, reflecting a relative high number of high earners skewing the average upwards. The median provides a more helpful picture of household income for the purposes of understanding affordability for those on moderate incomes because it describes the income level above which 50% of the population sit, although the PPG provides no guidance as to which is more appropriate for the purposes of housing needs assessment.
117. The ONS also publishes data on the ratio of house price to workplace-based earnings (lower quartile and median). However, these are not directly comparable to the data in the SHMA as they represent those working within local authorities. Indeed, **Figure 5-6** below, also from the SHMA, shows the relatively significant gap between workplace and residence based earnings in Waverley, with the latter typically much higher at both median (by more than £10,000) and even at lower quartile levels.

**Figure 5-6: Annual workplace and resident earnings (2012)**

	Median		Lower quartile	
	Workplace	Resident	Workplace	Resident
Guildford	£31,883	£35,365	£23,367	£23,939
Waverley	£26,252	£36,770	£20,000	£22,544
Woking	£25,159	£32,827	£17,616	£22,225
Surrey	£31,473	£34,595	£21,785	£23,515
South East	£28,181	£29,491	£20,010	£20,654

Source: SHMA15

118. Still, the data from the ONS suggests that in 2014, median house prices for those working in the Borough were 13.62 times annual earnings, whilst lower quartile, or entry level house prices were 13.89 times annual earnings.
119. Indeed, these ratios suggest that in spite of higher incomes in Dunsfold, housing is more expensive than in other areas proportionally, and therefore is less affordable for residents. This is corroborated by the table below, which reproduces Table 9 from the SHMAW, which shows that the Rest of Borough area, including Dunsfold, had the highest proportion of newly forming households unable to afford market housing (45.2%). Indeed, a proportional share for Dunsfold Parish of this would be 4 newly forming households per annum unable to afford market housing.

**Figure 5-7: Estimate level of housing need from newly forming households (per Annum)**

Area	Number of new households	% unable to afford	Total in need
Godalming	181	39.8%	72
Farnham	331	39.0%	129
Haslemere	131	30.4%	40
Cranleigh	97	41.3%	40
Rest of Borough	205	45.2%	93
Waverley	946	39.5%	374

Source: SHMA15

120. It is also necessary to consider data for Dunsfold specifically to understand the indicative income required to enter the housing market without a subsidy. This is known as the purchase threshold and represents the required level of income (per annum) to access a particular form of housing.
121. We have already established that the Rest of Borough area that includes Dunsfold had a median annual income of £41,673 in 2014. In that year, the median house price in Dunsfold was £520,000, and this would generate a median affordability ratio of 12.5. Using an income multiple of 4 (which approximately 75% of all mortgage lending ratios fell below in recent years<sup>26</sup>) and a loan-to-value ratio of 90% (i.e. a loan of 90% and a deposit of 10%), it is possible to assess what type of dwelling would be accessible to those on median income, and what income would be required to access the median house price.
122. An annual income £117,000 would be required to purchase a median priced house in Dunsfold in 2014, based on a typical mortgage terms. Conversely, the median income in the Rest of Borough area would enable a household to purchase a home worth approximately £185,000. Just three houses were sold below this price in 2013, 2014 and 2015 combined in Dunsfold. Indeed, even the Lower Quartile House Price across these three years was £345,000 in Dunsfold, clearly far more than even those on median incomes in the area could afford.
123. Below we also consider the income threshold required to rent housing in Dunsfold, given that 9% of households rented in the village in 2011, and this is likely to have increased in recent years given the significant shift seen towards this sector particularly as a result of affordability concerns.
124. Typically, an income threshold of 30% is used, as for example in the SHMA15.<sup>27</sup> However, in areas of greater affluence, the SHMA15 suggests that residents may spend more of their incomes on housing, with figures also calculated for a 40% income threshold. Given the relatively higher median income in the Rest of Borough area, we have carried through this assumption. On this basis, a household on the median income would be able to afford rents of up to £1389 pcm. However, as of March 2018, the median rent in the GU8 post-code area shown in **Figure 5-8** below was £1599, thus requiring an income at a 40% threshold of £47,970.

**Figure 5-8: Map of GU8 Postcode Area used to collect rental data**



Source: Google.co.uk

## 5.4 Other indicators of affordable housing need

125. So far, we have considered housing need based on a statistical understanding of affordability based on household income. A necessary additional component to quantify the need for affordable housing (AH) in the NA is identifiable demand expressed through entries on housing needs register, as well as past trends in concealment and overcrowding.
126. The most recent data for Dunsfold<sup>28</sup> shows that there were 8 households on the Housing Register currently living in the parish. Of these, 6 needed a 1 bed home, and 2 needed a 2 bed home. Such households represented just 0.54% of the total housing register in Waverley (1489 households), in spite of the parish representing 0.89% of all

<sup>26</sup> <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>

<sup>27</sup> SHMA15, pp96

<sup>28</sup> Dated 07/02/18

households. However, this is not surprising given the relatively high house prices in Dunsfold, which mean that many of those in housing need in the borough would not be able to afford to live there already.

127. Waverley operates a choice based letting system, which enables those on the register to express a preference for areas in which they would like to live. However, the borough does not operate local connections policies, in the sense that local connections to individual parishes are not tested beyond people already living in them, as noted above. Such policies are discussed in more detail below, but in this context, the housing register is unlikely to provide an accurate depiction of true housing need, particularly in local areas, as many people may have been displaced by high house prices already, possibly outside the Borough. Indeed, in this context, it is not surprising that 189 people (13% of the total) have expressed a preference for living in Dunsfold, as there unlikely to be any limitations as to how many locations prospective applicants may choose.
128. Other indicators are also helpful in gaining a clear understanding of affordable housing need in the NA. These include overcrowded households, those households experiencing a mismatch between the housing needed and the actual dwelling they occupy, and concealed households, that is those households who do not have sole use of basic facilities such as kitchen or bathroom, either living with a host household, often made up of family members, or living with other households, who would prefer to occupy their own home, but cannot do so for reasons of affordability<sup>29</sup>.
129. The 2011 Census showed Dunsfold as having just one household experiencing overcrowding defined here as those households with an occupancy rating of more than one person per room. The same data also identified three households considered to be concealed, defined by the Census as “a multi-family household...such as young couple living with parents”. There is likely to be some overlap between these groups, although this is not necessarily the case. Whilst this data merely presents a snapshot in time from 2011 and is thus somewhat outdated, it still provides a benchmark figure.
130. A more accurate picture of ‘concealed households’ can be seen in data for households with non-dependent children, i.e. those with children living in the household over the age of 18. For Wareham, at the time of the last Census, 2% of all households fell into this type, fully 27 households, suggesting the phenomenon of adult children living with their parents is not uncommon in the parish. Whilst not all of these children are considered ‘concealed households’, with many away studying, clearly the vast majority have the potential to form their own household at some point between 2011-2031, and thus represent a significant source of potential local housing need in Wareham.

## 5.5 Conclusions

131. To conclude, it is necessary to consider the housing market context, and indeed the extent to which Dunsfold falls into the Waverley and Rest of borough Housing Market Areas. **Figure 5-9** below shows the estimated levels of affordable housing need in each sub-area of Waverley, with the total net need (total need minus supply) coming to 314 homes per annum (or 6280 from 2013-33).

**Figure 5-9: Estimated Level of Housing Need (per annum)**

Area	Backlog need	Newly forming households	Existing households falling into need	Total Need	Supply	Net Need
Godalming	8	72	19	99	37	62
Farnham	12	129	28	169	58	111
Haslemere	4	40	11	55	30	25
Cranleigh	4	40	11	55	22	33
Rest of Borough	9	93	21	122	39	83
Waverley	36	374	89	499	185	314

Source: SHMA15

132. On this basis, a fair share calculation would suggest the need for 52 affordable homes in Dunsfold from 2013-33, given that the number of households in Dunsfold (411) at the 2011 Census represented 0.83% of all households in Waverley (49,280)
133. However the Rest of Borough share of the Waverley total is 83 per annum (1660 from 2013-33), representing 26.4% of the total affordable housing for Waverley Borough. But considering the actual number of households falling into the Rest of Borough wards in 2011, these households represented 23.2% of all households in the borough, suggesting that affordable housing need is slightly higher proportionally in these areas than other parts of Waverley.

<sup>29</sup> <http://webarchive.nationalarchives.gov.uk/20160105222237/http://www.ons.gov.uk/ons/rel/Census/2011-Census-analysis/what-does-the-2011-Census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales-/summary.html>

134. On this basis, Dunsfold's fair share of the Rest of Borough figure would be 60 affordable homes from 2013-33, or 3 dwellings per annum, given that the number of households in Dunsfold (411) at the 2011 Census represented 3.6% of all households in the Rest of Borough area (11,413). These calculations are shown in **Table 5-5** below.

**Table 5-5: Affordable Housing Need Calculations for Dunsfold**

	2013-33	Annual	Dunsfold Proportion	Dunsfold Fair Share
Waverley AH Target SHMA Summary	6280	314	0.83%	52 affordable homes
Rest of Borough AH Target SHMA Addendum	1660	83	3.60%	60 affordable homes

Source: SHMAW/AECOM Calculation

135. Such figures do not take into account constraints such as land availability and the viability of individual schemes, and given that Waverley's Local Plan sets out that 30% of homes delivered should be affordable, 60 out of the total figure of 100 homes for Dunsfold would not be realistic or achievable. Indeed, even the figure of 52 affordable homes would appear to be unrealistic for Dunsfold in the context of an overall delivery of 100 homes, with close to double the number of homes required to deliver that number of affordable dwellings.
136. The data from the housing register presented above suggests that the number of households in need of traditional affordable housing, i.e. social rented housing, is relatively small, just eight households in 2016. This suggests that the housing register does not capture the full extent of affordable housing need within the parish, particularly given the figures shown above in SHMA. One explanation for this could be because much of this need is from newly forming households, for example young people still living with their parents, whose household formation may have been suppressed or prevented as a result of housing affordability issues.
137. In this context, traditional social rented housing may not be appropriate or necessary for such households, but other tenures of affordable homes, such as intermediate housing, may be. We have already discussed the concept of the purchase threshold for a median-priced home. Typically, intermediate for-sale housing such as the Government's Starter Homes programme offers housing at a 20% discount on market rates, and we have used this assumption to model the required income, based on a 15% deposit and 3.5 maximum income multiple as mortgage terms more typical than those used above a first time buyer household.
138. The lower quartile house price in Dunsfold in 2017 was £339,000. However, even with an 80% discount, this would still equate to a house price of £271,200, above the cap for Starter Homes outside of London. This suggests that Starter Homes would be relatively unlikely to come forward in Dunsfold given that more than a 20% discount on a typical entry level property would be required to meet the caps set out by government (see the HBF's submission to a recent consultation for more guidance on this topic<sup>30</sup>).
139. Even were other forms of discounted market sale housing to come forward in Dunsfold such as Help to Buy, these would still require a deposit of more than £40,000, close to one year of the median income discussed above, as well as a minimum income of approximately £65,000, which is much higher than even the median income, and represents a 20% discount on what is already a relatively cheap home in Dunsfold (i.e. the entry level, or lower quartile price, which is cheaper than 75% of homes sold in the NA in 2017).
140. **Table 5-6** below shows the estimated split between intermediate housing and social/affordable rented housing for each sub-area of Waverley, with the Rest of Borough area having the lowest overall share of intermediate housing, and thus the highest overall share of social and affordable rented housing. Such a split, applied to the 52 affordable homes from above, would suggest the need for 13 intermediate homes and 39 social rented homes in Dunsfold.

**Table 5-6: Estimated Level of Housing Need (per annum) by type of affordable housing**

Area	Intermediate			Social/affordable rented			% intermediate
	Total need	Supply	Net need	Total need	Supply*	Net need	
Godalming	22	3	19	77	31	46	29.5%
Farnham	39	5	34	130	46	83	29.2%
Haslemere	16	2	14	39	21	17	44.3%
Cranleigh	12	2	10	43	17	26	27.8%
Rest of Borough	25	4	21	97	32	65	24.8%
Waverley	114	15	99	385	148	237	29.4%

<sup>30</sup> [https://www.hbf.co.uk/documents/6185/HBF\\_submission\\_to\\_Government\\_consultation\\_on\\_the\\_Starter\\_Homes\\_scheme.pdf](https://www.hbf.co.uk/documents/6185/HBF_submission_to_Government_consultation_on_the_Starter_Homes_scheme.pdf)

Source: SHMA

141. Given the apparent needs discussed above, in particular the 27 households with non-dependent children continuing to live at home, we would recommend that DPC discuss with WBC whether the split between intermediate and social rented homes remains appropriate at the parish level, given that local needs of newly forming households may make intermediate housing more appropriate, as discussed in more detail in Chapter 6 below.
142. Such discussions should also take into account the following section which considers the evidence for a local connection test policy. Clearly, were such a policy to be put in place, homes would need to be relevant to local needs. Otherwise, they might be advertised for a set period to local people, and were no appropriate local residents to come forward, they would be open to other Waverley residents.

## 5.6 Local connection test policies

### RQ3. Does the evidence exist to justify a local connection test policy in Dunsfold?

143. Many local authorities undertake a 'local connection test' as part of their housing allocation policy for social rented and other forms of affordable housing. They have the right to do this under Section 199 of the Housing Act 1996, which defines a 'local connection' as place of normal residence (current or previous), employment, family connections or special circumstances<sup>31</sup>.
144. There is no obligation for such a policy, and it is up to local authorities to decide how they wish to apply these policies, although specific exceptions exist for members of the armed forces and their relations.
145. As such, it is helpful to turn to Waverley Borough Council's Housing Allocations Scheme, published in January 2013 and updated in January 2017. This document clearly states that "the intention...has been to have a scheme that prioritises housing applications with....a local connection to Waverley."
146. Whilst the council's policy is clear on its intentions, the reality is that defining a local connection to certain locations such as individual parishes within the Borough can prove more challenging. Local connection is just one of numerous criteria, including current living situation, income etc. which are used to place applicants into priority bands, and helps to determine their relative eligibility for applying for social rented housing.
147. Waverley's Housing Allocations Scheme describes how local connections are defined and tested in the context of borough-wide allocations for social rented housing. A Strong Local Connection (or Substantive and Long Standing Local Connection) is described as "five years continuous and settled residence in the Borough at the time of applications."<sup>32</sup>
148. The Scheme also defines a "Medium Local Connection" as those people meeting one of the following criteria:
- a. three years of residence within the last five year;
  - b. five years of residence in the past;
  - c. twelve months of permanent employment for at least two days per week;
  - d. close relatives living in the Borough for at least 5 years from the date of application; or
  - e. through special circumstances.
149. Indeed the scheme also introduces Local Lettings Plans, which are priorities outside of the borough-wide policy in specific circumstances including areas where there are estate management issues, or issues relating to the sustainability of a given area.
150. This applies to new developments, so as to achieve a mix of households, and on rural housing schemes, where planning permission "relates to the housing being provided to meet local housing need". Where this is the case local connections would be defined as current residence or employment in the village or parish, being born and raised in the parish but live elsewhere, or having close (immediate) family such as parents or siblings in the parish.
151. Such a policy would favour those with the longest relationship with the parish, and in cases where there are no suitable applicants, would favour those from nearby villages and parishes "on a concentric circle basis." Furthermore, whilst the allocations policy clearly sets out the process of allocations, allocations are still based on the principal of 'choice', allowing applicants to express preferences for housing of certain types and certain locations.

<sup>31</sup> <http://righttobuildtoolkit.org.uk/briefing-notes/local-connection-issues/#>

<sup>32</sup> Waverley Borough Council Housing Allocations Scheme January 2013, pp. 34

152. There is clear evidence of affordable housing need within the parish, and Waverley Borough Council has set out a Lettings Scheme which makes allowances for both specific rural housing schemes, and for other types of Local Lettings Plans, with criteria for doing so. As such the evidence does exist to justify a local connections test policy in relation to affordable housing in Dunsfold. However, more detailed evidence produced as part of a housing needs survey could also aid the parish in making the case for such a policy to WBC.
153. Neighbourhood Plans, likely Local Plans, can include a Local Connection Test Policy. However, it must be emphasized that such arrangements are implemented via individual Section 106 agreements, which are legal agreements between those organisations developing a housing scheme and the local authority directly. Given that Neighbourhood Plans, once made, become part of the Local Plan, this would therefore be implemented by Waverley Borough Council in its agreements with developers.
154. Given this context, it is for the parish council to negotiate with the local authority and potential and existing local housing providers with regards to providing housing for local people in the Parish and establishing a Local Lettings Plan based on the evidence of need put forward in this HNA. This may be on a per-scheme basis, similar to the Local Lettings Plan developed for the Ockford Ridge Development, also in Waverley<sup>33</sup>, and could apply to both rented and owner occupied forms of affordable housing (e.g. shared ownership).
155. The Chartered Institute of Housing (CIH) provides useful guidance for local authorities establishing a local lettings policy, which suggests that proposals should set out clear objectives backed up by evidence. It outlines how the proposals will achieve those objectives, as well as any impact assessments including in relation to equalities regulations, review and reporting mechanisms, and evidence of consultation with local people on the proposals<sup>34</sup>.

