EXETER HOUSING MARKET AREA

STRATEGIC HOUSING MARKET ASSESSMENT

FINAL REPORT 2014/15

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1 EXECUTIVE SUMMARY

1.1.1 The Exeter Strategic Housing Market Assessment (SHMA) addresses housing issues and establishes Objectively Assessed Housing Needs in the local planning authority areas of East Devon, Exeter, Mid Devon and Teignbridge. The work also covers that part of Dartmoor National Park falling within Teignbridge and Mid Devon Districts. The National Park Authority is a planning authority in its own right and will also work with local authorities in the south-western part of Devon to establish a full Dartmoor National Park housing need.

1.1.2 Exeter is a dynamic and vibrant city and forms the key focal point for jobs and commercial activity in the study area. It is also home to a leading university attracting many young people into the City. Exeter, however, with 117,800 residents, has a population level that is lower than both East Devon at 132,500 residents and Teignbridge with 124,200 residents. Mid Devon have 77,800 residents and 13,600 Teignbridge residents live in Dartmoor National Park.

1.1.3 The SHMA authorities have a combined population of 452,300 people living in an area of 2,077 square kilometres, most of which is formed by outstanding coastal and rural countryside, much National Park or Area of Outstanding Natural Beauty and the area has equally attractive towns and villages.

1.1.4 The starting point for the SHMA work has been to look at past population trends and project these forward into the future. This assessment shows an overall population increase of 68,600 persons from the period of 2013 to 2033. A total of 47,500 of these (over 69%) are aged 65 or over. As a whole, the SHMA area currently has an elderly population profile and it is projected to get older while the working age population changes less significantly.

1.1.5 The SHMA work translates population growth into housing requirements using headship rates and vacancy rates, and, whilst trend based population projections form a starting point for the total housing need, the SHMA also needs to reflect the fact that we have a growing economy with a projected increase in jobs and workforce. There is a need to ensure that there are sufficient homes to provide for the future working population.

1.1.6 The SHMA work assesses likely additional jobs that average out at 1,500 extra jobs per year over the 2013 to 2033 period across the HMA. Modelling in the population increase needed to support these extra jobs would see a need for a population increase, over 20 years, of around 85,000 extra people (rather than the trend based 68,600 people).

1.1.7 On the basis of trend patterns and jobs-led population increases the SHMA work establishes housing requirements over the twenty year period from 2013 to 2033. It should be noted that in arriving at these totals account was also taken of market signal considerations.

1.1.8 The ranges of housing needs are set out in the tables below. The figures provide an average Housing Market Area Objectively Assessed Need range of between 2,172 and 2,601 extra new homes per year. The assessment also provides local authority wide totals. An element of the Teignbridge figure will fall within Dartmoor National Park.

1.1.9 Table 1-1 to Table 1-3 below represent the objectively assessed needs for the constituent authorities and the HMA as a whole.

Table 1-1 2008 Headship Rates

Area	Demographic Base	Jobs-led (Experian)	Jobs-led (LEFM)	Housing Need Range	Mid-point of Range
Exeter	629	660	681	629 - 681	655
East Devon	609	752	879	609 – 879	744
Mid Devon	400	378	386	378 – 400	389
Teignbridge*	648	779	779	648 – 779	714
Total HMA	**2,286**	**2,569**	**2,725**	**2,286 – 2,725**	**2,506**

Note * Teignbridge figures include the area within the Dartmoor National Park

Table 1-2 2011 Headship Rates

Area	Demographic Base	Jobs-led (Experian)	Jobs-led (LEFM)	Housing Need Range	Mid-point of Range
Exeter	549	578	596	549 – 596	573
East Devon	559	698	820	559 – 820	690
Mid Devon	361	339	347	339 – 361	350
Teignbridge*	589	715	714	589 – 715	652
Total HMA	**2,058**	**2,330**	**2,477**	**2,058 – 2,477**	**2,268**

Note * Teignbridge figures include the area within the Dartmoor National Park

Table 1-3 Averages based on 2008 and 2011 CLG Headship Rates

Area	Demographic Base	Jobs-led (Experian)	Jobs-led (LEFM)	Housing Need Range	Mid-point of Range
Exeter	589	619	639	589 - 639	614
East Devon	584	725	850	584 - 850	717
Mid Devon	381	359	367	359 - 381	370
Teignbridge*	619	747	747	619 - 747	683
Total HMA	**2,172**	**2,450**	**2,601**	**2,172 – 2,601**	**2,387**

Note * Teignbridge figures include the area within the Dartmoor National Park

1.1.10 Taken as a whole the outputs from the jobs-led projections generate an appropriate Housing Market Area wide objective scale of growth and also form appropriate assessments for individual authorities. However, where there are specific job growth agendas arising from strategic inward investment or regeneration initiatives, authorities should consider the appropriateness of alternative job growth scenarios in establishing final objectively assessed housing need figures for their own authority. The implications of any such adjustments need to be considered in the context of the wider HMA.

1.1.11 The SHMA has also undertaken an assessment of specific affordable housing needs. The SHMA work establishes the following annual average requirements for new additional affordable housing.

Table 1-4 Annual Requirements

Area	Average affordable need per year
East Devon	272
Exeter	325
Mid Devon	124
Teignbridge	234
HMA total	**955**

1.1.12 Most new affordable housing can be expected to be built on new housing developments as a proportion of total housing built. Most new housing schemes will comprise predominantly of new homes sold on the open market but some, under planning agreements, will be affordable. However there are cases where new developments will wholly or predominantly comprise of affordable housing. There is also scope to increase the supply of affordable housing through better management of the overall housing stock and through such measures as bringing empty homes back into use.

1.1.13 The SHMA work concludes by examining the projected overall mix of housing needed over the coming years. Future need for all authorities is concluded to be largely dominated by a need for smaller properties, mostly in the 1 and 2 bedroom size categories. But this may not coincide with purchasing aspirations of new some home buyers or developers' build aspirations.

2 INTRODUCTION

2.1 Background and Context to the Exeter Housing Market Area SHMA

2.1.1 In August 2013 DCA was commissioned to carry out a joint Strategic Housing Market Assessment (SHMA) for the partner authorities of East Devon District Council, Mid Devon District Council, Teignbridge District Council, Exeter City Council and Dartmoor National Park.

2.1.2 The requirement of the SHMA is to produce the outputs identified in the National Planning Policy Framework (NPPF) and the National Planning Practice Guidance (NPPG) which was published on 6th March 2014.

2.1.3 The key objective of the SHMA is to enable the Partner Authorities to understand the nature and level of demand and need within their local areas and provide a robust and credible assessment of the local housing market which can be used to inform key polices and strategies.

2.2 Data Sources

2.2.1 The Guidance stresses the importance of using good quality data from a range of sources.

2.2.2 DCA have used extensive secondary data throughout report including:-

- The 2001 and 2011 Censuses, Population Growth Projections, Local Development Plan, Nomis, Land Registry, Housing Strategy, the Housing Register, the COntinuous REcording of Lettings and Sales in Social Housing in England (CORE) and English Local Authority Statistics on Housing (ELASH) Returns.
- The assessment has also take into account the previous SHMA Reports for each Partner Authority including the 2011 Housing Needs & Demand Study for Mid Devon, the Exeter SHMA Update 2010, Teignbridge District Council SHMA Update 2012, East Devon SHMA Update 2011 and the Local Area Report for Dartmoor National Park 2007.

2.2.3 It should be noted that we have used where possible the most up to date Census data (2011).

2.2.4 The report has used Devon County Council (DCC) projections for population growth, these projections use a variety of ONS and CLG data and the methodology is detailed in section 8.

2.2.5 All local, South West Region and national documents mentioned in the report are current at the time of report writing. However these documents are subject to change and may be superseded by revised policy and strategy over time.

2.2.6 The sources of data used within each section of the report are referenced where appropriate and **Appendix II** contains a list of the secondary data sources used in the report.

2.2.7 DCA believe that this report provides a robust and credible evidence base and fully meets the requirements of the NPPF and Planning Practice Guidance: Housing and Economic Development Needs Assessments.

3 CONTEXT AND METHODOLOGY

3.1 What is a Strategic Housing Market Assessment?

3.1.1 The requirement of the SHMA is to produce the outputs identified in the National Planning Policy Framework (NPPF). This report also complies with the National Planning Practice Guidance (NPPG).

3.1.2 The key objective of the SHMA is to enable the Partner Authorities to understand the nature and level of requirement within their local areas and provide a robust and credible assessment of the local housing market which can be used to inform key polices and strategies.

3.1.3 The SHMA analyses the relationship between jobs and homes in the housing market area. To support this, a set of economic forecasts have been prepared by Edge Analytics to inform the SHMA projections.

3.1.4 The NPPG requires local planning authorities to objectively assess and evidence future development needs for housing (both market and affordable). The Strategic Housing Market Assessment is an essential requirement as set out in the NPPF.

3.1.5 The SHMA will provide an assessment of housing demand and need in the area, following the directive set out in the National ***Planning Policy Framework - Paragraph 159*** as outlined below:-

> *Local planning authorities should have a clear understanding of housing needs in their area. They should:-*
>
> - *Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:-*
> - *meets household and population projections, taking account of migration and demographic change;*
> - *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
> - *caters for housing demand and the scale of housing supply necessary to meet this demand.*

3.1.6 An assessment of demand and need is necessary from a spatial planning perspective to support affordable housing policies in development plans and to negotiate with developers, on tenure and property mix so that future developments will deliver affordable and specialist housing.

3.2 The Context of the Exeter Housing Market Area

3.3 Mid Devon

3.3.1 The area of Mid Devon covers an area of 353 square miles in the heartland of Devon. It lies between Dartmoor, Exmoor and the Blackdown Hills. Much of Mid Devon's countryside is designated as Areas of Outstanding Beauty and the Blackdown Hills Area of Outstanding Beauty is one of the areas greatest gems.

3.3.2 Tiverton is the largest town in Mid Devon and occupies a strategic position on two rivers, the Exe and the Lowman. The town's most famous building is Tiverton Castle dating back to 1106. Tiverton has a great selection of shops and markets and a large rural shopping centre at Bickleigh Mill.

3.3.3 The other main towns in Mid Devon are Crediton and Cullompton. Crediton is a lively market town, which contains many local independent retailers and a thriving farmers market. It boats a thriving business community, with good schools and has a low crime rate.

3.3.4 Cullompton is a peaceful country town with locally produced goods and award winning markets. The town boasts a magnificent 15th century church with a tower that dominates the landscape for miles. Cullompton is also the gateway to the outstanding scenery of the Culm Valley, much of which falls within the Blackdown Hills Area of Outstanding Natural Beauty.

3.4 Exeter

3.4.1 Exeter is a University City at the heart of Devon, a Roman walled City that mixes culture, history and heritage. It has an enviable location close to other beautiful areas such as the Jurassic Coast, River Exe Estuary, Dartmoor and Exmoor.

3.4.2 Exeter has a rich and varied history and has many historic buildings including Exeter Cathedral, the Royal Albert Memorial Museum, St Nicholas priory, Tuckers Hall and also the Roman City Walls. The city is also home to many artistic and cultural attractions including, Exeter Phoenix, Spacex, Northcott Theatre and the Bike Shed theatre.

3.4.3 Exeter is a compact city centre and there are many places to shop. There are bespoke workshops selling furniture and glassware, retro clothing and record shops, various boutiques and also a new John Lewis Department Store on the high street.

3.4.4 Exeter also has a large business park outside the City and one of the most prominent businesses located there is the Met Office. Exeter Business Park is located very close to Junctions 29 and 30 of the M5 with both junctions giving access to the A30 and the A38 expressway. Exeter International Airport is only 3 miles away from the business park.

3.5 Teignbridge

3.5.1 Teignbridge is located in south east Devon. To the north and south are the urban districts of Exeter and Torbay, while to the west is the Dartmoor National Park (the eastern and southern parts of which fall within the administrative area) and to the south east is Lyme Bay. More than 83% of the administrative area is classified as 'environmentally important'.

3.5.2 Teignbridge is a mixed district of town, coastal settlements and urban fringe, but also has a number of rural areas. In addition to Dartmoor National Park and the 22 miles of coastline, there are three European wildlife sites, two Special Areas of Conservation (SACs), 27 Sites of Special Scientific Interest (plus a further 11 within Dartmoor National Park), one national nature reserve (plus 10 local ones), 24 regionally important geological sites and over a hundred wildlife sites.

3.5.3 Newton Abbot is the largest town in Teignbridge and is home to the largest shopping centre in the district. Several of Teignbridge's most significant employers such as Centrax Engineering, Teignbridge Propellers and Hymec are situated in Newton Abbot. The other main towns in the district include Kingsteignton, Dawlish and Teignmouth.

3.5.4 Compared to the rural districts in the north of the county, Teignbridge is relatively well connected. The M5 Motorway, which starts at the northern edge of the district boundary, provides good linkages to the wider South West (including Taunton and Bristol). Two A-roads provide the necessary linkages within the district and on to Plymouth or Torquay. The relative proximity of Exeter provides access to the airport. There are also direct hourly rail links from Newton Abbot to London and other major urban centres.

3.5.5 Teignbridge has a resident population of around 126,900 people of whom just over 76,000 are of working age. About three quarters of the working age population (58,000) are either employed or self-employed and the district is home to around 5,200 businesses which account for about 41,000 employee jobs.

3.6 East Devon

3.6.1 East Devon lies at the east of the County of Devon between Exeter to the west and bordering Somerset and Dorset on the east. It is one of eight Devon districts and, in population terms, it is the largest in the County. The district has a dispersed and largely rural population.

3.6.2 The rural nature of the area is emphasised by the low population density of 1.6 persons per hectare (the England average is 4.1)[1]. Of the 32 wards, 21 have a population density below the England average. East Devon however also has a mix of market and costal town areas with much higher population densities including towns such as Exmouth, Seaton and Honiton.

3.6.3 East Devon is renowned for its beautiful countryside. Two-thirds of the district are recognised as being nationally important for its high landscape quality and designated as Areas of Outstanding Natural Beauty (AONB).

3.6.4 The East Devon AONB covers some 270sq km of beautiful landscape between Exmouth, to Lyme Regis and up to Honiton, whilst to the north of Honiton you will find the Blackdown Hills AONB. East Devon also has a stunning coastline that runs the length of its southern border. Almost the entire coastline is part of a World Heritage Coast that starts at Exmouth and runs to Swanage in Dorset.

3.6.5 The main settlements are the coastal resorts of Exmouth (Devon's largest town – population 35,989), Budleigh Salterton, Sidmouth and Seaton and inland are Honiton, Ottery St Mary, and Axminster.

3.6.6 East Devon is connected to Bristol and the north of the country by access to the M5 via Exeter and London and the South East by the A30/A303. London can be reached in about 3 hours by road. There are two main rail routes from the district to London. One is via the Honiton to Waterloo line and the main Great Western line to London Paddington via Exeter St David's station. The rest of the rail network can be accessed via Honiton, Axminster, Exmouth and Exeter stations.

3.6.7 The district contains Exeter International Airport, the main airport for the South-West Region at Clyst Honiton.

3.7 Dartmoor National Park

3.7.1 Dartmoor was the 4th National Park to be designated in England and Wales in 1951. It has 368 square miles of beautiful moorland landscape and is the largest and wildest area of open country in Southern England.

3.7.2 Dartmoor National Park Authority is the local planning authority for the National Park, having local plan preparation and decision making responsibilities within the parts of Teignbridge, Mid Devon, South Hams and West Devon Districts which lies within its boundary. The Authority's 22 Members currently comprise a mix of County and District Councillors and Secretary of State appointees. The National Park Authority is not a housing authority; these responsibilities remain with the constituent district authorities.

3.7.3 The main settlements are Ashburton, Buckfastleigh, Moretonhampstead, Princetown, Yelverton, Horrabridge, South Brent, Christow and Chagford. Smaller villages and hamlets meet the remaining housing need. The largest settlement is Ashburton with a population of 4,087 (2011 Census data).

3.7.4 Dartmoor's landscape is of great archaeological importance, with over 17,500 entries on the Historic Environment Record. There are over 1,200 Scheduled Ancient Monuments and this figure rises each year.

3.7.5 There are also over 2,500 buildings which are listed because of their architectural or historic interest. Some of these buildings are private houses but others are open to the public, for example Castle Drogo owned by the National Trust, has approx. 115,000 visitors annually and Buckfast Abbey attracts 400,000 visitors each year.

3.7.6 The National Park boundaries cover parts of West Devon, South Hams and in this market area, Teignbridge and a small part of Mid-Devon.

3.7.7 As a protected landscape the primary focus for Dartmoor is the statutory purposes of National Park designation; to conserve and enhance the natural beauty, wildlife and cultural heritage (of National Parks); and to promote opportunities for the understanding and enjoyment of the special qualities (of the National Park) by the public.

3.7.8 There is also a statutory duty to seek to foster the economic and social well-being of local communities by working closely with the agencies and local authorities responsible for these matters. In this respect there is a fundamental difference between Dartmoor National Park Authority and the other local planning authorities operating in Devon, with a strong focus on providing for local needs rather than providing for market housing generally.

3.7.9 This approach is consistent with the English National Parks and the broads: UK government vision and circular 2010 which states "Government recognises that the Parks are not suitable locations for unrestricted housing" and "expects the Authorities to maintain a focus on affordable housing" whilst also reflecting the 'great weight' the NPPF places upon the conservation of National Parks'.

3.8 The Exeter Housing Market Area Project Team

3.8.1 DCA have conducted this assessment working closely with a project team of key officers from each of the partner local authorities, County Council and the Dartmoor National Park.

3.8.2 The project team took on the role of organising and co-ordinating the SHMA, providing the secondary data held by the Councils which was required for the SHMA.

3.9 Data Benchmarking

3.9.1 Throughout this study where possible, DCA have provided data at national (England), regional (the South West), Devon (the County) and the individual Local Planning Authority scales. These will be referred to throughout the report as benchmark areas.

3.9.2 The benchmark area data aims to provide an understanding of comparative performance between the Exeter Housing Market Area and regionally and nationally.

3.10 The SHMA Report Structure

3.10.1 The key sections that form the SHMA report are outlined below:-

Section 4 - The Exeter Housing Market Area

3.10.2 In Section 4 the scope of the Exeter Housing Market Area is established. This involves analysis of migration and commuting patterns in order to assess the relationship between the local authorities.

Section 5 - The Existing Housing Stock

3.10.3 Section 5 examines the characteristics and structure of the current housing stock in the Housing Market Area. Analysis of the supply of housing entails an assessment of the range, quality and location of the existing housing stock.

3.10.4 More specifically, this section examines the following:-

- Number of dwellings in the area by size, type, location and tenure;
- Stock condition;
- Overcrowding and under-occupation;
- Shared housing & communal establishments.

Section 6 - The Active Market

3.10.5 Section 6 analyses indicators of housing market activity area. This section examines the following:-

- The cost of buying or renting a property;
- Affordability of housing;
- The private rented sector and the changes in the benefit system in terms of the new Welfare Reform Act. The impact it will have on the rented sector, registered providers and their tenants.
- Vacant dwellings, stock turnover rates and available supply by tenure.

Section 7 - Economic Drivers of the Market

3.10.6 Section 7 analyses the recent economic performance in the Exeter Housing Market Area this section sets the scene for later examination of demographic changes in section 8.

3.10.7 The analysis includes:-

- Employment levels and structure;
- Labour force and income;
- Skills and educational attainment;

Section 8 - Demographic Context and Future Projections

3.10.8 Following the identification of the local housing market boundary and the key policy drivers, the next step is to explain how local demographic conditions can influence the housing market.

3.10.9 Section 8 examines:-

- The current demographic structure;
- Future population and household change forecasts;
- Household characteristics
- Jobs-led housing forecasts to 2033.

Section 9 - Housing Market Signals

3.10.10 The National Planning Policy Guidance states that the starting point of the objectively assessed housing needs calculation suggested by household projections should be adjusted to reflect appropriate market signals.

- Land Prices
- House prices, rents and affordability
- Rate of Development
- Overcrowding

Section 10 - Objectively Assessed Need

Section 10 provides the assessment of total need to ensure that future household growth and the need for continuing economic growth in the housing market area is met over the life of Local Plans.

Section 11 – Affordable Housing Need

3.10.11 Section 11 provides a quantitative assessment of the future need for affordable housing for new forming households. Appendix II contains analysis of the secondary data, mainly from Council records, of the key need and supply data in the Affordable Needs Assessment Model for each authority and the Housing Market Area.

Section 12 – The Housing Needs of Specific Household Groups

3.10.12 Section 12 examines the housing needs of specific household groups. These include:-

- Students (specifically related to Exeter University);
- Older people;
- Households with support needs;

Section 13 - Future Housing Characteristics

3.10.13 Section 13 provides a range of recommendations, for both planning policy and other strategies relating to housing and support services.

3.10.14 The objective is to inform the Housing Market Area to deliver a mix of housing by tenure, type and size to meet the current and future requirements of all household groups in the community.

3.10.15 It includes recommendations for:-

- Tenure mix targets;
- Overall Affordable Housing target levels by size;
- Property size targets for all sectors.

Section 14 - Updating the SHMA

3.10.16 Section 14 provides an outline of the mechanisms to monitor the future change in housing market drivers and to update the SHMA data.

3.11 Glossary of Terms

3.11.1 A glossary of technical terms used throughout this report is provided at **Appendix I**.

4 THE EXETER HOUSING MARKET AREA

4.1 Introduction

4.1.1 An important requirement of the SHMA is to consider the relationship between the HMA authorities, and the extent to which there are overlaps and links with other housing market areas, as opposed to individual Local Planning Authority areas.

4.1.2 The NPPG defines housing market areas as a '*geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work*'. It is a requirement to undertake an SHMA at HMA level, hence the need for the overall work. In defining an HMA level of development this work also provides district levels of provision.

4.1.3 Housing markets do not respect administrative boundaries and may overlap with other Local Planning Authority boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

4.1.4 Housing markets are defined by using three different sources of information which include:-

- House prices and rates of change of house prices;
- Household migration patterns;
- Travel to work patterns.

4.1.5 Self-containment in the NPPG is defined as being typically 70 per cent. Therefore this is the guide we will use when we examine household moves within an area.

4.1.6 Specifically this section of the SHMA will explore:-

- The linkages between authorities;
- Patterns of movement such as migration and travel to work internally within the HMA.

4.1.7 Sources of data utilised are:-

- 2011 Census;
- Office for National Statistics (ONS) (June 2010-June 2011);
- Annual Population Survey 2011.

4.2 Identifying Housing Market Area Boundaries

4.2.1 A market is where buyers and sellers exchange goods or services for an agreed price. A housing market is however a complex market for a variety of reasons:-

- Housing is a high value commodity. The decision to purchase is of great importance to individuals due to the scale of the investment and the time required to pay off this investment;
- Housing is built to last and because of this, only a fraction of the stock is for sale and available to purchase at any point in time;
- The housing market is highly regulated and the location and volume of new development is controlled through planning policies and procedures;

- Housing is a basic human requirement and resources are provided to ensure that those who cannot access market housing are adequately housed through either direct provision of housing or subsidy;
- A housing market has a strong spatial dimension. Location matters to people. Most buyers seek to move within the same sub-region because they want to continue living in that area for reasons such as proximity to family, employment or access to particular services such as schools;
- Affordable housing and housing benefit add to the market complexities.

4.2.2 Self-containment in the NPPG is defined as being typically 70 per cent, and is the basis we use when we examine household moves within an area.

4.2.3 It is recognised that local authorities face a variety of challenges in their housing markets. Patterns of housing demand and need, affordability, availability and tenure can all vary from the neighbourhood level upwards.

4.2.4 In identifying the housing market area we examine key data on migration and commuting patterns, housing stock and Census 2011 data.

4.3 Household Migration

4.3.1 Migration patterns reflect a variety of economic, social and environmental factors including proximity to work and family. Migration is generally associated with the relative economic prosperity of an area, with people moving to areas where they have the best chance of finding employment. However, research has shown that migration can also be associated with lifestyle changes, such as retirement, or moving to an area with a higher quality of life.

4.3.2 Migration patterns can help to identify these relationships and can identify the extent to which people move house within an area and the areas within which a relatively high proportion of household moves are contained.

4.3.3 The pattern of household movement between authorities has been analysed by examining 2011 Census Origin-Destination Statistics and Office of National Statistics data for the year ending June 2011.

4.4 ONS Migration Data

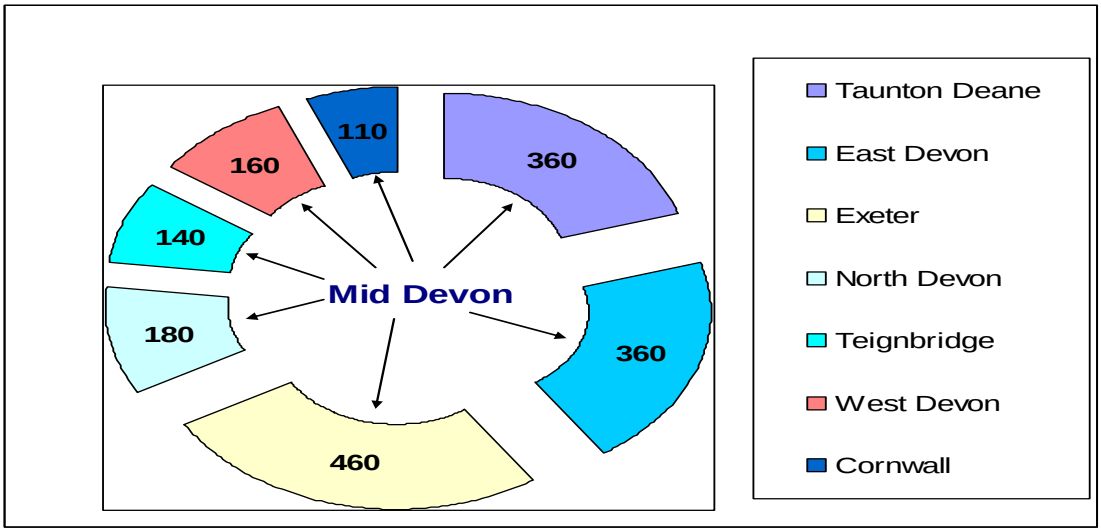
4.4.1 The most recent migration data available is from the Office of National Statistics (Migration Statistics Unit) for the year ending June 2011 and this data was analysed to assess household movements between Local Planning Authority areas within the HMA Authorities.

4.4.2 As there is no single system to record population movements within the UK, internal migration estimates must be derived from alternative sources. This data has been produced using a combination of three data sets; National Health Service Central Register (NHSCR), the Patient Register Data Service (PRDS) and the Higher Education Statistics Agency (HESA).

4.5 Mid Devon

4.5.1 The graph below shows the out migration levels regarding movement out of Mid Devon in the year ending June 2011 to the other districts within the South West.

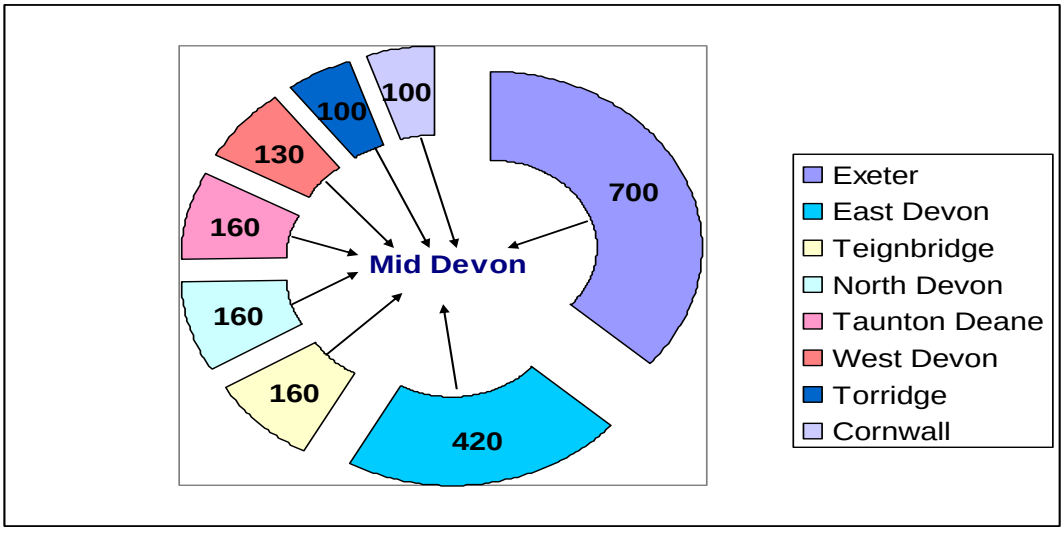
Figure 4-1 Out Migration from Mid Devon (June 2010-June 2011)



4.5.2 The data shows that the highest number of people moving away from Mid Devon in that period moved to Exeter followed by East Devon and Taunton Deane.

4.5.3 The graph below shows the in-migration levels regarding movement into Mid Devon in the year ending June 2011 from other districts within the South West.

Figure 4-2 In-Migration to Mid Devon (June 2010-June 2011)



4.5.4 The main in-migration to Mid Devon in the year ending 2011 was from Exeter, followed by East Devon. There is a lower level of in-migration of 160 people from Taunton Deane, a net outflow of 200 to this adjoining authority area outside the HMA.

4.5.5 The main migration flow patterns to and from Mid Devon are also highlighted in the following map.

Figure 4-3 Migration Flow Map

Source: ONS Migration Data Year Ending June 2011

4.5.6 The data shows that the main migration flow exists between Mid Devon and Exeter, with 700 people moving into Mid Devon from Exeter and 460 people leaving Mid Devon for Exeter, a net inflow of 240 people.

4.5.7 There is also a high level of migration between Mid Devon and East Devon and to a lesser degree Taunton Deane. 420 people in-migrated to Mid Devon from East Devon and 360 people left Mid Devon and moved to East Devon.

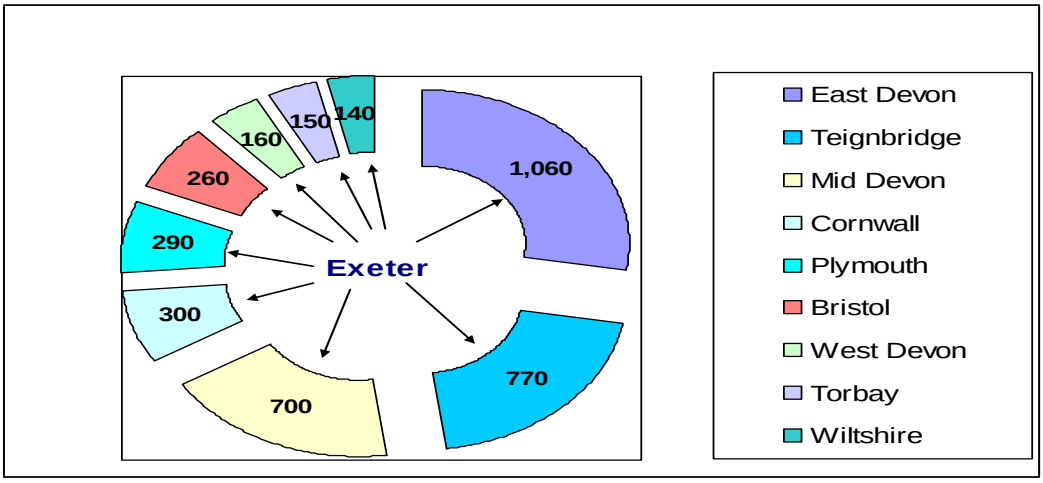
4.5.8 There was a higher level of people who left Mid Devon for Taunton Deane (360) than in-migrating to Mid Devon from Taunton Deane (160).

4.5.9 The total in and out migration levels between the areas shown in the map above to and from Mid Devon were very similar, 1,600 people in-migrated and 1,500 people out-migrated.

4.6 Exeter

4.6.1 The following graph below shows the out migration levels regarding movement out of Exeter in the year ending June 2011 to the other districts within the South West.

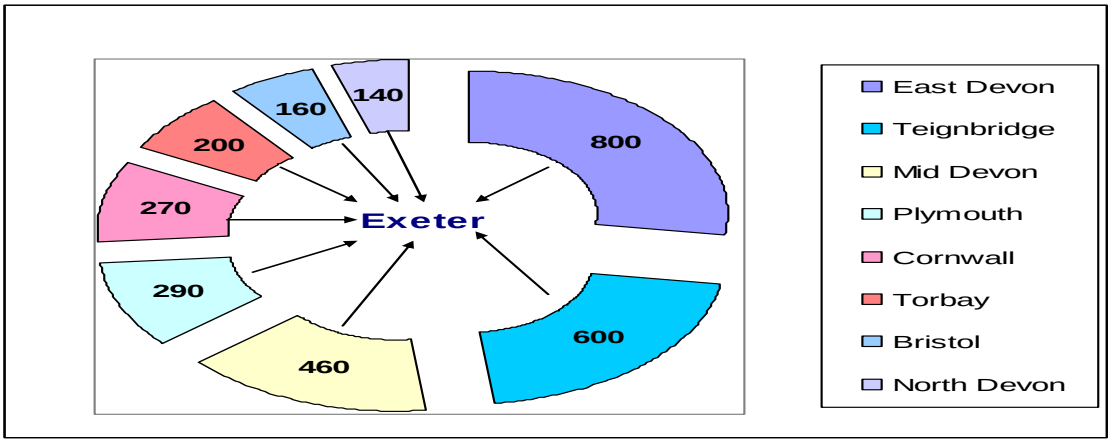
Figure 4-4 Out Migration from Exeter (June 2010-June 2011)



4.6.2 The data shows that the highest proportion of people moving away from Exeter in that period moved to East Devon followed by Teignbridge and Mid Devon.

4.6.3 The graph below shows the in-migration levels regarding movement into Exeter in the year ending June 2011 from other districts within the South West.

Figure 4-5 In-Migration to Exeter (June 2010-June 2011)



4.6.4 The main in-migration to Exeter in the year ending 2011 was from East Devon, followed by Teignbridge and Mid Devon.

4.6.5 The main migration flow patterns to and from Exeter are also highlighted in the following map.

Figure 4-6 Migration Flow Map

Source: ONS Migration Data Year Ending June 2011

4.6.6 The data shows that the main migration flow exists between Exeter and East Devon with 1,060 people moving into East Devon from Exeter and 800 people leaving East Devon for Exeter.

4.6.7 There is also a fairly high level of out-migration from Exeter to Mid Devon (700 people) and also to Teignbridge (770 people). In terms of in-migration to Exeter, 600 people came from Teignbridge and 460 people came from Mid Devon.

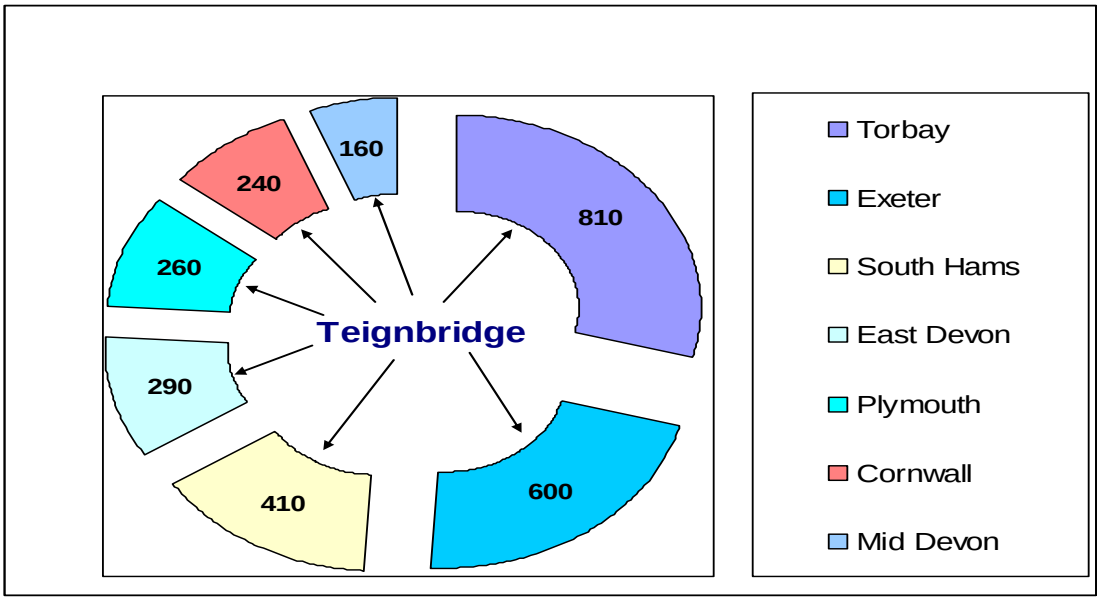
4.6.8 More people have out-migrated from Exeter (2,530) than in-migrated (1,860) between the areas shown in the map above, a net out-migration of 670 per annum.

4.6.9 Of the net out-migration of 670 people in 2011, 660 in total moved to East Devon, Mid Devon and Teignbridge.

4.7 Teignbridge

4.7.1 The graph below shows the out-migration levels regarding movement out of Teignbridge in the year ending June 2011 to the other districts within the South West.

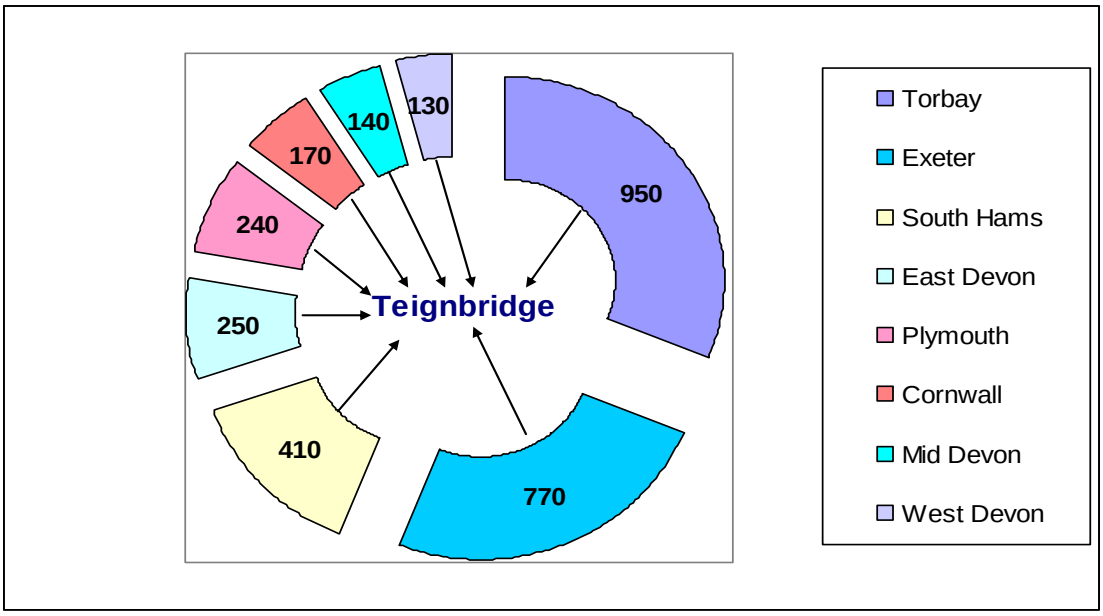
Figure 4-7 Out Migration from Teignbridge (June 2010-June 2011)



4.7.2 The data shows that the highest proportion of people moving away from Teignbridge in that period moved to Torbay followed by Exeter and South Hams.

4.7.3 The graph below shows the in-migration levels regarding movement into Teignbridge in the year ending June 2011 from other districts within the South West.

Figure 4-8 In-Migration to Teignbridge (June 2010-June 2011)



4.7.4 The main in-migration to Teignbridge in the year ending 2011 was from Torbay, followed by Exeter and South Hams.

4.7.5 The main migration flow patterns to and from Teignbridge are also highlighted in the following map.

Figure 4-9 Migration Flow Map

Source: ONS Migration Data Year Ending June 2011

4.7.6 The data shows that the main migration flow exists between Teignbridge and Torbay with 950 people moving into Teignbridge from Torbay and 810 people leaving Teignbridge for Torbay.

4.7.7 There is also a fairly high level of migration to and from Exeter, 770 people in-migrating to Teignbridge from Exeter and 600 people out-migrating from Teignbridge to Exeter.

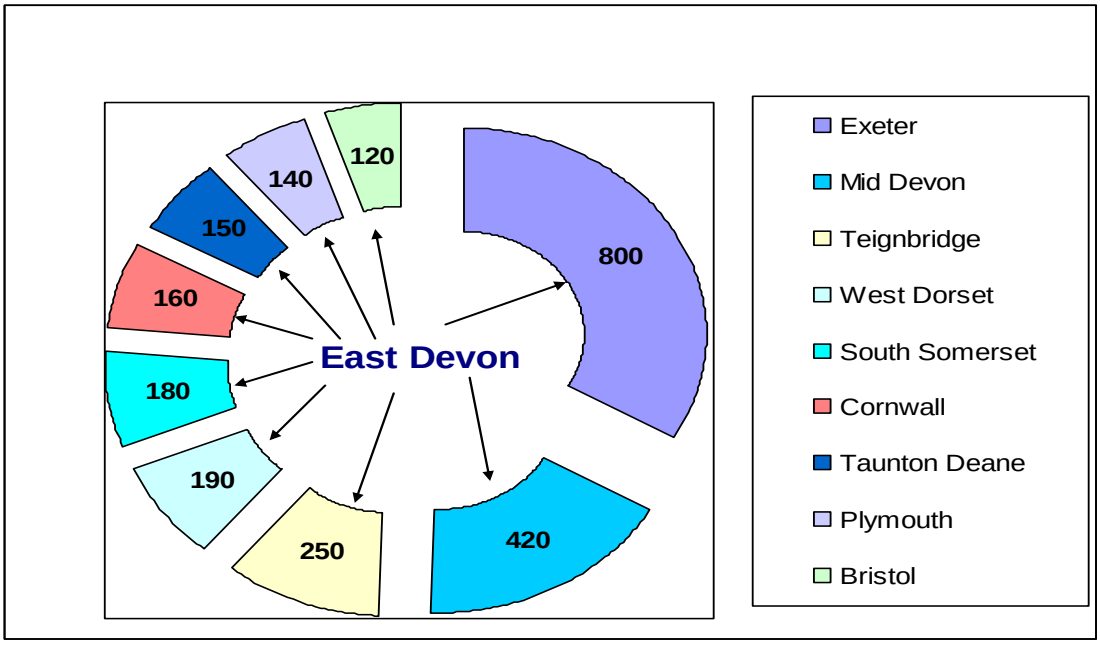
4.7.8 The levels of in and out migration to East Devon and South Hams are on a smaller level, but still fairly high proportions.

4.7.9 More people have in-migrated to Teignbridge (2,380) than out-migrated (2,110) between the areas shown in the map above.

4.8 East Devon

4.8.1 The graph below shows the out migration levels regarding movement out of East Devon in the year ending June 2011 to the other districts within the South West.

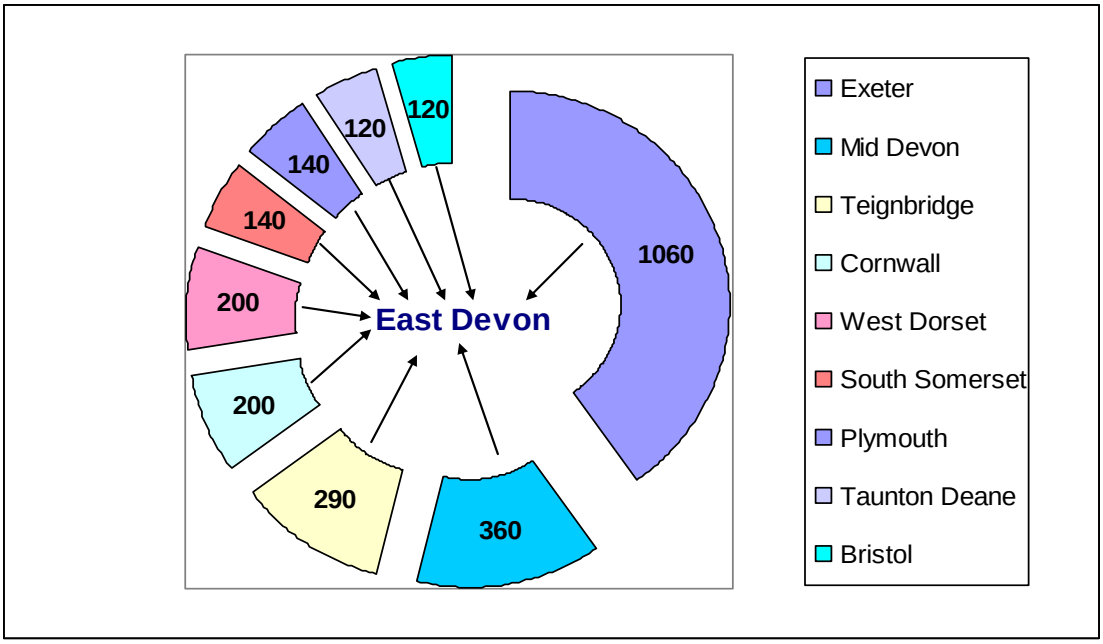
Figure 4-10 Out Migration from East Devon (June 2010-June 2011)



4.8.2 The data shows that the highest proportion of people moving away from East Devon in that period moved to Exeter followed by Mid Devon and Teignbridge.

4.8.3 The graph below shows the in-migration levels regarding movement into East Devon in the year ending June 2011 from other districts within the South West.

Figure 4-11 In-Migration to East Devon (June 2010-June 2011)



4.8.4 The main in-migration to East Devon in the year ending 2011 was from Exeter, followed by Mid Devon. The net flow in and out of the District to adjoining West Dorset is almost balanced.

Figure 4-12 Migration Flow Map

4.8.5 The main migration flow patterns to and from East Devon are also highlighted in the following map.

Source: ONS Migration Data Year Ending June 2011

4.8.6 The data shows that the main migration flow exists between East Devon and Exeter, with 1,060 people moving into East Devon from Exeter and 800 people leaving East Devon for Exeter.

4.8.7 Mid Devon and Teignbridge have lower levels of migration to and from East Devon, although still fairly high proportions.

4.8.8 More people have in-migrated to East Devon (1,710) than out-migrated (1,470) between the areas shown in the map above.

4.8.9 As you can see from the ONS data above each Local Planning Authority within the HMA group has a link to the others in terms of in and out migration patterns.

4.9 Cross Boundary Migration

4.9.1 The following table assesses the previous location of people currently living in one of the HMA Local Planning Authority areas. The data is taken from the 2011 Census of all people resident in the UK whose address at Census day was different from that one year before.

Table 4-1 2011 Census In-Migration (People)

Current Area of Residence	Place of Previous Residence								
	Mid Devon	Exeter	East Devon	Teignbridge	Taunton Deane	North Devon	West Devon	Row Total	**Local Moves %***
Mid Devon	**4,380**	648	331	180	159	157	183	6,038	**72.5**
	East Devon	**Exeter**	Teignbridge	Mid Devon	Isles of Scilly	Plymouth	Torbay	Row Total	**Local Moves %***
Exeter	913	12,557	660	542	319	292	216	15,499	**81.0**
	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**
	Torbay	Exeter	South Hams	**Teignbridge**	Plymouth	East Devon	Isles of Scilly	Row Total	**Local Moves %***
Teignbridge	827	686	331	**7,176**	243	233	154	9,650	**74.4**

Source: © Crown Copyright Census 2001 - % of moves contained within Local Planning Authority area from overall number of local moves

4.9.2 The highest level of self-containment was seen in Exeter (81.0%), closely followed by East Devon (80.0%). Teignbridge and Mid Devon showed very similar levels of self-containment.

4.9.3 The highest in-migration into Mid Devon was from Exeter, followed by East Devon, then Teignbridge.

4.9.4 The highest in-migration into Exeter was from East Devon, followed by Teignbridge and then Mid Devon.

4.9.5 The highest in-migration into East Devon was from Exeter, followed by Mid Devon, then Teignbridge.

4.9.6 The highest in-migration into Teignbridge was from Torbay, followed by Exeter, then South Hams.

4.10 Travel to Work Patterns in and around the HMA Areas

4.10.1 In defining the spatial extent of housing markets, patterns of household migration are augmented by the analysis of travel to work patterns. The table below shows the data for travel to work patterns in and around the HMA areas taken from the Census 2011.

Table 4-2 Travel to Work Patterns (people)

Current Area of Residence	Place of Work								
	Mid Devon	Exeter	East Devon	Taunton Deane	North Devon	Teignbridge	West Devon	Row Total	**Local Moves %***
Mid Devon	**14,167**	6,738	1,801	1,773	670	447	307	25,903	**54.7**
	Exeter	East Devon	Teignbridge	Mid Devon	Torbay	Plymouth	Taunton Deane	Row Total	**Local Moves %***
Exeter	**37,667**	4,166	1,870	1,499	385	373	360	46,320	**81.3**
	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**
	Teignbridge	Exeter	Torbay	South Hams	East Devon	Plymouth	Mid Devon	Row Total	**Local Moves %***
Teignbridge	**24,407**	9,258	4,736	1,902	1,466	1,128	402	43,299	**56.4**

Source: © Crown Copyright Census 2011

4.10.2 The area with the highest level of self-containment for travel to work patterns is Exeter at 81.3%.

4.10.3 The main place of work for residents in Mid Devon was Exeter, followed by East Devon.

4.10.4 The main place of work for residents in Exeter was East Devon, followed by Teignbridge.

4.10.5 The main place of work for residents in East Devon was Exeter, followed by Mid Devon.

4.10.6 The main place of work for residents in Teignbridge was Exeter, followed by Torbay.

4.11 Commuters

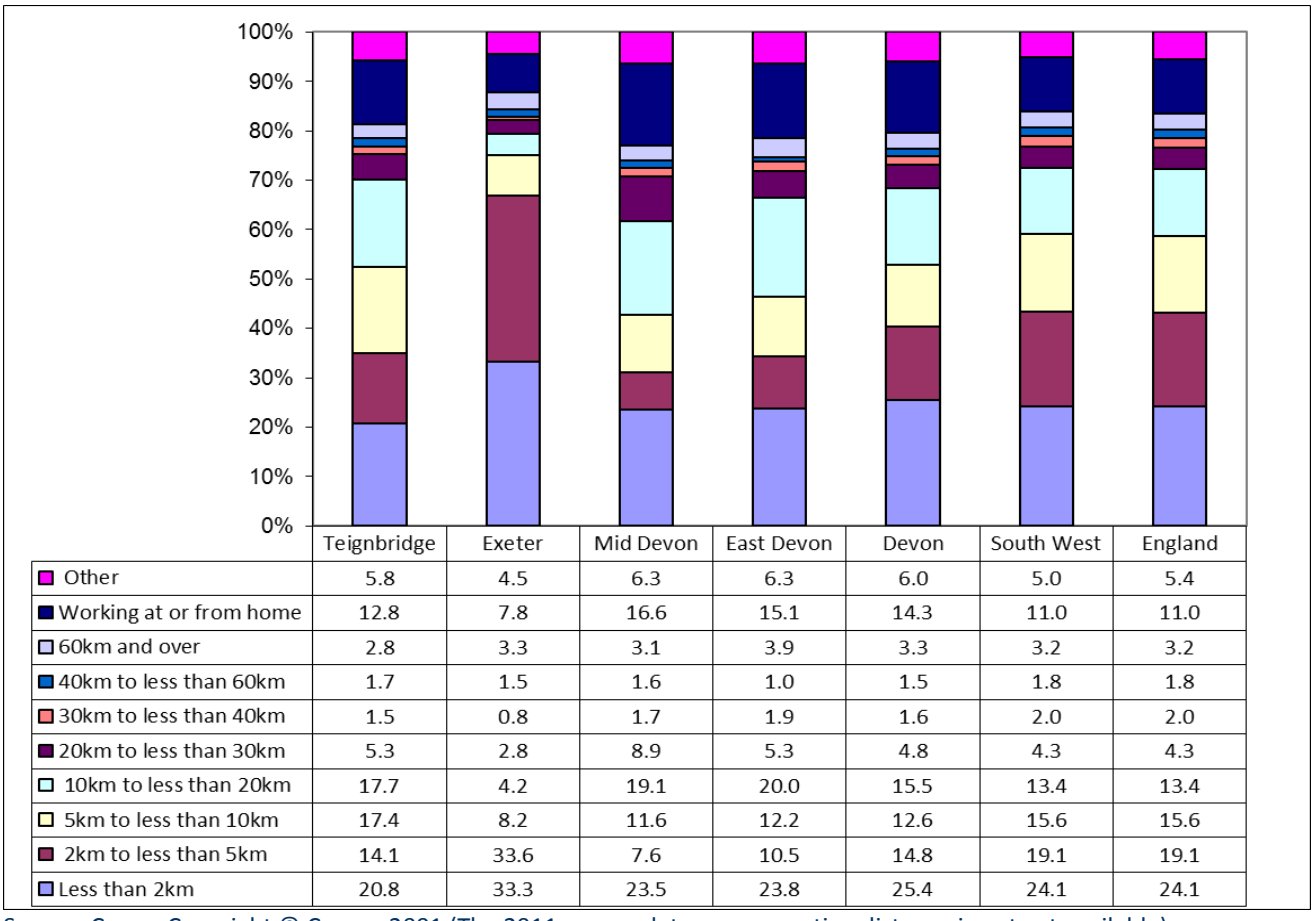
4.11.1 The SHMA Practice Guidance "*Identifying Sub-regional Housing Market Areas" Advice Note (*Annex to Strategic Housing Market Assessments Practice Guidance) states that it is important when analysing the dynamics of the housing market to assess travel to work patterns.

4.11.2 Travel to work data can provide information about commuting flow and the spatial structure of the labour market which will influence property price and location. It can also provide information about areas within which people move without changing other aspects of their lives.

4.11.3 Figure 4-13 below presents a breakdown of workers by the distance they commute to their workplace. Around half of households in the Exeter Housing Market Area commute less than 10km to work.

4.11.4 With the exception of Exeter at 7.8%, between 12.8% and 16.6% of households in the Exeter Housing Market Area work at or from home, higher than the level in the region and nationally (11%).

