

Housing Needs Assessment

Milton Neighbourhood Planning Forum

August 2017
Final Report

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Glossary of terms used in text

AH	Affordable Housing (NPPF definition)
AMH	Affordable Market Housing
AR	Affordability Ratio
DCLG	Department for Communities and Local Government
HMO	House of Multiple Occupation
HNA	Housing Needs Assessment
HPI	Housing Price Index
LEP	Local Enterprise Partnership
LPA	Local Planning Authority
TPP	The Portsmouth Plan (Portsmouth's Core Strategy)
NDP	Neighbourhood Development Plan
NP	Neighbourhood Plan
NPA	Neighbourhood Plan Area
NPPF	National Planning Policy Framework
MNPF	Milton Neighbourhood Planning Forum
ONS	Office for National Statistics
PCC	Portsmouth City Council
PLHMA	Portsmouth Local Housing Market Area
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SSSI	Site of Special Scientific Interest

Executive Summary

Introduction

1. The 2011 Localism Act introduced neighbourhood planning, allowing town and parish councils or neighbourhood forums across England to develop and adopt legally binding development plans for their neighbourhood area.
2. As more and more town and parish councils and forums seek to address housing growth, including tenure and type of new housing, it has become evident that developing policies needs to be underpinned by robust, objectively assessed housing data.
3. 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 answer¹. The process involves making balanced judgements based on the qualitative and statistical evidence gathered as well as having regard for relevant planning policies and guidance.
4. At a neighbourhood planning level, one important consideration is determining the extent to which the characteristics of the neighbourhood plan area (NPA), for example those provided by Census data, diverge from those of the local authority. These comparators are helpful to an HNA given that a single town or neighbourhood almost never constitutes a housing market on its own and must therefore be assessed in its wider context.
5. The guidance 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 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 local level should be proportionate.
6. Our brief was to advise on data at this more local level to help Milton Neighbourhood Planning Forum understand, among other matters, the type, tenure and quantity of housing needed to inform neighbourhood plan policies.

PPG-Based Assessment

7. 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

8. Housing Needs Assessment (HNA) 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

¹ Planning Practice Guidance, Paragraph: 014 Reference ID: 2a-014-20140306, Revision date: 06 03 2014

example where the local authority has not set a specific target for the settlement, or where there is no Local Plan in place.

9. The current adopted Local Plan, The Portsmouth Plan (adopted January 2012), hereafter referred to as TPP, identifies a target of 7,117 - 8,387 dwellings for the city between 2010-2027. This plan predates the National Planning Policy Framework (NPPF) by a few months and is therefore not up to date.
10. Given the status of the TPP, our study takes into consideration the new Local Plan, currently being prepared by PCC. This is nearing statutory consultation stage with an 'Issues and Options' document expected in Spring 2017, and a draft of the Plan developed and consulted on in Spring 2018.
11. The SHMA, published in January 2014, provides the evidence base for the housing policy at the Local Planning Authority (LPA) level, and recommends an increase in housing numbers. This is a result of both a previously constrained housing market and an increased in-migration.² South Hampshire Strategic Housing Market Assessment (January 2014, henceforth SHMA) does not however provide clear recommended housing targets for the Milton Neighbourhood Plan Area (NPA). An update of the SHMA was undertaken in June 2016.
12. The core purpose of this study is therefore to consider firstly quantity of housing needed, in light of the SHMA and the Objectively-Assessed Housing Need Update (April 2016, henceforth SHMA Update), to identify a target for housing numbers for Milton and, secondly type, in accordance with the neighbourhood level evidence.
13. The rationale for this recommended approach is that neighbourhood plans need to pass a number of Basic Conditions to be 'made' by the LPA. One of these, Basic Condition E, requires the Neighbourhood Plan to be in 'general conformity with the strategic policies' of the Local Plan, in this case TPP. The PPG indicates that the level of housing development is likely to count as a strategic policy.³
14. 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 Milton, we have gathered a wide range of local evidence and summarised it into policy recommendations designed to inform decisions on housing characteristics.
15. The planning period of neighbourhood plans, where possible, should be aligned with the relevant local plan. In the case of Milton, the SHMA covers a planning period of 2011-36 and TPP covers the period 2012-2027. A period for the emerging Local Plan has not yet been made public.
16. As part of the Partnership for Urban South Hampshire (PUSH), the Council published a Planning Position Statement setting out a planning strategy to 2034⁴. For the purposes of

² South Hampshire Strategic Housing Market Assessment, Partnership for Urban South Hampshire, GL Hearn Limited, Page 14

³ See Planning Practice Guidance Paragraph: 006 Reference ID: 2a-006-20140306

⁴ PUSH Spatial Position Statement, June 2016

this HNA, we have therefore assumed a plan period of 2012-2034 to ensure the study is aligned with the most current local planning framework.

Gathering and Using a Range of Data

17. The PPG states that:

“no single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes”.

18. It continues:

“Plan makers should avoid expending significant resources on primary research (information that is collected through surveys, focus groups or interviews etc. and analysed to produce a new set of findings) as this will in many cases be a disproportionate way of establishing an evidence base. They should instead look to rely predominantly on secondary data (e.g. Census, national surveys) to inform their assessment which are identified within the guidance”.

19. Compared with the 2001 Census, the 2011 Census gathered data in a number of new categories and across a range of geographies that are highly relevant to planning at the neighbourhood level and helpful if a PPG-based approach is being used.

20. Like much of the data forming the housing policy evidence base, the Census information is quantitative. However, at a local level, qualitative and anecdotal data, if used judiciously, also has an important role to play, to a perhaps greater extent than at local authority level. We have therefore gathered data from as wide a range of sources as practicable in order to ensure robustness of conclusions and recommendations arising from the analysis of that data. Our conversation with local estate agents, Fry and Kent, and Christies, helped ensure our conclusions were informed by a qualitative, local perspective.

Focus On Demand Rather Than Supply

21. 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.’

22. For this reason, we advise that the conclusions of this assessment should be compared against supply-side considerations (including, for example, factors such as transport infrastructure, landscape constraints, flood risk and so on) as a separate study.

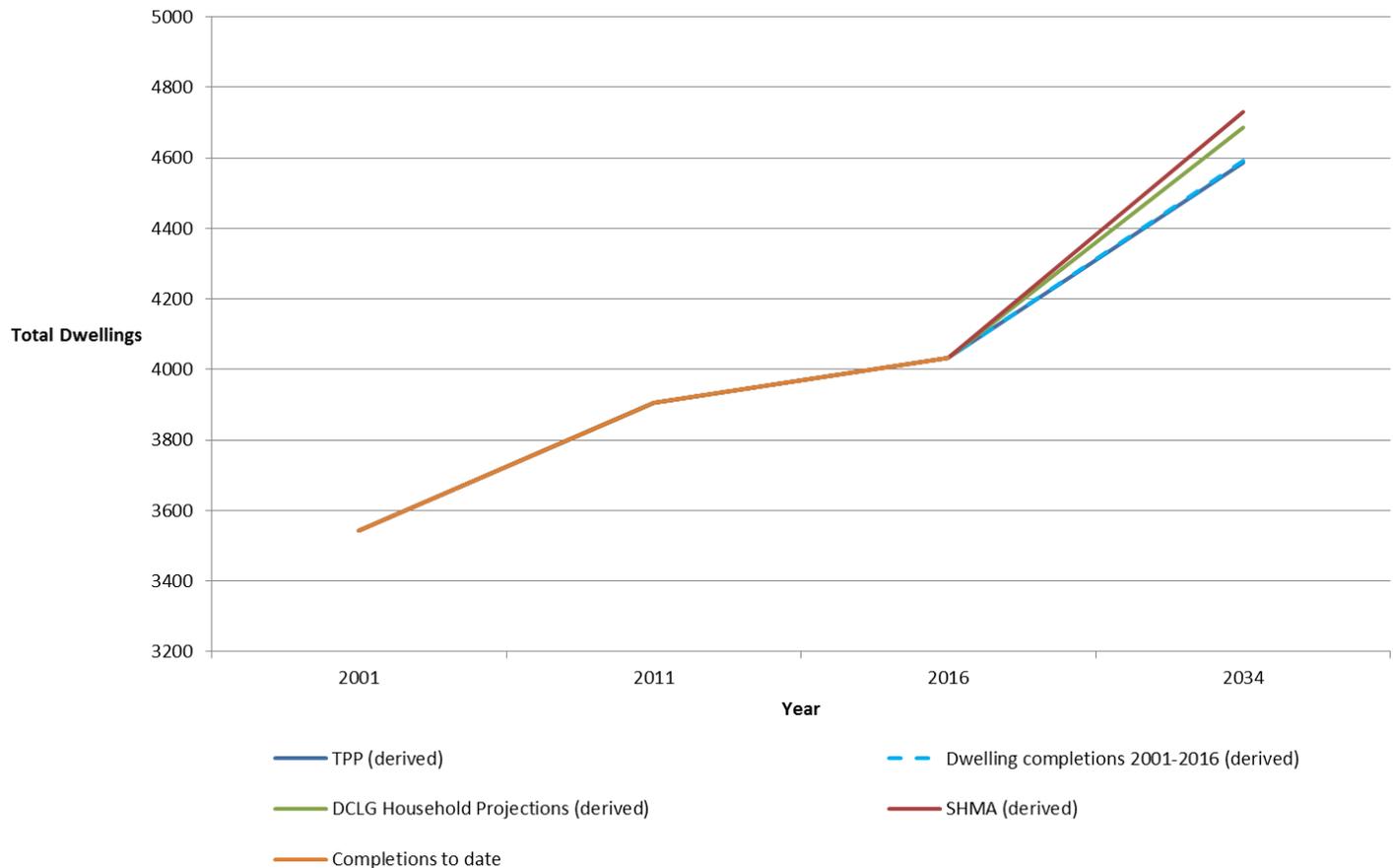
Quantity of housing needed

23. Our assessment of a wide range of data sources identified five separate projections of dwelling numbers for MNPF between 2012 and 2034 based on:

1. A figure derived from TPP of **553 dwellings over the Plan Period**;
2. A 'proportionate share' derived from the SHMA Objectively Assessed Need⁵ (OAN) of **696 new homes over the Plan Period**
3. A figure drawn from the Department for Communities and Local Government (DCLG) Household Projection of **653 dwellings over the Plan Period**
4. A projection forward of net dwelling completion rates 2001-2016, which gives a projection of **558 dwellings over the Plan Period** and

24. These dwelling number projections are illustrated in Figure 1 below.

Figure 1: Dwelling projections for the Milton NP Area, 2011-2034



Source: AECOM Calculations

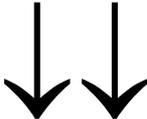
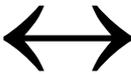
⁵ The OAN includes the baseline demographic need, plus any adjustments made to official forecasts to account for projected rates of household formation post 2021, past suppression of the formation of new households, the effect of past under-supply, employment forecasts, market signals and affordable housing need (as set out in paragraph ID2a-004 of the NPPG).

25. The graph above (the y axis indicates the number of homes) sets out the total number of homes in the NPA factoring in each of the projections identified in paragraph 22.

26. In the table below, we have applied our professional judgement 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 in alphabetical but no other order.

Table 1: Summary of factors specific to Milton NP with a potential impact on neighbourhood plan housing quantity

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Rationale for judgement
Employment Trends	Portsmouth Core Strategy 2012, Employment Land Review 2010, Rise 2016, Solent LEP Strategic Economic Plan 2014, Growth and Skills Plan, Census 2011 data	↑	<p>It has been shown that there is significant growth projected in the Portsmouth and wider Solent Area in the medium and long term. However, the Milton NPA represents a small and non-specified area within this wider growth. Furthermore, much of the wider regeneration initiatives outlined in Section 3 include housing provision in more proximate locations than Milton, despite them being within average commuting distances.</p> <p>As a result, an assessment of one up arrow has been deemed appropriate because despite the high overall levels of growth, Milton will only receive a small proportional increase of overall employment growth.</p>
Housing Transactions (Price)	Land Registry data for the 'PO4 8' sub-postcode area for the period 2005-2016, SHMA 2016 Update	↑	<p>The price paid data sourced from the Land Registry indicates that the combined mean price for houses has increased in the Milton NPA, rising approximately 17% between 2005 and 2016. In addition, although the Land registry data is largely consistent with the HPI data for Portsmouth more generally, the combined mean is reduced by the disproportional amount of terraced housing in the price paid data set.</p> <p>While modest, price increases place property beyond the means of many people, an issue of concern given the Lower Quartile Affordability Ratio of 8.57.</p> <p>As a result, an assessment of one up arrow has been deemed appropriate due to the Milton NPA demonstrating increasing house prices which,</p>

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Rationale for judgement
			<p>although in line with growth across Portsmouth City, may be higher than the surrounding area due to the typologies of housing represented in the data set.</p>
<p>Housing Transactions (Volume)</p>	<p>Land Registry data for the 'PO4 8' sub-postcode area for the period 2005-2016</p>	<p style="text-align: center;"></p>	<p>The volume of housing sold within the Milton NPA indicates a greater proportion of terraced houses sold relative to the proportion they account for in the housing stock. This compares with parity as regards flats and a lower proportion for detached and semi-detached dwellings by the same measure.</p> <p>It is worth noting larger homes may be occupied by older people who would down-size were there suitable properties available. This is supported by the high proportion of owner-occupation, the relatively high proportion of people aged over 65 and the modest incomes in the area.</p> <p>Efficient housing markets exhibit parity between the proportion of dwelling sold by type and the proportion they represent of the housing stock. Given the disparity we have observed in Milton, greater provision of smaller housing is recommended. As a result, an assessment of one up arrow has been deemed appropriate as these differences are not regarded as disproportionate.</p>
<p>Overcrowding</p>	<p>Census 2011 data</p>	<p style="text-align: center;"></p>	<p>The Milton NPA demonstrates little overcrowding. For example, the overall population density between 2001 and 2011 has been reduced, as has the occupancy rate of persons per room. There is also little evidence of widespread displacement or the prevalence of Concealed Families. As a result, an assessment of two down arrows has been deemed appropriate.</p>
<p>Rate of Development</p>	<p>Housing Standard SPD, HPI data for 2005 and 2016 Completion data from Portsmouth City Council</p>	<p style="text-align: center;"></p>	<p>Data from the Portsmouth City council shows the Milton NPA had a net increase of 366 dwellings from 1st April 2006 to 31st March 2016. This annual rate of delivery is also</p>

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Rationale for judgement
			<p>consistent with the 364 homes delivered between 2001 and 2011.</p> <p>As a result an assessment of 'No change' is recommended as the rate of delivery has remained consistent over a 15 year period. It must be highlighted however that growth in recent years have been dependent on an approximate 300% growth rate in 2012 compared with little growth in the typical year.</p>
<p>The impact of growth at Portsmouth University</p>	<p>Student Halls of Residence SPD 2014, Census 2011, Rise 2016</p>		<p>Due to the high number of students in Portsmouth and the Milton NPA any increase in student numbers will likely cause increased demand for housing in line with Savills projections. The current Portsmouth University Estates Masterplan, which proposes a £500million investment in Portsmouth, is therefore likely to increase overall housing demand in the city by attracting more students to Portsmouth. However, a large increase in student numbers may result in the construction of further purposed student blocks, such as development at Greetham Street, relieving overall pressure on housing stocks posed by students.</p> <p>Finally, as the future of the Langstone Campus is not determined, its current usage as a hall of residence is assumed to continue. Due to this, although there is an overall focus of student density around central Portsmouth, some may remain proximate to the University's outdoor sports pitches.</p> <p>As a result, an assessment of one up arrow has been deemed appropriate due to the likelihood of increased student numbers seeking to enter the housing market in established student areas such as Milton. This is not higher due to the presence of student specific housing blocks and areas more proximate to the city centre which may potentially be more attractive to University students.</p>

27. In arriving at a final figure for homes that reflect demand in the NPA it is necessary to take into account the influence of the factors set out in Table 1.