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<sup>33</sup> [http://www.waverley.gov.uk/downloads/file/5965/local\\_lettings\\_plan\\_for\\_ockford\\_ridge](http://www.waverley.gov.uk/downloads/file/5965/local_lettings_plan_for_ockford_ridge)

<sup>34</sup> <http://www.cih.org/resources/PDF/Policy%20free%20download%20pdfs/Allocations%20and%20Local%20Flexibility.pdf>

## 6. Type and size

**RQ4. What type (terrace, semi, bungalows, flats and detached) and size (number of habitable rooms) of housing is appropriate?**

### 6.1 Background and definitions

156. Before beginning our consideration of type and size, it is important to understand how different types of households occupy their homes. Crucially, household ‘consumption’ of housing space tends to increase alongside wages, with the highest earning households consuming relatively more (i.e. larger) housing than those on lower incomes. Similarly, housing consumption tends to increase, alongside wealth and income, with age, such that older households tend to have larger homes than younger households, often as a result of cost and affordability<sup>35</sup>.

157. In this context, even smaller households (those with smaller numbers of inhabitants, including just one or two people) may be able to choose to live in larger homes than their needs would suggest, and would be defined in Census terms as ‘under occupying’ their homes. This is a natural feature of the housing market, and can even distort considerations of future housing needs, with market dynamics and signals giving a very different picture than demographics, household type and size suggest for future years.

158. In order to understand the terminology surrounding size of dwellings, it is important to note the number of rooms recorded in Census data excludes some rooms such as bathrooms, toilets and halls; and to be clear that data on dwelling size is collected on the number of rooms being occupied by each household. In the section that follows, ‘dwelling sizes’ should be translated as follows<sup>36</sup>:

- 1 room = bedsit
- 2 rooms = flat/house with one bedroom and a reception room/kitchen
- 3 rooms = flat/house 1-2 bedrooms and one reception room and/or kitchen
- 4 rooms = flat/house with 2 bedroom, one reception room and one kitchen
- 5 rooms = flat/house with 3 bedrooms, one reception room and one kitchen
- 6 rooms = house with 2 bedrooms and 2 reception rooms and a kitchen, or 3 bedrooms and one reception room and a kitchen
- 7+ rooms = house with 3, 4 or more bedrooms

159. It is also useful to clarify somewhat the Census terminology around dwellings and households spaces, which can be confusing in the context of flats, apartments, shared and communal dwellings, and houses in multiple occupation, types which may typically fall into the private rented sector. Dwellings are counted in the Census by combining address information with Census returns on whether people’s accommodation is self-contained<sup>37</sup>, and as such all dwellings are classified into either shared or unshared dwellings. Household spaces make up the individual accommodation units forming part of a shared dwelling.

160. The key measure of whether a dwelling is shared or unshared relates to the Census’ definition of a household. A household is defined as “One person living alone or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area.”<sup>38</sup> On this basis, where unrelated residents of a dwelling share rooms other than a kitchen, this would be considered a single household in an unshared dwelling, whilst where only a kitchen is shared, each resident would be considered their own household, and the dwelling would be considered shared.

161. Whilst it is unlikely that these issues are of particular relevance to Dunsfold, given that their main applicability is to students and other people likely to be sharing homes, it is still helpful to understand the terms as a background to the data in this chapter.

### 6.2 Existing types and sizes

162. PPG recommends a consideration of the existing housing provision and its suitability, having regard for demographic shifts in age and household composition as well as affordability, to address future as well as current community need. For this reason, we start with a consideration of type and size within the existing housing stock in 2011.

<sup>35</sup> SHMA15, pp.130, para 8.5

<sup>36</sup> <https://www.nomisweb.co.uk/Census/2011/qs407ew>

<sup>37</sup> <https://www.gov.uk/guidance/dwelling-stock-data-notes-and-definitions-includes-hfr-full-guidance-notes-and-returns-form>

<sup>38</sup> Ibid.

163. **Table 6-1** below describes the current housing stock type of dwellings. Detached and semi-detached are the two predominant types, not only in Dunsfold but also in Waverley. It should be noted that almost 50% of households in Dunsfold live in a detached property. The patterns in Dunsfold reflect those of the Borough, although there are more terraced dwellings and flats in Waverley (almost twice as much).

**Table 6-1: Accommodation type (households) in Dunsfold, 2011**

Dwelling type		Dunsfold	(%)	Waverley	(%)	England (%)
Whole house or bungalow	Detached	230	49.3%	21196	41.1%	22.4%
	Semi-detached	154	33.0%	13915	27.0%	31.2%
	Terraced	42	9.0%	7511	14.6%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	28	6.0%	6572	12.8%	16.4%
	Parts of a converted or shared house	9	1.9%	1540	3.0%	3.8%
	In commercial building	1	0.2%	597	1.2%	1.0%

Source: Census 2011, AECOM Calculations

164. **Table 6-2** below sets out the current distribution of dwellings according to size; from this data, it is apparent there is a predominance of large dwellings; large dwellings of 6 or more habitable rooms constitute more than 60% of the stock and are the most common dwelling size; medium sized family dwellings of 4 or 5 habitable rooms represent almost 30% of the stock; and finally dwellings of 1-3 habitable rooms are less frequent and only represent 10.7% of the housing stock. The housing stock size distribution in Dunsfold is very similar to that of Waverley, although it has a higher proportion of large dwellings of 6 or more rooms.

**Table 6-2: Number of rooms per household in Dunsfold, 2011**

Number of Rooms	Dunsfold	(%)	Waverley	(%)
1 Room	1	0.2%	188	0.4%
2 Rooms	2	0.5%	924	1.9%
3 Rooms	44	10.0%	4162	8.4%
4 Rooms	49	11.1%	7514	15.2%
5 Rooms	76	17.2%	9055	18.4%
6 Rooms	91	20.6%	8552	17.4%
7 Rooms	50	11.3%	6188	12.6%
8 Rooms or more	45	10.2%	4990	10.1%
9 Rooms or more	83	18.8%	7707	15.6%

Source: Census 2011, AECOM Calculations

166. **Table 6-3** below allows us to understand how the housing stock in terms of sizes of dwellings has changed over the last ten years. Change at the smaller end of the scale has been modest, with a loss of one 1-room dwelling and a gain of one 2-room dwelling. In contrast, there has been a substantial increase in 3-room dwellings. Overall, there's been a gain of fourteen small dwellings (1-3 habitable rooms); sixteen medium-sized family dwellings; and seventeen larger properties, suggesting an increase evenly distributed between different sizes. This differs from the whole borough which has experienced an uplift of mainly smaller dwellings of 1 to 3 rooms (by 40%), of larger dwellings of 6 rooms or more (by 50%), while medium-sized family homes have not increased.

**Table 6-3: Rates of change in number of rooms per household in Dunsfold, 2001-2011**

Number of Rooms	Dunsfold	Waverley	England
1 Room	0.0%	-34.3%	-5.2%
2 Rooms	-33.3%	4.4%	24.2%
3 Rooms	46.7%	9.5%	20.4%
4 Rooms	16.7%	4.7%	3.5%
5 Rooms	13.4%	-3.0%	-1.8%
6 Rooms	13.8%	-5.4%	2.1%
7 Rooms	-2.0%	5.5%	17.9%
8 Rooms or more	5.8%	17.7%	29.8%

Source: Census 2011, AECOM Calculations

### 6.3 Factors affecting size of housing needed: household composition

167. Household composition is a fundamental factor driving the size of housing that will be needed in Dunsfold in the future. As such, in **Table 6-4** below, we present data relating to household composition drawn from Census 2011 in the NA, which is comparable to the one observed in the Borough. The most abundant single household type is childless couples; those families without children, both aged 65+ and younger than 65, comprise 39% of all households. The second position is occupied by families with children (of 29%). That order is reversed in the Borough, where there are more families with children but less childless couples. Finally, one person households represent 27.40% of total households. The lower proportion of families with children in the NA creates a smaller household size, which on average comprises of 2.24 people, less than the Borough average (2.47) and national average (2.40).

**Table 6-4: Household composition (by household) in Dunsfold, 2011**

		Dunsfold	Waverley	England
One person household	Total	27.4%	27.8%	30.2%
	Aged 65 and over	15.2%	14.2%	12.4%
	Other	12.2%	13.6%	17.9%
One family only[1]	Total	68.0%	66.8%	61.8%
	All aged 65 and over	12.0%	10.8%	8.1%
	With no children	27.0%	19.7%	17.6%
	With dependent children	22.9%	27.7%	26.5%
	All children Non-Dependent	6.1%	8.6%	9.6%
Other household types	Total	4.5%	5.5%	8.0%
Average Household size		2.24	2.47	2.40

Source: Census 2011, AECOM Calculations

168. It is also possible to consider how household composition has shifted over the inter-censal period. Looking at these three core constituents again, households with families have collectively grown very modestly in the NA over the period; couples without children have increased (39.5% in the case of those where all occupants are aged 65+ and by 12.3% in the case of couples with no children); and finally, one person households have increased overall by 15.2%. The data points towards smaller and older households, whilst increases in the number of households in the Borough were more evenly distributed between different types of households.

**Table 6-5: Rates of change in household composition in Dunsfold, 2001-2011**

Household type		Percentage change, 2001-2011		
		Dunsfold	Waverley	England
One person household	Total	15.2%	3.1%	8.4%
	Aged 65 and over	13.6%	-2.5%	-7.3%
	Other	17.4%	9.8%	22.7%
One family only	Total	10.3%	5.8%	5.4%
	All aged 65 and over	39.5%	5.9%	-2.0%
	With no children	12.3%	1.3%	7.1%
	With dependent children	13.5%	11.4%	5.0%
Other household types	All children non-dependent	-30.8%	-0.3%	10.6%
	Total	-20.0%	-4.2%	28.9%

Source: Census 2011, AECOM Calculations

169. It is helpful then to consider how the households of Dunsfold are projected to change in the future. Unfortunately, detailed projections of future populations are not available for individual towns or parishes, so it is necessary to turn to projections for Waverley as a whole and to refine them based on other local data.
170. MHCLG publishes bi-annual household projections for all local authorities in England and Wales, broken down by household type, and also provides projections of the average household size. It is notable that by 2034, the closest year to the end of the Plan period for the Neighbourhood Plan (2032) for which projections are available, the average household size across the Borough will have decreased to 2.28 people, close to the current average for Dunsfold. Based on these and current trends, it is likely that the average household size in Dunsfold will decline even further.
171. The projections for Waverley also consider increases in each type of household up to 2039. Clearly the greatest increases projected for the Borough comprise childless couples and one person households, with much smaller growth in households with dependent children and couples living with other adults.

**Table 6-6: MHCLG Household Projections for Waverley by household type**

	One person	Couple and no other adult	Couple and one or more other adult	Households with dependent children	Other
2014	13,951	15,232	3,459	14,620	268
2039	17,003	18,933	4,024	16,395	299.4
Changes	3,052	3,701	565	1,775	31
Changes (%)	21.9%	24.3%	16.3%	12.1%	11.7%

Source: MHCLG 2014-based household projections

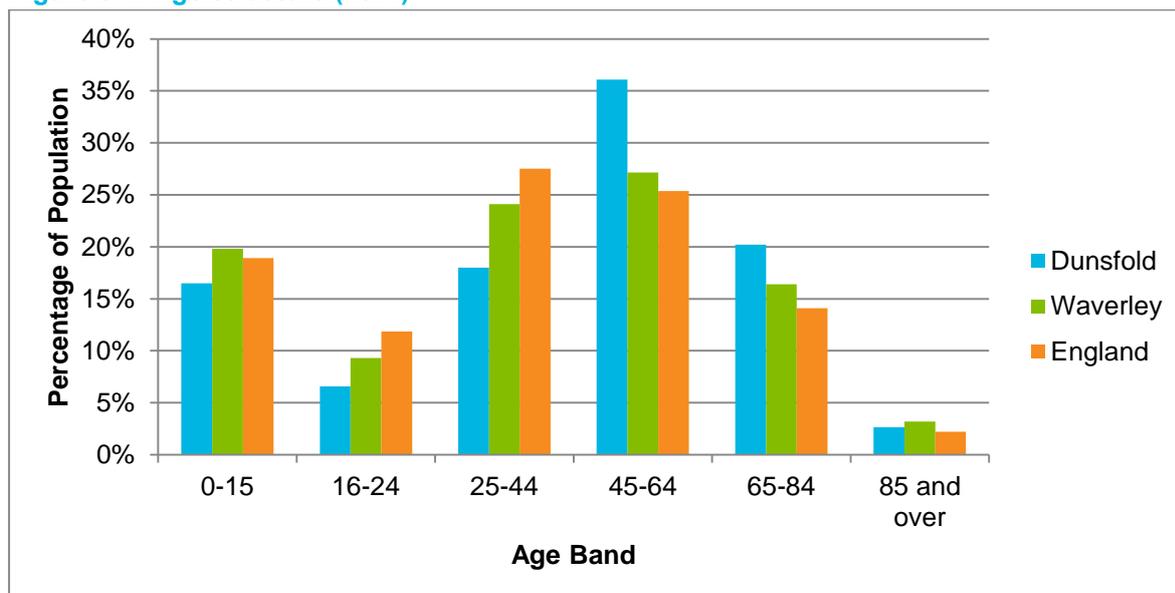
## Conclusion

172. Bringing the evidence together, the household composition in Dunsfold is similar to that of the Borough. The three main household types are childless couples, families with children and one person households. However, Dunsfold is dominated by childless couples, whilst the Borough has a higher proportion of families with children. This explains the smaller average household size in the NA (2.24) compared to the Borough (2.47).
173. Looking at trends between 2001 and 2011 in Dunsfold, couples without children aged over 65 have increased most followed by one person households. Data from the household projections at the Borough level shows a future growth of one person households, childless couples and a reduction of the average household size. Given the current household profile of Dunsfold, we can expect an increase in the proportion of older and smaller one person and childless couple households to form.

## 6.4 Factors affecting size of housing needed: age structure

174. **Figure 6-1** below presents the age structure of Dunsfold at the time of the last Census. Dunsfold has a large proportion of its population aged between 45 and 64 (36% against 27% in the Borough), and a large population aged 65 and over (23%), exhibiting a weighting towards a more elderly population.

Figure 6-1: Age structure (2011)



Source: Census 2011, AECOM Calculations

175. **Table 6-8** below provides further evidence pointing towards an older population in the NA. This suggests that heads of households belong to older age brackets in Dunsfold, and may explain why there are proportionally fewer children in the NA than in the district.

Table 6-7: Mean and Median age, 2001

Area	All usual residents	Mean Age	Median Age
Dunsfold	989	45.5	48.7
Waverley	121,572	41.5	42

Source: Census 2001/2011, AECOM Calculations

176. It is also worth considering the way age structure has shifted during the inter-censal period. This is set out in **Table 6-8** on the following page. The key trends over this period have been the fall in numbers of those aged 25-44 by 24.4%; in numerical terms this is 57 individuals. On the other hand, those aged 65-84 and 85+ have increased by 42.9% and 4.0% respectively, an up-lift over the period of 61 individuals. The modest increase in the number of those aged 0-15 (4 people) and the fall in the numbers of those aged between 16 -24 corresponds with the reduction in adults of parental age.

Table 6-8: Rate of change in the age structure of the population of Dunsfold, 2001-2011

Age group	Dunsfold	Waverley	England
0-15	2.5%	7.8%	1.2%
16-24	-4.4%	0.3%	17.2%
25-44	-24.3%	-5.8%	1.4%
45-64	15.9%	8.2%	15.2%
65-84	42.9%	16.2%	9.1%
85 and over	4.0%	19.8%	23.7%

Source: Census 2001/2011, AECOM Calculations

177. Using the 2014-based ONS subnational population projections (October 2015) we have calculated the rate of change in age profile in Waverley. We then applied the same rate of change onto the population of Dunsfold, to estimate a derived age structure for Dunsfold in 2032. The results are presented in Table 6-9 below. From now until the end of the Plan period, the population are forecast to age and the elderly population are expected to form a larger part of the population. The working-age population will continue to form an important part of the NA but will experience a decline. Finally there will be fewer families and newly forming households.