Figure 4-13 Commuting Distances of Residents, 2001



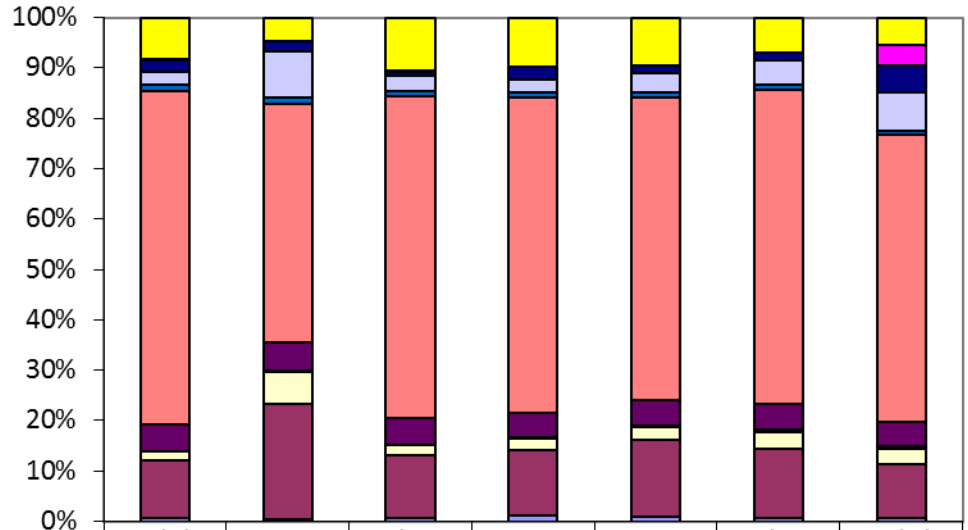
	Teignbridge	Exeter	Mid Devon	East Devon	Devon	South West	England
Other	5.8	4.5	6.3	6.3	6.0	5.0	5.4
Working at or from home	12.8	7.8	16.6	15.1	14.3	11.0	11.0
60km and over	2.8	3.3	3.1	3.9	3.3	3.2	3.2
40km to less than 60km	1.7	1.5	1.6	1.0	1.5	1.8	1.8
30km to less than 40km	1.5	0.8	1.7	1.9	1.6	2.0	2.0
20km to less than 30km	5.3	2.8	8.9	5.3	4.8	4.3	4.3
10km to less than 20km	17.7	4.2	19.1	20.0	15.5	13.4	13.4
5km to less than 10km	17.4	8.2	11.6	12.2	12.6	15.6	15.6
2km to less than 5km	14.1	33.6	7.6	10.5	14.8	19.1	19.1
Less than 2km	20.8	33.3	23.5	23.8	25.4	24.1	24.1

Source: Crown Copyright © Census 2001 (The 2011 census data on commuting distance is not yet available)

4.11.5 When looking at commuters' mode of transport across the Exeter Housing Market Area, the data revealed that the vast majority of commuters travel to work by car or van, either driving or as a passenger, higher than all the other benchmark areas.

4.11.6 With the exception of Exeter, higher levels of commuters work mainly from home, higher than the region and nationally.

Figure 4-14 Commuters Mode of Transport



	Teignbridge	Exeter	Mid Devon	East Devon	Devon	South West	England
Work mainly at or from home	8.3	4.6	10.7	9.7	9.4	7.0	5.4
Underground, metro, light rail, tram	0.1	0.1	0.1	0.1	0.1	0.1	4.2
Train	2.3	2.0	1.0	2.5	1.5	1.5	5.3
Bus, minibus, coach	2.7	9.2	2.9	2.6	3.8	4.7	7.5
Motorcycle, scooter or moped	1.1	1.2	1.0	1.0	1.0	1.1	0.8
Driving a car or van	66.3	47.5	64.8	62.4	60.1	62.3	57.0
Passenger in a car or van	5.2	5.4	5.2	4.8	5.0	5.2	5.0
Taxi or minicab	0.2	0.4	0.2	0.3	0.3	0.3	0.5
Bicycle	1.7	6.3	1.9	2.2	2.7	3.5	3.0
On foot	11.5	22.9	12.6	13.1	15.3	13.6	10.7
Other	0.6	0.4	0.7	1.1	0.8	0.7	0.6

Source: Crown Copyright © Census 2011

4.11.7 Commuting distances are also driven by location and housing preferences. Couples often put great emphasis about quality of neighbourhoods, housing size and amenity when choosing where they live.

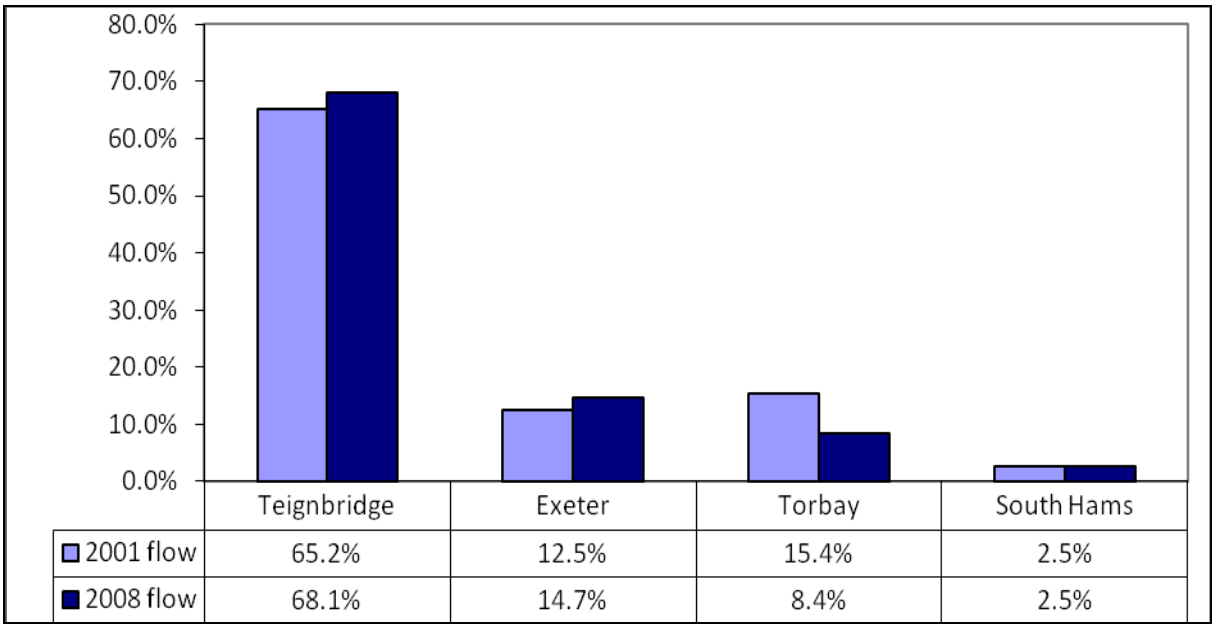
4.11.8 Families with children will be more particular about the location in relation to good schools and single households / single parents tend to want to be nearer to family members and friends.

4.11.9 This translates into different commuting patterns between household types, with married couples with and without children locating further away from jobs and having longer commutes compared to other household types.

4.11.10 The following graphs show more up to date data on commuting flows from the Office of National Statistics website utilising Annual Population Survey data (Jan- Dec 2008) against the Local Labour Force Survey 2001 data, this is the most up to date data available for these variables.

4.11.11 The graphs show the top flows of places of work for **residents of each Local Planning Authority**.

Figure 4-15 Place of Work for Teignbridge Residents 2001 and 2008

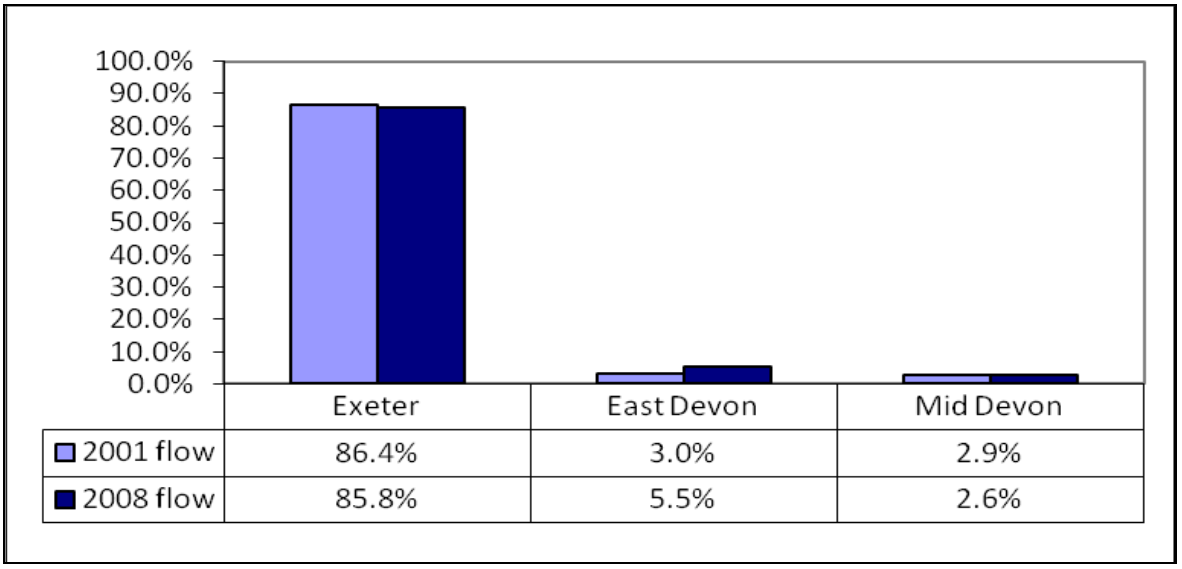


	Teignbridge	Exeter	Torbay	South Hams
2001 flow	65.2%	12.5%	15.4%	2.5%
2008 flow	68.1%	14.7%	8.4%	2.5%

Source: ONS / APS 2008-LLF 2001

4.11.12 The 2008 data shows that 68.1% of Teignbridge residents also work in the District compared with 65.2% in 2001. The second highest place of work for Teignbridge residents is Exeter at 14.7% in 2008, also increasing slightly since 2001.

Figure 4-16 Place of Work for Exeter Residents 2001 and 2008

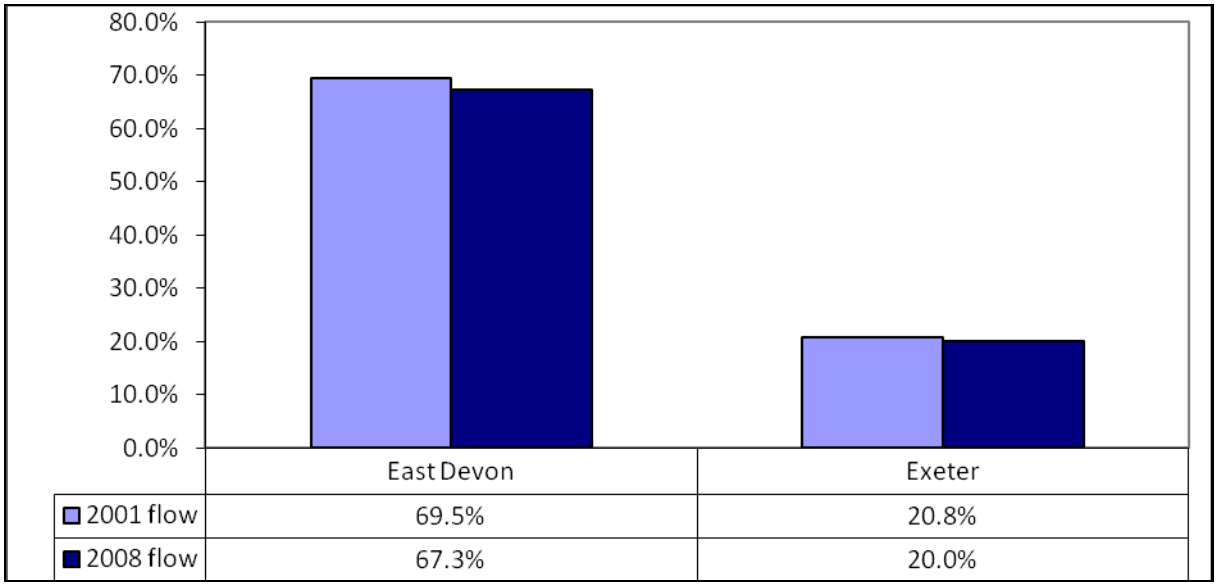


	Exeter	East Devon	Mid Devon
2001 flow	86.4%	3.0%	2.9%
2008 flow	85.8%	5.5%	2.6%

Source: ONS / APS 2008-LLF 2001

4.11.13 The 2008 data shows that 85.8% of Exeter residents also work in the City compared with 86.4% in 2001. The second highest place of work for Exeter residents is East Devon at 5.5% in 2008, increasing by 2.5% since 2001.

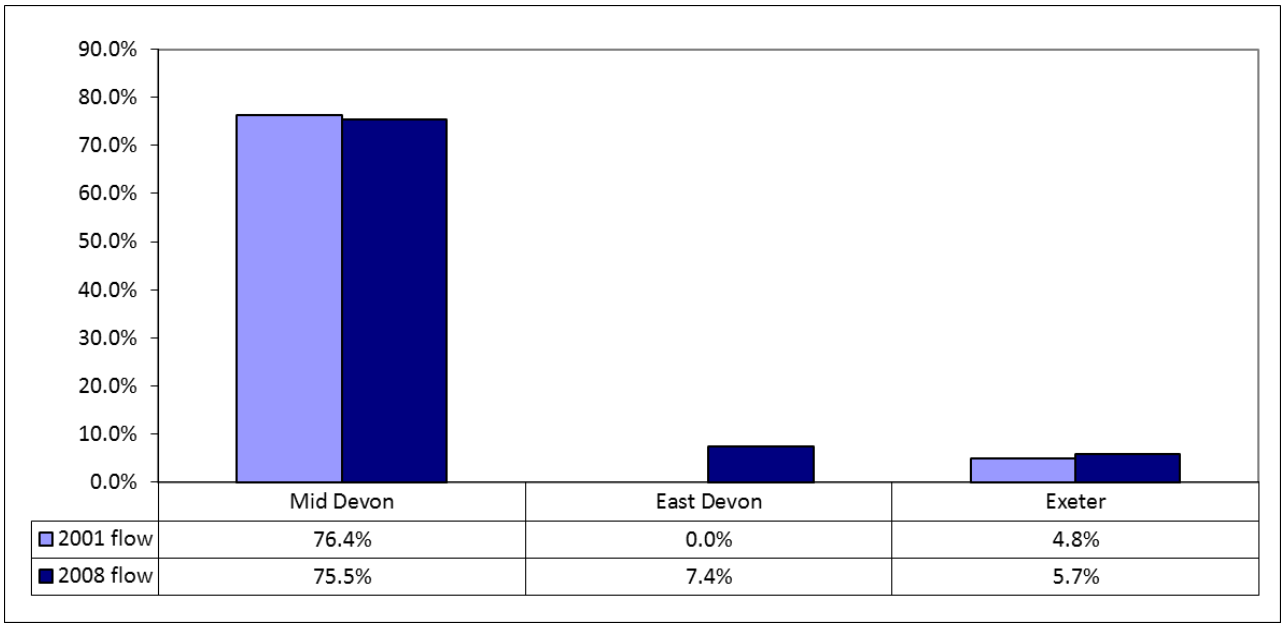
Figure 4-17 Place of Work for East Devon Residents 2001 and 2008



Source: ONS / APS 2008-LLF 2001

4.11.14 The 2008 data shows that 67.3% of East Devon residents also work in the District compared with 69.5% in 2001. The only other place of work for East Devon residents recorded is Exeter at 20.0% in 2008, only marginally changing by 0.8% since 2001.

Figure 4-18 Place of Work for Mid Devon Residents 2001 and 2008

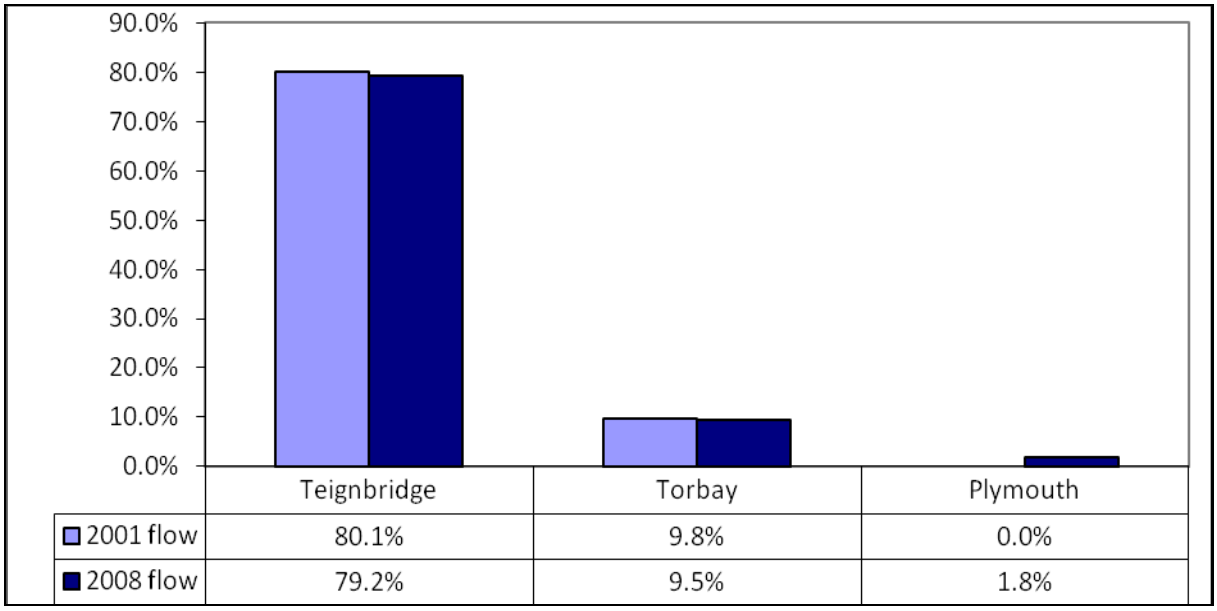


Source: ONS / APS 2008-LLF 2001

4.11.15 The 2008 data shows that 75.5% of Mid Devon residents also work in the District a 0.9% fall since 2001. 0.9% more Mid Devon residents now work in Exeter since 2001 with a further 7.4% working in East Devon since 2001.

4.11.16 The next graphs shows details on the place of residence for those **who work** in The Exeter Housing Market authorities, again with a graph for each individual authority.

Figure 4-19 Place of Residence for Teignbridge workers

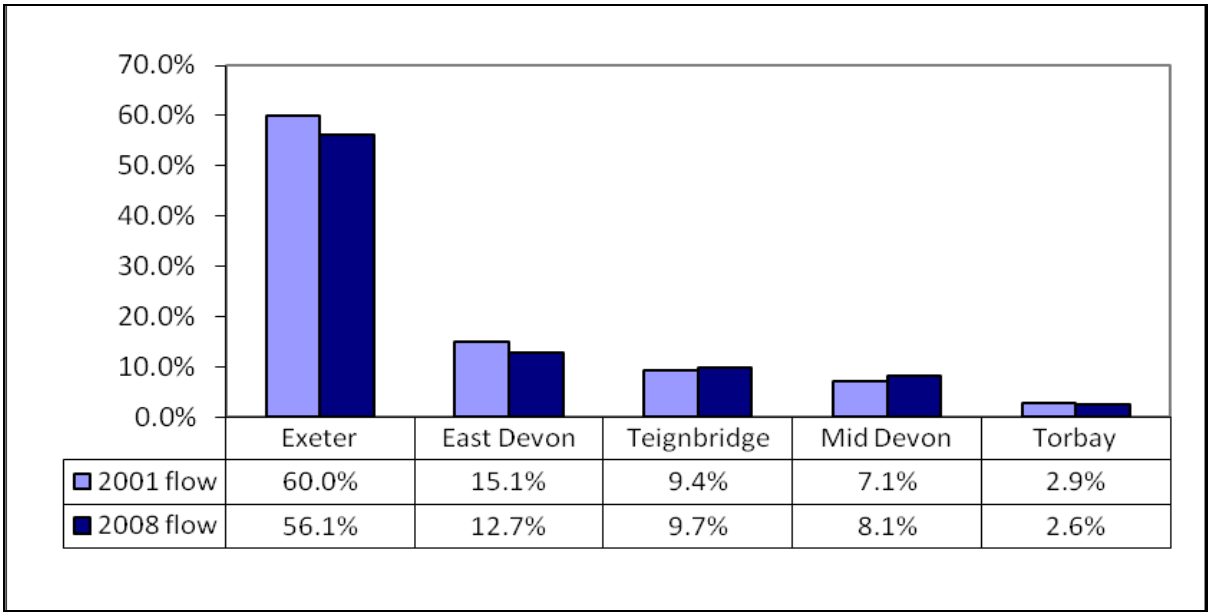


	Teignbridge	Torbay	Plymouth
2001 flow	80.1%	9.8%	0.0%
2008 flow	79.2%	9.5%	1.8%

Source: ONS / APS 2008-LLF 2001

4.11.17 The majority of those working in Teignbridge also reside in the District. 9.5% live in Torbay and commute into Teignbridge to work, 1.8% commute to the Teignbridge District from Plymouth.

Figure 4-20 Place of Residence for Exeter workers



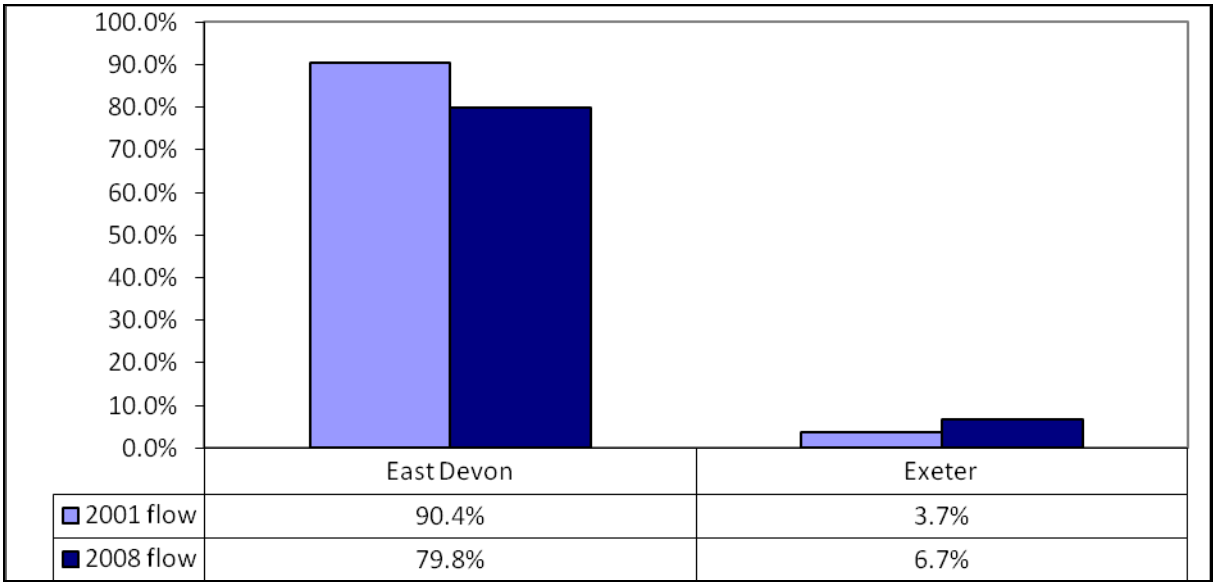
	Exeter	East Devon	Teignbridge	Mid Devon	Torbay
2001 flow	60.0%	15.1%	9.4%	7.1%	2.9%
2008 flow	56.1%	12.7%	9.7%	8.1%	2.6%

Source: ONS / APS 2008-LLF 2001

4.11.18 The majority of those working in Exeter also reside in the city (56.1%). 12.7% live in East Devon and 9.7% live in Teignbridge and commute into Exeter to work, 8.1% commute to the city from Mid Devon and 2.6% from Torbay.

4.11.19 Exeter had the largest flow of workers commuting in when compared to all the other authority areas, but as the main employment hub in the Region this is expected.

Figure 4-21 Place of Residence for East Devon workers

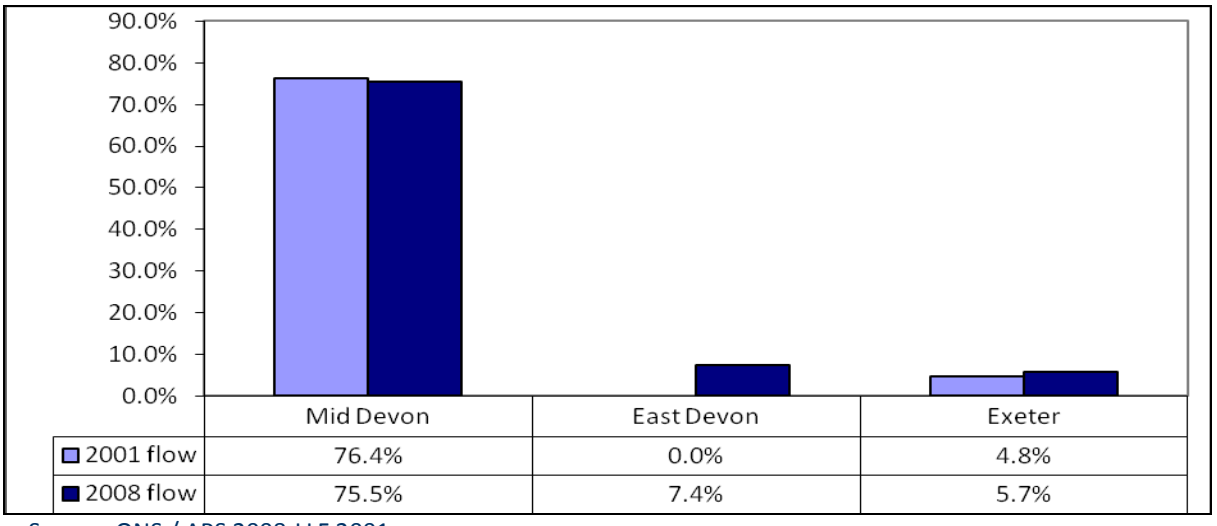


	East Devon	Exeter
2001 flow	90.4%	3.7%
2008 flow	79.8%	6.7%

Source: ONS / APS 2008-LLF 2001

4.11.20 The majority of those working in East Devon also reside in the District (79.8%), although this has fallen by 10.6% since 2001. Residents living in Exeter and commuting to East Devon has increased by 3% since 2001.

Figure 4-22 Place of Residence for Mid Devon workers



	Mid Devon	East Devon	Exeter
2001 flow	76.4%	0.0%	4.8%
2008 flow	75.5%	7.4%	5.7%

Source: ONS / APS 2008-LLF 2001

4.11.21 The majority of those working in Mid Devon also reside in the District (75.5%). There has been an increase in residents living in East Devon and Exeter commuting to Mid Devon since 2001.

4.12 The Exeter Housing Market

4.12.1 Current Government Guidance suggests that a level of 70% for self-containment can identify a Housing Market Area. However, research into the Geography of a Housing Market Area carried out by *National Housing and Planning Advice Unit (NHPAU)* in November 2010 suggests different levels.

- Local housing market areas, defined by migration patterns (50.0% self-containment);
- Framework housing market areas, defined by a high level of commuting/travel to work patterns (77.5% for self-containment);
- Housing markets areas, defined by similarities in housing stock.

4.12.2 When looking at migration patterns between 2001 and 2011 Census has revealed that all the HMA areas reach the self-containment level of 70.0%, Mid Devon (72.5%), Exeter (81%), East Devon (80.0%) and Teignbridge (74.4%).

4.12.3 When analysing travel to work patterns using the same data source, only Exeter reached a level of 70% self-containment (81.3%). East Devon was under that level at 63.1% of residents and in Mid Devon 54.7% also worked in the District and 56.4% of Teignbridge residents worked within the Local Planning Authority area.

4.12.4 In terms of the linkage to each authority within the HMA group, the evidence from the 2011 Census data shows that these authorities can be classed a Housing Market Area.

4.12.5 In terms of the linkage to other single authorities in the South West, the 2001 Census data and the evidence from the more recent migration data shows that Mid Devon also has a link to Taunton Deane.

4.12.6 The data also shows a strong link between Teignbridge and the Local Planning Authority areas of South Hams and Torbay.

4.12.7 The part of Dartmoor National Park which lies within Teignbridge District shows strong functional linkage with the rest of that district, and therefore with the other authorities in the HMA. It should be noted however that Dartmoor National Park is split with the functional housing market for the western/southern portion of the National Park, within South Hams and West Devon Districts, identified as looking west towards the Plymouth HMA'

4.12.8 *NHPAU* advice examines similarities in housing stock in authorities in the HMA.

4.12.9 The Census 2011 East Devon type and tenure data for all the local authorities in the HMA concluded that Teignbridge and shared a similar tenure and type profile.

4.12.10 As part of this housing market area exercise we also examined the overall average house price data from the Land Registry (Q3 2014). This data will show us where there are similarities in house prices for the Local Planning Authority areas within the HMA.

4.12.11 The overall average house price for Teignbridge in Q4 2014 was £237,315, which was a similar level to the overall average in Mid Devon (£242,035). The average price in Exeter was lower than this level (£231,782) and in East Devon the overall average level was higher (£283,035).

4.12.12 The following table shows the collective results from each part of the Housing Market Area analysis.

Table 4-3 Links with the Exeter Market Area Authorities

Local Authority Area	Migration (Census 2001 and ONS 2012)	Travel to Work (Census 2001)	House Types (2011 Census)	Tenure (2011 Census)	House Prices (Land Registry Q3 2014)
Exeter	✓	✓			
East Devon	✓	✓	✓	✓	
Mid Devon	✓	✓			✓
Teignbridge	✓	✓	✓	✓	✓

4.13 Duty to Co-operate

4.13.1 The Duty to Co-operate was created in the Localism Act 2011. It places a legal duty on local planning authorities to engage actively to maximise the effectiveness of local plan preparation relating to strategic cross-boundary matters.

4.13.2 The aim is to encourage positive, continual HMA working on issues that go beyond a single local planning authority area. Local planning authorities must demonstrate how they have complied with the duty at the independent examination of their Local Plans.

4.13.3 If a local planning authority cannot demonstrate that it has complied with the duty then the Local Plan will not be able to proceed further in examination.

4.13.4 Housing market and travel to work areas to name but a few may represent a more effective basis on which to plan for housing, transport and infrastructure.

4.13.5 There is an extensive range of policy areas where Devon authorities work closely together.

4.13.6 Working together on this Strategic Housing Market Assessment, the HMA group of Exeter, East Devon, Mid Devon, Teignbridge and the Dartmoor National Park continues to demonstrate that process in complying with the Duty to Co-operate.

4.14 Conclusion

4.14.1 Whilst some authorities have strong links outside the HMA area, notably Mid Devon to Taunton Deane, Teignbridge with the Local Planning Authority areas of South Hams and Torbay and the Dartmoor National Park with South Hams and West Devon, in terms of the linkage to each authority within the HMA group, the evidence from the 2011 Census data shows that these local planning authorities **can be classed a Housing Market Area.**

5 THE EXISTING HOUSING STOCK

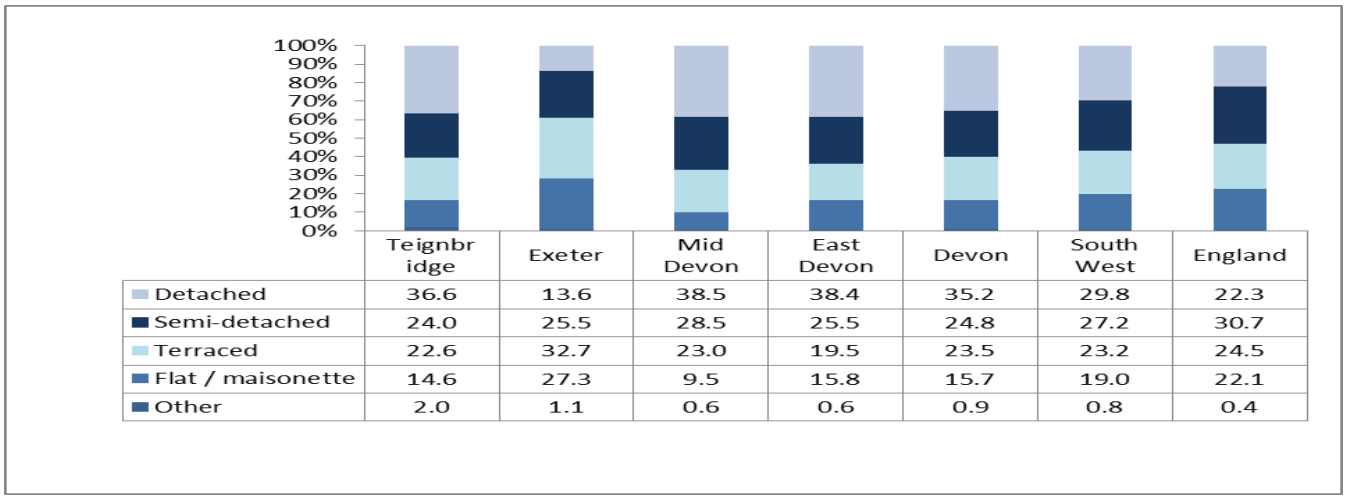
5.1.1 As the vast majority of need is met by the existing stock, it is important to assess the nature of the current housing supply by tenure and property type and size to determine what future delivery should be if the stock is to meet the changing need from demographic and household formation change.

5.1.2 This section sets the scene for later examination of the housing market and outlines current housing circumstances of households in across the Housing Market Area.

5.2 Type Profile

5.2.1 Figure 5-1 below indicates the type of accommodation occupied by existing households from the 2011 Census.

Figure 5-1 Existing Stock by Property Type



	Teignbridge	Exeter	Mid Devon	East Devon	Devon	South West	England
Detached	36.6	13.6	38.5	38.4	35.2	29.8	22.3
Semi-detached	24.0	25.5	28.5	25.5	24.8	27.2	30.7
Terraced	22.6	32.7	23.0	19.5	23.5	23.2	24.5
Flat / maisonette	14.6	27.3	9.5	15.8	15.7	19.0	22.1
Other	2.0	1.1	0.6	0.6	0.9	0.8	0.4

Source: Crown Copyright © Census 2011

5.2.2 Reflecting the nature of the City, Exeter has a much lower level of detached properties when compared to the rest of the HMA Districts, at around half the level of detached properties. The other Districts have higher levels of detached properties than the County of Devon overall and the South West Region. The level of detached properties overall are on average between 14% and 16% higher than the national average level of 22.3%.

5.2.3 Semi-detached properties have similar levels across all the authorities in the HMA and with the exception of Mid Devon, the HMA area has lower levels of semi-detached properties than Devon, the South West and nationally.

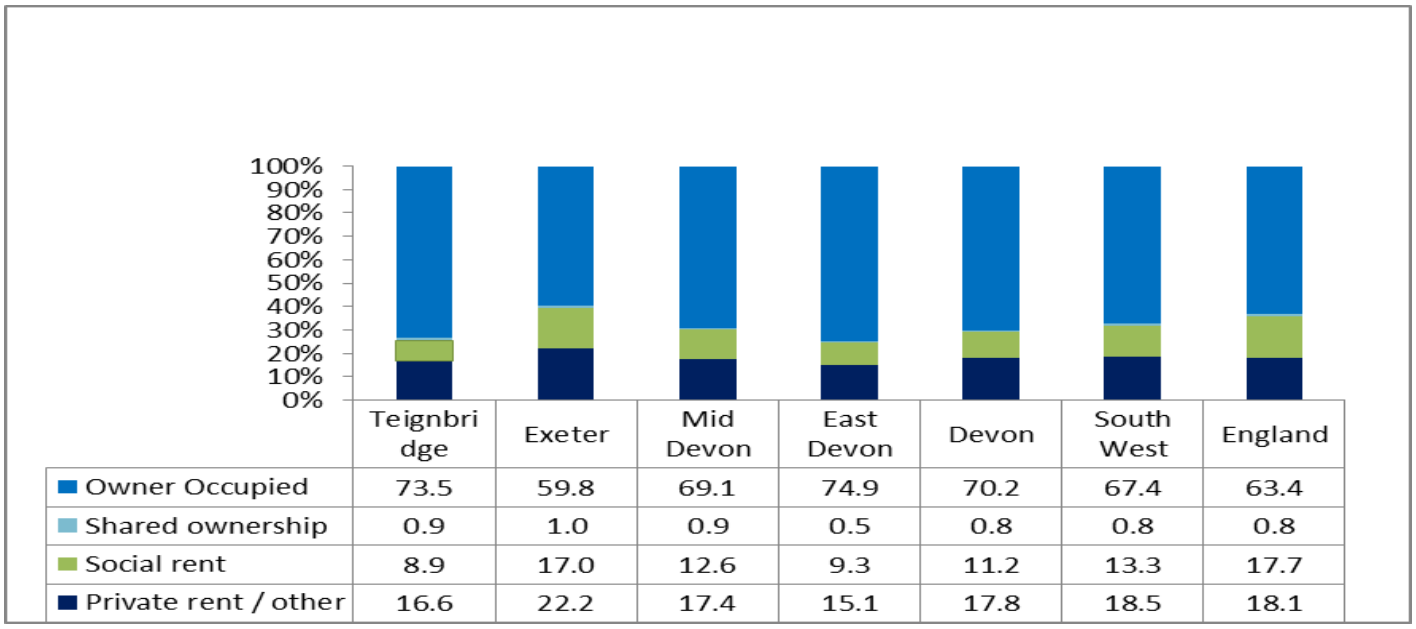
5.2.4 Levels of terraced properties are much higher in Exeter than the other Districts, the lowest levels are found in East Devon.

5.2.5 Flats / Maisonettes are also much higher in Exeter, reflecting the urban area, at 27.3% and are 5.2% higher than national levels.

5.3 Tenure Profile

5.3.1 This section examines the tenure profile in the Housing Market Area. The following graph shows the tenure profile from the 2011 Census.

Figure 5-2 Tenure Profile 2011



	Teignbridge	Exeter	Mid Devon	East Devon	Devon	South West	England
Owner Occupied	73.5	59.8	69.1	74.9	70.2	67.4	63.4
Shared ownership	0.9	1.0	0.9	0.5	0.8	0.8	0.8
Social rent	8.9	17.0	12.6	9.3	11.2	13.3	17.7
Private rent / other	16.6	22.2	17.4	15.1	17.8	18.5	18.1

Source: Crown Copyright © Census 2011

5.3.2 The 2011 Census recorded a level of owner-occupation of 74.9% in East Devon, followed by 73.5% in Teignbridge and 69.1% in Mid Devon, all higher than in Devon (70.2%) the South West at 67.4% and nationally at 63.4%.

5.3.3 Exeter has lower levels of owner-occupation at 59.8%.

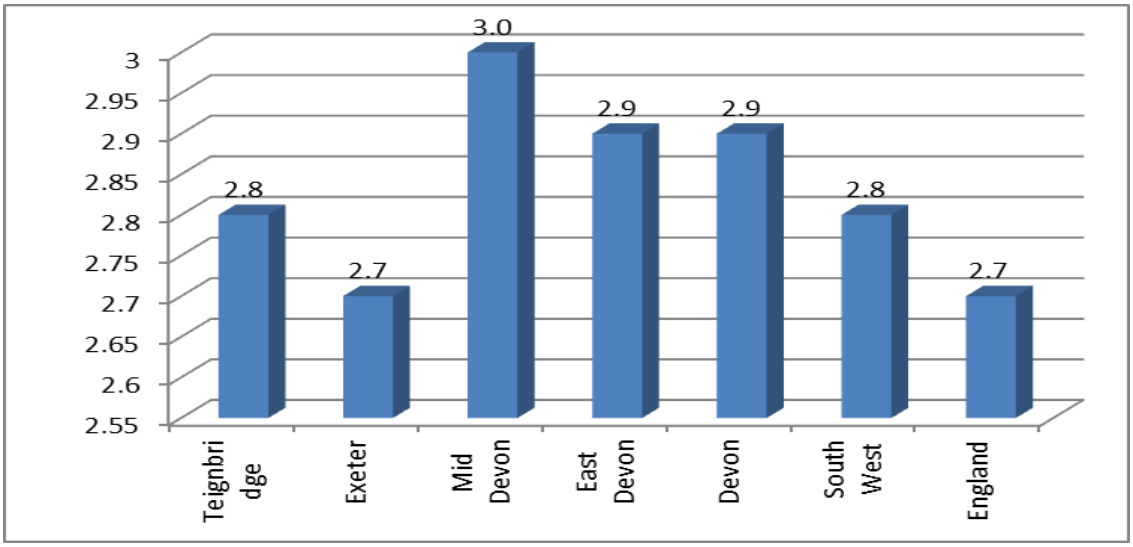
5.3.4 Shared ownership levels were low and similar across all the Districts and benchmark areas, starting from the lowest levels in East Devon at 0.5% rising to 1.0% in Exeter.

5.3.5 The 2011 Census recorded that Exeter has the highest levels of social stock (17.0%), in the HMA similar to the national level of 17.7%. The other districts have much lower levels of social stock ranging from 8.9% in Teignbridge to 12.6% in Mid Devon.

5.3.6 The level of private rented accommodation was 22.2% in Exeter, reflecting the nature of the City compared to the surrounding authorities where levels of private rent was lower ranging from 15.1% in East Devon to 17.4% in Mid Devon.

5.3.7 The figure below shows the average number of bedrooms per household recorded in the 2011 census.

Figure 5-3 Average Number of Bedrooms



Source: Crown Copyright © Census 2011

5.3.8 Mid Devon had the highest average number of bedrooms at 3.0, Exeter had the lowest average at 2.7 but all areas were similar to the County and Regional averages.

5.3.9 The following table shows the breakdown for the number of bedrooms by Local Planning Authority for social stock only.

5.3.10 The majority of stock (around 37.6%) is two bedroom accommodation followed by three bedrooms at 36.4%. The largest concentration of social stock is in East Devon.

Table 5-1 Number of bedrooms in Social Housing Stock

Type	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total Stock
Teignbridge	407	1,301	1,745	83	3,536
Exeter*	1,603	1,768	1,552	92	5,015
Mid Devon*	803	1,260	968	39	3,070
East Devon	1,465	2,352	2,192	108	6,117
Total	**4,278**	**6,681**	**6,457**	**322**	**17,738**

Source: Council Data * only includes Council Stock

5.3.11 In the social stock the main property size was 2 and 3 bedrooms. The supply of 4 bedroom properties is very small in all authorities and is less than 2% across the HMA. The highest proportion of 1 bedroom properties was found in the Exeter at 37.5% of their social stock, but is less than a quarter of all units across the HMA.

5.4 Property Condition and Facilities

5.4.1 As well as the number of properties in the HMA, overall supply is influenced by property condition and investment in maintenance. A residential property is only fit for purpose if it addresses the requirements of those that live in it by meeting minimum quality standards.

5.4.2 *The Housing Act* states everyone should have the opportunity of living in a "decent home". The Decent Homes Standard contains four broad criteria that a property should have. These are outlined below:-

A - be above the legal minimum standard for housing;

B - be in a reasonable state of repair;

C - have reasonably modern facilities (such as kitchens and bathrooms) and services;

D - provide a reasonable degree of thermal comfort (effective insulation and efficient heating).

5.4.3 If a dwelling fails any one of these criteria it is considered to be 'non decent'.

5.4.4 Whilst the changes under the revised definition and guidance for the decent homes standard apply, there has been a change in criterion A of the standard from April 2006. Prior to this change criterion A used the Housing Fitness Standard as the measure of whether a dwelling meets the minimum legal standard.

5.4.5 From April 2006 the new Housing Health and Safety Rating System (HHSRS) under Part 1 of the Housing Act 2004 replaced the existing statutory fitness standard and set new standards for acceptable accommodation.

5.4.6 The new system assesses "hazards" within dwellings and categorises them into Category 1 and Category 2 hazards. Local Authorities have a duty to take action to deal with Category 1 Hazards. The HHSRS also applies to the Decent Homes Standard – if there is a Category 1 Hazard at the property it will fail Criterion A of the standard.

5.4.7 Mandatory duties to deal with Category 1 Hazards include improvement notices, prohibition orders, hazard awareness notices, emergency remedial action, emergency prohibition orders, demolition orders or slum clearance declarations.

5.4.8 Since the new Housing Health and Safety Rating System replaced the Fitness Standard, the proportion of dwellings with a Category 1 Hazard has become the more significant figure utilised when assessing stock condition.

5.4.9 The 2011 Census has not yet released any key indicators of property condition. Other recent studies have therefore been used to assess property condition. Census data can be considered by each Local Planning Authority as it is published.

5.4.10 The South West Regional Assembly carried out a Study in 2009 'The Condition of Private Sector Stock in the South West'. This undertook analysis of the private sector stock across all local authorities in the South West region. It did not however disaggregate analysis to the geography of the Dartmoor National Park but remains the best source of information to understand the quality of private sector stock across the Local Authorities in the HMA.

5.4.11 This report highlighted that the level of non-decent homes were around 32.8% of private sector dwellings in Devon, of which 20.2% had Category 1 hazards.

5.4.12 In terms of Category 1 hazards, Teignbridge had the highest levels at 31.3% followed by Mid Devon at 29.0. The lowest instance was in Exeter with 9.3%.

Table 5-2 Meeting the Decent Homes Standard

Area	% Non Decent	Reason for non-decency			
		Reasonable Repair	Thermal Comfort	Modern Amenities	Cat 1 Hazards
Teignbridge	21.7	27.0	8.6	0.6	31.3
Exeter	29.5	9.6	18.4	2.8	9.3
Mid Devon	42.8	9.9	35.0	0.7	29.0
East Devon	28.8	5.1	18.5	3.8	22.6
Devon	32.8	11.5	23.9	1.6	20.2
South West	21.7	10.3	18.5	2.2	15.5

Source: 2009 South West Regional Assembly

5.4.13 The main reason for non-decency in Teignbridge was category 1 hazards, similarly for East Devon. Teignbridge also had much higher levels of reasonable repair. Thermal comfort is the main reason for non-decency in both Mid Devon and Exeter.

5.4.14 The following table shows the results on central heating from the 2011 Census and compares the findings to the 2001 Census.

Table 5-3 % of Homes with Central Heating 2001 & 2011

Area	2001	2011	change%
Teignbridge	86.8	95.0	+8.2
Exeter	81.1	94.7	+13.6
Mid Devon	85.4	94.4	+9.0
East Devon	91.7	96.1	+4.4
Devon	87.1	94.9	+7.8
South West	91.4	96.4	+5.0
England	92.7	97.3	+4.6

Source: Crown Copyright © Census 2011

5.4.15 The proportion of households across the HMA with central heating in 2011 was 95.1%, this ranged from 96.1% in East Devon to 94.4% in Mid Devon.

5.5 Satisfaction with Accommodation

5.5.1 The English Housing Survey 2012 assessed satisfaction with their accommodation and the results by tenure for England are detailed in the table below.

Table 5-4 % of Household Satisfaction 2012

Tenure	Satisfied	Neither satisfied nor dis-satisfied	Dis-satisfied
Owner-Occupation	95.7	1.9	2.4
Social Rent	82.1	5.9	12.1
Private Rent	83.1	7.0	10.0

Source: English Housing Survey 2012

5.5.2 The data shows the level of satisfaction with accommodation is higher in the owner occupied sector in comparison to the rental sectors with the lowest levels of satisfaction the social rented sector.

5.6 Under and Over-Occupation

5.6.1 The Survey of English Housing highlights overcrowding and under-occupation by tenure over a 3 year period but the data is only available nationally.

Table 5-5 Under / Over-Occupation by Tenure (England)

	Difference from bedroom standard				
	Over-Crowded	At Standard	One Above Standard	Under-Occupied	All Households
Owner Occupation	1.3	13.5	36.2	49.0	**100.0**
Social Rent	6.6	53.7	29.4	10.2	**100.0**
Private Rent	5.7	42.4	36.2	15.7	**100.0**
All tenures	**2.9**	**25.2**	**35.1**	**36.8**	100.0

Note: overcrowding and under-occupation are measured using the bedroom standard Source: 3 year average based on English Housing Survey (EHS) data 2009-2012.

5.6.2 The data shows nationally 49% of owner-occupied properties are under-occupied, with a further 15.7% in the private rented sector making a total 64.7% in the market sector is under-occupied.

5.6.3 Over-occupation over the HMA at 2.9% is below the national level of 3% in the EHS and 4.9% in the 2011 Census.

5.6.4 The highest levels of over-occupation were seen in the social rented sector and the private rented sector. EHS trends data shows that since 2001 over-occupation has increased from 5.4% to 6.6% in social rent in 2012 and from 3.7% in 2001 to 5.7% in private rent.

5.6.5 The levels in owner occupation remain lower and have decreased very marginally by 0.1% since 2001.

5.6.6 A broad assessment of 'under-occupation' and 'over-occupation' at authority level was conducted based on occupancy rating data from the 2011 Census. The "occupancy rating" measures the relationship between the total number of rooms and the total required by the household.

5.6.7 An occupancy rating of -2 rooms would imply that there are two bedrooms too few for the size of the household and categorised as over-occupied. Conversely, an occupancy rating of +2 would imply that there is an excess of two bedrooms above those required for the household, and it is therefore categorised as under-occupied.

5.6.8 This data is presented for each Local Planning Authority and the benchmark areas below.

Table 5-6 2011 Occupancy Rating

	All Categories Occupancy Rating (Bedrooms)	Occupancy Rating (Bedrooms) of +2 or more	Occupancy Rating (Bedrooms) of +1	Occupancy Rating (Bedrooms) of 0	Occupancy Rating (Bedrooms) of -1	Occupancy Rating (Bedrooms) of -2 or less
	Nos.	%	%	%	%	%
Teignbridge	54,003	39.5	37.2	21.3	1.7	0.2
Exeter	49,242	32.2	33.8	30.5	3.1	0.4
Mid Devon	32,758	43.6	33.7	20.6	1.8	0.2
East Devon	59,071	42.9	36.9	18.4	1.6	0.2
Devon	322,644	41.1	35.2	21.5	1.9	0.2
South West	2,264,641	38.7	34.7	23.8	2.6	0.3
England	22,063,368	34.3	34.4	26.5	4.1	0.7

Source 2011 Census

5.6.9 All authorities with the exception of Exeter show higher incidence of Occupancy Ratings of +2 or more, when compared against the national benchmark of 34.3%. Mid Devon and East Devon in particular show higher levels of properties with +2 or more occupancy ratings.

5.6.10 The local authorities are broadly in line with the regional average in terms of the proportion of households with occupancy ratings of 1+ room. Teignbridge and East Devon exhibits the highest levels of household spaces with 1+ room (comprising 37.2% and 36.9% of all dwellings respectively).

5.6.11 In terms of household spaces classified as over-occupied and with an occupancy rating of -1 room, Exeter has the highest proportions (3.1% household spaces) which are above the regional average of 2.6%, but still below the national average of 4.1%).

5.6.12 The other authorities have relatively lower rates of household spaces with ratings of - 1 room, with all finding over-occupation rates below the national and South West regional averages.

5.7 Making Best Use of the Stock

5.7.1 The overall under-occupation figure of 39.5% was similar than the average found in recent DCA assessments (around 40%). This is a factor of the population demographics and the property size profile in the HMA, which with the exception of Exeter, has above regional and national levels of detached and semi-detached properties.

5.7.2 Tackling under-occupation of family houses to make best use of the existing stock would make a positive contribution to addressing the over-occupation in the stock and meeting need for family units through better re-let supply, especially in the social sector. In practice it is recognised that this is not easy to achieve.

5.7.3 The scale of under and over-occupation in the social sector stock is detailed in the table below.

Table 5-7 Under & Over- Occupation in Social Sector Stock

AREA	Under-Occupation		Over-Occupation	
	Nos.	%	Nos.	%
Teignbridge	516	10.7	268	5.6
Exeter	744	8.9	603	7.2
Mid Devon	429	10.4	218	5.3
East Devon	731	13.3	294	5.3
HMA	**2,420**	**10.8**	**1,383**	**5.9**

5.7.4 Achieving a better flow of family units should also have a cascade effect, increasing turnover of all smaller unit sizes as households are able to transfer to larger units to meet their need**.**

5.7.5 In effect up to four household moves could result from the delivery of one new older persons unit, as households move up to the property size they require, ultimately also housing households in need of one bedroom properties, the **highest need** by size in all authorities.

5.8 Shared Housing and Communal Establishments

5.8.1 Shared housing and communal establishments are an important type of accommodation for people vulnerable to homelessness as well as for students. The most reliable data is from the Census.

5.8.2 In 2011, 12,661 residents in the HMA lived in 681 communal establishments. The breakdowns of the types of establishments are shown in the graph below.

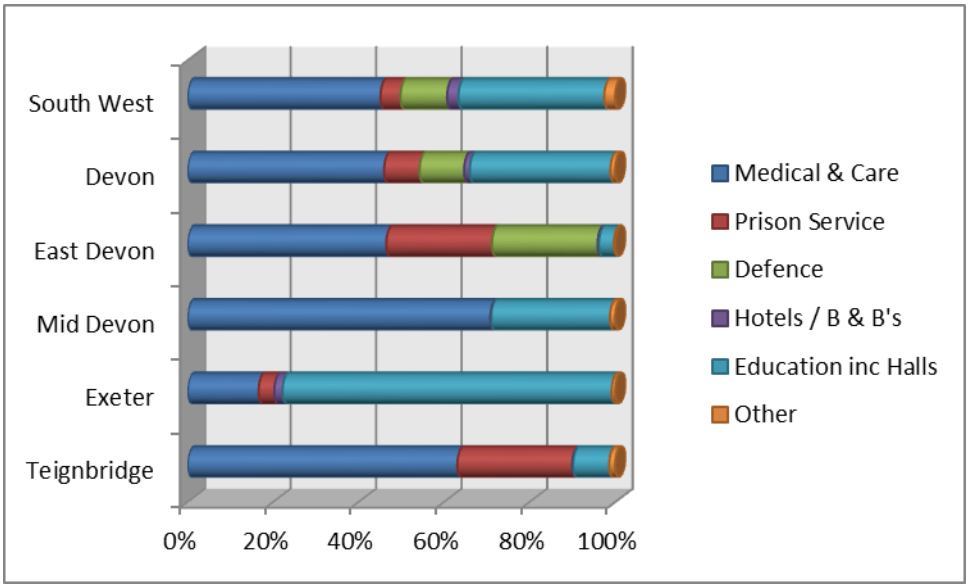
5.8.3 The numbers of communal establishments and residents in each of the benchmark areas are shown in Table 5-8.

