A Housing Needs Assessment for Sidmouth.

Final report

October 2017

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Contents

Executive Summary

The parish profile

1. The number of people resident in the parish, households and dwellings has risen significantly in the decade between the censuses 2001 and 2011. The profile of households has changed too, with a decrease in average household size, which was already small at around two persons per household. The population has lost adults up to the age of 44 and gained adults aged 60-64. The largest household groups are those that are retired, single person households over 65 and families all over 65 years of age and those married without children under 65 years of age. They mostly occupy detached and semi-detached houses and bungalows. Just over 80% of households are owner occupiers, similar to East Devon and England as a whole. The parish and other geographies show a trend over the decade between the censuses of a shift from home ownership to private renting. However, the private rented sector in Sidmouth is proportionately smaller than the other geographies. The government's population projections for the district show that the overall population will grow by 18% by 2039 and this is largely attributable to a projected 81% increase in the number of people over 65 years of age.

Social housing supply and demand

2. There is likely to be significant unmet need for affordable housing:

- the overall estimated supply for 2015/6 was 50 social rented dwellings;
- according to the register there were 146 applicants assessed as having housing need resident in the parish;
- there is a mismatch between the type and size of the vacant affordable housing stock and the characteristics of households:
    - i. 1-bedroom homes form 25% of East Devon's Council Housing yet 62% ofthe demand is for them;
    - ii. 3 bedroom homes form 30% of East Devon's Council housing stock yet8% of the demand is for them.
- There will be significant unregistered unmet need from low income households with children (working or not), and low income older people as they cannot afford local house prices.

Market housing supply and demand

3. The Local Plan defines the role of Sidmouth as one of seven towns within the district that should aim to meet the needs of the town and the surrounding area. The local plan has determined the level of additional supply through new build housing. It sets a target of 125 new homes to be provided by 2031 on sites that are mostly allocated in the local plan. Plan policy H2 states that planning permission will only be granted on these sites where proposals are for

predominately or totally for smaller dwellings and that landscape character assessment will be a key factor in establishing an appropriate development mix.

4. The district council's strategic housing market assessment (SHMA) identifies that for East Devon, the 25th percentile income of local residents was £18,304 p.a. in 2014. It demonstrates that the East Devon local housing market is highly self-contained as is the labour market however most people that do not work in East Devon work in Exeter and Exeter is the main source and destination of out migrants and in-migrants from and to East Devon. The SHMA also recommends a housing mix for new-build for different tenures biased toward smaller homes in all cases.

5. An analysis of the current resale market for the parish was undertaken. Around 70% of the most recent sales were in the price band between £250,000 and £500,000. The 25th percentile selling price of terraced housing was £220,00 and non-retirement flats £138,000.

6. When local resident incomes are compared to local house prices it is self-evident that many households will not be able to afford buy market housing in Sidmouth. Clearly There is an affordability problem in Sidmouth which means that without policy intervention newly forming households and low income working households will be unable to become home owners and have little choice but to seek housing elsewhere.

7. Estate and letting agents confirmed the situation telling us that told us that most first time buyers and first time movers were priced out of the mainstream local market and there was little supply at up to the £220,000 level. Market and low cost new build housing was needed for this group if they were to be retained in the local area as help to buy and parental support would be available in many cases. They explained that high prices are driven by incomers usually form along the M3, M4 and M5 corridors. Investors were still active in acquiring for residential lettings and holiday lettings. There is a shortage of good quality lettings for families and inexpensive small flats and studios for lower paid service sector workers.

Discussion and Conclusion

8. There are few sites suitable for large scale housebuilding in Sidmouth so detailed understanding of local need is essential if they are to be met. Changes in the population profile are a key consideration here and this leads to two important conclusions.

9. Firstly, newly forming and younger households are priced out of the local housing market and many are seeking to live closer to Exeter which is a source of employment for many. Because of the lack of new-build housing these people are unable to take advantage of schemes such as new build 'help to buy' which has proven a key factor in enabling young households to get into home ownership. Others form part of the growing demand for private rented sector housing.

10. Secondly, the proportion of older people shows disproportionate growth over the decade signifying that a large number of older people some to the area to retire or prepare for retirement. They can afford, and to some extent drive local house prices as they will have spending power due to pensions, savings and equity in their former homes.

11. A relatively small number of households have been identified as needing affordable housing from the housing register. The evidence suggests that given local market conditions, there will be significant demand for social rented and intermediate affordable housing. These households have few options as the private rented sector is very small in Sidmouth.

12. Some market need and Intermediate affordable need might be met from sub-market housing for sale aimed at younger households like the government proposed starter home scheme. There is also scope for affordable housing based on home ownership whether shared ownership or discounted sale in perpetuity by means of a restrictive covenant.

13. The challenge is to ensure that as far as possible any additional housing provided whether social, affordable or market housing is occupied by local households rather than incomers.

14. It is clear to us having visited the town and talked to many stakeholders that the already vibrant community of the town would be enhanced if younger and older households can be retained within it, as both make a valuable contribution to the community and the sustainability of services and local businesses.

The quantity of housing needed

15. The sufficiency of the proposed 150 additional dwellings to meet local needs was called into question. This study provides a great deal of evidence to suggest that a greater number than 150 is needed.

16. To put this amount of housebuilding into context, the local applies to the period 2013-2031 which is an 18-year period. The allocation of 150 homes is equivalent to 8 homes per year over this period. The census shows that in the decade 2001-2011, The number of households increased by 347 households - nearly 35 per annum. This does not reflect the gross increase in local households just the net additional capacity created by new build and conversions.

17. The evidence in this report suggests that housebuilding is needed for local households beyond the allocation:

- affordable housing needs are unlikely to be met by supply as a proportion of the future need will be for specialised housing and there is a fundamental mismatch between the profile of the affordable stock and the profile of households on the register;
- the supply of re-sale housing, is unlikely to be affordable to first time buyers and first time movers and a significant proportion will be bought by incomers;
- the population of East Devon District between 2014 and 2039 is estimated to grow by 24,383 people - an increase of 18%. However, the growth is not projected to be uniform across the age groups. The number of children under 15 years of age are projected to grow by 11% and those aged 65 and over will grow by over 24,000 people – an 81% increase. Sidmouth will bear a disproportionate increase in its older population as it is an attractive location for people to retire to

- Sidmouth's market housing is not affordable to low income groups meaning that many who are in unsuitable housing will have no option but to seek affordable housing or private rented sector homes and claim housing benefit.

18. Further, the district council's strategic policy is evidenced by a district level objective assessment of need (OAN). This is a demographically driven estimate of the need for additional housing that is then modified in the light of economic and housing market factors. We can simplistically multiply the OAN estimate to the ratio of Sidmouth's housing stock to the district housing stock (which is 11% according to the census 2011 as reported in the Sidmouth HNA 2017). This produces a net additional requirement for of 60-90 per additional dwellings *per annum* (mid-point 75 units) for Sidmouth.

19. Evidence from estate agents and the census 2011 tells us that a high proportion of moving households are incomers in any given year.

Overall conclusions

- The need for additional market and affordable housing is significant as there is a mismatch between characteristics of dwellings in the parish and many current and future households, in terms of size, type tenure and affordability;
- planned additional supply is unlikely to meet future local need moving forward;
- even if additional allocations are made, unless these dwellings are affordable to local households and suited to their needs local households will not benefit from this additional supply; and
- further evidence is needed if detailed and robust assessments of local need (market and affordable) are to be made, including fuller information from the local authority regarding affordable need and supply from re-lets.

Chapter 1: Introduction

Introduction and aims of the study

1.1 This introduction outlines the aims of the research and the main methods employed in collecting and analysing information.

1.2 The study area is that defined by the Office of National Statistics as 'Sidmouth Parish' which includes the town of Sidmouth and its nearby villages which is also the designated area for the Sid Valley Neighbourhood Development Plan. The parish is administered by Sidmouth Town Council. The study area is referred to both by using the term parish and town. The word town appears in many of our data labels and is an abbreviation for 'Town Council Area' including the nearby villages not the urban area known as the town of Sidmouth. That said the greater majority of the parish or town council area housing stock and population sits within the urban area.

1.3 The aim of the study is to estimate the housing needs and requirements of households resident in the parish and households with a connection to it to inform neighbourhood development plan polices regarding the size and type mix of future new build housing envisaged by the East Devon Local Plan.

1.4 It is a detailed and comprehensive evidence base of all aspects of housing in the parish based upon readily available evidence.

The study method

1.5 The study method in this report has two main elements:

- an evidence base describing key features of the housing market and trends, mostly from the censuses of 2001 and 2011;
- information from the local authority, Rightmove, the Land Registry and estate agents.

1.6 It is envisaged that information from a household survey may be added at a later date designed to inform the nature of the need for additional housing arising from households that live within the parish as well as information about their priorities for housing development.

1.7 All of this information is brought together and analysed to inform neighbourhood development plan policies regarding the size and type mix of new-build housing envisaged by the local authority.

Chapter 2: The Parish Context

Introduction

2.1 In this section we provide background and profile of population, households and housing stock within the area covered by Sidmouth Town Council (the town). This information will help us to understand how the characteristics of the town and its residents affect demand and supply for its housing, using data from the censuses 2011 and 2001.

2.2 The information is put in context by comparison to the local authority East Devon District (the district) and England as a whole. Below we frequently refer to the district and the whole of England as 'the wider geographies'. This context information is very important and will enable us to define the distinctiveness of the Town.

2.3 Data for each topic is firstly presented in a table the first column of which states the number of people or households in each group and in the next column data is presented as a proportion of the total expressed as a percentage. Note that the percentages may not sum to 100% as we work to 1 decimal place. These proportions are then shown in a chart.

2.4 This method of presentation reflects the need for the evidence base to be transparent and rigorous. A shorter and less detailed executive summary has also been produced. A summary of the chapter without the data is provided from page 20.

2.5 Data is organised into two main groups about people and households.

A) People: characteristics of the local population

2.6 The 2011 Census recorded 13,737 people who are normally resident in the town. Figure 1a below shows the age profile of the population in age bands. Note that these bands vary as it is useful to know the population of young people into the key stages of their education. Some 13,135 people were normally resident in the parish in 2001 (fig 1b). The population of the parish therefore increased over the decade by a net 602 people, a 4.6% increase. The population growth of district over the decade was 6,937 or 5.5%. These rates of growth are lower than that of England which was just under 8% for the decade.

Figure 1: number of residents in age group 2011

	Town		District		England	
	No.	%	No.	%	No.	%
0 to 4	421	3.1	5,846	4.4	3,318,449	6.3
5 to 7	275	2	3,640	2.7	1,827,610	3.4
8 to 9	199	1.4	2,374	1.8	1,145,022	2.2
10 to 14	667	4.9	7,074	5.3	3,080,929	5.8
15	144	1	1,521	1.1	650,826	1.2
16 to 17	251	1.8	3,121	2.4	1,314,124	2.5
18 to 19	206	1.5	2,678	2	1,375,315	2.6
20 to 24	435	3.2	5,517	4.2	3,595,321	6.8
25 to 29	426	3.1	5,201	3.9	3,650,881	6.9
30 to 44	1,591	11.6	20,553	15.5	10,944,271	20.6
45 to 59	2,495	18.2	26,679	20.1	10,276,902	19.4
60 to 64	1,230	9	10,907	8.2	3,172,277	6
65 to 74	2,299	16.7	18,126	13.7	4,552,283	8.6
75 to 84	2,044	14.9	12,877	9.7	2,928,118	5.5
85 to 89	664	4.8	4,043	3.1	776,311	1.5
90 +	390	2.8	2,300	1.7	403,817	0.8
All Usual Residents	13,737	100	132,457	99.8	53,012,456	100.1

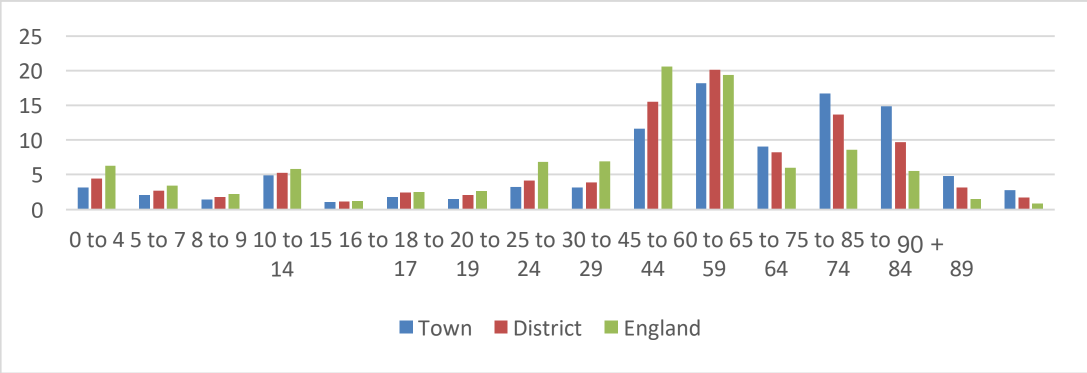
Source: Census (2011) table QS104EW

Figure 2: number of residents in age group 2001

	Town		District		England	
	No.	%	No.	%	No.	%
0 to 4	431	3.3	5,540	4.4	2,926,238	6
5 to 7	300	2.3	3,939	3.1	1,838,668	3.7
8 to 9	201	1.5	2,754	2.2	1,283,861	2.6
10 to 14	608	4.6	6,989	5.6	3,229,047	6.6
15	114	0.9	1,388	1.1	623,767	1.3
16 to 17	235	1.8	2,831	2.3	1,231,266	2.5
18 to 19	200	1.5	2,584	2.1	1,177,571	2.4
20 to 24	345	2.6	5,098	4.1	2,952,719	6
25 to 29	398	3	5,418	4.3	3,268,660	6.7
30 to 44	1,761	13.4	21,668	17.3	11,127,511	22.6
45 to 59	2,443	18.6	25,512	20.3	9,279,693	18.9
60 to 64	886	6.7	8,083	6.4	2,391,830	4.9
65 to 74	2,230	17	15,931	12.7	4,102,841	8.3
75 to 84	2,001	15.2	12,580	10	2,751,135	5.6
85 to 89	611	4.7	3,372	2.7	637,701	1.3
90 +	371	2.8	1,833	1.5	316,323	0.6
All Usual Residents	13,135	99.9	125,520	100.1	49,138,831	100

Source: Census (2001) table QS104EW

Figure 3: chart of percentage of residents in age bands 2011



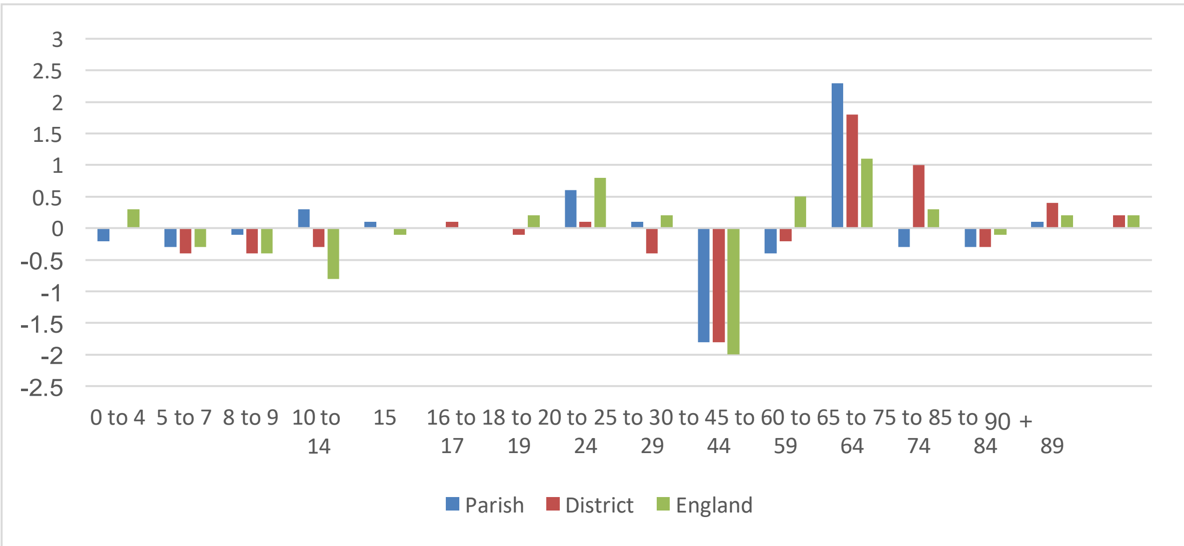
2.7 Whilst the absolute change in population over the decade is noteworthy, close attention should be paid to the change in population within each age band.

2.8 It is clear from figure 3 that, compared to the other geographies, the town had a smaller proportion of children and young people up to the age of 24 than the wider geographies. There was also a smaller proportion of young adults (25-29) and adults (30-59) years compared to the other geographies. However, the high proportion of people in the age groups 60-90+ compared to the other geographies is notable and is a key finding of this chapter.