**Table 6-9: Percentage age band change in Dunsfold, 2011-2032**

Age band	2011		2032	
	Population	Percentage of total population	Population	Percentage of total population
0-15	163	16.5%	178	16.0%
16-24	65	6.6%	70	6.3%
25-44	178	18.0%	162	14.6%
45-64	357	36.1%	369	33.2%
65-84	200	20.2%	276	24.8%
85 and over	26	2.6%	56	5.1%

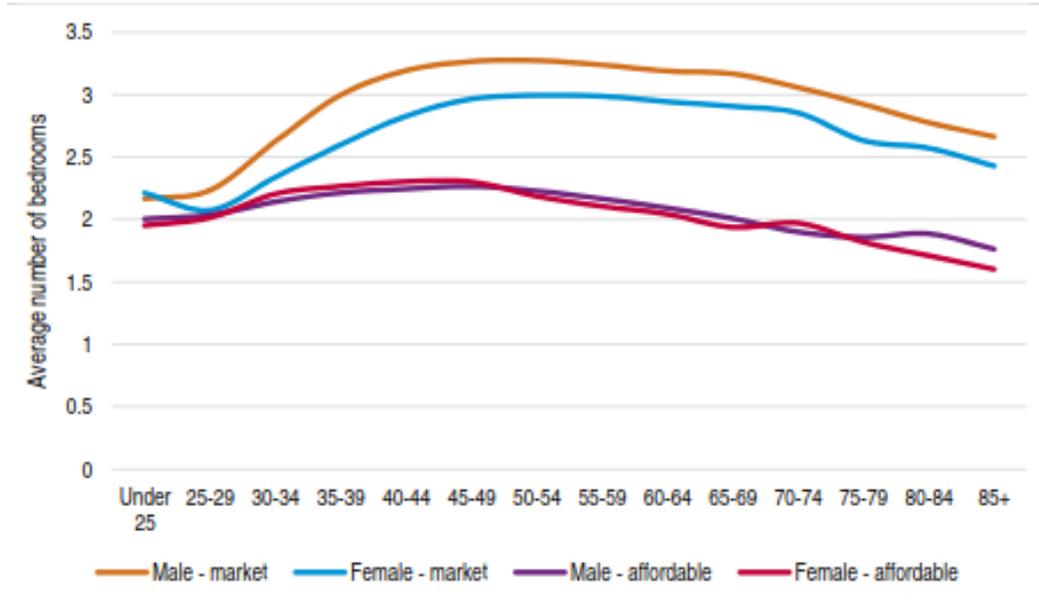
Source: Census 2011, ONS Sub-National Population Projections 2014, AECOM Calculations

178. The evidence gathered in this section has allowed us to identify how Dunsfold differs with the Borough in terms of age structure. Both geographies are dominated by the 45-65 age groups; however, while the NA has a larger proportion of its population in the older age brackets than the Borough, the latter has a larger proportion of its population in the younger age brackets. This is reflected in the median age for Dunsfold which is 48.7, compared to 42 for the Borough.
179. Furthermore, the age groups that have grown the most in the NA during the inter-censal period are mainly those over 45, and overwhelmingly those in the 65-84 age groups. We have then calculated the rate of change in the age profile in Waverley between 2011 and 2032 based on household projections and applied them onto Dunsfold. Although the 45-64 age group will continue to form a substantial part of the population, the population over 65 will be as important (more than 30% against 23% today), so much so that the population aged over 45 will form more than 60% of the whole population.

## 6.5 Conclusions

180. Given recent shifts in age structure and household composition in Dunsfold, it is necessary to understand the wider housing market context, i.e. how households and residents choose to occupy the current housing stock, and how this relates to the future housing needs of NA.
181. In **Figure 6-2** below, we reproduce Figure 46 from the SHMA15, using data for the whole of West Surrey. Due to data protection rules, data of this kind for smaller geographies (e.g. Dunsfold) is not produced as part of the Census. The figure shows an estimate of how the average number of bedrooms varies by different ages of HRP and different sexes by broad tenure group. In the market sector the average size of accommodation rises over time to typically reach a peak around the 45-49 age groups. In the affordable sector this peak also appears around the same age group. After sizes peak the average dwelling size decreases – possibly due to a number of people down-sizing as they get older. It is also notable that the average size for affordable housing dwellings are lower than those for market housing whilst in market housing male HRPs live in larger accommodation for all age groups (with no particular trend being seen in the affordable sector).

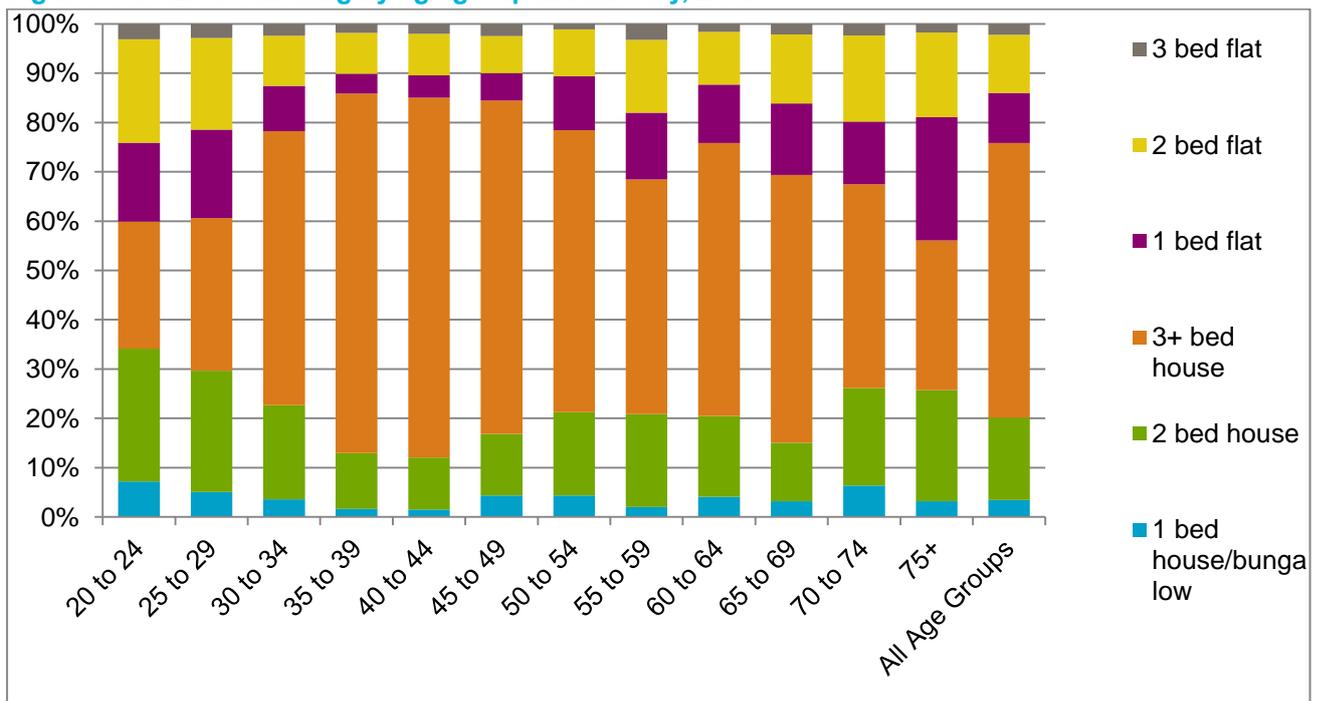
Figure 6-2: Average Bedrooms by Age, Sex and Tenure



Source: SHMA15

- 182. This data can be supplemented with AECOM's own calculations, derived from the Census and shown in the **Figure 6-3** below, of how different age groups occupy different size of accommodation in Waverley. Most significant here is the shift, for those aged 75 and over, towards flats, and away from larger housing types, and for those aged 70 and over, towards smaller houses, illustrating a tendency to down-size as people get older.
- 183. The data also indicates that large properties of 3+ bedrooms become most common around the age of 35, and are also particularly popular among the 35-49 age groups. After 49, households tend to occupy smaller houses and there are a higher proportion of households living in flats.
- 184. Finally, the predominance of 3+ bed houses across all age groups, as noted earlier, is significant, suggesting that this type of home is the most flexible in terms of meeting different households needs at different ages. While people do tend to downsize as they age, larger properties are still popular amongst older people.

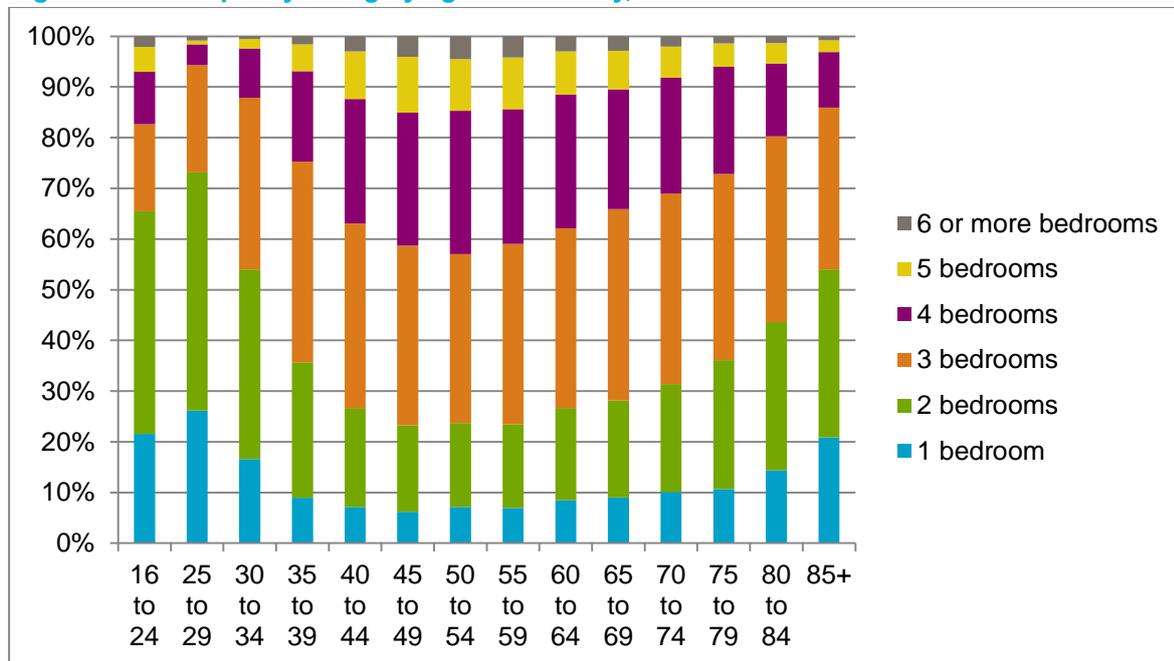
Figure 6-3: Size of dwelling by age group in Waverley, 2001



Source: Census 2001/2011, AECOM Calculations

185. **Figure 6-4** below also illustrates the influence of age on the number of bedrooms: it decreases with younger age and increases as people get older before falling back in later life. The graph also shows the predominance of larger houses across age. Such levels of occupancy do not necessarily relate to housing need, but rather to market demand. People tend to consume as much housing as they can afford. This is particularly true for those in the middle of their lives as was observed above.

**Figure 6-4: Occupancy rating by age in Waverley, 2001**



Source: Census 2001/2011, AECOM Calculations

## 6.6 SHMA Recommendations

186. In the tables below we reproduce Table 15 and 18 from the SHMA15 which puts forward the following mix of homes in the market and affordable sectors for the whole of the HMA. This suggests broadly that affordable dwellings should be focused on smaller housing types, particularly 1 and 2 bedrooms properties, and that market dwellings should be focused on mid-sized housing types, particularly 2 and 3 bed properties. Overall, the most significant focus across both sectors should be 2 bedroom properties.

**Table 6-10: Estimated Need by Number of Bedrooms (2013 to 2033) – Affordable Sector**

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Godalming	41.4%	34.7%	22.4%	1.5%
Farnham	45.0%	28.7%	24.3%	1.9%
Haslemere	51.6%	26.9%	19.9%	1.6%
Cranleigh	52.0%	27.9%	18.5%	1.6%
Rest of Borough	50.3%	26.9%	21.4%	1.5%
Waverley	47.3%	29.2%	21.9%	1.7%

Source: SHMA15

**Table 6-11: Estimated Need by Number of Bedrooms (2013 to 2033) – Market Sector**

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Godalming	12.2%	36.3%	37.4%	14.0%
Farnham	8.1%	31.9%	39.7%	20.4%
Haslemere	13.7%	32.6%	34.1%	19.7%
Cranleigh	9.1%	30.3%	38.0%	22.5%
Rest of Borough	5.9%	29.5%	39.2%	25.4%
Waverley	9.3%	32.1%	38.2%	20.4%

Source: SHMA15

187. Part of the task of this HNA is to consider whether, based on local data for Dunsfold, there is clear evidence of how the recommendations put forward for by the SHMA can be refined according to local characteristics, in this case with

regards to the type and size of housing that will be needed in future in Dunsfold. Whilst much of the data used by the SHMA15 to calculate these estimates is only available down to local authority level and not available at the level of individual parishes, it is certainly possible to consider in broad terms the extent to which these recommendations are appropriate for the NA.

188. Bringing together the evidence from our consideration of household composition and age structure in Dunsfold in comparison to Waverley, as well as the understanding of the housing market context, our findings suggest there is likely to be a significant need for mid-sized homes of two and three bedrooms (dwellings of 4 – 5 habitable rooms), in Dunsfold to the year 2032. Our reasoning is set out below:
189. There are more detached (almost 50% of households in Dunsfold live in a detached property) and semi-detached homes and very few terraced homes and flats in Dunsfold than in the Borough. This typological difference is reflected in the sizes of homes, as large dwellings of 6+ rooms are the most common house size in Dunsfold. The housing stock size distribution in Dunsfold has a higher proportion of large dwellings of 6 or more rooms which constitutes more than 60% of the stock.
190. The town has fewer households with children than the Borough and more one person households and childless couples, mainly aged 65 and over, such that Dunsfold's average household is significantly smaller than that of Waverley. The proportion of such households is expected to grow, with forecasts pointing towards significant increases in such households across the Borough, alongside decreases in households with children overall, as well as further increases in single person households of all ages. For that reason, there is a clear need for 2-3 bedroom homes appropriate for smaller households.
191. Regarding age composition, the elderly population is forecast to increase the most across of any group within the Borough. Looking at the market housing across Waverley, there is a trend of older people downsizing (on average living in smaller homes than middle aged people).
192. Therefore, we believe the current dwelling stock profile is not suitable to meet the needs of an ageing population and of smaller households. Reflecting on the recommendations for housing mix put forward by the SHMA15, this HNA recommends that there should be a stronger emphasis on 2-3 bedrooms dwellings than recommended by the SHMA15.

## 7. Specialist Housing

### RQ5. What provision should be made for the needs of older and newly formed households over the Plan period?

#### 7.1 Background and definitions: older people's housing

193. Before considering the data on Dunsfold specifically in more detail, it is useful to understand the national context for specialist housing for the elderly across England (e.g. sheltered and extra care, see Appendix B for definitions). Between 1974 and 2015, the population aged 65 and over in England grew 47% and the population aged 75 and over grew by 89%.<sup>39</sup>
194. A Demos survey<sup>40</sup> of over 60s conducted in 2013 found a “considerable appetite” amongst this age group to move to a new property, with one quarter of all those surveyed suggesting they would be interested in buying a specialist property, and one quarter considering renting.
195. Indeed, the same survey found that 76% of those in homes of three or more bedrooms wished to downsize, and this rose to 99% of those in homes of five or more bedrooms, with two bedrooms the preferred choice for both<sup>41</sup>.
196. However, in spite of evidence of high demand, currently only 5% elderly people's housing is made up of specialist homes<sup>42</sup>, with Demos suggesting that “the chronic undersupply of appropriate housing for older people is the UK's next housing crisis”<sup>43</sup>, and local authorities often “accused of reluctance to approve development plans for specialist housing....out of fear of increased care costs”.<sup>44</sup>
197. In 2014 there were approximately 450,000 units of sheltered social rented and private sector retirement housing in the England, with approximately one quarter of these in private sector and the rest provided at social rent levels<sup>45</sup>. However, this balance is likely to be as result of constraints on the supply of private sector retirement housing rather than a lack of demand.
198. Indeed, whilst older people are increasingly healthier for longer than in the past, often staying in their own homes rather than moving into care, it is clear that the supply of specialist housing for the elderly has not responded significantly in the face of increasing demand. For example, the population aged 65 and over in England grew by 11% in England between 2001 and 2011, but the population living in actual residential care homes, those providing comprehensive care out with the sheltered housing sector, grew by just 0.3%, to about 291,000 people<sup>46</sup>.
199. The following sections consider the existing provision of specialist housing for the elderly in Waverley as a whole, and for Dunsfold, and make projections of how needs might change in the future based on existing provision rates and demographic projections. These are then compared with rates of provision that have been recommended by the Housing Learning and Improvement Network (HLIN).

#### 7.2 Current and future population of older people

200. Before considering demographic and other local factors affecting older persons need for specialist housing, it is helpful to establish a baseline position regarding the number of older people in Dunsfold verses the rest of Waverley, and how this is likely to change in the future.
201. **Figure 7-2** below shows the population of elderly people aged 65+ in both Dunsfold and Waverley, broken down into different age groupings. Whilst in 2011, Dunsfold had a slightly lower proportion of people aged 75+ (9.30%) than Waverley (9.76%), this represented an increase on 2001 figures. Furthermore, looking at the proportion of people aged 65+, Dunsfold has a greater proportion of older residents (20.9%) than Waverley (19.6%). Both of these are higher than the 2013 estimates provided by the SHMA for the HMA (17.7%), the South East region (18.3%) and England as a whole (17.3%).<sup>47</sup>

<sup>39</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

<sup>40</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>41</sup> Ibid.