Table 5-8 Communal Establishments by Area

Area	No. of Communal Establishment	No. of Residents
Teignbridge	235	2,883
Exeter	182	5,965
Mid Devon	86	884
East Devon	178	2,929
Devon	1,297	18,662
South West	7,872	113,851
England	54,596	952,525

Source: Crown Copyright © Census 2011

Figure 5-4 Type of Communal Establishments by Area



5.9 Key Findings

- The HMA area, with the exception of Exeter, has above regional and national levels of detached and semi-detached properties.
- The 2011 Census recorded that Exeter has the highest levels of social stock (17.0%), in the HMA similar to the national level of 17.7%. The other districts have much lower levels of social stock ranging from 8.9% in Teignbridge to 12.6% in Mid Devon.
- Mid Devon had the highest average number of bedrooms at 3.0, Exeter had the lowest average at 2.7 but all areas were similar to the County and Regional averages.
- The overall over-occupation level of 2.0%, is lower than the average UK level indicated by the Survey of English Housing 2012 at 2.9%.
- All authorities with the exception of Exeter show elevated incidences of Occupancy Ratings of +2 or more, when compared against the national benchmark of 34.3%.
- The overall under-occupation figure of 39.5% was similar to the average found in recent DCA surveys (40%). This is a factor of the population demographics and the property size profile in the HMA.

6 THE ACTIVE MARKET

6.1 Introduction

6.1.1 This section provides an analysis of indicators of the national, regional and local housing market activity to provide an understanding about changes in demand over time and to identify any pressure points within the districts and the market area.

6.1.2 Sources of data utilised are:-

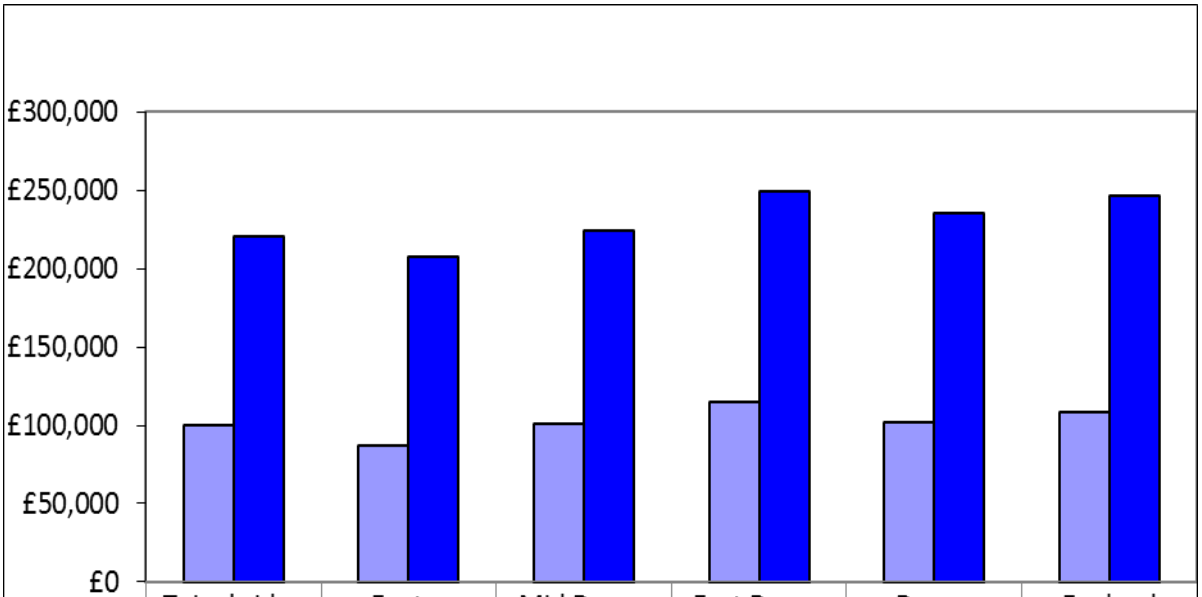
- HM Land Registry Data 2007 – 2014 annual;
- HM Land Registry Data 2014 Quarterly;
- 2014 DCA Estate Agency Survey data.

6.1.3 The information below sets the context for the key issue of the affordability of housing in the area, and in particular the analysis can be related to the problems of low income.

6.2 Average House Prices

6.2.1 Over the thirteen year period property prices have seen an increase across all authorities.

Figure 6-1 2000 -2013 Average Property Price (£)



	Teignbridge	Exeter	Mid Devon	East Devon	Devon	England
2000	£100,031	£87,108	£101,258	£114,793	£101,734	£108,164
2013	£220,543	£207,177	£224,673	£249,225	£235,665	£246,743

Source: Land Registry Residential Property Price Report 2000 and 2013, © Crown Copyright

6.2.2 The rates of price change are very similar with only Exeter showing an increase above the other three authorities at 137% but from a lower base and in overall price terms Exeter is still the lowest price area. The average across the HMA would be 124% over the 13 years from 2000, the same as nationally and below the County level.

Table 6-4 House Price Growth %, 2000 - 2013

	Price Change %
Exeter	137
East Devon	118
Mid Devon	121
Teignbridge	120
HMA Average	**124**
Devon	**129**
England	**124**

6.2.3 The table below shows latest Land Registry data on average house prices at the 3rd quarter, September 2014.

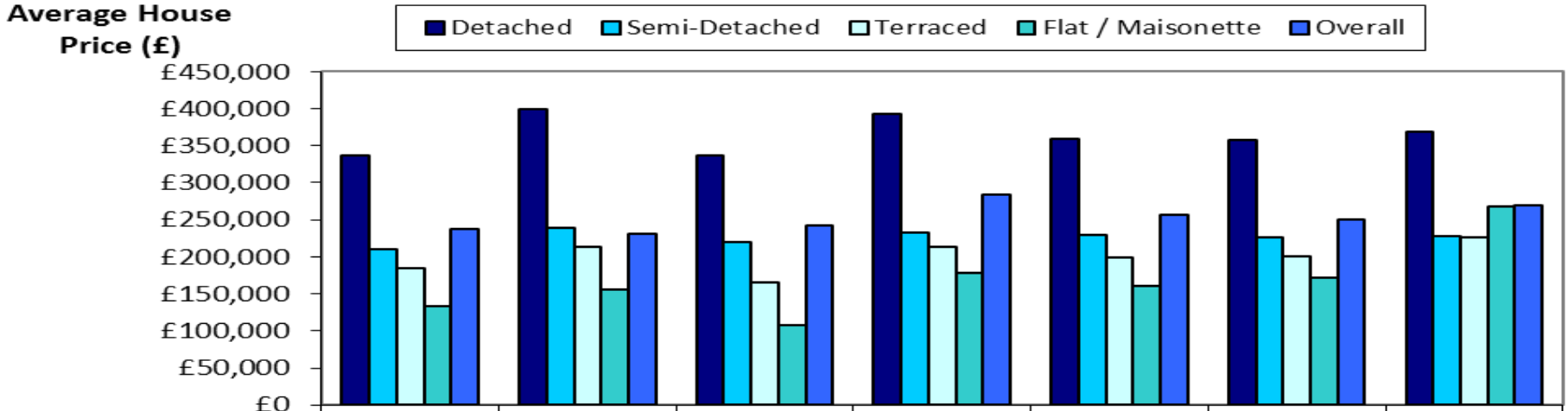
6.2.4 The average property price of £231,782 in Exeter is lower than the surrounding authorities, the County, Region and England / Wales.

6.2.5 The highest average price across all areas is in East Devon (£283,480), followed by Mid Devon (£242,035) and Teignbridge (£237,315).

6.2.6 The average price of a flat in East Devon is £178,113, higher than all the surrounding authorities and the County and Region. The lowest average flat price is in Mid Devon (£108,343) followed by Teignbridge (£133,987) and Exeter (£155,540).

6.2.7 The average price of a terraced property is cheapest in Mid Devon (£165,476) followed by Teignbridge (£183,915) and Exeter (£213,056). The highest average price of a terraced house is in East Devon (£214,098).

Figure 6-2 Average House Prices by Type, Q3 2014



	Teignbridge	Exeter	Mid Devon	East Devon	Devon	South West	England & Wales
Detached	£336,587	£398,790	£337,428	£392,228	£359,849	£358,182	£368,918
Semi-Detached	£209,555	£239,571	£219,728	£232,161	£230,259	£226,789	£227,265
Terraced	£183,915	£213,056	£165,476	£214,098	£199,333	£199,935	£226,163
Flat / Maisonette	£133,987	£155,540	£108,343	£178,113	£161,038	£171,370	£267,228
Overall	£237,315	£231,782	£242,035	£283,480	£257,353	£249,674	£269,890

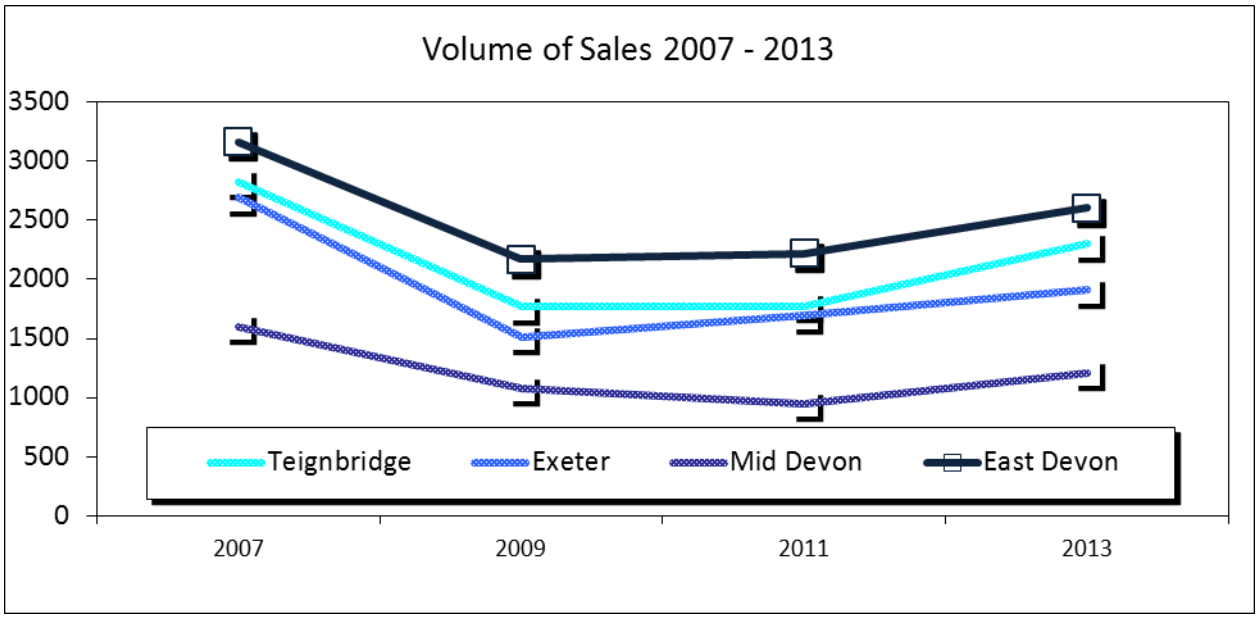
Source: Land Registry Residential Property Price Report, Quarter 3 2014, © Crown Copyright

6.3 Volume of Sales

6.3.1 The graphs below show the volume of sales of new and existing homes between 2007 and 2013 for the HMA districts. Overall volumes of sales have decreased over the six year period.

6.3.2 Between 2007 and 2013 sales levels in Exeter fell by 29%, the largest reduction which could reflect the proportion of first time buyers in the City market compared to the other districts. Mid Devon fell overall by 24.3% and Teignbridge by 18.6%. The lowest reduction was in East Devon where sales fell by 17.7%.

Figure 6-3 Volume of Sales 2007-2013



Source: Land Registry Residential Property Price Report, 2007 to 2013, © Crown Copyright

6.3.3 The data also shows that the volume of sales per annum in the County fell by 34.9% similar to the levels found in Exeter, Mid Devon and East Devon.

6.3.4 Sales in the South West Region fell by 41.3% and by 44.6% nationally between 2007 and 2013, reflecting a greater level of impact of the recession than the Exeter HMA and the Devon County housing markets.

6.4 Entry Sales Levels

6.4.1 Entry to the market is clearly dependent on availability, a factor which is particularly critical for low income households who can only enter the market in any numbers where there is an adequate supply of affordable homes.

6.4.2 First-time buyers as new entrants to the housing market do not purchase houses at average prices as they do not have average incomes. Although average prices are useful for comparisons in general they are not the purchase levels used in assessing the ability of households to enter local markets.

6.4.3 In broad terms new purchasers of either flats or terraced properties buy in the lowest quartile of prices i.e. the bottom 25%.

6.4.4 An internet search of the local estate agents was undertaken to ascertain the cost of the cheapest units available i.e. the lowest quartile stock costs in each District and sample size. The sample size of entry level properties was 268 across the HMA.

6.4.5 The entry level stock in the Exeter HMA is considered to be flats as they are the cheapest units with an adequate level of supply for sale to concealed households.

Table 6-1 Entry Sales Levels (£) in the Exeter Housing Market Area – December 2014

	1 Bedroom Flat	2 Bedroom Flat	2 Bedroom Terraced	3 Bedroom Terraced	2 Bedroom Semi-Detached	3 Bedroom Semi-Detached
Teignbridge	90,000	125,000	125,000	169,950	169,500	169,999
Exeter	100,000	135,000	160,000	185,000	170,000	189,950
Mid Devon	78,500	108,000	115,000	139,950	120,000	169,950
East Devon	89,950	115,500	125,000	139,950	155,000	180,000
National Park	99,950	130,000	135,000	179,950	179,950	169,950

Source: DCA Housing Market Survey December 2014

6.4.6 Although the average price of flats in the whole HMA area according to the Land Registry survey is £110,962, lower quartile levels vary across each District with entry prices, starting at around £78,500 for a 1-bed flat in Mid Devon, rising to £135,000 for a 2-bed flat in Exeter.

6.4.7 2 bedroom terraced properties start at £115,000 in Mid Devon rising to £160,000 in Exeter City. 3 bedroom terraced properties start at £139,950 in Mid Devon and East Devon rising to £185,000 in Exeter.

6.4.8 2 bedroom semi-detached properties start from around £120,000 in Mid Devon rising to £155,000 in East Devon. 3-bedroom semi-detached properties start at £162,500 in Mid Devon and the National Park rising to £189,950 in Exeter.

6.4.9 The cheapest purchase prices of the smallest units in the Districts were assessed in order to calculate the purchase income threshold levels. These are based on 95% mortgage availability and a 3.5 x gross income lending ratio for single earner households.

6.4.10 The table below shows the income levels needed to access the owner-occupied market in each area.

Table 6-2 Purchase Income Thresholds – December 2014

Area	Income Thresholds (£)		
	1 bedroom Flat	2 bedroom Flat	2 bedroom Terraced House
Teignbridge	24,400	33,900	33,900
Exeter	27,100	36,600	43,400
Mid Devon	21,300	29,300	31,200
East Devon	24,400	31,400	33,900
National Park	27,100	35,300	36,600

Source: DCA Housing Market Survey December 2014; NB Figures rounded to nearest hundred.

6.4.11 The cheapest market property in the HMA area for purchase was a 1 bedroom flat in Mid Devon which requires an income of £21,300 compared to £27,100 for the same property in Exeter and the National Park.

6.5 Intermediate Housing Costs

6.5.1 The Intermediate Market Housing definition in NPPF is "*homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing*."

6.5.2 Generally new intermediate housing units are bought almost equally by people moving from private rented accommodation and new forming households, many with incomes inadequate to buy outright. It is important to assess whether households could gain access to the housing they require with minimum levels of subsidy compared to that of social rent.

6.5.3 This is also important in relation to the provision of a more balanced housing market. We have therefore attempted to analyse the cost of provision of intermediate housing in the area in an attempt to assess the proportion of households who may be able to be assisted by new provision of this type.

6.5.4 Shared-ownership gives residents the chance to buy a percentage share of a new build property, and you rent the remaining share from a housing association. This makes home ownership more affordable as it reduces the amount required for a deposit, and you only pay the mortgage on the share you own.

6.5.5 In England, shared ownership is a Help to Buy scheme. Help to Buy is the brand for the government funded initiative of affordable home ownership schemes designed to help people who cannot afford to buy a home that suits the needs of their household.

6.5.6 Over the years several scheme names have been used (i.e. part buy/part rent) but the current Help to Buy schemes are 'Equity Loans' and 'Shared Ownership'.

6.5.7 The Homes and Communities Agency (HCA) have appointed 15 Local Help to Buy Agents providing coverage across England. The Local Help to Buy Agent is there to guide you through the options available via Help to Buy and explain the eligibility and affordability criteria.

6.5.8 The Local Help to Buy Agent appointed by the Government for the Exeter Housing Market Area is South West Homes and the schemes currently available are Help to Buy – Equity Loan, Help to Buy – Shared Ownership, Affordable Rent, Rent to Homebuy, Discounted sales and re-sales.

6.6 Eligibility for Shared Ownership

6.6.1 Shared ownership housing schemes are government funded, and as such there are specific criteria and eligibility rules which govern who can purchase.

6.6.2 There is high demand for Help to Buy - shared ownership option which means that applicants must be prioritised. Priority is given in the following order:-

- Existing social tenants and serving military personnel;
- Local authorities are able to choose priority applicant groups for affordable home ownership according to the specific needs of their locality;
- Other first time buyers who fit all other qualifying criteria detailed above.

6.6.3 However, housing providers do not often receive enough applications from social housing tenants and military personnel to fill their available developments and purchasers are more likely to come from priorities 2 and 3.

6.6.4 There are also shared ownership schemes targeted at specific groups, such as shared ownership for disabled people and those over 55 years old.

6.6.5 The following tables utilise data from the 'Share to Buy' and Rightmove websites and also homes available from South West Homes.

6.6.6 In Mid Devon no shared ownership properties were found at the time of the search, but there were properties available from 160,000 on help to buy schemes.

6.6.7 In Teignbridge it would cost £36,875 for a 25% share in a 2 bed flat on a resale scheme and £249,950 for a 3 bedroom house on a help to buy scheme.

6.6.8 In East Devon the shared ownership prices range from £77,500 for a 50% share for a 2 bedroom house on a shared ownership scheme to £184,995 for a new 3 bedroom house on a help to buy scheme.

6.6.9 In Exeter the lowest shared ownership cost was £66,750 for a 40% share for a 3 bedroom house on a shared ownership scheme and £195,000 for a new 2 / 3 bedroom house on a help to buy scheme.

6.7 Help to Buy and Shared Equity

6.7.1 This is not shared ownership as they buyer owns 100% of the property and is a Government incentive to help first time buyers.

6.7.2 Under these schemes the buyer has to find a mortgage of 75% or 80% of the full market value. For the first 5 years, equity loan will be interest free. After five years a charge is payable typically 1.75% per annum on the outstanding equity loan. This fee will rise on an annual basis by the Retail Price Index (RPI) plus 1%.

6.7.3 All these properties are new build and the service charge has not been calculated. The monthly charge is therefore only the estimated monthly mortgage and is likely to be more with service charges.

6.7.4 The table below shows examples of Shared Ownership properties and all the costs involved. Examples were found in all four Exeter authorities.

Table 6-3 Shared Ownership Costs

Area	Property Type	Full Sale Price	Equity Loan	Monthly Cost*					
				Rent	Mortgage	Service Charge	Total Monthly Cost	10% Deposit	Income Required
Teignbridge	3 bed house	£180,000	40% -£72,000	247.50	378.81	Not known	626.31	7,200	25,027
Teignbridge	2 bed Flat	£147,500	25% - 36,875	253.52	194.01	Not known	447.53	3,688	17,883
East Devon	3 bed house	£155,000	50% - 77,500	177.60	407.75	Not known	585.35	7,750	23,390
East Devon	3 bed house	£197,500	50% - 98,750	226.30	519.55	Not known	745.85	9,875	29,804
East Devon	2 bed house	£175,000	50% - 87,500	200.52	460.36	Not known	660.88	8,750	26,409
Exeter	3 bed house	£166,875	40% - 66,750	229.45	351.19	Not known	580.64	6,675	23,203
Exeter	4 bed house	£250,000	40% - 100,000	343.75	343.75	Not known	869.88	10,000	34,760
Exeter	3 bed house	£215,000	40% – 86,000	295.63	295.63	Not known	748.10	21,500	29,895

Note: Based on a 10% deposit. Monthly costs based on 5.0% mortgage rate over 25 years. New S/O on 2.75% rent

6.7.5 The table below shows examples of Help to Buy and Shared Equity costs. Examples were found in all of the Exeter Housing Market Areas.

Table 6-4 Help to Buy / Shared Equity Costs

Area	Property Type	Full Sale Price	Equity Loan	Monthly Cost*				
				Mortgage	Service Charge (SC)	Monthly Cost Excl SC	10% Deposit	Income Required Excl SC
Mid Devon	2 bedroom house	£160,000	£32,000	£112,000	Not known	£502	£16,000	£20,060
Mid Devon	3 bedroom house	£212,500	£42,500	£148,500	Not known	£666	£21,500	£26,610
Mid Devon	4 bedroom house	£279,950	£55,990	£195,960	Not known	£879	£28,000	£35,125
Teignbridge	3 bedroom house	£249,950	£44,990	£179,965	Not known	£785	£24,995	£31,369
Teignbridge	4 bedroom house	£342,950	£61,730	£246,925	Not known	£1,117	£34,295	£44,656
East Devon	2 bedroom house	£184,995	£36,999	£128,996	Not known	£583	£19,000	£23,296
East Devon	3 bedroom house	£199,995	£39,999	£139,996	Not known	£633	£20,000	£25,294
Exeter	2 bedroom house	£195,000	£39,000	£137,000	Not known	£619	£19,000	£24,735
Exeter	3 bedroom house	£249,995	£49,999	£175,500	Not known	£793	£24,500	£31,689

Note: Based on a minimum deposit of 10%. Monthly costs based on 2.5% mortgage rate over 25 years.

6.8 The Private Rented Sector

6.8.1 The private rented sector has grown in importance over the last decade which has seen very extreme economic and housing market conditions of boom and collapse. These have had major impact on the structure of the market.

6.8.2 The latest report 'The Rental Revolution 2014' published by Knight Frank on the rental market states that there has been a 134% increase in dwellings in the private rented sector in the UK between 1991 and 2011.

6.8.3 According to Census records the change in the private rented sector between 2001 and 2011 is 47.7%, slightly lower than the 50 % change nationally over this decade.

Table 6-5 Variances in the Private Rented Sector 2001 to 2011

Census Year	Private Rent Dwellings (nos.)	Private Rent Dwellings of stock (%)	Decade Change
2001	23,426	13.9	+
2011	34,606	17.8	+11,180

Source: Crown Copyright © Census 2001-2011

6.8.4 There are 34,606 private rented dwellings in the HMA in 2011 compared to 23,426 in 2001, an increase of 11,180 dwellings, a 47% growth between the 2001 and 2011 Census.

6.8.5 The reasons behind this include:-

- a dramatic fall in first time buyers because of affordability, lending criteria and the difficulty in obtaining a mortgage over the last five years;
- a large increase in young households and international migrants in the private rented sector, along with the growth as an investment through buy to let.

6.9 Profile of the Private Rented Sector

6.9.1 The data shows that in Mid Devon, Teignbridge and East Devon the main age group living in private rent are marginally the 35 to 49 age group, closely followed by those aged 25 to 34.

6.9.2 In Exeter the main age group is aged 16-34 years with a lower level of the 35-49 age group compared to the other authorities.

Table 6-6 Age Profile – Private Rent

Age	Exeter %	Mid Devon %	Teignbridge %	East Devon %
16 – 34	57.7	30.6	31.0	29.2
35 – 49	25.3	32.2	31.4	31.8
50 – 64	10.5	21.6	21.6	21.4
65 +	6.5	15.6	16.0	17.6
	100.0	**100.0**	**100.0**	**100.0**

Source: Crown Copyright © Census 2011

6.9.3 The next table shows the household composition of those living in private rent within the HMA.

Table 6-7 Household Composition – Private Rent

Family Composition	Exeter %	Mid Devon %	Teignbridge %	East Devon %
1 adult over 65	2.7	6.6	8.0	8.1
1 adult other	28.7	23.6	26.4	24.0
Couple no child	19.0	20.6	19.7	20.3
Couple with children	13.3	24.3	21.2	23.5
others	27.4	11.2	9.4	11.2
Single parent	8.9	13.7	15.3	12.9
Total	**100.0**	**100.0**	**100.0**	**100.0**

Source: Crown Copyright © Census 2011

6.9.4 Generally the highest group living in private rent was single adults followed by couples with and without children. The lowest category in private rent was single adults aged over 65 years. Exeter has higher levels of 'others' related to the University.

6.9.5 The next table shows the results for the household size of those living in Private Rent within the HMA.

6.9.6 The majority of households in private rent were either single or couple households.

Table 6-8 Household Size – Private Rent

Household Size	Exeter %	Mid Devon %	Teignbridge %	East Devon %
One person	33.0	32.3	36.2	34.5
Two people	30.8	33.7	33.6	33.1
Three people	14.6	16.4	15.8	16.2
Four people	11.2	11.5	9.7	11.3
Five people	5.6	4.2	3.4	3.5
Six or more people	4.8	1.9	1.3	1.4
Total	**100.0**	**100.0**	**100.0**	**100.0**

Source: Crown Copyright © Census 2011

6.9.7 Table 5-11 below highlights the ethnic origin of households living in private rent.

Table 6-9 Ethnic origin of households living in private rent

Ethnicity		Exeter	Mid - Devon	Teignbridge	East Devon
		%	%	%	%
White	English/Welsh/Scottish/ Northern Irish / British	77.1	91.6	93.4	92.9
	Irish	1.0	0.4	0.5	0.5
	Any other white background	10.1	6.3	3.6	4.1
Mixed	White & Black Caribbean	0.4	0.2	0.2	0.1
	White & Black African	0.2	0.1	0.1	0.0
	White & Asian	0.8	0.1	0.3	0.3
	Other mixed	0.5	0.1	0.3	0.2
Asian or Asian British	Indian	1.2	0.3	0.3	0.3
	Bangladeshi	0.2	0.0	0.1	0.1
	Other Asian background	4.8	0.4	0.8	1.0
Black or Black British	Caribbean	0.3	0.0	0.1	0.1
	African	0.8	0.4	0.1	0.2
Any Other	Other Black background	0.1	0.0	0.0	0.0
	Any other ethnic group	2.5	0.1	0.2	0.2
Total		100.0	100.0	100.0	100.0

Source: Crown Copyright © Census 2011

6.9.8 The main ethnic group living in private rented accommodation across the HMA was white English / Welsh / Scottish / Northern Irish / British.

6.9.9 The second highest group were 'any other white background'.

6.9.10 The following table shows the full breakdown of the employment characteristics of those living in private rent.

Table 6-10 Economic Activity of those living in Private Rent

Economic Activity	Exeter	Mid Devon	Teignbridge	East Devon
	%	%	%	%
In Employment - employee	59.9	57.9	56.4	56.4
Self - employed	7.9	16.9	14.7	16.9
Full-time students in employment	8.9	0.4	0.5	0.5
Unemployed	3.6	3.3	3.7	3.0
Retired	6.1	13.7	15.2	16.3
Looking after home or family	1.5	2.3	2.7	1.9
Long term sick or disabled	2.3	3.6	4.7	3.2
Economically inactive student and other	9.8	1.9	2.1	1.8
	100.0	100.0	100.0	100.0

Source: Crown Copyright © Census 2011

6.9.11 The majority of people living in private rent in the borough were employed and self-employed. Levels of retired were higher in Mid Devon, East Devon and Teignbridge compared to Exeter which had higher levels of students.

6.9.12 The occupation groups of those who were employed and living in private rent in the HMA are shown below.

Table 6-11 Occupation groups of those living in Private Rent

Occupation Group	Exeter	Mid - Devon	Teignbridge	East Devon
	%	%	%	%
Managers and Senior Officials	8.6	11.0	12.1	12.3
Professional occupation	22.8	11.8	12.6	12.5
Associate professional and technical	13.4	9.8	11.0	12.0
Administrative and secretarial	8.4	6.7	7.3	6.6
Skilled trade	9.2	19.7	17.6	19.6
Caring, leisure and other service	7.9	9.0	11.4	11.7
Sales and customer service	10.5	6.4	7.8	6.6
Process plant and machine operatives	6.0	12.2	8.9	6.8
Elementary occupations	13.2	13.4	11.3	11.9
	100.0	100.0	100.0	100.0

Source: Crown Copyright © Census 2011

6.9.13 Occupation groups are widely spread across the authorities in the HMA area. Unsurprisingly, Exeter has higher levels of professional occupations and sales and customer service occupations that the other authorities.

6.9.14 Mid Devon, Teignbridge and East Devon have much higher levels of skilled trades and managerial positions than Exeter.

6.9.15 DCA undertook a survey of the main estate / letting agents in each area to gather data on the entry rent levels for each district, set out below. The total sample was around 590 properties, currently available on the market. Some property types had low levels of supply and the data should be treated with caution.

Table 6-12 Average and Entry Rent Levels, December 2014 (£ p/m)

Property Type	Teignbridge		Exeter		Mid Devon		East Devon		National Park	
	Average	**Entry**	Average	**Entry**	Average	**Entry**	Average	**Entry**	Average	**Entry**
1-Bedroom Flat	519	**435**	586	**525**	434	**395**	550	**495**	477	**420**
2-Bedroom Flat	623	**525**	807	**700**	543	**510**	716	**625**	573	**565**
2-Bedroom Terraced	638	**595**	718	**650**	585	**540**	639	**600**	636	**595**
3-Bedroom Terraced	751	**695**	900	**795**	690	**650**	784	**695**	743	**695**
2-Bedroom Semi-detached	674	**650**	Nd	**Nd**	660	**595**	708	**600**	643	**575**
3-Bedroom Semi-detached	824	**750**	943	**825**	727	**660**	762	**695**	751	**695**

Low level of data
Source: DCA House Price Survey December 2014
Nd – No data available

6.9.16 Entry rental costs (the lowest quartile averages) in the private rented sector vary by location across the HMA area.

6.9.17 The private rented sector entry level rents start from £395 per month in Mid Devon, rising to £525 in Exeter for a one bedroom flat, the smallest unit. A 2-bedroom flat ranges from £510 per month in Mid Devon rising to £700 in Exeter.

6.9.18 In the case of 2-bedroom terraced houses, entry rent levels range from £540 per month in Mid Devon, rising to £650 in Exeter. 3-bedroom terraced rents start from £650 per month in Mid Devon, rising to £795 in Exeter.

6.9.19 Entry level rents for 2-bedroom semi-detached homes range from £575 in the National Park rising to £650 in Teignbridge. 3 bedroom semi-detached properties start from around £660 in Mid Devon and rise to £825 per month in Exeter.

6.10 Rental Income Thresholds

6.10.1 The cheapest rental prices of the smallest units in the Districts were assessed in order to calculate the rental income threshold levels. These are based on rent at 25% of gross income (equivalent to 30% of net income). The table below shows the income levels needed to access the private rented market in each area.

Table 6-13 Rental Income Thresholds – December 2014

Area	Income Thresholds (£)		
	1 bedroom Flat	2 bedroom Flat	2 bedroom Terraced
Teignbridge	20,900	25,200	28,600
Exeter	25,200	33,600	31,200
Mid Devon	19,000	24,500	25,900
East Devon	23,800	30,000	28,800
National Park	20,200	27,100	28,600

Source: DCA House Price Survey December 2014
NB Figures rounded to nearest hundred.

6.10.2 The cheapest rental property in the HMA area was in Mid Devon and requires an income of £19,000 for a 1 bedroom flat.

6.10.3 Depending on the household's personal circumstances they may be classed as in need by the Local Planning Authority and placed on the housing register. Therefore there is a possibility that some of the market rent shortfall could be met through an Affordable Rent product.

6.10.4 Affordable Rent is bought or managed by Registered Providers who rent them at lower rental cost than private landlords. This is usually 80% of the market rental value and is examined further in section below.

6.11 Affordable Rents

6.11.1 The Coalition Government introduced Affordable Rents up to 80% of market value for new social rented stock. This decision is to encourage Registered Providers to be less reliant on grant aid for new build schemes and self-finance the schemes by charging a greater amount of rent.

6.11.2 The requirement for property size in the intermediate housing market is mainly one and two bedroom units to meet the needs of concealed households, unable to access the market sector as a FTB.

6.11.3 However, the decision to introduce Affordable Rents at up to 80% of market value for new affordable rented stock has had an impact on discounted market rent as an intermediate housing option.

6.12 Local Housing Allowance for Single People

6.12.1 The Local Housing Allowance (LHA) is a way of calculating Housing Benefit for people who live in **privately rented accommodation**. LHA is a flat rate allowance based on the size of the household (not the size of the property) and the area in which a person lives.

6.12.2 Previously a single person aged under 25 years, who does not have a dependant or a non-dependant person living with them, will be entitled to the standard rate of Local Housing Allowance for a room in shared accommodation.

6.12.3 From January 2012 the shared room rate restriction has applied to single people aged under 35 years. Exemptions, for example for those in receipt of severe disability premium and living in certain types of supported accommodation, have continued to apply.

6.12.4 However when considering housing needs the SHMA Practice Guidance 2007 states that we must include anyone over the age of 25 years sharing facilities. Therefore until new guidance is published anyone over the age of 25 years will be included in the calculation for future housing need.

Table 6-14 Shared Accommodation Maximum Local Housing Allowance / Lower Quartile PRS Monthly Rents at December 2014

Area	No. of PRS Shared Properties Found*	Shared	
		LHA**	PRS Rent*
East Devon	42	£264	£384
Exeter	83	£319	£378
Mid Devon	40	£264	£345
Teignbridge	65	£319	£382

Source: *DCA House Price Survey December 2014 ** Council Data

6.12.5 There are not a large number of shared accommodation properties available in a sector that where demand will more than likely increase due to the benefit changes.

6.12.6 The Councils and Registered Housing Providers should investigate how many single person households may be affected by these changes and offer them housing options and benefit advice.

6.13 WELFARE REFORMS

6.13.1 The Government has implemented a number of changes to the benefit system. The Welfare Reform Act of 2012 introduced a range of changes that will have an impact on the private rented sector, housing associations and their tenants.

6.13.2 The majority of the changes will only affect those residents of working age, although retired households where one person is of working age may be affected when universal credit is introduced.

6.13.3 A number of the changes have already been implemented in the private rented sector such as:-

- A cap on the amount of local housing allowance paid depending on the size of the house;

- Under-occupancy criteria;
- Single under-35 year olds only eligible for shared accommodation housing benefit.

6.13.4 The main changes are now affecting the social rented sector, including the size criteria for social housing and the household benefit cap. This was introduced from April 2013 and the new Universal Credit is due to be phased in between April 2013 and 2017.

6.13.5 The primary component of the Welfare Reform Act is the introduction of Universal Credit from April 2013 in certain areas which will result in a single benefit payment being made directly to social housing tenants.

6.13.6 It has also introduced size criteria (often referred to as the bedroom tax) for the calculation of housing benefit in the social rented sector as well as caps on total benefits to be introduced during 2013.

6.13.7 These reforms are likely to have financial impacts on housing associations and tenants and, in turn, will lead to the adoption of coping strategies with important consequences.

6.13.8 Data from the 2013 English Local Authority Statistics on Housing (LAHS) on Houses in Multiple Occupation (HMOs) have been analysed for the authorities within the HMA area.

Table 6-15 Number of Houses in Multiple Occupation

Social Rented	Number of HMOs	HMOs mandatory licensable	HMOs issued with a licence
Teignbridge	208	--	13
Exeter	2,510	740	860
Mid Devon	122	8	--
East Devon	--	--	--

6.13.9 The scale of HMO property in Exeter reflects that there are 18,500 students at Exeter University, many of whom live in the large private rented sector in the City.

6.13.10 The number of licensed HMOs undoubtedly will continue to increase with the changes to the benefits system for single people under 35 years of age.

6.13.11 From April 2013 the Government introduced a weekly limit on the total amount of benefit that most people aged 16 to 64 can get. This is called a 'benefit cap'. The benefit cap was introduced on 15 April 2013 to some Councils and was gradually extended to all Council areas by 30 September 2013.

6.13.12 The cap will apply to the total amount that the people get from the following benefits:

- Bereavement Allowance;
- Carer's Allowance;
- Child Benefit;
- Child Tax Credit;

- Employment and Support Allowance (unless it includes the support component);
- Guardian's Allowance;
- Housing Benefit;
- Incapacity Benefit;
- Income Support;
- Jobseeker's Allowance;
- Maternity Allowance;
- Severe Disablement Allowance;
- Widowed Parent's Allowance (or Widowed Mother's Allowance or Widows Pension that started before 9 April 2001).

6.13.13 The level of the cap will be:

- £500 a week for couples (with or without children living with them);
- £500 a week for single parents whose children live with them;
- £350 a week for single adults who don't have children, or whose children don't live with them.

6.13.14 The cap will not affect anyone whose household qualifies for Working Tax Credit or gets any of the following benefits:

- Disability Living Allowance;
- Personal Independence Payment;
- Attendance Allowance;
- Industrial Injuries Benefits (and equivalent payments as part of a war disablement pension or the Armed Forces Compensation Scheme);
- Employment and Support Allowance, if you get the support component;
- War Widow's or War Widower's Pension.

6.13.15 Local authorities should ensure that residents receive the necessary advice and assistance in dealing with the changes to their benefits. This may include:

- Housing option advice; and
- Benefit advice.

6.14 NHF Research[1]

6.14.1 In 2012 Ipsos MORI and the University of Cambridge carried out a national survey on the Impact of Welfare Reform on Housing Associations on behalf of The National Housing Federation (NHF).

6.14.2 A summary of the findings for each Region was produced. In the South West, 54 Housing Associations took part in the survey and we have listed the findings below in the next two pages.

[1] Ipsos MORI and the University of Cambridge '**Impact of welfare reform on housing associations – 2012 Baseline report'** For the National Housing Federation January 2013

Anticipated impact of welfare reform

6.14.3 84% of Associations operating in the South West say they will be affected either a great deal or a fair amount by introduction of direct payments to tenants (compared to 81% overall).

6.14.4 59% say they will be significantly affected by the size criteria and 36% by the household benefit cap (compared to 61% and 27% respectively overall).

6.14.5 Associations operating exclusively in the South West on average anticipate a 56% increase in rent arrears following introduction of welfare reforms.

6.14.6 25% think it is likely that increased debt arising from the welfare reforms will make it harder to meet loan covenants (compared to 22% overall).

6.14.7 56% of South West Associations think their tenants know hardly anything or nothing at all about the benefit changes (compared to 57% overall).

Potential impacts of the introduction of the size criteria

6.14.8 95% of Associations operating in the South West consider increased difficulty in rent collection likely following introduction of the size criteria (compared to 90% overall).

6.14.9 96% say a rise in the level of arrears is likely and 91% expect a fall in total rental income following introduction of the size criteria (compared to 90% and 82% respectively overall).

6.14.10 80% say a change in allocations policy relating to working age households on housing benefit is likely and 67% think a policy change is likely for those not on housing benefit.

6.14.11 4% of Associations operating in the South West and involved in the Affordable Homes Programme believe that the introduction of the size criteria will make it a great deal harder to meet their delivery commitments (compared to 5% overall). 16% think it will not affect them at all.

6.14.12 41% of South West Associations have reported an increase in requests for a transfer from under-occupying households in the last six months (compared to 43% overall).

Potential impacts of the household benefit cap

6.14.13 68% of Associations operating in the South West consider increased difficulty in rent collection likely following introduction of the household benefit cap (compared to 63% overall).

6.14.14 59% expect a fall in total rental income following introduction of the household benefit cap (compared to 49% overall).

6.14.15 34% say a change in allocations policy (e.g. to prioritize those affected by the cap for internal transfers) is likely (compared to 35% overall)

6.14.16 8% of South West Associations involved in the Affordable Homes Programme believe that the introduction of the household benefit cap will make it a great deal harder to meet their delivery commitments (compared to 4% overall). 31% think it will not affect them at all.

Potential impacts of direct payment of benefit to tenants

6.14.17 98% of Associations operating in the South West think they will have to provide more resources for things like money advice and arrears management following introduction of direct payments to tenants (compared to 92% overall).

6.14.18 97% think increased difficulty in rent collection is likely and 96% say a rise in the level of arrears is likely following introduction of direct payments to tenants (compared to 90% and 89% respectively overall).

6.14.19 85% expect a fall in total rental income following introduction of direct payments to tenants (compared to 78% overall).

6.14.20 3% of South West Associations involved in the Affordable Homes Programme believe that the introduction of direct payment to tenants will make it a great deal harder to meet their delivery commitments (compared to 10% overall). 16% think it will not affect them at all.

6.14.21 Associations operating in the South West on average estimate that 21% of their tenants are on housing benefit and do not have access to a bank account and direct debit facility (compared to 30% overall).

What Housing Associations are doing to prepare

6.14.22 93% of Associations operating in the South West have begun to look at the risks and opportunities of welfare reform (compared to 95% overall), 70% have started to take action.

6.14.23 Associations operating in the South West are, on average, planning to spend c£51,840 each in 2013 to prepare for welfare reforms (compared to a regionalized overall average of c£32,575).The highest amount spent in preparation by South West Associations is £276,000.

6.14.24 Anticipated additional average spend in the year to April 2014 is c£74,900 each (compared to a regionalized overall average of £54,630).The highest amount of additional spend anticipated by South West Associations is c£900,700.

6.14.25 80% of Associations operating in the South West are providing (or planning to) additional money advice and 50% are undertaking (or planning to) customer analysis to identify and target under-occupiers with help (compared to 76% and 66% respectively overall).

6.15 Housing Benefit and Under-Occupancy

6.15.1 From April 2013 the Government introduced a new 'size criteria' (bedroom tax) for tenants renting the social sector. As a result, any working age household deemed to be under-occupying their property will see a reduction in their housing benefit.

6.15.2 The new size criteria will only apply to working age households in any social sector housing. It does not apply to pensioner households who are specifically excluded from this legislation or those living in private rented accommodation as they are covered under new Local Housing Allowance (LHA) regulations.

6.15.3 From April 2013, the number of bedrooms a working age household is deemed to require will be based on the following criteria for a 1 bedroom property:-

- A couple;
- Adult aged 16+.

6.15.4 The number of bedrooms a working age household is deemed to require will be based on the following criteria for a 2 bedroom property:-

- One child;
- Two children aged 0-16 years of the same sex;
- Any 2 children under the age of 10.

6.15.5 There will be discretionary help for disabled tenants who require an extra bedroom for an overnight carer and for those households with foster children. For any household deemed to have more bedrooms than they require their housing benefit will be reduced by:-

- 14% for 1 'extra' bedroom;
- 25% for 2 or more 'extra' bedrooms.

6.15.6 Information received from the authorities Housing Benefit databases suggests the numbers of households that will be affected by the size criteria, and we have looked at data for those under occupying by one bedroom and more than two bedrooms, analysis is shown in the table below.

Table 6-16 Number of Households affected by the size criteria

Social Rented	Number of households affected	Under-occupying by 1 bedroom	Under-occupying by 2+ bedrooms
Teignbridge	430	354	76
Exeter	817	662	155
Mid Devon	317	247	70
East Devon	428	355	73

6.15.7 The table below shows the shortfall of housing benefit for households under occupying by one and two or more bedrooms.

Table 6-17 Social Housing Residents Affected by the HB Size Criteria

	14%		25%	
Area	No. of households	Average weekly difference in eligible rent	No. of households	Average weekly difference in eligible rent
Teignbridge	354	£11.38	76	£17.09
Exeter	662	£11.70	155	£20.10
Mid Devon	247	£12.47	70	£22.42
East Devon	355	£12.41	73	£21.59

6.15.8 There are a large number of social rented tenants affected by the changes in Housing Benefit payments. Council and Registered Providers Officers should ensure that they contact the affected residents and offer housing options and benefit advice.

Housing Benefit Changes

6.15.9 The amount of housing benefit paid for a private rented property is usually based on the LHA in the area, household income and personal circumstances.

6.15.10 From the 15th April 2013 the maximum amount of housing benefit that can be received is:

Table 6-18 Maximum Housing Benefit Payable

Property	Weekly amount
1 bedroom (or shared accommodation)	Up to £250
2 bedrooms	Up to £290
3 bedrooms	Up to £340
4 bedrooms	Up to £400

6.15.11 Data from the Council's Housing Benefit database suggests that 42 social housing tenants across the HMA area will be affected by the benefit cap that has been introduced :-

- 16 in Exeter;
- 13 in Mid Devon;
- 13 in East Devon.

6.15.12 The number of tenants affected by the changes in Housing Benefit payments is quite large and Council and Registered Provider Officers should contact the affected households to discuss their housing options.

6.15.13 The table below shows the maximum Local Housing Allowance payable from April 2013 for the Exeter Housing Market Areas.

6.15.14 The allowance varies from area to area. The table below shows the lower quartile private sector rent for the same areas.

6.15.15 In Exeter and East Devon the local housing allowance will not meet the full amount of private sector rent. However, In Teignbridge it is marginally met in 2 bedroom properties and in Mid Devon the local housing allowance will meet the full amount of private sector rent.

Table 6-19 Maximum LHA / Lower Quartile PRS Monthly Rents (Dec 2014)

Area	Shared		1 Bedroom		2 Bedrooms		3-Bedrooms	
	LHA	PRS Rent	LHA	PRS Rent	LHA	PRS Rent	LHA	PRS Rent
Teignbridge	£319	£382	£500	£435	£606	£525	£707	£695
Exeter	£319	£378	£500	£525	£606	£650	£707	£795
Mid Devon	£286	£345	£416	£395	£542	£510	£650	£650
East Devon	£286	£384	£416	£495	£542	£600	£650	£695

6.15.16 Exeter and East Devon are the most expensive authorities in the housing market area. It is unlikely that residents living in more expensive neighbouring authorities will move to these HMA authority areas for more affordable housing as the LHA also falls short of private rent costs in these areas. In fact those living in unaffordable housing in the HMA area may choose to leave their current area to a more affordable area.

6.15.17 Mid Devon is the least expensive authority in the HMA. It may be likely that residents currently living in more expensive neighbouring authorities will move to Mid Devon for access to more affordable housing.

6.15.18 It is therefore difficult to predict the affect on need for additional private rented properties across the HMA and also how these changes will affect the HMA or any other Local Authority, as cost is not the major factor which drives housing markets.

6.15.19 There is speculation that residents affected by the housing benefit changes will move to areas that offer cheaper housing however this cannot be quantified. Once the changes have been in place for a year it will more likely that some information may be available on the pattern of migration.

6.15.20 Social housing providers will need to take these new regulations into account when allocating housing as well as when deciding on property sizes on new developments.

6.15.21 Under-occupancy of large family homes is already being prioritised by many housing providers.

6.15.22 The changes will heighten the need to address under-occupancy to ensure that residents on low incomes do not fall into arrears due to reduced housing benefit being paid towards their rent.

6.16 Impact of Welfare Reform on Social Landlords and Tenants[2]

6.16.1 The report by the Joseph Rowntree Trust details the experiences of both social landlords and tenants as these reforms are implemented. It includes findings from:

- a survey of 16 housing associations, interviewing all English regions;
- a survey of 200 social housing tenants in the South West region;
- two tenant think tanks on welfare reform involving 135 tenants;
- LSE Housing and Communities wider work in London's low-income communities.
- The report states that "*As welfare reform gradually takes effect, low-income tenants and social landlords, two of the groups more directly affected, struggle with its impacts. The ripple effect in communities is far greater than government figures suggest. Social landlords, housing around one in five of the population, operate in the most disadvantaged areas, housing the most disadvantaged people, and therefore are hard hit by the reforms*."

[2] Joseph Rowntree Trust: The impact of welfare reform on social landlords and Tenants Jun 2014

Report Headline Findings

- Social housing tenants **rely heavily on benefits**, so they are hard hit by cuts in welfare support. More working-age tenants are out of work than in work. The harshest impacts of cuts are on working-age tenants with 'spare' bedrooms, tenants with health problems, large families (three or more children) and lone parents.
- The benefit system is becoming much **tougher and tighter** with more sanctions against unemployed people for failing to comply with sometimes arbitrary or unfair work conditions, reclassification of people with disabilities, exclusion from entitlements and suspensions of payments of rent or other supplementary support.
- In order to make ends meet and pay essential bills, tenants are cutting back on **food and energy use**. Food banks are becoming a lifeline for many households. Fuel poverty and rising energy bills are making energy saving advice and investment a high priority.
- Tenants face **rising costs and often falling incomes** whether in work or not – energy bills sometimes tip the balance of tight budgets into debt. But people show resilience and skill in managing on small amounts of money, with often very little margin.
- Tenants and landlords report a widespread **increase in poverty**, anxiety, insecurity and fear of more evictions. People mostly rely on family and friends for help, but they resort frequently to borrowing and debt problems are mounting. Both tenants and landlords expect **evictions to rise** and the lowest-income households to be excluded in future.
- **Tenants and social landlords are** becoming more interdependent, so there is more tenant training, more active advice on finances, more interaction. Both housing associations and government have developed a much **stronger focus on work**, training and skills to help tenants meet their housing, fuel and food costs.
- In order to retain the viability of social landlords and help tenants to manage, housing associations are intensifying housing management resources on the **front line** and community support. The idea of Housing Plus, doing more in low-income communities than collecting the rent and managing the tenancy, has taken hold.

Conclusion

- Welfare reform is hitting social landlords and their tenants extremely hard. There are three main conclusions.
- Welfare reform may end up making tenants more, not less, dependent, and certainly more vulnerable. Cut-backs in support make people on low incomes, in-work and out, more vulnerable to debt, risk of eviction and being short of core necessities, driving them to rely on food banks and other emergency support.
- The focus on existing property and current tenants limits the capacity of housing associations to build more. They increasingly exclude the poorest applicants from new lettings and so exacerbate the risk of rising homelessness. They have to intensify support to ensure tenants can pay their rents on which their viability depends.
- It is possible that welfare reform will cost the government more as the reliance on private renting grows, the rent caps and Housing Benefit size criteria add costs to housing associations, councils and tenants, and extreme need creates wider social costs, particularly health and education.
- The pace of reform and its wide ranging impacts have weakened the safety net. It is not too late to modify the reforms and changes under way in the light of experience. Safety nets can prevent costly outcomes.

6.17 Key Findings

- The Land Registry data for the area showed a decrease in sales over the six years from 2007-2013. The average house prices in the districts in Quarter 3 2014 ranged from £231,782 to £283,480. Property prices ranging from £108,343 for a flat / maisonette to £336,587 for a detached property.
- The number of sales in the District has decreased ranging from 20.7% in Teignbridge to 39.7% in Exeter over a six year period (2007-2013) compared to 41.3% in the region.
- Entry level stock across the area is considered to be flats as good levels of sales were evident. Property prices start at £78,500 for a 1 bedroom flat rising to £135,000 for a 2 bedroom flat.
- The private rented sector entry level rents start from £395 per month for a 1 bedroom flat and £510 per month for a 2 bedroom flat.

7 ECONOMIC DRIVERS OF THE MARKET

7.1 Introduction

7.1.1 The economic development of an area can be of equal importance in driving change in housing markets, especially due to the effect of migration. This section analyses the recent economic performance in The Exeter Housing Market Area.

7.1.2 It is important to highlight the reciprocal relationship between economic development and the provision of housing. It is a central factor in the need to create a more balanced housing market.

7.2 The UK Economy

7.2.1 Local housing markets are sensitive to macro-economic policies. Interest rates, set by the Bank of England, are monitored by Central Government to achieve and maintain stable, low inflation rates. Higher interest rates can reduce the demand for housing by making it more expensive to borrow money, although households may still aspire to buy in the future.

7.2.2 In March 2010, the Bank of England's Monetary Policy Committee voted to maintain the official Bank Rate paid on commercial bank reserves at 0.5%. Interest rates at 2012 / 13 are at a very low level when compared to those over the last few decades, when they averaged over 12%.

7.2.3 Historic rises in interest rates will have affected the affordability of housing and demand for mortgages. Interest rates can also affect employment levels by increasing the cost of investment.

7.2.4 After a long period of economic growth and low levels of unemployment, this assessment has been conducted during a period of major economic uncertainty, particularly in the finance and housing markets. The financial crisis in the mortgage markets has created a major fall in the availability of mortgages and has caused the fastest fall in the volume of property sales and new development for over 60 years.

7.2.5 This has had a significant impact on land values and unemployment in the building industry, the supply chain of manufacturing companies and estate agency sectors. There is a difficulty in predicting how far the economic decline will go and how long the housing market will remain depressed, as forecasts and data on activity change virtually every month.

7.2.6 In the short term this could have a severe impact on the delivery of a wide range of market housing. Experience of the last recession suggests that developers will build only first time buyer units, more affordable housing and possibly only build to pre-sales.

7.2.7 However mortgage availability and terms have forced new development towards larger family units.

7.2.8 Access to regeneration budgets or to the Housing and Communities Agency (HCA) National Affordable Homes Programme (NAHP) can be an important influence on housing supply together with the availability of land. However, it should be borne in mind that new build is a small proportion of total stock (less than 2% per annum nationally).

7.3 Labour Demand

7.3.1 Labour demand consists of the jobs and vacancies available within an area.

7.3.2 It is important to look at the labour market of an area to try and measure what effect it may have on the housing market. The number of jobs available, the standard of jobs, benefit count, commuting distances and the household Income can all have an effect on the housing market in terms of choice of location, tenure and affordability.

7.3.3 In 2011, the total number of jobs in the Exeter Housing Market Area was 236,000 (ONS Jobs Density, 2011). This includes employees, self-employed, government supported trainees and HM forces.