28. To arrive at an initial assessment of housing need, we have taken the mean of the projections. This produces a rounded figure of 615 homes. Taking the second factor into consideration, we look at the balance of 'up' to 'down' arrows.

29. The balance of arrows indicates conclusively that the overall numbers of dwellings delivered over the plan period should be towards the upper end of the projections. The volume of transactions, the strength of the local housing market and the high Lower Quartile Affordability Ratio are sound reasons for maintain a steady flow of completions year on year.
30. It is important to note however that the argument for more dwellings is chiefly to do with addressing misalignments between the demand profile within the community and the current housing stock, rather than seeking to control house prices. Modest house-price growth is to be welcomed given it suggests a popular, attractive neighbourhood; it also supports development activity. Based on the evidence gathered, there are insufficient homes of 3 to 5 habitable rooms, suitable for families and for older people seeking to right-size and dwellings of this size and type should the focus of policy.
31. Taking these factors into consideration, **a housing target in the NPA of between 615 and 630 dwellings** over the plan period would be appropriate.

Table 2: Summary of local factors specific to Milton with a potential impact on neighbourhood plan housing characteristics

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
Affordable Housing	ONS, Census, CACI	High lower quartile affordability ratio. Growth in Private Rented Sector (PRS) housing.	The adopted development plan sets a headline target of 30% AH across the district. A higher AH target of up to 40% could be implemented in the NP, with viability tested on a case by case basis. Younger households are able to afford market housing to rent, but not to buy at full market prices. Given the relatively low entry-level market housing, a starter home policy would be appropriate to enable those who wish to stay to migrate from PRS housing.
Demand/need for smaller dwellings	Census, Local Agents survey	Local Agents report a significant demand in 2-3 bedroom homes. Increase in the size of the population of older people. Fall in the proportion of the population who are 'young adults'. Fall in persons per room.	The increase in numbers of older people, while the numbers of those falling into the 25-44 age bracket remain steady, does not present a sustainable future for the NPA; housing policy may be used to manage these demographic shifts. Under-supply of homes suitable for young families and down-sizing among the elderly justify the delivery of a higher proportion of smaller dwellings in future housing supply.

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
			Seek an increase in the volume of housing suitable for families, of 2-3 bedrooms.
Dwelling type	Census, Local Agent	Shortage of flats.	Given the constrained nature of the NPA and the need for smaller dwellings the promotion of new flats/apartments may be suitable.
Housing for independent living for older people	Census, ONS	The population of people over the age of 75 will increase by 443 persons over the plan period	Provision of additional affordable, market sheltered and extra-care housing units is appropriate in the following numbers: 27 conventional sheltered housing units; 54 leasehold sheltered housing units; 9 'enhanced' sheltered units; 14 extra care housing units for sale; 7 extra care housing units for rent and 3 specialist dementia care home.

Recommendations for next steps

32. This neighbourhood plan housing needs advice has aimed to provide Milton Neighbourhood Forum with evidence on housing trends from a range of sources. We recommend that the Milton Neighbourhood Forum should, as a next step, discuss the contents and conclusions with Portsmouth City Council (PCC) with a view to agreeing and formulating draft housing policies, taking the following into account during the process:

- the contents of this report, including but not limited to Tables 1 and 2;
- Neighbourhood Planning Basic Condition E, which is the need for the neighbourhood plan to be in general conformity with the strategic local policies in the TPP (and, where possible, those of the emerging Local Plan);
- the views of PCC – in particular in relation to the housing need figure that should be adopted;
- the views of local residents as set out within a comprehensive Consultation Statement;
- the views of other relevant local stakeholders, including housing developers; and
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Council, including but not limited to the SHLAA.

33. As noted previously, recent changes to the planning system, as well as forthcoming changes to the National Planning Policy Framework (NPPF) as well as the implementation of the Housing and Planning Act 2016, 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 consultants on the basis of housing data 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 City Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.
36. Most obviously, this includes monitoring the status of the emerging Local Plan, and working in consultation with planning policy officers at PCC to ensure policies make allowance for those set out in this document as they come forward
37. At the same time, monitoring on-going demographic or other trends in the factors summarised in Tables 1 and 2 would be particularly valuable.

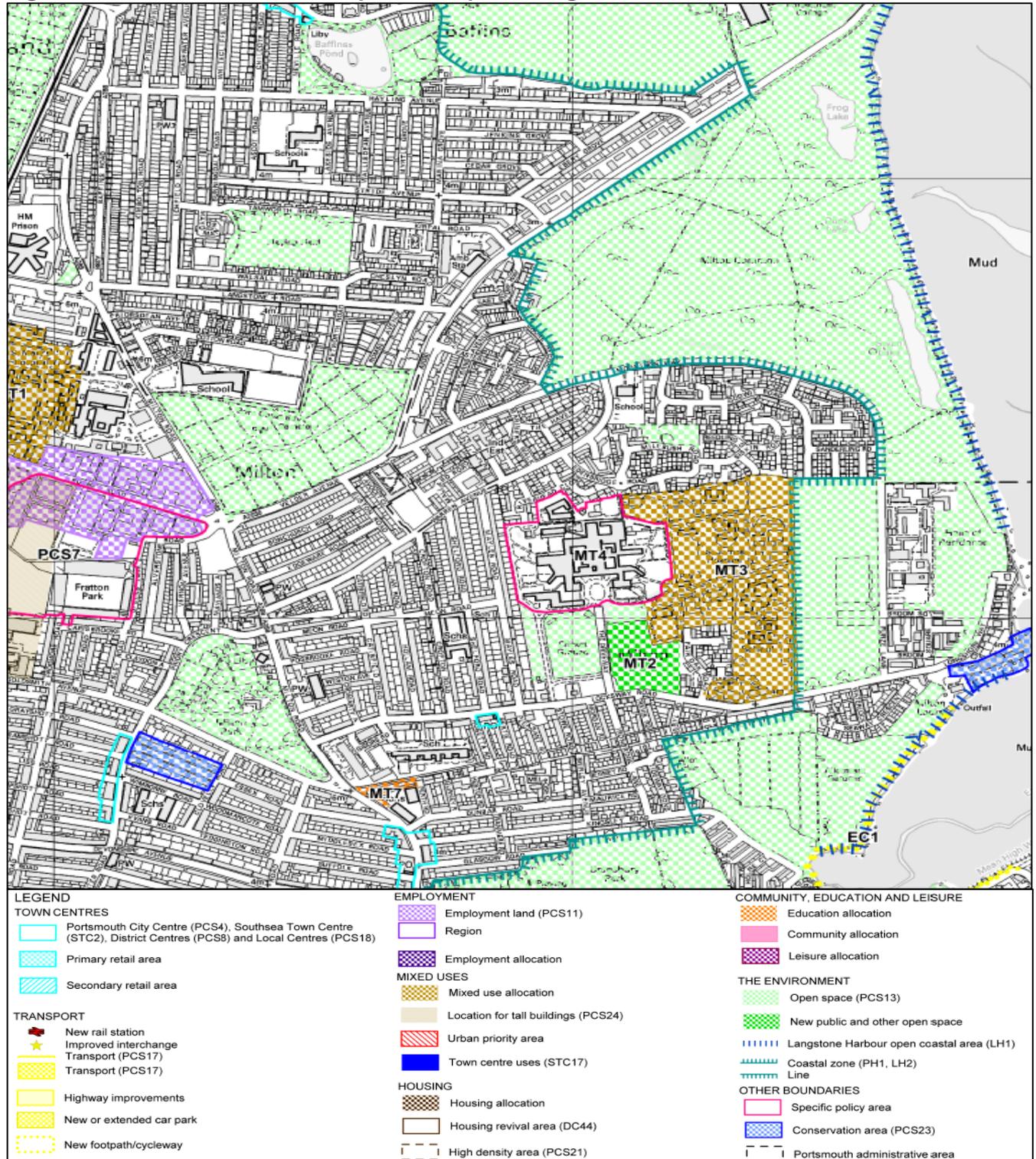
39. The area contains a large amount of greenspace, including Milton Park, Bransbury Park and Milton Common. There is also a concentration of allotment space in the south east of the site, beside the outdoor sports pitches at the University of Portsmouth's Langstone Campus. In addition, the NPA includes four Grade II listed buildings, most notably the St James Hospital.
40. The area is serviced by the Fratton train station, located on the Portsmouth direct line which runs between London Waterloo and Portsmouth Harbour. As a sub area of Portsmouth, Milton is also accessed via the A27 Havant Bypass and the M27.
41. As the NPA does not follow existing district or parish boundaries, data for the area has been compiled from the combination of a number of Lower Super Output Areas and Output Areas⁶. The specific Output Areas analysed have changed between the 2001 and 2011 censuses; however the external area and thus the data in question, covers the same geographical space. Whilst this does not exactly describe the NPA, it is the most precise data reasonably available.

Planning policy context

42. The current Portsmouth Local Plan was first adopted in July 2006. Official policy has since been updated with the saved policies supplemented by the Portsmouth Core Strategy which was released in January 2012. This document, referred to as 'The Portsmouth Plan', is the most recent instrument of official planning policy available as the new Local Plan is currently being drafted, with the intention to consult during Spring 2018.
43. In addition to these documents, a number of Supplementary Planning Documents (SPD) have been released to explain current policy and also provide an indicator of local planning policy in the Milton NPA. Some of these policies refer to specific areas of land, and these have been shown in Figure 3.

⁶ 2011 LSOA: Portsmouth 017a, Portsmouth 017b, Portsmouth 017c, Portsmouth 017e and Portsmouth 017f
OA: E00085925, E00085926, E00086355, E00086361, E00174433, E00174434 and E00174436.
2001 LSOA: Portsmouth 017a, Portsmouth 017b, Portsmouth 017c, Portsmouth 017E and Portsmouth 017F.
OA: E00085925, E00085926, E00086355, E00086361 and E00086331.

Figure 3: Exert from the PCC Proposals Map showing the Milton NPA.



Source: PPC, the Portsmouth Plan- Proposals Map 2012

44. The Portsmouth Local Plan (2006) outlines four policies which refer to allocated land uses within the Milton NPA. **Policy MT2**⁷ refers specifically to the ‘Land South of St James’ Hospital’ (Figure 3), which is allocated for Publically Accessible Open Space. This proposed

⁷ Portsmouth Local Plan 2006 Policy MT2 Page 13

open space transfer to the City Council is associated with a legal agreement related to planning permission for housing elsewhere in the grounds of the hospital (Forest Lodge).

45. **Policy MT7⁸** refers to the 'Land north of Milton Park Infant / Junior School as allocated for educational use. This is because the school was deemed overcrowded and there may be an opportunity to provide extra space by extending into adjacent land, currently occupied by the Milton Motor Company.
46. **Policy MT3⁹** relates to the grounds of St James' Hospital as it is anticipated that the area will be suitable for housing development as it is surplus to the requirements of the Primary Care Trust. At the time of the preparation of the Portsmouth Local Plan 2006 the owners were unable to specify the exact part of the grounds that would be surplus although it was speculated that the site would have a capacity of at least 145 dwellings.
47. In addition to this, **Policy MT4¹⁰** outlines St James' Hospital and its curtilage for redevelopment, envisaging a scheme which preserves the integrity and appearance of the listed building and its surrounding context. These intentions, alongside those in Policy MT3, are interpreted to be current as both sites were put forward during a site allocations process in 2014¹¹, shown in Figure 4, although this does not represent Planning Policy. The orange outline is anticipated as having the potential to accommodate 370 dwellings, with the purple outline predicted with a capacity of 110¹².

