

Housing Needs Review Motcombe

Drafted June 2018

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This document is an assessment of housing need for the parish of Motcombe.

It follows the guidance provided by *Housing Needs Assessment at Neighbourhood Plan Level - A toolkit for neighbourhood planners* (2015), and takes a similar approach to that confirmed as acceptable by North Dorset District Council and Neighbourhood Plan examiners in relation to other large villages in North Dorset (Fontmell Magna, Hazelbury Bryan, Pimperne and Shillingstone). It aims to draw conclusions about the amount of housing that is likely to be needed in Motcombe in the foreseeable future, and the types of housing needed.

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1. Process followed

The Local Plan is the starting point for any assessment of housing need for the area. However, the Local Plan does not identify specific housing need at a village level.

To identify a specific local housing need the following key sources of information were assessed:

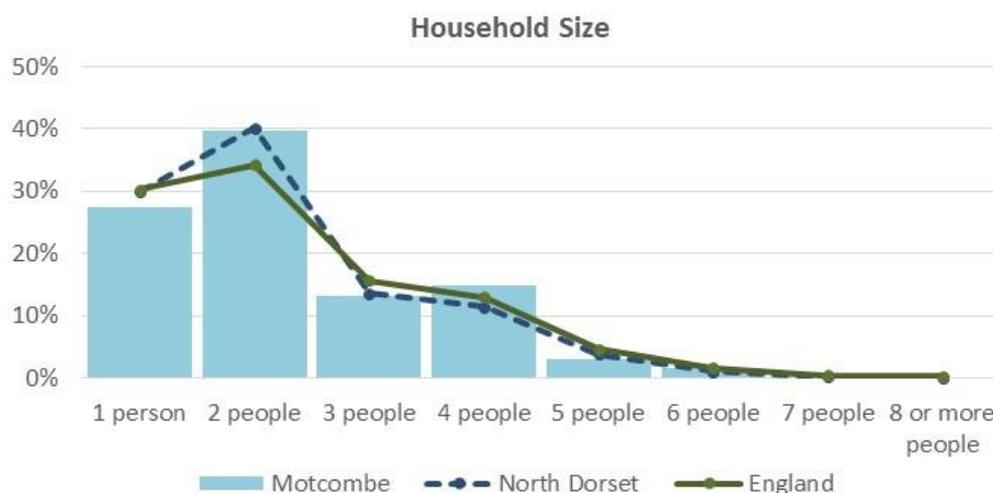
- > Bournemouth/Poole Housing Market Area – Strategic Housing Market Assessment - North Dorset Report Jan 2012 (the '2012 SHMA') which informed the objectively assessed needs of the adopted local plan
- > Eastern Dorset Housing Market Area - SHMA 2015 North Dorset Summary Report (the '2015 SHMA')
- > Housing and economic needs assessment, planning practice guidance (2019)
- > Past rate of development from available planning permissions data provided by Dorset County Council (DCC) and North Dorset District Council (NDDC)
- > 2011 Census data
- > North Dorset District Council Housing Register data (2017)
- > Household Survey of Local Residents (2017)
- > Estate Agent Interviews (2018)

2. Key statistics – demographic and housing data

At the time of the 2011 Census there were 1,474 people living in Motcombe parish, forming 564 households in a parish of 611 dwellings. The most recent population estimates (2016) indicate a slight decline in the total number of residents in more recent years, with the 2016 mid year estimated suggesting a population of 1,433 persons. The median age was 43 years old, with 26.7% aged 15 or under, and a slightly lower proportion (21.6%) aged 65 or older. The slightly younger profile than typical for rural North Dorset is due to the pupils normally resident in Port Regis School (which provides boarding for over 200 children aged seven to 13 years).

Housing Size and Composition

The household size profile Motcombe is broadly the same as for the wider area, with slightly fewer 1 bedroom households and more 4 bedroom than typical. There is a slightly higher proportion of households with occupants aged 65 years and over (31% as opposed to 27% in North Dorset and 21% in England).