2.9 Figure 4 below shows trends in the population profile comparing the number of people and the proportion of people in each age band between the censuses 2001 and 2011 (figure 4 below).

2.10 Gains and losses in key age groups over the decade are also a significant finding of this analysis. A striking change in figure 4 is a significant loss of adults between the ages 30 to 44. This is a similar change to the wider geographies and would partly account for the net reduction in the proportion of children in the town. Even more pronounced is the increase in those aged 60-64 which is on a much larger scale than the other geographies. The disproportionate increase of this age group is due to incomers.

Figure 4: change in population by age 2001 and 2011



Population projections

2.11 The government publishes official population projections at the local authority level. This information suggests the estimated change in the population by age group over a 25-year period from 2014 to 2039.

2.12 Overall the population of East Devon District is estimated to grow by 24,383 people over the 25 years an increase of 18%.

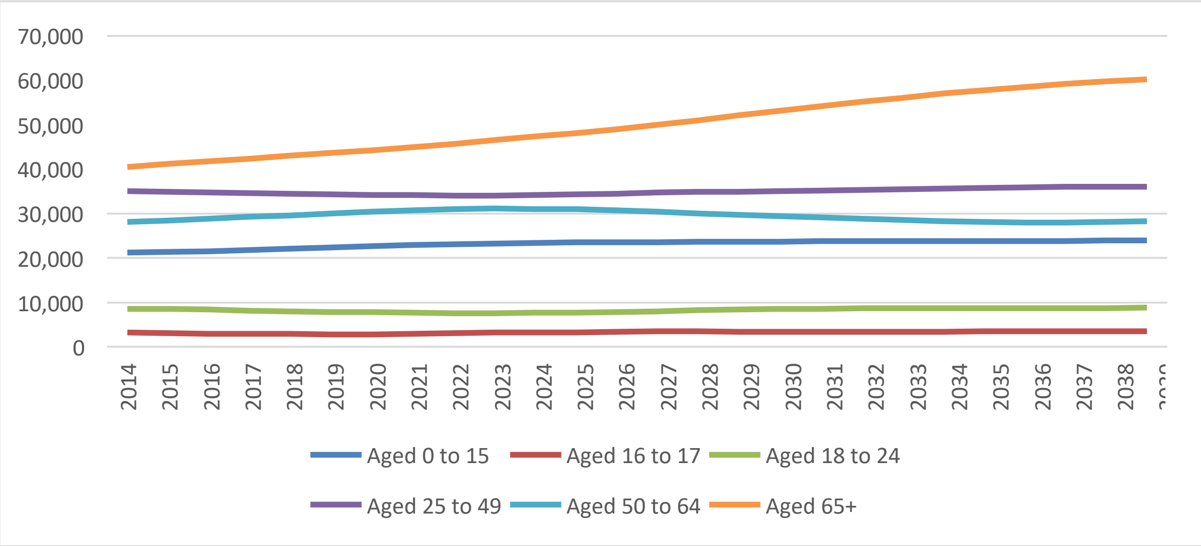
2.13 However, the growth is not projected to be uniform across the age groups. The number of children under 15 years of age are projected to grow by 11% and those aged 65 and over will grow by over 24,000 people – an 81% increase.

Figure 5: projected change in key age groups 2014-39

	change 2014-39	% change
Aged 0 to 15	2,701	11.1
Aged 16 to 17	356	1.5
Aged 18 to 24	308	1.3
Aged 25 to 49	1,132	4.6
Aged 50 to 64	125	0.5
Aged 65+	19,736	81.0
Total	24,358	100

Source: Nomis, 2014 based population projections

Figure 6: Chart of official population projections for East Devon District



Source: NOMIS, 2014 based population projections

The economic activity of residents

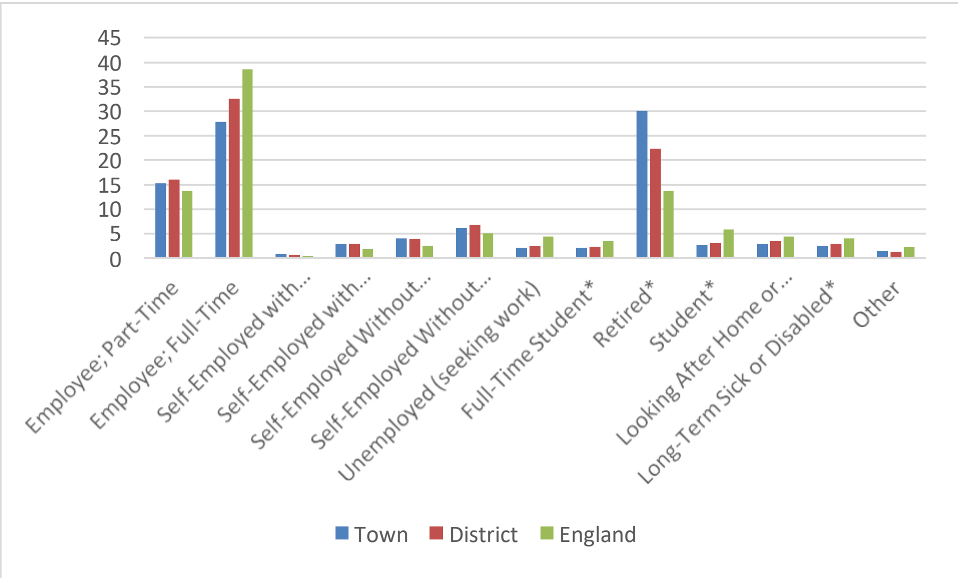
2.14 It is important to understand the level of economic activity of residents of working age (16-74 years) as there is a link between economic activity and the quality, size and security of tenure of homes that people reside in.

Figure 7: economic activity of residents aged between 16 and 74 (number)

	Town		District		England	
	No.	%	No.	%	No.	%
Employee; Part-Time	1,368	15.3	14,837	16	5,333,268	13.7
Employee; Full-Time	2,491	27.9	30,193	32.5	15,016,564	38.6
Self-Employed with Employees; Part-Time	60	0.7	513	0.6	148,074	0.4
Self-Employed with Employees; Full-Time	247	2.8	2,626	2.8	715,271	1.8
Self-Employed Without Employees; Part-Time	354	4	3,614	3.9	990,573	2.5
Self-Employed Without Employees; Full-Time	544	6.1	6,295	6.8	1,939,714	5
Unemployed (seeking work)	184	2.1	2,270	2.4	1,702,847	4.4
Full-Time Student*	189	2.1	2,107	2.3	1,336,823	3.4
Retired*	2,680	30	20,750	22.4	5,320,691	13.7
Student*	231	2.6	2,719	2.9	2,255,831	5.8
Looking After Home or Family*	248	2.8	3,038	3.3	1,695,134	4.4
Long-Term Sick or Disabled*	211	2.4	2,617	2.8	1,574,134	4
Other	126	1.4	1,203	1.3	852,450	2.2
Residents Aged 16 to 74	8,933	100.2	92,782	100	38,881,374	99.9

Source: Census (2011) KS601EW Note:* are classified as economically inactive.

Figure 8: chart of figure 7



2.15 Around 40% of the population in this age group were economically inactive. The largest group within this was those that are retired (30%). The largest group of economically active people was those in full time employment (28%). Over 67% of people of working age were either employed full or part time. Referring to figure 8, compared to the wider geographies, the parish had a much higher proportion of retired people and a lower proportion of those in full or part time employment.

Ethnic group

2.16 Figure 9 shows the presence of the ethnic groups in the resident population at 2011. We have not provided a chart as would not be possible to reflect the high proportion of white English residents on a reasonable scale compared to the other groups.

2.17 On census day 2011, 95.2% of the population was 'White British', which is a much larger proportion to that of the sub-area (74.5%) and England (79.8%). Taking 'White Irish' and 'White Other' into account, the proportion of white people was 98%.

2.18 The remaining 2% were mostly Mixed/Multiple Ethnic Groups; White and Asian, Asian/Asian British; Other Asian.

Figure 9: ethnic group

	Town		District		England	
	No.	%	No.	%	No.	%
White UK British	13,079	95.2	127,442	96.2	42,279,236	79.8
White; Irish	71	0.5	593	0.4	517,001	1
White; Gypsy or Irish Traveller	8	0.1	90	0.1	54,895	0.1
White; Other White	309	2.2	2,222	1.7	2,430,010	4.6
Mixed/Multiple Ethnic Groups; White and Black Caribbean	33	0.2	238	0.2	415,616	0.8
Mixed/Multiple Ethnic Groups; White and Black African	8	0.1	89	0.1	161,550	0.3
Mixed/Multiple Ethnic Groups; White and Asian	52	0.4	358	0.3	332,708	0.6
Mixed/Multiple Ethnic Groups; Other Mixed	19	0.1	219	0.2	283,005	0.5
Asian/Asian British; Indian	27	0.2	220	0.2	1,395,702	2.6
Asian/Asian British; Pakistani	0	0	6	0	1,112,282	2.1
Asian/Asian British; Bangladeshi	15	0.1	71	0.1	436,514	0.8
Asian/Asian British; Chinese	39	0.3	210	0.2	379,503	0.7
Asian/Asian British; Other Asian	54	0.4	423	0.3	819,402	1.5
Black/African/Caribbean/Black British; African	3	0	68	0.1	977,741	1.8
Black/African/Caribbean/Black British; Caribbean	9	0.1	61	0	591,016	1.1
Black/African/Caribbean/Black British; Other Black	2	0	17	0	277,857	0.5
Other Ethnic Group; Arab	2	0	35	0	220,985	0.4
Any Other Ethnic Group	7	0.1	95	0.1	327,433	0.6
All Usual Residents	13,737	100	132,457	100.2	53,012,456	99.8

Source Census (2011) Table QS201EW abridged

Health

2.19 Suitable housing can make a considerable difference to people with poor health and/or those that are limited in their day to day activities. The census recorded the broad health status reported by residents.

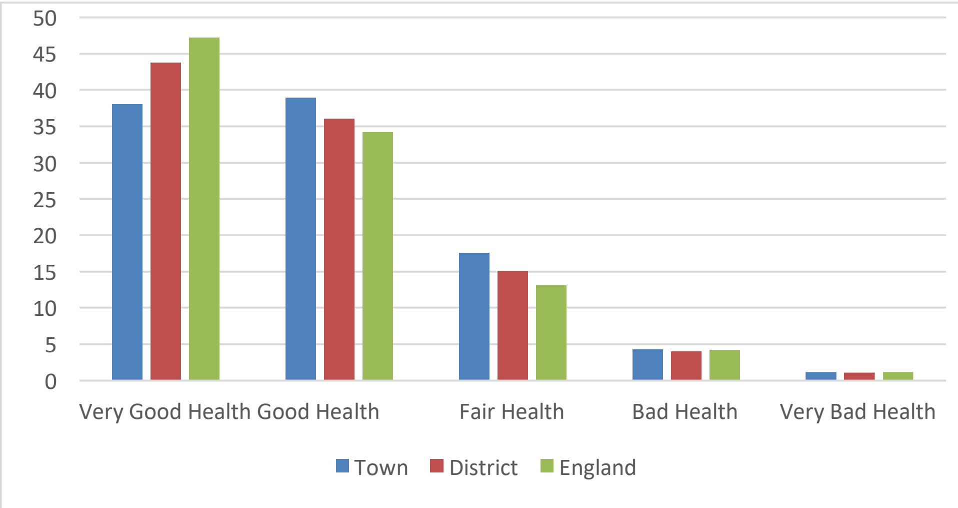
Figure10: broad health status (number of residents)

	Town		District		England	
	No.	%	No.	%	No.	%
Very Good Health	5,220	38	58,004	43.8	25,005,712	47.2
Good Health	5,341	38.9	47,716	36	18,141,457	34.2
Fair Health	2,417	17.6	19,960	15.1	6,954,092	13.1
Bad Health	592	4.3	5,285	4	2,250,446	4.2
Very Bad Health	167	1.2	1,492	1.1	660,749	1.2
Totals:	13,737	100	132,457	100	53,012,456	99.9

Source: Census (2011) from table KS301EW

2.20 Some 77% of parish residents stated that they have good or very good health. This was a slightly lower proportion than the sub-area and England (81%). Five percent of parish residents declared that they had bad or very bad health which is again similar to the wider geographies.

Figure 11: chart of figure 10



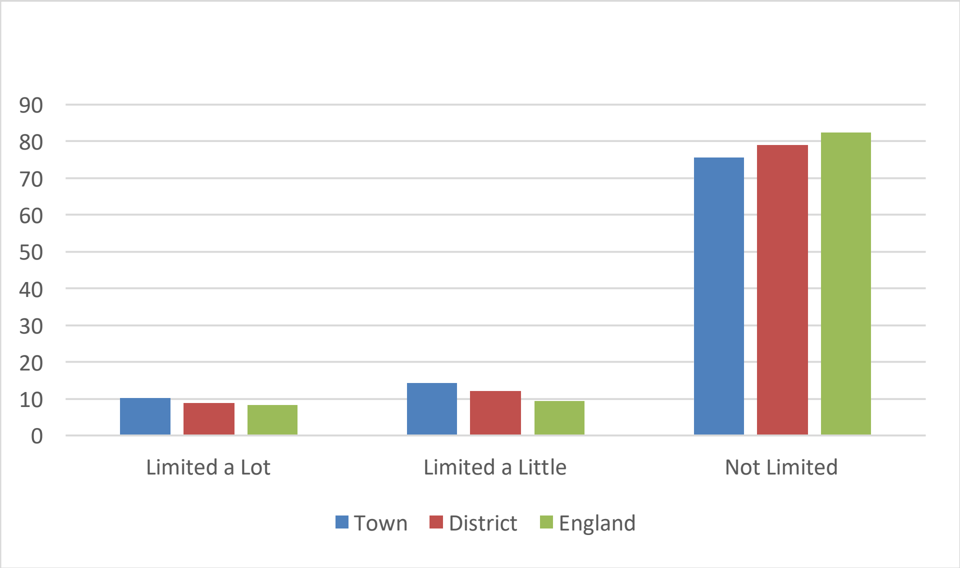
2.21 It is also helpful to look at data regarding people that are limited in their day to day activities, for example because of long term limiting illness and disability. The following data analyses the degree to which residents stated that they were limited in their day to day activities. Figure 12 reports that 1,404 people or 10% of the parish population, considered that their day to day activities were limited a lot. This is a larger proportion to that of the wider geographies.

Figure 12: persons with limited day to day activities

	Town		District		England	
	No.	%	No.	%	No.	%
Limited a Lot	1,404	10.2	11,814.0	8.9	4,405,394	8.3
Limited a Little	1,952	14.2	16,025.0	12.1	4,947,192	9.3
Not Limited	10,381	75.6	104,618.0	79	43,659,870	82.4
Totals:	13,737	100	132,457.0	100	53,012,456	100

Source: Census (2011) from table KS301EW.

Figure 13: chart of figure 12



2.22 Additionally, we report on the number of people that provided care and support for others. However; the person receiving care is not necessarily resident in the parish. The gap between supply and demand for suitable housing and support for people with long term illness or disability is often made up by family and friends. These act as unpaid carers. This activity is likely to be due in part to an unmet housing need, not necessarily in the parish.

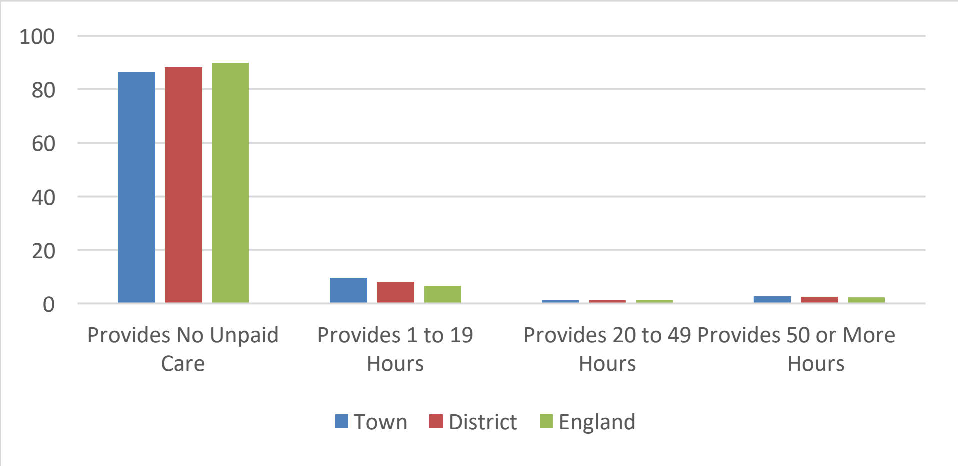
Figure 14: persons providing hours of unpaid care per week (number of residents)

	Town		District		England	
	No.	%	No.	%	No.	%
Provides No Unpaid Care	11,863	86.4	116,613	88	47,582,440	89.8
Provides 1 to 19 Hours	1,305	9.5	10,746	8.1	3,452,636	6.5
Provides 20 to 49 Hours	184	1.3	1,762	1.3	721,143	1.4
Provides 50 or More Hours	385	2.8	3,336	2.5	1,256,237	2.4
Totals:	13,737	100	132,457	99.9	53,012,456	100.1

Source: Census (2011) from table KS301EW

2.23 The evidence suggests that a slightly larger proportion of the population provides care for others than in the wider geographies.