<sup>42</sup> [https://www.housinglin.org.uk/\\_assets/Resources/Housing/OtherOrganisation/for-future-living\\_Oct2014.pdf](https://www.housinglin.org.uk/_assets/Resources/Housing/OtherOrganisation/for-future-living_Oct2014.pdf)

<sup>43</sup> <https://www.demos.co.uk/files/TopoftheLadder-web.pdf?1378922386>

<sup>44</sup> <http://researchbriefings.files.parliament.uk/documents/CBP-7423/CBP-7423.pdf>

<sup>45</sup> [https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb\\_july14\\_housing\\_later\\_life\\_report.pdf](https://www.ageuk.org.uk/globalassets/age-uk/documents/reports-and-publications/reports-and-briefings/safe-at-home/rb_july14_housing_later_life_report.pdf)

<sup>46</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/ageing/articles/changesintheolderresidentcarehomepopulationbetween2001and2011/2014-08-01>

<sup>47</sup> SHMA, pp. 135

**Figure 7-1: Population of older people in Dunsfold and Waverley, 2001-2011**

Age group	2001	2001	2011	2011
	Dunsfold	Waverley	Dunsfold	Waverley
Age 65 to 74	81	9915	134	11961
Age 75 to 84	59	7249	66	7990
Age 85 to 89	19	2130	16	2368
Age 90 and over	6	1100	10	1503
Total Population	935	115665	989	121572
Population Aged 65+	165	20394	226	23822
% of all ages	17.6%	17.6%	22.9%	19.6%
Population Aged 75+	84	10479	92	11861
% of all ages	9.0%	9.1%	9.3%	9.8%

Source: Census 2011/AECOM Calculations

202. Whilst older people are considered to be those aged 65+, i.e. above the state pension age, the more standard measure of the elderly population in the context of specialist housing is the percentage of the population aged 75+. However, given that those aged 65+ in 2011 will soon all have reached 75+, both measures are relevant to this HNA.
203. Below we consider the future population of elderly people in Waverley and Dunsfold. Building on ONS population projections for the Borough as a whole for the year 2032, the end of the Plan period, it is possible to project forward the number of residents falling into this age category.
204. Such projections are clearly based on the assumption that Dunsfold will experience the same rate of aging within the population as the rest of the Borough, which is reasonable given that considering that fully 36% of the population of Dunsfold was aged 45-65 in 2011 (357 people), verses just 27% across the Borough.

**Table 7-1: Change in the population of older people between 2011 and 2032**

	Population Dunsfold (2011)	Population Waverley (2011)	Projected Population Dunsfold (2032)	Projected Population Waverley (2032)
All ages	989 (0.81% of the Borough)	134,257	-	135,300
65+	226 (0.95% of the Borough)	23,822	341 (51% growth)	35,900 (51% growth)
75+	92 (0.78% of the Borough)	11,861	157 (71% growth)	20,300 (71% growth)

Source: ONS 2014-based sub-national population projections, Census 2011, AECOM Calculations

### 7.3 Factors affecting older people's housing need

205. Given the significant projected increases in the elderly population projected in Dunsfold to 2032, it is reasonable to consider factors which might impact on these people's need for specialist housing. The actual proportion of elderly people that can be considered in need of specialist housing is affected both by overall levels of health at the population scale as well as by individual lifestyle choices, given that the vast majority of elderly people currently choose to continue to live in their homes into their old age, as discussed above. Below we consider three factors affecting housing need for the elderly in Dunsfold, all of which are discussed at the HMA level in Section 9 of the SHMA.

#### 7.3.1 Tenure

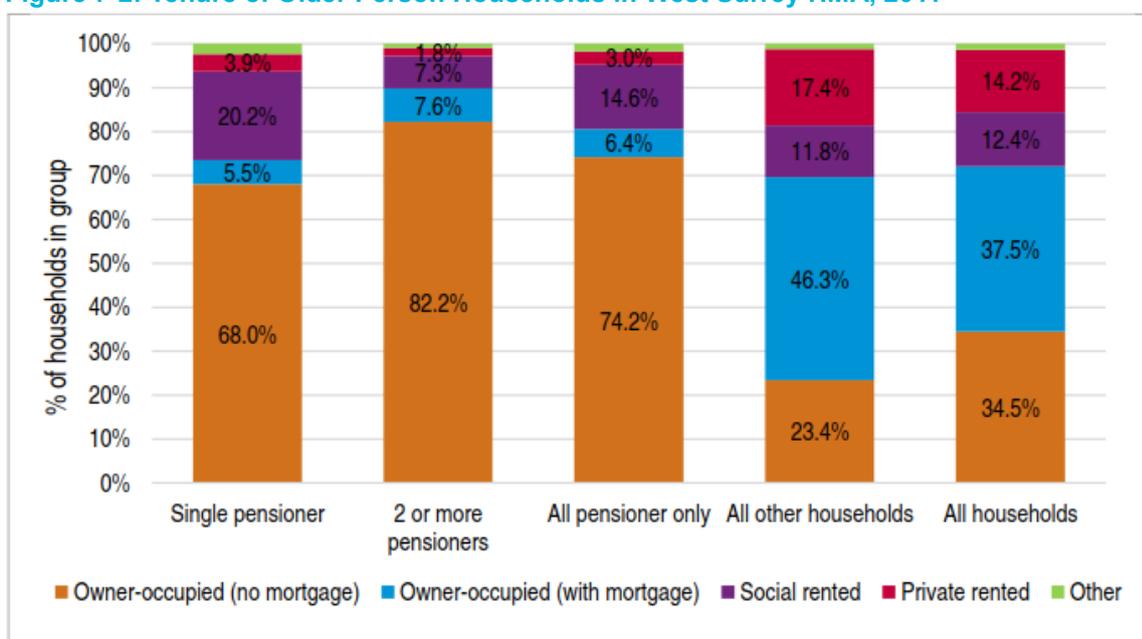
206. The tenure in which older people live currently is likely to have an impact on their ability, and desire, to move into new properties, partly as a result of affordability issues, and partly as a result of people's tenure preferences where affordability may not be an issue. As such, we consider below the tenure of older people's housing in the NA.

207. The SHMA notes that “the majority (54%) of [specialist housing] currently is in the affordable sector even though the majority of older person households are owner-occupiers.”<sup>48</sup> This data hints at how historically, such provision was equally likely to be in the affordable sector as in the market sector, in spite of the dominant trend towards owner occupation amongst older people. The result of this is that the stock was designed to disproportionately meet the needs of those in the affordable sector, with a resulting imbalance between the stock and housing need based on current trends in tenure among older people. As noted in the SHMA, this “may mean that market solutions will be required to meet [older people’s] needs.”<sup>49</sup>

208. Still, when considering the housing register in Waverley, there were just two households currently living in Dunsfold in any kind of housing need, both of which were single people looking for one bedroom accommodation aged between 60-65. This demonstrates the very real and continued need for affordable or social rented properties which are specially designed for older people, or at the very least will adequately meet their needs both in terms of size but also in terms of accessibility, particularly should their mobility be limited in future.

209. **Figure 7-3** below shows the tenure of older people’s households across the West Surrey HMA. There was relatively little variation between different local authorities, although Waverley was shown to have the lowest rate of owner occupation in this age group (73.2%, versus the average of 74.2% across the HMA). In particular, the data aligns with the picture from the housing register, with single pensioners significantly more likely to occupy social rented housing than households with two or more pensioners (typically couples).

**Figure 7-2: Tenure of Older Person Households in West Surrey HMA, 2011**



Source: SHMA

210. Even so, this trend is significant enough that, considering all pensioner households, both those living alone and those in couples or other living arrangements, the West Surrey HMA still has a higher proportion of older households living in social rented accommodation (12.4%) than the average for all households (11.8%).

211. Given that data on the age of households and their tenure is not available at the level of individual parishes, it is difficult to make any prescriptive recommendations as to how this factor will affect the need for specialist housing in the parish. What is more clear from the data is that in the past, a high proportion of specialist housing provision was in the social rented sector, thus making older households more likely than others to live in social rented properties.

212. Whether this will be the case going forward is relatively unlikely, as the dominant tenure in this age group is owner occupation. However, data from the housing register suggests that there are still unmet needs for affordable housing for older people, and therefore, specialist housing built should provide for a range of tenures. This is discussed in more detail at the end of this section.

<sup>48</sup> SHMA, pp.141

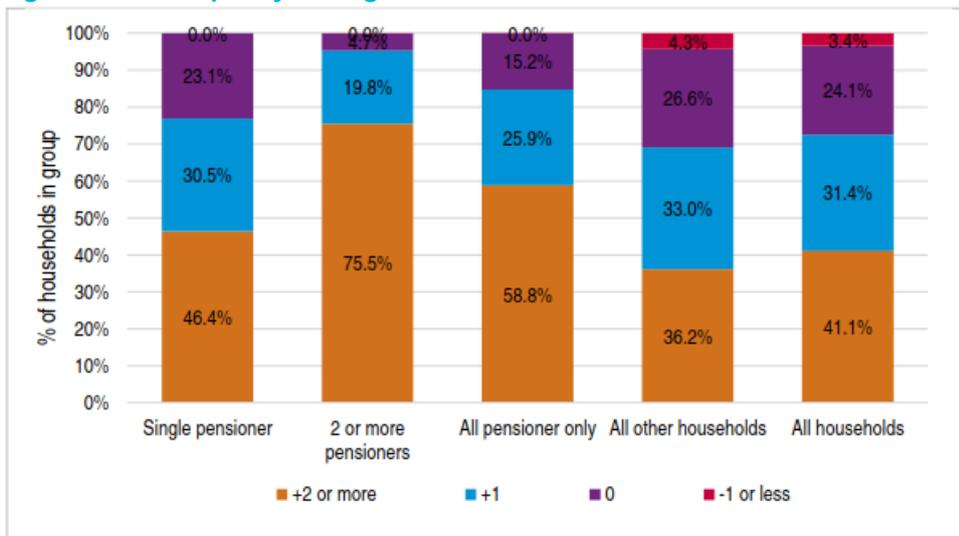
<sup>49</sup> SHMA, pp.137

### 7.3.2 Occupancy Rating

213. The occupancy rating of a household is derived by subtracting the notional number of rooms deemed to be required by a household (according to its age and composition), from the actual number of rooms they occupy. As noted above, research shows that those with larger homes are much more likely to wish to move into specialist accommodation for the elderly, given the challenges of maintaining such homes. As such, below we consider rates of occupation amongst the elderly population, as this is a key factor which ultimately may induce older people to choose to move into specialist housing for the elderly.

214. The SHMA notes that 59% of those aged 65+ have two or more extra bedrooms across the HMA, versus 36% for households of other ages, as shown in the **Figure 7-4** below. It also shows that over-occupation occurred mainly amongst owner occupied households, but that this is a result of such households having built up equity in their homes, and may wish to retain family housing with space for friends and relatives to visit.

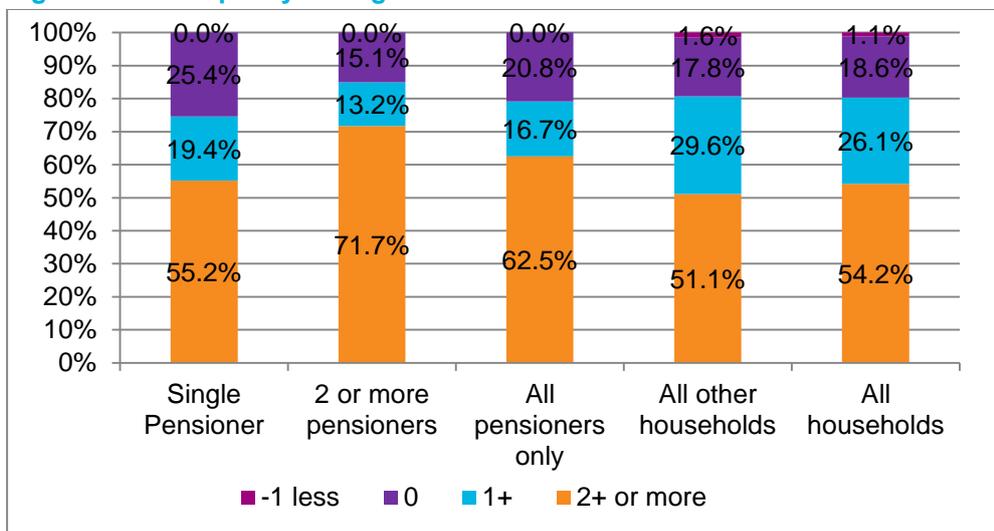
**Figure 7-3: Occupancy Rating of Older Person Households - HMA**



Source: SHMA

215. It is useful then to compare this to data for Dunsfold Parish, as shown in the **Figure 7-5** below. This data shows that single pensioners have higher levels of under-occupation than the average for the HMA, but households of two or more pensioners have lower levels of under-occupation. Indeed, whilst all pensioner households have higher rates of under-occupation on average than across the HMA, this is set against a much more significant level of under-occupation for all other households (51.1% versus 36.2% across the HMA). The equivalent figure for Waverley was 40.4%.

**Figure 7-4: Occupancy Rating of Older Person Households - Dunsfold**



Source: Census 2011, AECOM Calculations

216. Whilst many surveys suggest that those who have the most additional bedrooms may be the most likely to wish to move into smaller or specialist accommodation, DPC should consult with the community in the parish to establish whether this trend stays true. The high levels of under-occupation amongst households of other ages would suggest that there may be a local tendency towards smaller households and larger homes, which may not necessarily increase the need for specialist housing for the elderly.

### 7.3.3 Health

217. As discussed above, the actual proportion of elderly people in need of specialist housing can be affected as much by health status (current levels of health problems) and health outcomes (likely future health problems) as by individual lifestyle choices.

218. It is interesting to consider long-term rates of limitations to mobility in Dunsfold, which is defined in the Census as the extent to which people reported that their day to day activities were limited “because of a health problem or disability which has lasted, or is expected to last, at least 12 months”<sup>50</sup>. Whilst this data is not available down to the level of individual parishes, the data is available for Dunsfold and Chiddingfold together (i.e. the ward boundary).

**Figure 7-5: Levels of mobility limitations in Dunsfold and Chiddingfold**

	Day-to-day activities limited a lot	Day-to-day activities limited a little	Day-to-day activities not limited
<b>Dunsfold and Chiddingfold, 65+</b>	14%	24%	62%
<b>Waverley, 65+</b>	16%	24%	61%
<b>Dunsfold and Chiddingfold, 75+</b>	25%	31%	44%
<b>Waverley, 75+</b>	25%	31%	44%
<b>Dunsfold and Chiddingfold, all ages</b>	5%	8%	87%
<b>Waverley, all ages</b>	5%	8%	87%

Source: Census 2011

219. The data shows that there is remarkably little variation in the health status of older people between Dunsfold and Chiddingfold and the rest of the Borough, although taking into consideration people aged 65-75, rates of mobility limitations and disability are slightly lower, by about 1-2%. This could indicate a slightly lower need for specialist housing, although this is not considered significant.

220. Conversely, the table below, reproducing Table 66 from the SHMA, shows that Waverley will see the highest increases in the number of older people with dementia and disability problems of any part of the HMA. The difference here is somewhat more significant, with Waverley likely to experience close to 500 more cases of dementia to 2033 than Guildford for example, and close to 1400 more cases of mobility problems than Woking over the period.

<sup>50</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/articles/disabilityinenglandandwales/2013-01-30>

**Table 7-2: Estimated population change for range of health issues (2013 to 2033)**

Type of illness/disability	2013	2033	Change	% increase
<b>Guildford</b>				
Dementia	1,679	2,871	1,192	<b>71.0%</b>
Mobility problems	4,294	6,808	2,514	<b>58.5%</b>
<b>Waverley</b>				
Dementia	1,934	3,707	1,772	<b>91.6%</b>
Mobility problems	4,878	8,405	3,527	<b>72.3%</b>
<b>Woking</b>				
Dementia	1,170	2,173	1,003	<b>85.7%</b>
Mobility problems	2,981	5,087	2,106	<b>70.7%</b>
<b>HMA</b>				
Dementia	4,783	8,751	3,967	<b>82.9%</b>
Mobility problems	<b>12,153</b>	<b>20,300</b>	<b>8,147</b>	<b>67.0%</b>

Source: SHMA

221. Whilst this data is not available at the parish level, the data indicates the scale of potential need for specialist housing to meet the needs of those with dementia in particular. Those with mobility problems are more likely to be able to have their needs accommodated in the existing housing stock with suitable adaptations, as discussed in more detail below. However, the data above would suggest that the 25% of those aged 75+ currently experiencing “a lot” of limitations to their mobility may be able to have their needs met in specialist housing. The level of care provided within residents homes is a decision which will be made by care providers such as the NHS, and this will inevitably impact on the need for specialist housing.

## 7.4 Current stock and provision of Older People’s Housing

222. Data on the existing provision of elderly housing is difficult to obtain at the local level for individual parishes; however the West Surrey SHMA does record the current supply across the HMA, and per Borough, as shown in the table below.
223. The table demonstrates the significant variations in provision between different Boroughs, with Waverley providing just 54% of the provision in Woking (proportional to the elderly population), but Guildford providing just 75% that of Waverley.
224. These variations are likely as a result of a combination of supply and demand factors, with the overall health of each Borough’s population a key driver of the need for some types of specialist housing for the elderly, and, given what has been discussed about tenure above, the overall wealth of the population also impacting past provision. Indeed, Woking’s very high level of provision is partly as a result of high levels of affordable specialist housing (55% versus 41% in Waverley), reflecting past models of specialist housing for the elderly.