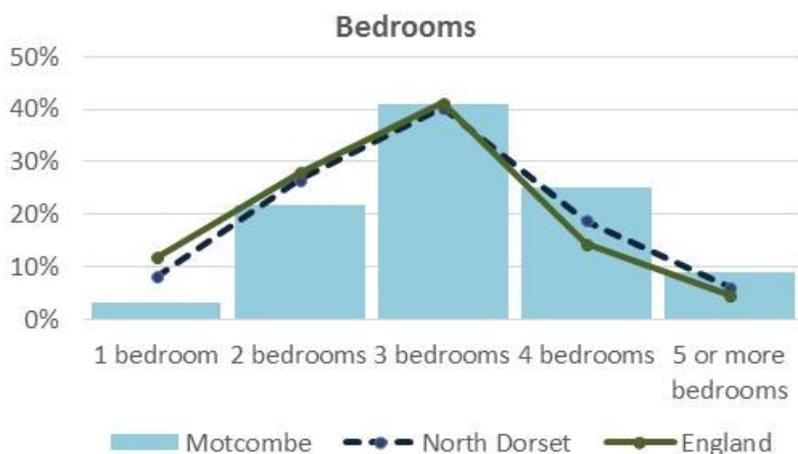


Looking at the health statistics, the data showed that 87% were claiming to be in good or very good health, and 3.3% in bad or very bad health. 14.5% claimed that their day-to-day activities are limited. These figures again are more favourable than either the North Dorset or national average.

Housing stock and occupancy

Most of the occupied housing stock (according to the 2011 Census) was a house or bungalow, with very few flats or apartments, and comparatively few terraced properties compared to the North Dorset average.

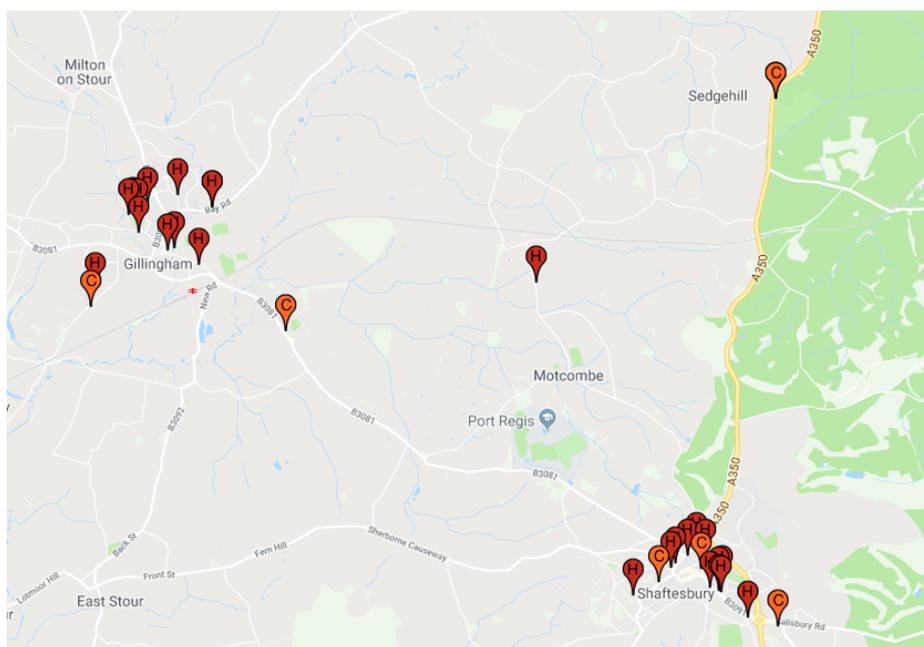
Dwelling Type	Motcombe		North Dorset
Detached house or bungalow	302	53.5%	40.6%
Semi-detached house or bungalow	153	27.1%	29.3%
Terraced (including end-terrace) house or bungalow	57	10.1%	19.3%
Purpose-built block of flats or tenement	30	5.3%	7.6%
Part of a converted or shared house (including bed-sits)	9	1.6%	1.5%
Flat, maisonette or apartment: In commercial building	3	0.5%	1.0%
Caravan or other mobile or temporary structure	10	1.8%	0.6%
Shared dwelling	0	0.0%	0.1%