Figure 15: persons providing hours of unpaid care per week



B) Households: household and dwelling characteristics

Dwelling Type

2.24 Figures 16 and 17 show that just over 38% of all homes were detached which is a similar proportion to the wider geographies. There was a larger proportion of flats and apartments - 19% which is significantly higher than the average for the district but lower than the proportion for England as a whole. There was a smaller proportion of semi-detached homes - 20.8% which is significantly lower than the average for the district and for England as a whole.

Figure 16: accommodation type – households

	Town		District		England	
	No	%	No	%	No	%
House or Bungalow; Detached	2540	38.4	23,275	39.5	4,949,216	22.5
Semi-Detached	1375	20.8	15,569	26.4	6,889,935	31.3
Terraced	1429	21.6	11,426	19.4	5,396,459	24.5
Flat, Maisonette or Apartment	1253	19	8,369	14.2	4,668,839	21.2
Caravan etc.	11	0.2	341	0.6	80,964	0.4
Total	6608	100	58,980	100.1	21,985,413	99.9

Source: Census (2011) Table QS402EW (abridged)

2.25 The findings of a high proportion of flats and a low proportion of semi-detached houses is significant and will be revisited in chapter 5.

Figure 17: chart of figure 16

Number of Bedrooms in Dwellings

2.26 The largest group was 3-bedroom homes which is a similar proportion to the wider geographies. Two-bedroom homes were the second biggest group which is a larger proportion than the sub-area and England as a whole. There were fewer 4 and 5-bedroom homes than the District.

Figure 18: number of bedrooms

	Town		District		England	
	No	%	No	%	No	%
No Bedrooms	8	0.1	76	0.1	54,938	0.2
1 Bedroom	472	7.1	4,499	7.6	2,593,893	11.8
2 Bedrooms	2,335	35.3	17,726	30	6,145,083	27.9
3 Bedrooms	2,605	39.4	23,183	39.2	9,088,213	41.2
4 Bedrooms	900	13.6	10,086	17.1	3,166,531	14.4
5 or More Bedrooms	293	4.4	3,501	5.9	1,014,710	4.6
Totals	6,613	99.9	59,071	99.9	22,063,368	100.1

Source: Census (2011) table QS411EW

Figure 19: chart of figure 17

Household and occupancy characteristics

2.27 As at census day 2011, there were 13,737 people resident 6,613 households in the parish with a household density of 2.08 people per household. The previous census recorded 13,185 people resident in 6,266 households in the parish (2.10 people per household). These are low household densities compared to the wider geographies.

2.28 Over the decade between 2001 and 2011 the parish population increased by 552 people – a 4.2% increase which is lower than for the district (5.5%) and lower than England (8%).

2.29 The number of households increased by increased by 347 households which is similar to the other geographies (district 7% and England 8%).

2.30 It is crucial that household tenure is understood and it is informative to compare the change in tenure characteristics between the 2001 and 2011 censuses.

Figure 20: tenure of households 2011 – (number of households)

	Town		District		England	
	No	%	No	%	No	%
Owned Outright	3,817	57.7	27,837	47.1	6,745,584	30.6
Owned (Mortgaged)	1,350	20.4	16,446	27.8	7,229,440	32.8
Shared Ownership	51	0.8	319	0.5	173,760	0.8
Social Rented	653	9.9	5,515	9.3	3,903,550	17.7
Private Rented	630	9.5	8,041	13.6	3,715,924	16.8
Living Rent Free	112	1.7	913	1.5	295,110	1.3
All Households	6,613	100	59,071	99.8	22,063,368	100

Source: Census 2011 table QS405EW) Tenure – Households (abridged)

Figure 21: tenure of households 2001 (number of households)

	Town		District		England	
	No	%	No	%	No	%
Owned Outright	3,650	58.3	25,231	45.9	5,969,670	29.2
Owned (Mortgaged)	1,417	22.6	17,475	31.8	7,950,759	38.9
Shared Ownership	24	0.4	203	0.4	133,693	0.7
Social Rented	624	10	5,394	9.8	3,940,728	19.3
Private Rented	405	6.5	5,427	9.9	2,037,470	10
Living Rent Free	146	2.3	1,281	2.3	419,107	2
All Households	6,266	100.1	55,011	100.1	20,451,427	100.1

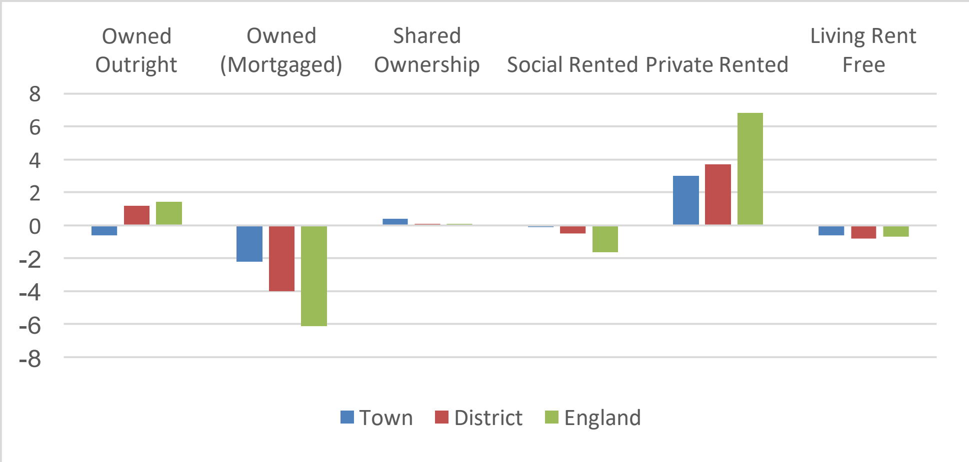
Source: Census (2001 table UV63 Tenure – Households (abridged)

Figure 22: change in tenure of households 2001-2011 (proportion)

	Town	District	England
Owned Outright	-0.6	1.2	1.4
Owned (Mortgaged)	-2.2	-4.0	-6.1
Shared Ownership	0.4	0.1	0.1
Social Rented	-0.1	-0.5	-1.6
Private Rented	3.0	3.7	6.8
Living Rent Free	-0.6	-0.8	-0.7

NB: Proportion is increase or decrease between 2001 and 2011 and is subject to rounding.

Figure 23: chart of figure 22 (2001-2011)



2.31 Figures 22and 23 show significant changes in tenure across the decade. There was a significant reduction in the number of home owners both with a mortgage and outright owners. For outright owners this was against the trend of the District and England. The reduction in the proportion of homeowners with a mortgage was with the trend of the other geographies but on a smaller scale. The increase in the proportion of those renting from private landlords is related to the reduction in the proportion of home owners due to the economic difficulties experienced over the decade.

2.32 However, figure 20 tells us that in 2011, overall, the proportion of households that are outright owners and those who own with a mortgage is similar to that of the district but larger than for England as a whole.

Household composition

2.33 Figure 24 shows the household composition of the parish as at 2011.

2.34 It is clear from the figure and the chart that the parish has a larger proportion of single person households aged over 65 years and families all aged 65 or over than the wider geographies. These are the largest household groups representing, in total, 45% of all households as at the census 2011.

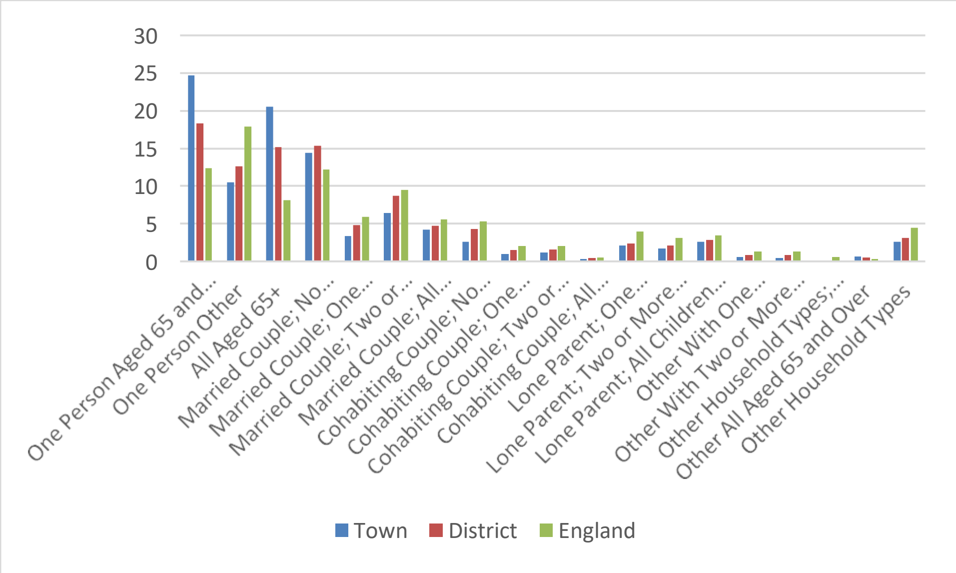
2.35 The next largest group is married couple no children at 14.4%. The groups that have no dependent children total 72.7% of households. If we add those with non-dependent children the proportion without dependent children rises to 80%.

Figure 24: household composition

	Town		District		England	
	No	%	No	%	No	%
One Person Aged 65 and Over	1,632	24.7	10,828	18.3	2,725,596	12.4
One Person Other	695	10.5	7,441	12.6	3,940,897	17.9
All Aged 65+	1,356	20.5	8,954	15.2	1,789,465	8.1
Married Couple; No Children*	952	14.4	9,043	15.3	2,691,927	12.2
Married Couple; One Dependent Child	225	3.4	2,857	4.8	1,312,550	5.9
Married Couple; Two or More Dependent Children	424	6.4	5,115	8.7	2,087,738	9.5
Married Couple; All Children Non-Dependent	281	4.2	2,783	4.7	1,233,748	5.6
Cohabiting Couple; No Children	175	2.6	2,554	4.3	1,173,172	5.3
Cohabiting Couple; One Depnt Child	69	1	877	1.5	438,750	2
Cohabiting Couple; Two or More Dependent Children	80	1.2	957	1.6	452,030	2
Cohabiting Couple; All Children Non-Dependent	18	0.3	227	0.4	108,486	0.5
Lone Parent; One Dependent Child	136	2.1	1,432	2.4	883,356	4
Lone Parent; Two or More Dependant Children	112	1.7	1,217	2.1	689,899	3.1
Lone Parent; All Children Non-Dependent	175	2.6	1,696	2.9	766,569	3.5
Other With One Dependent Child	41	0.6	498	0.8	290,816	1.3
Other With Two or More Dependent Children	26	0.4	465	0.8	293,200	1.3
Other Household Types; All Full-Time Students	0	0	8	0	124,285	0.6
Other All Aged 65 and Over	43	0.7	293	0.5	61,715	0.3
Other Household Types	173	2.6	1,823	3.1	995,677	4.5
All Households	6,613	99.9	59,071	100	22,063,368	100

Source: Census (2011) Household Composition, 2011 table KS105EW
*includes same sex civil partnerships

Figure 25: chart of household composition



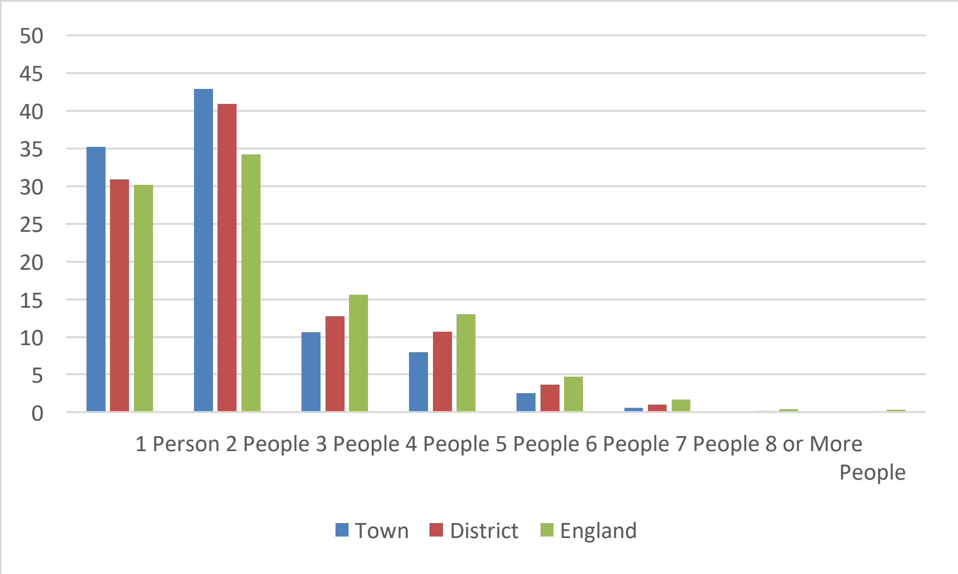
2.36 The census provides further information about household size. Figures 25 and 26 show that within the parish, 78.1% of households consisted of one or two people which is a higher proportion to the wider geographies.

Figure 25: number of people in each household

	Town		District		England	
		%		%		%
1 Person	2,327	35.2	18,269	30.9	6,666,493	30.2
2 People	2,837	42.9	24,150	40.9	7,544,404	34.2
3 People	703	10.6	7,479	12.7	3,437,917	15.6
4 People	529	8.0	6,318	10.7	2,866,800	13.0
5 People	166	2.5	2,110	3.6	1,028,477	4.7
6 People	40	0.6	598	1.0	369,186	1.7
7 People	7	0.1	95	0.2	88,823	0.4
8 or More People	4	0.1	52	0.1	61,268	0.3
Total	6,613	100.0	59,071	100.1	22,063,368	100.1

Source: Census (2011) Household Size table QS406EW

Figure 26: chart of number of people in each household



Second homes and holiday homes

2.37 Whilst the census 2001 recorded this figure the census 2011 did not. In 2001 the census recorded 438 second homes or holiday homes in the parish which was around 6.3% of all 'household spaces'. In addition, there were 217 unoccupied household spaces 3.1% of all dwellings. Holiday and second homes were therefore around 66% of all household spaces not usually occupied at the time of the census.

2.38 The census 2011 only records household spaces with no usual residents which would include unoccupied second homes or holiday homes as well as vacant dwellings this was 804 household spaces. If we assume that vacancies in the stock were constant we estimate the number of second and holiday homes to be 533 household spaces – an increase of 105 across the decade.

Chapter Summary

Overview

2.39 As at census day 2011, there were 13,737 people resident 6,613 households in the parish with a household density of 2.08 people per household. The previous census recorded 13,185 people resident in 6,266 households in the parish (2.10 people per household). These are low household densities compared to the wider geographies.

2.40 Over the decade between 2001 and 2011 the parish population increased by 552 people – a 4.2% increase which is lower than for the district (5.5%) and lower than England (8%).

2.41 The number of households increased by 347 households (5.5%), which is a similar proportion to the other geographies (district 7% and England 8%).

Population characteristics

2.42 Compared to the district and England there was a:

- a smaller proportion of children and young people up to the age of 24;
- a smaller proportion of young adults (25-29) and adults (30-59) years; and
- a higher proportion of people in the age groups 60-90 years.

2.43 There were gains and losses in key age groups between over the decade:

- a significant loss of adults between the ages 30 to 44; and
- a significant gain in those aged 60-64 which is on a much larger scale than the other geographies.

2.44 According to the governments population projections 2014-39, the population of the district as a whole is estimated to grow by 24,358 people over the 25 years an increase of 18%. There is projected to be an 81% increase in the number of older (65 years +).

2.45 Regarding economic activity of those of working age (16-74 years):

- around 40% of the population were economically inactive;
- the largest inactive group was those that are retired (30%);
- the largest group of economically active people was those in full time employment (27.9%); and
- compared to the wider geographies, the parish has a much higher proportion of people who are retired.

2.46 On census day 2011, 95.2% of the population was 'White British', which is similar proportion to that of the district (96.2%) and England (79.8%). Taking 'White Irish' and 'White Other' into account, the proportion of white people was 97.9%.

2.47 Regarding health factors, the following proportions were higher than the wider geographies, reflecting the older population:

- 77% of residents stated that they had good or very good health;
- 5% of parish residents declared that they had bad or very bad health;
- 1,404 people or 10.2% of the parish population, considered that their day to day activities were limited a lot; and
- 697 parish residents (13.6%) provided unpaid care to another person.

Household and housing characteristics

2.48 Regarding house types and sizes:

- over 38% of all houses and bungalows were detached which is a higher proportion than for England as a whole but is similar to the average for the district;

- 20.8% of households occupied semi-detached homes which is a lower proportion than the wider geographies;
- 19% occupied a flat or apartment which was higher than the average for the District (14.2%) but lower than for England as a whole 21.2%; and
- the parish has a larger proportion of households occupying 2 bedroom homes and a smaller proportion occupying 4 bedroom homes or larger.