Table 7-1 Job Density 2012/13 (%)

	Job Density	Total Jobs
Teignbridge	0.73	55,000
Exeter	1.13	90,000
Mid Devon	0.67	32,000
East Devon	0.78	59,000
HMA Total	**0.83**	**236,000**
Devon	0.82	375,000

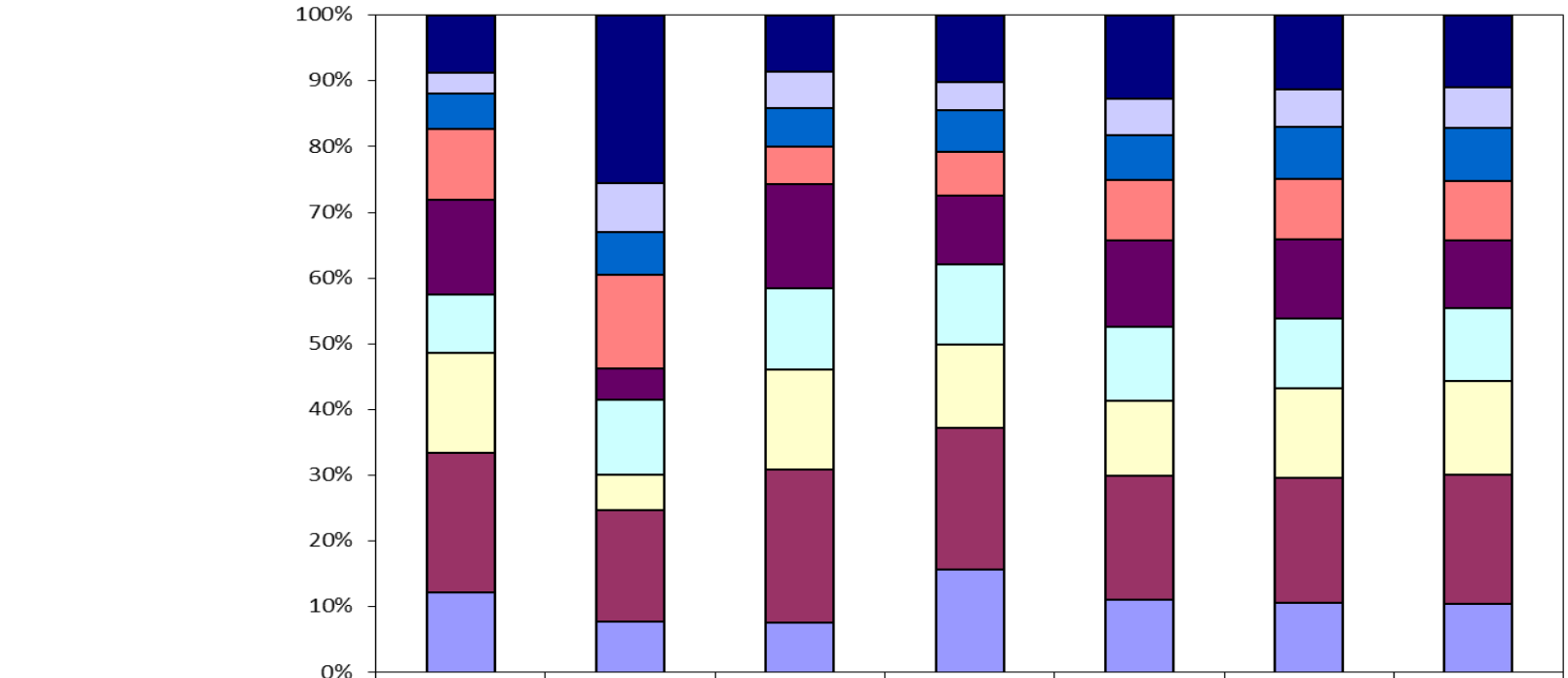
Source: ONS jobs density
Notes: The density figures represent the ratio of total jobs to population aged 16-64.
Total jobs includes employees, self-employed, government-supported trainees and HM Forces

7.3.4 The occupational structure of a population can be used to assess the competitiveness of an economy.

7.3.5 Figure 7-1 below outlines the split by occupation of those who reside in the Exeter Housing Market Area and are currently employed, based on the Standard Occupational Classification System from the 2012/13 Annual Population Survey. The occupational structure of the workforce is linked with the types of industry prevalent within the economy.

7.3.6 Teignbridge and East Devon have the largest occupation groups of Professional, Managers and Senior Officials within the Exeter Housing Market Area and also higher than the levels across the County and Region benchmark areas.

Figure 7-1 Occupational Structure - 2012

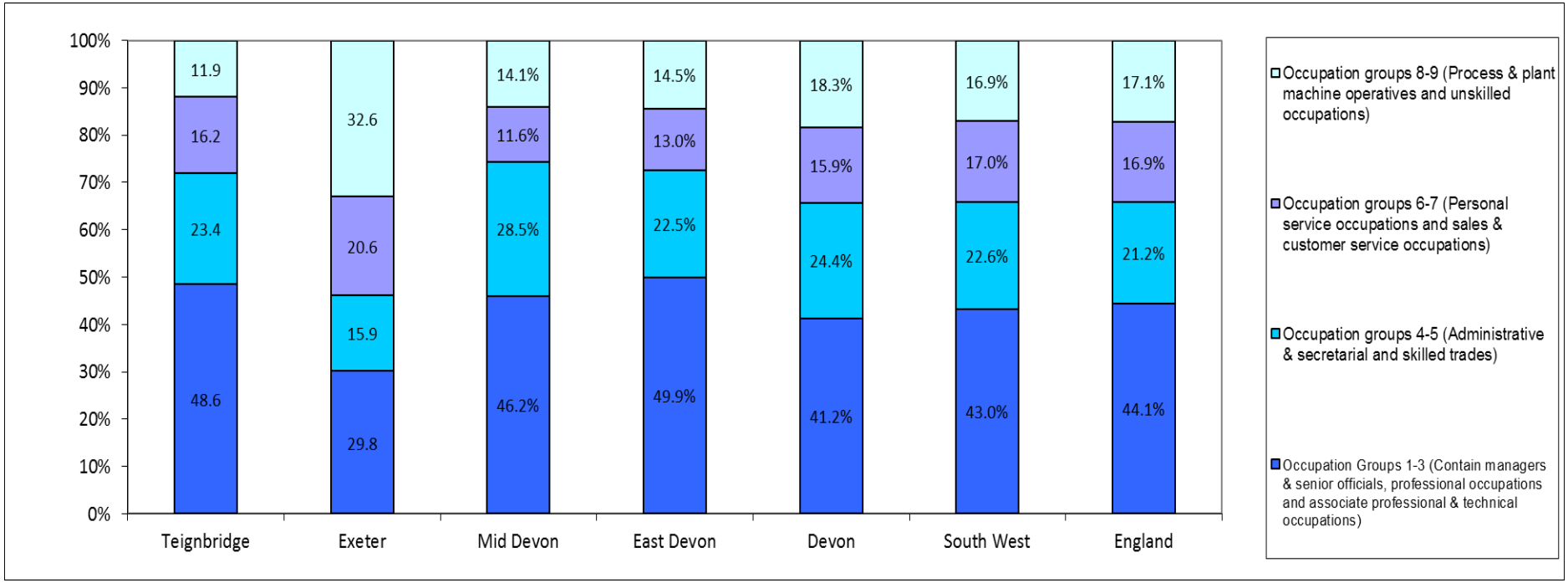


	Teignbridge	Exeter	Mid Devon	East Devon	Devon	South West	England
Elementary	8.8%	25.3%	8.6%	10.2%	12.7%	11.3%	10.9%
Process plant & machine operatives	3.1%	7.3%	5.5%	4.3%	5.6%	5.6%	6.2%
Sales & Customer Service	5.5%	6.4%	6.0%	6.3%	6.7%	7.9%	8.0%
Personal Services	10.7%	14.2%	5.6%	6.7%	9.2%	9.1%	8.9%
Skilled Trades	14.5%	4.7%	15.9%	10.4%	13.2%	12.0%	10.3%
Administrative & secretarial	8.9%	11.2%	12.3%	12.1%	11.2%	10.6%	10.9%
Associate professional & technical	15.2%	5.4%	15.3%	12.7%	11.4%	13.5%	14.3%
Professional Occupations	21.2%	16.7%	23.3%	21.6%	18.7%	19.0%	19.5%
Managers & Senior Officials	12.2%	7.7%	7.6%	15.6%	11.1%	10.5%	10.3%

Source: Annual Population Survey April 2012 – March 2013

7.3.7 Figure 7-2 below details the proportions of workforce employed across the nine occupation groups.

Figure 7-2 Levels of Population by Occupation Group (2012)



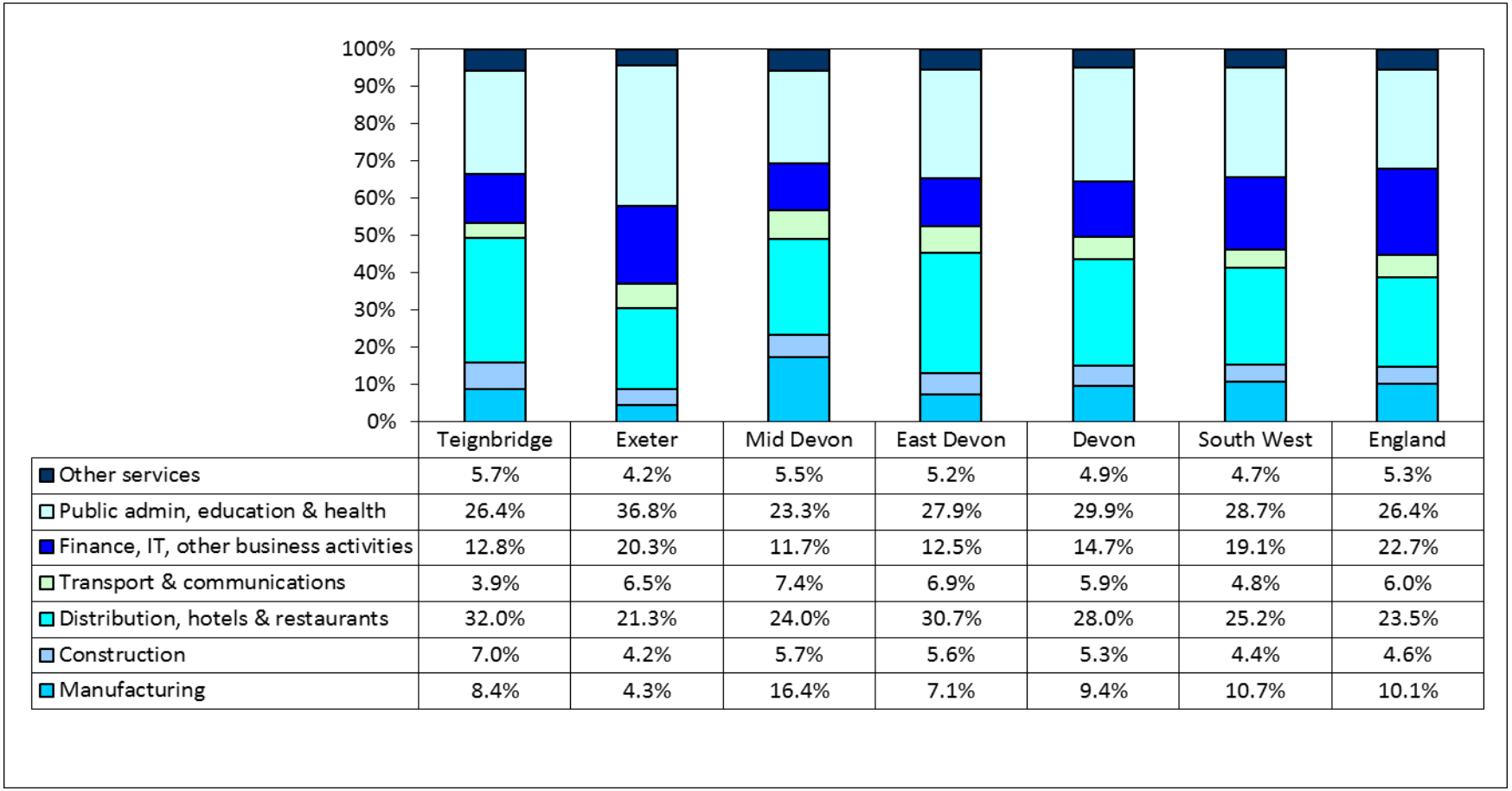
Source: Annual Population Survey April 2012 – March 2013

7.3.8 The Exeter Housing Market Area has the largest proportion of its workforce in occupation groups 1 to 3 (managers & senior officials, professional occupations and associate professional & technical occupations) and this combined group is similar to the county, regional and national benchmark areas.

7.3.9 Exeter follows a different pattern to the other districts, with lower levels of managers and senior officials and higher levels of sales and customer service occupations, mainly due to the airport and larger retail and leisure opportunities. The proportion of unskilled occupations and operatives is around double the levels the other HMA authorities and regionally and nationally.

7.3.10 The breakdown of employment in the Exeter Housing Market Area and the benchmark areas by broad sector, for 2008 is shown below.

Figure 7-3 ABI Employment by Industry Sector, 2008



	Teignbridge	Exeter	Mid Devon	East Devon	Devon	South West	England
Other services	5.7%	4.2%	5.5%	5.2%	4.9%	4.7%	5.3%
Public admin, education & health	26.4%	36.8%	23.3%	27.9%	29.9%	28.7%	26.4%
Finance, IT, other business activities	12.8%	20.3%	11.7%	12.5%	14.7%	19.1%	22.7%
Transport & communications	3.9%	6.5%	7.4%	6.9%	5.9%	4.8%	6.0%
Distribution, hotels & restaurants	32.0%	21.3%	24.0%	30.7%	28.0%	25.2%	23.5%
Construction	7.0%	4.2%	5.7%	5.6%	5.3%	4.4%	4.6%
Manufacturing	8.4%	4.3%	16.4%	7.1%	9.4%	10.7%	10.1%

Source: Annual Business Inquiry Employee Analysis, 2008

7.3.11 In 2008, the most important industry sectors within the Exeter Housing Market Area economy in absolute employment terms were and distribution, hotels and restaurants and Public admin, education and health.

7.4 Labour Supply

7.4.1 It is important to understand the extent to which the working age population is engaged with the labour market. The ONS defines the working age population as 16 to 64.

7.4.2 Labour supply consists of people who are employed as well as people defined as unemployed or economically inactive, who can be considered to be a potential labour supply. Information in this section relates to the characteristics of people living in an area.

7.4.3 Data from the ONS Annual Population Survey (April 2012-March 2013) provides an indication of the number of people in employment (either as an employee or self-employed). It also provides an insight into the level of unemployment within an area.

Table 7-2 Employment & Unemployment Rates, 2012/13 (%)

	Employment Rate*	Unemployment Rate**
Teignbridge	76.8	4.7
Exeter	78.1	5.8
Mid Devon	74.5	4.3
East Devon	77.3	3.8
Devon	76.2	3.7
South West	73.9	6.0
England	71.1	7.8

Source: ONS Annual Population Survey (April 2012-March 2013)

* People who are either a paid employee or self employed and of working age (16-64). Expressed as a percentage of all people in this group

** People without a job that are available to start work

Note: Figures do not add up to 100% due to the exclusion of people unable to work due to reasons such as incapacity

7.4.4 In the year to March 2013, the Exeter Housing Market Area had an average employment rate of 76.7%, higher than the national, regional and county figures.

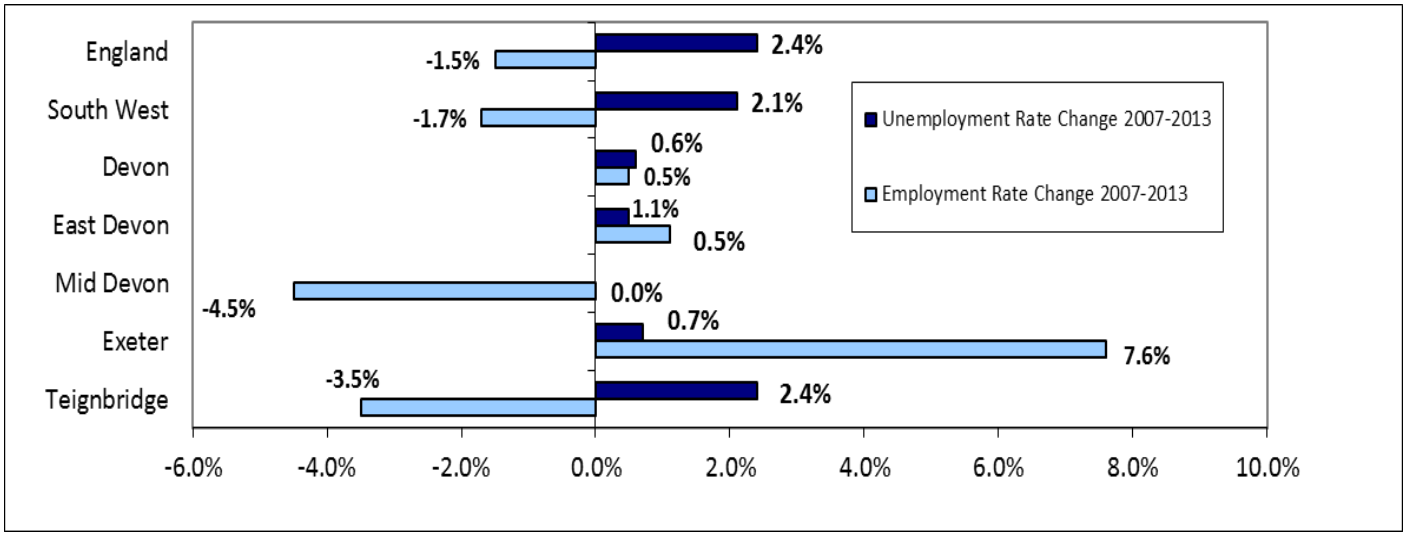
7.4.5 The average unemployment rate at 4.6% was also lower than the regional figure and nationally.

7.4.6 East Devon had the lowest unemployment rates at 3.8% followed by Mid Devon at 4.3%.

7.4.7 Exeter had the highest employment rate at 78.1% followed by East Devon at 77.3%, although levels across all areas were fairly consistent.

7.4.8 The figure below shows the differences in employment and unemployment rates from ONS data in April 2007 compared with the most up to date data March 2013.

Figure 7-4 Employment & Unemployment Rate changes, 2007-2013 %



Source: ONS Annual Population Survey 2007-2013

7.4.9 Exeter shows the biggest change in employment rates over the 4 year period with a 7.6% increase. East Devon increased only marginally by 0.5% and all the other benchmark areas showed an decrease in numbers, the highest fall was seen in Mid Devon at -4.5%, followed by Teignbridge at -3.5%.

7.4.10 In terms of unemployment, the majority of areas have seen an increase, with Teignbridge showing the highest rate of increase at 2.4%, a similar level to the region (2.1%) and nationally (2.4%). Mid Devon remained the same and small increases were seen in Exeter (0.7%) and East Devon (1.1%).

7.4.11 An alternative measure of unemployment is to review the proportion of people claiming Job Seekers Allowance (JSA) (previously known as Unemployment Benefit).

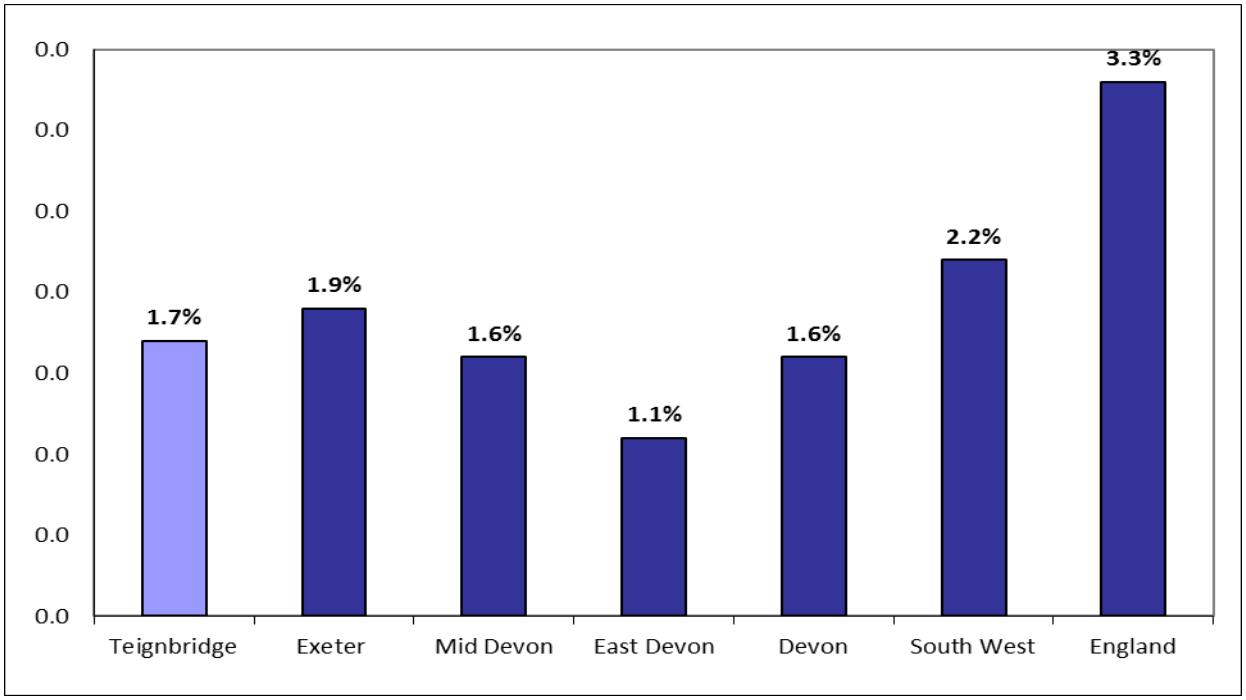
7.4.12 JSA is payable to people under pensionable age who are available for and actively seeking work. Due to restrictions in claiming JSA, this figure is likely to understate the true level of unemployment, as some unemployed people seeking work choose not to claim benefits.

7.4.13 Figure 7-5 below shows the proportion of working age residents in the Exeter Housing Market Area and the wider benchmark areas claiming Job Seekers Allowance as at April 2013.

7.4.14 All authorities in the Exeter Housing Market Area had a lower level of JSA claimant's rate compared to the South West region (2.2%) and the national figure of 3.3%.

7.4.15 The highest level of JSA claimants were found in Exeter 1.9% with the lowest levels in East Devon at 1.1%.

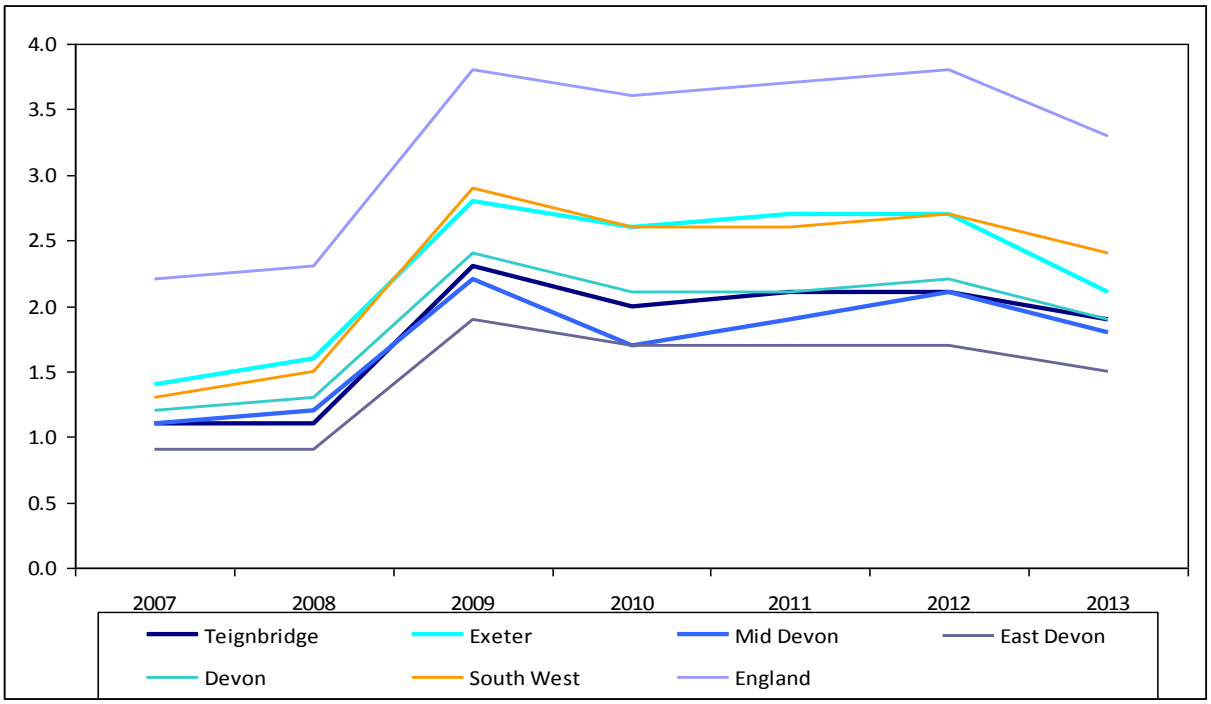
Figure 7-5 JSA Claimant %- August 2013



Source: ONS Claimant Count, August 2013

7.4.16 Figure 7-6 below outlines the rate of JSA claimants in the six year period from 2007 to 2013, for The Exeter Housing Market Area (individual authorities) and the benchmark areas, and shows how the claimant rate (as a proportion of working age population) has changed over the period.

Figure 7-6 JSA Claimant Rate, 2007-2013



Source: Department for Work and Pensions (DWP) benefit claimants, April 2007-April 2013)

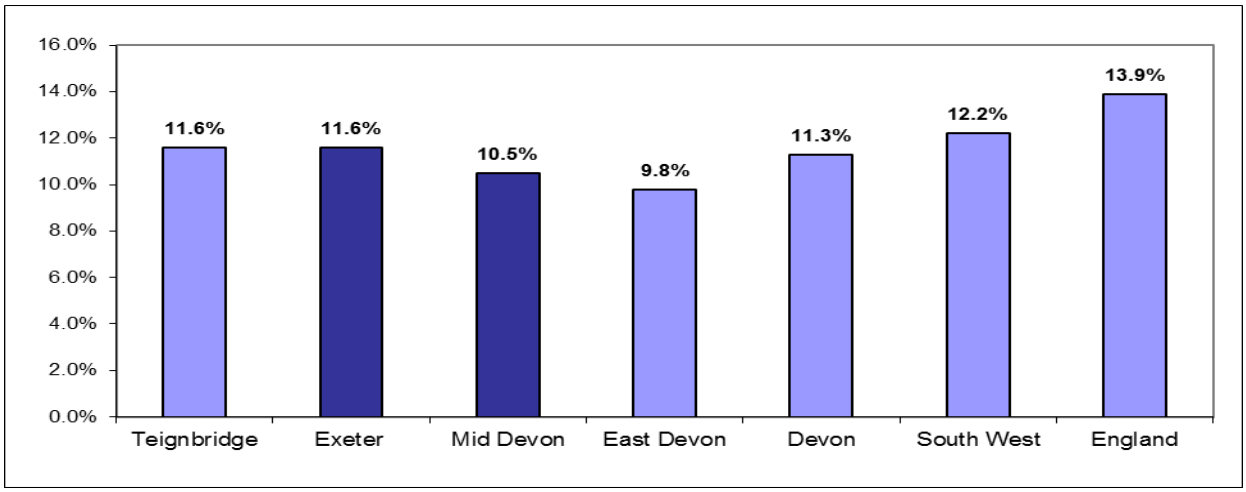
7.4.17 The data shows that the level of claimants in the Exeter Housing Market Area increased overall from April 2007 to April 2013, increasing between 2008 and 2009 before falling slightly into 2010 and increasing for the next two years to 2012. Figures are falling into 2013 but remain above the levels in 2007.

7.4.18 Across the HMA area all authorities are following a very similar pattern to that of the County and are below the levels of claimants both regionally and nationally.

7.4.19 The DWP also collect data on the proportion of working age people claiming key out of work benefits (consisting of job seekers allowance, incapacity benefits, lone parents and others on income related benefits).

7.4.20 The Exeter Housing Market Area has an out of work benefit claimant level of 10.8%, slightly lower than the County level of 11.3%, the regional level of 12.2% and the national level of 13.9%.

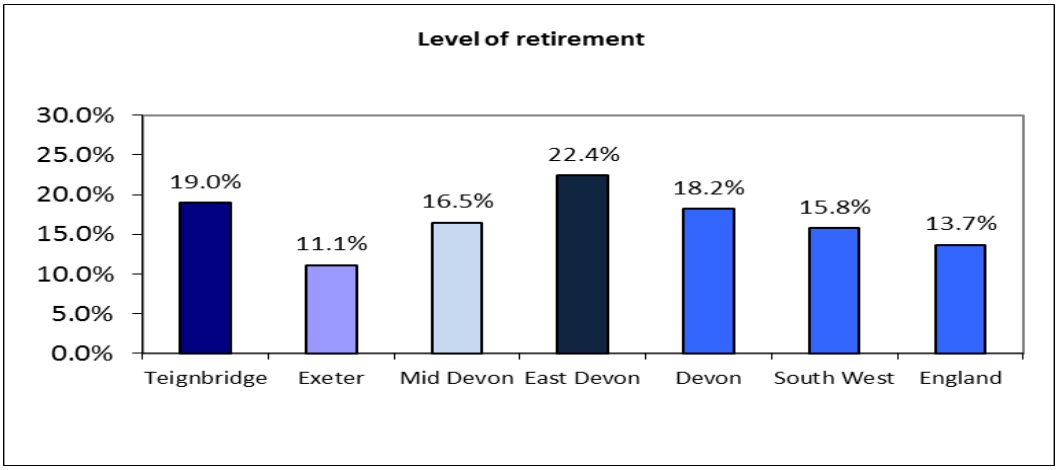
Figure 7-7 Key Out of Work Benefit Claimants (%), February 2013



Source: Department for Work and Pensions (DWP) benefit claimants, (February 2013)

7.4.21 Looking at the evidence below East Devon and Teignbridge have a higher level of retired population than nationally, according to the 2011 Census.

Figure 7-8 Level of Retired Population 2011 (%)



Source: Crown Copyright © Census 2011

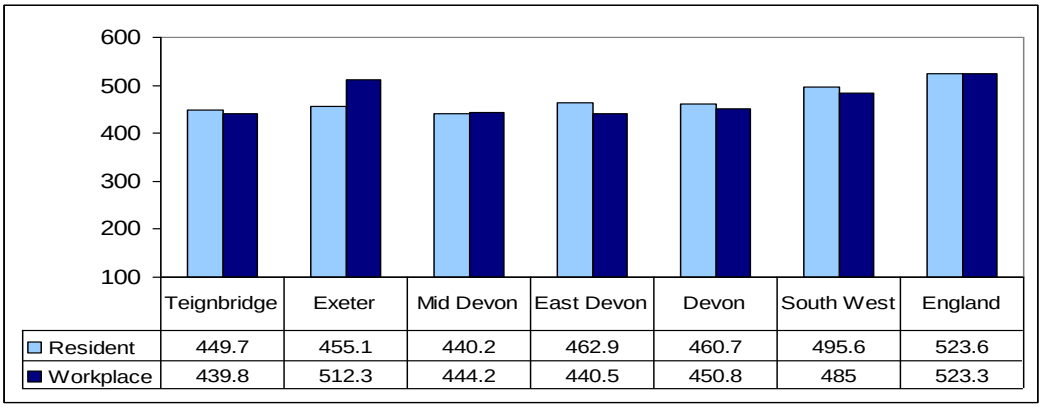
7.4.22 High levels of retirement can impact on the economy of an area creating lower levels of economically active households. High levels of retirement also indicates an elderly population who will in the future require suitable accommodation to meet their needs and housing may need to be purpose built or adapted for households with older residents.

7.5 Income

7.5.1 Income, and particularly household income, is one of the fundamental determinants of the ability of households to access home ownership or the market rented sector.

7.5.2 Figure 7-9 shows the average gross weekly pay by workplace (people who work in the area) and residence (people who live in the area) from the 2014 Annual Survey of Hours and Earnings (ASHE). ASHE provides information about the levels, distribution and make-up of earnings and hours worked for full-time employees in all industries and occupations.

Figure 7-9 Average Gross Weekly Pay, 2014



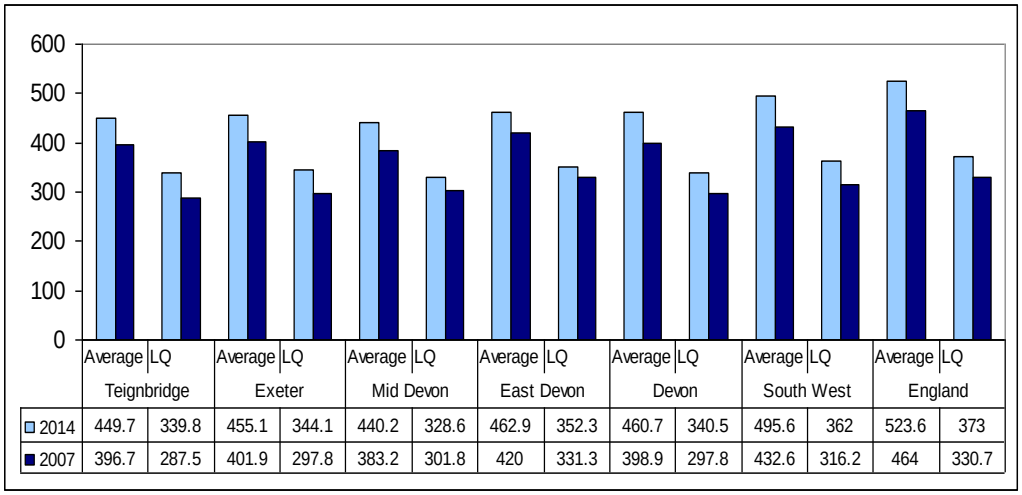
	Teignbridge	Exeter	Mid Devon	East Devon	Devon	South West	England
Resident	449.7	455.1	440.2	462.9	460.7	495.6	523.6
Workplace	439.8	512.3	444.2	440.5	450.8	485	523.3

Source: Annual Survey of Hours and Earnings (2014)

7.5.3 The average residence pay within the Exeter Housing Market Area of £452 is lower than the county, region and nationally. However, Mid Devon has the lowest average resident pay when comparing to all other benchmark areas.

7.5.4 Exeter has the highest workplace pay, but the fact that the wages of those living in the Exeter are higher for those working outside the District, suggests that some proportion of the local population need to commute out of the area to find higher paid work.

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



	Average	LQ	Average	LQ	Average	LQ	Average	LQ	Average	LQ	Average	LQ	Average	LQ
	Teignbridge		Exeter		Mid Devon		East Devon		Devon		South West		England	
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)

7.5.5 Figure 7-10 compares the average weekly residence earnings over a seven year period from 2007 to 2014, to the lowest quartile weekly earnings (i.e. the bottom 25%). Both the average and the lowest quartile weekly earnings have increased between 2007 and 2012, in the Exeter Housing Market Area, the county, region and nationally.

7.5.6 CORE (COntinuous REcording) is a national information source funded by the Department for Communities and Local Government that provides an invaluable source of information about new lets, sales and tenants. As of April 2009 TNS Global are responsible for managing CORE.

7.5.7 The CORE data held on lettings to new tenants in the Exeter Housing Market Areas for the year 2011 / 12 highlights the mean and median combined household incomes of tenant (or tenant and partner).

7.5.8 The median weekly income for new tenants in East Devon was £220.15, lower than the mean income of £233.14.

7.5.9 In Exeter the median weekly income was £200.00 lower than the mean income of £225.62.

7.5.10 In Mid Devon the median income was £233.00 lower than the mean income of £252.01 and in Teignbridge the median income was £220.30 lower than the mean income of £260.54.

7.6 Skills and Educational Attainment

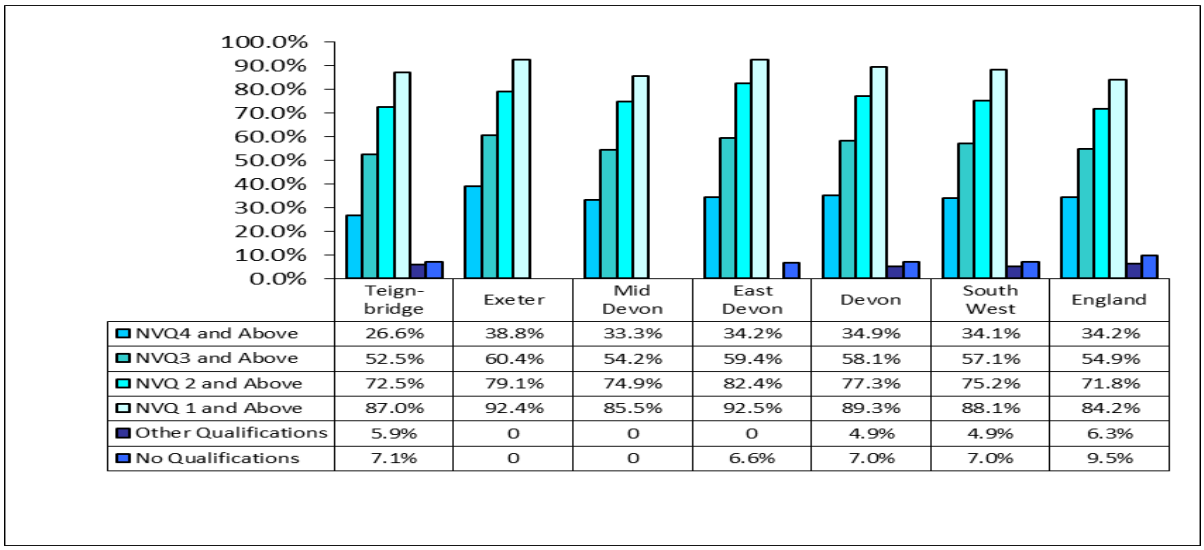
7.6.1 Central to the long term growth and productivity of an economy is the level of workforce skills.

7.6.2 In 2012 the number of people of working age in the Exeter Housing Market Area with no qualifications was slightly lower than nationally.

7.6.3 Exeter had the highest level of higher qualifications overall when compared to the other benchmark areas. The majority of the NVQ qualification brackets were highest in Exeter and East Devon than in the other benchmark areas, although the whole housing market area showed good qualification levels.

7.6.4 Figure 7-11 presents the latest qualifications data for the working age population compared to the benchmark areas.

Figure 7-11 Educational Attainment (NVQ) (Jan 2012- Dec 2012)



	Teign-bridge	Exeter	Mid Devon	East Devon	Devon	South West	England
NVQ4 and Above	26.6%	38.8%	33.3%	34.2%	34.9%	34.1%	34.2%
NVQ3 and Above	52.5%	60.4%	54.2%	59.4%	58.1%	57.1%	54.9%
NVQ 2 and Above	72.5%	79.1%	74.9%	82.4%	77.3%	75.2%	71.8%
NVQ 1 and Above	87.0%	92.4%	85.5%	92.5%	89.3%	88.1%	84.2%
Other Qualifications	5.9%	0	0	0	4.9%	4.9%	6.3%
No Qualifications	7.1%	0	0	6.6%	7.0%	7.0%	9.5%

Source: Annual Population Survey (Jan 2012-Dec 2012) – Note :0 = no valid data
NVQ: National Vocational Qualification
NVQ 1: Entry level or Pre-GCSE / NVQ2: GCSE or equivalent / NVQ 3: A-level or equivalent / NVQ 4: Degree or equivalent

7.7 Key Points

- In 2011, the total number of jobs in the Exeter Housing Market Area was 236,000 (ONS Jobs Density, 2011).
- Within the Exeter Housing Market Area, Teignbridge & East Devon have the largest Professional, Managers and Senior Officials occupation groups and are also higher levels than the County and regional benchmark areas.
- The Exeter Housing Market Area has the largest proportion of its workforce in occupation groups 1 to 3 (managers & senior officials, professional occupations and associate professional & technical occupations) and this combined group is similar to the county, regional and national benchmark areas.
- In 2008, the most important industry sectors within the Exeter Housing Market Area economy in absolute employment terms were distribution, hotels and restaurants and Public admin, education and health
- At 2011 (ONS mid-year population estimates) there were estimated to be around 93,200 people in the Exeter Housing Market Area of working age. This equates to 63.6% of the total population.
- In 2013, the Exeter Housing Market Area had an employment rate of 76.7%, higher than the national, regional and county figures.
- The unemployment rate in 2013 was 4.6%, lower than the regional and national levels but higher than the County rate.
- In April 2013 all authorities in the Exeter Housing Market Area had a lower level of JSA claimant's rate compared to the South West region (2.2%) and the national figure of 3.3%.
- East Devon (22.4%) and Teignbridge (19.0%) have a higher level of retired population than the County (18.2%), regional (15.8%) and national level (13.7%). Overall across the HMA area the retirement level is an average 17.3%.
- 60.2% of the Exeter Housing Market Area residents travel to work by car, similar to the other benchmark areas.
- In 2008, 74.2% of the Exeter Housing Market Area residents also worked in the HMA compared with 74.3% in 2001.
- The average weekly residence pay of £452 in 2014 within the Exeter Housing Market Area is lower than in the county, region and nationally.
- Both the average and the lowest quartile weekly earnings have increased between 2007 and 2014, 12.9% and 12.0% respectively in the Exeter Housing Market Area.

8 DEMOGRAPHIC CONTEXT & FUTURE PROJECTIONS

8.1 Introduction

8.1.1 Analysis of changes in population and household profiles are essential in enabling an understanding of the level of housing need and demand within an area. Monitoring population and household forecasts allows the Councils to see if any significant changes are occurring that could affect the Exeter housing market area.

8.1.2 Demographic change creates the need for different levels and types of housing provision and is a key factor influencing the requirements for market and affordable housing. The aim of this section of the report is to highlight the issues which are relevant to the evaluation of housing needs in the Exeter Housing Market.

8.1.3 The factors which combine to produce the population and household forecasts are: - age-sex structures (including those of migrants) headship rates, survival factors, infant mortality, fertility rates, migration and vacancy rates.

8.1.4 The key features of population change impacting on the housing market are migration of mainly younger and economically active households and an ageing population with increasing care and support needs.

8.1.5 Guidance states the assessment of housing need should be based primarily on secondary data, pointing principally to CLG published data and other evidence available at a Local Planning Authority level. There is limited data published by government for National Parks, for example household projections, labour supply, and commuter data are not readily available. Furthermore as described at 4.12.7 Dartmoor National Park is split between two Housing Market Areas, Exeter and Plymouth, this presents a further challenge in respect of the disaggregation of data in order to provide a robust evidence at that scale.

8.1.6 The following data and analysis therefore takes the National Park into account separately in only limited circumstances. It is important to note therefore that figures referring to the HMA and/or Teignbridge District cannot be simply disaggregated or apportioned to the part of the Dartmoor National Park within the HMA.

8.1.7 The demographic and economic picture, the rural nature of this protected landscape within the HMA and the different national and local policy context means further careful consideration is needed at a local level, and within framework of the Duty to Co-operate, to reasonably consider the National Park component of need and delivery within the HMA. Further discussion regarding the Dartmoor National Park is set out separately as an appendix to this Report'.

8.2 The Historic Demographic Structure (2001- 2011)

8.2.1 This sub-section analyses the demographic change over the last 10 years (2001-2011). Both the **2001 and 2011 Census data** on population were used.

8.2.2 The highest increase in population over the ten year period was recorded in Mid Devon (+11.5%; 8,026 people), higher than all the other Local Planning Authority areas, regional and national levels.

Table 8-1 Population Change, 2001 - 2011

Area	Population 2001	Population 2011	Absolute Change	% Change
Mid Devon	69,774	77,800	+8,026	+11.5
Exeter	111,076	117,800	+6,724	+6.1
East Devon	125,520	132,500	+6,980	+5.6
Teignbridge	120,958	124,200	+3,242	+2.7
HMA Area	427,328	452,300	+24,972	+5.8
South West	4,928,434	5,288,900	+360,466	+7.3
England	49,138,831	53,012,500	+3,873,669	+7.9

Source: ONS Census (2001 / 2011)

8.3 Population by Age - 2011

8.3.1 The following table looks at the proportion of the population by age in each of the Local Planning Authority areas and nationally. The data also shows the average age in each area.

Table 8-2 Proportion (%) of the population by age

Area	Pop aged 0-14 (%)	Pop aged 15-24(%)	Pop aged 25-44(%)	Pop aged 45-64 (%)	Pop aged 65+ (%)	Average Age (Years)
Mid Devon	17.3	10.7	22.8	28.8	20.4	42.3
Exeter	15.0	20.0	27.2	22.3	15.5	38.1
East Devon	14.3	9.7	19.4	28.4	28.2	46.9
Teignbridge	15.3	10.4	21.2	29.8	23.4	44.6
HMA Area	15.3	12.7	22.5	27.3	22.2	43.0
England	17.6	13.1	27.4	25.4	16.5	39.4

Source: Census 2011

8.3.2 The data shows that the highest average age across all areas was recorded in East Devon (46.9 years). The lowest average age was in Exeter (38.1 years).

8.3.3 In Mid Devon the highest proportion of people fall into the 45-64 age bracket (28.8%), followed by those aged 25-44 (22.8%).

8.3.4 Exeter shows the highest proportion of people in the 25-44 age group (27.2%), which creates a City average age lower than all the other areas.

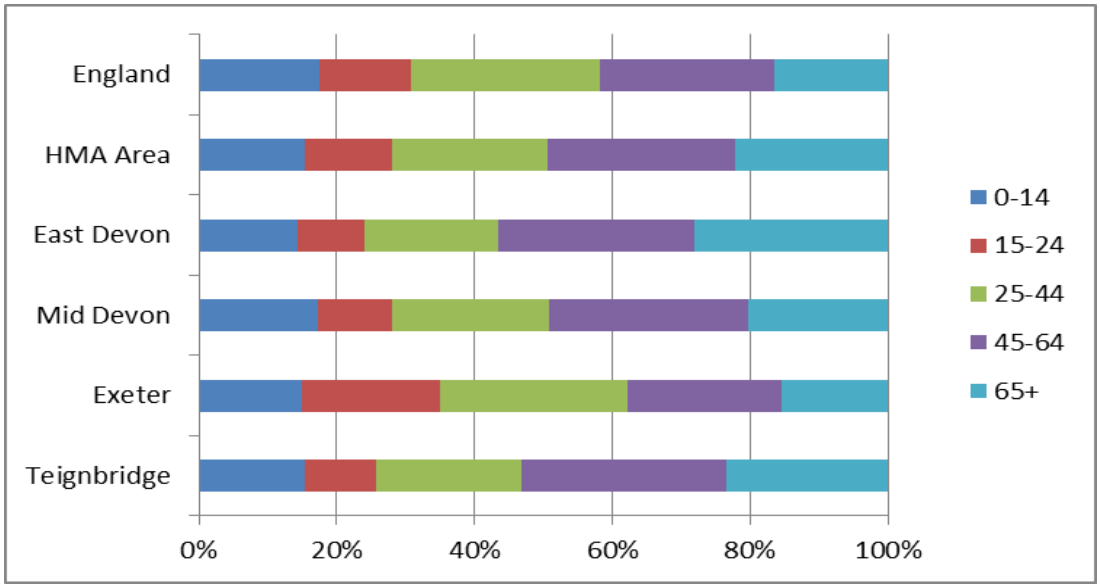
8.3.5 In East Devon the highest proportion of people are found in the 45-64 age group (28.4%), closely followed by those aged 65 and over (28.2%) combining to record the highest average age of 46.9 in this area.

8.3.6 In Teignbridge the highest proportion of the population is seen in the 45-64 age group (29.8%), followed by the 65+ age group (23.4%).

8.4 Population Age Profile 2011

8.4.1 The following data shows the age profile of the Districts using the 2011 Census data. The graph below shows the percentage proportions of each age bracket in each of the Districts.

Figure 8-1 2011 Population Profile by Age (%)



Source: 2011 Census

8.4.2 The districts outside Exeter follow similar patterns of age profile of the population. Exeter differs in having a larger population in 15-44 age groups with East Devon having the largest numbers in the older age groups.

8.4.3 The following table shows the full breakdown in numbers for each age bracket.

Table 8-3 2011 Population Profile by Age (Numbers)

Area	0-19	20-29	30-44	45-64	65-74	75-84	85-89	90+	TOTAL
Teignbridge	26,148	11,126	20,957	36,973	14,749	9,659	2,997	1,611	**124,220**
Exeter	27,007	23,182	23,002	26,313	8,747	6,436	2,011	1,075	**117,773**
Mid Devon	18,110	7,563	13,848	22,364	8,512	5,163	1,430	760	**77,750**
East Devon	26,254	10,718	20,553	37,586	18,126	12,877	4,043	2,300	**132,457**
HMA Area	97,519	52,589	78,360	123,236	50,134	34,135	10,481	5,746	**452,200**
Devon	159,737	79,344	126,570	212,322	86,420	56,246	16,645	9,115	**746,399**
South West	1,193,752	640,325	994,693	1,424,721	532,902	348,759	99,900	53,883	**5,288,935**
England	12,712,275	7,246,202	10,944,271	13,449,179	4,552,283	2,928,118	776,311	403,817	**53,012,456**

Source: 2011 Census

8.5 Projected Population to 2033

8.5.1 The next set of data highlights the projected population in each of the Districts and the HMA area as a whole. A full explanation of the methodology used in the demographic and dwelling projections can be found in the DCC Report in **Appendix IV.**

8.5.2 Over recent years authorities generally made use of demographic projections commissioned by the former South West Regional Assembly (SWRA) for preparing and monitoring the Regional Spatial Strategy.

8.5.3 In the absence of SWRA, Devon County Council (DCC) have undertaken demographic forecasting and dwellings projections for the Local Planning Authority areas in the Exeter Housing Market Area (the Exeter HMA). These forecasts are trend based and do not specifically take account of employment or economic projections or any policy decisions.

8.5.4 In respect of the Devon area, the Draft RSS proposals were based on demographic analysis undertaken by Devon County Council and the County Council have continued to prepare population and household projections for its area. As part of this process, the County Council has updated its projections for the Exeter HMA using the most up to date information available from ONS.

8.5.5 In the context of the ONS population projections and DCLG household projections, DCC has produced area-specific, more refined population and dwelling projections for the HMA that better reflect actual data for factors such as local fertility, mortality and migration. The application of more robust assumptions at a local level means that the DCC projections will vary from those undertaken nationally, especially as a consequence of using longer term migration trends.

8.5.6 DCC uses the Popgroup model for population and housing projections. The model requires data inputs relating to population counts, fertility, mortality and vacancy rates, and provides outputs of population change, household formation and dwellings requirements. The Popgroup model is widely used by Local Authorities in England.

8.5.7 The population forecasting model estimates future population change based on fertility, mortality and migration assumptions. Historical data are input to define these assumptions. The population forecasts are then used to derive likely household and housing profiles consistent with the population's age-sex composition. As such, the dwellings requirement is calculated on the basis of the projected population.

8.5.8 The model incorporates a cohort component methodology for population projections and a headship rate model for household projection models. The approach used by the DCC projection methodology essentially uses the same data and methodologies to those employed by both the ONS for the population projections and DCLG for dwelling projections.

8.5.9 In terms of the population projections, the key data inputs used are:

- Known population (mid-year estimates) – ONS;
- Projected number of births – ONS;
- Projected number of deaths – ONS;

- Migration – calculated using published ONS data.

8.5.10 Projections are made by taking a population estimate for the initial year adding the births, subtracting the deaths and then adding in net migration to project the population for the following year. The population is presented in single year cohorts by and by sex. This is the same key calculation used by ONS when projecting future populations.

8.5.11 The main refinement undertaken by DCC relates to the input of migration data. The principles behind the use of migration data are common between the DCC and ONS methodologies. However, the DCC approach provides a more robust basis for assessing future population change in that it uses a more robust migration trends for the HMA using actual published data sets from ONS on population, births and deaths as opposed to proxy figures. This also allows a longer migration trend period to be used which reduces the volatility of the figures. For the purposes of this assessment, DCC has used a 30 year migration trend period which smooths out the volatility seen in shorted trends such as the 5 year trend period used by ONS.

8.5.12 One of the key considerations for the HMA and Exeter in particular is the impact which students may have on future population projections. Having analysed the historical growth in the University over the last 40 years and considered this in the context of the current expansion agenda of the University, it has been concluded that the no specific adjustment needs to be taken of potential expansion of the university in future as this will be implicitly projected forward using previous migration trends which reflect a period of university growth.

Table 8-4 Total Population Change 2013 – 2033

Area	2013	2018	2023	2028	2033	Change Nos.	Change (%)
Teignbridge	126,001	131,530	137,193	142,269	146,377	**+20,376**	**+16.2**
Exeter	121,800	126,894	132,087	137,069	141,724	**+19,924**	**+16.4**
Mid Devon	78,670	82,036	85,301	88,197	90,611	**+11,941**	**+15.2**
East Devon	134,898	139,456	144,134	148,181	151,256	**+16,358**	**+12.1**
Total HMA	**461,369**	**479,916**	**498,715**	**515,716**	**529,968**	**+68,599**	**+14.9**
Teignbridge (within Dartmoor NP)	13,578	14,084	14,569	14,985	15,294	+1,716	**+12.6**
Teignbridge (excl. Dartmoor NP)	112,423	117,446	122,624	127,284	131,083	+18,660	**+16.6**

Source: DCC Trend Based Projections
Note : Data in the final two rows relating to Teignbridge with and without DNP are not part of the DCC projections

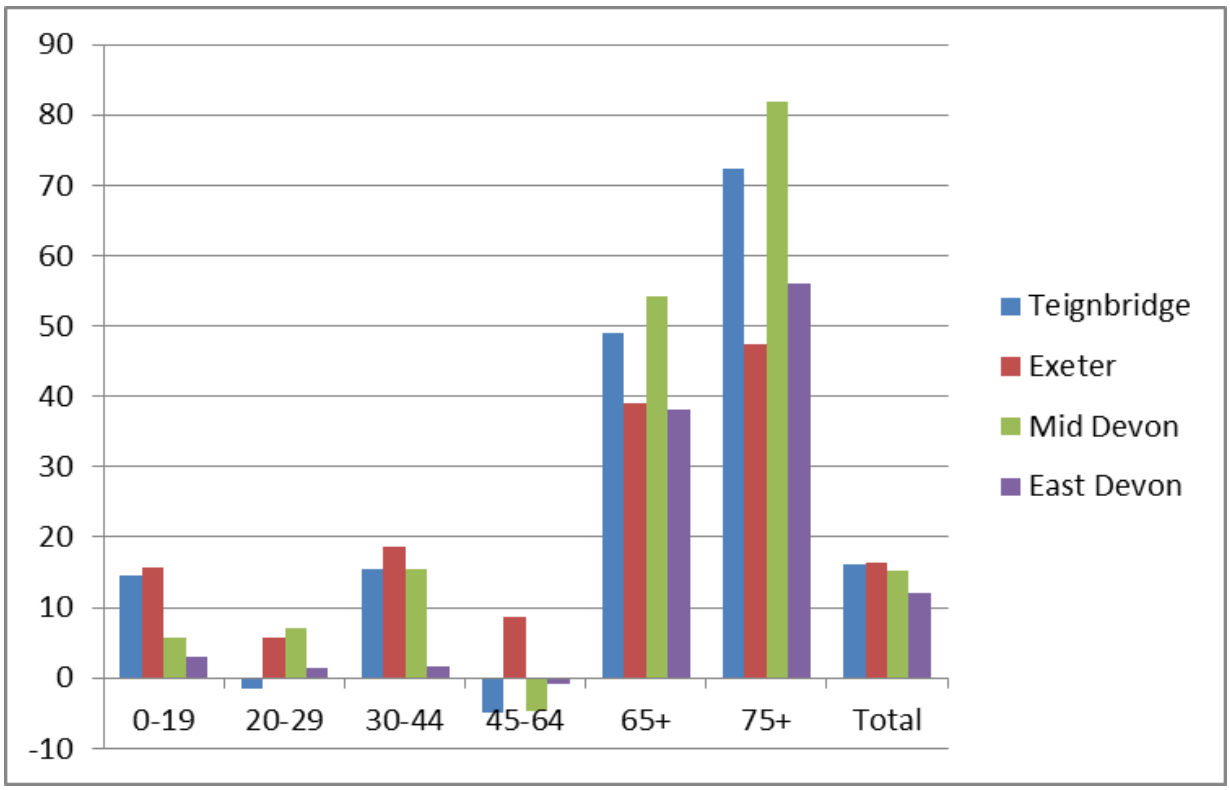
8.5.13 The total population in the HMA area according to the model is projected to grow by 14.9%, 68,599 more people by 2033. The highest percentage increase is seen in Exeter followed by Teignbridge.