The highest proportion of households (41%) occupied 3 bedroom homes, which is fairly typical for North Dorset and nationally. However there are comparatively fewer smaller properties and more larger (4 bedroom and larger) properties than typical. The household and house size data combined provide an indication of whether a household's accommodation is overcrowded or under occupied – referred to as the occupancy rating. The number of

bedrooms required (based on a standard formula) is subtracted from the number of bedrooms present to obtain the occupancy rating. 55% of households were in housing with two or more bedrooms over the standard requirement, compared to 44% in North Dorset, and 34% in England. Very few (less than 2%) were over-occupied.

According to Elderly Accommodation Counsel (www.housingcare.org) there is one home managed specifically for older people's needs within the parish, which is Motcombe Grange. This was established in 2004 and provides some 29 No. 2 and 3 bedroom flats (leasehold and for rent), and has resident management staff and some meals and facilities available. There is a much wider range of specialised accommodation in the nearby towns of Shaftesbury and Gillingham.



Map showing retirement housing & care homes, courtesy of Elderly Accommodation Counsel 2018

There were 564 households in the 611 dwellings recorded in the 2011 Census, giving a vacancy rate of around 7.7% (slightly higher than the North Dorset average of 5.7%). The reason for this is not readily apparent given that Motcombe is not a notable visitor destination,

however it may be due to its proximity to Shaftesbury, as Shaftesbury was recorded as having a similarly higher level of vacant homes (7.4%), whereas Gillingham was not (4.5%).

Housing tenure

According to the 2011 Census about 48% of households owned their homes outright, and another 30% own their home with a loan or mortgage. There were very few households (7) in shared ownership. The stock of social rented homes was lower than private rented homes (5% compared to 12%) and much lower than typical for the area (14%).

3. Local Plan context and Strategic Housing Market Assessments

The statutory development plan is the North Dorset Local Plan (2016). It does not identify a specific housing need figure for the neighbourhood plan area of Motcombe, or the village. However, it does set out a housing need figure for rural areas outside the four main towns. Over the period 2011 to 2031, it states that at least 825 dwellings out of a minimum of 5,700 dwellings district wide will be built in Stalbridge and the eighteen villages. This equates to between 41 – 42 dwellings per annum for the rural area outside of the main towns.

The Annual Monitoring Report (latest published December 2018¹) provides figures for completions for Stalbridge and the villages since 2011. This shows that in the first 7 years of the plan period these have delivered 342 new dwellings (averaging 49 dwellings per annum) – suggesting that there is no overall ‘shortfall’ to take into account in relation to the Local Plan target.

To establish the specific Local Plan housing need target for Motcombe, we can look at what this would mean simply on a pro-rata basis. This is based on Motcombe’s percentage of the total ‘Stalbridge and more sustainable villages’ housing stock in North Dorset, multiplied by the rural area target. The figures used are based on dwellings (rather than population) in order to avoid the school ‘skewing’ the results. This two-step process is set out below:

Step 1: 2011 ‘pro rata’ estimate – using 2011 Census data

Total dwellings in Motcombe [611] ÷ Total dwellings in Stalbridge and the 18 villages [9,045] = 6.76%

Step 2: applying the ‘pro rata’ estimate to the rural target

Rural target [41.3dpa] x Pro-rata amount [6.76 %] = **2.8 homes a year** on average.

The latest (2015) housing needs assessment suggests a slightly higher annual requirement across the North Dorset part of housing market area, equating to 330 dwellings per annum (as opposed to 285). As well as being untested, no decision as yet has been taken on their strategic distribution such as the town / rural area ‘split’.

Step 3a: applying a ‘pro rata’ uplift to the local target to accommodate the 2015 SHMA projections

Proportionate uplift (330-285)/285 = 15.8%

Motcombe target [2.8dpa] + 15.8% = **3.2 homes a year** on average.