2.49 Regarding household tenure:

- there was a significant reduction in the number of home owners both with a mortgage and outright owners. For outright owners this was against the trend of the District and England; and
- there was a rise in the proportion of households that rent in the private rented sector and the increase was slightly lower than the other geographies.

2.50 However, in 2011, the proportion of households that are outright owners and those who own with a mortgage is similar to that of the district but larger than for England as a whole.

2.51 Regarding household composition:

- the parish has a larger proportion of single person households aged over 65 years and families all aged 65 or over than the wider geographies
- this is the largest household group;
- the next largest group is married couple no children at 14.4%; and
- the groups that have no dependent children total 72.7% of households.

2.52 It is estimated that the proportion of second homes and holiday homes remains at around 6.3% of the dwelling stock 533 dwellings – an estimated increase of 105 dwellings across the decade.

Chapter 3: Supply and demand - social rented housing and affordable housing

Introduction

3.1 A household survey is not part of the method of this study. The quantity of additional social rented and affordable housing is stated in the East Devon Local Plan 2016 for the district as a whole and Sidmouth in particular. This is summarised in the next chapter. We have collated the following information from readily available data to suggest local priorities for the mix of sizes and types of social rented dwellings to be provided in future. The next chapter provides information about affordable home ownership.

3.2 East Devon District Council manages the social rented housing in its ownership. In addition, a number of registered providers (housing associations) own and manage social and affordable housing.

Supply side

3.3 The council has provided the following profile of its stock of housing but has not provided information about social rented stock managed by registered providers or the number of re-lets occurring from either.

Figure 27: general and special needs council social rented housing stock in the parish

	No.	%
Special needs	172	31.7
General needs	371	68.3
Totals	543	100

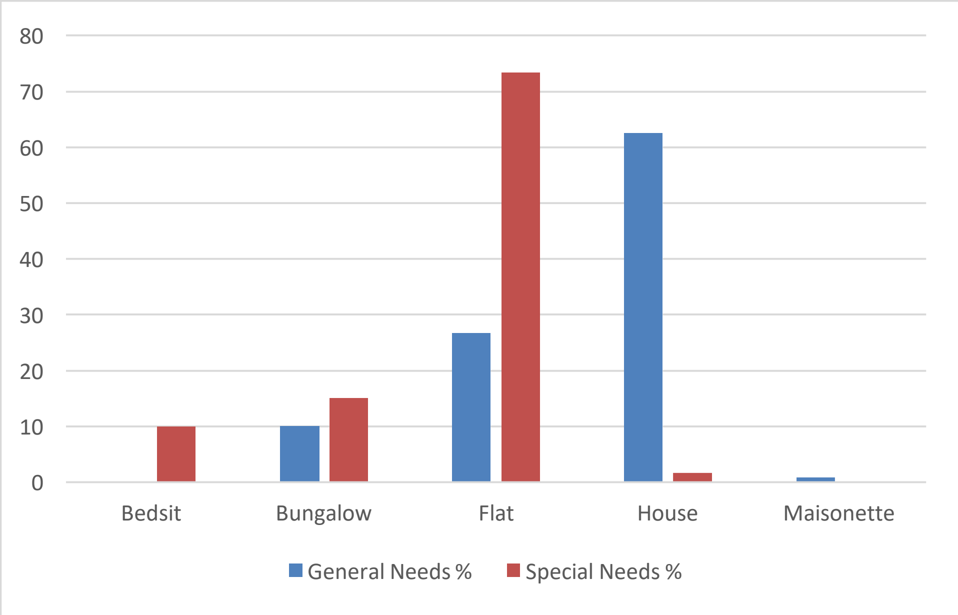
Source: East Devon District Council

Figure 28: general and special needs council social rented housing stock in the parish by type

	General Needs No.	General Needs %	Special needs No.	Special Needs %	Total No.	Total %
Bedsit	0	0	17	9.9	17	3.1
Bungalow	37	10	26	15.1	63	11.6
Flat	99	26.7	126	73.3	225	41.4
House	232	62.5	3	1.7	235	43.3
Maisonette	3	0.8	0	0	3	0.6
Totals	371	100	172	100	543	100

Source: East Devon District Council

Figure 29: proportion of general and special needs council housing



3.4 We can see from the above information that the type of housing designated for special needs is different to general needs in that there are virtually no houses of maisonettes designated for people with special needs. Flats form 73% of special needs designated housing owned by the council.

3.5 The census 2011 recorded 653 social housing dwellings in the parish (council and registered provider) which is a net increase of 29 in the decade from the 2001 census (629 dwellings). During and since 2011 there will have been losses in the stock due to the right to buy and dwellings being de-commissioned as well as new build.

3.6 As a stock profile of the number of social rented dwellings by number of bedrooms was not supplied so we have produced this information from the census using Nomis. This is for both council and registered providers.

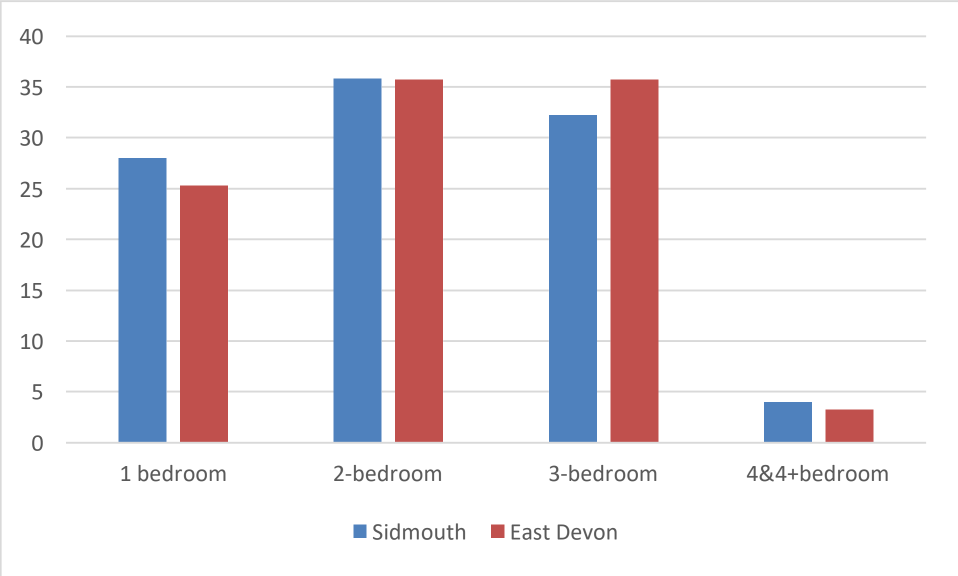
Figure 30: social rented housing stock by number of bedrooms

	Sidmouth No.	Sidmouth %	East Devon No.	East Devon %
1 bedroom	183	28.0	1,398	25.3
2-bedroom	234	35.8	1,971	35.7
3-bedroom	210	32.2	1,968	35.7
4&4+bedroom	26	4.0	178	3.2
Totals	653	100	5,515	100

Source: Nomis (census 2011)

4.1 Figure 30 shows that nearly 12% (653/5,515) of social rented housing in the district was within in the Sidmouth parish area at the time of the census 2011.

Figure 31: chart of figure 30



3.7 The above demonstrates that the profile of the social rented stock in Sidmouth is very similar to that of the district as a whole in terms of number of bedrooms.

3.8 Information from the CoRe (continuous recording of social lettings) data is only available at the local authority level. Core tells us that there were the following number of **lettings** for the year 2015/6 for the district as a whole.

Figure 32: number of lettings 2015/6

	No.	%
Special needs	118	27.3
General needs	315	72.7
Totals	433	100

Source: CoRe 2015/6

3.9 It is noteworthy that special need *lettings* amounted to approximately ¼ of all lettings across the district however the proportion of special needs *units* in the parish is approximately 1/3 (figure 27).

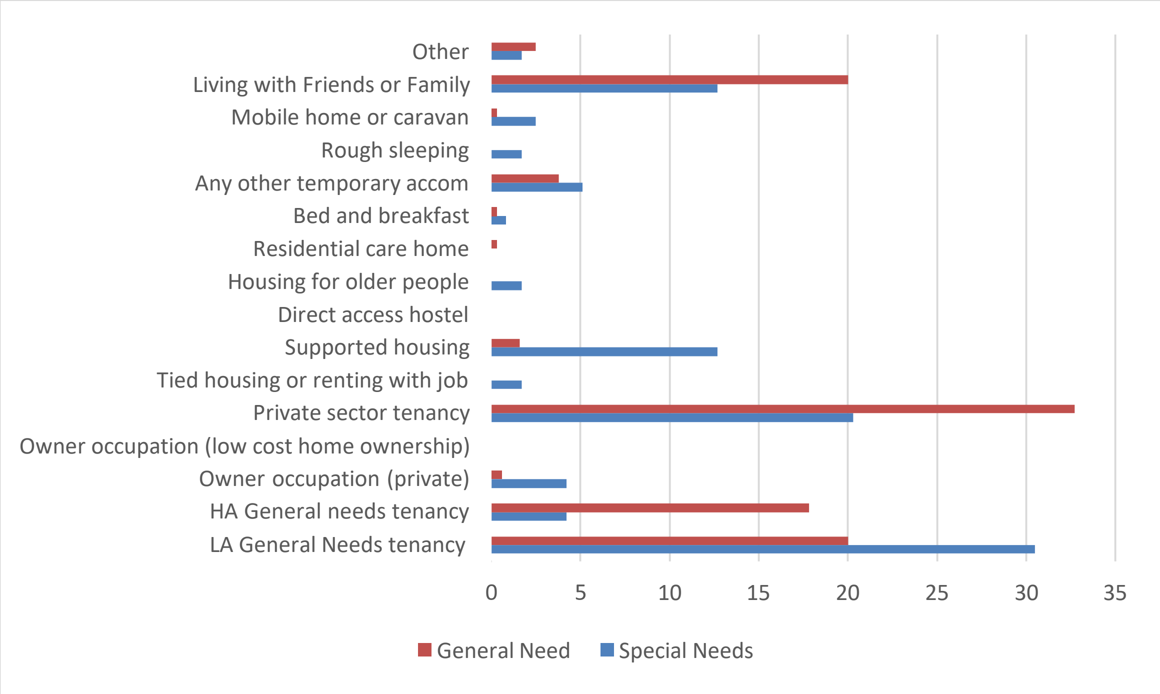
3.10 Above we have estimated that 12% of the district's social rented stock is in the Sidmouth area and given the similarities of the social rented housing stock profile of the district and the parish we believe it is reasonable to estimate that the number of social rented vacancies in the parish can be estimated at 433x12% = 51.96. We have rounded this to 50 dwellings and return to this estimate in our conclusion to this chapter.

3.11 We have used CoRe 2015/16 to provide more detailed information about the supply that occurred in the district across the year. This is the latest data available. Core records lettings rather than supply through vacancies nevertheless, much of the information presented below will provide us with a reasonable supply profile. This is because some of the supply will be created by social tenants moving to another social rented home and because unlike market housing social housing tends to be allocated on the basis of no spare rooms.

3.12 Readers should be aware that the CoRe database is large and reports council and registered provider lettings, special and general needs separately and in great detail. We have combined the data for council and registered providers and present our analysis in terms of charts as data tables are large and difficult to follow. We have retained our detailed data analysis in the event of further enquiries.

3.13 The following figure shows that an element of existing social rented housing being unsuitable. House moves for this reason forms part of the supply of social rented housing when it becomes vacant.

Figure 33: former accommodation of household rehoused in social rented housing in East Devon



Source: CoRe database 2015/6

3.14 Around 37% of both the general needs and special needs lettings were to existing social tenants. This equates to a supply of 119 and 41 homes in the year; a total of 160 relets across the district - an estimated 20 across the parish (160x12%). The remainder of vacancies – over half will come from people leaving social rented housing for reasons such as due to re-location to another district, change of tenure or death of a single person household.

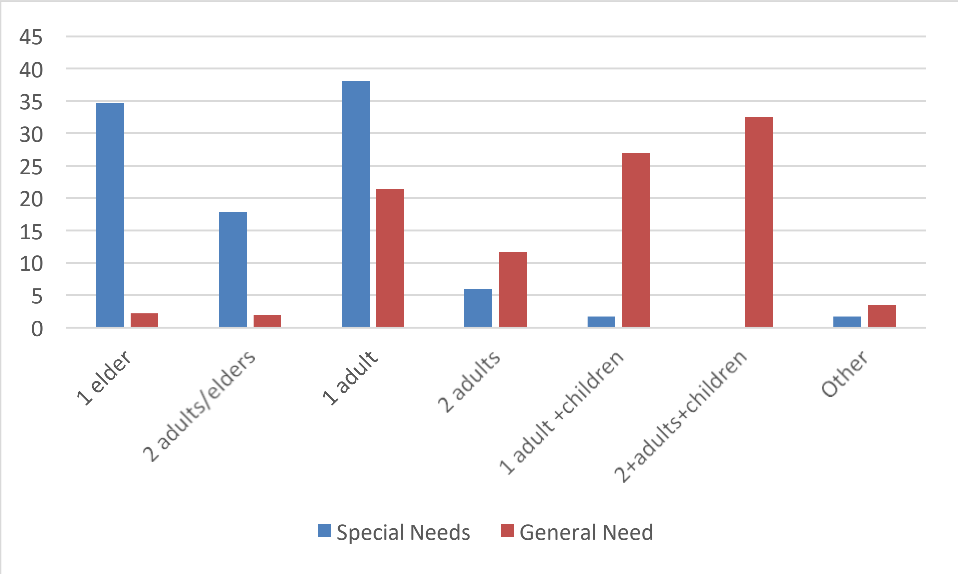
Summary: supply side

3.15 We estimate that around 50 dwellings will become available for social rent for letting on annual basis in the parish. Based upon the stock profile, these are likely to be houses and flats with an even distribution of 1, 2 and 3 bedrooms. There will be relatively few bungalows, maisonettes and 4 bedroom houses. Special needs vacancies will be mostly flats and bungalows; general needs will be mostly houses and to a lesser extent, flats.

Demand side

3.16 Here we take information from both CoRe and the East Devon Housing register supplied by East Devon Council from Devon HomeChoice records. The CoRe information tells us about 2015/6 lettings across the district and provides insights into the nature of demand across the district which can reasonably be inferred for the Sidmouth area.

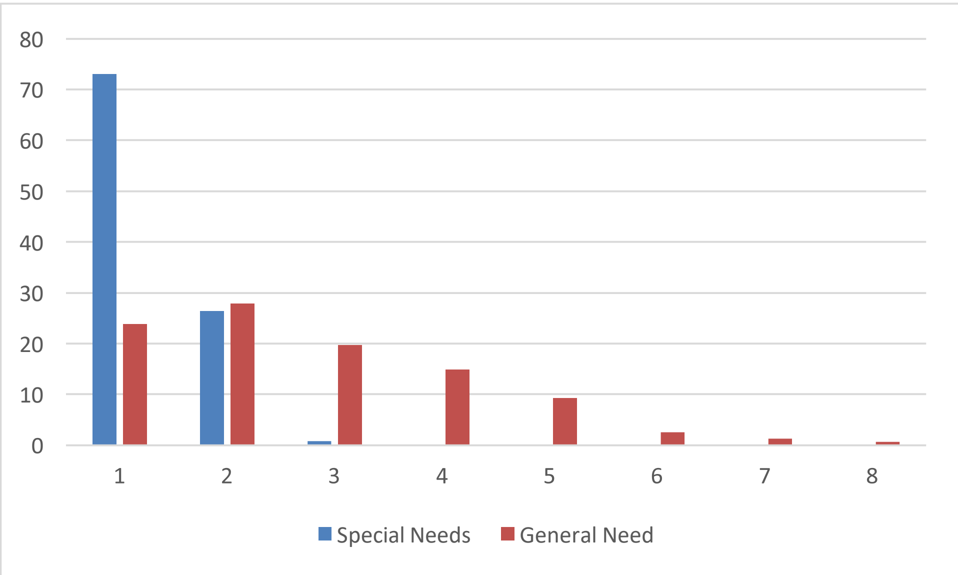
Figure 34: household type rehoused in social rented housing in East Devon



Source: CoRe database 2015/6 (general needs and special needs each sum to 100%)

3.17 The above chart shows that special needs households rarely have dependent children living with them and as such need smaller homes. Such single adult households amounted to 70% of special needs lettings and would normally be allocated one-bedroom housing. A high proportion are elderly people. Over half of general needs households have children and are likely to need 2-bedroom homes or more. The following figure supports this.