⁸ Portsmouth Local Plan 2006 Policy MT7 Page 136

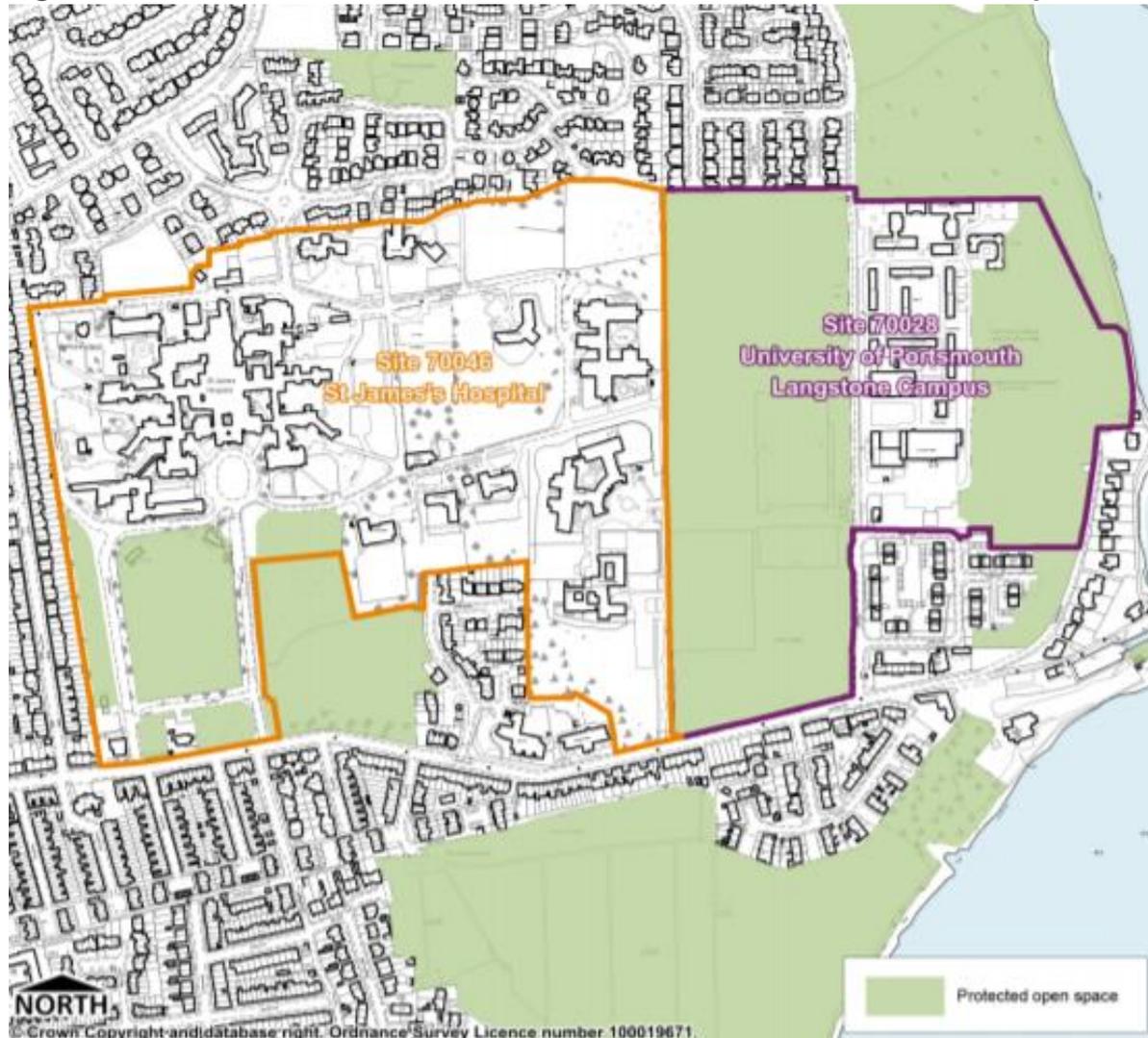
⁹ Portsmouth Local Plan 2006 Policy MT3 Page 135

¹⁰ Portsmouth Local Plan 2006 Policy MT4 Page 135

¹¹ Site Allocations: Locksway Road, Milton. 'Further proposed site allocations'. August 2014 Page 8

¹² Please note that the figures supplied for the two site allocations are indicative capacities and not directly related to future delivery or the conclusions of this HNA.

Figure 4: Site Allocations in the Milton NPA as shown in the site allocations process



Source: PCC, Portsmouth Local Plan 2006

48. **Policy PCS 19**¹³ prescribes the nature of future development within Portsmouth by establishing affordable housing targets. For a net increase of 8-10 dwellings a provision of 20% affordable housing is deemed appropriate, whilst for a net increase of 11-14 dwelling, 25% is appropriate. For developments providing over 15 dwellings a 30% target has been set, with overall affordable housing provision comprised of 70% social rented units and 30% as intermediate products. In most cases on site provision will be sought which mirrors market housing although a 40% target has been set for 'family homes', houses with over three bedrooms, on suitable sites.
49. **Policy PCS 21**¹⁴ outlines housing densities across the district, highlighting specific areas with Public Transport links for the highest density development. As the area covered by the Milton NPA is not specified, housing densities for new development "should be no less than 40 dwellings per hectare". Development is also informed by the Housing Standards

¹³ The Portsmouth Core Strategy 2012 Policy PCS 19 page 131

¹⁴ The Portsmouth Core Strategy 2012 Policy PCS 21 Page 137

Supplementary Planning Document¹⁵, which sets out minimum space standards for new build development (Figure 6).

Figure 6: Minimum Space standards for residential new builds (gross sqm) for Portsmouth.

Dwelling type	Number of bedrooms	Number of people	Number of floors			
			1	2	2.5	3
Flats	1	2	45	55	-	-
	2	3	60	70	-	-
	2	4	67	77	-	-
	3	5	75	85	-	-
Houses	2	4	-	78	88	98
	3	5	-	84	94	104
	3	6	-	95	105	115
	4	6	-	100	110	120
	4	7	-	108	118	128
	5	7	-	112	122	132
	5	8	-	118	128	138
Special needs – disabled						
Flats	1	2	55			
	2	3	72			
	2	4	78			
	3	5	84			
Houses	Design and size should be discussed with the Housing Strategy and Enabling team					

Source: Housing Standards SPD Page 3

¹⁵ Housing Standards SPD Page 3. Minimum housing standards

2 Approach

Research Questions (RQs)

50. HNA at neighbourhood plan level can be focused either on quantity of housing needed, type of housing need, or both. 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.
51. In addition to the question of quantity, it is important for the HNA to consider questions of what type of housing is appropriate, and break this down to enable policy to be developed that reflects community need. We therefore consider tenure, type, size of dwellings together with the requirement for 'specialist' housing suited to the needs of niche groups.
52. Below we set out the RQs relevant to this study, as discussed and agreed with MNPF.

Quantity

53. PCC has not been clear about amount of housing they will allocate for Milton in the emerging Portsmouth Local Plan. However, the suggested number of dwellings for the St James site and the University of Langston Campus has been quoted as 350-450¹⁶.
54. It is therefore necessary to arrive at an estimate for the required housing growth relying on a number of reliable sources. Together, these provide a range of estimates for projected housing numbers; it is then a matter for reasoned judgment, taking into account 'market signals' to arrive at a final figure of additional dwellings that should be delivered over the Plan Period so as to address community need.

1 What quantity of housing is appropriate for the NPA?

Tenure

55. The MNPF has expressed an interest in seeing more affordable housing in the NPA. It has been indicated that local young people are struggling to get onto the housing ladder. This study will therefore explore tenure mix with a particular focus on affordable housing including the role of discounted market housing.

2 What type of affordable housing (social housing, affordable rented, shared ownership, intermediate rented) should be included in the housing mix?

3 What is the role of 'Starter Homes' and other forms of discounted market housing in the NPA?

4 What type of market housing (private rented, co-operative, shared equity and open market housing) should be included in the housing mix?

¹⁶ Phil Dodshon via Paul Docking (Email 14/03/17). Please note that this figure is an indicative maximum capacity of the site and not a future recommendation for build out

Type and size

56. The MNPF suggested there is a need amongst older people to downsize. The forum has also expressed a desire to keep the 'village feel' of Milton, suggesting large apartment blocks would be unsuitable.

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

Housing for older people

57. There is evidence of an ageing population in the NPA, census data shows a higher than average proportion of those in the 65-84 age band. Housing for the older and less abled has been raised as a specific housing need by the Neighbourhood Forum.

6 Given the ageing population in the NPA, what provision should be made for sheltered dwellings and other forms of housing suited to the elderly?

Study Objectives

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

- Collation of a range of data with relevance to housing need in Milton relative to PCC;
- Analysis of that data to determine patterns of housing need and demand;
- Setting out recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

59. The remainder of this report is structured around the objectives set out above:

- Chapter 3 sets out the data gathered from all sources; and
- Chapter 4 sets out our conclusions and recommendations based on our data analysis that can be used to inform the Neighbourhood Plan's housing policies.

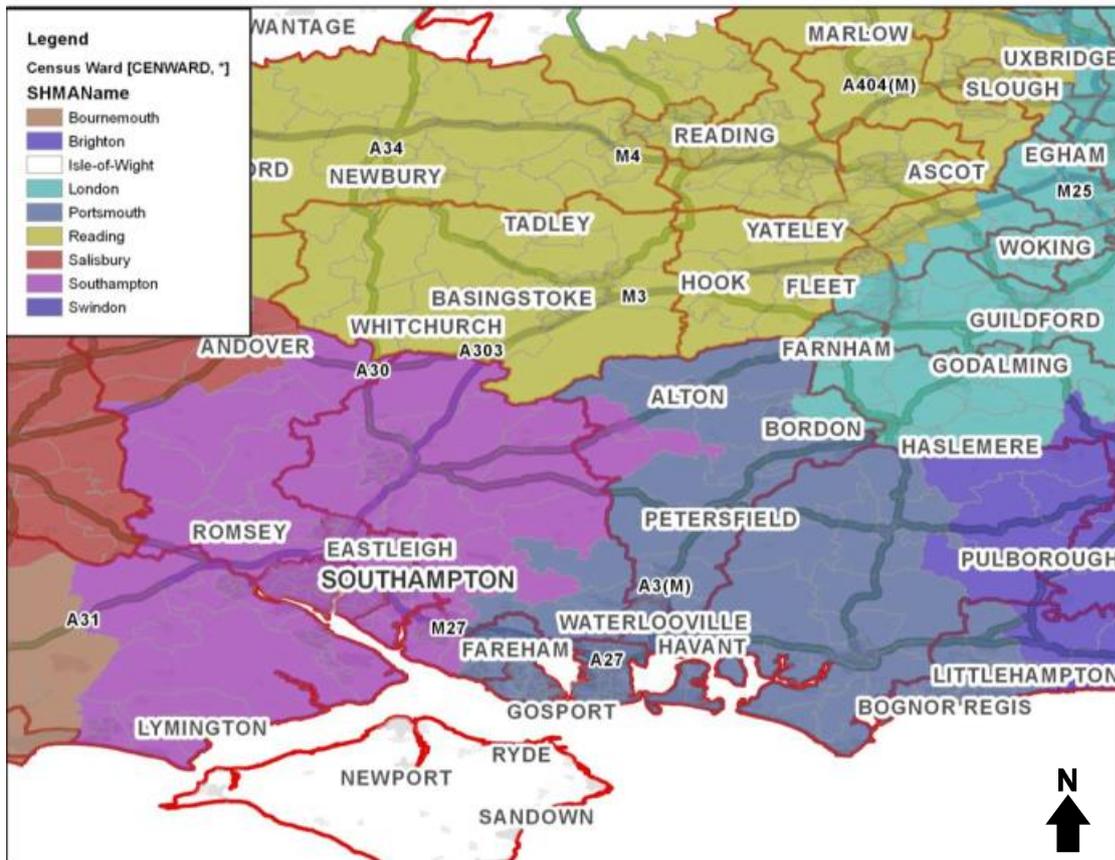
3 Relevant Data

Local Planning Context

60. The PPG states that neighbourhood planners can refer to existing needs assessments prepared by the LPA as a starting point. As the Milton NPA is located within the Portsmouth Local Housing Market Area (PLHMA), we therefore turned to the SHMA and SHMA Update. These cover the housing market area and inform emerging housing policies at a local authority level, including affordable housing policy.
61. These documents draw upon a range of data including population projections, housing market transactions and employment scenarios to derive the objectively-assessed housing need. As such, they contain a number of points of relevance when determining housing need and demand within Milton, and the degree to which it differs from the authority-wide picture.
62. Moreover, these documents contain data of relevance to other topics addressed in this HMA (for example tenure). The fact that Milton falls into the PLHMA suggests that, broadly speaking, Milton shares similar characteristics to the wider PLHMA in respect of key measurements including house prices (and their movements), household migration, travel to work patterns and economic characteristics.
63. It is however worth noting the PLHMA is the same as the Local Authority area. In the course of this study, any evidence we have uncovered from other sources that may suggest differences between the PLHMA and Milton geographies is highlighted, for example we know from Census 2011 there are a higher proportion of people aged over 65 in Milton than in Portsmouth as a whole. Where such differences exist, we allow for them in our findings.
64. Moreover, we do not draw on SHMA data to identify household income, but use CACI Paycheck data, drawn from relevant postcode area. This correlates closely with the NPA and provides a reliable, up to date assessment of household income in the neighbourhood.
65. By way of background, the SHMA identifies two levels of HMA for the purpose of understanding housing need at the sub-regional level. These are a Strategic Housing Market Area based on 77.5% commuting self-containment, and Local Housing Market Areas based on 50% migration self-containment. 'Portsmouth' exists at both geographies; these relationships are shown in Figure 7 and Table 4 below, which re-produce SHMA Figure 1 and Table 1. 'Commuting self-containment' refers to travel to work patterns and 'migration self-containment' relates to people moving house. These criteria require that, in the case of Strategic HMAs, that 77.5% of commuting journeys take place within the geographical boundaries of the HMA and, in the case of Local HMAs, that 50% of house transactions involve people moving within the boundaries of the HMA.

Figure 7: DCLG-defined Strategic Housing Market Areas

PUSH Strategic Housing Market Assessment
CLG Strategic Housing Markets



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Source: SMHA

Table 4: Strategic and Local Housing Market Areas

Strategic Housing Market Areas	Local Housing Market Areas
Portsmouth	Portsmouth
	Fareham & Gosport
	Chichester & Bognor Regis
Southampton	Southampton (West Centre)
	Southampton (East)
	Winchester & Eastleigh
	Lymington & Totton

Source: SMHA

Research Questions

What quantity of housing is appropriate for the NPA?