The Review of the Local Plan has commenced, with an Issues and Options Report published for consultation in November 2017. This asked for views on whether a housing need figure of 366 dwellings a year (based on the Government consultation on a standard methodology, September 2017) was an appropriate figure on which to plan for housing growth in North Dorset. It also asked whether the existing spatial strategy should be amended to allow for some limited growth at Stalbridge, beyond just meeting local needs. No uplift in terms of deliver was suggested for the remaining villages.

Step 3b: applying a ‘pro rata’ uplift to the local target to accommodate the latest Local Plan draft target

Proportionate uplift (366-285)/285 = 28.4%

Motcombe target [2.8dpa] + 28.4% = **3.6 homes a year** on average.

¹ <https://www.dorsetforyou.gov.uk/planning-buildings-land/planning-policy/north-dorset/additional-planning-policy-documents/annual-monitoring-report-development-stats/nd-annual-monitoring-report-and-development-statistics.aspx>

National Planning Policy Guidance (NPPG) 'Housing Need Assessment' was updated in September 2018 to provide a standard method for assessing the minimum housing need, using the 2014-based household projections. For North Dorset the authority's national (2014-based projections) household projections equates to an average household growth of 267 a year. The methodology requires that this is then adjusted based on an affordability factor linked to the house price to workplace-based earnings ratio. For North Dorset this factor equates to an uplift of 31.8%, giving a resulting minimum target of 352 dwellings per annum.

Step 4: testing a 'pro rata' uplift to take into account the Government's draft targets

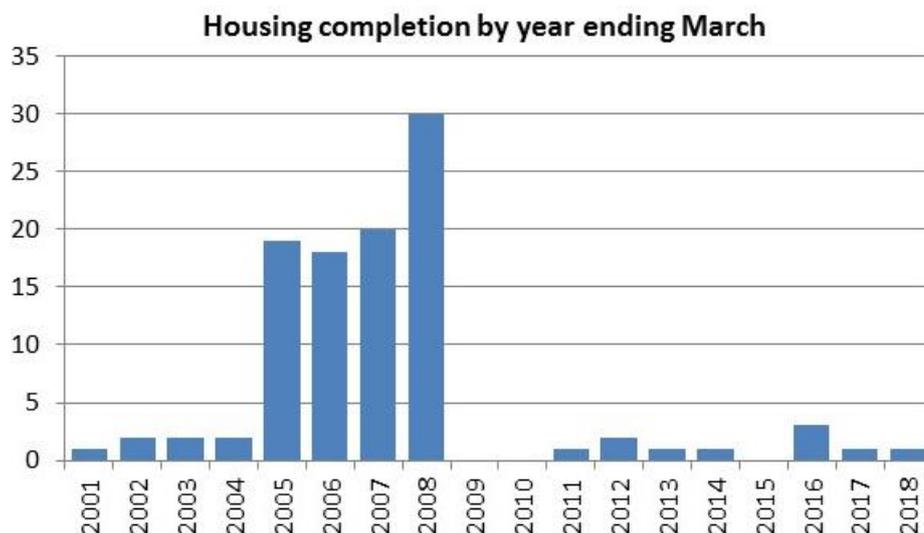
Proportionate uplift $(352-285)/285 = 23.5\%$

Motcombe target [2.8dpa] + 28.4% = **3.4 homes a year** on average.

It should be noted that this figure is a high level figure. It does not factor in any local considerations specific to Motcombe. It can therefore be considered that a target of **between 2.8 to 3.6 homes a year** would be an appropriate starting point or baseline for a more tailored assessment of housing need for the area. These more specific elements are set out below.

4. Past Build Rates and Extant Consents

Past build rates can give an impression of demand for housing, and what may be the baseline to judge whether the plan will ‘boost’ housing in line with national policy aims. However looking at past trends does not necessarily provide an indication of likely future need or demand. They are necessarily supply constrained as they relate to specific sites, whereas the assessment of housing need seeks to identify an unconstrained housing need figure.