8.6 The Population Age Structure Forecast 2013-2033

8.6.1 The graph below shows the population change by age group between 2013 and 2033 using the DCC projections.

8.6.2 The data shows the population change by age groups for the Exeter Housing Market Area as a comparison.

Figure 8-2 % Population Change 2013-2033 by Age



Source: DCC Trend Based Projections

8.6.3 The data shows an increase in the population across the younger economically active age groups Teignbridge, Exeter and Mid Devon, this is highest in Exeter in the 30-44 age range.

8.6.4 The higher levels of population growth in the 0-19 age range in Exeter reflects the student population.

8.6.5 Proportionately the largest increases are in the 65+ age group across all authorities.

8.6.6 Breakdowns of each age group for all the authorities are detailed in the tables below.

Table 8-5 Population Age Band Forecast, 2013 – 2033

East Devon	2013	2018	2023	2028	2033	Change	% Change
0 to 19	26,662	27,565	28,467	28,578	27,424	+762	+2.9
20 to 29	11,581	11,210	10,506	10,579	11,738	+157	+1.4
30 to 44	19,808	19,357	20,690	20,843	20,138	+330	+1.7
45 to 64	37,156	38,537	38,379	37,893	36,849	-307	-0.8
65+	39,691	42,787	46,091	50,288	55,108	+15,417	+38.1
Total	**134,898**	**139,456**	**144,134**	**148,181**	**151,256**	**+16,358**	**+12.1**

Exeter	2013	2018	2023	2028	2033	Change	% Change
0 to 19	26,654	28,101	29,919	30,880	30,877	+4,223	+15.8
20 to 29	25,757	25,999	24,237	25,072	27,240	+1,483	+5.8
30 to 44	23,549	24,764	27,983	28,439	27,951	+4,402	+18.7
45 to 64	26,567	27,462	27,796	28,379	28,855	+2,288	+8.6
65+	19,273	20,567	22,152	24,300	26,802	+7,529	+39.1
Total	**121,800**	**126,894**	**132,087**	**137,069**	**141,724**	**+19,924**	**+16.4**

Mid Devon	2013	2018	2023	2028	2033	Change	% Change
0 to 19	18,378	18,703	19,393	19,633	19,439	+1,061	+5.8
20 to 29	7,414	7,905	7,491	7,350	7,942	+528	+7.1
30 to 44	13,355	13,005	14,301	15,268	15,416	+2,061	+15.4
45 to 64	22,282	23,010	22,657	21,946	21,208	-1,074	-4.8
65+	17,241	19,412	21,459	24,001	26,607	+9,366	+54.3
Total	**78,670**	**82,036**	**85,301**	**88,197**	**90,611**	**+11,941**	**+15.2**

Teignbridge	2013	2018	2023	2028	2033	Change	% Change
0 to 19	26,023	27,037	28,714	29,771	29,813	+3,790	+14.6
20 to 29	11,512	11,817	10,659	10,393	11,323	-189	-1.6
30 to 44	20,110	20,095	22,533	23,585	23,210	+3,100	+15.4
45 to 64	36,857	37,809	37,220	36,123	35,061	-1,796	-4.9
65+	31,499	34,771	38,066	42,397	46,970	+15,471	+49.1
Total	**126,001**	**131,530**	**137,193**	**142,269**	**146,377**	**+20,376**	**+16.2**

Total HMA	2013	2018	2023	2028	2033	Change	% Change
0 to 19	97,717	101,406	106,493	108,862	107,552	+9,835	10.1
20 to 29	56,264	56,931	52,893	53,395	58,243	+1,979	+3.5
30 to 44	76,822	77,222	85,508	88,134	86,714	+9,892	+12.9
45 to 64	122,862	126,819	126,052	124,340	121,973	-889	-0.7
65+	107,704	117,537	127,769	140,985	155,486	+47,782	+44.4
Total	**461,369**	**479,916**	**498,715**	**515,716**	**529,968**	**+68,599**	**+14.9**

Source: DCC Trend Based Projections

8.6.7 There are some significant differences in the changes in population age bands between the authorities over the period to 2033.

- The 0-19 age group grows across all authorities, with the greatest increases in Teignbridge and Exeter and the lowest in East Devon. The growth of this age group in Exeter will include the student population;
- The 20-29 age group grows across all authorities except Teignbridge. Mid Devon has the greatest proportionate increase;
- The 30-44 age group grows across all authorities, with the greatest increase in Exeter and the lowest growth in East Devon;

- The 45 – 64 age group declines in all authorities except Exeter where an increase of 8.6% is forecast;
- The 65+ group grows in all authorities to 2033 with averages between 38.1% and 54.3%.

8.7 Older Population Growth Forecasts

8.7.1 More detailed analysis of the population forecasts for people over 65 are provided below.

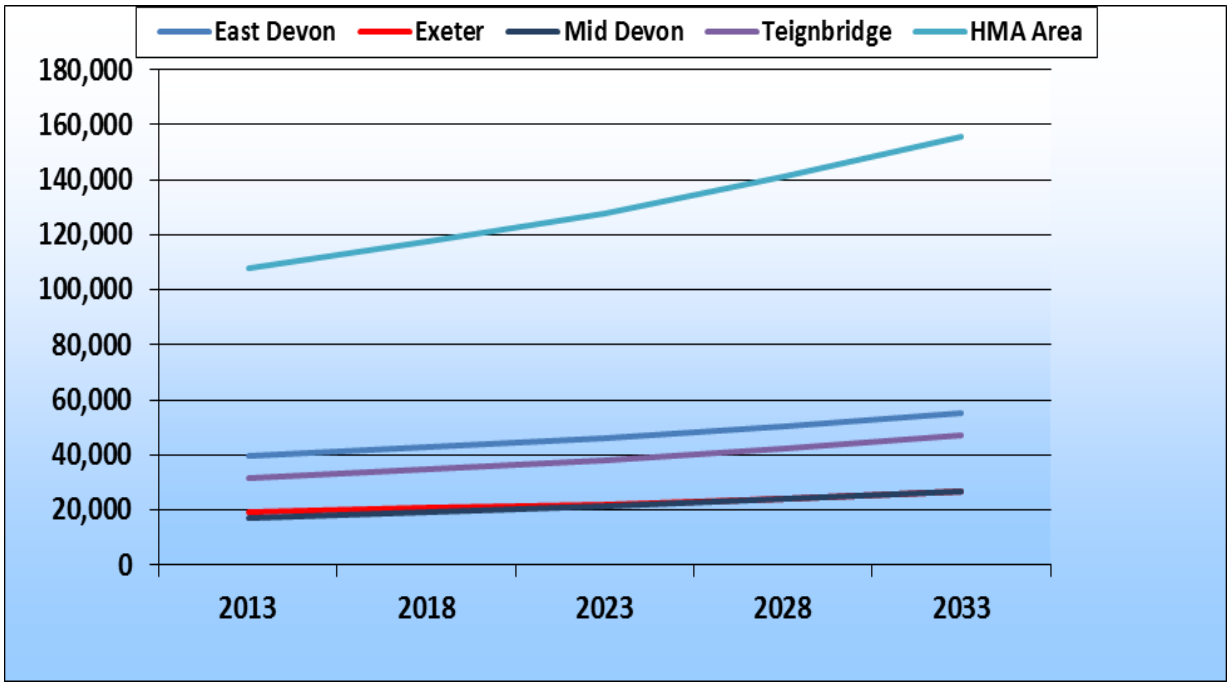
Table 8-6 65+ Population Age Band Forecast, Exeter HMA, 2013 – 2033

Age	2013	2018	2023	2028	2033	Change
65+	107,704	117,537	127,769	140,985	155,486	
Change		+9,833	+10,232	+13,216	+14,501	+47,782
% change		**+9.1**	**+8.7**	**+10.3**	**+10.3**	**+44.4**

Source: DCC Trend Based Projections

8.7.2 There is an increase of 9,833 people (9.1%) over the current period to 2018, with a further 10,232 people (8.7%) to between 2018 and 2023, a total of 20,065 more retirees over the next 8 years.

Figure 8-3 Change Forecast in 65+ Age Groups, Exeter HMA, 2013 –2033



Source: DCC Trend Based Projections

8.7.3 Local Development Documents will need to take account of the projected growth in demand in these sectors and the strategic implications of these projections:-

- Growth in the number of individuals in the 45 to 64 age group is most likely to increase the demand for higher quality market housing (e.g. typically bigger and higher specification homes), whilst the increase in the number of people in the 65+ age group will impact on the demand for bungalows and flats in the market sector and sheltered and supported accommodation;
- As older people tend to remain in their family home after children have left home or after the loss of a partner there is a growing trend of under-occupation in both sectors of the housing market;
- The increase in older householders (i.e. 80+) will have implications for support services, options for housing with support, extra care housing, long term suitability of accommodation, equity release schemes, adaptations, and other age related care requirements.

8.8 Household projections

8.8.1 The responsibility for establishing the level of future housing provision in the HMA as a whole lies with the Local Planning Authorities working cooperatively across the area.

8.8.2 A key part of estimating this future provision will be an assessment of the likely future population and the implications for provision of housing, jobs, infrastructure, services and facilities.

8.8.3 Devon County Council (DCC) has undertaken trend-based demographic forecasting and dwellings projections for the HMA as a whole as well as each Local Planning Authority area, using the POPGROUP demographic forecasting model.

8.8.4 The procedure used by DCC for forecasting the potential number of households resulting from the future population is broadly the same as that used by DCLG in their projections.

8.8.5 The general approach taken by DCC is to calculate the number of dwellings required to house the population in the year before the population forecast begins (in this case 2013), project the population in the final year of the assessment period (in this case 2033) then work out the net increase in dwellings required by subtracting the former figure from the latter. The same approach is utilised in the CLG projections'.

8.8.6 One important aspect of the dwelling forecast is to remove the population that already has homes provided for them as part of 'institutions'. That is, people that do not require a house because one is provided for them. The 'institutional' population is removed from the underlying population information to enable an assessment of how many dwellings are actually required to take place. The methodology employed in the DCC model is the same as that for the DCLG model.

8.8.7 Following the removal of the institutional population, a series of headship rates are applied to convert the population structure into households. The DCC approach uses rates supplied by DCLG. This assessment used the 2008 and interim 2011 rates as the most recent at the time.

8.8.8 Following the calculation of households, the DCC methodology then takes account of the potential for some of the housing stock to be empty, through the application of census vacancy rates produced by ONS. This then generates a dwelling requirement.

8.8.9 It should be noted that no specific adjustment has been made to the dwelling requirement to take account of headship rates, vacancy rates or occupancy rates associated with student household characteristics because student occupancy is accounted for in the general rates from CLG.

8.8.10 Refining the national CLG household projections (used as the starting point for future estimates) to reflect local trends is in accordance with paragraph 17 of the NPPG which states that 'plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates'. The refinements which have been made are robust and appropriate.

8.8.11 CLG released a new set of 2012 based household projections covering the period to 2037. These were not available to inform the assessments for the SHMA and therefore have not been used. On a strategic level, the 2012-based projections are lower than the previous, interim 2011-based projections and the 2008 projections. This will be reflected in lower headship rates than those used from the 2008 and 2011 projections used in preparing the SHMA. This means that the figures quoted in this report will generally be higher than those which would be derived from using the new 2012-based rates.

8.8.12 The table below outlines the forecast number of additional dwellings required for each year to 2033 using a 30 year migration model, other lengths of trend period were considered, however the 30 year migration period most appropriately takes account of economic cycles.

Table 8-7 2008 Based Projected Number of additional Dwellings 2013 – 2033

Area	2014	2015-19	2020-24	2025-29	2030-33	Change 2013- 2033	Average per year
East Devon	520	602	643	590	545	12,172	609
Exeter	676	626	612	582	629	12,586	629
Mid Devon	389	442	399	387	322	8,001	400
Teignbridge	660	725	652	616	528	12,967	648
Total HMA Area	**2,246**	**2,394**	**2,306**	**2,175**	**2,023**	**45,726**	**2,286**
Teignbridge (within DNP)	74	67	60	55	43	1,211	61
Teignbridge (excl. DNP)	586	658	591	561	485	11,756	588

Table 8-8 2011 Based Projected Number of additional Dwellings 2013 – 2033

Area	2014	2015-19	2020-24	2025-29	2030-33	Change 2013-2033	Average per year
East Devon	485	555	590	524	519	11,173	559
Exeter	577	545	541	479	594	10,979	549
Mid Devon	346	408	373	348	310	7,227	361
Teignbridge	623	662	588	542	518	11,788	589
Total HMA Area	**2,030**	**2,170**	**2,093**	**1,894**	**1,942**	**41,168**	**2,058**
Teignbridge (within DNP)	69	61	54	47	42	1,083	54
Teignbridge (excl. DNP)	554	601	534	495	476	10,706	535

Source: DCC Trend Based Projections
Note : Data in the final two rows relating to Teignbridge with and without DNP are not part of the DCC projections. The figures quoted in the tables for each band of years are the figures for the final year of that period.

8.8.13 The 2008 based projections create a requirement for 45,726 dwellings by 2033. The greatest increase in dwellings is in Teignbridge with 12,967 dwellings required by 2033, slightly higher than Exeter and East Devon. Mid Devon has the smallest housing requirement of 8,001 dwellings.

8.8.14 The mid-point between the total, annual HMA figures for the 2008 and 2011 rates is 2172 per year. This equates to 43,440 dwellings for 20 years**.**

8.9 Jobs-Led Forecasts

8.9.1 Devon County Council and the respective LPAs commissioned Edge Analytics to develop a suite of 'jobs-led' scenario forecasts for each of the HMA districts, underpinned by the following:

- Employment forecasts from Cambridge Econometrics– 'Jobs-led (LEFM)';
- Employment forecasts from Experian– 'Jobs-led (Experian).

8.9.2 Using DCC's own trend-based projections for population and dwellings as the basis for scenario development, the Edge Analytics report has presented 'jobs-led' forecasts for the Exeter HMA. The detailed report is found in Appendix IV.

8.9.3 All forecasts have been derived using POPGROUP technology and each has considered a 20-year plan period 2013-2033 (2013/14 – 2032/33).

8.9.4 For the HMA in total, the DCC trend-based projection and the derived jobs-led forecasts suggest an average annual requirement of **2,172 – 2,601** dwellings.

Table 8-9 2008 Jobs-led Scenarios

2008 Scenarios	Average Annual Dwelling Requirement 2013 - 2033				
	East Devon	Exeter	Mid Devon	Teignbridge	Exeter HMA
DCC Trend based projection	609	629	400	648	2,286
Jobs-led (Experian) projection	752	660	378	779	2,569
Jobs-led (LEFM) projection	879	681	386	779	2,725

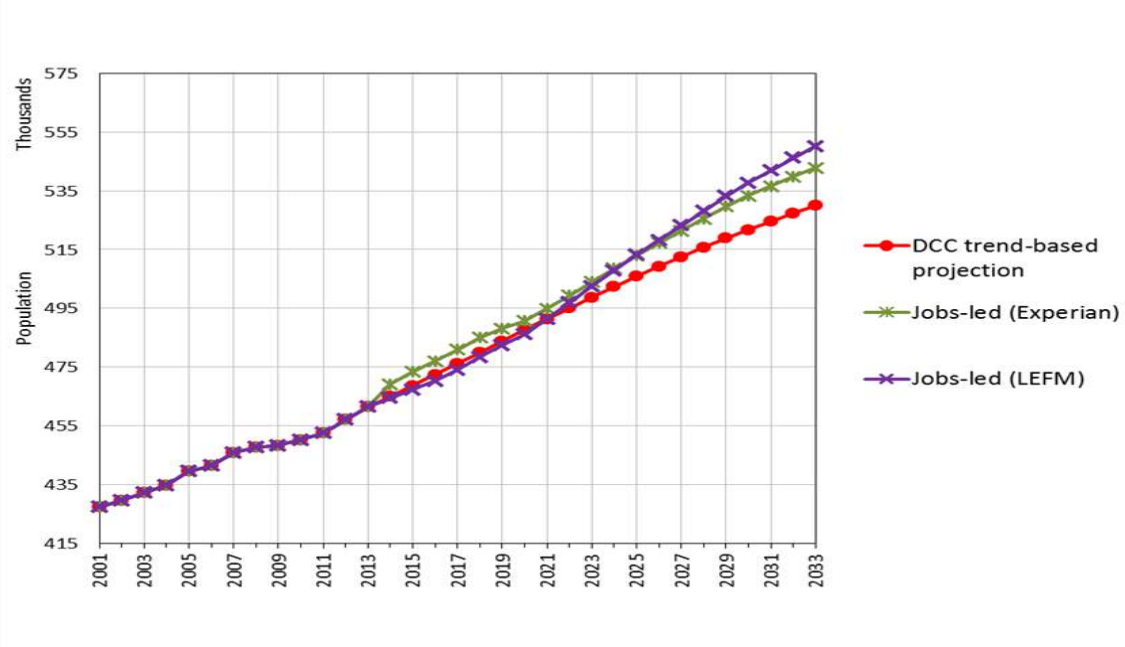
Table 8-10 2011 Jobs-led Scenarios

2011 Scenarios	Average Annual Dwelling Requirement 2013 - 2033				
	East Devon	Exeter	Mid Devon	Teignbridge	Exeter HMA
DCC Trend based projection	559	549	361	589	2,058
Jobs-led (Experian) projection	698	578	339	715	2,330
Jobs-led (LEFM) projection	820	596	347	714	2,477

Table 8-11 Exeter HMA – Average Annual Dwelling Requirement Summary

Average	Average Annual Dwelling Requirement 2013 - 2033				
	East Devon	Exeter	Mid Devon	Teignbridge	Exeter HMA
DCC Trend based projection	584	589	381	619	2,172
Jobs-led (Experian) projection	725	619	359	747	2,450
Jobs-led (LEFM) projection	850	639	367	747	2,601

Figure 8-4 Dwelling Projections 2013-2033



8.9.5 Using the 2008-based projections the requirement range for the HMA as a whole would be 2,286-2,725. Using the 2011-based projections the requirement range for the HMA as a whole would be 2,058-2,477.

8.9.6 The jobs growth data has been drawn directly from the Cambridge Econometrics LEFM and Experian forecasts. Edge Analytics has made an appropriate judgment on each of these assumptions to enable a demographic evaluation of the implied jobs growth forecasts to be made.

8.9.7 Household outcomes of each scenario have been derived using assumptions from both the DCLG 2011-based and 2008-based household models.

8.9.8 It will be for each local planning authority to determine its use of the forecasts and other outputs from this project to inform its future scale and spatial distribution of future development. The application of the forecasts should be undertaken on a consistent and co-operative basis across the HMA.

8.9.9 These forecasts form the starting point for calculation of the level of objectively assessed need in Section 10.

9 HOUSING MARKET SIGNALS

9.1 Introduction

9.1.1 The National Planning Policy Guidance paragraph 15 refers to the starting point of the objectively assessed housing needs calculation being the CLG household projections, should be adjusted to reflect appropriate market signals.

9.1.2 The NPPG discusses a range of market signals on land values, house prices and rents, over-crowding and under-delivery which should be considered over the long term and comparatively with regional and national data, to determine whether any adjustment to the household projections is required to better reflect the total future housing needs of the market area.

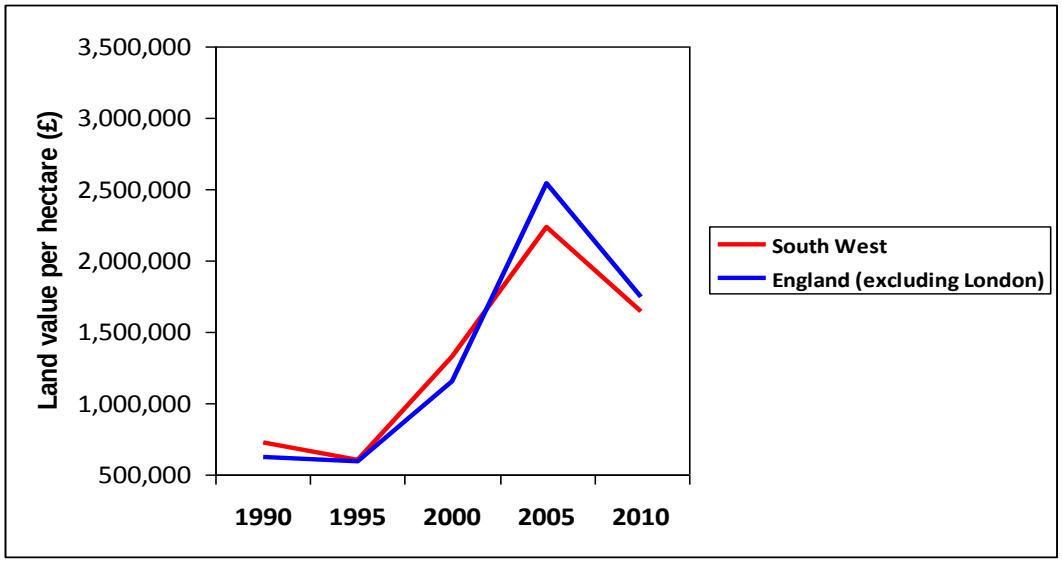
9.1.3 The relevant market signals as listed in the NPPG have been fully taken into account in the SHMA preparation and we provide a toolkit for authorities to review annually in the AMR.

9.2 Land Prices

9.2.1 Changes in land prices is one of the key market signals to be considered. However data is limited and is mainly available on residential land values at regional level.

9.2.2 The following graph indicates the value for residential development land in England (excluding London) and South West between 1990 and 2010.

Figure 9-1 Trend in Residential Land Value (£ per hectare) 1990-2010

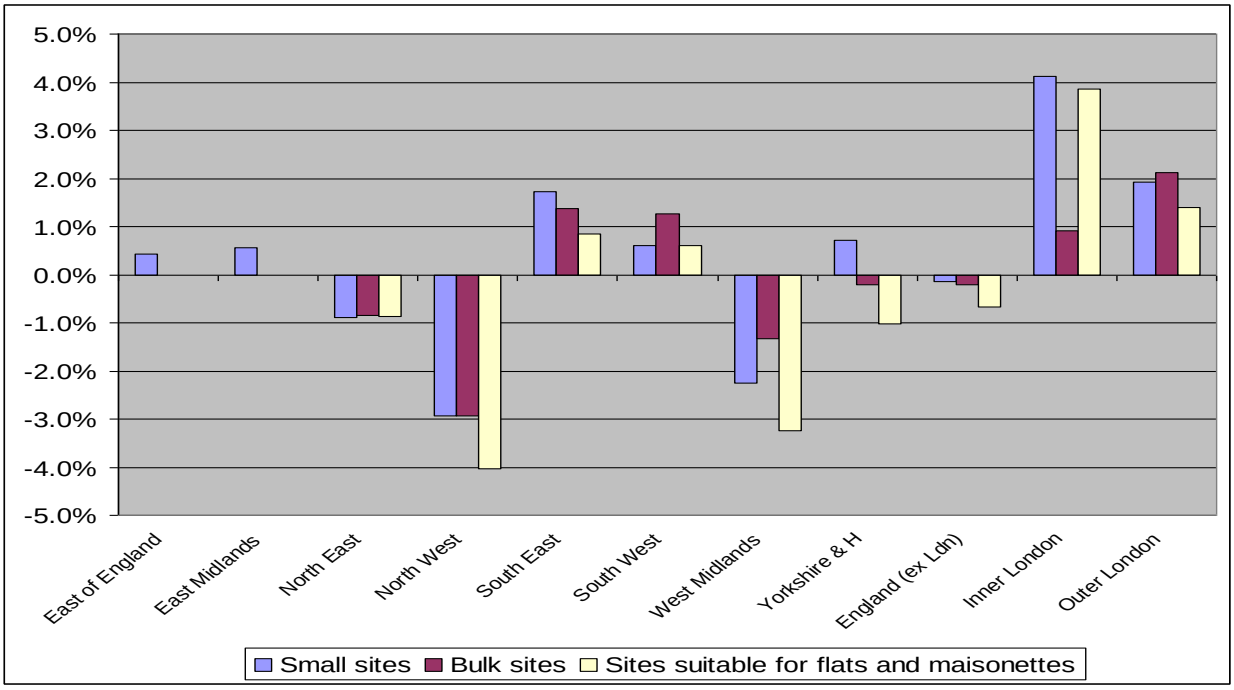


Source: VOA 2010

9.2.3 Overall the analysis shows that the growth in land value in the South West follows a similar pattern to the national level, a significant rise over the decade from 1995 to 2005 and then a decline in the market recession up to 2010.

9.2.4 The following graph shows the change in residential land values between January 2010 and July 2010 by region and land type.

Figure 9-2 Percentage change in land value (Jan 2010-Jul 2010)



Source: VOA 2010

9.2.5 In the South West, land price for bulk sites shows the highest increase of just over 1% since January 2010. Land prices for small sites and sites suitable for flats and maisonettes has also increased but on a smaller scale by less than 1% and shows similar growth levels to the East Region, East Midlands, the South East and Yorkshire.

9.2.6 The table below shows residential land values at a more local level in 2010. Data is not available for all the Exeter HMA areas therefore we have only included the areas that are available.

Table 9-1 Local level residential land values (July 2010)

Area	Type		
	Small Sites (£/ha)	Bulk Land (£/ha)	Sites for Flats and Maisonettes (£/ha)
Exeter	2,500,000	1,750,000	2,500,000
North Devon	1,500,000	1,250,000	1,500,000
Plymouth	1,500,000	1,450,000	1,400,000
South West	1,877,273	1,618,182	1,954,545
England (excluding London)	1,866,479	1,748,185	1,832,738

Source: VOA 2010

9.2.7 The land value for small sites in Exeter is higher than the national average and higher than in North Devon and Plymouth.

9.2.8 Bulk land value in Exeter is around the same as the national level but it is higher for sites for flats and maisonettes.

9.2.9 Although land values in Exeter are still high compared to national values, the levels have reduced over time. In July 2007 the land value for small sites in Exeter was around £4,000,000 per hectare, for bulk land it was around £3,000,000, and for flats and maisonettes it was around £4,000,000, suggesting less pressure in terms of land values if trends remain the same.

9.2.10 Recent research completed in 2013 by Savills* found that greenfield land values nationally are still 32% below their peak in 2007. Urban land values were found to be less than half the levels pre-recession.

9.2.11 As with rents, there is limited publicly available data which follows trends in land values (especially since the VOA has stopped publishing annual Property Market Reports since 2010).

9.2.12 Research by Savills in 2013 showed that for example, land values in the South East have fallen -26% compared with their former peak (compared with -32% nationally) and urban land values are -52% of their former peak compared with -53% nationally.

Conclusion

9.2.13 Although land prices in London are much higher than in the rest of the UK, the pattern of price change over the last 20 years has been similar. There was growth from the mid-90s through to the peak of the housing market before the credit crunch in 2007/08, with a sharp fall in prices to 2009 which have then stabilised.

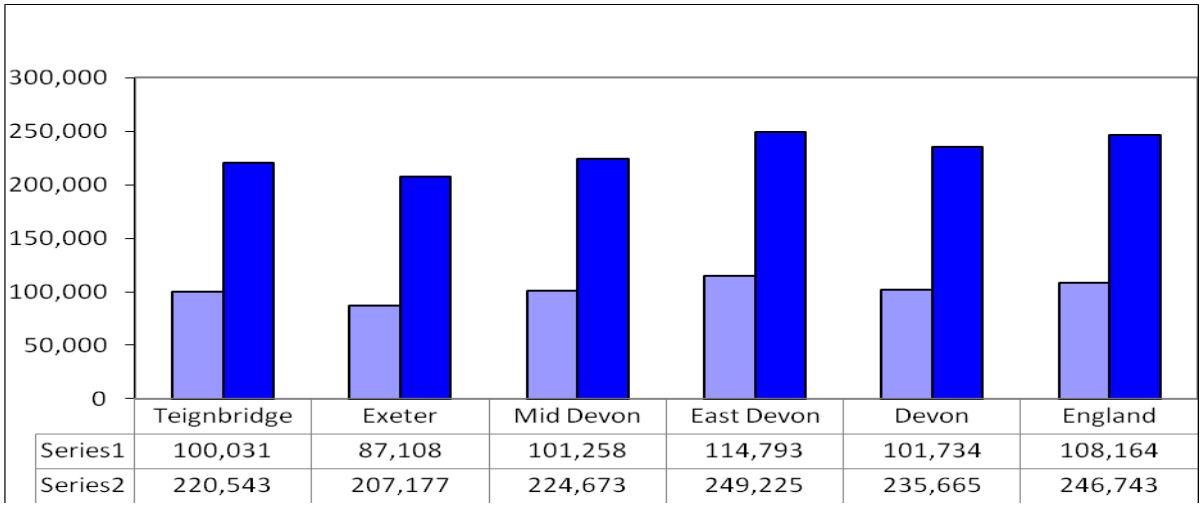
9.2.14 This pattern applies across the South West and there is no evidence to suggest that the Exeter HMA is significantly different to the regional and national trend. Therefore there is no adjustment required to the total housing need from this element.

9.3 House Prices

9.3.1 The housing market has been extensively analysed in Section 5.

9.3.2 Over the thirteen year period property prices have seen an increase across all authorities over the 13 year period between 2000 and 2013.

Figure 9-3 2000 -2013 Average Property Price



	Teignbridge	Exeter	Mid Devon	East Devon	Devon	England
Series1	100,031	87,108	101,258	114,793	101,734	108,164
Series2	220,543	207,177	224,673	249,225	235,665	246,743

Source: Land Registry Residential Property Price Report 2000 and 2013, © Crown Copyright
* Market in Minutes - UK Residential Development Land January 2013

9.3.3 The rates of price change are very similar at 118% to 121%, with only Exeter showing an increase above the other three authorities at 137% but from a lower base.

9.3.4 Compared to national house price growth over a 13 year period from 2000 to 2013, the County has experienced a slightly higher level of change at 129% to the national level increase of 124%.

Table 9-2 House Price Growth %, 2000 - 2013

	Price Change %
Exeter	137
East Devon	118
Mid Devon	121
Teignbridge	120
HMA Average	**124**
Devon	**129**
England	**124**

Source: Land Registry Residential Property Price Report 2000 and 2013, © Crown Copyright

9.3.5 The average price growth across the HMA is 124% over the 13 years from 2000, the same as the national level and below the County level.

Conclusion

9.3.6 Prices in the HMA are at the upper end of national levels, but the HMA is not significantly different to the County or the South West region. This therefore suggests that the level of house building was no more 'tight' than the rest of the County or the region.

9.3.7 House price changes in the Exeter HMA have followed a similar pattern to the County and national averages. There is no marked difference from the averages or the rate of change, and there is no evidence to suggest that the total housing need figures should be adjusted because of local house price change.

9.4 Rents

9.4.1 Private rented sector costs have been analysed in detail by property type and size across all four authorities in section 5.

9.4.2 The very extreme economic and housing market conditions of boom and collapse over the last decade has had major impact on the structure of the market and the private rented sector has grown in importance.

9.4.3 The private rented sector nationally has grown by 6.1%, an increase of over 50% between 2001 and 2011.

Table 9-3 Growth of the Private Rented Sector 2001-2011

	Private Rent 2001 (%)	Private Rent 2011 (%)	Change %
Exeter	15.0	22.2	48
East Devon	9.9	15.1	53
Mid Devon	11.4	17.4	53
Teignbridge	11.9	16.6	40
South West	13.4	18.5	38
England	12.0	18.1	50

Source: Census 2001 and 2011

9.4.4 The growth within this tenure, averaging 49% across the Exeter HMA, shows a similar level of change to those nationally and regionally.

9.4.5 Average and lower quartile monthly rental costs in the HMA are similar to the County and regional averages in the table below.

Table 9-4 Average Monthly Private Rents – December 2014

Area	Median	Lower Quartile
Exeter	700	575
East Devon	650	550
Mid Devon	595	500
Teignbridge	625	525
HMA Average	**643**	**538**
Devon	**625**	**525**
South West	**650**	**525**
England	**595**	**475**

Source: VOA Report December 2014

9.4.6 Exeter has higher monthly costs than the other authorities but also has a large student population.

Conclusion

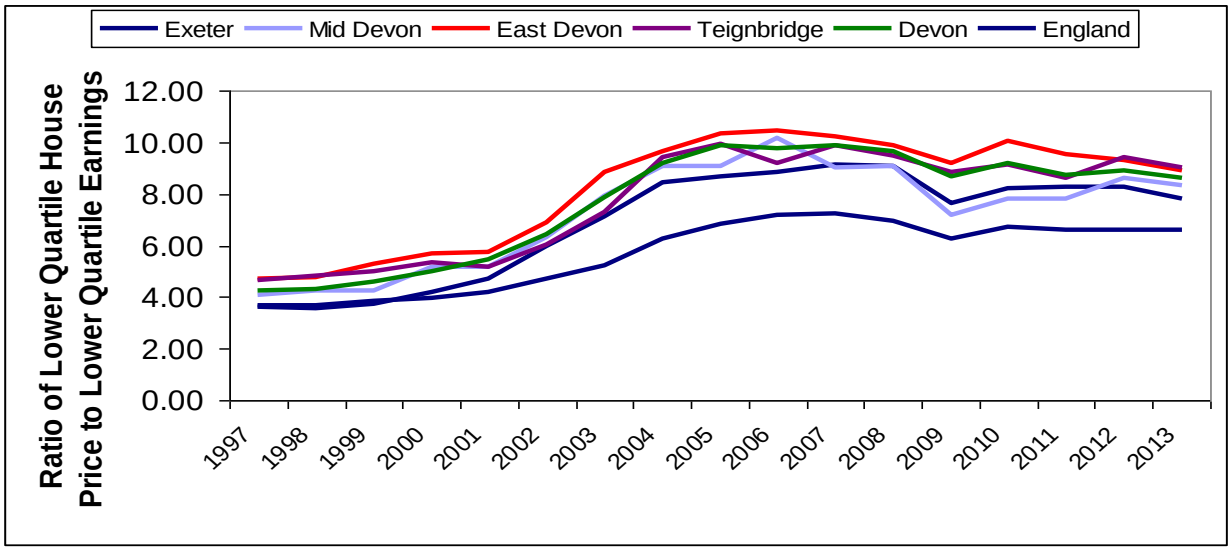
9.4.7 These rental sector indicators do not show evidence of a need to make any adjustment to the total housing need.

9.5 Affordability

9.5.1 In line with the NPPG we have examined evidence of affordability by looking at lower quartile house prices and incomes. The data source used is the ratio of house prices to earnings updated in April 2014 based on data from CLG, Land Registry and ONS.

9.5.2 The following graph shows the lower quartile affordability trend over the 16 year period from 1997 to 2013 in the Exeter HMA compared with Devon and England.

Figure 9-4 Lower Quartile Affordability Trend (1997-2013)



Source: CLG 2014

9.5.3 Affordability in the Exeter HMA worsened in the middle of the period and then gradually improved from around 2010 through to 2013, similar to the County and national profiles.

9.5.4 Despite record low interest rates the price to earnings ratio remains high, creating an affordability problem for new forming households. Tighter mortgage lending criteria and the need for high deposits have been analysed in detail in section 5.

Conclusion

9.5.5 As with comparable areas housing in the South West is expensive and therefore affordability, caused principally by lower incomes than found in similarly priced regions, remains an issue.

9.5.6 The affordability pattern locally applies similarly in the region and nationally and there is no evidence of local variation sufficient to require adjustment to the housing requirement.

9.6 Rate of Development

9.6.1 NPPG recommends the rate of development is also one of the market triggers which should be taken into account. Therefore, in this next section we have examined net completions compared to targets for the Exeter HMA authorities from their individual Annual Monitoring Reports.

9.6.2 The period through recession and post-recession to the current year have been analysed.

Table 9-4 Net Completions (2007-2014)

Authority - Target	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	Shortfall / Surplus
Exeter - (600)	891	512	414	368	857	899	473	555	+169
East Devon – (584)	374	284	224	393	565	320	467	824	-1,221
Mid Devon – (340)	429	427	384	268	265	212	321	321	+79
Teignbridge – (500 / 620)	539	312	375	415	392	346	469	819	- 534

Source: Council Annual Monitoring Reports

9.6.3 The table shows the level of completions annually between 2006/07 and 2013/14.

9.6.4 House building has been varied over the past eight years in the Exeter HMA and generally reflects the impact of the recession both prior to 2008 and post 2010 where higher levels of completions were achieved.

9.6.5 Both Exeter and Mid Devon have exceeded their target levels over the last eight years despite the impact of the financial crisis in 2008 and the ongoing problem of much tighter lending criteria.

9.6.6 There is a shortfall in past completions in East Devon and Teignbridge, although both authorities have seen a significant increase in completions in the last year 2013/14.

9.6.7 Although the number of completions has increased in East Devon since 2010/11, there has been a shortfall of 1,221 against a retrospective target of 584 a year (marginally higher than the Structure Plan figure of 563pa). If this shortfall applied over the first 5 years would add 244 units a year and 61 units a year over the life of the Plan.

9.6.8 In Teignbridge there was also a significant increase in completions last year, almost double the average of 423 over the previous seven years. Against a target of 500 which increased to 620 in 2012 / 13, there was a shortfall of 534 units over the eight year period. If this shortfall applied over the first 5 years would add 107 units a year and 27 units a year over the life of the Plan.

9.6.9 Although there is some evidence to suggest that the housing market in these two authorities area has been undersupplied, there has always been a supply of land to meet the housing targets across the HMA over this period.

9.6.10 The inability to deliver to target has been due to the effect of the economic conditions on housing market demand as opposed to a problem of supply.

9.6.11 The scale of development fairly reflects the market demand for new homes over this period, highlighted in the increasing level of completions in the last year as the economy recovers and government initiatives have improved access for new forming households.

9.6.12 Comparison of house price increases to the rates of increase in the region and nationally shows that the divergence is slight and there is therefore only limited evidence to suggest previous planning policies have constrained the housing market and that any upward revision to housing need projections is justified.

9.7 Over-crowding

9.7.1 Over-crowding figures are analysed in Section 4 and are accounted for the backlog of housing need in the Affordable Housing Model calculation.

9.7.2 The HMA authorities have an overcrowding level of 2.3%, impacted by a level of 3.5 in Exeter reflecting the scale of the student population. The average for the other authorities is 1.9. (Table 4-6). These levels are well below the 2011 Census 4.9% nationally and the 3% level found in the 2012 Survey of English Housing.

9.7.3 Levels are highest in the rented sectors but are similar to national average levels.

9.7.4 Conversely, there is a significant scale of under-occupation by two or more bedrooms affecting almost 40% of all stock.

9.7.5 Analysis of household spaces classified as over-occupied and with an occupancy rating of -1 room, found that Exeter (linked to the student population) at 3.1% household spaces is above the regional average of 2.6%, but still below the national average of 4.1%.

9.7.6 All other authorities have lower rates of household spaces with ratings of - 1 room, and well below the both national and South West regional averages.

9.7.7 The over-occupation in the stock and meeting need for family units through better re-let supply, especially in the social sector needs to be linked to the scale of under-occupied stock.

9.7.8 The social sector has under-occupation levels by two or more spare bedrooms of 10.2%, 2,400 properties, over 37% of the total 3 bedroom stock.

9.7.9 This is around 700 units more than the total of three bedroom waiting list need across the HMA which could address the scale of over-crowding through initiatives to make better use of the stock.

9.8 Conclusion

9.8.1 There is no evidence to suggest that compared to regional and national levels, the low level of overcrowding in the HMA should require any adjustment to the housing need numbers.

9.8.2 As discussed in section 4.6, over-crowding will be most effectively addressed through delivery of housing for older people to create a better flow of the existing stock.

9.9 Summary

9.9.1 Although the evidence of the higher than national average level of house prices and rents which ultimately reflect on the level of affordability, there is limited evidence to justify an uplift to housing need to correct for past under supply compared to market demand.

10 OBJECTIVELY ASSESSED NEED

10.1.1 The primary objective of the Strategic Housing Market Assessment is to identify the future quantity of housing needed (National Planning Practice Guidance - paragraph 002).

10.1.2 The OAN calculation assesses housing need by examining the demographic projections prepared by Devon County Council (see section 8), and applying jobs-led forecasts (section 8) and determining whether any adjustment should be made to respond to market signals (section 9). A full explanation of the methodology used in the demographic and dwelling projections can be found in their Report in **Appendix IV.**

10.1.3 Table 10-3 brings all these factors together and presents the objectively assessed need figures for the constituent authorities and the HMA as a whole.

Table 10-1 2008 Headship Rates

Area	Demographic Base	Jobs-led (Experian)	Jobs-led (LEFM)	Housing Need Range	Mid-point of Range
Exeter	629	660	681	629 - 681	655
East Devon	609	752	879	609 – 879	744
Mid Devon	400	378	386	378 – 400	389
Teignbridge*	648	779	779	648 – 779	714
Total HMA	**2,286**	**2,569**	**2,725**	**2,286 – 2,725**	**2,506**

Note * Teignbridge figures include the area within the Dartmoor National Park. The HMA ranges and mid points are calculated using the HMA totals not the sum of the individual district figures

Table 10-2 2011 Headship Rates

Area	Demographic Base	Jobs-led (Experian)	Jobs-led (LEFM)	Housing Need Range	Mid-point of Range
Exeter	549	578	596	549 – 596	573
East Devon	559	698	820	559 – 820	690
Mid Devon	361	339	347	339 – 361	350
Teignbridge*	589	715	714	589 – 715	652
Total HMA	**2,058**	**2,330**	**2,477**	**2,058 – 2,477**	**2,268**

Note * Teignbridge figures include the area within the Dartmoor National Park. The HMA ranges and mid points are calculated using the HMA totals not the sum of the individual district figures

10.1.4 Table 10-3 below presents the objectively assessed need figures for the constituent authorities and the HMA as a whole.

Table 10-3 OAN Annual Range Levels for the Exeter HMA

Area	Demographic Base	Support Economic Growth (Experian)	Support Economic Growth (LEFM)	Housing Need Range	Mid-point of Range
Exeter	589	619	639	589 - 639	614
East Devon	584	725	850	584 - 850	717
Mid Devon	381	359	367	359 - 381	370
Teignbridge*	619	747	747	619 - 747	683
Total HMA	**2,172**	**2,450**	**2,601**	**2,172 – 2,601**	**2,387**

Note * Teignbridge figures include the area within the Dartmoor National Park

10.1.5 Taken as a whole the outputs from Experian and LEFM modelling generate an appropriate Housing Market Area wide objective scale of growth and also form appropriate assessments for individual authorities. However, where there are specific job growth agendas arising from strategic inward investment or regeneration initiatives, authorities should consider the appropriateness of alternative job growth scenarios in establishing final objectively assessed housing need figures for their own authority. The implications of any such adjustments need to be considered in the context of the wider HMA.

10.1.6 Analysis of the elements of market signals in Section 9 did not find evidence to justify any uplift in the levels from the dwellings and jobs-led projections outlined in the tables above.

10.1.7 Housing is expensive in the South West region generally and therefore there are concerns about affordability. This is however a national concern and reflects in the national policy focus to increase the supply of new homes.

10.1.8 The mid-point of the range of dwellings and jobs-led projections is a total of 2,387 dwellings a year. The lower end of the range is 2,172 and the higher end of the range is 2,601.

11 AFFORDABLE HOUSING NEED

11.1.1 The National Planning Practice Guidance (2014) states that plan makers and partnerships should estimate the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market and therefore will require some form of affordable housing).

11.1.2 A full affordable housing assessment has been conducted and is set out in **Appendix III.** The assessment identifies the total scale of affordable need of new forming households not able to access the market, the needs of existing households who fall into need, provision from existing stock turnover and the net need which requires to be addressed from future new provision.

11.1.3 However, as highlighted in the PAS Technical Advice Note (*Objectively Assessed Need and Housing Targets (June 2014)*) **only new forming households** should be taken into account in the calculation as the backlog and existing households already live in housing units which would be freed up when they are housed and do not create any net need in terms of the total future requirement.

11.1.4 In the HMA the new forming group requiring affordable housing are calculated from the household projections and are shown in 4.1 and 4.2 of the Model in Appendix III. The calculation of new affordable need based on the DCC trend based projections using the 2008 and 2011 household model assumptions is set out in Table 11-1Table 10-1 and Table 11-2 below.

Table 11-1 Affordable Need (2008 based household model assumptions)

	Exeter	East Devon	Mid Devon	Teignbridge	Exeter HMA
New Households pa.	629	609	400	648	**2,286**
Proportion unable to afford market rent	55.1%	46.6%	32.6%	37.9%	**43%**
Number unable to afford market rent	347	284	130	246	**1,007**

Note : This tables does not separately take account of the different affordable housing requirements within the Dartmoor National Park

11.1.5 Based on the 2008 new household projections and their ability to access market rented housing, the total annual affordable need across the HMA is **1,007 households a year.**

11.1.6 This is around 43% of the potential 2,286 unit annual average housing delivery from the household projections modelling.

11.1.7 Even in very buoyant market conditions, this level is higher than is likely be economically viable, as an affordable housing target in planning policy, a key factor in any requirement for affordable housing from planning negotiation.

11.1.8 This level is also higher than the targets set in Local Plans which range from 20/30% in Teignbridge, 25% / 50% in East Devon, 30% in Mid Devon and 35% in Exeter and 50% in Dartmoor National Park.

11.1.9 If the 2011 based projections are used the annual affordable need figure reduces to 904.

11.1.10 The mid-point of the two projections would be 955 households a year as shown in

Table 11-2 Affordable Need (2011 based household model assumptions)

	Exeter	East Devon	Mid Devon	Teignbridge	Exeter HMA
New Households pa.	549	559	361	589	**2,058**
Proportion unable to afford market rent	55.1%	46.6%	32.6%	37.9%	**43%**
Number unable to afford market rent	303	260	118	223	**904**

Note : This tables does not separately take account of the different affordable housing requirements within the Dartmoor National Park

11.1.11 In accordance with National Planning Policy Guidance it is necessary to consider the total affordable housing need in the context of its likely delivery by market housing led developments. Table 11-3 presents total affordable housing need and the likely delivery across the HMA.

Table 11-3 Affordable Need and Likely Delivery

	Exeter	East Devon	Mid Devon	Teignbridge	Exeter HMA
Affordable Housing Mid-point (2008/20011)	325	272	124	234	955
Policy Requirements	35%	30%[3]	30%[4]	25%	---
Housing Requirement (Mid Point)	614	717	370	683	2,384
Affordable homes likely to be delivered by policy requirements	215	215	111	171	712

11.1.12 Applying the affordable housing targets set by each individual authority to the objectively assessed needs established in section 10 would be likely to deliver 712 affordable housing units.

"National Planning Practice Guidance advises at Paragraph: 029 Reference ID: 2a-029-20140306 http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/)"

11.1.13 "An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes."

[3] East Devon emerging plan has policy targets of 25% in lower value areas and 50% in higher value areas. A 30% figure has been used in this analysis.
[4] Mid Devon emerging plan has policy targets of 28% for urban areas and 30% for rural areas.

11.1.14 Noting that the total affordable need is much higher than the number of homes likely to be delivered by market led development, the authorities of the HMA will need to give consideration to the scope and potential to increase total housing delivery, above objectively assessed needs, as a means to promote additional affordable housing delivery.

11.1.15 However, increasing total housing delivery is not the only means to secure affordable housing. It is important to bear in mind that the new delivery of 712 units should experience the same average re-let rate as the existing stock of around 7% pa. This would increase the scale of re-lets by around 50 units a year, every year across the HMA, which is a major means of meeting affordable housing need.

11.1.16 Furthermore, meeting the total need for affordable housing also involves a range of initiatives in addition to new unit delivery through the planning system:-

- Freeing up under-occupied social rented units to make best use of the existing stock which can free up 3 to 4 properties as households trade up to the size they require ultimately providing access to a one bedroom unit for a household the waiting list;
- By bringing empty properties back into use;
- Bringing social sector stock up to Decent Homes Standard;
- Conversion of existing buildings.

11.1.17 These initiatives offer scope to make a meaningful contribution to provision of affordable housing.

11.1.18 Furthermore in calculating houses required to generate affordable provision authorities should also consider schemes that may come in at above normal (minimum) affordable housing policy targets. Cases where percentage levels could be exceeded include 'exception' housing schemes (for example in rural areas where housing would not typically be allowed) as could direct Council, Housing Association or community land trust developments.

11.1.19 Ultimately any policy targets in excess of the objectively assessed need should be set based on what is sustainable, viable and deliverable, and importantly support other corporate strategies, especially for economic growth and regeneration. These should be major factors in determining the scale and tenure mix of any affordable housing.

11.1.20 Based on the evidence found in this assessment an overall affordable housing target average of 30% across the HMA and the targets set in individual Council Local Plans can all be justified, subject to viability.

12 THE HOUSING NEEDS OF SPECIFIC HOUSEHOLD GROUPS

12.1 Introduction

12.1.1 This chapter investigates the needs of specific household groups that may have housing requirements which differ from the general population. Certain groups may exert influences within the housing market area which need to be understood and planned for.

12.1.2 The housing requirements of the following household groups have been analysed:-

- Older people;
- Households with support needs;
- Students (based on the impact of Exeter University).

12.2 Housing Needs of Older People

12.2.1 The NPPF's glossary contains a useful definition of older people: "*People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.*"

12.2.2 It is necessary to provide housing for older people to enable them to live independently at home for as long as they are able and providing a range of more specialist older persons accommodation, in the context of an ageing society in the UK.

12.2.3 Changes in the population structure will impact on demand for different house types and tenures. Local Development Documents will need to take account of the projected growth in demand in these sectors and the strategic implications of these projections.

Table 12-1 Change in 65+ Age bands

	Population Year		Change 2013 - 2033	% Change
	2013	2033		
Teignbridge	31,499	46,970	+15,471	+49.1
East Devon	39,691	55,108	+15,147	+38.1
Exeter	19,273	26,802	+7,529	+39.1
Mid Devon	17,241	26,607	+9,366	+54.3

Source: DCC Trend Based Projections

12.2.4 The 65+ population in Teignbridge is forecast to increase by 49.1%; 15,471 more people by 2033, the largest increase in numbers across the HMA area.

12.2.5 The largest increase in population by percentage occurs in Mid Devon increasing by 54.3%; 9,366 more people over the period.

12.2.6 The smallest growth in population is projected in Exeter growing by 7,529 people; 39.1%.

12.2.7 The Projecting Older Person Population Information System (POPPI) developed by the Institute of Public Care (IPC) for the Care Services Efficiency Delivery Programme (CSED) provides a more detailed picture of the changing population age profile of the Local Authorities.

12.2.8 The data shows that the number of older persons (aged 65+) living alone in the Local Authorities is forecast to increase between 39% in Exeter to 64.7% in Mid Devon by 2030.

Table 12-2 Number of 65+ living alone

Authority	2014	2030	Change 2014 – 2030	% Change 2014 – 2030
Exeter	5,135	7,137	+2,002	+39.0
Teignbridge	7,795	11,975	+4,180	+53.6
East Devon	9,966	14,886	+4,920	+49.4
Mid Devon	3,962	6,527	+2,565	+64.7

Source: Housing LIN

12.3 Population Growth and Housing Needs of 75+ Age Group

12.3.1 In general terms, care and support needs increase with age. However, more people are staying in their properties longer with support and care being supplied by external agents in their home.

12.3.2 Although this may be the case some older people cannot manage in their existing property and will need to access some kind of higher level supported housing. The older population has the highest population growth rate in the HMA and the individual Council's will need to consider the housing needs of this age group.

Table 12-3 Change in 75+ Age bands

	Population Year		Change 2013 - 2033	% Change
	2013	2033		
Teignbridge	14,643	25,232	+10,589	+72.3
East Devon	19,790	30,870	+11,080	+56.0
Exeter	9,646	14,218	+4,572	+47.4
Mid Devon	7,748	14,089	+6,341	+81.8

Source: DCC Trend Based Projections

12.3.3 The 75+ population in East Devon is forecast to increase by 56%; 11,080 more people by 2033, the largest increase in numbers across the HMA area. The largest increase in population by percentage occurs in Mid Devon increasing by 81.8%; 6,341 more people over the period.

12.4 Current Supply of Specialist Housing

12.4.1 Given the ageing population and higher levels of disability and health problems amongst older people there is likely to be an increased requirement for specialist housing options moving forward.

12.4.2 The table below shows the current unit supply by Authority of specialist (sheltered including enhanced and extra care) accommodation for older people. Currently it is estimated that there are 6,550 units over the HMA area.