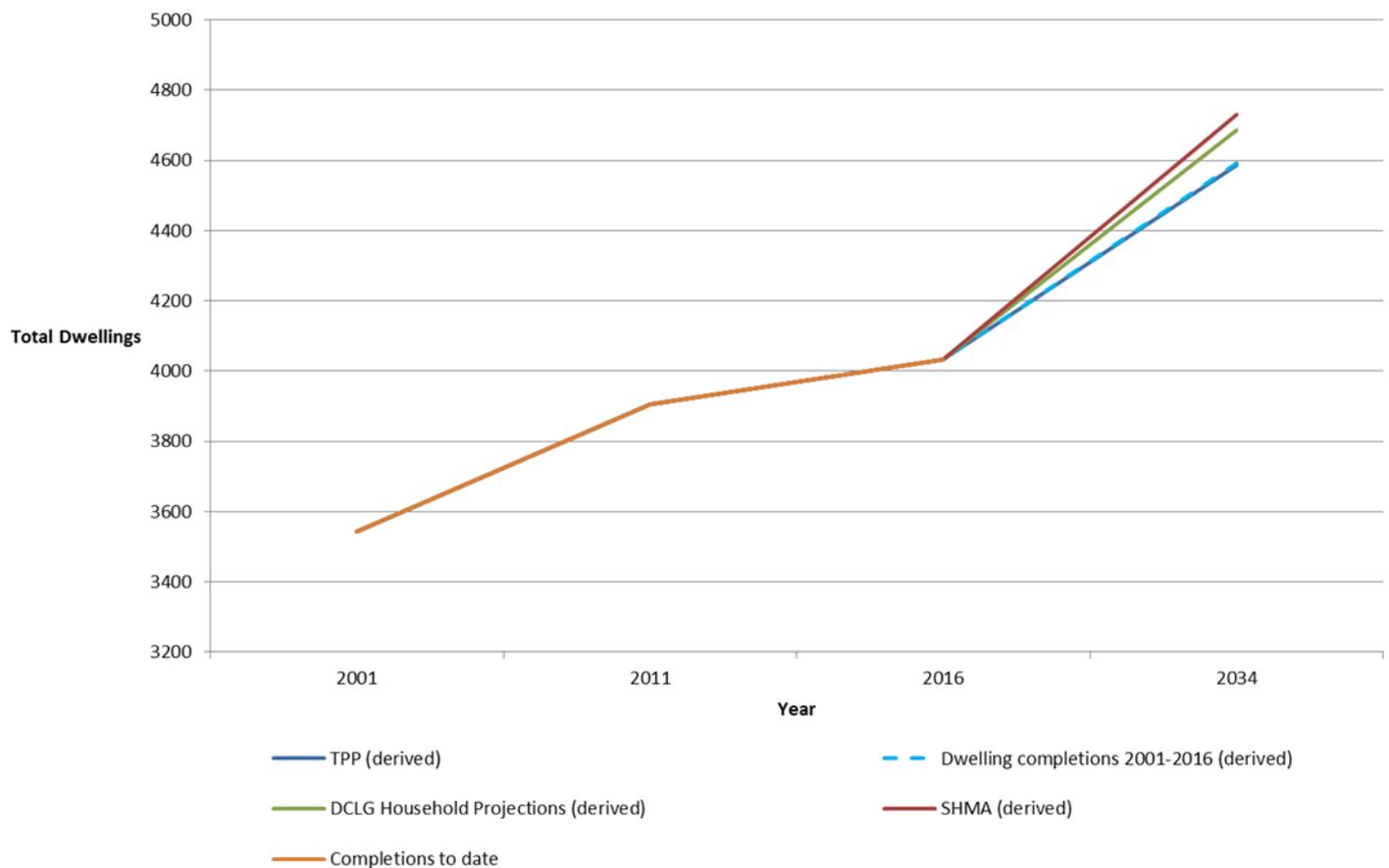
66. Our assessment of a wide range of data sources identified four separate projections of dwelling numbers for Milton between 2011 and 2034 based on:

1. A figure derived from the Portsmouth Plan; **this is 553 dwellings over the Plan Period;**

2. A 'proportionate share' derivation from the SHMA, Objectively Assessed Need¹⁷ (OAN); this produces **696 new homes over the Plan Period**
3. DCLG Household Projection of translates into a need for **653 dwellings over the Plan Period**
4. A projection forward of net dwelling completion rates 2001-2016, which gives a projection of **558 dwellings over the Plan Period** and

67. These dwelling number projections are illustrated in Figure 8 below.

Figure 8: Dwelling projections for the Client NP Area, 2011-2034



Source: AECOM Calculations

68. The graph above (the y axis indicates the number of homes) sets out the total number of homes in the NPA factoring in each of the projections we have identified in paragraph 65.

i. *The Portsmouth Plan (adopted 24th January 2012)*

69. Portsmouth derives a figure for housing need drawn from the SHLAA (2010). This has shown the city should aim to provide between 11,500 - 12,800 new homes from 2006 to

¹⁷ 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 NPPG).

2027; this is, however, dependent to some degree on the provision of infrastructure. For the purposes of this HNA, which provides an 'demand side only' expression of housing need (i.e., it doesn't take into account issues such as infrastructure which may impose a limit on the amount of housing that can be delivered) we have taken the upper range of this target for the purposes of arriving at a 'fair share' for Milton.

70. Given five years have elapsed since these estimates of housing need were arrived at, it is important to take account of those dwellings that have been completed in the interim. From figures provided by PCC, we know that, between April 2006 and April 2015, 4,900 dwellings were completed. This means that, of the original upper range target of 12,800 homes, 7,900 remain to be delivered to 2027.
71. The proportional share may be calculated for the NPA based on the proportion of homes already existing within it. At the time of the last Census there were 3,906 homes in the NPA and 88,091 for the city as a whole. Therefore the NPA represents 4.43% (rounded) of all homes in Portsmouth. Therefore, a rounded figure of 350 homes (4.43% of 7,900) should be allocated as the 'fair share' of the borough target over the TPP plan period to 2027; this represents 29 dwellings each year. It is possible to use this annual figure to arrive at a housing target for the plan period to 2034 by adding seven additional years' worth of new dwellings. **This produces a final target for the plan period of 553 dwellings.**

ii. SHMA

72. Similar to this HNA, the SHMA presents a 'demand side only' assessment of need (often identified as Objectively Assessed Need, or OAN¹⁸), as opposed to a final housing target, which will take into account a number of other factors, including for example the availability of land, viability, infrastructure and environmental constraints and the results of consultation. Nonetheless, the SHMA presents an appropriate starting point for deriving need at the NP level, because it is the most up-to-date evidence available, and importantly, because it takes into account the latest population and household projections, as set out in the 2014 Sub-National Population Projections on which the Household Projections are based, which the PPG guidance suggests should be taken as a 'starting point' in determining need at the local authority level.
73. The SHMA update identifies a series of OAN at both HMA and Local Authority Level. The OAN for the Portsmouth (as a Local Authority) is 740 dwellings per year over the period 2011-36.¹⁹ This represents an-uplift in the trend-based demographic projections based on a need to improve affordability and address the issue of 'concealed' households.
74. This data will inform the emerging Portsmouth Local Plan, due for completion in 2018. At the time of writing, the plan period for the new Local Plan has not been set. However, in accordance with the NPPF, local plans should adopt an appropriate time scale, preferably a 15-year time horizon, so as to take account of longer term requirements.²⁰ Therefore the

¹⁸ 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 NPPG). 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.

¹⁹ Objectively-Assessed Housing Need Update, Partnership for Urban South Hampshire, April 2016, page 111, 112

²⁰ NPPF, para 157, page 38

starting assumption is that the new Local Plan will set out a strategy to 2034.²¹ For the purposes of this study, the local or neighbourhood plan period is therefore 2011 – 2034. On this basis, the OAN for Portsmouth is 17,020 (740 x 23 years) over the plan period. However, of these, 1,310 dwellings were built from 2011 and 2015,²² and these should be deducted from the total. This produces a revised requirement for 15,710 dwellings.

75. Milton's 'fair share' of this number is 4.43% of housing in Local Authority area. This is based on there being, at the time of the last Census in 2011, 3,906 dwellings in Milton as against a total of 88,091 in the LPA area as a whole. On this basis, Milton NPA requires 30 (rounded) new homes per year (rounded) or **696 new homes over the Plan Period** (rounded).

iii. DCLG Household projections

76. The Department for Communities and Local Government (DCLG) periodically publishes household projections. The PPG recommends that these household projections should form the starting point for the assessment of housing need.

77. The most recent (2014-based) household projections were published in July 2016²³, and extend to 2039. Although population projections are only available at a local authority level, a calculation of the share for Milton is nevertheless possible for the household projections based on the parish's household numbers in the 2011 Census.

78. At the 2011 Census, Portsmouth had 85,473 households and Milton 3,824 households, or 4.47% of the total.

79. In the 2014-based household projections, the projection for 2034 is for 102,677 households in Portsmouth. Assuming it continues to form 4.47% of the district total, Milton's new total number of households would be 4,590 (rounded); therefore 766 new households form in Milton between 2011 and 2034 (or a rate of growth of 33 households per year, rounded).

80. Number of households does not, however, equate precisely to number of dwellings, with the latter slightly higher in most places. Milton is no exception; in the 2011 Census, there were 3,824 households but 3,906 dwellings. This gives a ratio of 0.98 households per dwelling, i.e., there are fewer households than dwellings on account of, for example, second homes and vacant dwellings. In the case of Milton, then, a projection of (766x1.02) new households translates into a need for 781 dwellings (rounded to the nearest whole number).

81. These figures are based on the assumption that 2014-based government projections as to household growth at the Local Authority level are accurate. As the annual mid-year population estimates have now been released for 2015, the 2014-based household projections may need to be 'rebased' for accuracy. The mid-2015 population estimates give the actual number of people in Milton at that point, meaning the difference between the estimated and the previously projected number of households can be taken into account in future projections.

82. The 2014-based household projections were based on the 2014-based Sub-National Population Projections, which estimated that by 2015 there would be 211,049 people in

²¹ Email from Toby Ayling - Principal Planning Officer, received 20/03/17

²² Portsmouth City Council Authority Monitoring Report 2015, Chapter 2.2

²³ See 2014-based DCLG Household Projections live tables at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

Portsmouth. The mid-2015 Estimates show that based on the latest information there were estimated to be 211,758 people, which is higher than the projections by 0.0034%. This equates to more 3 additional households (rounded) at the local authority level. As this is such a small increase we do not propose to make any adjustment to the projected housing target as a result of the 'rebasings' exercise. The projected requirement for housing based on the DCLG household projections is therefore 781 dwellings. The final step is to allow for dwellings that have been built in the NPA since April 2011 (the time of the last Census), of which there were 128.²⁴ This produces a final figure of **653 dwellings over the plan period, 2011-34.**

83. 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 drivers that might have influenced, or may in future influence, the Local Plan distribution across the District and hence any difference between this figure and a future Local Plan-derived figure.

iv. Dwellings completed 2001-2011

84. Consideration of dwelling growth 2001-2011 provides a projection based on the rate of delivery of net new dwellings between the two censuses. As we have seen, there has been an increase in the numbers of dwellings in the NP area between the two censuses, from 3,542 in 2001 to 3,906 in 2011, an increase of 364. This equates to an annual rate of development of 36.4, equivalent to 837 (rounded) additional dwellings over the plan period from 2011-2034. Following the deduction of the 128 units that have been built between 2011 and 2016, producing a final figure of 709 dwellings.

v. Dwelling completion rates 2011-2015

85. It is also helpful to consider a projection based on the rate of delivery of net new dwellings since the last census (2011), using data gathered and monitored by the LPA. As indicated above, between 1st April 2011 and the 31st March 2016, 128 net new dwellings have been completed. This equates to an annual rate of delivery of 25.6 dwellings (128 divided by 5, the number of years elapsed). If this rate of delivery was continued to 2034, this would equate to a projection of 435 dwellings (rounded) over the plan period of 2011-2034 (25.6 x 17, rounded to the nearest whole number). Following the deduction of the 128 units that have been built between 2011 and 2016, this produces a final figure of 307 dwellings.
86. It is important to note the disparity between the two 'home growth' figures; this reflects the susceptibility of the development industry to fluctuations in demand and costs of development, among other factors. To allow for these peaks and troughs, and provide a more realistic picture of the quantum of development could be delivered over the plan period, we have taken the aggregate of the homes growth between 2001 and 2016; this comes to 492 (364 + 128) dwellings. Expressed as an annual average rate, this is 32.8 dwellings /year. **This produces projection derived from homes growth between 2001 and 2016 of 558 homes over the period of 2017-2034 (32.8 x 17).**

²⁴ Email Toby Ayling, Principal Planning Officer PCC, 5th April 2017

What type of affordable housing should be included in the housing mix?

i. Current stock

87. PPG states that HNAs should investigate household tenure in the current stock and recent supply, and make an assessment, based on a reasonable interpretation of the evidence gathered, whether continuation of these trends would meet future needs or whether, on account of significant misalignments between supply of housing and local need/demand, policies should support delivery of a change to the profile of the NPA's housing stock.
88. Census data (see Table 5 below) shows that the proportion of housing falling into the different tenure types does not follow the national or local trends. Milton has a significantly higher proportion of dwellings in owner occupation compared to Portsmouth and England. This high percentage of owner occupation has resulted in the proportion of shared ownership, social rented and private rented all being lower in Milton compared to these higher geographies. The high level of owner occupation may be a reflection of the older demographic, given that greater wealth is usually associated with those in the older age bands.

Table 5: Tenure (households) in Milton, 2011

Tenure	Milton	Portsmouth	England
Owned; total	71.9%	54.9%	63.3%
Shared ownership	0.8%	1.0%	0.8%
Social rented; total	9.7%	18.3%	17.7%
Private rented; total	16.5%	24.7%	16.8%

Source: ONS, Census 2011. AECOM calculations

89. In order to understand trends affecting the housing market in the area it is worth considering how tenures have shifted between 2001 and 2011. As noted in Table 6 below, there has been a marked increase in all tenures apart from Owner Occupation which experienced a slight decrease over the census period.
90. Feedback from the estate agents suggests the stock of rental dwellings within the NPA satisfies the current need, however they suggested there is a shortage of open market homes for purchase.

Table 6: Rates of tenure change in Milton, 2001-2011

Tenure	Milton	Portsmouth	England
Owned; total	-1.8%	-7.1%	-0.6%
Shared ownership	45.5%	43.0%	30.0%
Social rented; total	27.1%	7.1%	-0.9%
Private rented; total	155.1%	107.6%	82.4%

Source: ONS, Census 2001 and 2011. AECOM calculations

91. One agent suggested there would be strong demand for starter homes within the NPA²⁵. Indeed, the significant increase in the private rented sector may reflect the issue with younger households able to afford market housing to rent, but unable to purchase their own

²⁵ Fry and Kent

home. Young families looking to enter the property market who do not want to rent may be forced to look outside the NPA.

92. Further data (shown in Table 7 below) indicates there has been a 10.8% increase in the number of households in the NP area between the two censuses, reflecting the 10.3% increase in population over the same period. This rate is a higher growth rate than Portsmouth as whole which experienced an increase in households of 8.6%, whilst the population has increased by 9.8%.

Table 7: Change in household numbers and size in Milton, 2001-2011

Key indicator	Percentage change, 2001-2011		
	Milton	Portsmouth	England
Population	10.3%	9.8%	7.9%
Households	10.8%	8.6%	7.9%
Household size	-0.5%	1.2%	0.0%

Source: ONS, Census 2001 and 2011. AECOM calculations

ii. Affordability

93. Affordability ratios (AR) can be used as a board measure of affordability. The standard ratio is calculated by dividing the average house price by the average income. Higher ratios indicate housing is unaffordable for many people and demand for housing is strong. Lower ratios tend to suggest greater affordability, and weaker demand.
94. Table 8 below compares the AR of Milton with the ratios found at a national and local level. The AR for England and Portsmouth have been sourced from ONS²⁶. ONS calculate the AR by dividing the median house price by the median earnings. ONS base their house price data on Price Paid Data from the Land Registry. We have used the same method to calculate the AR for Milton; we divided Price Paid Data from the Land Registry (£198,851) by income data provided by CACI (£36,795).²⁷
95. The AR of 5.40 suggests that the NPA is generally more affordable than the local and national geographies, with market housing within the reach of many people. This would appear to correspond with the high levels of owner occupancy in the area.