The building rate² has varied considerably, so it is difficult to provide an average that reflects what has happened historically. It has ranged from years with no building at all, to a high of 30 houses built in 2007/8. The mean average indicates a build rate of about **5.8 homes a year**, and the median average is **1.5 homes a year**.

The following consents remain extant, which should provide a further 27 dwellings when built.

Location	Units	Proposed Development	Ref
Former Case And Sons Site, The Street	10	Erect 10 dwellings with garages, car port and building	2/2017/0121
Dar Es Salaam, Shorts Green Lane	1	Erect 1 dwelling and form 2 No. parking spaces (demolish existing garage and	2/2011/0195
Barn at Martlets Farm	1	Conversion of agricultural building into 1 dwelling	2/2017/1080
Garden of 37 The Street	2	Erect 2 dwellings, form vehicular access and parking	2/2017/1136
Church Farm	3	Change of use and conversion of former dairy to 3 dwellings	2/2018/0283
Church Farm Barns	6	Erect 6. dwellings (demolish 4 barns)	2/2018/0654
Grain Store At Calves Lane Farm	2	Convert grain store to 2 dwellings	2/2018/1187
Barn at Hawkers Hill Farm	1	Change of use and conversion of agricultural storage building to form 1 dwelling	2/2018/1224
Tomenda, The Street	1	Convert and extend existing garage/workshop to dwelling	2/2018/1701
TOTAL	27		

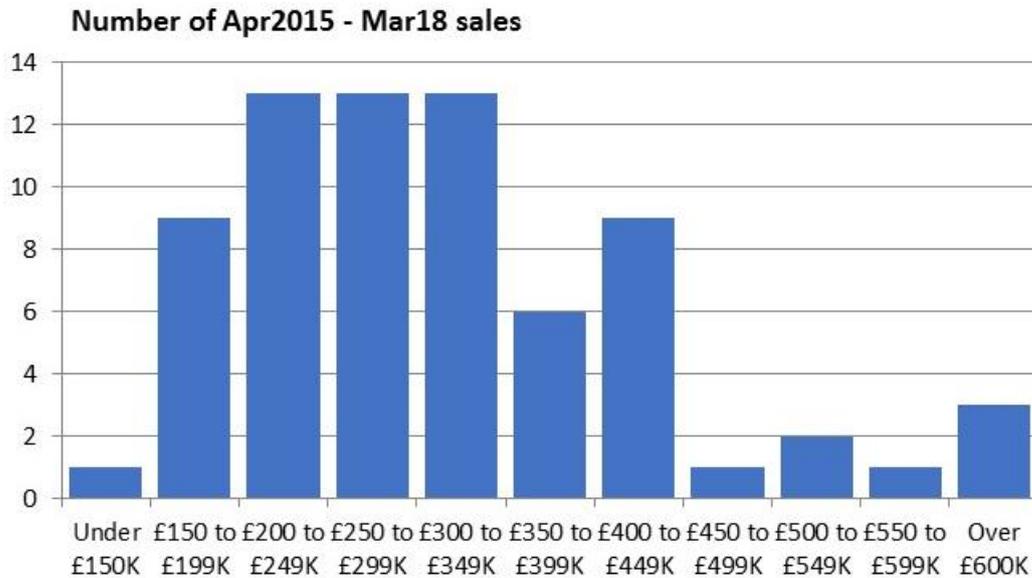
There is also a pending application to develop land at Shorts Green Farm, The Street for residential purposes (2-2018-0057). At the time of drafting the District Council had indicated that flood risk was likely to mean that this application would be refused.