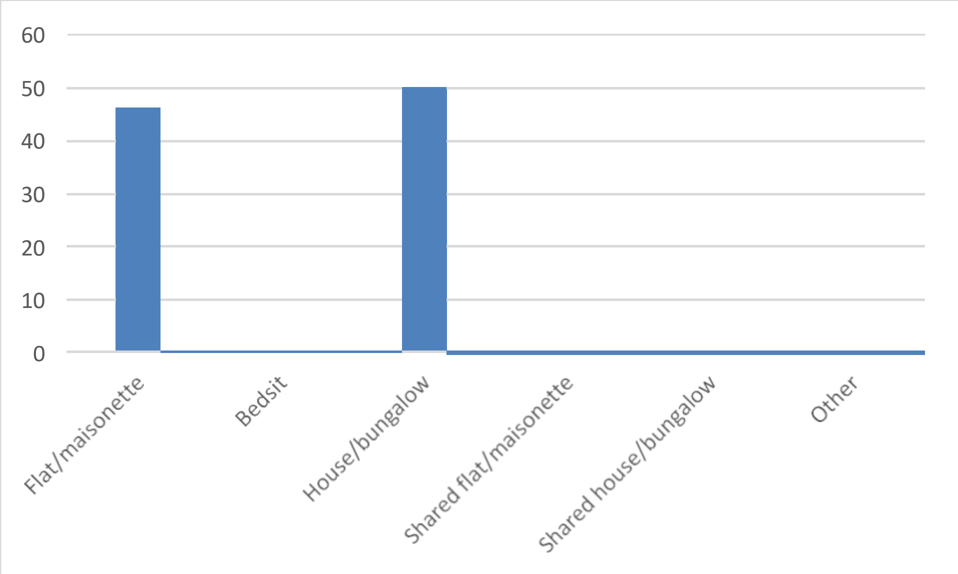
Figure 35: Size of household rehoused in social rented housing in East Devon



Source: CoRe database 2015/6

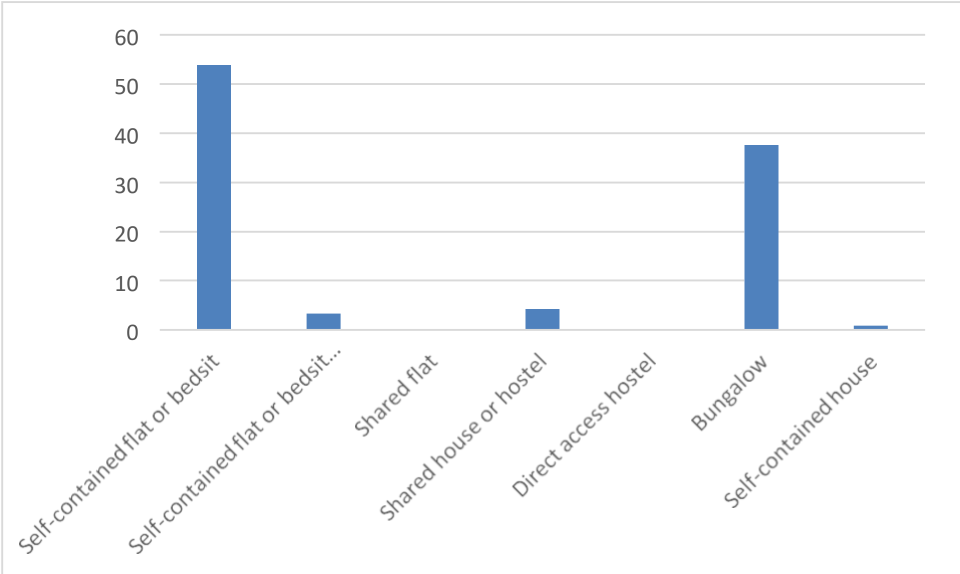
3.18 Figures 36 and 37 below show that general needs and special needs households seek and are allocated different types of accommodation.

Figure 36: type of accommodation allocated to social rented tenants in East Devon (General Need)



Source: CoRe database 2015/6

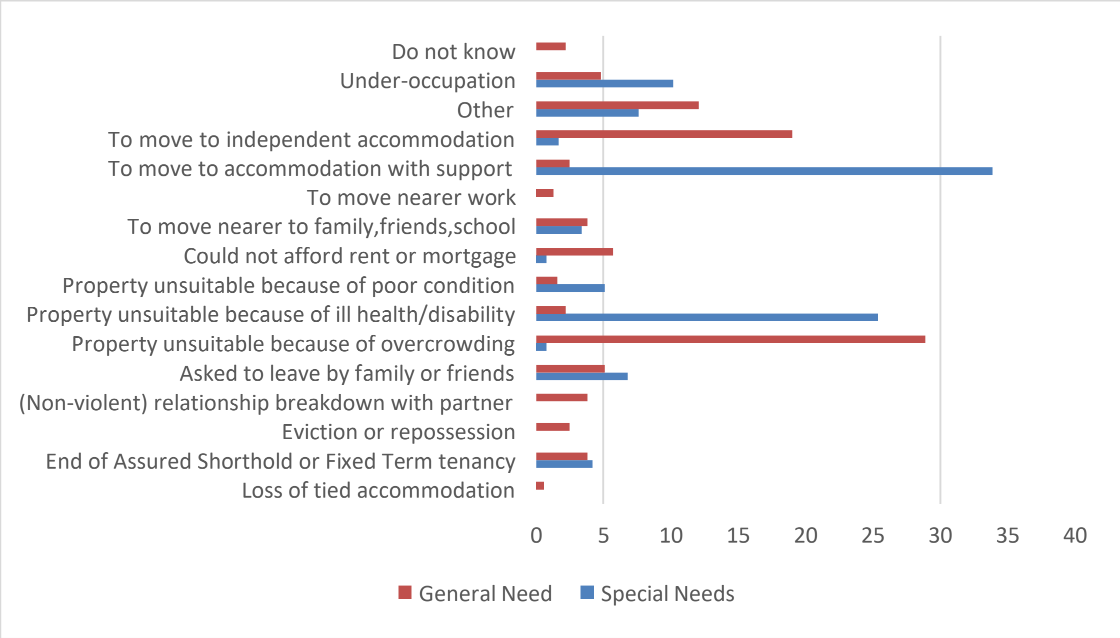
Figure 37: Type of accommodation allocated to social rented tenants in East Devon (Special Need)



Source: CoRe database 2015/6

3.19 The following figure shows how different needs arise between general needs and special needs households. The majority of general needs households are seeking a place of their own or because they are overcrowded. Special needs households tend to be seeking to live independently or need to move because of ill health and disability.

Figure 38: reason for household being rehoused in social rented housing in East Devon



Source: CoRe database 2015/6

3.20 Figure 38 also suggests that much of the general need demand arises from temporary accommodation or private rented sector tenancies. A proportion of the demand from special needs households also comes from unsuitable social or private rented tenancies as well as those leaving supported housing and temporary accommodation in its many forms.

3.21 The following information is contained in the Devon Homechoice Policy Document. Devon Homechoice is a choice based letting agency covering the whole of Devon. Applications are assessed and placed in priority bands A-D.

Figure 39: definition of housing register priority bands

Band A – emergency housing need;
Band B – high housing need including homelessness;
Band C – medium housing need;
Band D - low housing need;
Band E – no housing need;

Source: Devon HomeChoice

4.2 146 Sidmouth area residents are registered and assessed as being in bands A-D. 112 (76%) were classed as general needs and 34 (24%) were classed as special needs applicants. We have only included information in the following tables for bands A-D.

Figure 40: Sidmouth area residents registered by band and bedrooms needed: General Needs

Bedrooms Needed						
	1	**2**	**3**	**4**	**5**	Total:
Band A	0	0	0	0	0	0
Band B	9	5	0	1	1	16
Band C	7	13	11	8	1	40
Band D	49	6	1	0	0	56
TOTAL	65	24	12	9	2	112

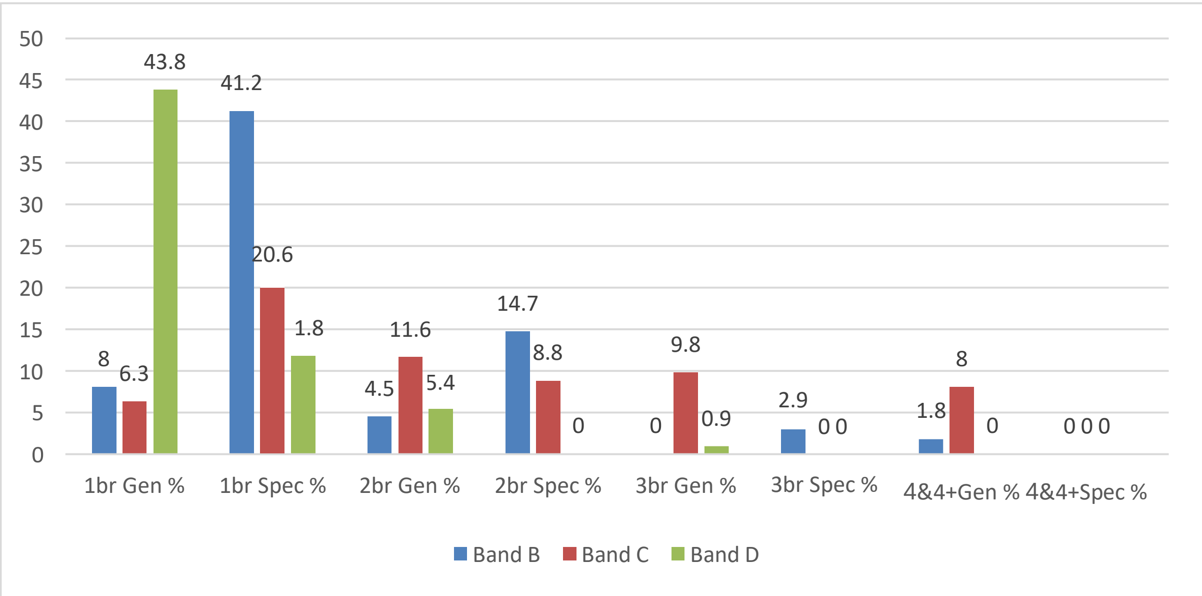
Source: East Devon DC

Figure 41: Sidmouth residents registered by band and bedrooms needed: Special Needs

Bedrooms Needed						
	1	**2**	**3**	**4**	**5**	Total:
Band A	0	0	0	0	0	0
Band B	14	5	1	0	0	20
Band C	7	3	0	0	0	10
Band D	4	0	0	0	0	4
TOTAL	25	8	1	0	0	34

Source: East Devon DC

Figure 42: comparison of general needs and special needs by bedrooms required



Source East Devon DC (NB general needs and special needs each sum to 100%. Spec = special.)

4.3 Information from the data tables (figures 40 and 41) tell us that:

- 62% of all applicants were seeking 1-bedroom housing;
- 22% were seeking 2-bedroom housing;
- 8% were seeking 3-bedroom housing; and
- 8% were seeking 4-bedroom or larger housing.

4.4 Information from the chart tells us that special needs applicants are likely to have higher priority for 1 and 2 bedroom homes as there is a greater proportion of applicants in band B than general needs applicants. Whilst a large proportion of general needs applicants are seeking a 1-bedroom home, most of them are in the lowest category of need, band D.

The housing register and the need for affordable housing.

3.22 The housing register should not be considered a definitive quantification of the need for affordable housing. Firstly, no information has been made available to us about demand for intermediate affordable housing products such as shared ownership housing. Secondly it is in effect simply a list of those that have registered for social rented housing.

3.23 Evidence in the previous chapter and next chapter demonstrates that the conditions exist in Sidmouth for there to be a significant need for social rented and intermediate affordable housing due to the profile of the housing stock in terms of size and price and the existence of groups of lower income people who either need a home or are unsatisfactorily housed.

Summary: Demand side

3.24 As at end February 2017, 146 applicants were registered with Devon HomeChoice and assessed into priority bands. A larger proportion of special needs applicants were in band B.

- 62% of all applicants were seeking 1-bedroom housing;
- 84% of applicants were seeking 1 or 2-bedroom housing;
- a larger proportion of special needs applicants are seeking flats and bungalows than general needs applicants; and
- a larger proportion of general needs applicants were seeking houses than special needs applicants.

Chapter Summary

3.25 There is likely to be unmet need for affordable housing as the overall estimated supply for 2015/6 was 50 social rented dwellings and there were 146 applicants assessed as having housing need resident in the parish. In addition this HNA, in later paragraphs will consider the scope for the need for affordable housing beyond households that have registered with the local authority.

3.26 The local authority also identified that some households living in Sidmouth were seeking housing outside the area. The proportion of these applicants that seek affordable housing within the parish is unclear as the local authority was unable to identify these cases. However, the number of those not resident in the parish but wish to be is also an unknown and our understanding is that the HomeChoice scheme enables this to happen. This is at odds with the aim of the local plan for towns such as Sidmouth to meet local need.

3.27 However, there is likely to me a mismatch between the type and size of the vacant stock and demand for it:

- 1-bedroom homes form 25% of East Devon’s Council Housing yet 62% of the demand is for them; and
- 3 bedroom homes form 30% of East Devon’s Council housing stock yet 8% of the demand is for them.

3.28 The above is the readily available evidence which is based upon a current demand and estimated historic supply. Although the findings are clear based upon this evidence, housebuilders should have regard to current information from the housing register.

3.29 The inability of the local authority to supply timely detailed information on actual supply for the Sidmouth area is regretted and would be of great value to this report and housebuilders.

Chapter 4: Context to the Housing Needs Assessment

Introduction

4.1 The information collected so far needs to be put into a wider context, in order to form a balanced view of the findings, leading to consideration of policy implications in chapter 5.

4.2 In this chapter we summarise information from the local authority as well as estate and letting agents. Specifically, we are reporting on:

- The Local Authority core strategy and supporting evidence bases;
- Local Authority information from the housing register;
- Land Registry and Rightmove data regarding supply and prices;
- Qualitative information from estate and letting agents;
- Findings of the household survey undertaken in 2017 by the neighbourhood plan steering group.

Information from the Local plan

4.3 The East Devon Local Plan 2013-31 was adopted in January 2016. It sets the strategic context for development over the plan period. Here we summarise the content of the plan that is relevant to this housing needs assessment. Note that figure references are those of the plan.

Spatial strategy

4.4 The two most relevant measures concern the overall special strategy and the strategy for balanced communities. It is clear that the role seven main towns, of which Sidmouth is one, is to meet the needs of the town and surrounding local areas.

Strategy 1 - Spatial Strategy for Development in East Devon

Planned provision (including existing commitments) will be made in East Devon for:

1. A minimum of 17,100 new homes in the 2013 to 2031 period; and
2. Development on around 150 hectares of land for employment purposes .

The overall spatial development approach is as set out below:

1. East Devon's West End will accommodate significant residential development and major employment development to attract strategic inward investment along with supporting infrastructure and community facilities.
2. The seven main towns of East Devon will form focal points for development to serve their own needs and the needs of surrounding rural areas.
3. The Local Plan will set out how development in smaller towns, villages and rural areas will be geared to meeting local needs.

4.5 **Strategy 4 – Balanced Communities** seeks to achieve a match between jobs, homes, education and social and community facilities in step with the range of ages of the resident population. That said, clause C encourages development to suit younger people and younger families where communities have an overtly aged population profile.

Strategy 4 - Balanced Communities

By balanced communities we mean that in any area or neighbourhood there is a match between jobs, homes, education, and social and community facilities. Ideally these should compliment the range of ages of the resident population and have appropriate access for those with disabilities. Key components of a balanced community include:

a) **Securing employment provision across East Devon** - this should reduce the need for commuting - where housing is proposed we will require new job provision.

b) **Securing social, educational, green infrastructure and health and community facilities** - these facilities play a central part in community life and new housing should help secure their provision and keep the community vibrant and viable by making financial contributions towards their provision or by providing such facilities on site where necessary.

c) **Getting more age-balanced communities** - many East Devon communities have an overtly aged population profile. Where this is the case we will encourage residential development that will be suited to or provide for younger people and younger families.

Scale and distribution of residential development

4.6 The local plan sets a target for an additional 1,305 dwellings for the 7 towns over the life of the plan – 125 dwellings for Sidmouth.

Area Centres - Totals	**422**	**2,452**	**528**	**1,305**	**4,707**
Axminster	66	738	27	650	**1,481**
Budleigh Salterton	33	100	0	0	**133**
Exmouth	140	587	152	350	**1,229**
Honiton	80	96	304	150	**630**
Ottery St Mary	17	435	45	0	**497**
Seaton	30	385	0	30	**445**
Sidmouth	56	111	0	125	**292**

4.7 The plan makes specific remarks about each town. Regarding Sidmouth it states:

The Parish of Sidmouth has a population of around 14,106 residents most of whom live in the town. The population is swelled by a year round tourist population that peaks during the annual Sidmouth Festival in August. The town has an elderly population profile and is a very popular retirement destination but it does also have all round family appeal. Sidmouth supports a very wide range of facilities and is a commercially vibrant town with many independent and successful shops, bars and cafés. The town centre acts as a focal point for *residents and visitors alike and also for people from surrounding areas and those employed in the town.*

4.8 The plan states that:

- *We will conserve and enhance the overall quality and appeal of Sidmouth by: meeting Sidmouth's housing needs through redevelopment opportunities within the town to accommodate 150 homes*

4.9 The plan goes on to allocate the following sites for 100 new homes and anticipates up to 50 additional homes being built on windfall sites:

Strategy 26 - Development at Sidmouth

The approach for Sidmouth will see limited housing development within the existing Built-up Area Boundary. Commercial development will be focused on complementing the high quality of the town and its importance as a year round tourism destination. Job opportunities will also be provided through the allocation of additional employment land. Proposals for development in Sidmouth should be consistent with the strategy which is to:

1. **New Homes** – allocate land to accommodate new homes to be provided on sites within the existing Built-up Area Boundary with a small, 50 home allowance, made for future windfall completions).