Table 8: Affordability Ratios

	Affordability Ratio
Portsmouth	7.10
England	7.72
Milton	5.40

Source: ONS, HM Land Registry Open Data, CACI, AECOM calculations

96. It is important to note, however, that these figures may conceal affordability issues for those on incomes lower than the mean. A clearer measure of affordability among lower income groups can be found by dividing the value of entry level properties by lower quartile earnings. Table 9 compares the lower quartile AR. Once again the lower quartile AR for

²⁶ ONS, Ratio of house price to residence-based earnings (lower quartile and median) in England and Wales: 1997 to 2016

²⁷ CACI, PO4 8 Paycheck Report 2017

England and Portsmouth has been sourced from ONS²⁸. ONS calculate the lower quartile AR by dividing the lower quartile house prices by the lower quartiles earnings. To calculate the lower quartile AR for Milton we divided the lower quartile house price (£154,222)²⁹ by the NPA's lower quartile household income in 2017 (£17,995)³⁰.

Table 9: Lower Quartile Affordability Ratios

	Affordability Ratio
Portsmouth	7.79
England	7.16
Milton	8.57

Source: ONS, HM Land Registry Open Data, CACI, AECOM calculations

97. The NPA's lower quartile AR of 8.57 is greater than the mean AR for the NPA and is also greater than the local and national lower quartile ARs. This would suggest that people on lower incomes have greater difficulty accessing the NPA's housing market, underlining a need for AH.
98. An additional approach to establishing affordability involves setting a threshold or benchmark which identifies the maximum proportion of a household's gross or net income which should be spent on housing costs. This is a straightforward approach is considered especially appropriate for lower to middle income groups.
99. The Homes and Communities Agency (HCA), the funding body for new affordable housing, recommended that 30 - 45% of net income is the acceptable range for housing costs.³¹
100. Applying this approach it is possible to establish the type of property those living on the lower quartile household income would be able to afford. For the purposes of this study we are employing the lower point on this range (30%) to allow for other living expenses. This produces a budget of £5400 pa (rounded) or £450 per month.
101. The average monthly property rents in the NPA are £1313, and for a two bedroom property the figure is £819. In order to afford these rents, a household income of approximately £32,000 is required; as we can see from Table 11, roughly 50% of the population receive less than this figure.
- iii. Affordable housing (AH)*
102. Affordable housing is defined by the NPPF, and falls into a number of categories³²; following the Housing White Paper, discounted market housing is likely to be added to this list with the review of the NPPF later this year³³. It is therefore appropriate for MPPF to include it among types of AH that may be obtained through the planning system. It is important to distinguish

²⁸ ONS, Ratio of house price to residence-based earnings (lower quartile and median) in England and Wales: 1997 to 2016

²⁹ Land Registry

³⁰ CACI, PO4 8 Paycheck Report 2017

³¹ Capital Funding Guide, HCA, 2011

³² NPPF, annex 2, page 50

³³ DCLG, Fixing Our Broken Housing Market, Page 59

this from affordable market housing, the colloquial meaning of the phrase. In this study we refer to this as AMH so our meaning is clear.

103. As noted earlier, TPP sets a headline target of 30% AH across Portsmouth. The Plan states that, based on need alone, a target of 40% provision for AH would be entirely justifiable³⁴. However, the 30% target was selected to ensure that the supply of AH does not render developments unviable³⁵.
104. The Lower Quartile AR for the Milton indicates the likelihood of greater need for AH in the NPA compared to the rest of Portsmouth. Based on the evidence available, it would be appropriate for the MNPF to set a base policy target of 40% AH provision within the NPA, setting aside the caveat of 30% to safeguard viability (the approach adopted in the TPP).
105. While stretching Local Plan policy on AH, this is justified not only by the more acute affordability issues, but also the strength of the housing market in the NPA. Land Registry data shows that, firstly, the Milton NPA has a mean house price (based on price-paid data) of approximately £191,400, outstripping Portsmouth at £160,000; secondly, it shows prices have risen 17% between 2005 and 2016. This is supported by evidence from Local Agents who report property has appreciated between 5 and 10% in the last five years.
106. AH provision should therefore be agreed on a case by case basis accounting for local land values and development viability.

What is the role of discounted market housing in the NPA?

107. Given the significant increases in the numbers of people renting through the private sector between 2001 and 2011 (albeit from a low base), and evidence young families are struggling to access the housing market, a policy to deliver discounted market housing may be appropriate. In theory it would allow roughly 17% of those who current rent through the private sector to buy a home. This calculation is set out below.
108. If an entry level property is valued at £154,222, based on a multiple of 3.5, individual income of £44,063 is required to access the housing market in Milton. Working from the data set out in Table 11 below, we can see that only 30% of households would be able to afford a dwellings at this price. Assuming a discount of 20% on market values (producing a purchase price of £123,378); this would reduce the income threshold to around £35,000, enabling roughly 14% of households to enter the market (those households with an income between £35,000 and £45,000 on Table 11, depending on the eligibility criteria).
109. Therefore, of the AH generated through new development, we would recommend that 10% be reserved for discounted market housing, a further 10% allocated to intermediate dwellings and the balance, 80% be apportioned to social housing/affordable rent.
110. It is important to note these proportions are at variance with those recommended in the SHMA for the Portsmouth HMA as a whole. This document puts forward 28% of affordable

³⁴ The Portsmouth Plan, Portsmouth City Council Page 130

³⁵ The Portsmouth Plan, Portsmouth City Council Page 130

housing need could be met through provision of intermediate housing, with 72% of the need for social housing/affordable rent.³⁶

111. As an alternative calculation to assessing affordability than the Lower Quartile AR, it is worth considering the ability of the residents to afford the lowest value property in the NPA. Market housing is generally considered to be unaffordable if it costs more than 3.5 times the gross household income.
112. Table 10 shows the approximate prices of different types of dwellings provided by Local Agents, using this data we can calculate the average price of the lowest valued property (1 bedroom flat) is £105,000. If we divide this value by 3.5 we can calculate that the lowest priced property is unaffordable to those on an income lower than £30,000.
113. Table 11 below shows the household income profile for Milton, using this table we can calculate that 47.8% of the population of Milton earn between £0-30,000. This would suggest on average the lowest valued property in the NPA is unaffordable to 47.8% of the population. This provides additional evidence that a basket of different types of AH is appropriate in the NPA.

Table 10: Approximate prices of different types of dwelling, provided by Local Agents

Property Type	Christies	Fry and Kent
1 Bed Flat	£100,000	£110,000
2 Bed Bungalow	£220,000	£250,000
2 Bed Home	£210,000	£200,000
3 Bed Home	£250-300,000	£270-340,000
4 Bed Home	£450,000	£490,000

Source: Local Agents Survey

³⁶ SHMA, 15

Table 11: Household Income Profile, 2017

Income Bands	Area Profile	Population Percentage
Less than £5,000	129	2.1%
£5,000 - £10,000	445	7.4%
£10,000 - £15,000	572	9.5%
£15,000 - £20,000	612	10.1%
£20,000 - £25,000	578	9.6%
£25,000 - £30,000	557	9.2%
£30,000 - £35,000	519	8.6%
£35,000 - £40,000	441	7.3%
£40,000 - £45,000	402	6.6%
£45,000 - £50,000	323	5.3%
£50,000 - £55,000	281	4.6%
£55,000 - £60,000	233	3.9%
£60,000 - £65,000	201	3.3%
£65,000 - £70,000	155	2.6%
£70,000 - £75,000	118	1.9%
£75,000 - £80,000	91	1.5%
£80,000 - £85,000	86	1.4%
£85,000 - £90,000	71	1.2%
£90,000 - £95,000	27	0.5%
£95,000 - £100,000	38	0.6%
£100,000 - £120,000	121	2.0%
£120,000 - £140,000	29	0.5%
£140,000 - £160,000	14	0.2%
£160,000 - £180,000	7	0.1%
£180,000 - £200,000	1	0.0%
£200,000 +	1	0.0%

Source: CACI

What type and size of housing is appropriate in the NPA?

114. To arrive at a suitable assessment of type and size of housing in a given area, we start with a base-line assessment of current stock, before considering whether evidence exists of a misalignment with current (and future) need. This is driven by two principal indicators, age structure and household composition, and how these have changed over time. Together, these define how the population may be apportioned to different 'market segments'.

i. Current stock

115. Table 12 below shows the proportions of dwellings falling into different types. Terraced housing represents greatest proportion of housing in both Milton and Portsmouth, almost double the levels seen at a national level. The proportion of detached and semi-detached houses in Milton is lower than the national average but higher than the local average. The proportion of flats in Milton reflects the national average; however these numbers are noticeably lower than the proportion of flats found at a local level.

Table 12: Accommodation type (households), 2011

Dwelling type		Milton	Portsmouth	England
Whole house or bungalow	Detached	3.6%	4.2%	22.4%
	Semi-detached	17.8%	15.7%	31.2%
	Terraced	61.9%	45.1%	24.5%
Flat, maisonette or apartment	Purpose-built block of flats or tenement	14.4%	26.3%	16.4%
	Parts of a converted or shared house	1.5%	7.7%	3.8%
	In commercial building	0.7%	1.5%	1.0%

Source: ONS, Census 2011 AECOM calculations

116. The change in the number of rooms per household, shown in Table 13 below, reflects a considerable growth in the number of smaller dwellings (1 room). However, it would be misleading to draw conclusions from this increase as the 1 room figure starts from a low base. The increase in 3 room households in Milton is considerably higher than increases observed at local and national levels.
117. The increase in 7 and 8+ room households may indicate a rising demand for HMOs. The high lower quartile AR may help explain this phenomenon, as private landlords seek to capitalize on the unsatisfied need for housing among those on low incomes.

Table 13: Rates of change in number of rooms per household in Milton, 2001-2011

Number of Rooms	Milton	Portsmouth	England
1 Room	66.7%	4.0%	-5.2%
2 Rooms	32.5%	36.1%	24.2%
3 Rooms	46.9%	27.2%	20.4%
4 Rooms	20.8%	15.2%	3.5%
5 Rooms	0.3%	-2.5%	-1.8%
6 Rooms	-8.2%	-9.7%	2.1%
7 Rooms	58.1%	35.7%	17.9%
8 Rooms or more	53.8%	24.3%	29.8%

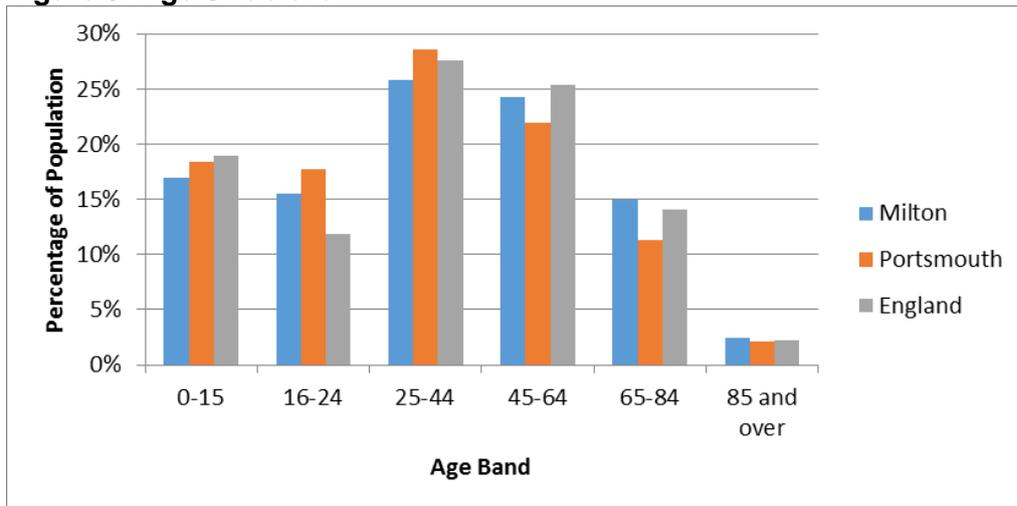
Source: ONS, Census 2001 and 2011 AECOM calculations

118. The question is therefore if, given current trends, these accommodation types will continue to satisfy the needs of the community; as indicated above, we consider the age structure and household composition to answer this question.

ii. Age Structure

119. Census data (see Figure 9 below) shows the proportion of people in the 16-24 and 25-44 categories in Milton is lower than local and national levels, while the number of people in the 65-84 age bracket is noticeably higher.

Figure 9: Age Structure



Source: Census 2011

120. Table 14 below shows the rate of change in the age structure over the two censuses. The 25-44 age bracket increased only 0.7% compared to the larger increases at local and national levels and across other age groups. This indicates young families are being priced out of the housing market. The proportion of those aged 65-84 increased significantly compared to Portsmouth; however particularly significant is the comparatively lower increase in the 85 and over age group at national level.

Table 14: Rate of change in the age structure of the population of Milton, 2001-2011

Age Group	Milton	Portsmouth	England
0-15	12.0 %	4.6%	1.2%
16-24	22.5%	34.0%	17.2%
25-44	0.7%	3.1%	1.4%
45-64	12.8%	18.3%	15.2%
65-84	10.5%	-6.9%	9.1%
85 and over	14.8%	11.3%	23.7%

Source: ONS, Census 2001 and 2011 AECOM calculations

iii. Household Composition

121. Census data shows the overall average household size in Milton (2.48) remains higher than the local and national levels (both 2.4). However, as Table 7 above illustrates, the average household size in Milton over the inter-census period has decreased by 0.5%, whereas the household size in Portsmouth has increased by 1.2%; this supports a finding that smaller dwellings are suitable in the NPA.

122. Table 15 below shows that Milton has experienced a decrease in the number of persons per room; this contrasts with the increase in persons per room experienced at a local and national level. This would suggest that Milton experiences a higher level of under occupancy compared local and national levels. Please note, the 133.3% increase seen in the 'Over 1.5 persons per room' category represents an increase between 2001 and 2011 from 3 to 7 households.

Table 15: Trends in number of persons per room in Milton, 2001-2011

Persons per room	Percentage change, 2001-2011		
	Milton	Portsmouth	England
Up to 0.5 persons per room	9.8%	4.9%	7.9%
Over 0.5 and up to 1.0 persons per room	15.6%	16.1%	7.0%
Over 1.0 and up to 1.5 persons per room	-40.7%	45.0%	27.3%
Over 1.5 persons per room	133.3%	23.6%	2.5%

Source: ONS, Census 2001 and 2011. AECOM calculations

123. Table 16 below shows the proportion of one person households in Milton is slightly lower than the local level but higher than the national level. The proportion of older (65+) one person and one family households in Milton is also higher than the local and national averages.