² As previously recorded by Dorset County Council to 2011, and currently by North Dorset District Council from 2011

5. Housing Affordability and Potential Demand

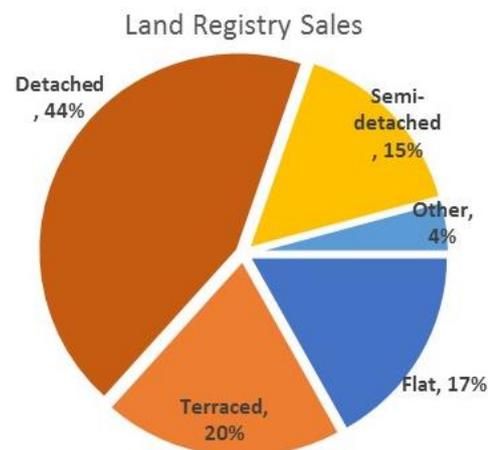
House price data

According to the Land Registry during the 3 years from April 2015 – March 2018 there were 71 properties bought and sold in area³, with an average house price of £315K (median average £295K). Prices ranged from £130K to £760K. None of the homes were registered as new build.



The Land Registry sale records for this period indicate that 44% of sales were detached homes – though the higher proportion of terraced house and flat sales indicates more movement in the lower-value section of the market.

There is no readily available data on private market rents (because of the low numbers). However data from www.home.co.uk suggests that in the wider area (SP7 covering Shaftesbury and its hinterland) rental prices are typically around £700pcm for a 2 bedroom property, rising to over £900pcm for a 3 bedroom property. This estimate still held true when checked in February 2019.



SP7 Market Rent Summary

Our rental price analysis for SP7 summarises the advertised rents for homes to let, calculated daily from the rental properties found by the Home.co.uk Property Search Engine

Summary of Properties for Rent in SP7

Total properties for rent in SP7:	18
Properties for rent in SP7 listed in the last 14 days:	3
Average* property rents in SP7:	£919 pcm
Median* rent:	£826 pcm

Property Rents in SP7 by Number of Bedrooms

	No. of properties	Average rent	Median rent	Average ToM
One bedroom	0	-	-	-
Two bedrooms	9	£705 pcm	£650 pcm	389 days
Three bedrooms	8	£1,088 pcm	£938 pcm	239 days
Four bedrooms	1	£1,500 pcm	£1,500 pcm	276 days

Screenshot extract from www.home.co.uk June 2018

³ Based on a review of SP7 9?? postcode area Motcombe addresses

Average annual household income for the area (based on ONS Small area income estimates for middle layer super output areas, 2011/12) is approximately £40,340). The median gross annual workplace-based earnings for North Dorset in 2017 was £27,510. This suggests that, with a 4x mortgage multiplier and a 15% deposit saved, an average household buying their first home could afford a property of around £190K. On this basis, very few (1 in every 8 sales) would be considered ‘affordable’ to the average household.

Local Affordable Housing – Registered Need

An assessment of the Affordable Housing Register for North Dorset can be helpful in showing how many people are seeking properties in Motcombe, although it should be noted that this can only be a ‘snapshot’ based on this point in time. A summary of the housing register data (June 2017) held by North Dorset District Council is set out below:

North Dorset Housing Register	Affordable / Social Rented				Affordable intermediate / home ownership			
	1bed	2bed	3bed	4+bed	1bed	2bed	3bed	4+bed
Living in Motcombe	1	5	1	0	0	0	0	0
Connection to Motcombe	0	0	1	0	0	0	0	0
No connection but request Motcombe	26	27	12	8	2	2	0	0

There are 85 applicants on their housing register interested in finding accommodation in Motcombe. However the vast majority (77 or 90%) had no local connection, and it is likely that Motcombe was their second or third choice behind the nearby towns of Gillingham and Shaftesbury, where a much greater choice is available. Of those with a local connection, 7 households were living in Motcombe in unsuitable accommodation, and 1 was living outside of the parish.

Most applicants on the waiting list (95%) were looking for rented accommodation, with 2 bedroom homes being most in demand.

According to the 2011 Census, 17 households (3.0%) potentially contained ‘concealed households’, having more than one family, members of which do not include dependent children and are not all full-time students or not all aged 65 and over. This is in line with the district average and lower than the national average (North Dorset 3.0%, England 4.5%).