12.4.3 Despite the majority of older person's households being in the owner-occupied sector, the majority of specialist housing available is in the affordable sector (61%) with only 39% being available in the market sector.

Table 12-4 Current Unit Supply of Specialist Housing

Authority	Affordable	Market	Total	Supply per 1,000 popn. aged 75+	National Supply levels per 1,000
Exeter	804	658	1,462	146	170
Teignbridge	983	584	1,567	98	170
East Devon	1,641	1,167	2,808	134	170
Mid Devon	557	156	713	82	170
HMA Area Total	**3,985**	**2,565**	**6,550**	**117**	**170**
Residential Care	**3,508**		**3,508**	**41**	**65**
Nursing Care	**1,529**		**1,529**	**18**	**85**

Source : Housing LIN – Residential Care & Nursing Care are not recorded by Tenure

12.4.4 Supply against the population is higher in Exeter and East Devon.

12.4.5 The data shows a total of 117 specialist units per 1,000 people aged 75+ over the whole HMA area, nationally the figure is around 170 per 1,000.

12.4.6 The figures included in the table for supply per 1,000 are indicative.

12.5 Extra Care Accommodation

12.5.1 Extra Care accommodation is housing which offers self-contained accommodation together with communal facilities and where care, as well as support, services are provided from a team based on a site.

12.5.2 The County Council work towards a target of 65 units of extra care housing per 1,000 people aged 75+ and they are working to a development program of 950 units (795 new units) by the end of 2016.

12.5.3 The issue of potential delivery through shared equity also applies to the extra care sector. Although we do not have information on the current tenure of in-migrating older people it would be reasonable to conclude that the majority would be owner-occupiers with no mortgage.

12.5.4 This sector of the older persons housing market is relatively new and the growth forecast in the population projections over the next decade of those aged 75+ years may well increase the need for this type of accommodation; demand may also increase as understanding of this sector of supported housing increases.

12.5.5 The demographic data shows that the issues which will have to be addressed are happening now and will have an impact in both the market and social housing sectors.

12.5.6 Addressing the scale of under-occupation in policy and development terms will help the flow of family homes as well as freeing up lower level supported housing in both market and social housing.

12.6 Dwelling Under-Occupation

12.6.1 The 2011 Census identified that, based on the national bedroom standard, 39.5% of all households in the HMA were under-occupied by two or more bedrooms. The impact of under-occupation is therefore significant.

12.6.2 The CLG annual report on housing in England also shows that "owner-occupied" housing stock is increasingly concentrated in the hands of retirees. People aged 65 and over account for 58 per cent of homes occupied by owners with no remaining mortgage debt.

12.6.3 Using the levels in the DCLG report, across the HMA area would account for around 58,725 owner occupier households aged over 65 years with no mortgage debt. There is clearly a significant proportion of the population with a large amount of equity and therefore the financial ability to trade down into private sheltered housing if it was available locally.

12.6.4 DCA experience shows that older people seek to remain in their own homes and prefer to receive support at home. In contrast, the children of older parents tend to predict the need for supported housing.

12.6.5 This relatively new trend is borne out in sales of new build private sector sheltered housing and extra care projects where a significant proportion of purchasers are moving over 100 miles to be close to their mature children who have settled in the area.

12.6.6 The combined impact of an economy with a more mobile workforce, particularly professional personnel, linked to the increased scale of these people in the 'baby boomer' age groups who are now in their early 60s, is a significant factor in the growth in the number of parents moving to join their family in old age.

12.6.7 Conversely, the indigenous older population prefer to continue in the area / surroundings they know and within their own home as long as possible and often will not acknowledge or predict the need to move. Need and demand levels expressed from local older residents are normally relatively low in household surveys.

12.6.8 Some of this requirement will be addressed by flow of the existing sheltered stock, but acceptability of existing stock to meet today's standards will need to be assessed in calculating the scale of new delivery. The provision of more suitable accommodation to enable under-occupying households to move to housing better suited to their requirements would improve the flow of the stock and contribute to the core government policy objective to make best use of the existing stock.

12.6.9 The delivery of one new older persons unit could in effect create up to four household moves from enabling greater turnover of the existing stock.

12.7 Best use of the Existing Stock

12.7.1 Making the best use of the existing stock is a core Government objective and is a key aspect of sustainable development. The significant under-occupation of existing housing stock in both sectors is a key element in future strategy to provide a more balanced stock to meet the requirements of future households.

12.7.2 New development should meet gaps in the current stock and create secondary gains in improving stock flow in both sectors. 69% of the supported stock is in the affordable sector, this bears weight to the argument that looking at tenure mix emphasis could be placed on market provision to bring more into line with the tenure mix in the population.

12.7.3 The impact of under-occupation is significant, and the situation will already have worsened since the Census in 2011 as the proportion of older people in the population increase, both in the immediate and long term.

12.7.4 Making best use of the stock must involve planning policy finding a wider range of housing options for older people, especially in the private sector. Rapidly changing demographic profiles will increase the proportion of under-occupation especially in those households with no mortgage, usually older people.

12.7.5 This situation will continue to worsen over the next decade as the proportion of older owner-occupiers in the HMA increases significantly. Other national research confirms the trends found in all DCA housing market assessments.

12.7.6 The Shelter Report 'A Better Fit? – Creating Housing Choices for an Aging Population' Shelter April 2012 gave the following recommendations:-

- '*Most older people are owner-occupiers and have already paid off their mortgages….Sixty-eight per cent of older homeowners live in a home that has at least two spare bedrooms.'*
- *'When older people downsize to smaller accommodation, there is a market chain effect and larger properties become available to other households.'*
- *'If more households were to downsize they would obviously need somewhere to move to. While there are potentially enough smaller homes in the market, they are not necessarily the right kind, in the right tenures or the right areas. Building more homes that are suitable for older people could help to stimulate the market by increasing their propensity to downsize*.'

12.8 Housing and Planning Strategy

12.8.1 The policy requirement for the future to make best use of the housing stock must involve addressing under-occupation to assist in meeting the needs of over-crowded households by improving the rate of turnover of family units, through specialist accommodation provision to meet the changing requirements of the increasing older population.

12.9 Households with Support Needs

12.9.1 Understanding the broad number of households with support, special and/or specific needs, and the individual challenges, is vital to determining where and how much purpose-built or adapted housing is required.

12.9.2 There is no single data source which enables a thorough assessment to be made of the scale of these issues. This analysis draws on longer-term projections of need from the Projecting Adult Needs and Service Information System (PANSI).

12.9.3 The Projecting Adult Needs and Service Information System developed by the Institute of Public Care (IPC) for the Care Services Efficiency Delivery Programme (CSED) provides projections of future numbers of households with physical and learning disabilities.

12.9.4 In addition, the POPPI dataset provides similar information for older person households. These households, alongside others, are likely to require some form of support within their properties. The data provides a useful indication of the levels of demand on existing stock and future requirements to deliver new suitable properties and / or adaptations.

12.9.5 The POPPI dataset suggests that between 2014 and 2030 the number of individuals aged 65+ in the Local Authorities with learning difficulties is anticipated to rise between 31.8% and 41.2%.

Table 12-3 Forecast Learning Disabilities Aged 65+ - Local Authorities, 2014-2030

	2014	2015	2020	2025	2030	Change 2014-30	% Change 2014 – 30
Exeter	403	410	447	479	531	128	31.8%
Teignbridge	663	679	751	823	916	253	38.1%
East Devon	833	851	924	1,001	1,104	271	32.5%
Mid Devon	371	380	424	468	524	153	41.2%
Devon	**3,847**	**3,940**	**4,343**	**4,737**	**5,254**	**1,407**	**36.6%**

Source: POPPI, 2014

12.9.6 When broken down by Local Authority, PANSI data is available for adults aged 18 – 64 and shows only a small increase or decrease in learning disabilities.

Table 12-4 Forecast Population with Learning Disabilities age 18-64 (2014 – 2030)

	2014	2015	2020	2025	2030	Change 2014 – 30	Change %
Exeter	1,959	1,966	1,971	1,986	2,025	+66	+3.4
Teignbridge	1,696	1,696	1,687	1,679	1,651	-45	-2.7
East Devon	1,710	1,707	1,700	1,709	1,694	-16	-0.9
Mid Devon	1,084	1,084	1,080	1,081	1,072	-12	-1.1
Devon	10,460	10,451	10,422	10,403	10,362	-98	-0.9

Source: PANSI, 2014 - PANSI also provides projections on the change in population with both moderate, and serious, physical disabilities.

12.9.7 As in the case of individuals aged 18+ with learning disabilities, the PANSI system suggests that the number of individuals aged 18-65 with moderate and serious physical disabilities will increase in all Local Authorities, between 2012 and 2030. Those with serious physical disabilities increase more than those with moderate disabilities.

12.9.8 Households with moderate disabilities, i.e. limiting their daily activities will increase by 3.8% in Exeter and 1% in East Devon, all other areas show a small decline.

12.9.9 The largest increases in serious physical disabilities are seen in Exeter at 5.7% and East Devon at 3.2%. Those with serious physical disabilities are likely to need more specialist care and support.

Table 12-5 Population forecast (18 – 65) with moderate / serious physical disability

Exeter	2014	2015	2020	2025	2030	Change 2014 – 30	% change
Moderate	5,570	5,598	5,699	5,776	5,779	+209	+3.8
Serious	1,556	1,565	1,616	1,655	1,644	+88	+5.7
Teignbridge	**2014**	**2015**	**2020**	**2025**	**2030**	**Change 2014 – 30**	**% change**
Moderate	6,092	6,101	6,189	6,200	5,960	-132	-2.2
Serious	1,890	1,894	1,948	1,975	1,885	-5	-0.3
East Devon	**2014**	**2015**	**2020**	**2025**	**2030**	**Change 2014 – 30**	**% change**
Moderate	6,200	6,214	6,311	6,409	6,262	+62	+1.0
Serious	1,940	1,946	1,998	2,055	2,002	+62	+3.2
Mid-Devon	**2014**	**2015**	**2020**	**2025**	**2030**	**Change 2014 – 30**	**% change**
Moderate	3,798	3,811	3,858	3,873	3,768	-30	-0.8
Serious	1,167	1,172	1,200	1,218	1,178	+11	+0.9
Devon	**2014**	**2015**	**2020**	**2025**	**2030**	**Change 2014 – 30**	**% change**
Moderate	36,180	36,182	36,705	36,831	35,931	-249	-0.7
Serious	11,080	11,078	11,377	11,543	11,189	+109	+1.0

12.10 Student Growth and Accommodation Needs

11.11.1 Understanding the demand on the housing market from students is an important factor for Exeter and Exeter City Council. A key issue to consider is the growth in the student population against the amount of accommodation available to meet their housing needs. This will have specific implications for the number of purpose-built student units delivered and the private rented sector and therefore the availability of homes in the city.

12.11 Introduction

12.11.1 Exeter University has two campuses within Exeter; Streatham and St. Luke's. They are both a short walk from the City centre. There is also Penryn campus which is situated in Cornwall. There are approximately 19,300 students at Exeter University as a whole. Of these students approximately 15,000 (78%) are undergraduates.

12.11.2 In Exeter there are approximately 17,500 students, of which around 13,500 (77%) are undergraduates. Calculations relating to the potential growth in the University and associated housing requirements are based only on the students at campuses in Exeter.

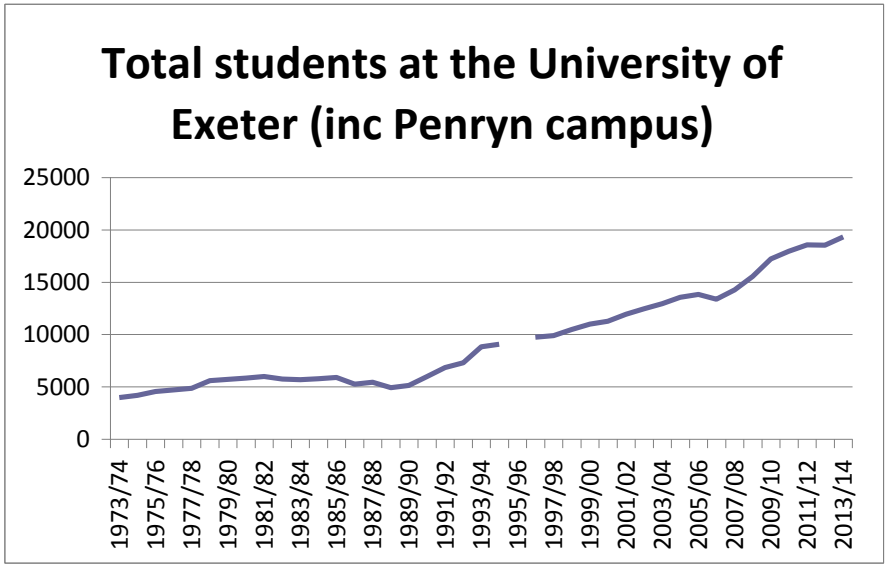
12.11.3 Discussions have taken place with the University of Exeter to identify the previous growth in the number of students at the University together with future plans for additional expansion.

12.12 Past student growth

12.12.1 The University has grown steadily over the last thirty years, with the numbers of students at the University increasing from approximately 4,000 in 1973/74 to around 19,300 in 2013/14. A small proportion of this growth has resulted from the inclusion of the Camborne School of Mines into the University in 1993, however the majority has resulted from expansion plans and programmes.

12.12.2 The overall growth of the University since 1973 is shown in Figure 12-1.

Figure 12-1 Growth in student numbers at Exeter University, 1973 to 2014

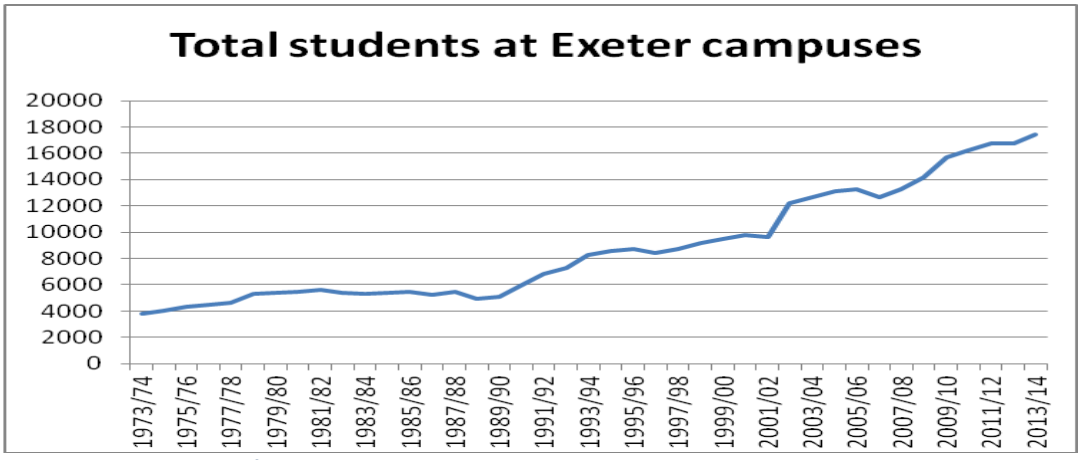


Source:- University of Exeter data

12.12.3 For the purpose of this analysis, the important consideration is the number of students at the campuses in Exeter. Numbers of students have also grown at these campuses specifically, with a rise from approximately 4,000 in 1973/74 to around 17,500 in 2013/14.

12.12.4 This growth is shown in Figure 11-2 below.

Figure 11-2: Growth in student numbers at campuses in Exeter, 1973 to 2014



Source - University of Exeter data

12.12.5 The graphs show that the over last thirty years, and in the last ten years, student numbers have grown steadily. There was a small reduction in the numbers of students in 2006/07 potentially resulting from the increase in university fees charged in that year; fees increased to £3,000 per year at that point. The subsequent increase in university fees to £9,000 coincides with a slight plateauing of the number of students at the university in 2012/13. Despite the increase in university fees, the general pattern in student numbers is one of growth.

12.12.6 For the purpose of this assessment, it has been necessary to look at the growth in students over the same length of time as the migration trend period i.e. 30 years. Looking at previous full-time undergraduates more specifically, data shows that the number of full-time undergraduate students studying in Exeter grew by an annual average of 297 per year over thirty years up to 2012/13.

12.13 Future student growth

12.13.1 Given the significant growth in the University in the past, and the implications this has had on the dwelling requirements in Exeter, further work has been undertaken to consider the impact of potential, future expansion on housing requirements.

12.13.2 The University of Exeter University Strategic Plan[5] sets out the aspiration for growth up to 20,000 students by 2020 for the University as a whole. Discussions were held with the university to understand the university's growth strategy in more detail. Future projections were provided as part of this assessment.

12.13.3 The university projections suggested potential total growth to approximately 22,000 students in 2020/21. Of these, nearly 20,000 would study at the campuses in Exeter.

12.13.4 For the purposes of understanding the impacts of student numbers on housing requirements, specific consideration has been given to assessing the number of full time undergraduates which may study at the university in future.

12.13.5 Focus on this group is justified because this group is the most likely to move to the city from elsewhere to study. This group also represents approximately 77% of the total Exeter-based students.

12.13.6 Data provided by the university suggest that the numbers of full time, undergraduates based at the campuses in Exeter will grow from approximately 13,400 in 2013/14 to around 15,400 in 2020/21. This equates to approximately 286 students per year. These numbers will affect future migration into Exeter.

12.13.7 Because university projections are not available beyond 2020/21 and because of the trend of growth over the last thirty years, it has been assumed that continued growth in full time, undergraduates will continue throughout the projection period. This growth is based on the average student increases over 30 year period.

[5] '2015: Our Vision, Our Strategy' Available at: http://www.exeter.ac.uk/media/universityofexeter/webteam/shared/contentimages/strategicplan/Strategic_Plan_2015.pdf

12.13.8 As previously suggested, the university data sets out that the number of full-time undergraduate students studying in Exeter grew annually by approximately 297 in the 30 years up to 2013. Bearing in mind that the university could grow at a rate of 286 full-time undergraduate, Exeter based students per year in future, it can be seen that the general population, 30 year trend would account for growth in full-time undergraduate Exeter based students at a rate which is greater than anticipated by potential university growth.

12.13.9 Significant consideration was given to developing an appropriate methodology for considering student growth within future population projections for Exeter. Having compared past university growth with that anticipated in the future, it is clear that the future expansion of the university would be a continuation of the growth trend previously recorded.

12.13.10 As such, it would not be appropriate to manually adjust the population projections to reflect future university growth. As identified in the 2014 ONS Methods Guide [6], previous expansions of the student population would have been reflected in the mid-year estimates (because they are population estimates refer to the resident population which includes students) and therefore migration data used in the population projections. As such, using a thirty year migration trend period and applying this forward will implicitly project a continued growth in the university population.

12.14 Future student housing requirements

12.14.1 Having considered the anticipated growth in the university population, the total likely housing requirement for this group can be calculated. Housing requirements for students have been calculated using broadly the same methodology as that applied to the population projections as a whole. Students are included within the wider population and therefore the overall population projections for Exeter include the student housing requirement.

12.14.2 In order to identify specifically the number of dwellings of the total which are required to accommodate students, the dwellings model was run twice; once without adjustment and once having removed the annual increase in population which has been attributed to a growth in the student population. The difference between the two resulting dwelling requirements represents the number of dwellings required for the growth in the university population.

12.14.3 Two scenarios for this assessment need to be run to reflect the use of the 2008 and 2011 headship rates. It should be noted that because the students are included within the wider population projection, the standard headship rates are used. No adjustment has been made to reflect the likely larger household size or occupancy of student housing. The same vacancy rate has been applied across the projection, including for student housing.

12.14.4 The annual housing requirement in Exeter to meet the needs of students applying the 2008 and 2011 headship rates are:

[6] Available here: http://www.google.co.uk/?gfe_rd=cr&ei=5T3eVOC6Gan7iQbBt4CoCA#q=Methodology+Guide+for+Mid-2013

- 2008 headship rates: 174 dwellings per annum (28% of the 629 total dwellings per annum in the DCC trend-based projection).
- 2011 headship rates: 162 dwellings per annum (30% of the 549 total dwellings per annum in the DCC trend-based projection).

12.14.5 As a point of clarification, the student housing requirements are already incorporated within the wider dwelling projections and are not an additional requirement.

12.14.6 As a result of the methodology for undertaking the population projections, and the fact that students are included within the wider projection, there is no requirement to specifically assess the number of students who may continue to live in Exeter after finishing their studies. This is because student moves are implicitly factored into the migration data trend data which is used to project future migration.

13 FUTURE HOUSING CHARACTERISTICS

13.1.1 This section examines the need for market and affordable housing, how this is broken down by size of property (i.e. number of bedrooms) and type of affordable housing (i.e. intermediate and social rented housing) needed in future.

13.1.2 The findings of this section directly relate to a number of the core outputs set out in Guidance. Key findings of bringing the evidence and analysis together to determine future target recommendations on tenure mix, affordable housing and property size across all sectors are presented below.

13.2 Market Housing

13.2.1 Creating a more balanced stock can only be achieved over the long term but fundamentally it has to address imbalances in the structure of the current stock particularly also to address demographic change and the impact on household formation patterns.

13.2.2 Three of the four authorities in the Exeter HMA have a higher than average proportion of owner occupation ranging from 69.1% to 74.9%, above the national level of 63.4%. Exeter City is the exception with owner occupation at 59.8% and a much higher level of private rental stock (22.2%) than the more rural and coastal authorities.

13.2.3 The property type balance is heavily weighted to detached and semi-detached property ranging from 61% to 67% except in Exeter where terraced houses are 32.7% of the stock, close to the combine detached and semi-detached total of 39.1% in the City.

13.2.4 The combination of the larger property types and the demographic profile creates a high level of under-occupation by two spare bedrooms of 39% in the whole stock ranging from 32.2% in Exeter and 39.5% to 43.6% in the other authorities.

13.2.5 The level will be significantly higher in the owner occupied stock of properties occupied by households over 65 which is at 63% nationally. These levels will continue to increase with the higher proportionate future growth in older people in the population.

13.2.6 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.

13.2.7 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.

13.2.8 In Exeter however there will be greater need for family sized units and **a 50 : 50** balance of new delivery could be considered.

13.3 Low Cost Market Housing

13.3.1 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.

13.3.2 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.

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

13.3.4 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.

13.3.5 The major difficulty and challenge for this sector is affordability within the HMA 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.

13.4 Future Affordable Housing Delivery

13.5 Tenure Mix Targets

13.5.1 The increases in house prices over the last decade have excluded many 'first-time buyers' from the owner occupied market especially in high priced market areas like those in Devon.

13.5.2 Despite the relatively small changes in price and lower interest rates over the last five years affordability remains a difficulty for many existing and new forming households.

13.5.3 Social rented housing in 2011 is 17% of the stock in Exeter but only 8.9% to 12.6% in the other authorities and does not provide adequate turnover to meet the scale of need identified. The supply through re-lets is low relative to the expectation that stock turnover should address 90% of all need.

13.5.4 However, in both stock and availability from turnover, the social rented sector provided 1,423 units, over 14 times the estimated re-sale supply from shared ownership properties of 99 units in the year to March 2013.

13.5.5 In determining the balance of tenure mix the number of households who would be able to enter the market through intermediate housing but cannot afford private rent needs to be taken into account.

13.5.6 The tenure balance of new affordable delivery in the HMA over the last three years has averaged 75% social rent and 25% intermediate housing.

13.5.7 Tenure mix is a key factor in site viability and **a tenure mix balance of 75:25** between social rent and intermediate housing is recommended.

13.6 Intermediate Rented Housing

13.6.1 In theory, discounted market rent should be an option for new unit delivery without grant support for households whose only alternative is intermediate housing for sale, especially those at the early stages of their careers or on limited employment contracts who are looking for flexibility in their housing arrangements.

13.6.2 However, discounted market rented housing can only be delivered provided where there is an adequate cost margin between social rent and market rent.

13.6.3 The Coalition Government decision to introduce Affordable Rents at 80% of market value for new social rented stock makes new intermediate rent difficult to deliver because there is very limited headroom between 80% and 100% of average private market rents in the HMA.

13.7 Intermediate Housing for Sale

13.7.1 Intermediate affordable housing can include shared ownership, shared equity or discounted market housing and initiatives such as Help to Buy.

13.7.2 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.

13.7.3 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.

13.8 Social and Affordable Rented Housing

13.8.1 Local Plans need to provide targets on the size of future affordable housing units required. Stock balance, turnover and waiting list demand analysis are vital to identify the gaps in the stock and the proportions by type and size required to address current and future need.

13.8.2 Across the HMA the balance of small and larger units is remarkably similar across all authorities. The profile of stock, waiting list need and re-let supply is provided for each authority in Section 15.

13.8.3 The vast majority of need across all authorities is for smaller 1 and 2 bedroom units ranging from 84.1% to 86.3% of waiting lists.

13.8.4 Supply from stock turnover ranges from 80.6% to 84.5%, very similar proportions to recorded levels of need.

13.8.5 Although these are significantly the highest need in terms of unit numbers, a number of factors need to be considered in determining targets by size which clearly also influence property type.

13.9 Small Units

13.9.1 Small units normally turn over significantly more regularly in the existing stock than family units, but the nature of the stock has an impact on turnover rates.

13.9.2 The waiting lists for one bedroom properties are the largest proportion in all authorities ranging from 46.6% to 55.1% of total registered need.

13.9.3 Many applicants are younger households unlikely to be offered a property. Some are older households registering either to meet current need or as insurance for a future potential need.

13.9.4 These factors are important in judging future delivery to meet priorities rather than arithmetic scale of recorded need. There is however a caveat that in meeting priority needs there is still a requirement for 1 bedroom units to meet the needs of young, single, homeless households.

13.9.5 In view of the current stock balance, the scale of likely annual new provision and the requirement to address priority household need, a level of **80% / 85%** of future delivery in the affordable sector should be one and two bedroom units marginally lower than the waiting list need levels.

13.10 Family sized Properties

13.10.1 Although 3 bedroom properties are generally a third of the total stock, with the exception of Teignbridge where they are half of the total level, the rate of turnover is less frequent ranging from 13.5% to 17% of total re-lets.

13.10.2 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.

13.10.3 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.

13.10.4 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.

13.10.5 These households will almost certainly be over-crowded. This need will almost certainly require some new build and re-lets from under-occupation initiatives.

13.10.6 The impact of welfare reform could be very significant and the success of initiatives to improve the flow of three and four bedroom units both need to be closely monitored to assess the on-going requirement for additional new larger 3 and 4 bedroom units.

13.10.7 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.

13.10.8 The larger family unit delivery target should be **15% / 20%** to take account of the potential supply from under-occupied properties and the demographic change already reflected in the lower proportions of waiting list need for larger properties.

13.10.9 The detailed calculation for each authority is provided in Section 15.

13.10.10 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. This is particularly important in the social and affordable sector where new supply is constrained.

13.10.11 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.

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	

14 UPDATING THE SHMA

14.1 Introduction

14.1.1 Following finalisation of the Exeter SHMA, the data will be subject to regular updating in the coming months and years.

14.1.2 This section provides guidelines as to how the findings of the SHMA should be monitored and updated on a regular basis, as indicated in the NPPG.

14.1.3 The NPPG highlights that Local Planning Authorities should not need to undertake comprehensive assessments more frequently than every five years, although they should be updated regularly, in line with short-term changes in housing and economic market conditions.

14.1.4 This assessment is easily and readily updated annually. It is important to recognise that there is a difference between monitoring and updating the assessment. Updating requires tracking short-term changes in the housing market conditions, to ensure policies and strategies are responsive to changes in local demands and pressures.

14.1.5 The SHMA will provide tools to allow regular monitoring and updating to take place, to satisfy requirements of the Authority Monitoring Report (AMR) and also keep a watching brief on any changes within the market. The updates will initially focus on the three main variables as shown below.

Variable	Data source
External impacts on the market	Mid-year population and households estimates Labour market changes Interest rates Income and earnings surveys
Housing stock changes	New build completions Affordable housing delivered through S106 agreements Demolitions Remodelling Outstanding planning permissions
Affordability changes	House prices Private sector rents Changes in household incomes Shared ownership initiatives etc.

14.1.6 The set of core indicators above will be used, which DCA have developed during the course of the study. These could be integrated into the new monitoring framework for LDFs (Authority Monitoring Report) or as a joint housing and planning task.

14.1.7 The following section outlines the processes of updating the various elements of the SHMA.

14.1.8 This is followed by a guideline for when a full revised Strategic Housing Market Assessment is due and details of any market triggers which may affect this timescale and cause the projected timescale to be brought forward.

14.2 Updating the Affordable Needs Assessment Model

14.2.1 The Client Data CD provided upon completion of the SHMA contains a Needs Assessment Model Calculator in Excel.

14.2.2 The purpose of the calculator is to allow updating of all the secondary data utilised in the Model and to enable this to be done in-house.

14.2.3 A detailed description of the secondary data required, where it can be sourced from and how it is applied to each element of the Assessment Model calculation is included in the introduction to the calculator.

14.2.4 It is recommended that this updating to the Model is carried out at the same time as completion of the annual Local Authority Housing Statistics (LAHS) in July each year.

14.3 Updating Other Secondary Data

14.3.1 There are a wide range of secondary sources utilised in the SHMA which are updated on a quarterly or an annual basis.

14.3.2 **Appendix III** of this SHMA outlines the sources of secondary data utilised in this assessment. This document details:-

- The source location i.e. where the data can be accessed;
- The year or quarter of the data utilised in the SHMA;
- Frequency of release of the various data sets. e.g. quarterly or annually;
- The next release date of each data set used.

14.3.3 This document can be used as a guide as to when each data set is available and can be updated in the SHMA.

14.3.4 In addition, the NPPG March 2014 provides a comprehensive list of local indicators which should be incorporated in their monitoring report relating to the updating of the SHMA.

14.4 Core Indicators

14.4.1 It will be necessary for each Council to have detailed data on an annual basis to record actual new development by tenure, type, size and by location within their area each year.

14.4.2 This data is essential to be able to measure performance against targets for sustainable development set in the Local Development Plan both for market and all forms of affordable housing.

14.4.3 Data on social stock re-lets and changes to the waiting list and new unit delivery need to be able to be analysed by property type and size and location. This structure should already be in place to support completion of the LAHS.

14.4.4 Monitoring of new delivery in the market sector and data on conversions will also be required by property, type, size and location to measure delivery against planned targets to improve the balance of the housing stock.

14.5 Monitoring and Communicating Changes to the SHMA

14.5.1 Partnership working would be of paramount importance to ensure that updating of the SHMA is done with the consent and knowledge of all involved.

14.5.2 The continuation of a key project officer team to oversee the updating and to ensure access to the most recent versions of the SHMA report sections would be essential.

14.6 Plans to Fully Revise the SHMA

14.6.1 Strategic Housing Market Assessments provide a robust basis for developing housing and planning policies by considering current and future need and demand over a period of around 20 years. As a result partnerships should not need to undertake a full comprehensive assessment more frequently than every five years.

14.6.2 The next full Exeter Housing Market Area SHMA will be due in 2019.

14.7 Market Triggers

14.7.1 During the course of updating the SHMA and accessing revised data, Housing partnerships should work together to review the data. From this an assessment can be made of how radically new data or changes in the housing market affect the assessment and can also suggest whether the new information trigger a re-assessment of the SHMA is needed earlier than 2019.

14.7.2 Possible triggers for a revised assessment are:-

- Utilising the 2011 Census data when fully published;
- Major revisions to national data sets;
- A significant local economic change, e.g. downturn or upturn in the market;
- Significant stock delivery changes;
- Major house price change;
- Change in Government Policy or Guidance.

REFERENCE DOCUMENTS

Impact of Welfare Reform on Housing Associations – 2012 baseline Report, for the National Housing Federation, **Ipsos Mori and the University of Cambridge.**

Market In Minutes – UK Residential Development Land, January 2013, **Savilles.**

Exeter Housing Market Area Demographic Analysis and Forecasts, January 2015**, Edge Analytics.**

National Planning Policy Framework (NPPF), March 2012, **Department for Communities and Local Government (DCLG)**.

National Planning Practice Guidance (NPPG), March 2014, **Department for Communities and Local Government (DCLG)**.

Local Housing Needs and Demands Study Report for Mid Devon, 2011, **David Couttie Associates Ltd (DCA).**

Strategic Housing Market Assessment Update Report for Exeter, 2010, **Opinion Research Services (ORS).**

Strategic Housing Market Assessment Update Report for Teignbridge, 2012, **Opinion Research Services (ORS).**

Strategic Housing Market Assessment Update Report for East Devon, 2011, **Opinion Research Services (ORS)**.

Local Area Report for Dartmoor National Park, 2007, **Opinion Research Services (ORS)**.

APPENDIX I

GLOSSARY OF TERMS

GLOSSARY

ABI	Annual Business Inquiry.
Affordability	A measure of whether households can access and sustain the costs of private sector housing. DCA use two types of affordability: mortgage and rental. Mortgage affordability measures whether households can afford a deposit and a mortgage; rental affordability measures whether a household can afford a private rental. Mortgage affordability is based on conditions set by mortgage lenders - a minimum level of household income and savings. We use a 3 times multiple of gross income. Rental affordability is defined as the rent being less than a proportion of a household's gross income. We use a 25% level of rental affordability.
Affordable Housing	Affordable housing is that provided, with subsidy[1], for people who are unable to resolve their housing requirements, in the general housing market because of the relationship between local housing costs and incomes. The definition in NPPF is:- *"Affordable housing: Social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision."*
Affordable Rent	A form of social housing, involving homes being made available at a rent level of up to 80% of market rent (inclusive of service charges).
CLG Bedroom Standard[2]	The standard number of bedrooms allocated to each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allocated to each married couple, any person aged 21 or over, each pair of adolescents aged 10 – 20 of the same sex, and each pair of children under 10. Any unpaired person aged 10 – 20 is paired, if possible with a child under 10 of the same sex, or, if that is not possible, he or she is given a separate bedroom, as is any unpaired child under 10. This standard is then compared with the actual number of bedrooms available for the sole use of the household and the differences are tabulated.
BME	Black & Minority Ethnic.
Choice Based Lettings (CBL)	Choice Based Lettings allows applicants for social housing (and tenants who want to transfer) to apply for vacancies which are advertised widely in the neighbourhood. Applicants can see the full range of available properties and can apply for any home to which they are matched.
CLG	Communities and Local Government. CLG has responsibility for local and regional government, housing, planning, fire, regeneration, social exclusion and neighbourhood renewal with the ambition to create sustainable communities for all. Previously known as DETR, DTLR, ODPM and DCLG.

[1] This subsidy is not always public subsidy.
[2] This definition is taken from the Survey of English Housing, CLG.

CML	Council of Mortgage Lenders
Concealed Household	A Concealed Household is someone living within a household wanting to move to their own accommodation and form a separate household (e.g. adult children living with their parents).
CORE	The Continuous Recording System (Housing Association and Local Authority Lettings / New Tenants).
DETR	Government body superseded by CLG. (See **CLG**)
Discounted Market Rented Housing	New Units utilising the equity from the discounted or free land from the planning process where Housing Associations could build at only development cost and provide, without grant, units which would be available at lower than private rented market cost but above Housing Corporation rent caps.
ELASH	English Local Authority Statistics on Housing – The replacement for the HSSA
Existing Household	An existing household encompasses the household in its entirety.
FTB	First Time Buyer – Term used for people who have not previously owned a home
Extra Care Housing	Extra care housing has been designed with the needs of frailer older people in mind and with varying levels of care and support available on site. People who live in extra care housing have their own self-contained homes. It comes in many built forms, including blocks of flats, bungalow estates and retirement villages. Extra Care homes often have extras to sheltered housing including restaurants, health & fitness facilities and hobby rooms Schemes / properties are included where care (registered personal care) is available on site 24/7.
HMO	House in Multiple Accommodation – A house which is occupied by persons who do not form a single household
Homeless Household	A household is accepted as statutorily homeless by the authority if it meets the criteria set out in the Housing Act 1996.
Household	The Census definition of a household is:- *"A household comprises either one person living alone or a group of people (not necessarily related) living at the same address with common housekeeping - that is, sharing at least one meal a day or sharing a living room or sitting room."*
Housing Demand	Is the quantity and type / quality of housing which households wish to buy or rent and are able to afford. It therefore takes account of preferences and ability to pay.

Housing Need	Refers to households lacking their own housing or living in housing which is inadequate or unsuitable, who are unlikely to be able to meet their needs in the local housing market without some assistance.
Housing Register	A register of people waiting for affordable housing. It may have two components: a list for those not currently occupying affordable housing (more properly known as the Housing Register) and a Transfer List for those tenants who wish to move to another affordable home within the same District.
HSSA	The Housing Strategy Statistical Appendix.
Implied Numbers	The "numbers implied" column inserted in some of the tables is DCA's assessment of the total numbers to be derived after applying the appropriate weighting factor based on sub area ocation and tenure responses to that sub-areas household numbers. Where multiple choice is not involved, this will generally equate to the household population of the Local Authority as a whole but some individual questions may not be answered by all respondents, giving a marginally lower total.
Inadequate Housing	Housing which is inadequate or unsuitable in meeting the needs of the household, comprising a range of criteria on house condition, size, cost and security of tenure. These criteria are used to assess whether the unsuitability can be resolved by improvements to the dwelling, or whether the household has to move to another home.
Intermediate Housing	Housing at prices or rents above those of social rented but below market prices or rents. This includes shared ownership, shared equity and sub-market renting.
LA	Local Authority.
LCHO	Low Cost Home Ownership.
LAHS	Local Authority Housing Statistics
LDF	Local Development Framework. This is a folder of local development documents that outlines how planning will be managed within a Local Authority area.
LTV	Loan to Value - the percentage of loan a person needs against the value of the property.
NOMIS	National On-line Manpower Information System.
NPPF	The National Policy Planning Framework which replaces PPS3.
NPPG	The National Planning Policy Guidance 2014
OAN	Objectively Assessed Need
ONS	Office for National Statistics.

Over Occupation / Over occupation	Over occupation / Overcrowding occurs when, using the **bedroom standard**, there are insufficient bedrooms in the property based on the number of residents and their age/sex/marital status composition. Over occupation is more common in the public sector than the private sector.
PAS	Planning Advisory Service
Relets	RSL rented accommodation that becomes vacant due to the departure of a previous tenant; therefore the accommodation can be re-let to another tenant or new applicant on the Housing Register.
Registered Social Landlords (RSL)	A Housing Association or a not-for-profit company, registered by the Tenants Services Authority (TSA), providing social housing.
Sheltered Housing	Schemes / properties are included where some form of scheme manager (warden) service is provided on site on a regular basis but where no registered personal care is provided. A regularly visiting scheme manager service may qualify as long as s/he is available to all residents when on site. An on-call-only service does not qualify a scheme to be included in sheltered stats. In most cases schemes will also include traditional shared facilities - a residents' lounge and possibly laundry and garden.

Right to Buy (RTB)	The Right To Buy Scheme gives eligible council tenants the right to buy their property from their council at a discount. Many RSL tenants have similar rights under the Right To Acquire.
Survey of English Housing (SHE)	The Survey of English Housing is a continuous household survey that collects information from nearly 20,000 households about the characteristics of their housing and their attitudes to housing and related issues.
Sheltered Accommodation	Sheltered Accommodation is housing which is purpose built for older people with associated facilities and services.
SHG – Social Housing Grant	Capital provided by the HCA, or Local Authority, to fully or partially fund RSLs when developing social housing. SHG is paid under s18 of the Housing Act 1996.
SO – Shared Ownership	Either newly built or existing properties purchased by a housing provider, which are then sold on a part rent / part buy basis under a shared ownership lease. The shared owner buys a percentage of the property, funded by mortgage and / or savings. The remaining percentage is still owned by the housing provider who charges a rent on it. Purchasers can, in some cases 'staircase out' to full ownership.
Transfer	A local Authority or RSL tenant who have transferred to another LA or RSL property
Transfer List	A list of Local Authority and RSL tenants that have applied for alternative Local Authority housing. Housing Associations may keep their own Transfer Lists and some authorities may combine transfer applicants in one Housing Register.
Under Occupation	A household is under-occupying if more than one spare bedroom is available, using the **bedroom standard** as a test. Under-occupation is common in the private sector.

APPENDIX II

SECONDARY DATA SOURCES

Secondary Data Sources

Data Source	Description	Source Location	Coverage	Frequency Of Release	Next Release Date	Sample	Cost
2014 Annual Survey of Hours and Earnings (ASHE)	The Annual Survey of Hours and Earnings (ASHE) provides information about the level, distribution and make-up of earnings and hours paid for employees within industries, occupations and regions. The ASHE contains UK data on earnings for employees by sex and full-time/part-time workers. Further breakdowns include by region, occupation, industry, region by occupation and age-groups. These breakdowns are available for the following variables: gross weekly pay, weekly pay excluding overtime, basic pay including other pay, overtime pay, gross hourly pay, hourly pay excluding overtime, gross annual pay, annual incentive pay, total paid hours, basic paid hours and paid overtime hours.	National Statistics Online / NOMIS	Nationally	Annually	December 2015	Approximately 1% sample of employees on the Inland Revenue PAYE register	Free
2012 Annual Business Inquiry	The Annual Business Inquiry (ABI) is conducted in two parts: one dealing with employment, the other with financial information. The financial inquiry covers about two thirds of the UK economy including: production; construction; distribution and service industries; agriculture (part), hunting, forestry and fishing. The coverage of the employment inquiry is wider.	National Statistics Online / NOMIS	Local Authority and above	Annually	December 2014 (ABI year 2011)	(ABI) estimates cover all UK businesses registered for (VAT) and/or (PAYE), classified to the 1992 / 2003 standard industrial Classification.	Limited data from NOMIS available free Full access to ABI data is restricted. You must first obtain a Chancellor of the Exchequer's Notice from ONS.
2011/12 ONS Annual Population Survey	The ONS Annual Population Survey is a residence based labour market survey encompassing population, economic activity, economic inactivity and qualifications.	National Statistics Online / NOMIS	Local Authority and above	Annually and Updated Quarterly	March 2015	There are approx 170,000 households and 360,000 persons per dataset. but varies from year to year.	Free

Data Source	Description	Source Location	Coverage	Frequency Of Release	Next Release Date	Sample	
Census 2011	The Census is a count of all people and all households. It the most complete source of information about the population that we have. The most recent census was on 27 March 2011. It covers everyone at the same time and asks the same core questions which makes it easy for comparisons in different parts of the country.	Office for National Statistics	Nationally	Every 10 years			
Census 2001	The Census is a count of all people and all households. It the most complete source of information about the population that we have. The most recent census was on 29 April 2001. It covers everyone at the same time and asks the same core questions which makes it easy for comparisons in different parts of the country.	Office for National Statistics	Nationally	Every 10 years	Census undertaken 27th March 2011. Data available generally two years later (2013)		Free
Census 1991	See description above	Office for National Statistics	Nationally	Every 10 years	As above		Free
Core HA New lettings Data 2011/12	CORE records information on the characteristics of both HA and LA new social housing tenants and the homes they rent and buy. A Housing Association with more than 250 units or 250 bedspaces is required by the Tenant Services Authority to complete CORE logs fully and accurately.	CORE website www.core.ac.uk	Nationally	Updated each time a letting or sale is made	Ongoing		Free
Tenant Services Authority (TSA) (Formerly Housing Corporation)	The TSA regulates social housing landlords and sets high standards of management across housing association homes and in the future Local Authority social homes. .	www.tenantservices authority.org	Nationally	N/A			Free
Homes and Community Agency (HCA) (Formerly Housing Corporation)	The HCA will make sure that homes are built in an economically, socially and environmentally sustainable way, as well as promoting good design. It also has a key role in regenerating communities and will base its approach on the Government's regeneration framework – Transforming Places; Changing Lives.	www.homesand communities.co.uk	Nationally	N/A			Free

Data Source	Description	Source Location	Coverage	Frequency Of Release	Next Release Date	Sample	Cost
English Local Authority Statistics on Housing (ELASH)	ELASH contains 14 sections of Local Authority statistical information. It is a handy reference document which brings together data items from many different housing areas. The purpose of the Appendix is to bring together statistical information relevant to the formulation of the Housing Strategy.	www.communities.gov.uk	Nationally	Annually	Generally available from June each year – 2015 ELASH available June 2015		Free
Land Registry House Price Index	The Land Registry House Price Index is the most accurate independent house price index available. It includes figures at national, regional, county and local authority level. It allows you to obtain lists of average house prices from 1995 onwards in any area of England and Wales for any range of months.	www.landregistry.gov.uk	Postcode, Local Authority and above	Monthly & Quarterly	Quarterly		Monthly updated data is free but quarterly data available for a fee. Contact land Registry
P1(e) Returns	P1(e) returns are the primary source of data for statutorily homeless households. The purpose of the P1(e) returns is to collect information on applications, acceptances by priority need groups, households provided with temporary accommodation and households leaving temporary accommodation..	Local Authority	Local Authority	Quarterly	-		Free
April 2014 ONS Claimant Count	The claimant count records the number of people claiming Jobseekers Allowance (JSA) broken down by age, duration and their sought or usual occupation.	National Statistics Online / NOMIS	Local Authority and above	Monthly	-		Free

Data Source	Description	Source Location	Coverage	Frequency Of Release	Next Release Date	Sample	Cost
Population Estimates and components of population change Detailed Time Series 2001 to 2013 United Kingdom, local authorities, sex and age	These datasets contain the most detailed population estimates and components of change for the mid-year population series. These time series offer users a rich source of data from which to conduct further investigation and research. The series are updated annually as part of each mid-year estimates release. These datasets build on the population estimates and components of change previously published by ONS covering the period 2001 to 2012, by adding the most recent data from the mid-2013 population estimates. This offers a complete and consistent time series of estimates at detailed level from mid-2001 to mid-2013.	Office of National Statistics (ONS)	Nationally	Annual	September 2015		Free

APPENDIX III

NEEDS ASSSESSMENT MODEL

1 AFFORDABLE HOUSING NEED

1.1 Introduction

1.1.1 The National Planning Practice Guidance (2014) states that plan makers and partnerships should estimate the number of households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market and therefore will require some form of affordable housing.

1.1.2 This assessment identifies the total scale of affordable need of new forming households not able to access the market, the needs of existing households who fall into need, provision from existing stock turnover and the net need which requires to be addressed from future new provision.

1.1.3 The table below outlines the type of households considered to be in need and the categories are unchanged from the previous 2007 SHMA Practice Guidance.

Table 1-1 Type of Households Considered in Housing Need

Households in Need	
Homeless households or insecure tenure	Homeless households.
	Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense.
Mismatch of housing need and dwellings	Overcrowded according to the 'bedroom standard'.
	Too difficult to maintain (e.g. too large) even with equity release.
	Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household.
	Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (e.g. accessed via steps), which cannot be made suitable in-situ.
Dwelling amenities and condition	Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (e.g. through equity release or grants).
	Subject to major disrepair or unfitness and household does not have the resources to make fit (e.g. through equity release or grants).
Social Needs	Harassment from others living in the vicinity which cannot be resolved except through a move.

Source: Strategic Housing Market Assessments Practice Guide, CLG 2007 and National Planning Practice Guidance 2014.

1.2 Affordable Housing Needs Calculation

1.2.1 There are five' Stages' in the needs assessment model, combined into five distinct sections assessing current and future housing need and supply.

STAGE 1 CURRENT HOUSING NEED

Homeless households and those in temporary accommodation

Plus

Overcrowded and concealed households

Plus

Other groups

1.4 ***Equals* - Total Current Housing Need**

↓

STAGE 2 AFFORDABLE HOUSING SUPPLY

2.1 Affordable dwellings occupied by households in need

Plus

2.2 Surplus stock

Plus

2.3 Committed supply of new affordable housing

Minus

2.4 Units to be taken out of management

2.5 **Equals - Total Affordable Housing Stock Available**

2.6 Annual supply of social re-lets (net)

Plus

2.7 Annual supply of intermediate affordable housing available for re-let or re-sale at sub-market levels.

2.8 ***Equals* - Annual Supply of Affordable Housing**

↓

STAGE 3 HISTORICAL 'BACKLOG' NEED (NET ANNUAL)

3.1 Shortfall in Affordable Housing to meet current 'backlog' housing need annualised. **(1.4-2.5) / 5**

↓

STAGE 4 FUTURE HOUSING NEED (GROSS)

4.1 New household formation (annual)

Times

4.2 Newly forming households in need unable to rent in the market

Plus

4.3 Existing households falling into need

4.4 ***Equals* - Total Newly Arising Need**

↓

STAGE 5 AFFORDABLE HOUSING SUPPLY (ANNUAL)

5.1 Annual supply of social re-lets (annual net)

Plus

5.2 Annual supply of intermediate affordable housing available for re-let or resale at sub market levels

5.3 ***Equals* – Annual Supply of Affordable Housing**

1.3 Model Structure

1.3.1 The model is structured on an annualised 'flows' basis, and assumes that this 'annualised' data will occur each year to 2018. It provides essential evidence for affordable housing targets in Local Development Plans.

1.3.2 In this section the assessment of affordable housing need has been conducted using secondary data only from Council Data, HSSA, and LAHS.

1.4 Exeter HMA Needs Assessment Model

1.4.1 The first element of this Stage of the model estimates the number of homeless households including those in temporary accommodation.

1.4.2 Council records identified 66 homeless households at the 20th January 2015, applied at Stage 1.1 in the model.

1.4.3 The second element in Stage 1 of the model estimates the number of overcrowded and concealed households. This information is obtained from Council waiting list data.

1.4.4 The number of homeless households in Stage 1.1 is deducted from the waiting list figures to avoid double counting.

1.4.5 There are 6,307 households in bands A-D on the Exeter HMA waiting lists plus the 66 at 1.1 making a total of 6,373 households being applied in the model at Stage 1.2.

1.4.6 There is no identified need from 'Other Groups' and zero has been applied in the model at Stage 1.3.

1.4.7 The final element of Stage 1 of the model is a sum of steps 1.1, 1.2 and 1.3, a total of 6,241 households applied at Stage 1.4.

Table 1-2 Homeless Households, Over-crowded and Concealed Households

STAGE 1 – CURRENT HOUSING NEED (GROSS BACKLOG)	Data Sources	Exeter	Teignbridge	Mid Devon	East Devon	Exeter HMA
1.1 Homeless Households (including those in temporary accommodation)	Register A-D (Homeless)	29	10	11	16	66
1.2 – Over-crowded and concealed households	Waiting List Bands A-D	2,149	1,721	902	1,535	6,307
1.3 – Other Groups		0	0	0	0	0
1.4 - TOTAL CURRENT HOUSING NEED (GROSS) 1.1+1.2+1.3		**2,178**	**1,731**	**913**	**1,551**	**6,373**

1.5 Stage 2 – Affordable Housing Supply

1.5.1 The first element of Stage 2 of the model determines the number of households analysed in Stages 1.2 and 1.3 who currently occupy social rented or shared ownership dwellings.

1.5.2 It is assumed that any move by these households would release a unit of affordable housing, and it is therefore assumed that there would be no overall net effect on the annual flow model.

1.5.3 The council transfer data shows that of the 6,373 households at Stages 1.2 and 1.3 of the model, 2,915 already live in affordable units, and this total is applied at Stage 2.1.

1.6 Vacant Stock

1.6.1 The second element of Stage 2 of the model assesses the level of surplus affordable stock in Exeter HMA. Properties vacant for over 6 months are recorded at this point. There were no vacant affordable units vacant for more that 6 months recorded in the 2014 LAHS for each authority. Guidance states that where the level is below 3% there is no surplus vacant stock. A total of zero is therefore applied at Stage 2.2 of the model.

1.6.2 The third element of Stage 2 of the model forecasts the number of committed affordable units to be built in Exeter HMA. The total of 1,270 units to be delivered in 2014/15 and 2015/16 is used at Stage 2.3.

1.6.3 The next element of the model estimates the number of units to be taken out of management in Exeter HMA through stock demolition and Right to Buy (RTB) on an annual basis.

1.6.4 The average loss of units through RTB and demolition totals 70 per annum, applied at Stage 2.4 of the model.

1.6.5 Stage 2.5 of the model is the sum of Stages 2.1 (1,730), plus 2.2 (0), plus 2.3 (1,270), minus 2.4 (70) a net total of 2,930 units.

Table 1-3 Affordable Housing Supply (Annual)

STAGE 2 – AFFORDABLE HOUSING SUPPLY (ANNUAL)		Data Sources	Exeter	Teignbridge	Mid Devon	East Devon	Exeter HMA
2.1	Affordable dwellings occupied by households in need		578	528	254	370	**1,730**
2.2	Surplus stock	Long term vacant dwellings >6 months	0	0	0	0	**0**
2.3	Committed supply of new affordable housing	Social / Affordable Rent & S/O	340	389	137	404	**1,270**
2.4	Units to be taken out of management	Average RTB sales & demolitions	26	16	13	15	**70**
2.5	**TOTAL AFFORDABLE STOCK AVAILABLE**	**2.1 + 2.2 + 2.3-2.4**	**892**	**901**	**378**	**759**	**2,930**

1.7 Stage 3 – Backlog of Need

1.7.1 The net annual shortfall reflects that the backlog of need cannot be met in the HMA or any individual authority over the 5 year period recommended in Guidance. A separate calculation is provided to address the backlog over the 20 year life of Plans in Section 1.14.

Table 1-4 Affordable Housing Supply

STAGE 3 – HISTORICAL ACCUMULATED 'BACKLOG' NEED (NET ANNUAL)		Data Sources	Exeter	Teignbridge	Mid Devon	East Devon	Exeter HMA
3.1	Shortfall in Affordable Housing to meet current 'backlog' housing need	(1.4 - 2.5)	1,286	830	535	792	**3,443**
	Backlog annualised over 5 years		257	166	107	158	**689**

Stage 4 – Future Need (Gross per year)

1.7.2 The first element of Stage 4 of the model is new household formation using Devon County household projections in Exeter HMA.

1.7.3 This results in an annual average formation level of 2,286 new households each year over 20 years, used at Stage 4.1 of the model.

1.7.4 The lower quartile and median income date from ASHE data for December 2014 has been used to test the ability to purchase and rent in the lower quartile private market stock of one and two bedroom units to meet the requirements of new forming households.

1.7.5 On this basis 43% of new households are considered to be unable to rent in the private market, but with significant variation across the authorities ranging from 33% in Mid Devon to 55% in Exeter, which has the highest rent levels in the South West region.