Table 16: Household composition (by household) in Milton, 2011

		Milton	Portsmouth	England
One person household	Total	29.6%	32.1%	30.2%
	Aged 65 and over	13.5%	12.1%	12.4%
	Other	16.1%	20.0%	17.9%
One family only[1]	Total	62.6%	55.8%	61.8%
	All aged 65 and over	9%	5.7%	8.1%
	With no children	16.5%	15.9%	17.6%
	With dependent children	26.6%	26.2%	26.5%
	All children Non-Dependent	10.5%	8.0%	9.6%
Other household types	Total	7.8%	12.1%	8.0%

Source: ONS, Census 2001 and 2011 AECOM calculations

124. In terms of the way household composition has changed over the last two censuses, Table 17 below shows there has been an increase in the proportion of older family households (aged 65+), this is note-worthy as it contrasts the decrease at a local and national level. In addition, there has been a greater increase in one-person households; Milton experienced a 10.3% increase in one-person households, higher than the 6.2% increase for Portsmouth. This would indicate demand shifting towards smaller housing, both for older households who wish to downsize, and to house the growing numbers of people living on their own.

Table 17: Rates of change in household composition in Milton, 2001-2011

		Milton	Portsmouth	England
One person household	Total	10.3%	6.2%	8.4%
	Aged 65 and over	-2.1%	-14.9%	-7.3%
	Other	23.5%	24.8%	22.7%
One family only[1]	Total	10.1%	5.0%	5.4%
	All aged 65 and over	5.5%	-16.4%	-2.0%
	With no children	-5.4%	5.2%	7.1%
	With dependent children	20.1%	9.0%	5.0%
	All children Non-Dependent	19.9%	11.5%	10.6%
Other household types	Total	19.6%	38.8%	28.9%

Source: ONS, Census 2001 and 2011 AECOM calculations

What type of market housing should be included in the housing mix?

125. The character of the neighbourhood is one dominated by market housing; this is reflected in the very high proportion of people who own their own homes; it is also captured in the growth the private rented sector in the NPA, although this starts from a low base. In future years, therefore, the needs of the vast majority of people will therefore be served by the market.
126. In the wake of the Housing White Paper, build to rent (BTR) is likely to be given greater prominence in planning at the local level. This ushers in a form of market/affordable hybrid – affordable private rent housing (APRH). APRH will be delivered as part of BTR schemes and will offer a discount on market rents. The White Paper envisages that it will count as a form of AH.³⁷ This would be a suitable typology within the NPA given the growth of private renting and that roughly 50% of households earn less than £30,000.
127. Officers at PCC state that a high proportion of the city's private rented sector stock is HMOs – 4,312 in number.³⁸ It is therefore worth considering forms of market housing that offer an alternative to this kind of informal development. Forms of 'collective' development, in which occupiers sacrifice private living accommodation for generous communal areas such as living spaces and terraces, are one example. These schemes have been pioneered in London and are targeted at young professional singles.
128. As regards homes built for private sale, it is important to stress the suitability of smaller dwellings sized between three and five habitable rooms, suited both to young couples, families and older people wishing to down size. There are a number of factors that support this as a suitable policy response in Milton: the fall in household size, the increase in one person households and the falling number of persons per room. In addition, both local agents report two and three bedroom dwellings being in the highest demand amongst buyers in the NPA
129. The adaptability of smaller dwellings, so as to underpin their suitability for habitation by people at all ages, can be achieved by the introduction of 'Lifetime Homes' design principles³⁹.
130. This requirement of properties suited to downsizing is supported by data showing significant under-occupancy of homes, with 74% of households living within the 'up to 0.5 persons' for each bedroom⁴⁰. There is likely to be a strong correlation between this, and the high proportion of households that own their own property, with many possessing ample spare space. While this may be what the occupants want, there may be instances where people are caught in a bind: wishing to stay in the area to be close to family and friends, and established networks, but unable to move on account of the lack of suitable homes to move into.
131. One local agent suggested flats were the type of housing currently in the shortest supply. Given the constrained nature of the NPA, the promotion of flats and apartments may be the only realistic approach to meeting the need for smaller dwellings. Although it must be

³⁷ Fixing our broken housing market, page 100

³⁸ SHMA, 88

³⁹ <http://www.lifetimehomes.org.uk/pages/lifetime-homes-principles.html> (visited 24/04/17)

⁴⁰ Census 2011

acknowledged that the Neighbourhood Forum expressed some reservation about major flatted schemes.⁴¹

132. In summary, given the functional nature of the housing market, with house-prices showing a steady appreciation in recent years, the operation of the market may be relied upon to deliver dwellings for private sale and rent. Planning policy should, however, seek a mix of dwellings both for rent and sale, supporting developments of predominantly smaller dwellings to ensure both affordability and suitability to those sections of the market where there is evidence of under-supply.

What provision should be made for sheltered dwellings and other forms of housing suited to the elderly?

i. Quantity

133. The Neighbourhood Forum suggested there was a specific housing need for the older and less able within the NPA⁴². Notwithstanding the fall in the numbers of those aged over 85 in the decade between the last censuses, over the longer term the number of elderly people is likely to increase, as shown in Table 18 below. It is therefore appropriate for policy to provide support for a significant quantum quota of sheltered and accessible housing as part and parcel of the delivery of new housing.

Table 18 – Change in the population of over 75s between 2011 and 2034

Age Band	Portsmouth			Milton	
	Population (2011)	Population (2034)	Population % increase	Population (2011)	Population (2034)
75-84	9210	13,764	49.4%	540	806
85+	4341	7635	75.9%	233	410
	Total 75 +			773	1216

Source: 2014-based Sub-national population projections, DCLG and Census 2011 (ONS)
AECOM calculations

134. In arriving at an appropriate level of housing for older people of different types, we have applied the Housing Learning and Improvement Network's suggested numbers per 1,000 of the 75+ population⁴³. Table 18 shows the increase in the numbers of older people aged over the age of 75 stands at 443 (1,216-773). This will result, over the plan period, in a need for:

- additional conventional sheltered housing units = $60 \times 44.3\% = 27$ (26.58 Rounded Up);
- additional leasehold sheltered housing units = $120 \times 44.3\% = 54$ (53.16 Rounded up);
- additional 'enhanced' sheltered units, split 50:50 between those for rent and those for sale = $20 \times 44.3\% = 9$ (8.86 Rounded up);
- additional extra care housing units for rent = $15 \times 44.3\% = 7$ (6.65 Rounded Up);
- additional extra care housing units for sale = $30 \times 44.3\% = 14$ (13.29 Rounded Up); and
- additional specialist dementia care homes = $6 \times 44.3\% = 3$ (2.66 Rounded Up).

⁴¹ Phone interview with Paul Docking, 07/03/17

⁴² Phone interview with Paul Docking, 07/03/17

⁴³ Housing LIN (2011) Strategic Housing for Older People: Planning, designing and delivering housing that older people want, available online at:
http://www.housinglin.org.uk/_library/Resources/Housing/SHOP/SHOPResourcePack.pdf

*ii. Types***Retirement villages**

135. Projects that involve the delivery of multiple homes satisfy the desire on the part of many older people to live 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 LIN analysis, it may however not be appropriate to consider this approach to the delivery of housing for the elderly.

Senior Co-housing

136. 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 needs. 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 both projects developed specifically with the needs of older people in mind, and others that encourage multi-generational housing, such as Featherstone Lodge in Forest Hill⁴⁴ and LILAC in Leeds⁴⁵. In the first example, the design facilitated the creation of public areas that encouraged social interaction between members of the community, moreover, a 'common house' was built in the grounds of the scheme that provided a shared space in which people could come together for meeting and shared activities.

Multi-generational homes

137. Multi-generational living has 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 to not only 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.⁴⁶ The phenomenon of the aging population has an up-side; with increases in the quality of health-care older people are able to live active lives for longer, the so-called 'third age' after retirement when people still want to live fully active lives. Within a household or community where tasks and facilities are shared, they are in a good position to take on both voluntary and paid work, for example looking after grandchildren or taking care of the elderly.

Lifetime Homes

138. Many local authorities incorporate policy into their Local Plans that a proportion of new homes should be built according to lifetime homes principle; these are ordinary homes incorporating 16 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 as 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.⁴⁷

⁴⁴ <http://www.featherstonecohousing.co.uk/> (visited 12/04/17)

⁴⁵ <http://www.lilac.coop/> (visited 12/04/17)

⁴⁶ RIBA, *Silver Linings, The Active Third Age and the City*, Page 17-18

⁴⁷ <http://www.lifetimehomes.org.uk/pages/about-us.html>

Planning flexibility

139. Planning policy can be mobilized to help properties to become more adaptable in the context of an increasingly elderly population. This includes allowing the conversion of conventional dwellings or groups of dwellings (for example terraced housing) into multiple homes, particularly where additional features are included to address 'lifetime homes' criteria and to encourage interaction with the wider community. This can incorporate bigger community open space as a result of joining up different gardens.⁴⁸ This is not dissimilar the phenomenon of 'alley-gating' where alleyways between the backs of terraced housing have been gated off, and turned into shared community spaces.

Lifetime neighbourhoods

140. Creating an environment in which older people feel both welcome and comfortable does not end at the front door. Research exists that considers Life-time neighbourhoods, in which the public realm is designed to address the needs of older people, and activate the benefits they can bring in supporting local businesses and encouraging improved public realm for everyone, for example more greenery and more walkable, better connected places.
141. As we have identified earlier, there is a need for a greater number of smaller dwellings that facilitate 'down-sizing;' this is part and parcel 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 younger people looking for more space.⁴⁹

The role of the Local Authority

142. As suggested above, it is appropriate for the neighbourhood group to work closely with the LPA 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,⁵⁰ 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 district.

⁴⁸ Gobber, S, [A Bright Grey Future](#), Urban Design Group Journal, Spring 2016, page 29

⁴⁹ Housing LIN, [New Approaches to Housing for Older People](#), June 2014, page 6

⁵⁰ NPPF, para 50

4. Market Signals

143. 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.
144. 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.
145. These market signals relate to trends discernible within the housing market, and broader economic trends that have an impact on the housing market.
146. 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.
147. 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.
148. 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 (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.
149. To establish the condition of the current housing market in the NPA, a number of quantitative factors were therefore analysed. These include extrapolating data prepared as part of the evidence base for wider areas, as well as applying wider trends to the established population of Milton.
150. These were supplemented by judiciously used qualitative data obtained from local agents to create an overall depiction of Milton's Housing market at a more nuanced level than available through higher level deliberation, such as through PLHMA data.
151. These market signals are therefore used to adjust the HNA to anticipate discernible trends and respond to projections likely to influence future demand. As a result, information discerned in the previous chapter is also included in the final conclusions of this section, notably demographic trends, to generate a more holistic overview.
152. The following market signals are reviewed:
 - Employment trends;

- Housing transactions (prices);
- Housing transactions (volume);
- Overcrowding;
- Rate of development (change in housing stock); and
- The impact of growth at Portsmouth University.

i. Employment trends

153. Local employment trends can greatly influence housing needs as employment opportunities can stimulate demand in the local area. On the other hand, a relative lack of growth can negatively affect house prices as dwellings located far from employment opportunities may be less attractive to those in full time work.
154. Within the Milton NPA, there are no allocated, safeguarded or protected employment zones (Figure 3). However, given the average commuting distance data shown in Table 19 extending to Fareham and Havant, it is reasonable to assume that growth in wider Portsmouth will impact the Milton NPA.

Table 19: 2011 Census data showing commute to work distances for the Milton NPA

Location of work	Milton	PORTSMOUTH	England
Less than 10km	65.3%	64.8%	52.3%
10km to less than 30km	10.4%	11.0%	21.0%
30km and over	7.5%	7.3%	8.0%
Work mainly at or from home	6.9%	7.3%	10.3%
Other	9.9%	9.6%	8.5%
Average distance travelled to work	12.7km	13.6km	14.9km

Source: Census 2011

155. Appendix 4 of TPP⁵¹, informed by the Employment Land Review 2010 outlines that the supply of B1 class usage in Portsmouth is 211,500 sqm, whilst the supply of B2 and B8 uses is calculated to be 141,500 sqm. Whilst some of this space may have been occupied since this research was published, it represents opportunity for businesses to locate in Portsmouth.
156. Furthermore, the Growth and Skills Plan⁵² highlights that “between 2010 and 2020, research indicates that 36,000 jobs will be generated by replacement demand (the natural churn created by retirement and workers moving between jobs), but a further 18,500 could be created by expansion demand (as a result of growth in key sectors) and physical

⁵¹ The Portsmouth Core Strategy 2012 Appendix 4, Page 159

⁵² The Portsmouth Skills and Growth Plan Page 6. Available at: <https://www.portsmouth.gov.uk/ext/documents-external/pln-businessgrowthandskillsplan.pdf>

regeneration” This is a significant projection in a city with a working population of just over 145,000⁵³.

157. In addition, there are a number of city wide regeneration initiatives, such as the City Deal sites at Tipner and Horsea Island⁵⁴. These developments are focused on the entrance to Portsmouth from the M275, creating an estimated 3,700 permanent jobs. This longer term project is likely to stimulate demand across Portsmouth over the next plan period. Furthermore, ‘Rise 2016’ (Portsmouth’s business publication)⁵⁵ outlines a total of £2bn to be spent over the next 20 years, including 10,000 new jobs to be created as a result.
158. The publication also outlines the £5.8 million benefit that Victorious Festival, held to the immediate south of the NPA in Southsea, generates for the city. The NPA is also within, all be it not a focus of, the Solent Local Enterprise Partnership (LEP)⁵⁶ which outlines the creation of additional jobs, notably support for 1,000 start-up businesses, in the Solent by 2020⁵⁷.
159. In 2013, BAE Systems announced that their shipbuilding operations in Portsmouth would cease in October 2014. This had a potential to impact employment opportunities in Portsmouth. However, since this announcement it has been stated that from 2017 the city will host the country’s two new aircraft carriers, raising the current tonnages from 90,000 tonnes to 230,000 tonnes in 2020⁵⁸. As a result, BAE will shift focus to engineering support which has been combined with an initial investment of £400 million to support this. As a result, although there has clearly been a recent shift in employment opportunities, particularly some forms of specialist employment, the overall net employment impact of this decision is now regarded as less severe due to these replacement industry services.

ii. Housing transactions (Price)

160. 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. To assess the housing market in the Milton NPA, data from the Land Registry was analysed. This data provides price paid, housing type and date of transaction information which allows housing market trends to be identified. To replicate the NPA, the “PO4 8” sub postcode area was used, as shown in Figure 10, collecting data for all housing transactions between 2005 and 2016. Although this data set does not directly reflect the NPA, this data source was the closest reasonably available at a replicable scale and provided a 3145 sample size.