The affordable housing target (setting the proportion of affordable homes that should be built on open market housing sites) set in the Local Plan is 40%. Therefore to provide 8 homes (ie to fulfil the needs of those with a local connection as registered) through open market housing would require a housing site of 20 homes (or combination of two sites of 10 or more homes).

Local Demand – Household Survey

The household question (2017) gauged sought to gauge whether any local residents would be likely to require different housing within Motcombe Parish in the next 5 years opinions. It received a good response rate of 49.4% (293 usable returns).

56 households indicated that they were likely to require different housing within Motcombe in the next 5 years, and a further 42 households were unsure. The main need was for a different type of accommodation (rather than additional) due to changing circumstances – only 10 ‘new’ households were identified as likely to emerge. The main requirement was in needing housing more suitable for health and/or age reasons (e.g. limited mobility) (49% of responses); homes to downsize (36%) and starter homes and more affordable home to own (18% and 18%).

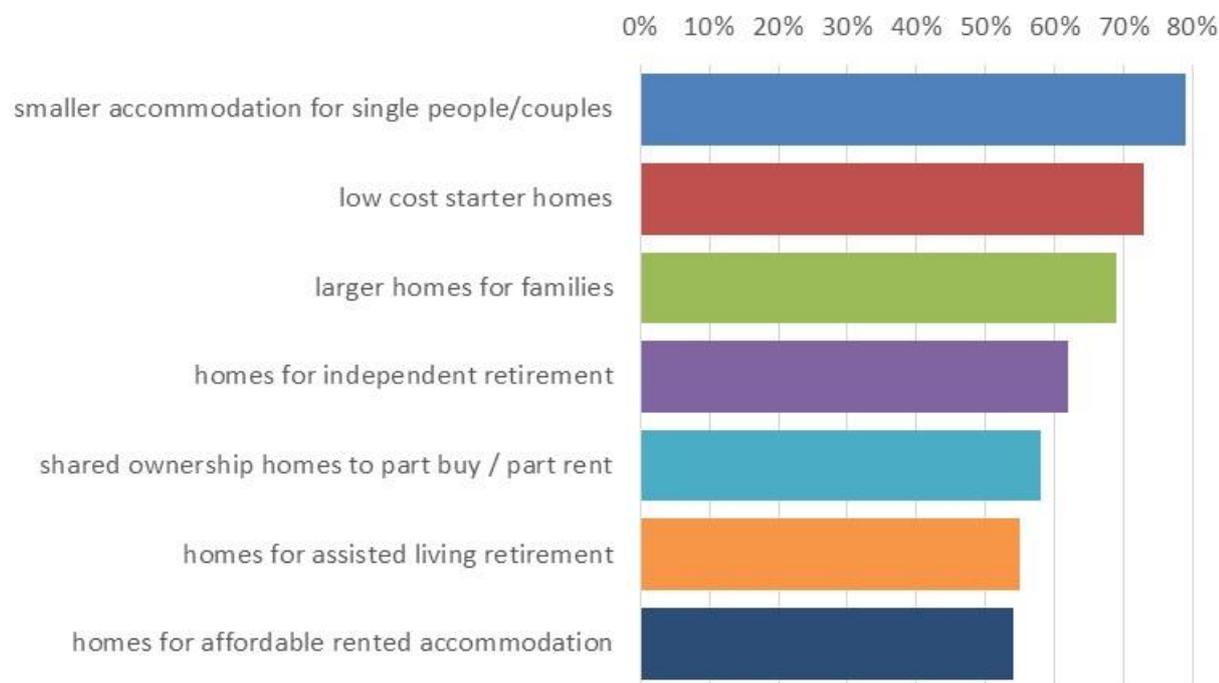
Local Opinions - Household Questionnaire Responses

The household question (2017) also gauged general opinions on the type of housing that residents considered would be beneficial. It asked whether local residents agreed with the statement that the Neighbourhood Plan should ‘ensure housing needs are met at a level that reflects the amount of new homes required by the (NDDC) Plan, and specific needs identified through local evidence. The house types should suit people of different ages and abilities, so that the mix of people living here is well balanced. New housing, when it is built, should be small scale incremental developments that reflect the village character and its linear nature, rather than suburban-style estates’. Some 88% of respondents fully agreed with this statement.