**Table 7-3: Current supply of specialist housing for older people in the HMA**

	Type of housing	Market	Affordable	Total	Supply per 1,000 aged 75+
Guildford	Sheltered	320	262	582	53
	Extra-Care	0	164	164	15
	Total	320	426	746	68
Waverley	Sheltered	544	591	1,135	91
	Extra-Care	0	0	0	0
	Total	544	591	1,135	91
Woking	Sheltered	589	709	1,298	169
	Extra-Care	0	0	0	0
	Total	589	709	1,298	169
HMA	Sheltered	1,453	1,562	3,015	97
	Extra-Care	0	164	164	5
	Total	1,453	1,726	3,179	102

Source: SHMA

225. The rate of provision across all of Waverley would suggest that, based on the 92 people aged 75+ in Dunsfold in 2011, there should be approximately 8 units of specialist housing in Dunsfold already to meet current needs (were Dunsfold to meet its fair share of provision).
226. However, currently, data from the Elderly Accommodation Council makes clear that there is no provision in Dunsfold currently<sup>51</sup>. This suggests that either the housing needs of these Dunsfold residents are met outside of the parish boundaries, or that factors, including those discussed above, may mean that the need for specialist housing for the elderly is lower in Dunsfold than the Borough average. However, the analysis set out above does not provide significant evidence for the latter of these to be the case.
227. Given the specialist nature of such housing, this is not entirely surprising, particularly as a certain number of dwellings is usually required to make developments of this nature viable and feasible, not least where services are provided to residents to accommodate specialist needs.
228. It is important to note as above that there is no obligation for all additional specialist dwellings to be provided within the NA and clearly in some cases, it would not be economically feasible to do so. It is worth considering however whether, in future, some of this local need for specialist elderly accommodation could be met within the parish boundaries, thereby allowing members of the community who have lived in the village up to the time they become elderly to remain in the parish even when they choose to enter more specialist accommodation. As such, below we consider how this need might change in future.

## 7.5 Future need for older people's housing

229. We have already seen that the population of Dunsfold aged 75+ could rise by 65 people, from 92 in 2011 to 157 in 2032 in line with Borough trends. Indeed, simply considering residents of Dunsfold who were aged 65-74 in 2011 (of whom there were 134) this does not seem entirely unlikely as these people age, and as those who were already 75 in 2011 live longer.
230. Based on the current rate of provision of older people's housing in Waverley, this increase could lead to an additional need for approximately 6 specialist homes for the elderly in Dunsfold to 2032. Whilst this number is relatively small, adding it together with the existing need in the parish which may be met outwith its boundaries suggests a total need for 14 specialist dwellings, again at existing rates of provision. Such a figure would likely be enough to make a single scheme of such housing viable towards the end of the Plan period.

<sup>51</sup> <http://www.housingcare.org/index.aspx>

231. Furthermore, it is relevant to consider the recommendations set out by the SHMA15<sup>52</sup>, which are based on taking an average between the current rate of provision across the HMA (102 dwellings per 1000 75+) and the national average of approximately double this, or 170 dwellings per 1000 75+.
232. Based on an increase in rates of provision towards national trends then, and in line with the recommendation set out in the SHMA, this would suggest the need for approximately 19 specialist dwellings for the elderly in Dunsfold to the end of the Plan period, or approximately one per year. However, as noted above, given the specialist nature of these dwellings, these are mostly likely to be delivered in a single scheme, rather than individually.

## 7.6 Conclusion: tenures of older people's housing needed

233. The SHMA sets out the most appropriate tenure split between market and affordable housing for older peoples housing to 2033. The ratio for Waverley would suggest the need for approximately 85% of this to be provided as market housing, and 15% as affordable housing. This would suggest that of 19 additional specialist housing units in Dunsfold, 3 would be affordable.
234. Previous data from the housing register provided by WBC<sup>53</sup> showed that there were two elderly households in Dunsfold in need of affordable housing. In this context, we would recommend that these needs be considered as 'backlog', to be met over the Plan period, and thus that the total number of units include 2 additional affordable units, leading to a total of 21 specialist housing units over the Plan period, of which 5 should be affordable.
235. However it is a decision for the Parish Council to consider whether they wish to plan for the needs of the elderly within the Parish boundaries, or whether they wish to rely on larger settlements, which will inevitably have more services, to provide this specialist housing. Where such dwellings are self-contained, these should count towards the overall housing target above, whilst non-self-contained dwellings should, according to national guidance, should count at a ratio of 1:1.8 (i.e. 21 non-self-contained specialist dwellings would count as 12 dwellings towards the overall target above). However, these detailed arrangements will need to be discussed with WBC to confirm how specialist dwellings will be accounted for with regard to allocations targets.

**Table 7-4: Projected Need for Older Persons/ Specialist Housing by Tenure (2013-33)**

		Market	Affordable	Total
<b>Guildford</b>	Need	1,456	624	2,080
	Supply	320	426	746
	Net need	1,136	198	1,334
<b>Waverley</b>	Need	1,986	851	2,838
	Supply	544	591	1,135
	Net need	1,442	260	1,703
<b>Woking</b>	Need	1,551	665	2,216
	Supply	589	709	1,298
	Net need	962	-44	918
<b>HMA</b>	Need	4,993	2,140	7,134
	Supply	1,453	1,726	3,179
	Net need	3,540	414	3,955

Source: SHMA

## 7.7 Other Housing Options for the Elderly

236. Below we outline a range of other housing options for the elderly, with this section provided for reference only.
237. **Retirement villages** are developments that involve the delivery of multiple homes satisfy the desire on the part of many older people to live in an environment with people facing similar challenges; retirement villages are often a cost-effective means of delivering sheltered and extra care housing together with the facilities and services these settlements imply. Given the numbers of units that result from the analysis above, it would be likely not be appropriate to consider this approach to the delivery of housing for the elderly in Dunsfold.

<sup>52</sup> SHMA15, pp.142

<sup>53</sup> Email dated 06/02/2018

238. **Senior co-housing** has been identified as being particularly suited to the needs of older residents. It offers a way for a group of people with similar interests and needs to come together to create an environment suited specifically to their requirements. Moreover, it can be designed to help address one of the most important issues for older people: isolation and loneliness. A number of successful case studies exist of projects developed specifically with the needs of older people in mind; including the creation of public areas that encourage social interaction between members of the community (see <https://cohousing.org.uk>).
239. **Multi-generational homes** have been identified as a possible solution not only for older people, but all generations where it makes financial sense to share accommodation, particularly younger people who are struggling to set up their own households. This gives rise not only to designs for new homes, but conversions to existing dwellings, introducing internal subdivisions and peripheral extensions to create internal layouts that balance the private needs of different generations with the benefits of over-lapping, shared communal spaces.
240. **Lifetime homes** are created via LPA policies in Local Plans that a proportion of new homes should be built according to 'lifetime homes' principles; these are ordinary homes incorporating a number of design criteria that can be universally applied to new homes at minimal cost, for example parking that makes getting in and out of the car as simple and convenient as possible and ensuring movement in hallways and through doorways should be as convenient to the widest range of people, including those using mobility aids or wheelchairs, and those moving furniture or other objects.<sup>54</sup>
241. **Right sized dwellings** are dwellings that may be specifically built for older people in mind, but are not necessarily marketed as such. It is important to note, this does not necessarily imply moving to a smaller home. Many older people have the wealth (and the choice that comes with it) to create a home suited to having visitors and accommodating care staff, who may need to make over-night stays. For this reason, it is important to recognise that different ages have different needs, thus in the provision of housing, choice is critical, catering for those with relatively modest requirements, to those who are more dependent on help. The provision of choice that responds to need is part of creating a smoothly operating local housing market in which older people are able move out of family homes when they wish, thus freeing up these properties for others.<sup>55</sup>
242. **Housing for people with dementia** may consist of specialist housing, but may also be met within people's own homes. Enabling people with dementia to live in their own homes for longer is critical to their quality of life as a result of the familiarity of surroundings and the help with retaining memories this facilitates<sup>56</sup>. The challenge with this is two-fold; firstly the lack of appropriate adaptations in properties and, secondly, the support required to ensure a home is safe and suitable. In **Figure 7-6** below on the following page we reproduce a chart showing the impact that early and appropriate intervention can have on the prospect of people with dementia remaining in their own home for longer.

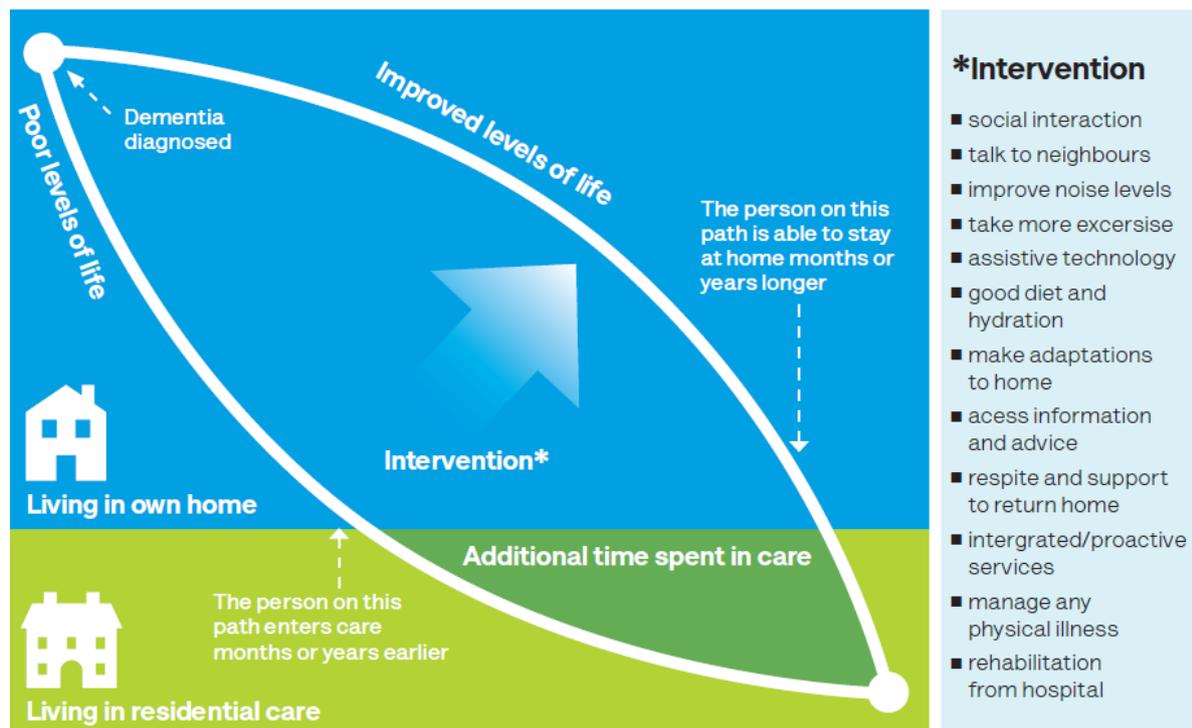
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<sup>54</sup> <http://www.lifetimehomes.org.uk/pages/about-us.html>

<sup>55</sup> Housing LIN, *New Approaches to Housing for Older People*, June 2014, page 6

<sup>56</sup> Alzheimer's Society, *Dementia-friendly housing charter*, page 13

Figure 7-6: Dementia care chart



Source: Dementia Services Development Centre, 2013

111. As suggested above, it is appropriate for the neighbourhood group to work closely with the LPA and other bodies to develop policy and approaches to addressing the need for housing for elderly people in the area. The LPA is under an obligation through national policy to address the needs of older people,<sup>57</sup> it is therefore appropriate they should play the strategic role in co-ordinating new efforts by housing providers, adult care services, primary care and health trusts, private and third sector organisations to meet the housing needs of older people across the Borough.

## 7.8 Housing for newly formed households

### 7.8.1 Access to homeownership

243. Newly forming households, like previous generations, are likely to wish to access housing for sale at some point in their lives, and to join in with the majority of households who own their own home. According to MHCLG's English Housing Survey First time buyers report, published in 2016,<sup>58</sup> 60% of private renters (the dominant tenure in this age group) expect to buy at some point in the future

244. As such, many young people are considered to be potential first time buyers, i.e. those who have not owned their own housing before. First Time buyers are a significant focus in government policy, in part due to wide-held public perceptions of the difficulty young people face entering the owner-occupied housing market. This is in the context of wider declines in home-ownership amongst all age groups throughout the country (from 71% of English households in 2003 to 63% in 2017), and the fact that in 2016 just one in five people (20%) aged 25 owned their own property, verses 46% in 1997<sup>59</sup>.

245. The issue is particularly acute because renting can be more expensive than servicing a mortgage, thus making it more difficult for some households in this sector to meet their housing needs adequately. Furthermore, many communities are dominated by owner occupied homes, meaning that an inability to access home ownership can have spatial consequences, forcing young people to move to where other tenures of housing are more readily available.

<sup>57</sup> NPPF, para 50

<sup>58</sup> EHS 2016-17 Headline Report, pp.3

<sup>59</sup> <http://www.bbc.co.uk/news/business-38378745>

246. It is also helpful to consider some basic facts about actual first time buyers, drawn from the 2015-16 English Housing Survey and other sources. In 1995-96, there were 922,000 first time buyer households. However, this dropped to an all-time low of just 192,300 households in 2008<sup>60</sup>, increasing to 654,000 households in 2015/16<sup>61</sup>.

247. Such households on average spend £50,000 on a deposit, with 29% of buyers receiving help from friends or family to do so<sup>62</sup>. Indeed, 33% of first time buyers were in the highest income quintile, versus just 5% in the lowest income quintile<sup>63</sup>, as shown in **Table 7-5** below. This suggests that the vast majority (75%) of first time buyers, regardless of their age, earn over £30,000 per annum after tax.

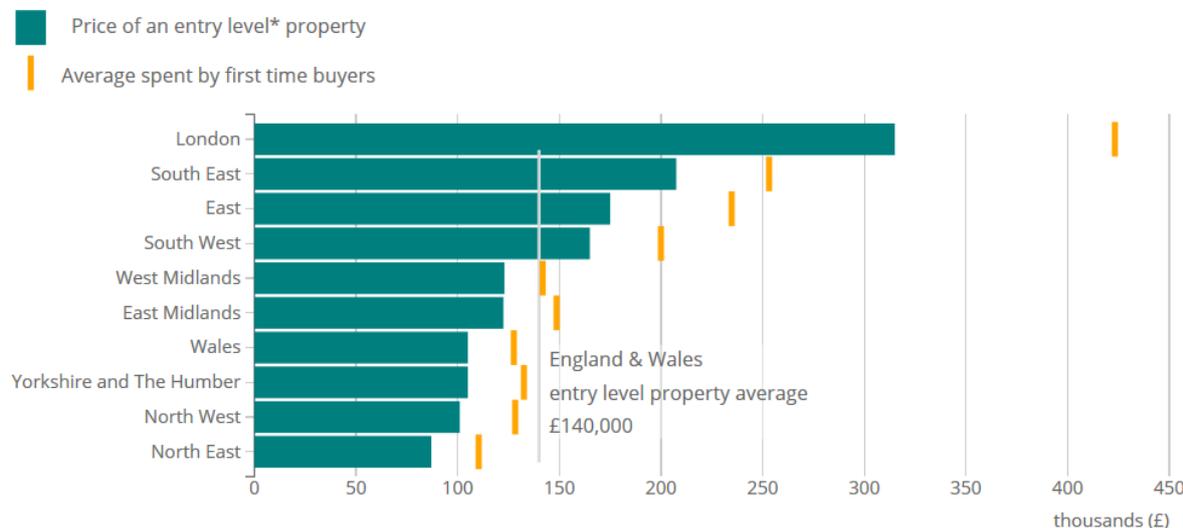
**Table 7-5: First time and other buyers by income quintile (UK, 2015-16)**

Income quintile (all households)	Average annual income (before tax and benefits) <sup>64</sup>	Maximum annual net family income (after tax and benefits) <sup>65</sup>	% Share of first time buyers <sup>66</sup>	% Share of other buyers <sup>67</sup>
1	£7,153	£15,100	5%	8%
2	£13,877	£22,200	8%	13%
3	£26,983	£30,600	22%	14%
4	£43,261	£41,100	33%	27%
5	£84,747	No maximum	33%	37%

Sources: EHS, ONS, IFS

248. Whilst the PPG suggests that entry level property prices are equivalent to lower quartile house prices (i.e. a price below which 25% of properties can be bought in a given area<sup>68</sup>), ONS data suggests that in fact the vast majority of first time buyers are paying more than lower quartile price, as shown in **Figure 7-11** below. Indeed the PPG does not provide a statistical basis for its assumption that entry level properties are equivalent to lower quartile price, and this highlights the gap between actual first time buyers and newly forming households (and those wishing to set up an independent household) who are unable to afford to buy a home.