⁵³ Rise Business Publication 2016. Available at: <https://www.portsmouth.gov.uk/ext/documents-external/dev-rise-2016.pdf>

⁵⁴ City Deal Sites 2017. Available at: <https://www.portsmouth.gov.uk/ext/development-and-planning/regeneration/city-deal-sites.aspx>

⁵⁵ <https://www.portsmouth.gov.uk/ext/documents-external/dev-rise-2016.pdf>

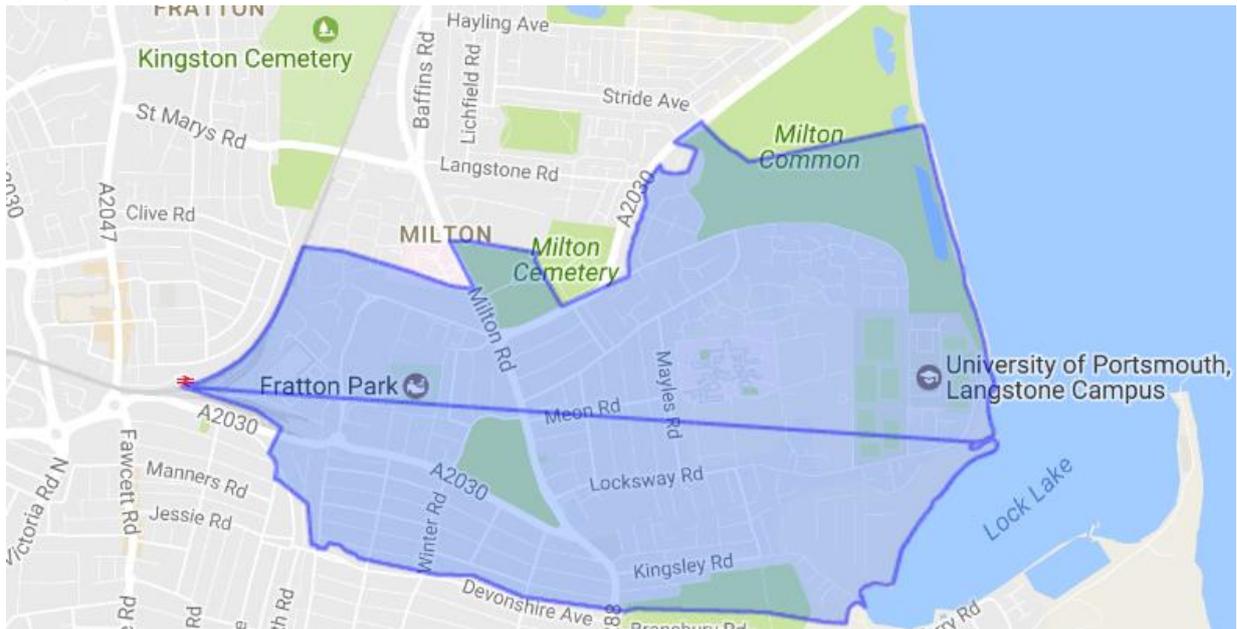
⁵⁶ Solent LEP Strategic Economic Plan 2014. Available at:

http://www.push.gov.uk/1._solent_strategic_economic_plan_executive_overview.pdf

⁵⁷ Solent LEP Strategic Economic Plan 2014. Page 3.

⁵⁸ Solent LEP Strategic Economic Plan 2014. Page 3.

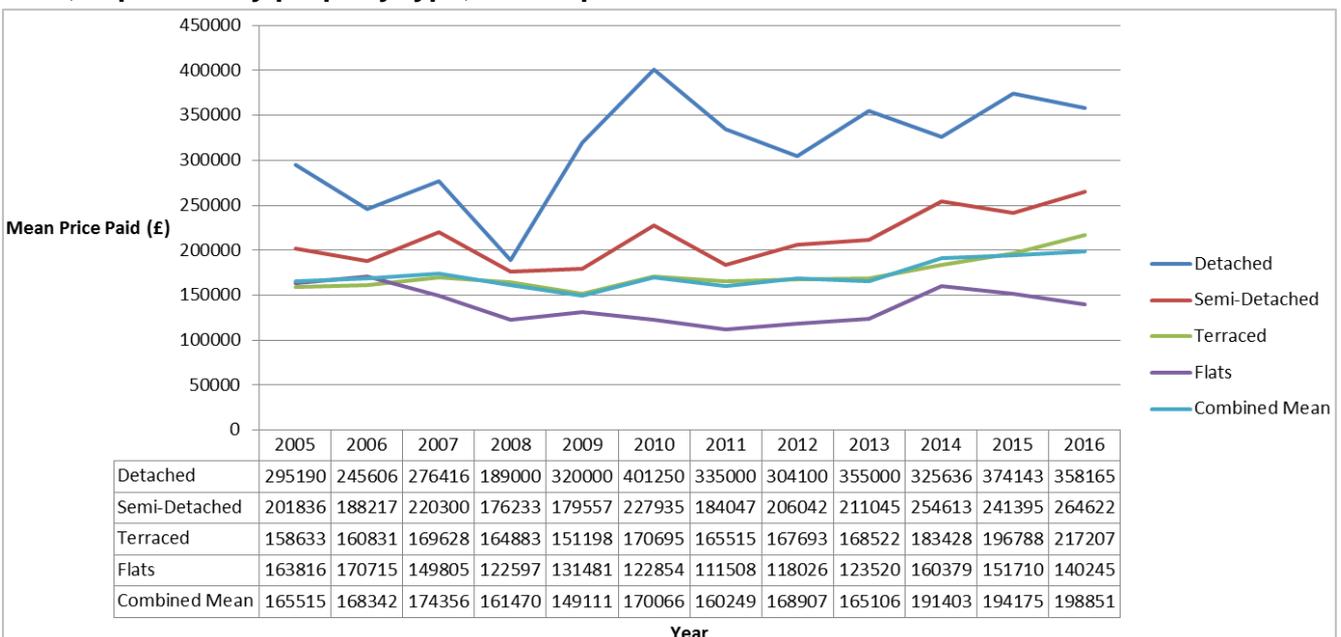
Figure 10: A map showing the extent of the P04 8 postcode area, used as a proxy for the Milton NPA



Source: Geopunk.com <http://www.geopunk.co.uk/postcode-district/PO4-8>

161. The Land registry data is shown graphically in Figure 11, and demonstrates an increase in combined mean of £166,000 (rounded) in 2005 to a combined mean of £199,000 (rounded) in 2016. As a result, this indicates that there was an approximate increase of the combined mean price paid data over this period of approximately 17%.

Figure 11: Mean Price Paid Data showing annual mean property prices in the Milton NPA, separated by property type, for the period 2005-2016.



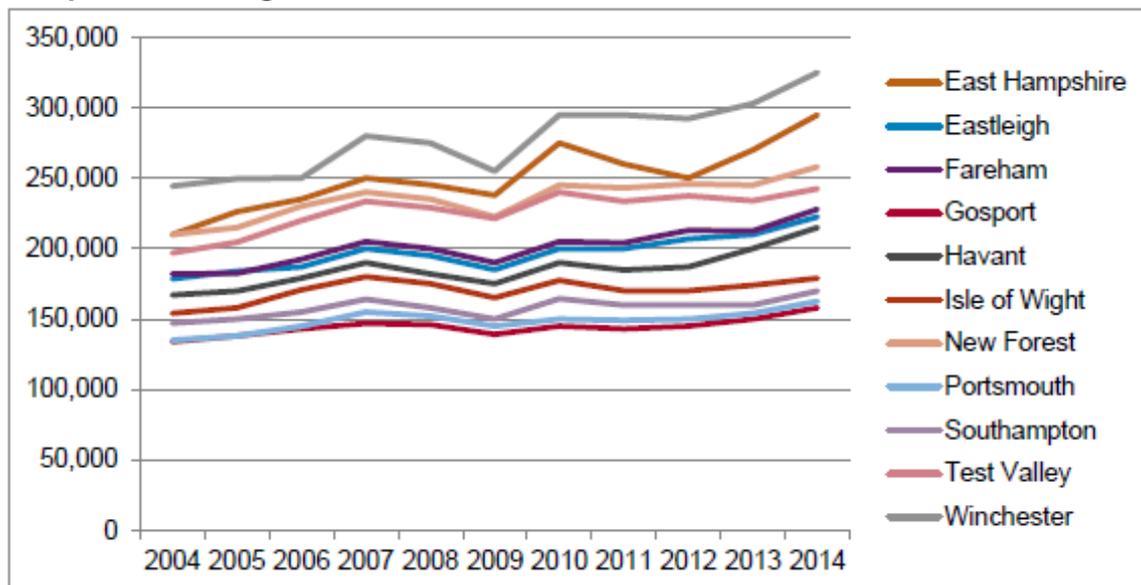
Source: Land registry, AECOM Calculations

162. Considering the wider impact of external influences on Housing markets between 2007 and 2010, Figure 11 shows that house prices have risen between 2005 and 2016 for most housing types, with the exception of flats. Although there is some evidence that a small per year sample size may have impacted certain data points, the 2016 data point for flats is

considered robust due to the mean being derived from 97 flat transactions for the year (as shown later in Figure 13).

163. The SHMA 2016's Figure 22 is reproduced below as Figure 12 outlining Portsmouth as possessing the second lowest house price trend in the South Hampshire Sub-region. When the 2014 data point is compared between Figure 11 and 12 it shows that the Milton NPA has a mean price paid data of approximately £191,400 compared to a Portsmouth value of approximately £160,000. This would indicate that the mean house price in the Milton NPA is higher than the average house value in Portsmouth.

Figure 12: SHMA 2016 Figure 22, showing House price trends for 2004-2014 in the South Hampshire Sub-region



Source: Urban South Hampshire SHMA update April 2016 Page 97

iii. Housing transactions (volume)

164. The Land Registry data reveals the relative proportion of different housing typologies sold between 2005 and 2016; this is set out in Table 20 and compared the existing provision in the NPA, national and local housing stock.

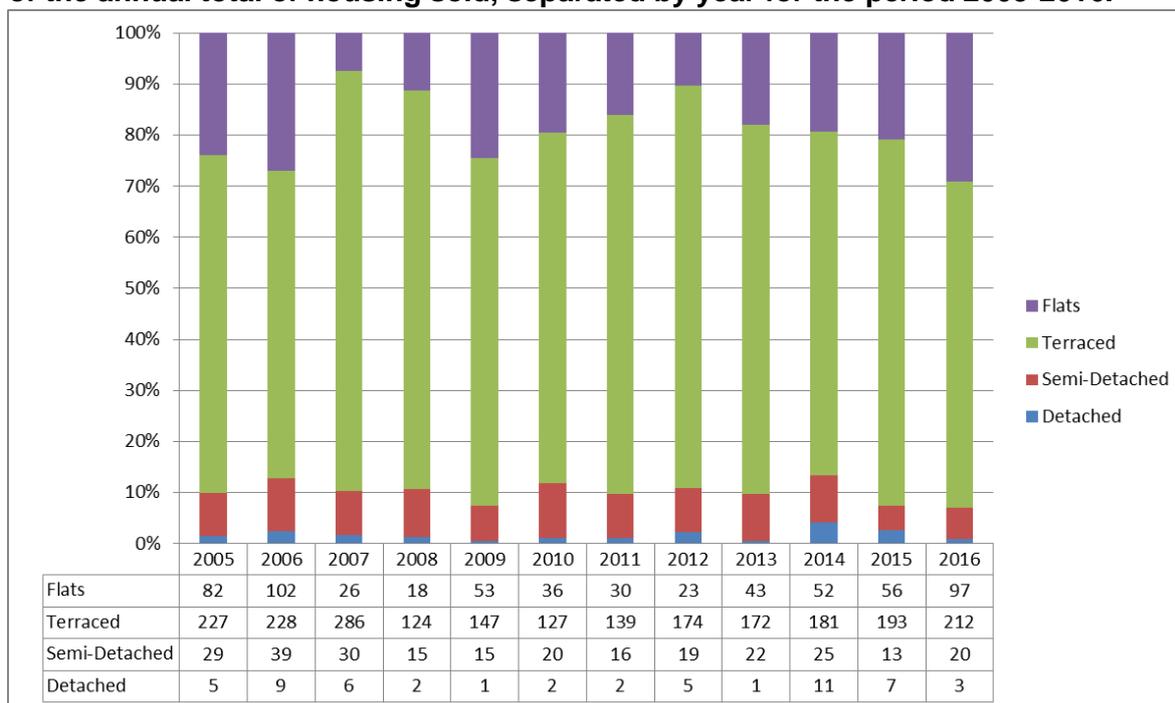
Table 20: Volume of housing transactions in the 'PO4 8' sub post code area between 2005 and 2016, compared to current housing stock

Housing type	Total present in Price Paid Data	% of total sold	Provision in the NPA housing stock (% of total)	Provision in Portsmouth (% of total)	Provision in England (% of total)
Detached	54	1.7	3.6	4.2	22.4
Semi-detached	263	8.4	17.8	15.7	31.2
Terrace	2210	70.3	61.9	45.1	24.5
Flat	618	19.7	16.6	35.6	21.2

Source: Land Registry and 2011 Census

- 165. As a result, Terraced housing comprised approximately 70% of all transactions in the 2005-2016 period, however as shown in Table 12 terraced housing only accounts for 61.9% of the housing stock. This proportion is already over double the England average of 24.5% and approximately a third higher than Portsmouth.
- 166. Another indicator this data produces is the relatively high turnover rate for terraced housing in the area, with 2210 transactions over the period for approximately 2,418 dwellings. As a result, this indicates the relative demand for terraced housing in the area due to their comparatively high turnover and overall over-representation in the Land Registry Price Paid Data (Figure 13).

Figure 13: The relative proportions of housing typologies sold, shown as a percentage of the annual total of housing sold, separated by year for the period 2005-2016.



Source: Land Registry, AECOM Calculations

- 167. In addition, the Census 2011 data shows that 649 households in the NPA live in flats, maisonettes or apartments (Table 12), with the Land Registry data suggesting that 618 of these properties were sold in the NPA post 2005. This was confirmed by the qualitative data provided by the Local Agent surveys who indicated that demand for the flats remained high, both in rental and sales departments. This relative proportion of flats sold (approximately 20% of total transactions) is above the 16.6% (total of 14.4%, 1.5%, and 0.7%) figure of flat provision in the Milton NPA shown in Table 12.
- 168. The combination of the factors considered above indicate that the housing market in the Milton NPA is over represented by terraced and flat-type housing and that there is a less than proportional amount of semi-detached and detached dwellings being sold in the NPA. This would indicate the demand for both of these typologies within the NPA.