1.7.6 An average 69% of households forming in the HMA are unable to buy a one or two bedroom flat. The levels range from 56% in Mid Devon to 85% in Exeter. The private rental sector proportions are therefore used at Stage 4.2 of the model.

1.7.7 The final element of Stage 4 of the model estimates the number of existing households falling into need, using data from each Council's Housing Register for new applicants at January 2015.

1.7.8 Of the households registered on the HMA authorities waiting lists, 2,605 are assessed as in priority need, including homelessness acceptances, applied at Stage 4.3 of the model.

1.7.9 The final element of Stage 4 of the model is a sum of step 4.1 multiplied by step 4.2, added to step 4.3 above, giving a total of 3,612 applied at Stage 4.4.

Table 1-5 Future Need (Annual)

STAGE 4 – FUTURE HOUSING NEED (ANNUAL)		Data Sources	Exeter	Teignbridge	Mid Devon	East Devon	Exeter HMA
4.1	New household formation (annual)	Household Projections	629	648	400	609	**2,286**
4.2	Newly forming households in need (annualised)	Proportion of households unable to afford to privately rent in the open market (**LQ Private Rent**)	55.1%	37.9%	32.6%	46.6%	**43%**
		Number of households unable to afford to privately rent in the open market (**LQ Private Rent**)	347	246	130	284	**1,007**
4.3	Existing households falling into need	Households registering in Bands A-D (annual) from other tenures in 2014.	889	552	475	689	**2,605**
4.4	**TOTAL ANNUAL NEWLY ARISING NEED (GROSS PER YEAR)**	**(4.1 x 4.2) + 4.3**	1,236	798	605	973	**3,612**

1.8 Stage 5 - Annual Affordable Housing Supply

1.8.1 The annual re-let supply of affordable units from 1st April 2013 to 31st March 2014 is used in the model as a prediction for the future annual affordable housing supply from general needs re-lets (i.e. excluding transfers and new unit delivery) likely to arise each year.

1.8.2 The net re-let figure for the RP stock in the HMA for the period to 2013/14 of 1,590 re-lets, a turnover rate of 6.9%, is applied at Stage 5.1.

1.9 Shared Ownership Re-sales

1.9.1 The assumed resale of shared ownership properties is calculated using the March 2011 Census figure of the number of shared ownership properties in the HMA and multiplied by the same turnover percentage as re-lets. There were 1,589 shared ownership units at the March 2011 Census and assuming a re-sale rate of 5%, 79 units would become available each year and this number is incorporated at Stage 5.2.

1.9.2 The final element of Stage 5 of the model is a sum of Stages 5.1 and 5.2, a total of 1,383 applied at Stage 5.3.

Table 1-6 Affordable Housing Supply (Annual)

STAGE 5 – AFFORDABLE HOUSING SUPPLY (ANNUAL)		Data Sources	Exeter	Teignbridge	Mid Devon	East Devon	Exeter HMA
5.1	Annual supply of social re-lets (annual net of transfers)	Lettings to households from other tenures (year to 31/03/14)	516	311	266	211	**1,304**
5.2	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Based on 5% of intermediate stock of 1,589 units	26	21	13	19	**79**
5.3	**ANNUAL SUPPLY OF AFFORDABLE HOUSING**	**5.1 + 5.2**	**542**	**332**	**279**	**230**	**1,383**

1.10 Summary Affordable Housing Needs Model for each Local Authority

STAGE 1 – CURRENT HOUSING NEED (GROSS)	Data Sources	Exeter	Teignbridge	Mid Devon	East Devon	Exeter HMA
1.4 TOTAL CURRENT HOUSING NEED (GROSS)	**(1.1 + 1.2 + 1.3)**	**2,178**	**1,731**	**913**	**1,551**	**6,373**
STAGE 2 – AFFORDABLE HOUSING SUPPLY (ANNUAL)						
2.5 TOTAL AFFORDABLE HOUSING STOCK AVAILABLE	**(2.1 + 2.2 + 2.3) – 2.4**	**892**	**901**	**378**	**759**	**2,930**
STAGE 3 – HISTORICAL ACCUMULATED 'BACKLOG' NEED (NET ANNUAL)						
3.1 SHORTFALL IN AFFORDABLE TO MEET CURRENT 'BACKLOG' HOUSING NEED (ANNUAL)	**(1.4 – 2.5)**	1,286	830	535	792	**3,443**
	Annual x 5	257	166	107	158	**689**
STAGE 4 – FUTURE HOUSING NEED						
4.4 TOTAL NEWLY ARISING NEED (GROSS PER YEAR)	**(4.1 X 4.2) + 4.3**	1,236	798	605	973	**3,612**
4.5 TOTAL ANNUAL NEED (3.1 + 4.4)		1,493	964	712	1,131	**4,301**
STAGE 5 – AFFORDABLE HOUSING SUPPLY (ANNUAL)						
5.3 ANNUAL SUPPLY OF AFFORDABLE HOUSING	**(5.1 + 5.2)**	**542**	**332**	**279**	**230**	**1,383**
STAGE 6 – ANNUAL NET TOTAL NEED						
6.1 NET TOTAL NEED (ANNUAL)	**(4.5 - 5.3)**	951	632	433	901	**2,918**

1.11 Summary Affordable Housing Needs Model for Exeter HMA

STAGE 1 – CURRENT HOUSING NEED (GROSS)	Data Sources	Exeter HMA
1.4 TOTAL CURRENT HOUSING NEED (GROSS) (1.1 + 1.2 + 1.3)	1.4	**6,373**
STAGE 2 – AFFORDABLE HOUSING SUPPLY (ANNUAL)		
2.5 TOTAL ANNUAL NEWLY ARISING NEED (2.1 x 2.2) + 2.3	2.5	**2,930**
STAGE 3 – AFFORDABLE HOUSING SUPPLY (NET ANNUAL)		
3.1 HISTORICAL 'BACKLOG' NEED	**3.1**	**3,443**
Annualised over 5 years		**689**
STAGE 4 – FUTURE HOUSING NEED		
4.4 TOTAL NEWLY ARISING NEED (GROSS PER YEAR) (4.1 X 4.2) + 4.3	4.4	3,612
4.5 TOTAL ANNUAL NEED (3.1 + 4.4)		**4,301**
STAGE 5 – AFFORDABLE HOUSING SUPPLY (ANNUAL)		
5.3 ANNUAL SUPPLY OF AFFORDABLE HOUSING (5.1 + 5.2)	5.3	1,383
STAGE 6 – ANNUAL NET TOTAL NEED		
TOTAL ANNUAL SHORTFALL	**(4.5 – 5.3)**	**2,918**

1.12 Affordable Needs Assessment

1.12.1 Elimination of the backlog over a five year period is recommended in the decision to do so over a longer period (e.g. the number of years to the end of the Local Plan period).

1.12.2 These are more often used in areas with the most significant affordability problems because of the housing cost and incomes relationship means that the scale of the backlog clearly cannot be addressed.

1.12.3 The 5 and 20 year periods are used for further analysis in the table below. The 20 year calculation uses 5% as the quota to address need, instead of 20% which is the quota for 5 years applied at Section 3.1 of the Housing Needs Model.

1.12.4 The table below summarises the calculation for the HMA.

1.13 Exeter HMA

Table 1-7 Annual Affordable Need and Supply –Exeter HMA

		5 Years		20 Years
Total Net Current Need		3,443		3,443
Backlog rate	20%	689	5%	172
Newly arising Need		3,612		3,612
Annual Affordable Need		4,301		3,784
Less Annual Supply		1,383		1,383
Total Net Need after existing stock turnover		**2,918**		**2,401**

1.13.1 The total annual affordable housing need across the HMA is 4,301 units.

1.13.2 Net re-lets of the existing social rented and shared ownership stock average 1,383 units and are the major means of addressing the scale of need identified.

1.13.3 After allowing for this level of existing social stock net re-let supply and estimated shared ownership re-sales, there will still be a total annual affordable housing shortfall of 2,918 units dealing with the backlog over 5 years or 2,401 units over 20 years before any new unit delivery.

1.13.4 Based on new total delivery of 2,286 units, at an average target level of 30% across the HMA, 685 new affordable units would be created annually.

1.13.5 These additional units should increase future re-lets by 7% (48 additional units) every year which would help reduce the level of affordable need.

APPENDIX VI

EXETER HMA LOCAL MODELLING REPORT (DCC)

Exeter Housing Market Area Population & Housing Projections

2013 to 2033

Local modelling report

March 2015

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Contents

1 Introduction

1.1 Purpose of this report

1.1.1 Devon County Council (DCC) has produced population and dwelling projections for the Exeter Housing Market Area (the HMA). These projections have fed into the wider Strategic Housing Market Assessment (SHMA) undertaken by David Couttie Associates as part of the evidence base for the Local Plans covering the HMA. Based on the DCC projections, the David Couttie Associates report provides the most up to date SHMA of the HMA as a whole and includes potential housing requirements for the constituent Districts. The Districts covered by the HMA are:

- Exeter;
- East Devon;
- Mid Devon; and
- Teignbridge.

The report also includes the areas within Dartmoor National Park which lie within the above district council areas.

1.1.2 This report provides a detailed description of the methodology used by DCC in undertaking the trend-based population and dwelling projections for the HMA and sets out the outcome of the assessment. In particular, this report:

- Provides an overview of the modelling methodology used to undertake the population and dwellings projections;
- Provides details of the assumptions and inputs made in respect of the projections;
- Specifically relates the methodology used to the requirements of the National Planning Policy Framework (NPPF)1 and National Planning Practice Guidance (NPPG)2; and
- Illustrates how the methodology adopted develops that used to produce population and household projections undertaken by the Office for National Statistics and the Department for Communities and Local Government respectively. A summary of this analysis is included in Appendix A.

1.2 Associated work

1.2.1 Building on the Office for National Statistics (ONS) and Department for Communities and Local Government (DCLG) methodologies, the projections undertaken by DCC provide the 'starting point' dwelling requirement for the Exeter HMA as referred to in paragraph 15 of the NPPG. The DCC projections are a robust and objective assessment of housing requirements based on sound data and trends.

[1] The National Planning Policy Framework is available at:
https://www.gov.uk/government/publications/national-planning-policy-framework--2

[2] National Planning Policy Guidance is available at:
http://planningguidance.planningportal.gov.uk/

1.2.2 Moving on from this 'starting point', there are wider methodological requirements of SHMAs, which are set out within the NPPG, including consideration of additional factors including employment projections and market signals. Only once all these additional factors have been considered can the Objectively Assessed Housing Need (OAN) for each district be identified as required under paragraph 47 of the NPPF. These additional factors and final conclusions regarding the OAN for the district areas are not considered in this report; they are considered within the SHMA report prepared by David Couttie Associates and associated documents. The SHMA report also includes more detail on affordable housing and requirements on specific house types.

1.3 Background

1.3.1 Population projections based on short term migration trends (5 years) are available from the Office for National Statistics (ONS). The latest data set is the 2012 based sub-national population projections which are developed from the population estimates from 30 June 2012[3] (the 2012 Mid Year estimate). These projections cover the period up to 2037. These projections and the 2013 Mid Year estimate for the Exeter HMA, and Local Authority areas within it, are available in Appendix B.

1.3.2 Household projections for Local Authority areas are available from the Department for Communities and Local Government (DCLG). At the time of producing the trend-based Exeter HMA population and housing projections the latest dataset available was the 2011-based household interim projections, covering the period 2011 to 2021. These projections are based upon the 2011 interim sub-national population projections. These have since been superseded by the 2012-based household projections: England, 2012 to 2037 which were released in February 2015. The projections undertaken by DCC and therefore included in this report are based on the methodology of the 2008 and interim 2011 household projections and use the associated headship rates as these were the most up to date at the time of the assessment. The 2008, 2011 and 2012 national household projections are available in Appendix C.

1.3.3 In addition to the ONS and DCLG projections outlined above, DCC produces its own, more refined, population and dwelling projections for the Exeter area that better reflect actual data for factors such as local fertility, mortality and migration. The application of more robust assumptions at a local level means that the DCC projections will differ from those undertaken by the ONS. It should be noted, however, that the DCC projections are based on nationally produced datasets and therefore are robust.

1.4 The Devon County Council projection model

1.4.1 DCC uses the Popgroup model to produce population and housing projections. The Popgroup model is widely used by Local Authorities in England.

1.4.2 The DCC model essentially uses a two-stage process:

- First, the model estimates future population change based on fertility, mortality and migration assumptions. These assumptions are made by using trends from historical data, which is input to the model. Specifically, the DCC Popgroup model incorporates a cohort component methodology for population projections.

[3] Source: http://www.ons.gov.uk/ons/dcp171776_355176.pdf

1.4.3 The cohort component model is a method of estimating or projecting the population by updating the size of each age-sex group in the base population for deaths and migration within each age-sex group during the period between the base date and a given date. New birth cohorts result from births between the base date and the given date. In deriving population projections, the base population is projected forward by calculating the effect of deaths and migration within each age-sex group according to specified mortality and migration assumptions. New birth cohorts are generated by applying specified fertility assumptions to the female population of childbearing age. In deriving population estimates, records of actual births, deaths are generally used instead of assumptions.

- Second, the population forecasts are inputted to a household projection module. This applies household and housing profiles to the projected population's age-sex composition to produce a dwelling projection. Specifically, the DCC approach uses a headship rate model for *household* projections. The model also takes account of vacancy rates to project *dwellings*.

1.4.4 The headship rate model is based on the assumption that the number of households is equivalent to the number of householders. The following formula describes the relationship between this and headship rate:

(no. of households) = (no. of householders) = (no. of population) * (headship rate)

The headship rate can be defined as the proportion of members of a population (defined by age gender and marital status) who act as heads of specific types of households such as married, couple, lone parent and single person households.

1.4.5 In summary, the dwellings requirement is calculated directly from the population projection. This is consistent with the approach used by the ONS and DCLG, whereby the population projections are produced by ONS and then the DCLG apply household and housing profiles to the population to create a dwelling projection. The DCC approach produces the population projections based on data from the ONS (although this is refined to be more accurate at the Devon level) and uses the same household and housing profiles as the DCLG do in their assessment.

2 Population projections

2.1 Introduction

2.1.1 This section of the report sets out the DCC model methodology for undertaking trend-based population projections. This is based upon the following key data inputs:

- Known population (mid-year estimates) - ONS
- Projected number of births - ONS
- Projected number of deaths - ONS
- Migration – calculated using published ONS data

2.1.2 The DCC population projections for the Exeter HMA provide outputs for the years 2014 to 2033 inclusive (twenty years). 2013 is the starting point in the projection from which future populations are derived. The main components and calculation for undertaking the projections are set out in the formula below:

Future year population (t+1) = Population (t) + Births - Deaths + Net Migration *(t=year)*

2.1.3 Projections are made by taking a population estimate for the initial year (t) adding the births, subtracting the deaths and then adding in net migration (which may be a positive or negative number) to project the population for the following year (t+1). The population is presented in single year cohorts by sex. This is the same key calculation in principle used by ONS when projecting future populations[4].

2.1.4 The approach used by DCC as set out above is consistent with the NPPF. Paragraph 159 of the NPPF states that Strategic Housing Market Assessments should specify housing requirements to meet household and population projections, taking account of migration and demographic change. In addition, the DCC projection methodology is in accordance with paragraph 17 of the NPPG which identifies the need to take account of the latest demographic evidence including the ONS population estimates. The DCC approach refines the methodology used by ONS in preparing their population projections.

2.1.5 As stated above, paragraph 17 of the NPPG[5] sets out that account should be taken of the most recent demographic evidence, including the ONS population estimates. This paragraph goes on to state that refinements of the projection methodology are however appropriate if they can be clearly explained and justified. The DCC refinements relate to migration, and not 'controlling' the population to fit in with a national projection. This report sets out in more detail where adjustments have been made and justifies why this is the case.

[4] Source: http://www.ons.gov.uk/ons/guide-method/method-quality/specific/population-and-migration/population-projections/methodology---national-population-projections/index.html

[5] Source: http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/

2.2 Initial population figures

2.2.1 The population estimates for the local planning authority areas in the Exeter HMA have been taken directly from data from the 2013 Mid Year Estimate published by ONS (the official set of population estimates for the UK). The 2013 Mid Year Estimates build on the 2011 Census taking account of population change in the intervening years. Because historic Mid Year Estimates are available, these are also included in the background model data allowing projections to be put in the context of historical population figures and therefore trends. The population projections are produced by projecting forward from the 2013 data. Beyond 2013 (i.e. starting in 2014), the population figures in the DCC model are projections. The DCC population projections are based project from the 2013 Mid Year Estimate, a more up to date data set than the 2012 Mid Year Estimate used by ONS in the 2012 sub national population projection.

2.2.2 The background population data included in the DCC model (for example, the data for the years 2001 to 2011) uses the previous ONS mid-year estimates for the relevant years. These have been updated by ONS following the publication of the Census 2011 to calibrate the previous estimates against the actual population recorded in 2011. This was necessary because previous mid-year estimates had overestimated the population on an annual basis. ONS published these revised mid-year estimates, which are those used to inform both the ONS and DCC population projection models.

Summary

2.2.3 The commentary provided in this section of the report explains that the data used in establishing the baseline estimated population for the demographic projections undertaken by DCC is that published by ONS. This approach of using the mid-year estimates is consistent with the methodology used by ONS in developing their population projections.

2.2.4 The DCC approach is also in accordance with paragraph 17 of the NPPG which identifies that account should be taken of the most recent demographic evidence, including the ONS population estimates (the Mid Year Estimates).

2.3 Births

2.3.1 The DCC population projection model uses births and deaths data as a key component. Together, population change resulting from births and deaths is referred to as natural change.

2.3.2 The DCC population forecasting methodology directly uses the latest ONS data for births for the local planning authority areas in the Exeter HMA. This data is published annually and reflects the actual births data which are collected at birth registration. This information is provided on the birth of a child by the healthcare professional present at the birth[6]. The methodology for using this dataset in the DCC projections methodology is broadly the same as the approach taken by ONS in developing the national population projections.

[6] Source: http://www.google.co.uk/search?q=ONS+birth+Quality+and+Methodology+Information&oq=ONS+&aqs=chrome.2.69i59j69i57j69i59l2j0l2.2848j0j8&sourceid=chrome&es_sm=93&ie=UTF-8#

2.3.3 Both the DCC model and the 2012 ONS projections[7] use births data obtained from the General Register Officer for the years 2001 to 2012. In addition, the DCC model uses births data covering 2013, released in 2014. As the registration of births is a legal requirement, the data is very robust.

2.3.4 In addition to using known births, the model used by DCC also requires the application of projected fertility rates to the projected year population. The fertility rates are age-specific.

2.3.5 Births are calculated by taking the population "at risk" of giving birth (i.e. women aged 15 – 49) and applying the Age Specific Fertility Rate which yields the number of births. Then the gender ratio is applied to give an estimate of births of males or females[8]. The five year average ratio of males to females has been used in the DCC projection.

2.3.6 The age specific fertility rates used in the DCC model are derived from national data sets at a District level from ONS.

2.3.7 With respect to the future trends in fertility rates, a standard ONS factor is applied from 2011 onwards which scales future rates in line with ONS fertility assumptions.

Summary

2.3.8 As can be seen from the discussion in this section of the report, the births and fertility data applied in the DCC demographic projections are based on data sets which are also used in the ONS projections. As such, the DCC methodology reflects that applied by ONS but use more locally specific fertility rates.

2.3.9 The DCC approach is also in accordance with paragraph 17 of the NPPG which identifies that account should be taken of the most recent demographic evidence, including births data.

2.4 Deaths

2.4.1 The DCC population projections and the associated model require an estimate of future mortality rates. Up to date data on deaths is vital to this element of the projections. Mortality statistics for England and Wales are based on the information collected when a death is registered by the Local Registration Service and the General Register Officer[9]. As the registration of deaths is a legal requirement, the data is very robust.

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[7] Source: http://www.ons.gov.uk/ons/dcp171776_364077.pdf

[8] It is recognised that different groups in society have markedly different fertility rates but as no information on the size of these groups in future years is readily available this cannot be incorporated into the model for future births. Instead a differential is applied which each yearly rate to the next year. This is the same approach used by the ONS in producing their population projections.

[9] Source: http://www.google.co.uk/url?sa=t&rct=j&q=ons%20deaths%20data%20quality%20and%20methodology%20information&source=web&cd=1&cad=rja&uact=8&ved=0CC4QFjAA&url=http%3A%2F%2Fwww.ons.gov.uk%2Fons%2Fguide-method%2Fmethod-quality%2Fquality%2Fquality-information%2Fquality-and-methodology-information-reports-by-theme%2Fpopulation%2Fquality-and-methodology-information-for-mortality-statistics-in-england-and-wales.pdf&ei=nypyU9-_Jar20gXtooGoBw&usg=AFQjCNFq4XIL08ZqRnia0dSQq19Ur8-s3Q&bvm=bv.66699033,d.d2k

2.4.2 Both the DCC model and the 2012 ONS projections[10] use age-specific annual mortality statistics obtained from the General Register Officer for 2001 – 2012. In addition, DCC uses data covering 2013, released in 2014.

2.4.3 Deaths in the projected future years are calculated by applying the Age Specific Mortality Rates calculated from national data sets from ONS.

Summary

2.4.4 As can be seen from the discussion in this section of the report deaths and mortality rate data applied in the DCC population projections are based on data sets which are also used in the ONS projections. As such, the DCC methodology reflects that applied by ONS but use more locally specific mortality rates.

2.4.5 The DCC approach is also in accordance with paragraph 17 of the NPPG which identifies that account should be taken of the most recent demographic evidence, including deaths data.

2.5 Migration

2.5.1 A fundamental component of population projections in the Exeter HMA is migration. This is particularly relevant here where natural increases resulting from the difference between births and deaths are limited.

2.5.2 The principles behind the use of migration data are common between the DCC and ONS methodologies. However, the DCC approach provides a more appropriate basis for assessing future population change in the local area because it uses a robust calculation to determine migration trends for the HMA using actual published data sets from ONS on population, births and deaths as opposed to proxy figures. This also allows a longer migration trend period to be used which reduces the volatility of the figures.

2.5.3 To put the adjusted DCC methodology into context, the following paragraphs set out how the ONS predict migration compared to the DCC methodology. The ONS uses six separate flows which are:

- National in-migration (between council areas within England and Wales);
- National out-migration (between council areas within England and Wales);
- International in-migration (from outside of England and Wales);
- International out-migration (to outside England and Wales);
- Cross-border in migration (to England from the rest of the UK); and
- Cross-border out migration (from England to the rest of the UK).

2.5.4 The ONS methodology separately assesses national, cross-border and international migration. For national migration, ONS uses a combination of three administrative data sources as a proxy:

- The National Health Service Central Register (NHSCR);
- The Patient Register Data Service (PRDS); and
- Higher Education Statistics Agency (HESA) data.

2.5.5 The rate of national out-migration (people leaving a council area for another area within

[10] Source: http://www.ons.gov.uk/ons/dcp171776_364077.pdf

England and Wales) is calculated by ONS by comparing the number of people moving out of that district council area (using the proxy data) by the number of people living there. This is calculated separately for males and females by single year of age for each of the trend years individually and then an average is calculated to produce rates of out-migration. In-migration to council areas is calculated by adding outflows from all the other district authorities.

2.5.6 ONS population projections use a five year migration trend to inform the population forecast. Currently the trend years considered in the 2012 sub-national population projections are 2007 to 2012.

2.5.7 The ONS recognises potential weaknesses in the way that it predicts migration and is 'currently doing research to improve the methods for estimating internal migration that is used in the population estimates and projections'[11]. Specifically, the data sets used by ONS to represent national migration can be unreliable because they do not catch all potential migrants. For example, the data sets which include registration at GP surgeries will only collect data for those migrants who register at a new surgery when they move home. There is a recognised lag time for people registering with a GP and therefore the data is likely to be incomplete. This issue is more pronounced if the people move a short distance, but between Local Authority areas as they may not change the surgery with whom they are registered.

2.5.8 In addition, ONS migration data is controlled (or adjusted) to the fit national migration data which can distort local patterns. This process is not applied in the DCC approach because the area of interest is limited to the Exeter HMA.

2.5.9 Cross-border migration between England and the rest of the UK is calculated in a similar way to national migration flows.

2.5.10 ONS calculates international migration using a variety of sources of data because there is no single system in place to capture all movements in and out of the UK. A short term trend period of five years is also used, which can be highly volatile. International migration estimates are based on three sources (none of which are specifically designed to capture information solely on international migration). These are the:

- International Passenger Survey;
- Labour Force Survey; and
- Home Office data on asylum seekers and their dependents.

2.5.11 As with the data for national migration, there are some challenges in the ONS approach to estimating international migration due to the fact that there is no one 'record' of international movements.

2.5.12 The DCC methodology for projecting migration largely follows the trend-based approach applied by ONS using national ONS data for base populations, births and deaths. However, the DCC approach is a refinement of the methodology in terms of:

- How migration is calculated using robust, nationally published data sets
- The use of a longer, and therefore less volatile, migration trend period;
- The calculation of migration figures from up-to-date data which implicitly incorporates all migration flows;
- The use of four migration flows which in aggregate equate to a single, net migration figure calculated using mid year estimates, birth rates and death rates.

[11] Source: http://www.ons.gov.uk/ons/dcp171776_364077.pdf

2.5.13 For the Exeter HMA, the assumption made in respect of net migration is critical to the overall population projection. Through the DCC methodology, net migration is *calculated* for the Exeter HMA using robust ONS data and not based upon the proxy data that ONS use to represent migration. The calculation used by the County Council is set out below.

Net migration = (Population in year 2 – Population in year 1) – (Births in year 1 - Deaths in year 1)

2.5.14 A worked example of estimating the migration between 2003 and 2004 in Exeter follows using the data in Table 1.

Year	Mid Year Estimate Total Population in Exeter	ONS Data Births	ONS Data Deaths
2003	110,636	1,101	1,081
2004	110,697		

Table 1: Data showing used in the calculation of migration rates

- 2004 population minus 2003 = (110,697 - 110,636 = +61)
- Natural change in 2003 = births - deaths (1,101 - 1,081 = +20)
- Migration = Change in overall population minus natural change (61 - 20 = +41)
- The net migration for Exeter between 2003 and 2004 was an additional 41 persons
- The net migration rate for Exeter in 2003 - 2004 was 1.0003705846
- 110,636 + 41 = 110,677,
- 110,677 / 110,636 = 1.0003705846

2.5.15 This calculation is a sound basis for assessment because it uses observed and robust data sets published by ONS opposed to more unreliable proxy data sets which are assumed to represent migration. The ONS data sets used in this calculation are:

- ONS Mid Year estimates (used as the population figure);
- ONS births data; and
- ONS deaths data.

2.5.16 This approach results in the production of a single net migration figure for each year, which takes into account four of the flows that the ONS apply. The single, robust migration figure is divided into four migration flows as stipulated by the model. This is done by splitting the overall migration figure into four different flows, based on the proportions in the ONS migration data. The four migration flows input into the model are:

- National in-migration;
- National out-migration;
- International in-migration; and
- International out-migration.

2.5.17 For an area like Devon which experiences significant and volatile migration, using a short term migration trend period would mean that future projections would be unduly and inappropriately influenced by short term economic factors affecting migration flows. This would be unrepresentative of the general, long term position. Currently for the HMA as a whole, this would result in inappropriately low future population projections

predicated on the deepest recession in the UK since quarterly data were first published in 1955[12]. Such projections would in effect be artificially constrained by an economic situation which is unlikely to extend into the future. The relationship between economic performance and migration is illustrated in Figure 1.

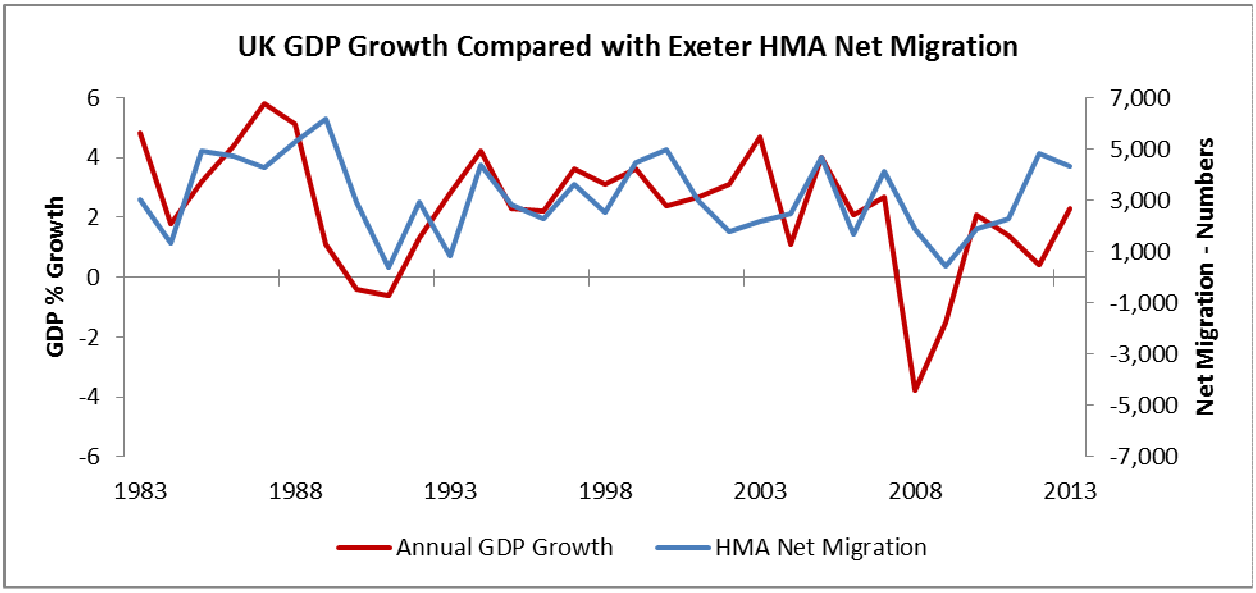

Figure 1: Graph showing annual UK GDP growth and Exeter HMA net migration

2.5.18 The comparative, annual net-migration averages calculated using different trend periods are shown in Table 2 and Figure 2. This data is calculated by DCC. The table does not compare DCC migration trend data to that from ONS.

Area	5 Year trend	10 Year trend	20 Year trend	30 Year trend
East Devon	1,167	1593	1585	1691
Exeter	1,083	799	710	494
Mid Devon	316	701	606	589
Teignbridge	619	717	1072	1376
Exeter HMA	**3185**	**3810**	**3972**	**4150**

Table 2: Average annual net migration over different trend periods (DCC migration calculation using national data sets)

[12] Source: http://www.parliament.uk/business/publications/research/key-issues-for-the-new-parliament/economic-recovery/recovery-from-recession/

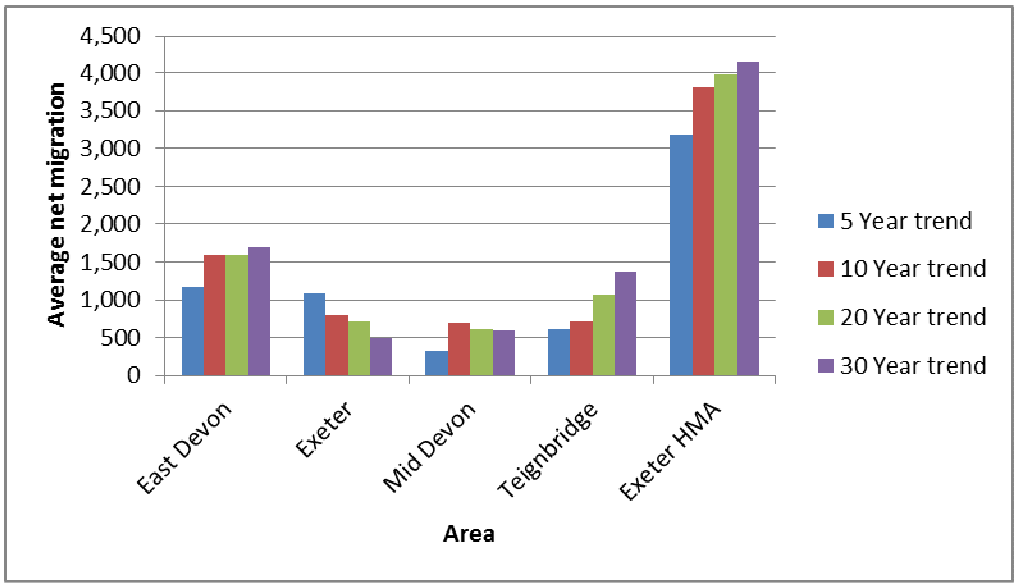

Figure 2: Average annual net migration over different trend periods (DCC migration data calculated using national data sets)

2.5.19 As is clear from the data in the table and the graph, the length of the trend period has a significant impact on average, annual net migration rate. As the aggregate data for the whole HMA shows, the prevailing, longer term migration trend periods currently result in higher average net migration. This is particularly apparent through a comparison between the five year trend and the thirty year trend, reflecting the effects of the recent recession.

2.5.20 This pattern is broadly the same for the three, more rural Districts within the HMA and the HMA as a whole. Exeter follows an inverse pattern. This is potentially because, as an urban District, it has significantly different characteristics compared with the other, more rural Districts.

2.5.21 Exeter has also seen relatively strong economic performance in recent years, despite the national recession. NOMIS data[13] has shown generally positive employment levels for the city even during the recession. This economic success would be likely to be reflected by positive net migration in recent years meaning that a shorter, more recent migration trend period for Exeter would result in higher average net migration than the 30 year average (using DCC's data).

2.5.22 A 30 year trend period takes account of full economic cycles and therefore has a smoothing effect on recent economic patterns and offers a robust economic scenario which is more likely to be experienced in future than the economic downturn of the years 2008 to 2013 (actual recession took place for six successive quarters in 2008 and 2009). While a 20 year migration trend could be adopted, currently, the 30 year basis minimises the exceptional impact of the recent prolonged period of economic recession.

2.5.23 Considering the volatility of migration into Devon, the DCC model currently projects future net migration patterns based on the average yearly net migration experienced over the past 30 years, between 1983 and 2013 (assuming a projection start based on the 2013 mid-year estimate and using the most up to date information available). The 30

[13] Source: http://www.nomisweb.co.uk/reports/lmp/la/1946157359/subreports/ea_time_series/report.aspx

year average net migration flow is an overall migration rate calculated on the basis of thirty years of Mid Year Estimates and natural change divided by 30. The migration data used in the model, together with a brief explanation, is included in Appendix D.

Summary

2.5.24 In general terms, the DCC approach recognises that migration is the most significant component of population change within the HMA and the use of more robust data reflects the latest national government guidance relating to housing assessment which is included in the National Planning Practice Guidance (NPPG)[14]. Paragraph 15 of the NPPG states that estimates of housing need may require adjustment to reflect factors affecting local demography (in this case, migration) and household formation rates which may have been suppressed historically by under supply. This is also reflected in Paragraph 17 of the NPPG. DCC's approach reflects this concept as it is effectively a more local adaptation to the principles of ONS trend-based methodology using national data sets.

2.5.25 The DCC approach regarding the length of the migration trend period is appropriate as over the HMA as a whole it smooths out volatile migration patterns and bases the forward projection on more stable economic performance likely to be replicated in future than the short term recession of recent years.

2.5.26 The DCC approach also applies more up to date data than the ONS migration methodology as it is based upon mid-year estimates, births and deaths information up to 2013. ONS use data five years' worth of data up to 2012.

2.6 Characteristics of the migrant population

2.6.1 The characteristics of migrants and the impact these will have on future birth and death rates are taken account of in the model. ONS data which is available for each district is used to determine the age-sex profile of the migrant population. This is from the ONS components of population change reports / datasets. This means that whilst the overall number of migrants is derived distinctly from the ONS methodology (and more robustly); the population structure of the migrants is consistent with the ONS methodology.

2.7 Other considerations – Special populations

2.7.1 'Special populations' are people who will only live in the Exeter HMA for a relatively short proportion of their lives and the ages and numbers of these groups are generally fixed. When they leave they are replaced by people of a similar age/sex profile. Special populations vary in proportions across different districts. In the population projection model, these populations are generally removed from the population initially and added back in after the natural change and migration trends have been applied. This prevents them from 'ageing' with the underlying population, which could distort the figures. This approach is taken for armed forces personnel and is consistent with the ONS methodology.

Armed Forces personnel

2.7.2 Age-sex information on army personnel from the Defence Analytical Services Agency

[14] Source: http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/

(DASA) was received by DCC through an ONS special request. The numbers of armed forces personnel have been supplied for the years 2002 to 2010. These figures have been kept constant for future years because it is assumed that future numbers and age-sex distribution of army forces personnel will remain similar to those seen in 2010. The approach of removing the armed forces personnel from the population before projecting to the next year, then adding the armed forces population back in, is consistent with the ONS methodology for calculating population projections[15].

2.8 Students

2.8.1 Understanding the demand on the housing market from students is an important factor for Exeter and Exeter City Council. A key issue to consider is the growth in the student population against the amount of accommodation available to meet their housing needs. This will have specific implications for the number of purpose-built student units delivered and the private rented sector and therefore the availability of homes in the city.

2.8.2 Exeter University has two campuses within Exeter; Streatham and St. Luke's. They are both a short walk from the City centre. There is also Penryn campus which is situated in Cornwall. There are approximately 19,300 students at Exeter University as a whole. Of these students approximately 15,000 (78%) are undergraduates.

2.8.3 Attending the Exeter campuses, there are approximately 17,500 students, of which around 13,500 (77%) are undergraduates. Calculations relating to the potential growth in the University and associated housing requirements are based only on the students at campuses in Exeter. Discussions have taken place with the University of Exeter to identify the previous growth in the number of students at the University together with future plans for additional expansion.

Past student growth

2.8.4 The University has grown steadily over the last forty years, with the numbers of students at the University increasing from approximately 4000 in 1973/74 to around 19,000 in 2013/14. A small proportion of this growth has resulted from the inclusion of the Camborne School of Mines into the University in 1993, however the majority has resulted from expansion plans and programmes. The overall growth of the University since 1973 is shown in Figure 3.

[15] Source: Mid-Year National and Local Authority Population Estimates – Information Paper. June 2013

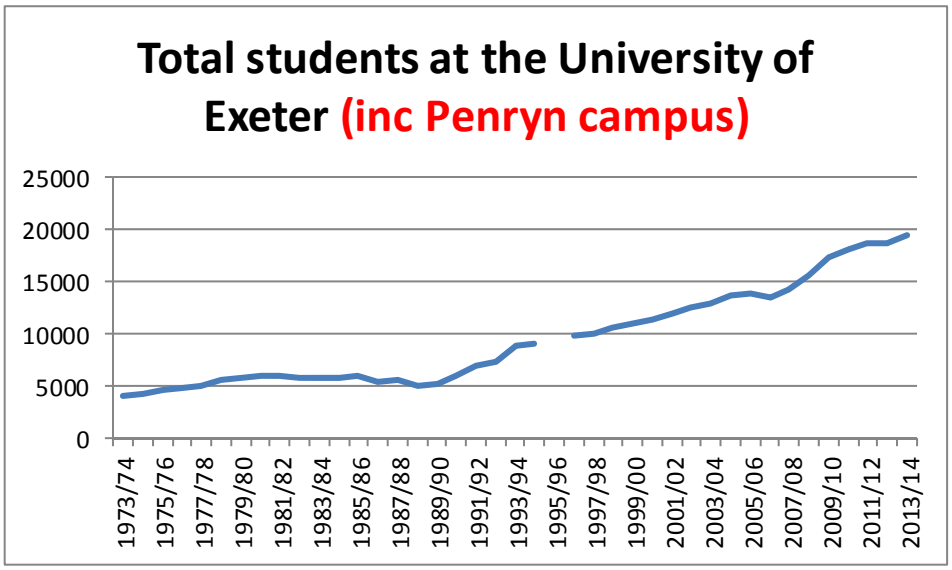

Figure 3: Growth in student numbers at Exeter University, 1973 to 2014 (derived from University of Exeter data). Data not available for 1995/1996.

2.8.5 For the purpose of this analysis, the important consideration is the number of students at the campuses in Exeter. Numbers of students have grown at these campuses specifically, with a rise from approximately 4000 in 1973/74 to around 17,500 in 2013/14. This growth is shown in Figure 4.

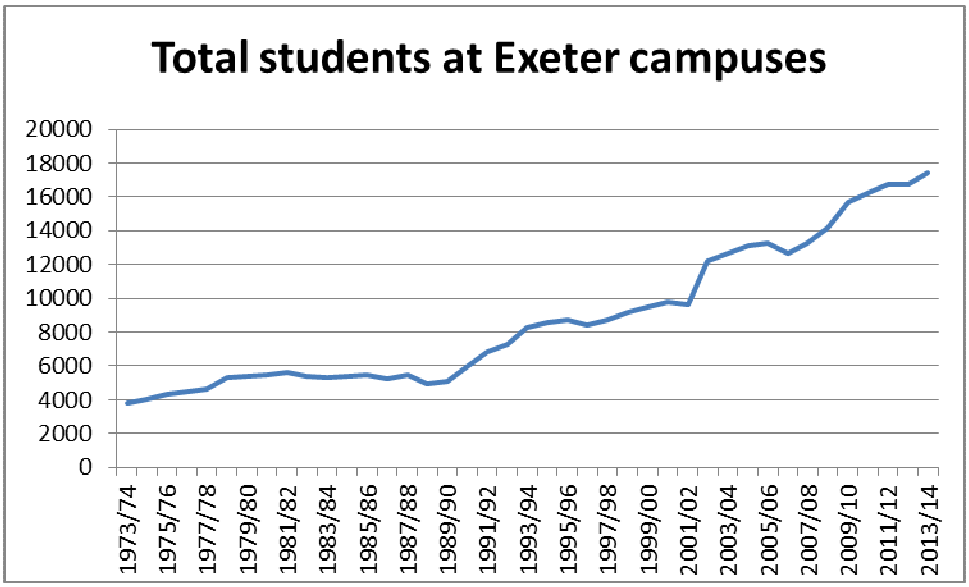

Figure 4: Growth in student numbers at campuses in Exeter, 1973 to 2014 (derived from University of Exeter data)

2.8.6 The graphs show that in recent years, particularly the last 30 years and specifically the last ten years, student numbers have grown steadily. There was a small reduction in the numbers of students in 2006/07 potentially resulting from the increase in university fees charged in that year; fees increased to £3000 per year at that point. The subsequent increase in university fees to £9000 coincides with a slight plateauing of the number of students at the university in 2012/13. Despite the increase in university fees, the general pattern in student numbers is one of growth.

2.8.7 For the purpose of this assessment, it has been necessary to look at the growth in students over the same length of time as the migration trend period; i.e. 30 years. Looking at previous full-time undergraduates more specifically, data shows that the number of full-time, undergraduate students studying in Exeter grew by an annual average of 297 per year over thirty years up 2012/13.

Future student growth

2.8.8 Given the significant growth in the University in the past further work has been undertaken to consider the impact of potential, future university expansion on housing requirements.

2.8.9 The University of Exeter 'University Strategic Plan' sets out the aspiration for growth up to 20,000 students by 2020 for the University as a whole. Discussions were held with the university to understand the university's growth strategy in more detail. Future projections were provided as part of this assessment. Potential, total growth could reach approximately 22,000 students in 2020/21. Of these, nearly 20,000 could study at the campuses in Exeter.

2.8.10 For the purposes of understanding the impacts of student numbers on housing requirements, specific consideration has been given to assessing the number of full time undergraduates which may study at the university in future. Focus on this group is justified because this group is the most likely to move to the city from elsewhere to study. This group represents approximately 77% of the total Exeter-based students.

2.8.11 Significant consideration was given to developing an appropriate methodology for considering student growth within future population projections for Exeter. However, having compared past university growth with that anticipated in the future, it is apparent that the future expansion of the university would be accounted for by a continuation of the growth trends previously observed. The following paragraphs set out the context of the proposed expansion, compared to previous trends.

2.8.12 As set out above, discussions with the university identified that the numbers of students could increase to 22,000 by 2020/21. Data from the university sets out that in 2013/14, the proportion of full time, undergraduates based at the campuses in Exeter was just under 70% of the total number of students studying at the university. Assuming the same ratio exists in 2020 (the strategic plan sets out a target to have a student profiles featuring 30% post-graduates at this time) then the number of full-time undergraduates based at the campuses in Exeter would be around 15,400.

2.8.13 The number of full-time undergraduates based at the campuses in Exeter in 2013/14 was approximately 13,400. The level of growth anticipated from 2013/14 to 2020/21 therefore equates to approximately 286 full-time undergraduate Exeter based students per year (2000 students divided by 7 years). These numbers will affect future migration into Exeter and therefore it is important to determine how this compares with previous trends.

2.8.14 The university data sets out that the number of full-time undergraduate students studying in Exeter grew annually by approximately 297 in the last 30 years. Bearing in mind that the university could grow at a rate of 286 full-time undergraduate, Exeter based students per year in future, it can be seen that the general population, 30 year trend would account for growth in full-time undergraduate Exeter based students at a rate which is greater than anticipated by potential university growth.

2.8.15 Because the university growth projections only go to 2020/21, it would not be appropriate to manually adjust the population projections to reflect this future university growth, as a different growth rate may occur between 2020/21 and the end of the projection period. Instead, it is appropriate to use the 30 year population trend. As set out above, this accounts for greater growth than anticipated in the university's current growth plans so includes a margin for robustness.

2.8.16 As identified in the 2014 ONS Methods Guide, previous expansions of the student population are reflected in the mid-year estimates (because they are population estimates of the resident population which includes students). As such, using a thirty year population trend and applying this forward will implicitly project a continued growth in the university population, at a rate which is actually slightly more than anticipated in the university's current plans. It should be noted that the ONS population projection methodology includes student growth as part of the wider population trends. The DCC approach is consistent with this, in that the wider trend includes changes in the student population.

2.8.17 Migration data from the ONS also takes account of students because it includes the age profile of migrants and therefore accounts for people migrating in as students, and out as post-graduates. This data is used in the DCC methodology and so the ONS and DCC methodologies are consistent in this regard.

2.8.18 Further discussion regarding the assessment of future student housing requirements is provided later in the report.

2.9 Controlling the local projection to the national projection

2.9.1 ONS projections are undertaken at Local Authority level, however these sit within a wider national projection. In order to allow regional and national comparisons to take place, a controlling mechanism is applied when producing the ONS projections. This process ensures that there is consistency between the projections so that the sub-regional projections fit in with the more strategic national projections.

2.9.2 To achieve this, the district level projections are 'controlled' to match up with projections that are undertaken at a higher level for all of England and Wales. This essentially results in either reducing or increasing the population projection for each district (depending on region) to match the national projection. The DCC methodology does not apply any such control.

2.9.3 Omitting the control process ensures that the local projections undertaken by DCC are not adjusted unnecessarily. This approach reflects paragraph 17 of the NPPG as the DCC projections are considered to be more representative of the local circumstances.

2.10 Population projection results

2.10.1 Using the methodology identified in this report, DCC has produced a set of population projections for the Exeter HMA up to 2033. These are shown in Table 3. These projections show significant growth of between 12% and 16% for all Districts, with growth for the HMA as a whole being 15%.

DCC population projections				
Area	**2013 (base year)**	**2033**	**Growth**	**Growth %**
East Devon	134,900	151,300	16,400	12
Exeter	121,800	141,700	19,900	16
Mid Devon	78,700	90,600	11,900	15
Teignbridge	126,000	146,400	20,400	16
Exeter HMA	**461,400**	**530,000**	**68,600**	15

Table 3: DCC population projections to 2033.

2.10.2 The DCC projections have been compared to the latest population projections produced by the ONS. The projections are set out in Table 4.

Area	ONS 2012 Projections				DCC Projections			
	2013	**2033**	**Growth**	**Growth %**	**2013**	**2033**	**Growth**	**Growth %**
East Devon	134,800	150,900	16,100	12	134,900	151,300	16,400	12
Exeter	119,800	132,000	12,200	10	121,800	141,700	19,900	16
Mid Devon	78,800	88,400	9,600	12	78,700	90,600	11,900	15
Teignbridge	125,500	139,400	13,900	11	126,000	146,400	20,400	16
Exeter HMA	**458,900**	**510,700**	**51,800**	11	**461,400**	**530,000**	**68,600**	15

Table 4: DCC and ONS population projections comparison (up to 2033)

2.10.3 As can be seen from the population projections listed in Table 4, the DCC and ONS subnational projections vary across the HMA. This reflects the different migration trend periods applied in the different approaches. The DCC approach uses a more robust, 30 year migration trend period which smooths out the volatility of the ONS projections which are based on a short term 5 year migration period.

2.10.4 It can also be seen that there is a difference in the 2014 figures (the first estimated year) between the two sets of projections. It is important to recognise that population projection is not an exact science and there is broad correlation between the ONS and DCC projections for 2014. The DCC projections also include more up-to-date evidence on the baseline population – the ONS projection is based on the 2012 mid-year estimates, whereas the DCC projection is based on the 2013 mid-year estimates. The key variation is the 2014 Exeter population where there is a difference of approximately 2,300 between the two projections. It is important to note, however, that the 2013 mid-year estimates were approximately 2000 persons higher than the 2012 projection estimated that they would be[16].

2.11 Summary

2.11.1 This chapter has identified and explained the methodology and data sets used by DCC in undertaking demographic projections for the Exeter HMA. It has been demonstrated

[16] ONS 2012 projections included an Exeter population figure of 119,788 for 2013, the actual mid-year estimate for 2013 was 121,800 (a variation of 2,012).

that the County Council methodology includes two key refinements in approach. These are:

- Migration (trend period and data sources); and
- 'Controlling' overall results

2.11.2 In terms of migration, future projections are based on thirty years' worth of trend data, compared to only five years as is the case with the ONS. The trend data is also based on more recent years. This approach has been undertaken to produce a more robust long-range projection than the ONS can provide looking back over a five year period which includes economic recession.

2.11.3 With regards to controlling the overall population projection, this is not undertaken by DCC as there is no need to fit in with a wider demographic projection when only considering the HMA.

2.11.4 The DCC population projection approach is undertaken in accordance with the principles, requirements and approaches included within the NPPF and NPPG, specifically that the ONS projections are the 'starting point' for projection. Paragraph 17 of the NPPG[17] specifically advises that local planning authorities may adjust projections to take account of matters such as migration.

[17] Source: http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_017

3 Dwelling projections

3.1 Introduction

3.1.1 Following the completion of detailed population projections, dwelling projections can be undertaken to demonstrate the overall housing requirement for an area. Whilst the whole of the future population will require housing, the majority of that housing is already in place in the form of the existing housing stock. In the context of formulating planning policy, therefore, the key output required from dwelling projections is the requirement for *new* dwellings.

3.1.2 Paragraph 15 of the NPPG states that the DCLG *household* projections should form the starting point for estimating overall housing need. These are produced by taking the ONS population projections and applying various assumptions to determine the number of households which will form based on the future population.

3.1.3 For the Exeter SHMA, Devon County Council has produced its own set of local *dwelling* projections covering the period between 2014 and 2033 based on DCC population projections and national data sets. This assessment includes an initial assessment of household requirements then translates this into dwelling requirements by applying census-based vacancy rates.

3.2 The dwelling forecast procedure

3.2.1 The procedure used by DCC for forecasting the potential number of households resulting from the future population is broadly the same as that used by DCLG in their projections.

3.2.2 The general approach taken by DCC is to calculate the number of dwellings required to house the population in the final year before the population forecast begins (in this case 2013), project the population to the final year of the assessment period (in this case 2033) then work out the net increase in dwellings required by subtracting the former figure from the latter.

3.2.3 One important aspect of the dwelling forecast is to remove the population that already have homes provided for them as part of 'institutions'. That is, people that do not require a house because one is provided for them. The 'institutional' population is removed from the underlying population to enable an assessment of how many dwellings are actually required. The broad methodology employed in the DCC model is the same as that for the DCLG model.

3.2.4 Following the removal of the institutional population, a series of headship rates are applied to convert the population structure into households. The DCC approach uses headships rates provided by DCLG.

3.2.5 Following the calculation of households, the DCC methodology then takes account of the potential for some of the housing stock to be empty, through the application of census vacancy rates produced by ONS. This then generates a dwelling requirement. This process is not undertaken in generating the DCLG *household* projections.

3.2.6 Figure 6 explains the broad stages of undertaking the dwelling projections undertaken by the County Council.

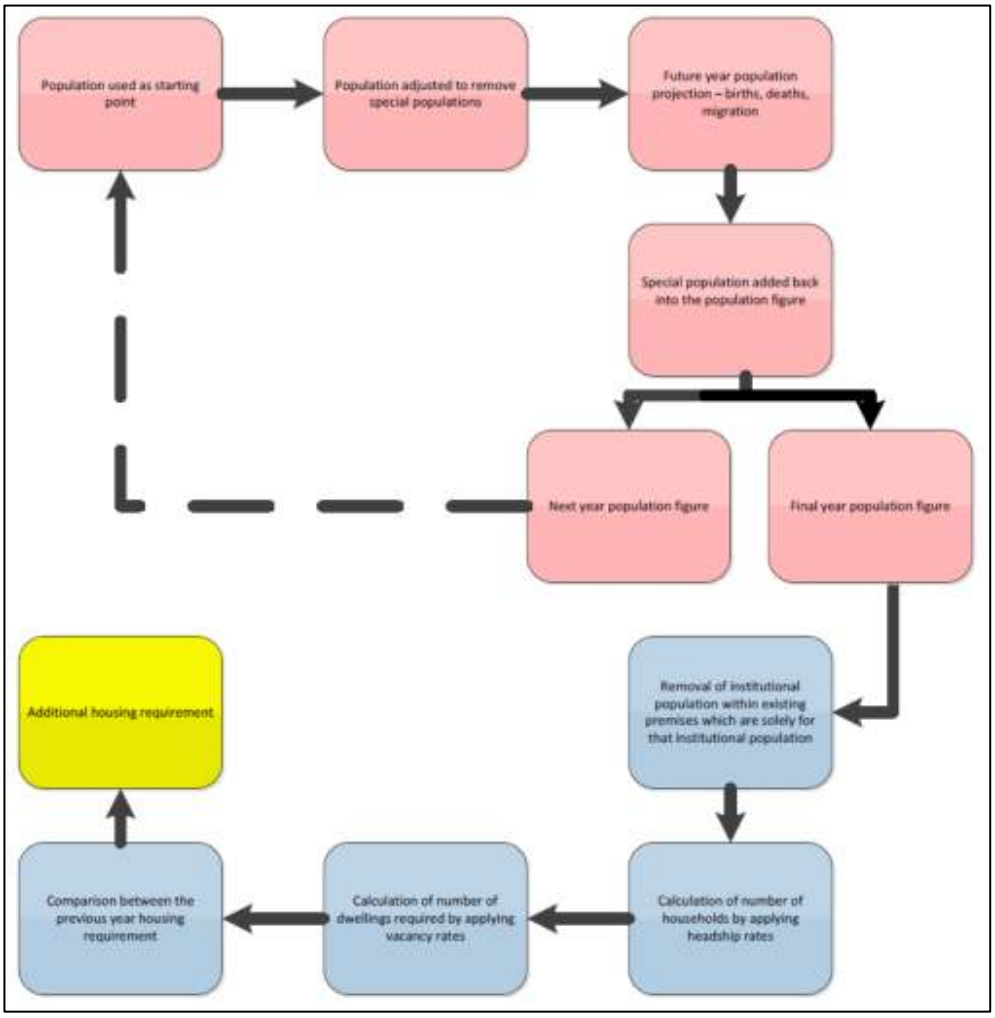

Figure 6: Methodology for calculating additional dwellings requirements

3.2.7 The following sections detail the methodology used in undertaking the dwelling projections for the Exeter HMA. The process undertaken through the DCC dwelling projection methodology broadly reflects that undertaken by DCLG in the national projections.