**Figure 7-7: Price of an entry level property (lower quartile) compared with what was actually spent by first time buyers (2016)**



Source: ONS House Price Statistics for Small Areas, UKHPI

249. Indeed, the data above suggests actual first time buyers today are able to buy more expensive properties than at least 25% of other buyers (i.e. those buying under the lower quartile price for a given area).

<sup>60</sup> <http://www.telegraph.co.uk/finance/property/buying-selling-moving/11013501/First-time-buyers-property-guide.html>

<sup>61</sup> English Housing Survey 2015/16

<sup>62</sup> Ibid.

<sup>63</sup> Ibid.

<sup>64</sup> ONS Effects of Taxes and Benefits on Household Income 2015/16

<sup>65</sup> The Decline of Homeownership among Young Adults, Institute for Fiscal Studies BN244

<sup>66</sup> English Housing Survey 2015/16

<sup>67</sup> Ibid.

<sup>68</sup> PPG Paragraph: 025 Reference ID: 2a-025-20140306

250. The implication is that first time buyers on lower incomes find it challenging to enter the market, and are not able to access mortgage financing, meaning that those that are able to buy tend to be able to afford more expensive dwellings, with a significant gap in provision of both mortgages and homes affecting at least 25% of the population.
251. It is helpful to consider a worked example, relevant to Dunsfold specifically, to understand what the relatively inability to access mortgage finance means in practice. **Figure 7-12** below is drawn from the ONS' affordability calculator for Dunsfold.
252. The data suggests that an income of around £65,000 would be required to purchase an entry level property, significantly higher than the average household income in the area of £52,699. Indeed, first time buyers are likely to face greater difficulty buying, for example through lower income multiples or higher deposit requirements than those who already own.

**Figure 7-8: ONS Housing Affordability Calculator**



Source: <https://visual.ons.gov.uk/prospective-homeowners-struggling-to-get-onto-the-property-ladder/#calculator>

253. This figure demonstrates that the reality of the mortgage market makes accessing a first-time mortgage highly unlikely for those on median incomes across Waverley (£38,584), much less those on lower quartile incomes in the Borough (£22,544), thereby excluding more than half of the population of the Borough from accessing housing in the area without additional income or savings or both.

## 7.8.2 Starter Homes

254. It is useful to understand this financial context for first time buyers because it demonstrates the extent to which the issue of suitable homes for new formed households is not exclusively a land-use planning matter. This is why many of the government's programmes for new formed households are primarily on the basis of financial support systems (e.g. the Help to Buy ISA<sup>69</sup> and Help to Buy equity loan<sup>70</sup>) rather than planning policies delivered through the NPPF and PPG.
255. Indeed, the government's primary housing delivery programme for newly formed households, the Starter Homes initiative (announced in December 2014, and incorporated into the Housing and Planning Act 2016), would see such homes exempt from certain planning requirements. However, as yet no homes have been delivered by developers working under the programme (as of November 2017).<sup>71</sup>
256. We have already considered, in Chapter 4, Paragraph 134, whether Starter Homes are likely to come forward in Dunsfold, given prevailing entry-level prices, and the fact that prices will be capped at £250,000 outside London. This suggests that such homes may not be viable in Dunsfold. It seems clear that Dunsfold may in part be connected to the Greater London HMA and that any cap should in fact be relatively higher or even as high as the £450,000 specified for London, but that is a matter of national rather than local policy.
257. Should Starter Homes at a price of £250,000 be delivered in Dunsfold, these would require an income of approximately £60,000 per annum (based on a 15% deposit and an mortgage ratio of 3.5). Clearly, such homes would not serve those on median incomes of £38,584 across the borough, or even the slightly higher median income in the rest of Borough area of £41,673.

<sup>69</sup> <https://www.gov.uk/affordable-home-ownership-schemes/help-to-buy-isa>

<sup>70</sup> <https://www.gov.uk/affordable-home-ownership-schemes/help-to-buy-equity-loan>

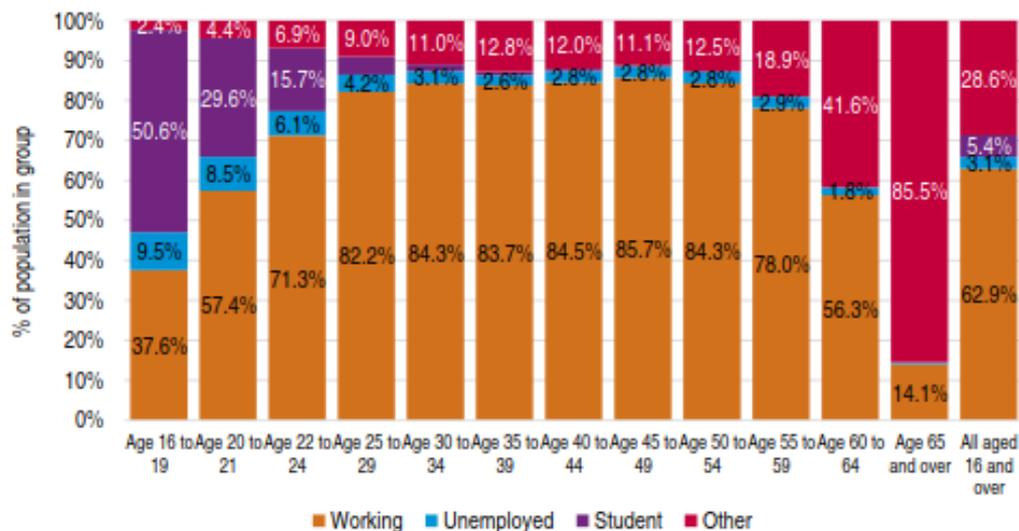
<sup>71</sup> <http://www.independent.co.uk/news/uk/politics/housing-starter-homes-budget-philip-hammond-a8066571.html>

258. On this basis, it is prudent for neighbourhood planning groups to consider in more practical terms how they improve access to suitable dwellings for younger people on lower incomes currently unable to access a mortgage in the NA, which is at least 50% of all households in Waverley as a whole, as discussed above.

### 7.8.3 Other Tenures

259. It is challenging to consider the needs of newly formed households specifically in this context, not least because household formation for younger age groups may be constrained by individual situations. For example, many younger people are unable to form their own households and move into their own homes, regardless of tenure, due to high rates of unemployment. **Figure 7-13** below, drawn from the SHMA, demonstrates how unemployment disproportionately affects younger age groups under 34.

**Figure 7-9: Economic activity by age, Waverley, 2011**



Source: SHMA

260. We would recommend that new affordable housing models including affordable home ownership schemes (intermediate housing), affordable rented properties, built-to-rent housing and properties developed under community led models to provide affordable rents in perpetuity may be appropriate in doing so, although to restrict these to first time buyers or young people generally only may prove legally challenging and socially untenable. Such arrangements would be made through individual Section 106 agreements between housing developers and the relevant Local Planning Authority.

261. Below we consider these models in more detail briefly, with the following sections provided for information only.

### 7.8.4 Affordable homeownership (intermediate housing)

262. Shared ownership involves the purchaser buying an initial share in a property on a leasehold basis, typically of between 25% and 75%, and paying 'rent' on the remaining share retained by the provider. Shared ownership is flexible in two respects: in the share which can be purchased and in the rental payable on the share retained by the provider of the property, often a housing association. Shared Ownership properties are typically available to those on household incomes of less than £80,000 (£90,000 in London), although this may be less in some areas<sup>72</sup>.

263. The share of the home owned by the leaseholder can be varied by 'stair-casing'. Generally, stair-casing will be upward, thereby increasing the share owned. In exceptional circumstances (as a result of financial difficulties, and where the alternative is repossession), and at the discretion of the provider, shared owners may staircase down, thereby reducing the share they own.

264. Shared equity is different from shared ownership<sup>73</sup> and constitutes a form of affordable housing, targeting those on incomes around the mean; as such, it is termed 'intermediate' and is available to both first-time buyers, people who have owned a home previously and council and housing association tenants with a good credit rating below a certain

<sup>72</sup> <https://www.shareto-buy.com/guides-and-faqs/shared-ownership-eligibility/>

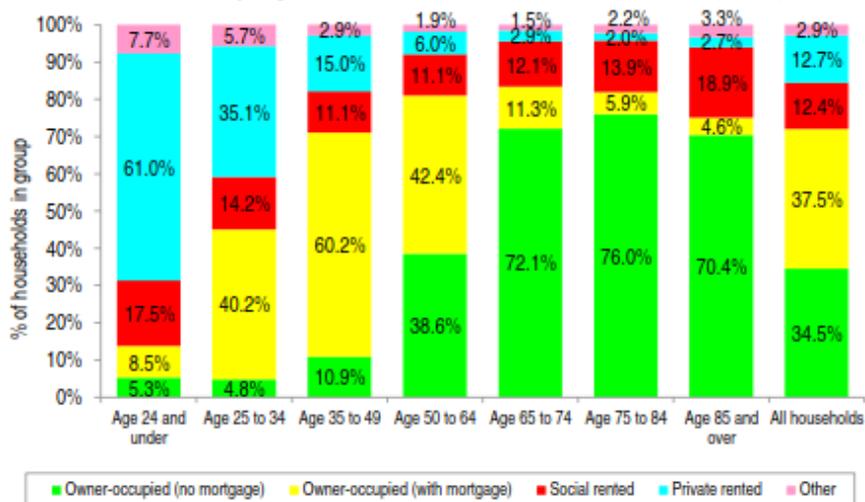
<sup>73</sup> <https://www.cml.org.uk/news/news-and-views/626/>

maximum level of household income. Shared equity schemes include the Help to Buy Equity Loan mentioned above, and are usually targeted at buyers of purpose built new build properties.

### 7.8.5 Built to rent and affordable rented housing

265. It is relevant to consider whether housing built to rent, either in the market or in the affordable sector would be viable to deliver in Dunsfold, given the difficulties that young people face in accessing mortgages and thus homeownership, as well as the relatively high house prices in the area.
266. Such development is likely to be brought forward by specialist developers, and may include affordable rented housing and made available for rent at a level which is at least 20 per cent below local market rent.
267. **Figure 7-14** below demonstrates clearly the extent to which younger people across Waverly rely both on social rented housing, and in particular on private rented housing, disproportionately so compared to other age groups.

**Figure 7-10: Tenure by age of household reference person (HRP), Waverley, 2011**



Source: SHMA

268. In this context, the DPC should consider whether providing dwellings in these tenures would be the most appropriate way to allow young people to stay in the area, and to enable household formation through access to dwellings (rather than having to share with parents, other family members, or friends).
269. Indeed, the PPG supports such decision making by plan makers, including neighbourhood planners, and suggests that "When considering future need for different types of housing, plan makers will need to consider whether they plan to attract a different age profile e.g. increasing the number of working age people."<sup>74</sup>

### 7.8.6 Community led housing

270. Development that is led by the community reflects the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive to residents, especially those on lower incomes who are unlikely to be able to buy a home. These may enable non-market forms of housing to be delivered, to help provide housing to members of the community at reduced, affordable prices in perpetuity. The principle forms of community-led models are:

- Cooperatives** are managed and controlled by a membership organisation, which usually includes all the cooperative's tenants. The membership organisation normally owns the property too, although in some cases tenants are part-owners. A tenant management organisation is a non-ownership cooperative model formed by tenants to manage their homes, subject to an agreement with the landlord.
- Co-housing communities** are comprised of a cluster of private homes alongside communal facilities. The housing is typically intentionally designed – either from the ground up or by taking over unused buildings – to foster a sense of community. Moreover, as discussed later in this HNA, co-housing is often seen as particularly suitable for older people, given they have the opportunity to build facilities into a scheme designed around their

<sup>74</sup> PPG Paragraph: 022 Reference ID: 2a-022-20140306

specific needs. Where smaller dwellings are in short supply, this offers a means of addressing over-occupation by enabling older residents to down-size.

- c. **Self-help housing** brings members of a local community together to bring empty properties back into use. They are normally groups that cannot afford to buy their own housing, and cannot get a permanent home from the local authority or a housing association.
- d. **Community self-build** involves local people who need housing building their own homes. In doing so, residents gain both a home and new skills. The end product is usually a self-build housing association or a housing cooperative. The homes can be either for rent, outright ownership or shared ownership. Self-builders normally purchase an equity stake of 50 per cent and pay rent on the other 50 per cent.
- e. **Collective custom-build** is another form of self-provided housing, where groups work closely with a developer who either builds the homes to a custom design or oversees the process, managing supply chains and facilitating access to financial advice and other professional support. However, sometimes group custom-builders choose to manage their own project, known as 'independent group custom-build'.
- f. **Community land trusts** are non-profit organisations controlled by their members through a democratic governance structure. Membership is open to anyone who lives in a defined local area, including occupiers of the properties provided by the community land trust. While it may provide homes for sale as well as for rent, a key feature of a community land trust is that homes it provides are kept permanently affordable.<sup>75</sup>

271. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate, for example, the East London Community Land Trust links the cost of a mortgage to the area's average wage, and dwellings are not subject to 'right to buy' thus helping to ensure they remain in community hands in perpetuity. In areas where newly formed households and young families are unable to access affordable housing and cannot afford market housing, this is a good route to addressing specialist forms of housing need. David Smith writes,

*You take the median wage in the borough in which the homes are built, which is published every year by the office of national statistics. You then apply the principle widely accepted elsewhere around the globe – that no family should be forced to spend more than one third of their income on housing. And then you multiply this figure by a standard 25-year mortgage at an average of 5.5% and add a 10% deposit. And this then gives you a price that local people can genuinely afford to pay for new homes going up in their local area. The only catch being, if they ever chose to move, they are bound to simply reapply the formula and sell the homes in the same way – meaning that house prices rise with wage inflation rather than on whims of foreign investors or buy-to-leave landlords. At St Clements this will mean one-bed properties within the community land trust will be starting at £150,000 and three beds for less than £250,000 – about half the current market rate. The market has ceased to be of any relevance to working people in that part of town, but these homes will be genuinely and permanently affordable.<sup>76</sup>*

272. In November 2017, the Government announced £180 million worth of funding for community-led housing initiatives over the next three years, and pointed to the fact that more than half of the country's 225 community land trusts were set up in the last two years.<sup>77</sup>

273. Community led housing is a challenging yet emerging area in which communities are learning how to have a real impact on local people's lives. Locality provides a number of resources to assist communities wishing to pursue this.

<sup>75</sup> Demos, *Community Builders*, 2015, page 50-51

<sup>76</sup> Dave Smith, *The half price houses coming soon to east London*, The Guardian Professional, 27<sup>th</sup> March 2014 (Dave Smith a Board Member of the London Community Land Trust)

<sup>77</sup> <https://www.gov.uk/government/speeches/community-led-housing>

## 8. Market Signals

274. The PPG highlights the importance of taking market signals into account when assessing housing need, given they provide an indication of the balance between demand and supply. This is particularly important to consider given the significant and well-documented changes in the housing market over recent years, which were exacerbated by the economic downturn and subsequent issues in obtaining mortgage finance.

275. The PPG states:

*The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices rising faster than the national/local average may well indicate particular market undersupply relative to demand.<sup>78</sup>*

276. These market signals relate to trends discernable within the housing market, and broader economic trends that have an impact on the housing market.

277. The PPG goes on to assert that where there is evidence of an imbalance in supply and demand, an uplift in planned housing numbers – compared to those derived solely from household projections – is required in order to increase the supply of housing to meet demand and tackle affordability issues:

*This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.*

*In areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (eg the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.<sup>79</sup>*

278. In discussions with Dunsfold Parish Council and Waverley Borough Council as to the appropriate levels of market dwellings in the NA, it will necessary to consider factors that suggest either an uplift or reduction. This study considers the following market signals:

- Employment and commuting trends;
- Migration;
- Housing market (prices);
- Housing market (volume);
- Overcrowding and concealment; and
- Rate of development.

### 8.1 Employment and commuting

279. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the plan area. It is therefore important to establish the employment sphere of influence experienced by the residents of Dunsfold.

#### Local economic context

280. The Waverley Economic Strategy 2015-2020<sup>80</sup> gives an overview of the current economic profile and sets out six strategic economic objectives for the Borough. The key findings from the aforementioned strategy are:

- I. Waverley has the largest number of homeworkers in Surrey with nearly 10,000 people homeworking. This is confirmed by the Census data on commuting which suggests that 22.4% of the population in Dunsfold work from home, higher than the average for the Borough.

<sup>78</sup> PPG Paragraph: 019 Reference ID: 2a-019-20140306

<sup>79</sup> PPG Paragraph: 020 Reference ID: 2a-020-20140306

<sup>80</sup> [http://www.waverley.gov.uk/download/downloads/id/2240/waverley\\_economic\\_strategy\\_2015-2020.pdf](http://www.waverley.gov.uk/download/downloads/id/2240/waverley_economic_strategy_2015-2020.pdf)

- II. Waverley's business base is dominated by small and medium sized enterprises. Approximately 91% of Waverley's businesses are micro businesses employing fewer than 10 people (Figure 3). This is higher than the national average of 88%. At the same time, the Borough has only 15 large enterprises employing 250 or more people.
- III. The median gross annual pay of people working in Waverley (£26,300) is approximately one third lower than the median gross annual pay of people living in Waverley (£38,200) which suggests that many residents commute out of the Borough to access higher paying jobs. A survey conducted as part of the evidence for the Economic Strategy says that high house prices impacts the economy, and that local enterprises face great difficulties in recruiting new staff.
- IV. Waverley Borough Council is one of the largest employers in the Borough, with a direct and significant supply chain that benefits the local economy.
- V. The Borough will aim to make full use of its existing supply of employment land to accommodate levels of employment growth in line with past trends. The 2014 Employment Land Review Update concluded that Waverley has sufficient land supply to meet trend-based needs over the period to 2031. The former Dunsfold Aerodrome (Dunsfold Park) may present an opportunity for potentially significant levels of mixed use development that the Council would consider.