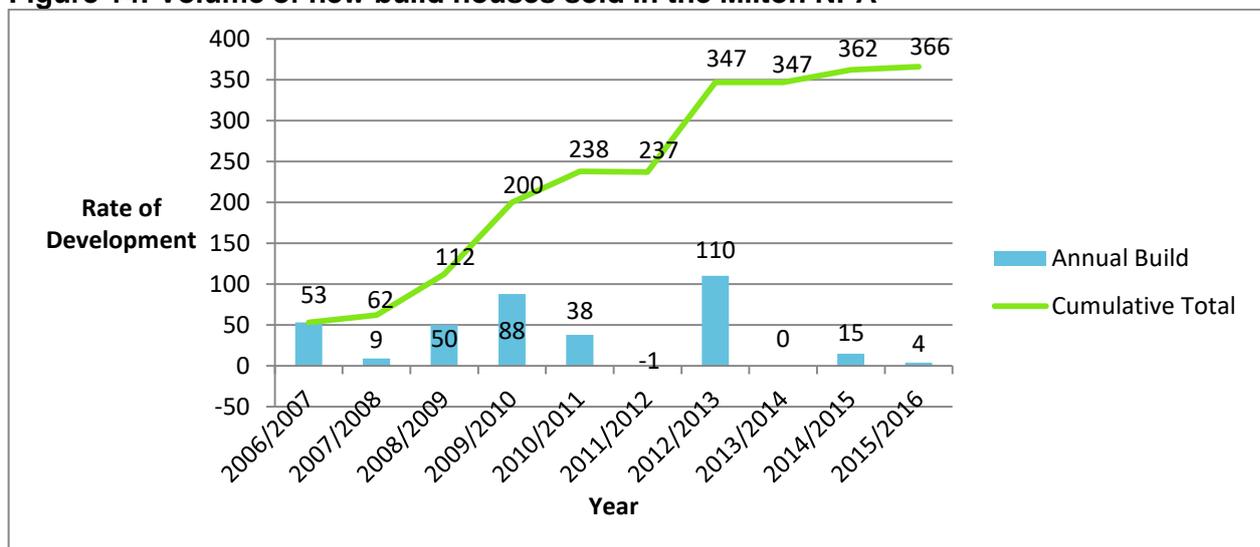
iv. *Overcrowding*

- 169. Another indicator of demand in the housing market is shown by the prevalence of overcrowding in the NPA. This is because demand for housing in the area can manifest itself in the over occupation of housing stock as increased demand does not always result in an increase in supply.
- 170. Table 15 shows that the number of persons per room in the NPA in the lowest bracket (below 0.5 people per room) has increased by 9.8%, double the rate for Portsmouth (4.9%). Furthermore, the 133.3% increase in the ‘Over 1.5 persons per room’ category represents a small sample size and an increase in incidence of only 4 households. Overall, 99.4% of the NPA households live at densities of less than one person per room and approximately 74% of households live at densities of below (and including) 0.5 persons per room. Furthermore, there has been a reduction in household size, although this was only marginal (-0.5%).
- 171. Another indicator of overcrowding is the presence of ‘Concealed Families’, which the 2011 census identifies 24 incidences across the NPA. This means that there are 24 “hidden families” living within multi-familial households in addition to the primary family, such as a young couple living with parents. As a result, there is more than one Family Reference Person in the household. However, this is less than 1% concealed families (2011 census), lower than the Portsmouth value (1.6%) and over half the England average (1.9%).

v. *Rate of Development*

- 172. Data received from Portsmouth City Council shows that from 1 April 2006 to 31 March 2016 a total of 366 dwellings (net) have been delivered on sites within the Milton NPA (shown in figure 14).

Figure 14: Volume of new build houses sold in the Milton NPA



Source: Portsmouth Local Authority supplied data, AECOM Calculations

- 173. The levels of development shown in Figure 14 may under-represent demand because completion data also encompasses supply side factors, such as land availability, which are not considered as part of a Housing Needs Assessment. Despite this, the NPA has been shown to have an annual delivery rate of approximately 37 dwellings per annum. This correlates with the rate of development demonstrated between the 2001 and 2011 census. In this ten year period the NPA saw the delivery of 364 dwellings, a rate of

approximately 36 dwellings per annum. This therefore constitutes an approximate growth of 1% per annum for the Milton NPA.

vi. The impact of Portsmouth University

174. One of the key features of housing in the Portsmouth area is the role of Portsmouth University. The Student Halls of Residence SPD⁵⁹ outlines how the University has grown in population to comprise of 22,000 students, with approximately 16,000 living in the city. Within the Milton NPA if both economically active and inactive students are combined, it totals 657 students out of a total population of 3480⁶⁰. Indeed Milton is marketed towards students as despite being further removed from the centre than most halls of residence, is “in easy reach of the University thanks to the excellent public transport links in the city”⁶¹.
175. One of the largest features of the Milton NPA is the Langstone Campus, with many of the university teams using the outdoor sports pitches. The future of this campus is uncertain as the University has previously indicated that it would like to move all student accommodation closer to the city centre⁶². The University is currently formulating a wider Estates Masterplan, having held consultation events in early 2016, with the intention of opening a new Business School in Anglesea Road on the former Victoria Baths site⁶³. This expansion, stated in Rise 2016 to part of an overall investment of approximately £500m, is likely to stimulate growth in the city and Milton area. Indeed the Savills Spotlight on Student Housing 2015 has attributed 36% of the growth in Portsmouth between 2001 and 2011 to a growth in student numbers⁶⁴.

⁵⁹ The Student Halls of Residence SPD 2014, Page 2.

⁶⁰ Census Data for 2011. AECOM Calculations

⁶¹ Student housing information 2015-2016 Available at: <http://www.port.ac.uk/media/why-portsmouth/accommodation/Student-Housing-Information-and-Application-Brochure-2015.pdf>. Page 4

⁶² ‘Campus site could be sold by University of Portsmouth’ The News. March 2014. Available at: <http://www.portsmouth.co.uk/news/education/campus-site-could-be-sold-by-university-of-portsmouth-1-5940916>

⁶³ ‘University of Portsmouth unveils masterplan to transform city’. The News. February 2016. Available at: <http://www.portsmouth.co.uk/news/education/university-of-portsmouth-unveils-masterplan-to-transform-city-1-7233525>

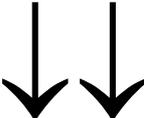
⁶⁴ Savills 2015. Spotlight on Student Housing. Available at: <http://pdf.euro.savills.co.uk/residential---other/spotlight--uk-student-housing-2015.pdf>. page 10

4 Conclusions

Overview

Table 21: Summary of factors specific to Milton NP with a potential impact on neighbourhood plan housing quantity

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Rationale for judgement
Employment Trends	Portsmouth Core Strategy 2012, Employment Land Review 2010, Rise 2016, Solent LEP Strategic Economic Plan 2014, Growth and Skills Plan, Census 2011 data	↑	<p>It has been shown that there is significant growth projected in the Portsmouth and wider Solent Area in the medium and long term. However, the Milton NPA represents a small and non-specified area within this wider growth. Furthermore, much of the wider regeneration initiatives outlined in Section 3 include housing provision in more proximate locations than Milton, despite them being within average commuting distances.</p> <p>As a result, an assessment of one up arrow has been deemed appropriate because despite the high overall levels of growth, Milton will only receive a small proportional increase of overall employment growth.</p>
Housing Transactions (Price)	Land Registry data for the 'PO4 8' sub-postcode area for the period 2005-2016, SHMA 2016 Update	↑	<p>The price paid data sourced from the Land Registry indicates that the combined mean price for houses has increased in the Milton NPA, rising approximately 17% between 2005 and 2016. In addition, although the Land registry data is largely consistent with the HPI data for Portsmouth more generally, the combined mean is reduced by the disproportional amount of terraced housing in the price paid data set.</p> <p>While modest, price increases place property beyond the means of many people, an issue of concern given the Lower Quartile Affordability Ratio of 8.57.</p> <p>As a result, an assessment of one up arrow has been deemed appropriate due to the Milton NPA demonstrating increasing house prices which, although in line with growth across Portsmouth City, may be higher than the surrounding area due to the typologies of housing represented in the data set.</p>

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Rationale for judgement
<p>Housing Transactions (Volume)</p>	<p>Land Registry data for the 'PO4 8' sub-postcode area for the period 2005-2016</p>		<p>The volume of housing sold within the Milton NPA indicates a greater proportion of terraced houses sold relative to the proportion they account for in the housing stock. This compares with parity as regards flats and a lower proportion for detached and semi-detached dwellings by the same measure.</p> <p>It is worth noting larger homes may be occupied by older people who would down-size were there suitable properties available. This is supported by the high proportion of owner-occupation, the relatively high proportion of people aged over 65 and the modest incomes in the area.</p> <p>Efficient housing markets exhibit parity between the proportion of dwelling sold by type and the proportion they represent of the housing stock. Given the disparity we have observed in Milton, greater provision of smaller housing is recommended. As a result, an assessment of one up arrow has been deemed appropriate as these differences are not regarded as disproportionate.</p>
<p>Overcrowding</p>	<p>Census 2011 data</p>		<p>The Milton NPA demonstrates little overcrowding. For example, the overall population density between 2001 and 2011 has been reduced, as has the occupancy rate of persons per room. There is also little evidence of widespread displacement or the prevalence of Concealed Families. As a result, an assessment of two down arrows has been deemed appropriate.</p>
<p>Rate of Development</p>	<p>Housing Standard SPD, HPI data for 2005 and 2016 Completion data from Portsmouth City Council</p>		<p>Data from the Portsmouth City council shows the Milton NPA had a net increase of 366 dwellings from 1st April 2006 to 31st March 2016. This annual rate of delivery is also consistent with the 364 homes delivered between 2001 and 2011.</p> <p>As a result an assessment of 'No change' is recommended as the rate of delivery has remained consistent over a 15 year period. It must be highlighted however that growth in recent years have been dependent</p>

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Rationale for judgement
			on an approximate 300% growth rate in 2012 compared with little growth in the typical year.
The impact of growth at Portsmouth University	Student Halls of Residence SPD 2014, Census 2011, Rise 2016		<p>Due to the high number of students in Portsmouth and the Milton NPA any increase in student numbers will likely cause increased demand for housing in line with Savills projections. The current Portsmouth University Estates Masterplan, which proposes a £500million investment in Portsmouth, is therefore likely to increase overall housing demand in the city by attracting more students to Portsmouth. However, a large increase in student numbers may result in the construction of further purposed student blocks, such as development at Greetham Street, relieving overall pressure on housing stocks posed by students.</p> <p>Finally, as the future of the Langstone Campus is not determined, its current usage as a hall of residence is assumed to continue. Due to this, although there is an overall focus of student density around central Portsmouth, some may remain proximate to the University's outdoor sports pitches.</p> <p>As a result, an assessment of one up arrow has been deemed appropriate due to the likelihood of increased student numbers seeking to enter the housing market in established student areas such as Milton. This is not higher due to the presence of student specific housing blocks and areas more proximate to the city centre which may potentially be more attractive to University students.</p>

Table 22: Summary of local factors specific to Milton with a potential impact on neighbourhood plan housing characteristics

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
Affordable Housing	ONS, Census, CACI	High lower quartile affordability ratio. Growth in Private Rented Sector (PRS) housing.	The adopted development plan sets a headline target of 30% AH across the district. A higher AH target of up to 40% could be implemented in the NP, with viability tested on a case by case basis.

Factor	Source(s) (see Chapter 3)	Possible impact on housing needed	Conclusion
			<p>Younger households are able to afford market housing to rent, but not to buy at full market prices.</p> <p>Given the relatively low entry-level market housing, a starter home policy would be appropriate to enable those who wish to stay to migrate from PRS housing.</p>
Demand/need for smaller dwellings	Census, Local Agents survey	<p>Local Agents report a significant demand in 2-3 bedroom homes.</p> <p>Increase in the size of the population of older people.</p> <p>Fall in the proportion of the population who are 'young adults'.</p> <p>Fall in persons per room.</p>	<p>The increase in numbers of older people and consistent numbers of those in the 25-44 age bracket does not present a sustainable future for the NPA; housing policy may be used to manage these demographic shifts.</p> <p>Under-supply of homes suitable for young families and down-sizing among the elderly justify the delivery of a higher proportion of smaller dwellings in future housing supply.</p> <p>Seek an increase in the volume of housing suitable for families, of 2-3 bedrooms.</p>
Dwelling type	Census, Local Agent	Shortage of flats.	Given the constrained nature of the NPA and the need for smaller dwellings the promotion of new flats/apartments may be suitable.
Housing for independent living for older people	Census, ONS	The population of people over the age of 75 will increase by 443 persons over the plan period	Provision of additional affordable, market sheltered and extra-care housing units is appropriate in the following numbers: 27 conventional sheltered housing units; 54 leasehold sheltered housing units; 9 'enhanced' sheltered units; 14 extra care housing units for sale; 7 extra care housing units for rent and 3 specialist dementia care home.

Recommendations for next steps

176. This neighbourhood plan housing needs advice has aimed to provide Milton Neighbourhood Forum with evidence on housing trends from a range of sources. We recommend that the Milton Neighbourhood Forum should, as a next step, discuss the contents and conclusions

with PCC with a view to agreeing and formulating draft housing policies, taking the following into account during the process:

- the contents of this report, including but not limited to Tables 21 and 22;
- Neighbourhood Planning Basic Condition E, which is the need for the neighbourhood plan to be in general conformity with the strategic local policies in the TPP (and, where possible, those of the emerging Local Plan);
- the views of PCC – in particular in relation to the housing need figure that should be adopted;
- the views of local residents as set out within a comprehensive Consultation Statement;
- the views of other relevant local stakeholders, including housing developers; and
- the numerous supply-side considerations, including local environmental constraints, the location and characteristics of suitable land, and any capacity work carried out by the Council, including but not limited to the SHLAA.

177. As noted previously, recent changes to the planning system, as well as forthcoming changes to the National Planning Policy Framework as well as the implementation of the Housing and Planning Act 2016, will continue to affect housing policies at a local authority and, by extension, a neighbourhood level.

178. This advice note has been provided in good faith by AECOM consultants on the basis of housing data current at the time of writing (alongside other relevant and available information).

179. 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 City Council or any other relevant body and review the neighbourhood plan accordingly to ensure that general conformity is maintained.

180. Most obviously, this includes monitoring the status of the emerging Local Plan, and working in consultation with planning policy officers at PCC to ensure policies make allowance for those set out in this document as they come forward

181. At the same time, monitoring on-going demographic or other trends in the factors summarised in Tables 21 and 22 would be particularly valuable.

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