Further land Allocations at Sidmouth – as part of the delivery mechanism sites are allocated and shown on the Proposals Map for development:

a) **Land at Current Council Office Site** – Land for residential use is allocated for 50 homes, site ED02A.

b) **Land at Current Manstone Depot** – Land for residential use is allocated for 20 homes, site ED01).

c) **Land at Port Royal Site** – Land for residential use is allocated for 30 homes (site ED03 (this site will incorporate mixed use redevelopment to include housing and community, commercial, recreation and other uses).

Mix of Houses on Development Schemes

4.10 Local Plan Policy seeks not only to provide new homes but aims to provide wider housing opportunity and choice for residents and a better mix in the size type and location of housing than is currently available through new residential developments and conversions.

4.11 Policy H2 applies to sites for 15 dwellings or more or sites larger than 0.5 housing association. It states that planning permission will only be granted on these sites where proposals are for predominately or totally for smaller dwellings. It goes on to state that landscape character assessment will be a key factor in establishing an appropriate development mix. The policy also states that where possible developers should try to make at least 10% of plots available to small builders or custom builders.

H2 - Range and Mix of New Housing Development

Planning permission will not be granted for new residential development which provides for 15 dwellings or more, or is situated on a site of 0.5 ha or larger, unless it contains a mix of dwelling sizes or comprises predominantly, or totally, of smaller dwellings. However where site characteristics, including in respect of landscape prominence and character, clearly indicate an alternative scale is appropriate there will be flexibility in scale. Landscape Character Assessment will be of key importance in site assessment work and establishing an appropriate dwelling mix.

To ensure a variety of housing provision, where possible, developers will be encouraged to make at least 10% of plots available for sale to small builders or individuals or groups who wish to custom build their own homes.

The strategic land availability assessment 2012 (SHLA)

4.12 The local authority has published its assessment of whether individual sites are developable. Given the above emphasis in Local Plan Policy H2 it is useful to list the sites with a view to considering their suitability for housing. The SHLAA is 4 years old and an update has not been published so this is the latest information we have to go on.

- Ref C333, Tipton Roller Mills, Sidmouth, 2.93 ha 70-88 dwellings;
- Ref C335, adjacent to Mill House, England Close Sidmouth, 0.23 ha 9-16 dwellings (might not be developable)

The strategic housing market assessment 2015 (SHMA)

4.13 A SHMA is a principal evidence base to support planning policy. The 2015 SHMA covered the Exeter local housing market area. This and related documents listed on the local authority website are complex technical documents so we focus below only on the information that directly informs this housing needs assessment. The SHMA provides information about East Devon District which is useful context to this study. Again, figure references where provided are those of the SHMA.

4.14 The SHMA covers many topics and the content is listed here. The significance of the information is considered in chapter 5.

Migration and employment

The SHMA produces evidence to demonstrate that the local housing market is highly self-contained. A large proportion of residents that moved home as measured by the census did so within the district. Of those that moved into the district the highest in-migration into East Devon was from Exeter, followed by Mid Devon, then Teignbridge. The following figure is taken from the SHMA.

Place of Previous Residence

	Exeter	Mid Devon	East Devon	Teignbridge	West Dorset	Isles of Scilly	South Somerset	Row Total	Local Moves %*
East Devon	900	330	8,134	305	195	193	122	10,179	80.0

Similarly, the majority (63%) of East Devon residents work in East Devon. The second largest place of employment (25%) is Exeter. Please note that the typographical error was contained in the published version of the SHMA. ‘Local moves %’ should read ‘% of residents employed in the district’ or similar. The following figure is taken from the SHMA.

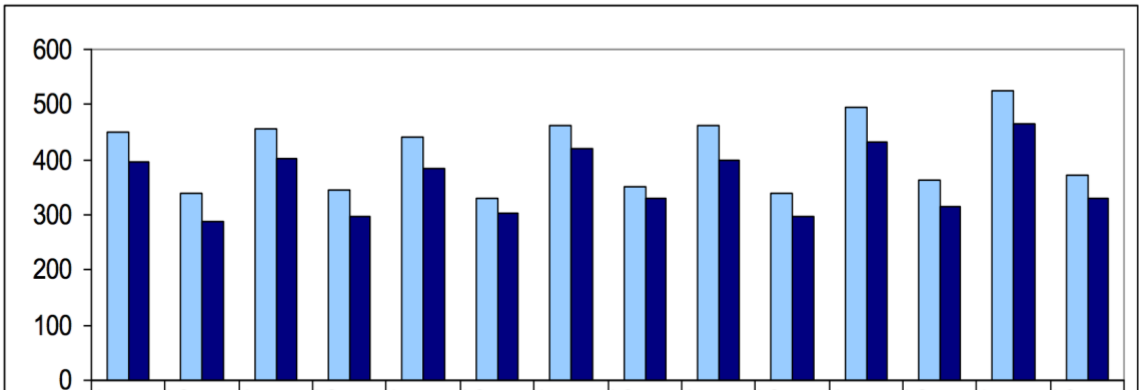
Place of Work of East Devon Residents

	East Devon	Exeter	Mid Devon	West Dorset	South Somerset	Teignbridge	Taunton Deane	Row Total	Local Moves %*
East Devon	26,468	11,430	927	891	767	764	683	41,930	63.1

Resident earnings

4.15 The following information about average and lower quartile earnings is central to the housing model employed by the SHMA consultant and will also inform this housing needs assessment. If we convert East Devon values to annual figures we find that average earnings were approximately £24,076 p.a. and lower quartile earnings are approximately £18,304 p.a. in 2014. The following figure is taken from the SHMA.

Figure 7-10 Average and Lower Quartile Resident Earnings 2007-2014



	Teignbridge Average	Teignbridge LQ	Exeter Average	Exeter LQ	Mid Devon Average	Mid Devon LQ	East Devon Average	East Devon LQ	Devon Average	Devon LQ	South West Average	South West LQ	England Average	England LQ
2014	449.7	339.8	455.1	344.1	440.2	328.6	462.9	352.3	460.7	340.5	495.6	362	523.6	373
2007	396.7	287.5	401.9	297.8	383.2	301.8	420	331.3	398.9	297.8	432.6	316.2	464	330.7

Source: Annual Survey of Hours and Earnings (2007/2014)

Recommended Housing mix: housing for sale

4.16 Findings of the SHMA in relation to the quantity and type of housing required are outputs of the SHMA consultants bespoke housing market model. The inputs are demographically driven not household survey driven in accordance with Government practice guidance.

4.17 We do not focus on the quantity of housing required here as this information has been taken into account in arriving at local plan targets. However, the analysis of the mix of housing required to achieve a greater balance in East Devon’s local housing market is informative.

4.18 The SHMA reaches the following conclusions. Please note that these findings are not tabulated or summarised by the SHMA to we can only summarise the text.

Market housing

There is a need for a higher proportion of two bedroom units to create better housing offer and to address the increasing need for smaller properties due to demographic and household formation change.

Broadly we recommend a property size target 60% one and two bedrooms and 40% three/ four bedroom split in the market sector to provide a better balanced housing stock.

Low cost market housing

Low cost market housing is likely to be smaller one and two bedroom units which are provided to meet the needs of households with income levels just adequate to access the housing market.

Given that household growth will be mostly from smaller households, it is considered that smaller units will play a key role in meeting future market housing requirements.

The delivery of these smaller units within the market sector will be important in addressing a more balanced type and size stock mix.

Low cost market housing does not however, represent affordable housing within the planning definition, specifically confirmed in the NPPF. These are 'starter' homes and are part of the general market.

4.19 The SHMA advises that a class of low cost market housing does not however represent affordable housing within the planning definition, specifically confirmed in the NPPF. These are 'starter' homes and are part of the general market. It states that the major difficulty and challenge for this sector is affordability within the housing market area for concealed households forming their own household. It is this factor which is creating the need for shared ownership and other forms of subsidised intermediate housing. The SHMA states that intermediate affordable housing can include shared ownership, shared equity or discounted market housing and initiatives such as Help to Buy.

Intermediate housing for sale

The requirement for property size in the intermediate housing market is mainly 1 and 2 bedroom units to meet the needs of concealed households forming and unable to access the market sector as a first time buyer. There is a small level need for some three bedroom properties from existing households often in our experience due to relationship breakdown.

A property size target of 50% one, 40% two bedrooms and 10% for three bedroom properties could be set to meet the requirements of households in this sector.

Recommended housing mix: Social and affordable housing

4.20 The SHMA makes the following recommendation.

Table 13-1 Social and Affordable Rented need by bedroom size

	Bedroom Size (%)			
	1 Bedroom	2 Bedrooms	3 Bedrooms	4Bedrooms +
Exeter	50	30	20	
Mid Devon	45	40	15	
East Devon	50	40	10	
Teignbridge	50	40	10	

4.21 Note that in the above figure the mix of 3 and 4 bedroom homes is combined and the SHMA offers the further information.

4.22 It states that that across the housing market area (HMA), the level of under-occupation by two spare bedrooms is estimated at over 2,400 social rented properties, over 37% of the total social rented 3-bedroom stock. This is also around 700 units more than the total of three bedroom waiting list need across the HMA. This suggests that waiting list need is probably most effectively addressed through under-occupation initiatives, targeting older people not affected by the welfare reform changes, who would be more suitably housed in sheltered, extra care or supported accommodation.

4.23 Although the 4-bedroom need scale is much lower than for smaller units, the 351 households on the waiting list exceed the total stock of this property size, suggesting this need will not be met from turnover supply. These households will almost certainly be over-crowded. This need will almost certainly require some new build and re-lets from under-occupation initiatives. The stock of 4 bedroom units is very low across the HMA ranging from 39 properties in Mid Devon to 108 units in East Devon. Turnover of these units is very low relative to the scale of need leading to long waiting times of almost 18 years in Teignbridge and 38 years in Exeter, based on current annual stock turnover.

4.24 In view of the projected future increases in the older population, it is now even more important that initiatives to address under-occupation should play an important role in meeting the need for family sized properties discussed in section 4. The SHMA emphasises that this is particularly important in the social and affordable sector where new supply is constrained. New social/affordable rented delivery should be linked to the strategies for older people and target under-occupied three/four bedroom houses to help address the needs of larger families, especially those who are over-crowded.

Land Registry and Rightmove data regarding supply and prices

4.25 It is necessary analyse market housing re-sales and current vacancies to provide evidence of supply and demand for re-sale housing in order to suggest the mix of new build housing that would best meet local needs. This is because supply may differ from the stock profile (type and bedrooms). In other words, some dwelling types and sizes may be more prominent in the supply than others. Figure references are now continued from chapter 3.

4.26 Further, the Local Plan policies quoted above requires that there is an understanding of the supply and demand dynamics of Sidmouth's local housing market. Part of this information comes from the parish profile, chapter 2. With this in mind we can then use information from estate and letting agents to define shortages of supply.

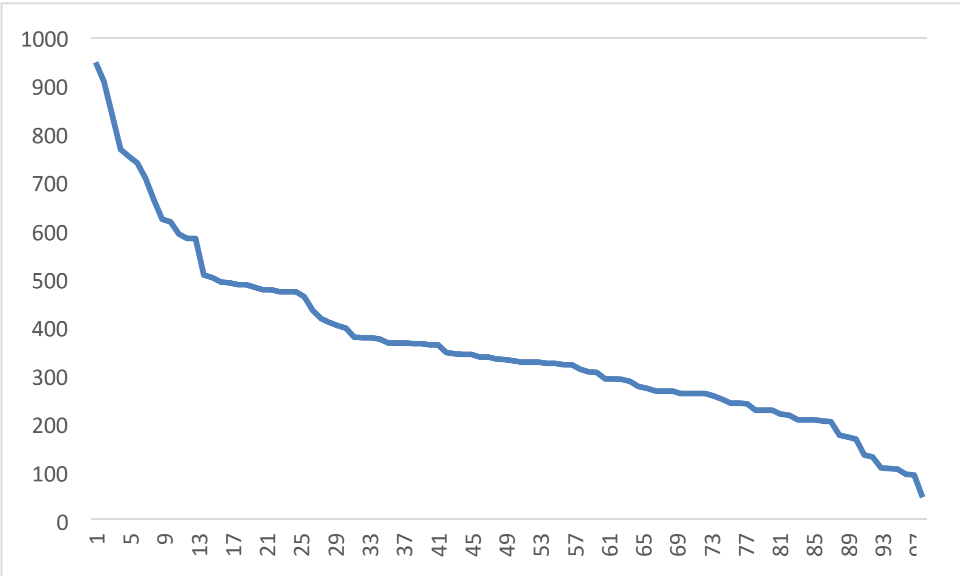
4.27 The Land Registry provides basic information about every residential sale. It states the selling price rather than the asking price, the broad property type but not the number of bedrooms and whether or not the dwelling is new build. Rightmove supplements this information by adding the number of bedrooms. There is no bedroom information regarding new build housing.

4.28 The following figures lists the selling prices by property type of the latest 100 residential transactions registered by the land registry where the number of bedrooms is known. This is for the 4 months to December 2016. There were 340 transactions in the calendar year 2016.

Sale prices and dwelling type

4.29 The following figures are drawn from data in the appendix. Firstly, we present a graph showing the selling prices of all 100 transactions presents the data in the appendix. Sales over the year are plotted in terms of selling price (vertical axis is £000's). The graph represents the price that each dwelling was sold for. The number of sales of are indicated by the horizontal axis.

Figure 43: prices of the last 100 sales to December 2016



Source: Land registry and Rightmove

4.30 It is noteworthy that around 75% of sales are between £200,000 and £500,000. Outside of this range higher and lower prices fall quickly.

4.31 The following figure shows that the majority of sales, 52%, were detached houses and bungalows and the remainder of sales were evenly spread amongst the other 3 dwelling types. It is noteworthy that detached houses only form 38.4% of the dwelling stock yet produces 52% of the sales. As a consequence, semi-detached homes, terraced homes and flats produce a smaller proportion of sales compared to their share of the stock.

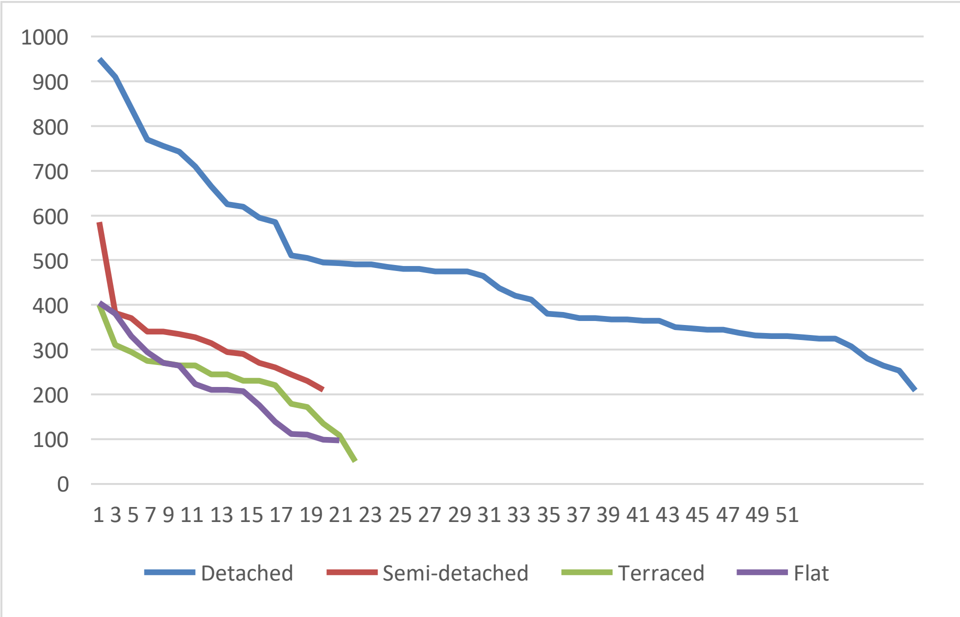
Figure 44: number and proportion of sales by type

	Detached	Semi-detached	Terraced	Flat	Total
Number	52	15	17	16	100
% sales	52	15	17	16	100
% stock	38.4	20.8	21.6	19	99.8

Source: Land registry and Rightmove

4.32 The following graph plots the selling price by property type. It illustrates the fact that there were fewer sales of housing types other than detached houses and that the majority of homes sold for over £300,000.