### Commuting

281. **Table 8-1** below describes the extent to which the population of Dunsfold commutes out of the area. While it is clear that growth in employment within Dunsfold could lead to additional demand for housing, employment growth in other locations, which may be suitable for commuting from Dunsfold may also impact housing demand. From the evidence below, we can identify three trends: There is a high level of commuting with the majority of commute being between 10 km and 30km which is higher than the borough and the national average.
282. Almost 50% of the population outcommute and there are a number of local residents working in London as evidenced by **Figure 8-1** below. The number of people who work less than 10 m is therefore low compared to the Borough and England averages. However we note a high proportion of home working in the parish as well as in the borough.

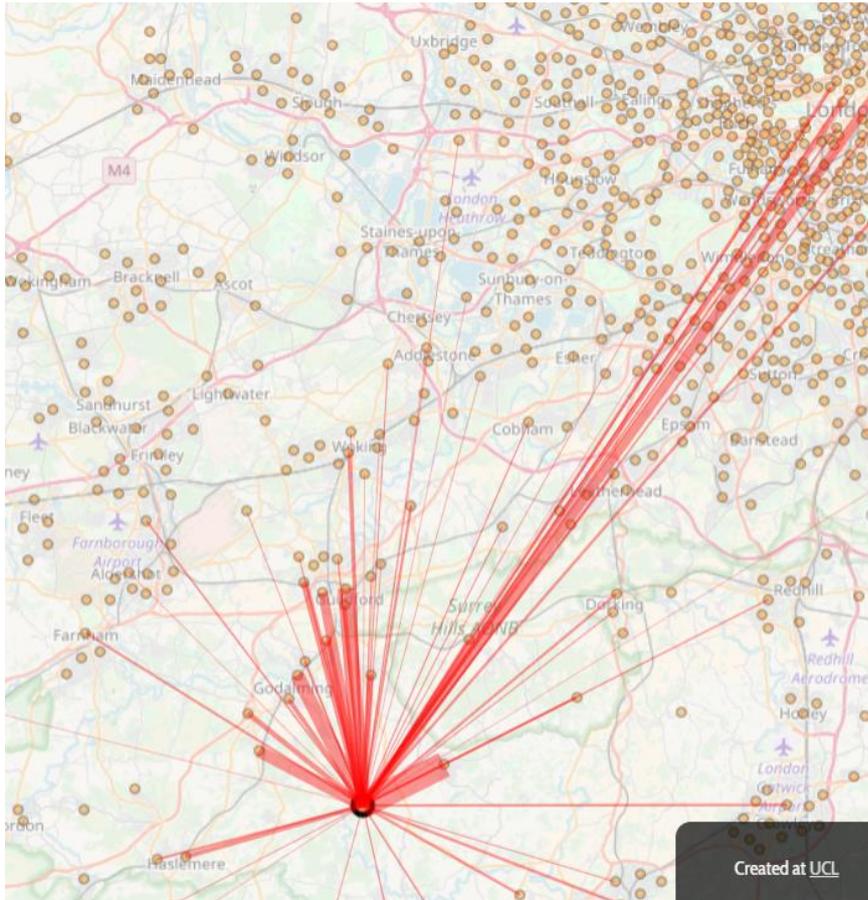
**Table 8-1: Distance to work, 2011**

Location of work	Dunsfold	Waverley	England
Less than 10km	22.4%	34.2%	52.3%
10km to less than 30km	26.3%	22.1%	21.0%
30km and over	15.2%	17.5%	8.0%
Work mainly at or from home	22.4%	16.8%	10.3%
Other	13.7%	9.4%	8.5%
Average distance travelled to work	22.1km	20.2km	14.9km

Source: Census, AECOM Calculations

283. The figure below shows major destinations for commuters in Dunsfold, demonstrating that although many work in London, the majority in fact work quite close to Dunsfold, with 48.7% of all residents working less than 30km away, equivalent to roughly 76% of all commuters in Dunsfold.

**Figure 8-1: Outcommuting flows from Dunsfold**



Source: ONS (2011), 'DataShine Commute' accessed at: <http://commute.datashine.org.uk>

## 8.2 Migration

284. **Table 8-2** below suggests that 89.5% of Dunsfold residents were born in the UK. Of the 10.5% born outside the UK, 6.7% have resided in the UK for at least 10 years. This suggests that international migration plays a limited role in influencing demand for housing in the area as the NA's international migration rate is lower than the national one and does not differ from the borough. Moreover, the majority of international migrants in Dunsfold have resided in the area for a significant period of time.

**Table 8-2: Country of birth and length of residence, Dunsfold 2011**

285. Place of birth	Population breakdown		Dunsfold	Waverley	England
Born in the UK	Total		89.5%	89.4%	86.2%
Born outside the UK	Total		10.5%	10.6%	13.8%
	EU		3.4%	4.0%	3.7%
	Other		7.1%	6.6%	9.4%
	Length of residence	Less than 2 years	1.0%	1.2%	1.8%
		2-5 years	0.9%	1.3%	2.2%
		5-10 years	1.9%	1.7%	2.9%
		10 years or more	6.7%	6.5%	7.0%

Source: Census, AECOM Calculations

### 8.3 Housing market (prices)

286. The PPG advises that house prices should be used as an indication of the strength of demand for housing, and adequacy of supply to meet demand<sup>81</sup>. It makes clear that house prices can be used to provide a ‘market-base’ enabling: “*the identification of areas which have clearly different price levels compared to surrounding areas. The findings provide information about differences across the area in terms of the price people pay for similar housing, market ‘hotspots’, low demand areas and volatility.*” This is then used as a signal to increase demographically based housing projections in response to the actual housing market.
287. According to the SHMA15<sup>82</sup>, the highest mean price within the Housing Market Area (HMA) was found in Waverley in 2014 (£481,135). This is still the case in 2017, although prices have reduced (£451,783). Prices are significantly higher in the HMA compared to the South East (mean price of £318,777 in 2017); Waverley has the highest mean price within the HMA; and Dunsfold mean price of £484,661 is above the average for Waverley.
288. We have also analysed house prices achieved in 2017 in Dunsfold to gain an understanding of the latest prices for different property types and how they compare to the Borough, neighbouring Boroughs and the region. **Table 8-3** on the following page sets our data drawn from the Land Registry, this shows that whilst the mean price for all types is higher in Waverley, the cost for semi-detached do not differ much from the rest of the HMA. Detached houses, however, are much cheaper in Dunsfold than in the borough and the mean price for that type is closer to the regional average. Terraced houses are noticeably more expensive in the NA, which explains the inflated average for Dunsfold.

**Table 8-3: Mean house prices (2017)**

Mean	Detached	Semi-detached	Terraced	All
Dunsfold	£603,317	£447,500	£455,000	£484,661
Waverley	£739,402	£444,945	£346,040	£451,783
Guildford	£772,988	£433,735	£353,905	£445,063
Woking	£829,597	£435,103	£349,959	£412,377
HMA	£780,662	£437,928	£329,687	£436,408
South East	£546,103	£337,112	£268,844	£318,777

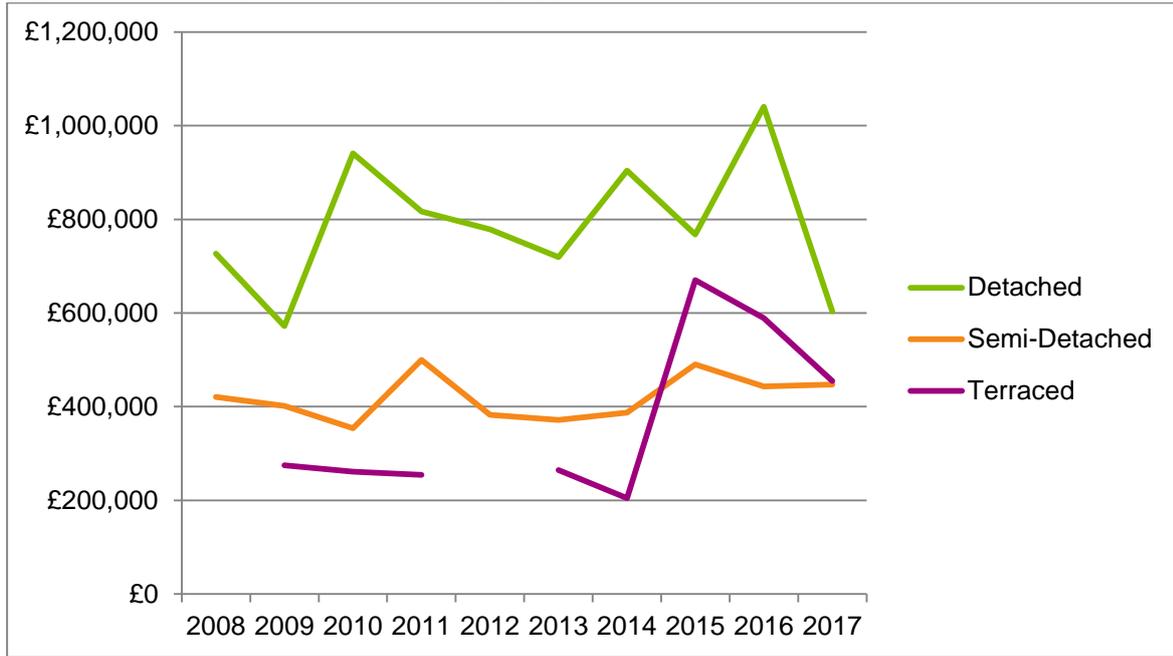
Source: Land Registry, AECOM Calculations

289. To assess recent movements in the house market in Dunsfold we have analysed data from the Land Registry. Data was then downloaded for the NA for the period of January 2008 to December 2017 (totalling 116 transactions), and is presented in the figure below, divided by type of home and showing average price for each year. **Figure 8-2** shows significant fluctuations across price paid for detached and terraced dwellings, whilst prices for semi-detached dwellings have remained steady.
290. Prices have risen across types (except for terraces) in early 2010 after the end of the recession. We then see prices falling and fluctuating, before reaching a plateau around 2015. Since then, Dunsfold experienced notable price falls. Detached dwellings have dropped below their pre-recession prices, while semi-detached and terraced houses have also declined, but remain above their pre-recession levels. We also note that the rate for semi-detached and terraced dwellings converged in 2017. Prices have increased on average by 16% throughout the nine years period compared to 37% in the borough. This minor increment of 16% was caused by the considerable 65% price growth achieved by terraced dwellings. By comparison, prices for detached properties have dropped by 17%, and semi-detached houses have marginally increased by 6%.

<sup>81</sup> PPG Paragraph: 010 Reference ID: 2a-010-20140306

<sup>82</sup> p.104

Figure 8-2: House prices in Dunsfold by Type of House, 2008-2017

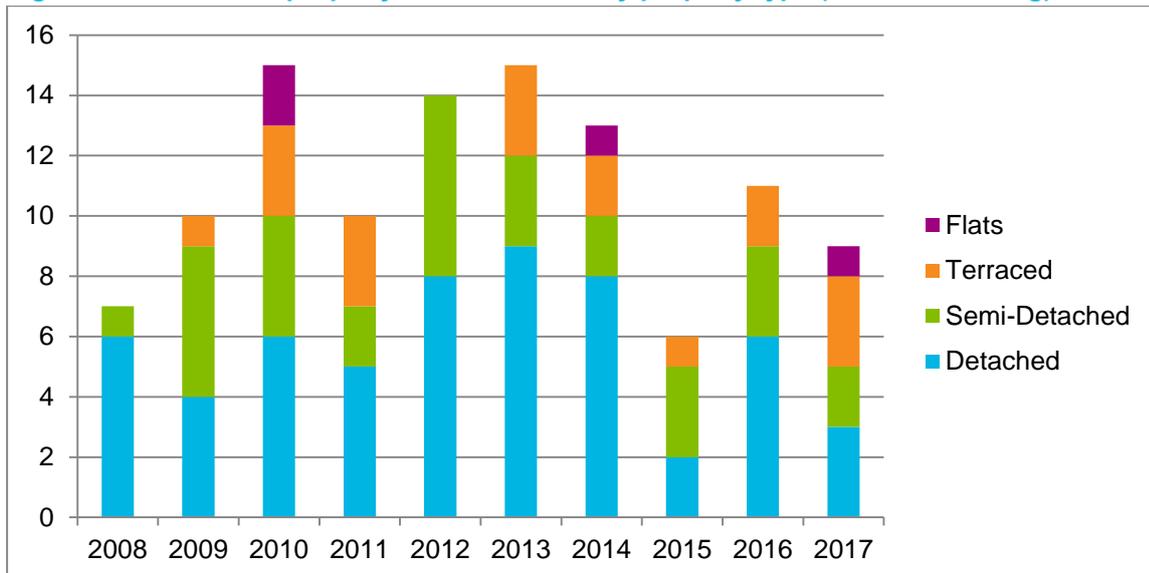


Source: Land Registry, AECOM Calculations

### 8.4 Housing market (transactions)

291. Assessing housing sales overtime is an important indicator in assessing demand for different types of housing. **Figure 8-3** below presents Land Registry data for housing sales for different dwelling types in the Dunsfold NA.
292. The data suggests that the volume of property sales has fluctuated for all dwelling types between 2008 and 2017, with detached and semi-detached dwellings forming the majority of total sales with 57 and 31 total sales respectively between 2008 and 2017, and terraced dwellings totaling 18 sales. Only 4 flat was sold in Dunsfold during the 9 years period.

Figure 8-3: Volume of property sales in the NA by property type (new and existing), 2008-2017



Source: Land Registry, AECOM Calculations

293. Another approach to benchmarking whether sales volumes represent a clear market signal indicating inflated or depressed demand across different housing types is to compare the proportion of sales of each type of housing (excluding any new builds, which would introduce supply side factors) with the proportion of the existing housing stock that falls into each category. This allows conclusions to be drawn about whether the sale of homes of each type is occurring proportional to their availability, or whether there is unmet demand.

294. This comparison is presented in **Table 8-4** below, with figures for the housing stock in Waverley as a whole presented alongside for reference. The table shows discrepancy between sales and stock. Whilst the percentage of sales and stock are roughly the same for detached and semi-detached dwellings, more terraces are being sold than are in the existing stock. This suggests that there is an increased demand for terraced homes relative to supply, versus a decreased demand for flats as less flats are being sold than there are in the existing stock.

**Table 8-4: Housing sales verses housing stock, by type, 2008-2017**

	Housing Sales	Housing Stock 2011	Housing Stock (2011)
	Dunsfold	Dunsfold	Waverley
Detached	53%	49%	41%
Semi-Detached	29%	33%	27%
Terraced	15%	9%	15%
Flats	3%	8%	17%

Source: Land Registry, ONS, AECOM Calculations

## 8.5 Overcrowding and concealment

295. The PPG suggests that another indicator of demand in the housing market is the prevalence of overcrowding in the NA. This is because demand for housing in the area can manifest itself in the over-occupation of housing stock.

296. One of the most reliable indicators of overcrowding is the 'persons per room' data collected at the household level during the Census. The relative proportion of households occupying different amounts of space in the NA and the Borough is shown in **Table 8-5** below. It demonstrates that there has not been any increase in the number of households experiencing overcrowding.

**Table 8-5: Trends in number of persons per room in Dunsfold, 2001-2011**

Persons per room	Dunsfold	Waverley	England
Up to 0.5 persons per room	17.6%	4.1%	7.9%
Over 0.5 and up to 1.0 persons per room	-12.0%	6.3%	7.0%
Over 1.0 and up to 1.5 persons per room	0.0%	-5.5%	27.3%
Over 1.5 persons per room	0.0%	0.0%	2.5%

Source: Census, AECOM Calculations

297. A further indicator of increased housing demand is the presence of concealed families in the NA. A concealed family is one living in a multi-family household in addition to the primary family, such as a young couple living with parents<sup>83</sup>.

**Table 8-6** Error! Reference source not found. shows that there are 3 concealed families in Dunsfold, or 0.9% of all families, lower than the average for Waverley (1.1%) and for England (1.9%). This is not seen as highly significant, although concealed families do indicate that there is unmet additional demand for housing in the area.