The preferred types of new housing development indicated by local residents (as either very or quite acceptable) were for infill of single houses (88%) and small-scale developments of up to 15 dwellings (88%). There was much less support (35%) for either medium (15 – 30 dwelling) or larger estates.

The type of housing considered to be particularly needed or beneficial favoured including smaller accommodation for single people/couples (79% agreed) and low cost starter homes (73% agreed). However most house types engendered a reasonable level of support with at least 50% of those responding in agreement that they could be beneficial.

2017 Household Survey - Support for House Types



Market demand - Estate Agent Opinions

Local Estate Agents were interviewed in June / July 2018 to gain a better understanding of the local housing market. The interview was based on a standard questionnaire. Responses were received from Chaffers, Chapman Moore, Connells, Gilyard Scarth and Moreton New.

All the respondents conformed that the data on house prices and turnover, as gleaned from the desktop research, broadly to reflect their understanding of the housing market.

Points noted were:

- general demand for 2, 3 and 4 bedroom properties

- one respondent noted recent increase in enquiries from people outside of the area (looking to relocate from the South East)
- the high number of detached four bedroom houses already built in Motcombe
- the impact of the introduction of stamp duty in relation to for more than one home was noted as having had a marked impact on the housing market, particularly in terms of lower demand for second home purchases and investors looking at buy-to-rent options.
- mixed responses on current demand from first time buyers, one saying that this was high, another that small 2 bed houses do not sell quickly due to lack of first time buyers
- general agreement that more affordable house types are needed, both for rent and shared ownership
- few enquiries specifically mentioning the need for more accessible or sheltered accommodation, although one respondent noted that this accommodation type does sell quickly
- the comparatively high cost of Motcombe Grange apartments (provision for the elderly)

6. Conclusion – Motcombe’s Housing Need

Given that there are a variety of sources of information on which to base the housing needs figure, these should be considered together to provide a reasonable housing needs estimate.

Table Average Overall Housing Need Figure

Source	Section	Notes	2011-2031 requirement
Key Statistics – demographic and housing data	2	Fewer 1 bedroom households and more 4 bedroom than typical Very few flats or apartments, comparatively few terraced properties Low levels of affordable housing types One main provider for older people’s needs (Motcombe Grange)	Focus on smaller properties (apartment, semi-detached and terraced) Maximise affordable housing provision Encourage additional accommodation types to give wider choice for older people’s sheltered housing needs.
2016 Local Plan and latest housing need projections	3	The most recent (and highest) projections have yet to be tested through the Local Plan examination	Build level of between 2.8 to 3.6 homes a year
Past delivery rates	4	The building rate has varied considerably with the building and of release of large estates	Build level of between 1.5 (median) and 5.8 (mean) homes a year
Housing affordability data and local information on affordable housing need	5	Clear indication of most house prices being unaffordable for households on an average annual income. There are 8 households with a local connection registered for affordable housing. The household survey (2017) also indicates additional demand for starter homes and shared ownership house types.	Need for at least 20 dwellings on larger open market sites or reliance on affordable exception sites. Affordable stock to include both rented, shared ownership and starter home types, mainly for 2 bedroom homes. Open market housing to provide options for health / age – adapted independent and supported living. No obvious requirement for 4+ bedroom homes.
Overview		Housing types Affordable 1, 2 and 3 bedroom (predominantly 2 bedroom) to include both rented, shared ownership and starter home types. Open market housing 1, 2 and 3 bedrooms to include apartment and terraced types, and options for health / age – adapted independent and supported living.	Proposed housing target for the period April 2017 – March 2027 3.6 dwellings per annum = 36 dwellings
		<i>Less already consented</i>	<i>27 dwellings</i>
		Housing site requirement to 2031 (on sites yet to be identified) based on proposed housing target	9 dwellings plus additional as required to promote affordable housing delivery