Figure 45: graph plotting selling price by housing type (100 resales august to December 2016)



Source: Land registry and Rightmove

4.33 The following figure analyses selling price by percentile. This is significant as the 25th percentile is widely regarded as the minimum price that has to be paid for decent housing in reasonable repair. There is discussion on this point in chapter 5. The 50th percentile point or median point. This is the price paid for a home at the halfway point of the list of prices. It is regarded as a more realistic 'average' price than a numerical average –sum of prices /number of homes as the average can be distorted by large numbers of high or lower priced homes.

Figure 46:value of key selling price percentile points by housing type (£000s)

	All	Detached	Semi-detached	Terraced	Flat
75th percentile	475	510	340	275	294
50th percentile (median)	335	437	327	245	210
25th percentile (lower quartile)	260	345	260	220	138

Source: Land registry and Rightmove

4.34 We undertook a similar analysis of sale prices in relation to number of bedrooms. The following figure shows that the largest group of sales were 3 bedroom homes. However, a smaller proportion of 4 bedroom homes were sold but this was a significantly higher proportion of 4 bedroom homes than in the in the parish dwelling stock. As a consequence, the proportion of sales of other homes by number of bedrooms was lower than their proportion in the dwelling stock. This means that occupiers of 4 bedroom homes are more likely to move home than occupiers of other dwelling sizes

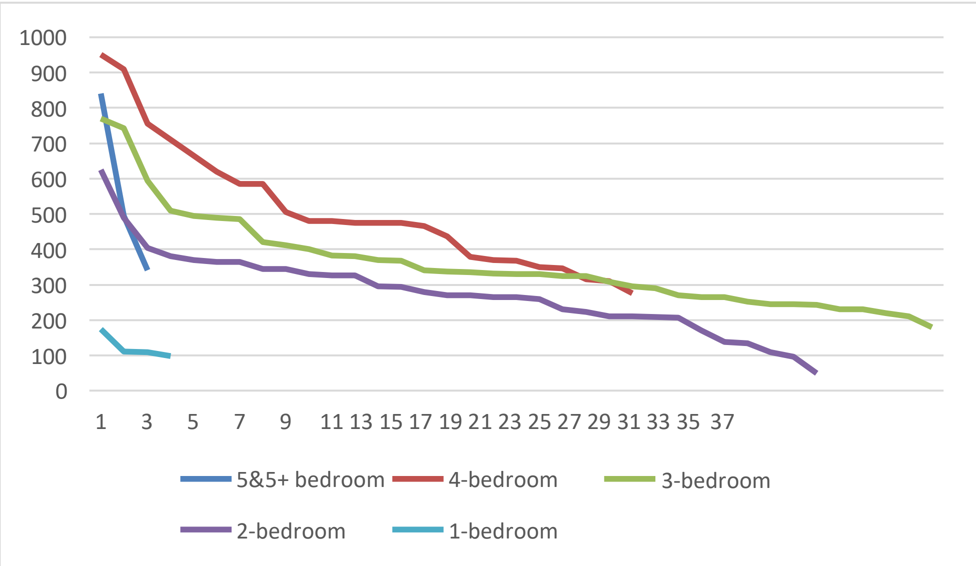
Figure 47: number and proportion of sales by number of bedrooms

	5&5+ bedroom	4-bedroom	3-bedroom	2-bedroom	1-bedroom	Total
Number	3	24	37	32	4	100
% sales	3	24	37	32	4	100
% stock	4.4	13.6	39.4	35.3	7.1	99.8

Source: Land registry and Rightmove

4.35 The following graph plots the selling price by number of bedrooms. It illustrates the fact that there were fewer sales of 5&5+ bedroom homes and 1 bedroom homes. The lowest entry level prices were 2 bedroom homes but some of these will have reduced open market value as they are reserved for the over 50s.

Figure 48: graph plotting selling price by number of bedrooms



4.36 Because of the low numbers involved it is not possible to estimate the percentile points for 1 and 5 bedroom homes. However, it is clear that the 25th percentile point has a house selling price of over 200,000. This is a significant point that is returned to in Chapter 5.

Figure 49: value of key selling price percentile points by number of bedrooms (£000s)

	5&5+ bedroom	4-bedroom	3-bedroom	2-bedroom	1-bedroom
75th percentile	0	620	412	345	0
50th percentile	0	475	332	270	0
25th percentile	0	370	265	210	0

Source: Land Registry and Rightmove

Analysis of asking price

4.37 We have also analysed data from Rightmove of re-sale housing as at mid-February 2017 the following tabulation summarises the type and size of the 157 dwellings offered for sale. Some types and sizes of property for sale were too few in number to enable us to reliably estimate median and 25th percentile asking prices.

Figure 50: analysis of current asking prices house type and no. of bedrooms (£000s)

Type	Bedrooms	No.	Min £	Max £	Median £	25th PCL £
Detached	3	15	279	649	379	0
(excludes bungalows)	4	22	360	1,250	545	495
	5&5+	6	409	975	875	0
	Sub-total	**43**				
Semi-detached	2	5	165	240	0	0
	3	5	205	385	0	0
	4	1	0	350	0	0
	5&5+	0	0	0	0	0
	Sub-total	**11**				
Terraced	2	6	163	320	0	0
	3	9	225	615	295	0
	4	1	425	0	0	0
	5&5+	0	0	0	0	0
	Sub-total	**16**				
Flat over 55	(all	6)	80	120	0	0
Flat open market	1	17	100	300	165	0
	2	28	142	375	210	145
	3	7	225	475	0	0
	4	2	240	259	0	0
	Sub-total	**54**				
Bungalow	1	0	0	0	0	0
(14 were detached)	2	21	150	595	315	250
	3	10	285	850	495	0
	4	2	500	625	0	0
	5&5+	0	0	0	0	0
	Sub-total	**33**				
	Total on sale	**157**				

Source: Rightmove

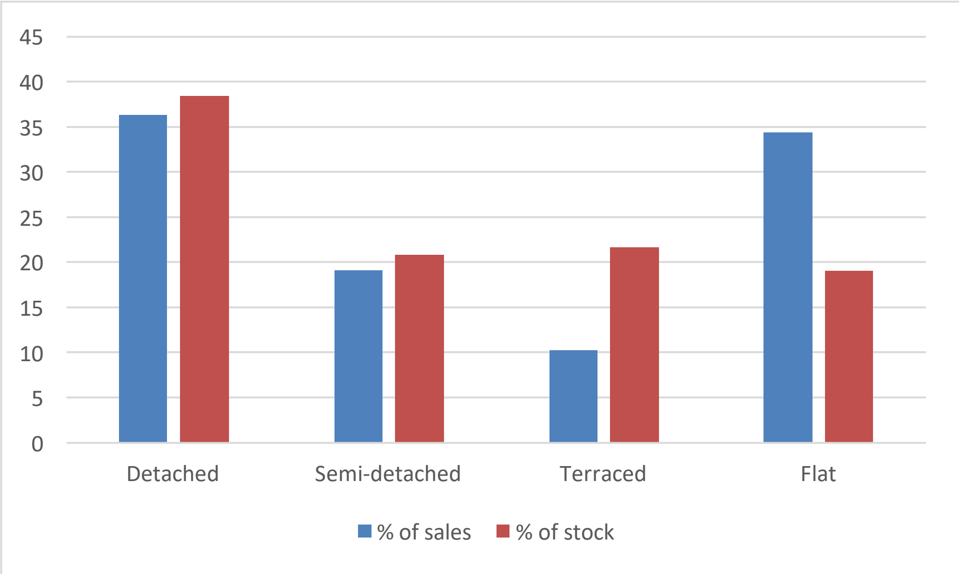
4.38 Again we have compared the proportion of houses for sale to their proportion of the parish housing stock. From the following figure it is clear that there is a disproportionately high proportion of flats for sale and a low proportion of terraced housing for sale. This is different to actual sales (figure 31 above) suggesting that flats can be slow to sell and terraced houses sell more quickly. This is plausible as most flats are leasehold and many attract annual service charges in addition to the cost of buying. Further analysis of Rightmove data shows that many of the higher priced flats and apartments have been for sale for over 6 months.

Figure 51: analysis of house types for sale

	Number	% of sales	% of stock
Detached	57	36.3	38.4
Semi-detached	30	19.1	20.8
Terraced	16	10.2	21.6
Flat	54	34.4	19.0
Totals:	157	100	99.8

Source: Rightmove

Figure 52: chart of analysis of house types for sale



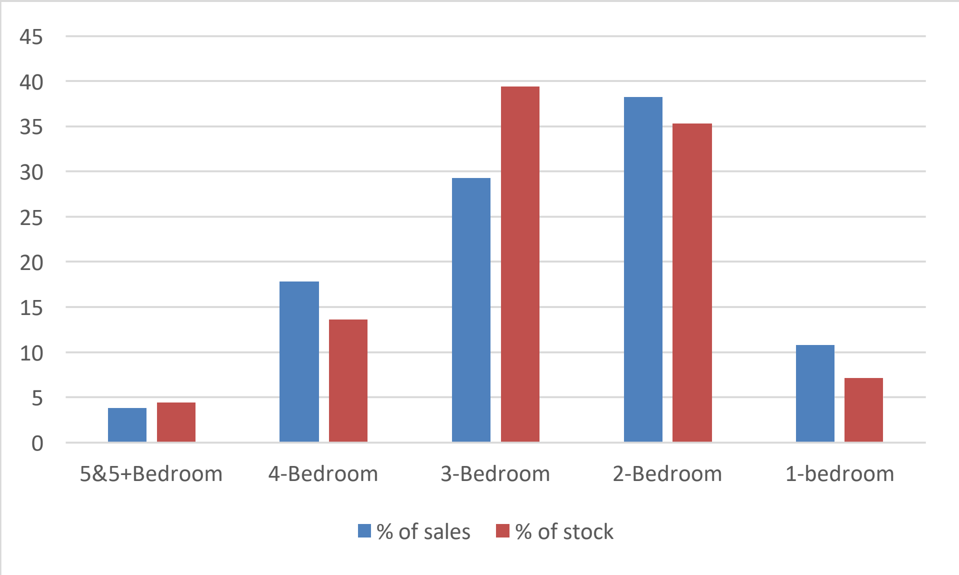
4.39 Analysis of the 157 homes for sale shows that the largest group is 2-bedroom housing which at 38% of property on the market is a similar proportion than within the dwelling stock. There is a smaller proportion of 3 bedroom homes on the market compared to the stock profile suggesting that these tend to sell more quickly. There are disproportionately more 4 bedroom homes for sale and Rightmove data confirmed that the more expensive 4 bedroom homes are slower to sell.

Figure 37: Analysis of number of dwellings by number of bedrooms for sale

	Number	% of sales	% of stock
5&5+Bedroom	6	4	4
4-Bedroom	28	18	14
3-Bedroom	46	29	39
2-Bedroom	60	38	35
1-bedroom	17	11	7
Totals:	157	100	99

Source: Rightmove

Figure 38: chart of analysis of number of bedrooms for sale



Information from sales and lettings agents

4.40 Agents told us that it was very difficult for local first time buyers to buy in Sidmouth due to high entry level house prices. They also told us that first time movers may have difficulty as there was a shortage of 3-bedroom housing at up to the £220,000 price point.

4.41 We were told that whilst the market produced some re-sales at around £120,000 it may be beyond the means of a first time buyer to bring them up to standard. They also faced competition from investors who would invest and improve. Investors had been less active due to the imposition of stamp duty but they were still active. They would improve and either sell-on for a profit or rent out depending on location and market conditions. Many local young people worked in Exeter and would either buy or rent in the apartment market there, although we were told many would seek to return to Sidmouth in later life. Agents told us that the Cranbrook development to the north east of Exeter was proving popular with local people unable to find suitable housing they could afford in Sidmouth. There was little current and very recent supply of new build housing for this sector in Sidmouth and were this the case agents suggested that more local people would be retained due to assistance from Help to Buy and parental support. Agents told us that shared ownership has been successful locally and that demand existed for more.

4.42 Low volumes of local house-building also affected first time movers who face a shortage in supply of 3-bedroom semi-detached housing at the £220,000 price point and re-sale opportunities tended to sell quickly.

4.43 We were told that 60% of the market for more expensive housing was from incomers. They would migrate from all over the south of England and as far north as the midlands (M3, M4, M5 corridors).

4.44 We were told that some incomers would have a long term aim of retiring to the area and some would purchase in advance and let for residential purposes or as holiday lettings. Others would acquire holiday homes with some letting. One agent estimated that 50% of second homes were for holiday use (either personal or holiday lettings) the other 50% were let as residential lettings.

4.45 Agent also referred to a shortage of suitable housing for local elderly downsizers. We were told that leasehold housing for older people had sold well initially but resales could be slower due to the need for a service charge. Our visit revealed that Churchill homes, a specialist in this area had acquired a site and would commence work shortly. One agent considered that downsizing was a difficult choice for many older people.

4.46 Agents spoke about some of the problems endured by local people and called for resident parking schemes and more generous parking provision on new developments, citing problems on the recently developed site near the Waitrose Supermarket. They considered occupancy problems in that they recognised that unless restrictive covenants were put in place future housebuilding intended for local people and groups such as older people might be bought or rented incomers or people that did not need the special features that had been designed in.

4.47 Agents who also offered residential lettings told us that there was an almost complete absence of small studio and a limited supply of small 1 person flats. This meant that low income workers in the service sector would struggle to find accommodation unless they shared. There was also a shortage of better quality 3-bedroom housing for rent by families. Overall demand was very high for all rental property except very high priced flats and apartments. High rents are generally sought for vacancies with a sea view and those could be slow to let. This was also true of property for sale where high prices were also sought in some cases due to their potential as high value holiday lettings.

Neighbourhood plan steering group household survey, 2017

4.48 All households were invited to respond to a postal survey produced and analysed by the steering group. The finding most relevant to this study are reported below and considered in chapter 5.

4.49 Before considering specific housing related content, it is worth noting that responses relating to the built and natural environment revealed strong support for preserving historic appearance, reserving local distinctiveness and protecting views in the valley. A large majority of respondents expressed concern about settlement creep and the loss of natural habitat in parts of the area.

4.50 The redevelopment of the Port Royal area of Sidmouth is currently being consulted upon. The vison for the area is of mixed use and the greater majority of respondents were clear that they did not want to see an increase in the number of homes to be built in the area over and above the 30 envisaged by the local plan nor that the built form of a development should be taller than existing buildings.

4.51 Most specifically housing related questions were multiple choice questions. The issues that were supported by most people were:

- the 150 additional homes envisaged by the local plan was about right, but there was significant support for more homes if they were needed;
- this greater number of homes should be built within the built up area boundary;

- that the homes needed would be affordable homes for sale or rent, and there was also significant support for private semi-detached or terraced homes (2 or more bedrooms);
- homes should be affordable to young people, with significant support for social or low cost housing;
- that the neighbourhood plan should allocate additional sites to meet the needs of local people;
- that the neighbourhood plan should not allocate additional sites for housing for sale on the open market;
- new open market housing, excluding replacement dwellings, should be restricted to being a principal residence (not a second home);
- With regard to specific locations for new housing, with the exception of Woolbrook, respondents indicated their preference in general terms supporting brownfield sites and infill sites rather than specific sites.

Chapter summary

The local plan

4.52 The East Devon Local Plan 2013-31 was adopted in January 2016. It sets the strategic context for development over the plan period. Key points from the plan are:

- the role seven main towns, of which Sidmouth is one, is to meet the needs of the town and surrounding local areas.
- balanced communities, clause C, encourages development to suit younger people and younger families where communities have an overtly aged population profile.
- the local plan sets a target for an additional 1,305 dwellings for the 7 towns over the life of the plan – 125 dwellings for Sidmouth.
- the plan goes on to allocate the following sites for 100 new homes and anticipates up to 50 additional homes being built on windfall sites;
- policy H2 applies to sites for 15 dwellings or more or sites larger than 0.5 ha. It states that planning permission will only be granted on these sites where proposals are for predominately or totally for smaller dwellings. It goes on to state that landscape character assessment will be a key factor in establishing an appropriate development mix.
- where possible developers should try to make at least 10% of plots available to small builders or custom builders.

The SHMA

4.53 Evidence at the district level is available from the strategic housing market assessment (2014) (SHMA) to support housing mix policies:

- the East Devon housing market is highly self-contained with 80% of households re-locating within the district and significant in-migration from Exeter; and
- the labour market is less self-contained with 63% of East Devon residents working in the district Exeter being the next largest source of employment.

4.54 Regarding income levels for East Devon residents in 2014:

- 50th percentile (average) income was £24,076; and
- 25th percentile income was £18,304.