**Table 8-6: Concealed families in Dunsfold, 2011**

Concealed families	Dunsfold	Waverley	England
All families: total	316	34,839	14885145
Concealed families: total	3	374	275954
Concealed families as % of total	0.9%	1.1%	1.9%

Source: Census, AECOM Calculations

<sup>83</sup> <http://webarchive.nationalarchives.gov.uk/20160105222245/http://www.ons.gov.uk/ons/rel/Census/2011-Census-analysis/what-does-the-2011-Census-tell-us-about-concealed-families-living-in-multi-family-households-in-england-and-wales/-sty-what-does-the-2011-Census-tell-us-about-concealed-families.html> (visited 01/09/17)

## 8.6 Rate of development

298. PPG suggests that “If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan”.<sup>84</sup>

299. As no targets exist for Dunsfold before the recent ALP, the principal data to refer to is at the Borough level. **Figure 8-4** below shows the completion of new homes in the Borough since 2010 against annual housing requirement. It is noteworthy that the Borough has been delivering below target since 2010.

**Figure 8-4: Completions of new homes**

Year	Net completions	Annual Housing Requirement	Source of Housing Requirement
<b>2010/11</b>	141	250	South East Plan 2009
<b>2011/12</b>	120	250	South East Plan 2009
<b>2012/13</b>	230	250	South East Plan 2009
<b>2013/14</b>	137	519*	2015 SHMA
<b>2014/15</b>	237	519*	2015 SHMA

*Source: The Waverley Borough Council Authority Monitoring Report (2014-2015)*

300. As we have seen, the newly adopted Local Plan allocates 100 dwellings to Dunsfold Parish over the Plan period to 2032; while a number of homes have been granted planning permissions, no dwellings have been completed in the Parish since 2011, that is to say the Borough has not been able to meet its housing target and no housing has yet been delivered in Dunsfold.

<sup>84</sup> PPG Paragraph: 019 Reference ID: 2a-019-20140306

## 9. Conclusions

### 9.1 Overview

**Table 9-1: Summary of factors specific to Dunsfold with a potential impact on neighbourhood plan housing quantity**

Factor	Source(s) (detailed in Chapter 7)	Possible impact on future housing need	Rationale for judgement
<b>Employment and Commuting</b>	Census 2001/2011, DataShine Commute' accessed at: <a href="http://commute.datashine.org.uk">http://commute.datashine.org.uk</a>		<p>There is a Borough-wide issue of expensive house prices combined with high levels of out-commuting. As a consequence, local companies are experiencing difficulties in recruiting workers who, for many, are unable to afford local prices.</p> <p>Yet, there are many small enterprises across the Borough, providing a significant amount of jobs locally. Therefore, there is a potential to capitalise on the growing current and future local economy by providing local affordable homes for workers.</p> <p>Furthermore, planning permission has been granted for mixed use development at Dunsfold Aerodrome which is likely to create further job opportunities. As such, two up arrows have been deemed appropriate, to account for relatively positive employment prospects locally.</p>
<b>Housing Sales (Prices)</b>	Land Registry Price Paid Data for 2007-2016		Prices in Dunsfold are higher than the borough average, but have dropped over the last 10 years for all types except for terraced housing. We have deemed one up arrow appropriate to account for that higher price for terraced housing, which suggests a strong demand for that type.
<b>Housing Sales (Volume)</b>	Land Registry Price Paid Data for 2007-2016, Census 2001/2011 data,		There are some discrepancies between the proportion of housing of some types sold and the proportion of that type in the existing stock. This suggests that there may be a slight imbalance of supply and demand, with higher demand for terraced dwellings, and lower demand for flats, compared with availability within the existing stock. However we do not see this a significant indicator of increased demand, and therefore a neutral arrow is appropriate.
<b>Rate of development</b>	Census Data 2001, 2011		Across Waverley, there has significantly under-delivered against HMA targets during the past five years. Therefore it is reasonable to suggest three up arrows to account for the accumulated under-delivery.
<b>Overcrowding and Concealment</b>	Census Data 2001, 2011		There is no evidence of overcrowding and concealed families in Dunsfold, therefore a neutral arrow is deemed appropriate.

**Table 9-2: Summary of local factors specific to Dunsfold with a potential impact on neighbourhood plan housing characteristics**

Factor	Source(s) (see Chapters 4-6)	Possible impact on housing needed	Conclusion
<b>Affordable Housing<sup>85</sup></b>	Census 2001/2011, Land Registry PPD, SHMA15, Housing Register, Waverley Borough Council Housing Allocations Scheme	<p>Dunsfold is dominated by owner occupied housing, but in fact it has a slightly higher proportion (14.3%) of social rented housing than the borough average (12.3%). However, in recent years, there has been a significant shift towards the private rented sector.</p> <p>House prices and rents mean that housing is particularly unaffordable, with entry level house prices 13.89 times average annual earnings, slightly higher than the average of 13.62 across Waverley.</p> <p>There are also 8 households on the waiting list for affordable housing in Waverley, as well as numerous households expressing a preference to live there.</p> <p>Starter Homes are relatively unlikely to be viable in Dunsfold, and discounted market sale housing may not provide access to homeownership for even those on median incomes in the area.</p>	<p>The evidence suggests a very significant affordability issue in Dunsfold, but that the need for social rented housing may be smaller than the need for other tenures of affordable housing appropriate for newly forming households, as discussed in more detail below.</p> <p>A Local Connection Policy may be introduced in a Neighbourhood Plan based on robust data showing local need, and this could be potentially supplied through a household survey. Planning obligations may well be the most effective way to achieve the implementation of such a policy.</p>
<b>Demand/need for smaller dwellings</b>	Census 2001/2011, MHCLG 2014-based household projections, ONS Sub-National Population Projections 2014, SHMA15	<p>We have demonstrated that the ageing of the population was more pronounced in the NA than in the Borough and that on average, households were smaller. We have shown that in Waverley, households tended to down-size to 1 bed flats and 2 bed houses after 70.</p> <p>Furthermore, the number of childless couples and one person households are forecast to grow, most of them aged over 65. While some of the childless couples will choose to remain in their large properties after their children have left, the ageing of the population combined with a reduction in the size of household is likely to increase the need for smaller dwellings with 2-3 rooms or 1 to 2 bedrooms flats/house.</p> <p>Although 2 and 3-bedroom dwellings combined have increased by 13.4% between 2001 and 2011, they only form</p>	<p>Based on the evidence, we believe there should be an uplift to the proportion of 2-3 bedrooms as recommended by the SHMA15, such that these homes make up between 70% and 80% of all new homes built, although the tenure of homes will also need to be considered. There is no evidence identified for the need to provide 1 bedroom dwellings except in the context of affordable housing, for which there is an</p>

<sup>85</sup> The term 'Affordable Housing' denotes the planning definition set out on page 50 of the National Planning Policy Framework, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6077/2116950.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf)

Factor	Source(s) (see Chapters 4-6)	Possible impact on housing needed	Conclusion
		10.5% of the housing stock in 2011, with a similar level in the Borough.	
<b>Demographic change</b>	Census 2001/2011, MHCLG 2014-based household projections, ONS Sub-National Population Projections 2014, SHMA15	<p>Regarding demographics, trends in Dunsfold are relatively similar to Waverley.</p> <p>There are, however, some differences. Firstly, the population of Dunsfold is older on average (the median age in Dunsfold as of 2011 was 48.7, against 42 in Waverley). This is reflected in the current age distribution, as the majority of residents are above the age of 45. Secondly, the average household is smaller in Dunsfold (2.24) than in Waverley (2.47).</p> <p>Over the inter-censal period, the population of Dunsfold aged over 45 has increased by 62.2% whilst its population aged below 45 has decreased by 26.2%. By contrast, Waverley has experienced an increase of 44.2% of the population aged over 45 and a small increase of 2.3% of its population below 45. Therefore, both areas have been experiencing ageing, although that phenomenon has been more prominent in the NA.</p>	Given the trends described in the SHMA15 towards the ageing of the HMA population, and the forecast reduction of the size of households from now until the end of the Plan period, Dunsfold is likely to be strongly influenced by Borough-wide trends, and should households express a preference for downsizing (for example in household surveys), there is a case for developing smaller housing and appropriate specialist housing as discussed in more detail below.
<b>Dwelling type</b>	Census 2001/2011, SHMA15	Currently, detached and semi-detached are the two predominant types; almost 50% of households in Dunsfold live in a detached property. The NA has very few flats and terraced housing. Terraced houses are likely to be appropriate to meet the demand for smaller properties. In addition, the evidence from the Market Signals section suggests an unmet demand for terraced properties.	We would recommend that the parish council consider how site specific allocations policies might help shape the design of housing developments towards providing terraced properties, given the identified demand for this type. Such prescriptions will be subject to viability considerations, and it may be that flats of a similar size to a smaller terraced home (2-3 bedrooms) could adequately meet identified local needs.
<b>Family-sized housing</b>	Census 2001/2011, SHMA15	29% of households in Dunsfold are families with children. This number has increased during the inter-censal period by 13.5% and projections suggest it will increase by 12.1% in Waverley over the Plan period, significantly less than other household types, suggesting that there is unlikely to be significant need for large dwellings in future. Furthermore, as many current families will downsize from now until the end of the Plan period, part of the family-sized stock will likely be released and made available to newly-formed family households.	Although the number of families with children will not increase as much as other household types, it is important in the context of an aging population to maintain a balance of different housing types so as to attract different kinds of households to the area. Therefore, a proportion of houses should be family-sized with 4 to 5 rooms (flat/house with 3 bedrooms and 2 reception rooms). Based on the evidence assembled here, we recommend a smaller percentage than the one put forward by the SHMA15 20% to 30% of new buildings in the NA should have 3 to 4 bedrooms.

Factor	Source(s) (see Chapters 4-6)	Possible impact on housing needed	Conclusion
<b>Housing for independent living for older people</b>	HLIN, Census 2001/2011, ONS Sub-National Population Projections 2014, SHMA15	<p>There are slightly fewer very elderly people aged 85+ people in Dunsfold than across Waverley, although this is more than made up for by the greater number of people aged 65+. Both groups are projected to grow by more than 50% over the Plan period.</p> <p>Pensioners are more likely to occupy social rented housing (14.6%) than other households (11.8%), but also more likely to own their own home (80.6%), with those owning without a mortgage (74.2%) being the dominant tenure across the HMA.</p> <p>Partly as a result of this tenure mix, older people are also more likely to under-occupy housing, with 58.8% have two or more extra bedrooms, verses just 36.2% across the HMA. In Dunsfold itself, other households were much more likely to under-occupy housing (51.1%) though still less likely than pensioners (62.5%).</p> <p>In terms of health, older people in Dunsfold have similar levels of mobility limitations to the rest of the Borough, if slightly lower.</p>	<p>It is worthwhile collecting local views via a household survey on whether older people in Dunsfold would like to downsize and remain in the village, as not all older households living with extra bedrooms may wish to do so, partly because of care and social needs in later life. This would help to establish the need for market sector specialist housing.</p> <p>Our assessment of the need for specialist housing for the elderly in Dunsfold is 21 units over the Plan period, of which 5 should be affordable. This is based on the existing rate of provision across Waverley, which is 94 per 1000 households aged 75+. It is also worth considering whether in the future, housing of this type might be aimed at those in other age groups, namely those aged 55+, both to enable a wider target market for developments, as well as to create balanced, mixed communities for older people living in specialist housing.</p>
<b>Specialist housing for younger people</b>	EHS 15/16, ONS, House Price Statistics for Small Areas, UKHPI, IFS, NHPAU, Resolution Foundation, SHMA15, Demos	<p>Whilst the number of first time buyers has increased to its highest point across the UK since 2008, such households spend on average £50,000 on a deposit, and 29% receive assistance from friends or family. Indeed, just 5% of first time buyers came from those on the lowest 20% of incomes, and approximately three quarters of first time buyers earn over £30,000 per annum after tax.</p> <p>As noted above, entry level properties (those at lower quartile prices) are extremely unaffordable in Dunsfold, being more than 13 times the wages of those on lower quartile incomes. The ONS estimates that an annual income of more than £64,000 would be required to buy an entry level (£340,000) home in Dunsfold, more than twice the England and Wales Average.</p>	<p>Starter homes could offer a potential solution to younger people wishing to buy more affordable forms of housing in Dunsfold, particularly as these are the government's primary specialist housing programme for the young delivered through planning policy. However these will not provide for those on median incomes and may not be viable in Dunsfold.</p> <p>Furthermore, younger people are much more likely to be students or unemployed than all other age groups, and thus, other forms of affordable housing may be appropriate to meet their needs. These could include other forms of affordable home ownership products such as shared ownership, allowing households to buy only a portion of their home, or where these types of homes are still too expensive (as has been demonstrated, particularly for those on Lower Quartile Incomes), housing built to rent may be most appropriate, which could include affordable rented housing let at a 20% discount on market rates.</p>

Factor	Source(s) (see Chapters 4-6)	Possible impact on housing needed	Conclusion
			There are also a range of community-led Housing models that could also help Dunsfold Parish Council to deliver housing for young people from the area.

## 9.2 Recommendations for next steps

301. This neighbourhood plan housing needs advice has aimed to provide DPC with evidence on housing trends from a range of sources. We recommend that the parish should, as a next step, discuss the contents and conclusions with WBC with a view to agreeing and formulating draft housing policies, in particular the appropriate approach to identifying the level of need for new housing in the NP area, bearing the following in mind:

- Neighbourhood Planning Basic Condition A, that it has regard to national policies and advice contained in guidance issued by the Secretary of State; Condition D, that the making of the neighbourhood plan contributes to the achievement of sustainable development; and Condition E, which is the need for the neighbourhood plan to be in general conformity with the adopted strategic development plan;
- the views of WBC– in particular in relation to the housing need figure that sites should be allocated to meet;
- the views of local residents;
- the views of other relevant local stakeholders, including housing developers;
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the WBC, including but not limited to the Land Availability Assessment (LAA) 2016;
- the findings and recommendations of this study; and
- the impact of the new Government proposed standard methodology on calculating housing need on the Borough and its neighbourhoods.

302. Recent changes to the planning system, recent proposed changes to the NPPF, as well as the implementation of the Housing and Planning Act, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level. This advice note has been provided in good faith by AECOM on the basis of housing data and national guidance current at the time of writing (alongside other relevant and available information). Bearing this in mind, we recommend that the steering group should monitor carefully strategies and documents with an impact on housing policy produced by the WBC or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

303. We would also recommend some degree of monitoring of the trends identified in this study, which could potentially trigger the need for a review of the draft neighbourhood plan, should key indicators, for example house prices, change significantly.

## Appendix A : Definitions of Specialist Housing

### A.1 Sheltered Housing

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bedroomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden. Source: <http://www.housingcare.org/jargon-sheltered-housing.aspx> (accessed 11/11/17)

### A.2 Extra Care Housing

New forms of sheltered housing and retirement housing have been pioneered in recent years, to cater for older people who are becoming more frail and less able to do everything for themselves. Extra Care Housing is housing designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in Extra Care Housing have their own self-contained homes, their own front doors and a legal right to occupy the property. Extra Care Housing is also known as very or enhanced sheltered housing, assisted living, or simply as 'housing with care'. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. It is a popular choice among older people because it can sometimes provide an alternative to a care home. In addition to the communal facilities often found in sheltered housing (residents' lounge, guest suite, laundry), Extra Care often includes a restaurant or dining room, health & fitness facilities, hobby rooms and even computer rooms. Domestic support and personal care are available, usually provided by on-site staff. Properties can be rented, owned or part owned/part rented. There is a limited (though increasing) amount of Extra Care Housing in most areas and most providers set eligibility criteria which prospective residents have to meet. <http://www.housingcare.org/jargon-extra-care-housing.aspx> (accessed 11/11/17)

## Appendix B Note on assumptions

304. The calculations have been arrived at based on a series of assumptions, which for the purposes of transparency are discussed in more detail below. These assumptions are necessary because population projections by MHCLG and the ONS are both only available down to Local Authority Level, and so further geographical refinement is not officially endorsed.
305. The key assumptions we have used are as follows:
- a. We have assumed that the 'fair share' for Dunsfold is based on the share of households currently living in the area. Clearly however, household formation rates (and inward migration) affect different communities in different ways, so a proportional calculation is just that, an estimate based on current trends.
  - b. To rebase the figures using population estimates, we have translated the difference in population between the projections and the estimates (i.e. number of people) into a corresponding difference in the number of households, based on the average household size in the entire borough (2.47), rather than in Dunsfold (2.24), as this is the size that predominates for the area which the projections are made for. Were all households in Waverley as small as those in Dunsfold, this difference would be -148 households, rather than -135 as it currently stands.
  - c. Conversely, we have based the translation of households into dwellings (i.e. the number of dwellings per household, or the rate of occupation) on the rate of occupation in Dunsfold (0.94 households per dwelling, usually as a result of vacancies and second homes). Were the rate of occupation in Dunsfold to converge with the average for Waverley, need would slightly lower, as there would be less need to account for additional homes not occupied by resident households.
  - d. Finally, these assumptions are based on data from Census 2011, which may now be out of date, particularly with regards to dwelling vacancies for example. It is entirely plausible that vacancy rates would have gone down over the past seven years, and this would reduce the number of projected dwellings. Were there to be no vacant dwellings/second homes to be accounted for in the figures, i.e. if each additional household accounted for just one home needed, the need in the village would be 67, as opposed to 72. Indeed, were all vacant dwellings/second homes in the village to come back into use, just 41 additional dwellings would be required. However, market dynamics and past trends suggest that this is unlikely to be the case.

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