4.55 Housing mix recommendations were as follows:

- market housing: a larger proportion of 2 bedroom homes 60% is needed (40% 3 and 4 bedroom homes);
- low cost market housing should be 1 and 2 bedroom homes;
- intermediate housing for sales should be 50% 1-bedroom;40% 2-bedroom and 10% 3-bedroom homes; and
- social and affordable rented housing 50% 1-bedroom; 30% 2-bedroom and 20% larger homes.

Analysis of re-sale housing sales:

- the majority of sales, 52%, were detached houses and bungalows;
- detached houses and bungalows only form 38.4% of the dwelling stock yet produce 52% of the sales;
- 3 (39.4%) and 2 (32%) bedroom homes for the bulk of the resale market;
- 24% of sales were 4 bedroom homes yet these are 13.6% of the dwelling stock;
- around 75% of sales are between £200,000 and £500,000;
- only 16 or 16% of sales were £220,000 or under – the prices that most first time buyers or first time movers could afford and some of there were retirement apartments;
- the 25th percentile sale price for a terraced house was £220,000 and £138,000 for a flat although some of these were restricted to the over 50s; and
- the 25th percentile sale price for a 2-bedroom home was £210,000.

Analysis of re-sale vacancies:

- 157 homes were offered for sale as at mid-February 2017;
- higher prices flats could be slow to sell;
- terraced homes were likely to sell quickly;
- the largest group for sale were 2 bedroom homes (38%); (35% of the dwelling stock);
- the next largest group for sale were 3 bedroom homes (29%) (39% of the dwelling stock);

- a plausible explanation for 3 bedroom homes 3 bedroom homes generating few vacancies is that they the owners move less frequently.

Evidence from estate and letting agents

4.56 Agents highlighted that:

- Most first time buyers and first time movers were priced out of the mainstream local market and there was little supply at up to the £220,000 level;
- Market and low cost new build housing was needed for this group if they were to be retained in the local area as help to buy and parental support would be available in many cases;
- 3 bedroom homes were highly sought after and sold very quickly;
- 60% of sales of more expensive vacancies went to incomers usually form along the M3, M4 and M5 corridors;
- investors were still active in acquiring for residential lettings and holiday lettings; and
- there is a shortage of good quality lettings for families and inexpensive small flats and studios for lower paid service sector workers.

Evidence from the household survey

4.57 Respondents indicated that the scale of housebuilding envisaged by the local plan was 'about right' but there was support for a larger number if needed. This should be affordable homes for younger households and social rented or other types of affordable housing homes in perpetuity.

Chapter 5: Bringing the Evidence Together and Conclusions

Introduction

5.1 This section brings the evidence together from the previous chapters, analyses the information and presents the key findings and conclusions.

Bringing the evidence together – review of evidence

The parish profile

5.2 The number of people, households and dwellings has risen significantly in the decade between the censuses. The profile of households has changed too with a decrease in average household size, which was already small at around two persons per household. There have been losses of adults up to the age of 44 and increases in the number and proportion of adults aged 60-64. The largest household groups are those that are retired, single person households over 65 and families all over 65 years of age and those married without children under 65 years of age. They mostly occupy detached and semi-detached houses and bungalows. Just over 80% of households are owner occupiers, similar to the other geographies. The parish and other geographies show a trend over the decade between the censuses of a shift from home ownership to private renting and the private rented sector in Sidmouth is proportionately smaller than the other geographies The government's population projections for the district show that the overall population will grow by 18% by 2039 and this is largely attributable to a projected 81% increase in the number of people over 65 years of age.

Social housing supply and demand

5.3 There is likely to be unmet need for social housing as the overall estimated supply for 2015/6 was 50 social rented dwellings and there were 146 applicants assessed by the council as having housing need resident in the parish. No information was provided on supply and demand for intermediate affordable housing.

5.4 Regarding social rented housing, there is likely to me a mismatch between the type and size of the vacant stock and demand for it:

- 1-bedroom homes form 25% of East Devon's Council Housing yet 62% of the demand is for them;
- 3 bedroom homes form 30% of East Devon's Council housing stock yet 8% of the demand is for them.

5.5 The allocations scheme permits non parish residents in Devon to seek housing in the Sidmouth parish area as indeed Sidmouth parish residents can seek housing elsewhere in Devon. The district council was unable to provide information on the quantity of either and how it affects demand for social housing in Sidmouth.

5.6 The above is based upon readily available evidence which is based upon a current demand and estimated historic supply. Although the findings are clear based upon this evidence, housebuilders should have regard to current information from the housing register.

The wider context

5.7 The Local Plan defines the role of Sidmouth as one of seven towns within the district that should aim to meet the needs of the town and the surrounding area and sets a target of 125 new homes to be provided by 2031 on sites that are mostly allocated. Plan policy H2 states that planning permission will only be granted on these sites where proposals are for predominately or totally for smaller dwellings and that landscape character assessment will be a key factor in establishing an appropriate development mix.

5.8 The SHMA identifies that for East Devon, the lower quartile income of local residents was £18,304 p.a. in 2014. It demonstrates that the East Devon local housing market is highly self-contained as is the labour market however most people that do not work in East Devon work in Exeter and Exeter is the main source and destination of out migrants and in-migrants from and to East Devon. The SHMA also recommends a housing mix for new-build for different tenures biased toward smaller homes in all cases.

5.9 An analysis of the current resale market for the parish was undertaken. Around 70% of the most recent sales were in the price band between £250,000 and £500,000 and just over half of all sales were detached houses. These form 38% of the dwelling stock but represent 52% of sales. As a consequence, a smaller proportion of smaller cheaper homes were available for sale. The 25th percentile selling price of terraced housing was £220,00 and non-retirement flats £138,000. Homes with 3 bedrooms or more represented 64% of all sales (56% of the stock) and the 25th percentile price of a two-bedroom home was £210,000. Regarding current sales, it was clear that a disproportionate level of flats was for sale and records showed that especially those restricted to the over 50s could be slow to sell.

5.10 Estate and letting agents told us that most first time buyers and first time movers were priced out of the mainstream local market and there was little supply at up to the £220,000 level. Market and low cost new build housing was needed for this group if they were to be retained in the local area as help to buy and parental support would be available in many cases. 3 bedroom homes were highly sought after and sold very quickly. 60% of sales of more expensive vacancies went to incomers usually form along the M3, M4 and M5 corridors. Investors were still active in acquiring for residential lettings and holiday lettings. There is a shortage of good quality lettings for families and inexpensive small flats and studios for lower paid service sector workers.

The affordability of housing and affordable housing

5.11 The information in paragraph 4.15 regarding income levels and figures 46 and 49 regarding house prices are significant in that they help us to understand the affordability of market housing. They can also help us to learn more about households that require affordable housing i.e. social rented and intermediate housing such as shared ownership.

5.12 The SHMA tells us that in 2014 the 25th percentile personal income within the district was £18,304. Our survey of house prices states that the 25th percentile price for a terraced home or a 2-bedroom home was £220,000. We cannot base our analysis on flats as very few occur on the market and some are age restricted. An income of £18,304 produces spending power for a mortgage provided the individual can fund a deposit and has a good credit history. Currently lenders are offering 4.5x income for such an individual giving a spending power of £82,368. This person would need a deposit of around £118,000 to afford a small terraced dwelling at the 25th percentile price. 25th percentiles are an important benchmark in assessing whether a household can or cannot afford market housing. This is an extreme example as it is based upon a single income. However, if there were two incomes in the household of £18,304, a deposit of around £55,000 would still be needed. There were 8,913 residents of the parish of working age and 92,000 in the district. We are unable to estimate how many people or households are on lower quartile incomes because the SHMA does not include either an income distribution or state household rather than individual incomes.

5.13 It is self-evident that households will not be able to afford buy market housing in Sidmouth. *There is an affordability problem in Sidmouth*. Indeed, single person households have a further problem identified by estate agents; - the lack of 1 bedroom or studio accommodation within the parish available to younger people.

5.14 The next question is: how many households on low income are in housing need? We need to know how many households are be in housing need and be unable to afford market housing to establish the true level of the need for affordable housing. Examples of being in housing need in general terms is a household that shares housing or wishes to form a household of their own or a household that lives in some form of unsuitable housing. Unsuitable housing may be housing that is insecure (as in not permanent), in severe disrepair, overcrowded or unsuitable for someone who is sick or disabled.

5.15 So there are two groups that are particularly vulnerable to being in need of affordable housing; low income households with children (working or not), and low income older people.

Discussion and Conclusion

5.16 The parish dwelling stock, in terms of size type and tenure, is similar in profile to the East Devon as a whole except that is has a slightly larger proportion of home owners and a smaller proportion of private rented sector tenants. However, housing need arises across all tenures because of the characteristics of the local population and households. Compared to East Devon and England as a whole there are a lower proportion of adults and children and a larger proportion of older people. The official population projections estimate that the proportion of older people will continue to grow.

5.17 Being a popular and attractive sea-side town situated within and area of outstanding natural beauty and the western gateway to the Jurassic coast, the housing stock also serves to provide second homes, holiday homes and holiday lettings. At the same time, we were told that local employment is within the retail and service sectors that support local residents. This means that incomes are relatively low in relation to local house prices. Getting a foot on the property ladder is difficult for younger local households, and, as a consequence, the proportion of home owners has fallen and the proportion of private renters has risen over the decade between the censuses 2001-11.

5.18 The town of Sidmouth is densely developed and quite hilly in places. According to the East Devon Local Plan the role of future housebuilding in the town should be to meet local needs rather than general growth in the population. There are few sites suitable for opportunities large scale housebuilding so detailed understanding of local need is essential. Changes in the population profile are a key consideration here and this leads to two important conclusions.

5.19 Firstly, newly forming and younger households are priced out of the local housing market and many are seeking to live closer to Exeter which is a source of employment for many. Because of the lack of new-build housing these people are unable to take advantage of schemes such as new build ‘help to buy’ which has proven a key factor in enabling young households to get into home ownership. Others form part of the growing demand for private rented sector housing.

5.20 Secondly, the proportion of older people shows disproportionate growth over the decade signifying that a large number of older people some to the area to retire or prepare for retirement. They can afford, and to some extent drive local house prices as they will have spending power due to pensions, savings and equity in their former homes.

5.21 A relatively small number of households have been identified as needing affordable housing and it is unlikely that their needs will be met from the re-let supply emanating from the affordable stock. Around one third of these have need of specialised housing with or without care or support from other people. Nearly all of these need small flats or bungalows, whereas general needs households need smaller houses and flats. A small number of large households need 4 bedroom homes or larger with little prospect of these being supplied from a vacancy within the stock.

5.22 The East Devon Local plan has identified a small number of sites for housebuilding within the parish and undoubtedly others will be presented for housing over the life of the plan. An aim of this report is to provide the evidence to guide the design process to enable the needs of local households to be met. The evidence from this report and the district council’s strategic housing market assessment (SHMA) both suggest that smaller homes should be built affordable to younger households and some suited to the needs of elderly downsizers.

5.23 We believe that there is a role for sub-market housing for sale aimed at younger households like the government proposed starter home scheme. There is also scope for affordable housing based on home ownership whether shared ownership or discounted sale in perpetuity by means of a restrictive covenant.

5.24 The challenge is to ensure that as far as possible any additional housing provided whether social, affordable or market housing is occupied by local households rather than incomers.

5.25 It is clear to us having visited the town and talked to many stakeholders that the already vibrant community of the town would be enhanced if younger and older households can be retained within it, as both make a valuable contribution to the community and the sustainability of services and local businesses.

The quantity of housing needed

5.26 The brief for this study was to produce evidence to inform the neighbourhood plan policy making process. The neighbourhood plan has to be in conformity with the district’s planning policy strategy, so this housing needs assessment informs questions about what form the additional housing envisaged by the local plan should take. An assessment of the quantity of additional housing needed is therefore beyond the scope of this study and evidence supporting the local plan the SHMA and the OAN (objective assessment of need)) does not provide estimates of need at parish or ward level. Nevertheless, we have been asked to comment on the sufficiency of 150 additional dwellings to meet local needs.

5.27 A household survey based housing needs assessment would be needed to provide a robust basis for estimating the quantity of housing needed. However, this study provides a great deal of evidence to suggest that a greater number than 150 is needed.

5.28 An estimation of the quantity of future need is not straightforward and needs to take place within a policy context. The dilemma is that the outcome of an assessment of need for additional housing arising from local households might not result in an increase in supply for local households unless policy is in place to limit the impact of:

- newly constructed open market housing and to some extent affordable housing may not being occupied by existing local households or households forming from them;
- the mix of housing constructed may not be of a suitable size and type or be affordable to meet local needs;
- housebuilding on the character of the town, views enjoyed by local people and impact on the landscape, preventing additional housebuilding.

5.29 These three points are within the scope of neighbourhood planning policy. So if the planning policy conditions support a supply of suitable housing for local households then the evidence in this report suggests that a greater number than 150 are needed if local needs are to be met.

5.30 To put this amount of housebuilding into context, the local applies to the period 2013-2031 which is an 18-year period. The allocation of 150 homes is equivalent to 8 homes per year over this period. The census shows that in the decade 2001-2011, The number of households increased by 347 households - nearly 35 per annum (para 2.41). This does not reflect the gross increase in local households just the net additional capacity created by new build and conversions. Evidence from estate agents and the census 2011 not quoted in this paper evidences that a high proportion of moving households are incomers in any given year.

5.31 The following points are made in this document to suggest that housebuilding is needed for local households beyond the allocation:

- affordable housing needs are unlikely to be met by supply as a proportion of the future need will be for specialised housing and there is a fundamental mismatch between the profile of the affordable stock and the profile of households on the register (para 5.4 above);
- the supply of re-sale housing, paragraphs 5.8-5.10, is unlikely to be affordable to first time buyers and first time movers and a significant proportion will be bought by incomers;
- paragraph 5.2 states that overall the population of East Devon District between 2014 and 2039 is estimated to grow by 24,383 people - an increase of 18%. However, the

growth is not projected to be uniform across the age groups. The number of children under 15 years of age are projected to grow by 11% and those aged 65 and over will grow by over 24,000 people – an 81% increase. Sidmouth will bear a disproportionate increase in its older population as it is an attractive location for people to retire to;

- Sidmouth's market housing is not affordable to low income groups meaning that many who are in unsuitable housing will have no option but to seek affordable housing or private rented sector homes and claim housing benefit.

5.32 Further, as previously mentioned, the district council's strategic policy is evidenced by a district level objective assessment of need (OAN). This is a demographically driven estimate of the need for additional housing that is then modified in the light of economic and housing market factors. We can simplistically multiply the OAN estimate to the ratio of Sidmouth's housing stock to the district housing stock (which is 11% according to the census 2011 as reported in the Sidmouth HNA 2017). This produces a net additional requirement for of 60-90 per additional dwellings per annum (mid-point 75 units) for Sidmouth.

5.33 Our conclusion is that:

- The need for additional market and affordable housing is significant as there is a mismatch between characteristics of dwellings in the parish and many current and future households, in terms of size, type tenure and affordability;
- planned additional supply is unlikely to meet future local need moving forward;
- even if additional allocations are made, unless these dwellings are affordable to local households and suited to their needs local households will not benefit from this additional supply;
- further evidence is needed if detailed and robust assessments of local need for market and affordable housing are to be made, including fuller information from the local authority regarding affordable rented and intermediate need and supply from vacancies.

Appendix

Characteristics of last 100 house purchase transactions: year to December 2016. Price order, descending.

Key:

D = detached house or bungalow

S = semi-detached house or bungalow

T = terraced house or bungalow

F = flat or apartment

Price paid £000's	Type (see key)	Number of bedrooms
950	D	4
910	D	4
840	D	5
770	D	3
755	D	4
742	D	3
710	D	4
665	D	4
625	D	2
620	D	4
595	D	3
585	S	4
585	D	4
510	D	3
505	D	4
495	D	3
494	D	5
490	D	2
490	D	3
485	D	3
480	D	4
480	D	4
475	D	4
475	D	4
475	D	4
465	D	4
437	D	4
420	D	3
412	D	3
405	F	2

400	T	3
382	S	3
380	D	3
380	F	2
378	D	4
370	S	3
370	D	2
370	D	4
368	D	4
368	D	3
365	D	2
365	D	2
350	D	4
347	D	4
345	D	2
345	D	2
340	S	3
340	S	5
337	D	3
335	S	3
332	D	3
330	F	2
330	D	3
330	D	3
327	S	2
327	D	2
325	D	3
325	D	3
315	S	4
310	T	4
308	D	3
295	T	3
295	S	2
294	F	2
290	S	3
280	D	2
275	T	4
270	T	2
270	F	2
270	S	3
265	F	2
265	D	2
265	T	3
265	T	3
260	S	2

253	D	3
245	T	3
245	S	3
244	T	3
230	S	3
230	T	3
230	T	2
223	F	2
220	T	3
210	S	3
210	F	2
210	F	2
208	D	2
207	F	2
179	T	3
175	F	1
171	T	2
138	F	2
134	T	2
111	F	1
110	F	2
109	T	1
98	F	1
97	F	2
50	T	2

Source: Land registry/Rightmove