3.3 Institutional population[18]

3.3.1 In order to assess the future housing requirements the number of people in institutions (such as army barracks, catered halls of residence, care homes and prisons) are removed from the future population as they do not become heads of households and do not specifically need regular housing. Following this, headship rates are applied to translate the data into future household numbers.

3.3.2 Removing the institutional population at this stage means that those currently occupying existing spaces in the institutions are not allowed by the projection model to form a household.

[18] Taken from report 'Updating the Department for Communities and Local Government's household projections to a 2011 base – Methodology Report'.

3.3.3 The 2011 Census provides the detail for incorporating the age, gender and marital status of the institutional population into the model. As a result the inputs to the model in relation to the institutional population are the same as those used in the DCLG projection methodology.

3.3.4 In summary, the DCC dwelling projection process uses the same approach and datasets for the institutional population as used by DCLG in their assessment. This is considered to be robust due to the assertion in paragraph 17 of the NPPG that the approach used by DCLG is 'statistically robust' – the DCC approach therefore complies with the NPPG in regard to this part of the methodology.

3.4 Headship rates

3.4.1 The total number of additional households which will form from the future population is based upon the application of headship rates (sometimes called the household representative rate or household formation rates) to the population. Headship rates can be defined as the number of people per unit of population who are counted as heads of households. Headship rates differ according to age, sex and marital status for each District. The higher the headship rate, the more people have their own household and the smaller the average household size.

3.4.2 To accompany each set of household projections DCLG provide yearly historic estimates and future projections of the headship rates by 10 year age bandings and household type (e.g. the rate per 1000 population of 45-54 year olds who are deemed head of a single parent family with 3 children). There are seventeen individual household types and 10 age bandings. The 2008 headship rates include variable rates for each year of the projection. The Interim 2011 headship rates include variable rates up to 2021 (the final projection year) then remained static beyond that date.

3.4.3 The County Council has undertaken two sets of dwellings projections based on the direct application of headship rates from both the 2008 and interim 2011 DCLG household projections . As such the model inputs are in accordance with the DCLG methodology and follow the approach advocated in paragraph 15 of the NPPG; to use the DCLG projections and the underlying data as the starting point for dwellings projections. The headship rates from 2012 national household projections were not available at the time of the assessment.

Headship rates: 2008 and 2011

3.4.4 DCLG regularly updates the headship rates as part of their household projections. For example, data sets were released in 2004, 2006, 2008 and 2011[19].

3.4.5 At the time of undertaking the DCC assessment, the most up to date headship rates released were the 2011-based interim projections. The associated headship rates have been used in the DCC dwellings projections. Given their interim nature it was felt prudent also to run projections using the headship rates from the 2008-based household projections.

3.4.6 This position reflects further guidance in paragraph 15 of the NPPG[20] which states that

[19] It should be noted that after the projections for the SHMA were undertaken, DCLG released the 2012-based household projections (on 27 February 2015).

[20] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/methodology-assessing-housing-need/#paragraph_015

'local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply'. As well as undersupply, headship rates based on previous trends will implicitly be affected by previous household formation which in turn will have been affected by previous demand; in recent years such demand is likely to have been suppressed by the economic downturn. It is therefore reasonable to produce a range of dwellings projections based on both the 2011 interim and 2008 headship rates.

3.4.7 In summary, DCC applies headship rates to calculate the number of households which will form from the population structure. The DCC methodology applies the headship rates from both DCLG 2008 and 2011 based projections. This approach is supported in the NPPG and reflects that used by DCLG.

3.5 Vacancy rates

3.5.1 Vacancy rates are an important factor to consider when estimating the number of dwellings that will be required over time. This is because the numbers of dwellings required to house the additional population and the projected number of future households will be partly dependent on the number of vacant units which will be within the housing stock (the vacancy rate). Vacancy rates can have a significant impact on the calculated housing requirement. For example, if the vacancy rate were to be overestimated (i.e. the number of vacant units was overestimated) the resulting dwelling requirement may be too high.

3.5.2 The vacancy rates used in the assessment are:

- East Devon: 7.6%;
- Exeter: 3.5%;
- Mid Devon: 3.6%; and
- Teignbridge: 6.6%.

3.5.3 In the Exeter HMA, the reasons for vacancy rates vary, however this is partially likely to be as a result of the numbers of second/holiday homes in the area.

3.5.4 The household numbers within the DCLG household projections do not take account of vacancy rates. As such, the DCLG projections do not actually project dwellings requirements directly; they projection households. The DCC methodology projects dwelling requirements taking into consideration the potential number of vacant units using 2011 census vacancy rates. The DCC projection is robust because it assumes that not the whole of the housing stock will be occupied all the time and therefore has built some flexibility into the outputs of housing numbers required. The use of national data sets from the census ensures that the assumptions used are robust.

3.6 The local projection and the national projection

3.6.1 The County Council dwelling projection methodology specifically considers the Exeter HMA. The approaches and inputs applied are based upon DCLG methodological principles and datasets, however the projections derived do not sit directly as part of the wider, regional and national dwelling projections. As such, the projections are not controlled directly to wider, national projections. This is because the County Council and the organisations which use the projections are specifically interested in the local context.

3.7 Dwellings projection results

3.7.1 Using the methodology identified in this report, DCC has produced a set of demographic-based *dwellings* projections for the Exeter HMA up to 2033. These are included later in this chapter. The DCC projections use headship rates from both 2008 and 2011. The CLG projections are for *households*.

3.7.2 As previously discussed, the DCLG *household* projections do not consistently set out an annual figure for a consistent time period. The 2008 projections include figures for the period up to 2037 but do not present annual data. The 2011 interim projections only extend up to 2021. Table 5 includes the DCC and DCLG household projections (as opposed to dwelling projection, which take account of vacancy rates) for the period 2014 to 2021. The 2008 DCLG projections have been interpolated to calculate a projection for 2021 as that projection does provide a specific figure for this year. Figures for 2033 have not been produced for comparison as the 2011 DCLG projections only covered the period up 2021.

Area	Additional Households 2014 - 2021			
	DCLG 2008 Household Projections Uses 2008 headship rates	**DCLG 2011 Household Projections** Uses 2011 headship rates	**DCC 2008 Household Projections** Uses 2008 headship rates	**DCC 2011 Household Projections** Uses 2011 headship rates
East Devon	5,600	4,077	3,920	3,607
Exeter	3,600	2,160	4,456	3,889
Mid Devon	3,600	2,502	2,866	2,523
Teignbridge	5,000	3,526	4,548	4,166
Exeter HMA	**17,800**	**12,265**	**15,789**	**14,185**

Table 5: Household projections for the Exeter HMA.

3.7.3 It should be noted that it is challenging to directly compare the DCLG and DCC projections without acknowledging a series of points. Firstly, the methodologies for considering migration vary; DCC uses a 30 migration trend period and the DCLG projections are based on figures from ONS which use a 5 year trend period. In addition, the way in which the migration figures are derived varies. Secondly, the point at which the two sets of projections have been undertaken are different. This is an important consideration because it means that the first actual projection year is different, with DCC's being more recent, using a more accurate starting point based on more recent mid-year estimates and the 2011 census. This is particularly relevant because previously published mid-year estimates were revised down after the 2011 census which showed them to be too high. The DCC projections take this into account while the DCLG projections above do not. If this were to be taken into account in revised versions of the DCLG projections now, they would be likely to change.

3.7.4 An example of the effect this situation can have can be presented by examining the various Exeter projections. The number of additional households, in Exeter, in the DCLG 2008 Household Projections is noticeably lower than those in the DCC 2008 Household Projections. The DCLG 2008 Household Projections are based on five years of population projection up to 2013. These projections were higher than the actual mid-year estimates and their subsequent revision following the 2011 Census. The DCLG 2008 Household Projections had already projected a greater number by 2014 than the Mid-Year Estimates would later indicate. Therefore, the difference in households between 2014 and 2021 is smaller in the DCLG 2008 Household Projections.

3.7.5 As can be seen from examining the data in Table 5, there is a significant difference of approximately 5,500 between the 2008 and 2011 DCLG projections for the whole HMA. Although this assumes a calculated figure for the 2008 data series for 2021, this difference demonstrates the volatility of the national projections. This difference also reflects the impact that economic conditions at the time of the projections can have on the outputs if short term trends are input into the model.

3.7.6 The constituent Districts within the HMA show different patterns when comparing the sets of projections. The DCC projections for East Devon are lower than both the DCLG figures. The DCC projections for Exeter are higher than both the DCLG figures. For Teignbridge, the DCC projections are lower than the equivalent figures from DCLG in the 2008 scenario whilst DCC's are higher in the 2011 scenario. For Mid Devon, the DCC projections are lower in the 2008 scenario but slightly higher using 2011 headship rates. This reflects the general pattern for the HMA as a whole.

3.7.7 For the HMA as a whole, the DCC projections are lower than the equivalent DCLG projections in the 2008 scenario but higher in the 2011 scenario. This reflects DCC's use of longer term migration trends which are less affected by the economic downturn in the late 2000s and early 2010s. This shows that the methodology smooths out much of the volatility of short term trend-based projections. This projection is therefore an appropriate starting point to be used in the SHMA.

3.7.8 As previously outlined, DCC also produces specific *dwelling* projections as opposed to *household* projections. This further stage of the work is taken forward by applying vacancy rates. Table 6 shows the DCC dwellings projection covering the period up to 2033 using both 2008 and 2011 headship rates. These form the trend based, starting point projections for the Exeter area SHMA.

Area	Additional Dwellings 2014 - 2033			
	DCC Dwelling Projections Uses 2008 headship rates	**Annual Average**	**DCC Dwelling Projections** Uses 2011 headship rates	**Annual Average**
East Devon	12,172	609	11,173	559
Exeter	12,586	629	10,979	549
Mid Devon	8,001	400	7,227	361
Teignbridge	12,967	648	11,788	589
Exeter HMA	**45,726**	**2,286**	**41,168**	**2,058**

Table 6: DCC Dwelling projections for the Exeter HMA.

3.8 Further work: economic performance and market signals

3.8.1 The County Council methodology provides a 'baseline' or 'starting point' number for the housing requirement, as referenced in paragraph 19 of the NPPG. It is acknowledged that it does not specifically include reference to how economic performance or different employment projections would affect dwelling requirements in future. Consideration of the dwelling requirements associated with different economic and employment scenarios has taken place through further assessments detailed in the wider Strategic Housing Market Assessment Reports prepared by David Couttie Associates and Edge Analytics.

3.8.2 Paragraph 19 of The NPPG specifically states that the starting point should be adjusted

to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Although the methodology identified in this report does not specifically adjust for market signals, it does implicitly consider past economic trends through the application of migration rates.

3.8.3 The application of long term migration trend data ensures that demographic projections reflect long term economic conditions rather than peaks and troughs of economic performance. In the current context, this means that the resulting demographic projections will reflect a period of more consistent migration than that used in the ONS/DCLG projection methodology which uses a five year migration trend period and would reflect a general trend of recently depressed migration.

3.8.4 The development of two housing projection scenarios using both the 2008 and 2011 headship rates also allows two different, implicit considerations of economic performance in terms of their impact

3.8.5 The application of the 2008 headship rates reflect a period of greater household formation than that experienced in recent years. This has the effect of uplifting the housing requirement to reflect longer term housing need trends. The application of the 2011 headship rates provides an alternative scenario which will be affected to a greater extent by the recession and the reduced household formation experienced in that period.

3.9 Student housing requirements

3.9.1 As previously discussed in the report, it has been important to consider the impact of the University Exeter in terms of future housing requirements in the city. Specific consideration has been given to assessing what level of housing within the overall projection to 2033 will be required specifically for students. This work builds on the assessment of the future student population as set out previously in the report.

3.9.2 As also set out above, Exeter University has provided possible projections for potential growth in the number of students attending the university. As a result, the total likely housing requirement for these additional students can be calculated. It should be noted that the growth in student population considered applies only to students who are studying undergraduate courses at the campuses in Exeter - as these are likely to have the most significant effect on housing requirements - rather than postgraduate students who may not necessarily move to Exeter, but already live in the area.

3.9.3 It should be noted that students and the anticipated growth in students, is included within the wider population projections set out previously in this report. The dwelling projections for Exeter are based on the population projections and therefore the overall dwelling projections for Exeter include the student housing requirement.

3.9.4 In order to identify specifically the number of dwellings from the total which are required to accommodate students, the dwellings model was run twice; once without adjustment and once having removed the annual increase in population which has been attributed to a growth in the student population over thirty years. The difference between the two resulting dwelling requirements represents the number of dwellings required for the growth in the university population.

3.9.5 Two scenarios for this assessment need to be run to reflect the use of the 2008 and 2011 headship rates. It should be noted that because the students are included within the wider population projection, the standard headship rates are used. No adjustment has been made to reflect the likely larger household size or occupancy of student

housing. The same vacancy rate has been applied across the projection, including for student housing.

3.9.6 The annual housing requirement in Exeter to meet the needs of students applying the 2008 and 2011 headship rates are:

- 2008 headship rates: 174 dwellings per annum (28% of the 629 total dwellings per annum in the DCC trend-based projection).
- 2011 headship rates: 162 dwellings per annum (30% of the 549 total dwellings per annum in the DCC trend-based projection).

3.9.7 As a point of clarification, the student housing requirements are already incorporated within the wider dwelling projections and are not an additional requirement.

3.9.8 As a result of the methodology for undertaking the population projections, and the fact that students are included within the wider projection, there is no requirement to specifically assess the number of students who may continue to live in Exeter after finishing their studies. This is because student moves are implicitly factored into the migration data trend data which is used to project future migration.

3.10 Summary

3.10.1 This chapter has identified and explained the methodology and data sets employed in calculating the future housing requirement for the Exeter HMA. It has been demonstrated that the County Council methodology is in accordance with the principles and approaches included within the NPPF and NPPG, although there are some refinements made to ensure the approach is more locally robust over and above the DCLG projections.

3.10.2 The County Council uses the same methodological principles and datasets for household projections as those used by DCLG, with a few local variations, which again serve to make the projection more reliable. This is because:

- DCC undertakes a more robust local population projections to inform the household forecast;
- DCC generates a specific dwelling projection from the calculated number of households whilst the DCLG projections are of households;
- DCC has developed two dwelling projections using DCLG headship rates from 2008 and 2011; and
- DCC uses more up to date data than that used in the DCLG projections.

4 Conclusion

4.1 The Devon County Council modelling approach

4.1.1 Devon County Council has prepared population and dwelling projections for the Exeter HMA which includes the Local Planning Authority areas of East Devon, Exeter, Mid Devon and Teignbridge (and including the eastern parts of Dartmoor National Park).

4.1.2 This report has been prepared to explain the methodology used by the County Council in developing these projections. It has provided a detailed description of the methodology used, the data sets applied and the assumptions made.

4.1.3 In covering these points, the report has identified that the broad methodology applied and the data sets directly reflect and build on those employed by ONS and DCLG in the provision of population and dwelling projections respectively.

4.1.4 The report has also identified that the DCC projections are consistent with the policies of the National Planning Policy Framework and the National Planning Practice Guidance.

4.1.5 These discussions have specifically demonstrated that the DCC methodology for undertaking the projections are in accordance with national policy and guidance and, as such, provide a robust starting point to which further work can be applied covering issues such as affordable housing, dwelling tenure and market signals. This further is undertaken as part of the wider SHMA.

APPENDIX A: Comparison between the DCC and national approaches to population and dwelling projections:

Comparison between the DCC and the ONS approaches to population projections

ONS methodology	DCC methodology
Resident population	Resident population
⇩	⇩
Remove static population (armed forces)	Remove static population (armed forces)
⇩	⇩
Age-on civilian population	Age-on civilian population
⇩	⇩
Adjust for natural change (add births, subtract deaths)	Adjust for natural change (add births, subtract deaths)
⇩	⇩
Adjust for migration (internal, cross-border and international) based on proxy datasets	Adjust for migration (all types) based on trends observed in actual migration over time (The age-sex structure and origin / destination of the migrating population is based on ONS proxy datasets)
⇩	⇩
Add back static population (armed forces)	Add back static population (armed forces)
⇩	⇩
Control to National Population Projections	No need to control to national population projections

Comparison of DCC and DCLG approaches to household and dwelling forecasts

DCLG methodology for 2011 interim household projections	DCC methodology for dwelling projections
Based on 2011 based population projections published by ONS	Based on 2013 based population projections published by DCC
⇩	⇩
Remove institutional population	Remove institutional population
⇩	⇩
Calculate change in population between 2014-2021	Calculate change in population between 2014-2033
⇩	⇩
Apply DCLG headship rates from 2011	Apply DCLG headship rates from 2008 and 2011 to produce a forecast range
⇩	⇩
No vacancies accounted for	Account for potential vacancies in housing stock
⇩	⇩
Result	**Result**
⇩	⇩
Final Result - households	**Final Result - dwellings**

APPENDIX B: 2013 MID YEAR ESTIMATES AND 2012 SUB-NATIONAL ONS POPULATION PROJECTIONS

2013 Mid Year estimates:

Area	Population (2013 MYE)
East Devon	134,898
Exeter	121,800
Mid Devon	78,670
Teignbridge	126,001
Exeter HMA total	**461,369**

Source:
ONS: http://www.ons.gov.uk/ons/rel/pop-estimate/population-estimates-for-uk--england-and-wales--scotland-and-northern-ireland/2013/stb---mid-2013-uk-population-estimates.html

2012-based sub-national projections:

Area	2012	2033
East Devon	134,359	150,940
Exeter	119,397	131,963
Mid Devon	78,335	88,353
Teignbridge	125,020	139,424
Exeter HMA total	457,111	510,680

Source:
ONS:
http://www.ons.gov.uk/ons/rel/snpp/sub-national-population-projections/2012-based-projections/stb-2012-based-snpp.html

APPENDIX C: DCLG SUB-NATIONAL HOUSEHOLD PROJECTIONS TO 2033

Area	2008 projection	2011 projection (includes calculation)	2012 projection
East Devon	16,000	11,000	11,000
Exeter	10,000	7,000	8,000
Mid Devon	9,000	7,000	6,000
Teignbridge	13,000	10,000	9,000
Exeter HMA total	48,000	35,000	34,000

2008 projections:
Source:
DCLG:
http://webarchive.nationalarchives.gov.uk/20121108165934/http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdestimates/livetables-households/

2011 projections:
Source:
DCLG:
http://webarchive.nationalarchives.gov.uk/20140915192305/https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections

2012 projections:
Source:
DCLG:
https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections

APPENDIX D: MIGRATION DATA USED IN THE DCC MODEL (1983-2013)

District	Natural change (Births Minus Deaths) ONS Data	Population Increase (Mid Year Estimates)	Calculated Total Net Migration	Average Migration Per Annum
East Devon	-24,008	26,698	50,706	1,691
Exeter	4,088	18,900	14,812	494
Mid Devon	1,698	19,370	17,673	589
Teignbridge	-10,965	30,301	41,266	1,376
Exeter HMA	**-29,187**	**95,269**	**124,456**	**4,150**

- 'Natural change' is the term which describes the change in local population which would take place if no migration were to take place. This is calculated by subtracting the total number of deaths from the total number of births.
- Population increases are the recorded increases according to the historic Mid Year Estimates.
- Total net migration has been calculated as the difference between the population increases and the natural change.
- Average migration per annum has been calculated by dividing the calculated net migration by 30 (representing the 30 year migration trend period).

APPENDIX VI

EDGE ANALYTICS -JOBS LEAD FORECASTS

Exeter Housing Market Area

Demographic analysis & forecasts

January 2015

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Demographic statistics used in this report have been derived from data from the Office for National Statistics licensed under the Open Government Licence v.1.0.

The authors of this report do not accept liability for any costs or consequential loss involved following the use of the data and analysis referred to here, which is entirely the responsibility of the users of the information presented in this report.

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1. Requirements

Context

1.1 The Local Planning Authorities (LPAs) within the Exeter Housing Market Area (HMA) have commissioned David Couttie Associates (DCA) to undertake a Strategic Housing Market Assessment (SHMA). The HMA consists of Exeter, East Devon, Mid Devon and Teignbridge (excluding Dartmoor National Park (NP)), plus the part of Teignbridge that lies within Dartmoor NP and belongs to the Dartmoor NP LPA.

1.2 The SHMA work to date is based on population and dwelling projections produced by Devon County Council (DCC) using the POPGROUP demographic projection model. DCC has also commissioned economic forecasts for each of the four districts from the Cambridge Econometrics model.

Requirements

1.3 DCC and the respective LPAs have commissioned Edge Analytics to use the DCC's own population and dwelling projections as the basis for the development of a suite of 'jobs-led' scenario forecasts for each of the HMA districts, underpinned by the following:

- Employment forecasts from Cambridge Econometrics;
- Employment forecasts from Experian.

1.4 The forecast horizon for the scenarios is aligned with the 20-year, 2013-2033 (2013/14-2032/33), plan period of the Exeter Housing Market SHMA.

This Report

1.5 This Report provides detail on the process of scenario development summarising the data inputs and assumptions that have been used to generate the jobs-led growth outcomes.

1.6 Section 2 provides detail on scenario definitions, with results of the scenarios presented in section 3. A short summary of the scenario analysis is provided in section 4.

1.7 Appendices to this document describe the economic assumptions that have been used in the development of the 'jobs-led' scenarios, the sub-district model configuration and the POPGROUP methodology. A summary of the population and dwelling forecasts for each of the core scenarios is also provided.

2. Scenario Definition

Introduction

2.1 There is no single definitive view on the level of population growth expected in the Exeter HMA; economic, demographic and national/local policy issues will ultimately determine the speed and scale of change. For local planning purposes, it is necessary to evaluate a range of growth alternatives to establish the most appropriate basis for determining future housing provision.

2.2 DCC has used POPGROUP technology to develop 'trend' population and dwelling projections for local authority districts in the Exeter HMA. Edge Analytics has used these 'trend' projections and the associated POPGROUP files to develop a number of 'jobs-led' scenario alternatives for the Exeter HMA. The scenario alternatives are presented alongside the DCC's 'trend' scenario (**'DCC trend-based projection'**).

2.3 In a 'jobs-led' scenario, a population forecast is derived to meet the required jobs growth. As an additional step, an expected dwelling growth is calculated based upon the derived population forecast. Three key data inputs are required to run a 'jobs-led' scenario: economic activity rates by age and sex for each year of the forecast period; an unemployment rate to estimate that portion of the labour force that remains out of work; and a commuting ratio, which estimates the balance between the number of jobs available and the size of the resident labour force.

2.4 In all scenarios, 2011 Census economic activity rates have been applied (adjusted to account for changes to the State Pension Age), the unemployment rate has been incrementally reduced from 2013-2020 to account for recovery following the recession (except for Exeter where the 'recession' unemployment rate is lower than the 'pre-recession' value). A fixed 2011 commuting ratio has been applied throughout the forecast period.

2.5 For more detail on the economic assumptions underpinning the scenarios, refer to Appendix A of this document.

Jobs-led Scenarios

2.6 In a 'jobs-led' scenario, population growth is linked directly to the change in the number of jobs available within an area. POPGROUP evaluates the impact of a jobs growth trajectory by measuring the relationship between the number of jobs in an area, the size of the labour force and the size of the resident population. Migration is used to balance the relationship between the size of the labour force and the forecast number of jobs. A higher level of net in-migration will occur if there is insufficient population and resident labour force to meet the forecast number of jobs. A higher level of net out-migration will occur if the population is too high relative to the number of jobs.

2.7 The district-level, age-specific migration schedules are the basis for estimating the balance of migration required to satisfy the jobs growth forecast, given the assumptions made on economic activity rates, unemployment and commuting.

2.8 Each migration schedule measures the expected rate of in- and out-migration by single year of age, for all ages 0-90+. In balancing the population to the jobs forecast, the POPGROUP model allocates a proportion of migrants from the schedule; with the majority associated with the labour force age groups where migration rates are highest.

2.9 Alternative jobs growth forecasts have been derived from two sources with the following 'jobs-led' scenarios produced:

- **'Jobs-led (LEFM)'**: employment forecasts from Cambridge Econometrics' Local Economy Forecasting Model (LEFM).
- **'Jobs-led (Experian)'**: employment forecasts from Experian.

'Jobs-led (LEFM)'

2.10 This scenario is based on the jobs forecasts modelled within the Cambridge Econometrics' LEFM and presented in the SERIO/ekosgen's report for DCC[1]. These forecasts include full time, part time and self-employment.

2.11 The SERIO/ekosgen report presents jobs growth figures in aggregate rather than as an annual figure (Table 1). It has been necessary to estimate the annual breakdown of the jobs growth

[1] 'Baseline Economic Projections for Devon and its Districts', January 2014

numbers for application to the POPGROUP 'jobs-led' scenario, details of which can be seen in Table 11 in Appendix A.

Table 1: Exeter HMA – jobs growth targets, LEFM

Area	Net number of new jobs		
	2013-2020	2020-2025	2013-2025
East Devon	3,400	2,500	5,900
Exeter	4,900	4,200	9,100
Teignbridge	2,700	1,900	4,600
Mid Devon	1,300	800	2,100
Exeter HMA	12,300	9,400	21,700

(Source: SERIO/ekosgen; LEFM)

2.12 In addition, the LEFM jobs forecasts are available only to 2025. Due to insufficient information on the likely jobs growth in the remaining years of the forecast period (i.e. 2026-2033), and the fact that the available jobs growth numbers have been provided only as aggregates over the number of years, it was deemed appropriate to fix the LEFM jobs growth estimates at the 2025 values for the 2026-2033 period.

'Jobs-led (Experian)'

2.13 Jobs growth trajectories have been derived from the September 2014 run of the Experian forecast model for each of the districts in the Exeter HMA. Jobs growth figures for each year of the forecast period have been taken from the 'Total FTE employment' variable in the Experian forecast.

2.14 The forecast horizon of the Experian model is 2031. The final year's jobs growth total has been carried forward in the remaining two years of the Edge Analytics' 'jobs-led' scenario. Table 2 summarises the Experian jobs growth forecast for the 2013/14 – 2030/31 period.

Table 2: Exeter HMA – jobs growth targets, Experian

Area	Average number of new jobs
	2013/14 - 2030/31
East Devon	309
Exeter	654
Mid Devon	144
Teignbridge	348
Exeter HMA	**1,456**

2.15 The full detail of the annual jobs growth totals used in this scenario are summarised in Table 12 of Appendix A.

Summary

2.16 Summaries of the underlying jobs growth trajectories for each of the 'jobs-led' scenarios by district are as follows:

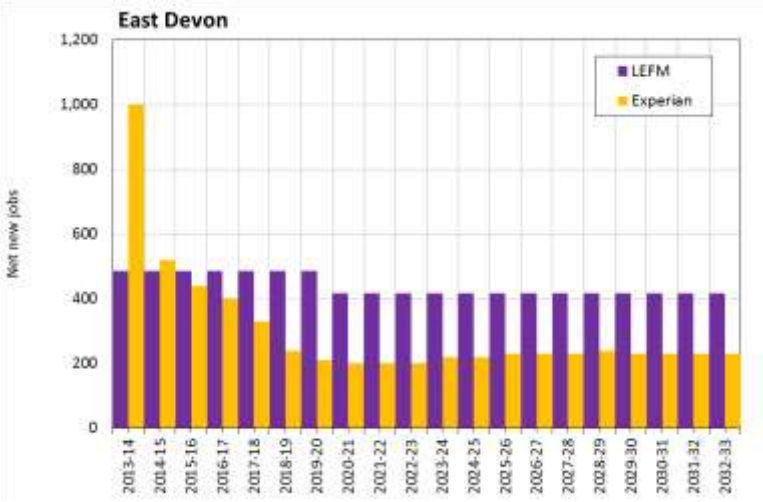


Figure 1: East Devon - jobs growth trajectories

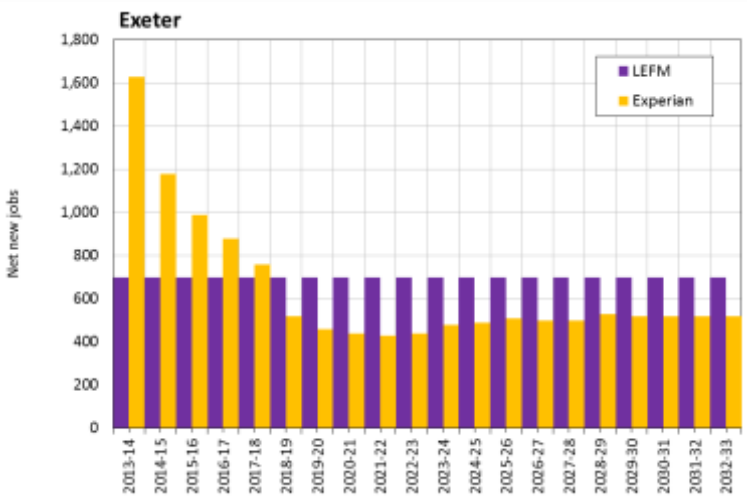


Figure 2: Exeter - jobs growth trajectories

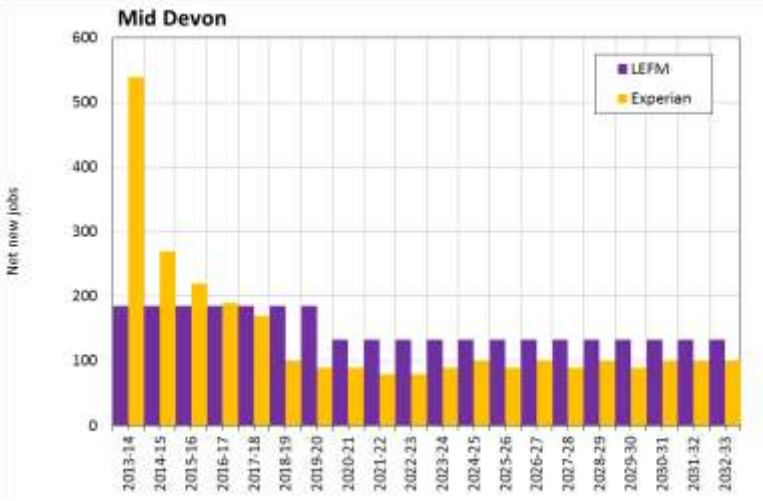


Figure 3: Mid Devon - jobs growth trajectories

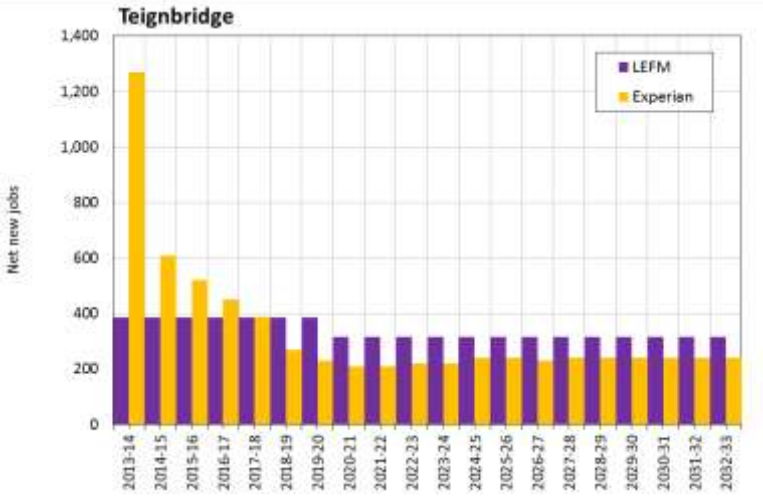


Figure 4: Teignbridge - jobs growth trajectories

3. Scenario Results

Summary

3.1 Scenario results are presented for the HMA in total, for the individual districts within the HMA and for the Teignbridge area that sits both within and outside the Dartmoor NP LPA. The Exeter HMA is defined as the aggregate of East Devon, Exeter, Mid Devon and Teignbridge districts.

3.2 The jobs forecasts that underpin the jobs-led scenarios are only provided for individual 'districts', so the Teignbridge sub-district forecasts are estimated using an alternative configuration of POPGROUP.

3.3 The district-level population forecasts resulting from the 'Jobs-led (LEFM)' and the 'Jobs-led (Experian)' scenarios have been used in conjunction with migration, fertility, mortality and household assumptions defined for each sub-district area. The sub-district population forecasts will sum to the district total, taking into account the demographic characteristics of each sub-district areas. Further details on the sub-district methodology are provided in Appendix B .

3.4 Scenario results are provided in the form of a chart and accompanying tables of statistics. The chart illustrates the trajectory of population change resulting from each scenario. The tables summarise the change in population and household numbers that result from each scenario from the forecast base year (mid-year 2013) to the end of the 20-year forecast period (mid-year 2033).

3.5 In addition, each table illustrates the average annual net migration associated with the population change, plus the expected average annual dwelling and jobs growth based on the assumptions used in each scenario.

3.6 Scenario results are presented in two separate tables, each relating to the application of different household headship rates specified by DCC. Household headship rates (also known as household representative rates) indicate 'the probability of anyone in a particular demographic group being classified as being a household representative'[2].

3.7 The two alternative household headship rates assumptions as used by DCC are as follows:

[2] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

- Household growth forecast using the Department for Communities and Local Government (DCLG) 2011-based headship rates (from 2021 onwards the rates are fixed at the 2021 values);
- Household growth forecast using the DCLG 2008-based headship rates.

3.8 Note that under the two headship rate alternatives, population growth, net migration and the average annual increase in the number of jobs are the same. Only the household and dwelling numbers are different, reflecting the two alternative approaches to assessing household growth.

3.9 In the 'jobs-led' scenarios, population growth (and therefore household and dwelling growth) is determined by the specified jobs growth numbers. However, in the case of 'DCC trend-based projection', it is population and the underlying age-sex structure that determine the forecast number of jobs (and households and dwellings).

3.10 Note also that, in the absence of sub-district jobs-growth totals in either the Cambridge Econometrics or Experian forecasts, the average annual jobs growth figures for Teignbridge (excl. Dartmoor NP) and Teignbridge (within Dartmoor NP) are those for Teignbridge district in total.

Exeter HMA

3.12 The two 'jobs-led' scenarios suggest a higher total population growth in the Exeter HMA over the forecast period than the DCC trend-based projection (Figure 5). 'Jobs-led (LEFM)' indicates the highest growth of 19.2%, with the 'Jobs-led (Experian)' scenario suggesting a growth of 17.6% over the forecast period. The DCC trend-based projection implies the lowest population growth of 14.9%. Higher in-migration is required to meet the jobs growth targets in each of the 'jobs-led' scenarios.

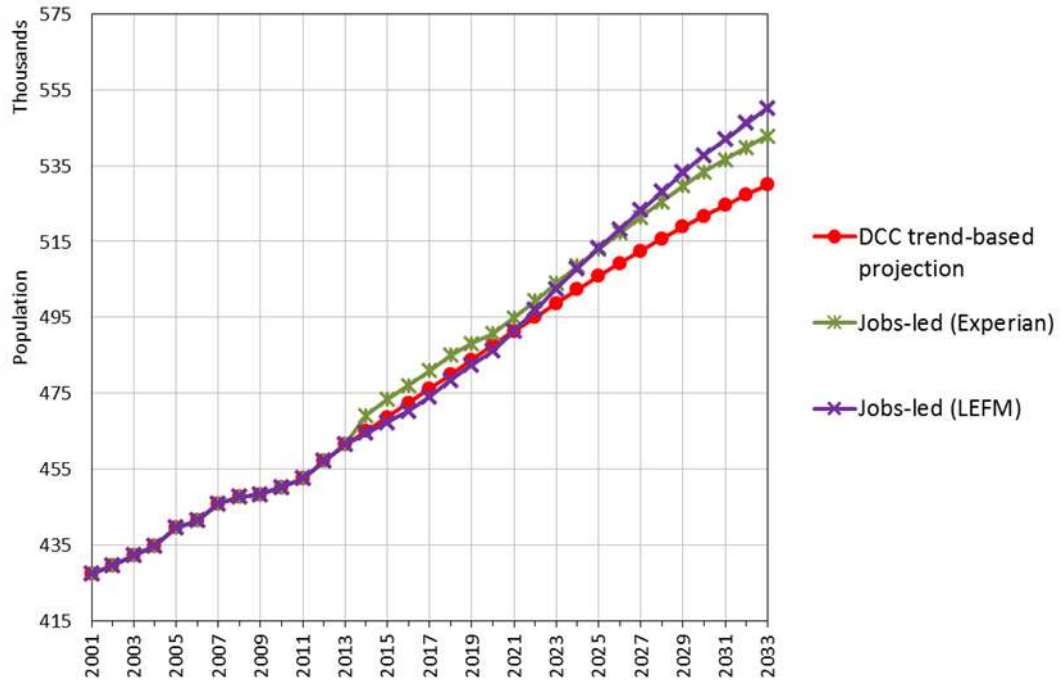
3.13 In terms of the dwelling growth resulting from each of the scenarios, the application of the 2008-based headship rates suggests a higher dwelling growth than that associated with the application of the fixed 2011-based headship rates. Considering the average of the two approaches, results in a range of 2,172 - 2,601 dwellings per year from the three scenarios.

Table 3: Exeter HMA – dwelling growth summary

Scenario	Average annual dwelling requirement, 2013 - 2033		
	2011-based	2008-based	Average
DCC trend-based projection	2,058	2,286	2,172
Jobs-led (Experian)	2,330	2,569	2,450
Jobs-led (LEFM)	2,477	2,724	2,601

Exeter HMA

(East Devon, Exeter, Mid Devon and Teignbridge)



2011-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG11	68,599	14.9%	38,897	19.5%	83,000	41,168	22,181	4,150	2,058	1,109
Jobs-led (Experian) CLG11	81,421	17.6%	43,952	22.1%	94,285	46,606	28,390	4,714	2,330	1,420
Jobs-led (LEFM) CLG11	88,722	19.2%	46,689	23.4%	101,903	49,545	32,476	5,095	2,477	1,624

2008-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG08	68,599	14.9%	43,216	21.3%	83,000	45,726	22,181	4,150	2,286	1,109
Jobs-led (Experian) CLG08	81,421	17.6%	48,474	23.8%	94,285	51,380	28,390	4,714	2,569	1,420
Jobs-led (LEFM) CLG08	88,722	19.2%	51,358	25.3%	101,903	54,476	32,476	5,095	2,724	1,624

Figure 5: Scenario outcomes, Exeter HMA

East Devon

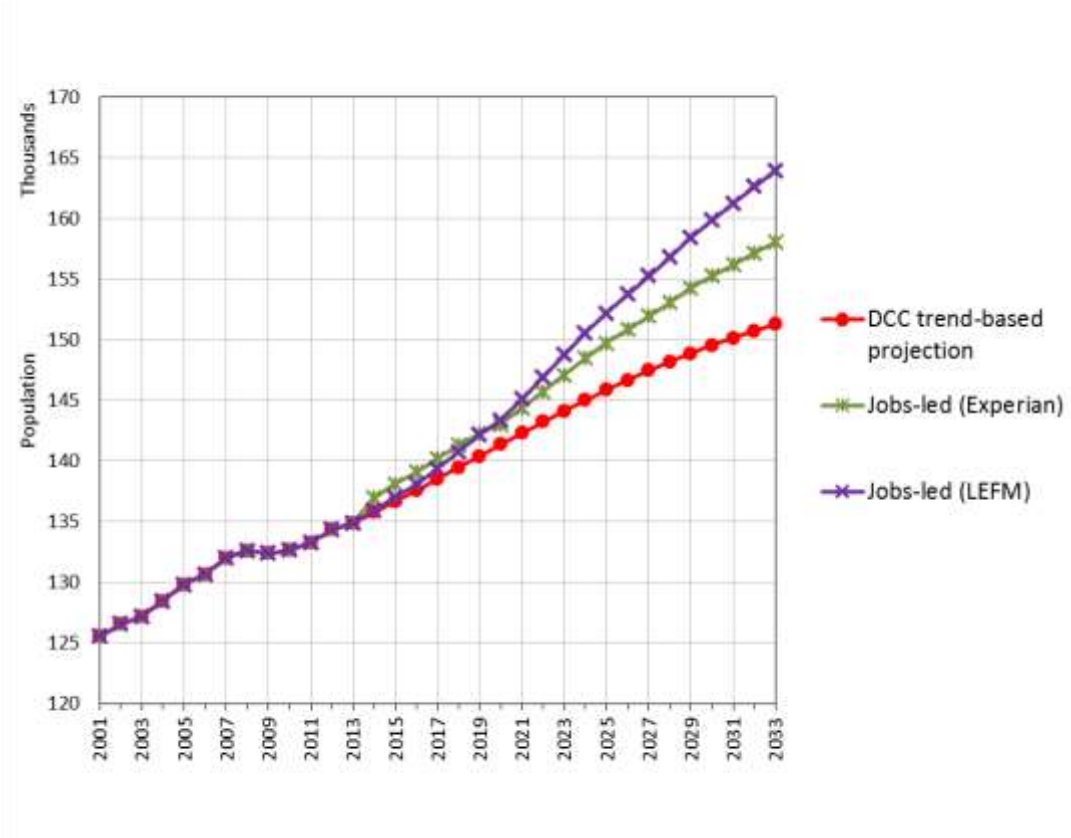
3.14 The 'jobs-led' scenarios suggest a higher total population growth in East Devon over the forecast period than the DCC trend-based projection (Figure 6). The two 'jobs-led' scenarios assume higher average annual jobs growth than that estimated from the DCC trend-based projection. This translates into the need for higher average annual net migration and correspondingly higher population growth. The highest growth is implied under the 'Jobs-led (LEFM)' scenario (21.5%), followed by the 'Jobs-led (Experian)' (17.1%). The DCC trend-based projection suggests a lower population growth of 12.1% between 2013 and 2033.

3.15 In terms of the dwelling growth resulting from each of the scenarios, the application of the 2008-based headship rates suggests a higher dwelling growth than that associated with the application of the fixed 2011-based headship rates. Considering the average of the two approaches, results in a range of 584 - 850 dwellings per year from the three scenarios.

Table 4: East Devon – dwelling growth summary

Scenario	Average annual dwelling requirement, 2013 - 2033		
	2011-based	2008-based	Average
DCC trend-based projection	559	609	584
Jobs-led (Experian)	698	752	725
Jobs-led (LEFM)	820	879	850

East Devon



2011-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG11	16,358	12.1%	10,324	17.2%	33,820	11,173	2,922	1,691	559	146
Jobs-led (Experian) CLG11	23,123	17.1%	12,895	21.4%	39,951	13,955	6,030	1,998	698	302
Jobs-led (LEFM) CLG11	29,013	21.5%	15,154	25.2%	45,488	16,400	8,748	2,274	820	437

2008-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG08	16,358	12.1%	11,247	18.4%	33,820	12,172	2,922	1,691	609	146
Jobs-led (Experian) CLG08	23,123	17.1%	13,899	22.8%	39,951	15,042	6,030	1,998	752	302
Jobs-led (LEFM) CLG08	29,013	21.5%	16,235	26.6%	45,488	17,571	8,748	2,274	879	437

Figure 6: Scenario outcomes, East Devon

Exeter

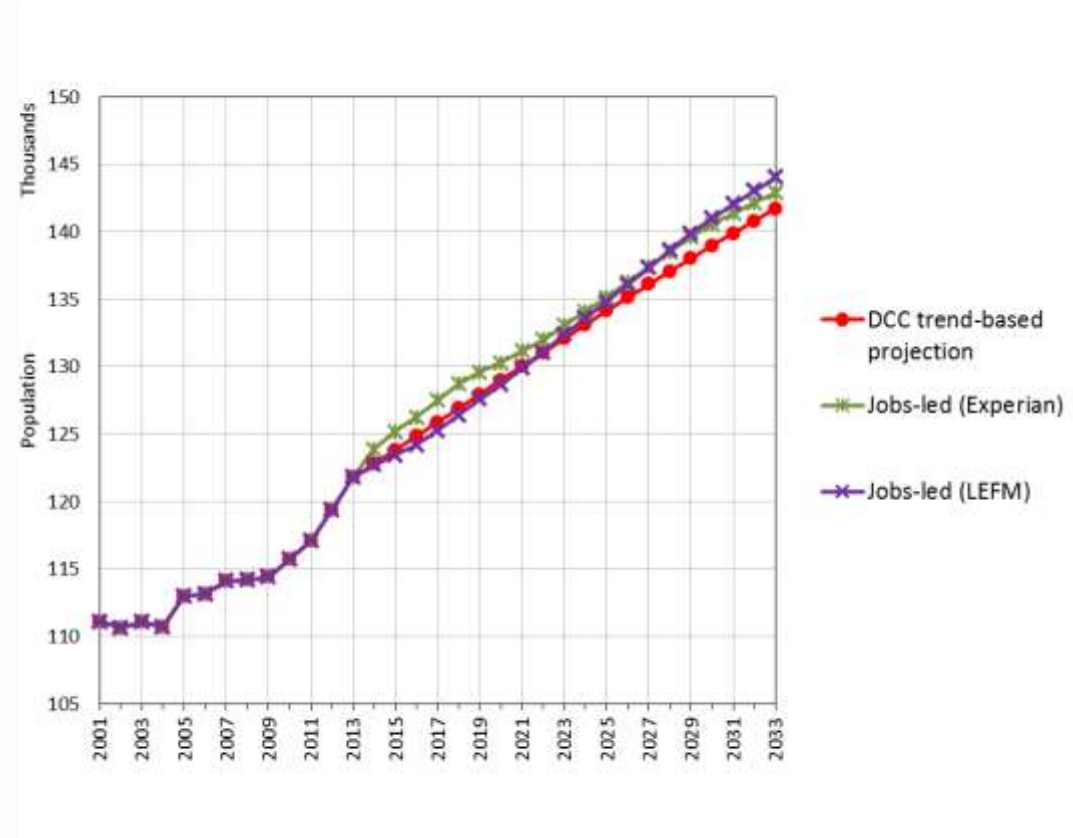
3.16 The 'jobs-led' scenarios suggest a higher total population growth in Exeter over the forecast period than the DCC trend-based projection (Figure 7). The two 'jobs-led' scenarios assume higher average annual jobs growth than that estimated from the DCC trend-based projection. This translates into the need for higher average annual net migration and correspondingly higher population growth. The 'Jobs-led (LEFM)' and the 'Jobs-led (Experian)' scenarios indicate population growth of 18.2% and 17.3% respectively. The DCC trend-based projection suggests a lower population growth of 16.4% between 2013 and 2033.

3.17 In terms of the dwelling growth resulting from each of the scenarios, the application of the 2008-based headship rates results in higher outcomes than that associated with the fixed 2011-based headship rates. Considering the average of the two approaches, results in a range of 589 - 639 dwellings per year from the three scenarios.

Table 5: Exeter – dwelling growth summary

Scenario	Average annual dwelling requirement, 2013 - 2033		
	2011-based	2008-based	Average
DCC trend-based projection	549	629	589
Jobs-led (Experian)	578	660	619
Jobs-led (LEFM)	596	681	639

Exeter



2011-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG11	19,924	16.4%	10,595	20.9%	9,880	10,979	11,958	494	549	598
Jobs-led (Experian) CLG11	21,079	17.3%	11,159	22.0%	10,587	11,564	12,820	529	578	641
Jobs-led (LEFM) CLG11	22,222	18.2%	11,509	22.7%	11,957	11,927	14,000	598	596	700

2008-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG08	19,924	16.4%	12,146	23.4%	9,880	12,586	11,958	494	629	598
Jobs-led (Experian) CLG08	21,079	17.3%	12,745	24.5%	10,587	13,207	12,820	529	660	641
Jobs-led (LEFM) CLG08	22,222	18.2%	13,136	25.3%	11,957	13,613	14,000	598	681	700

Figure 7: Scenario outcomes, Exeter

Mid Devon

3.18 In contrast to other areas within the Exeter HMA, the highest population growth for Mid Devon is suggested by the DCC trend-based projection (15.2%) (Figure 8). The 'Jobs-led (LEFM)' and 'Jobs-led (Experian)' suggest lower growth, at 14.2% and 13.7% respectively.

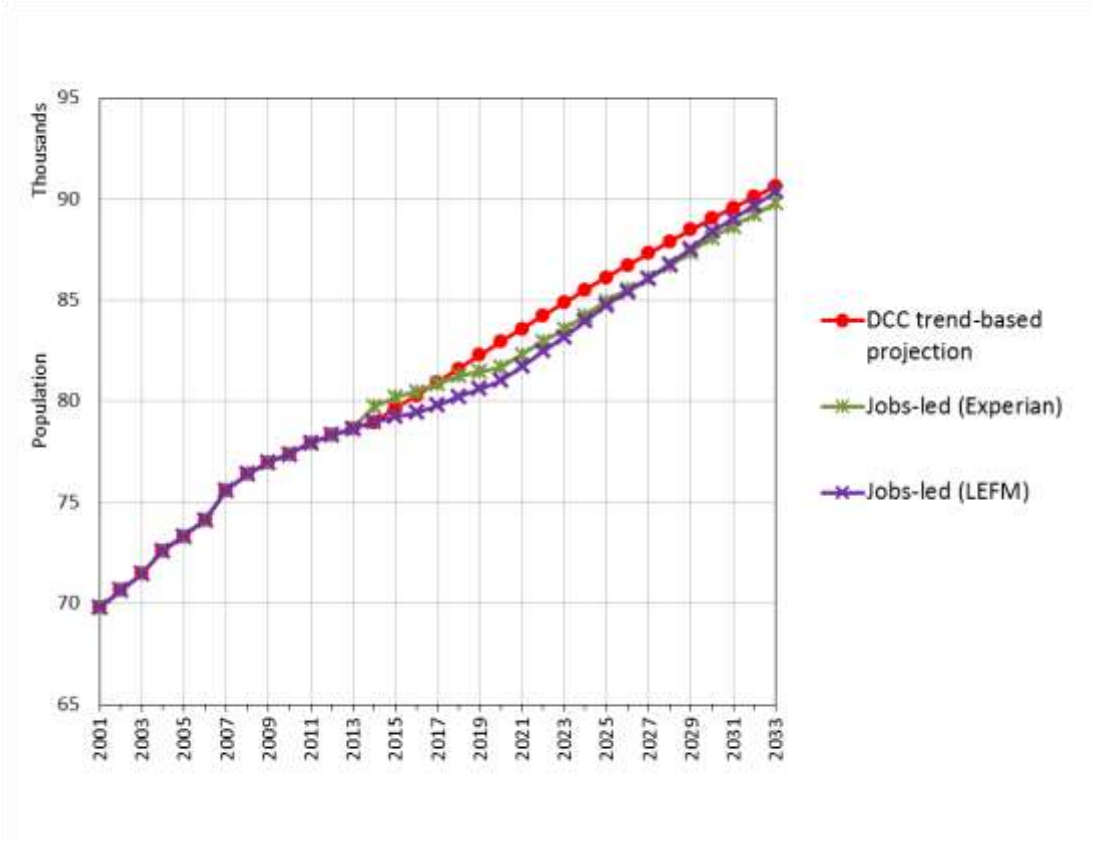
3.19 The two 'jobs-led' scenarios imply lower average annual jobs growth than that estimated from the DCC trend-based projection. This translates into the need for lower average annual net migration and therefore lower population growth. The primary reason for the discrepancy between the trend and jobs-led scenarios in Mid Devon compared to other areas is the relatively large fall in the unemployment rate implied by the choice of the Annual Population Survey (APS) assumptions over the forecast period. A smaller rate of change in the unemployment rate, keeping economic activity rates and commuting ratios as they are, would align the jobs-led population growth more closely to the trend projection.

3.20 In terms of the dwelling growth resulting from each of the scenarios, the application of the 2008-based headship rates suggests a higher dwelling growth than the application of the fixed 2011-based headship rates. Considering the average of the two approaches, results in a range of 359 - 381 dwellings per year from the three scenarios.

Table 6: Mid Devon – dwelling growth summary

Scenario	Average annual dwelling requirement, 2013 - 2033		
	2011-based	2008-based	Average
DCC trend-based projection	361	400	381
Jobs-led (Experian)	339	378	359
Jobs-led (LEFM)	347	386	367

Mid Devon



2011-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG11	11,941	15.2%	6,967	20.9%	11,780	7,227	3,217	589	361	161
Jobs-led (Experian) CLG11	10,812	13.7%	6,542	19.7%	10,916	6,786	2,790	546	339	140
Jobs-led (LEFM) CLG11	11,198	14.2%	6,686	20.1%	11,392	6,936	2,981	570	347	149

2008-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG08	11,941	15.2%	7,713	22.8%	11,780	8,001	3,217	589	400	161
Jobs-led (Experian) CLG08	10,812	13.7%	7,279	21.5%	10,916	7,550	2,790	546	378	140
Jobs-led (LEFM) CLG08	11,198	14.2%	7,441	22.0%	11,392	7,719	2,981	570	386	149

Figure 8: Scenario outcomes, Mid Devon

Teignbridge

3.21 The 'jobs-led' scenarios suggest a higher total population growth in Teignbridge over the forecast period than the DCC trend-based projection (Figure 9). The two 'jobs-led' scenarios assume higher average annual jobs growth than that estimated from the DCC trend-based projection. This translates into the need for higher average annual net migration and therefore higher population growth.

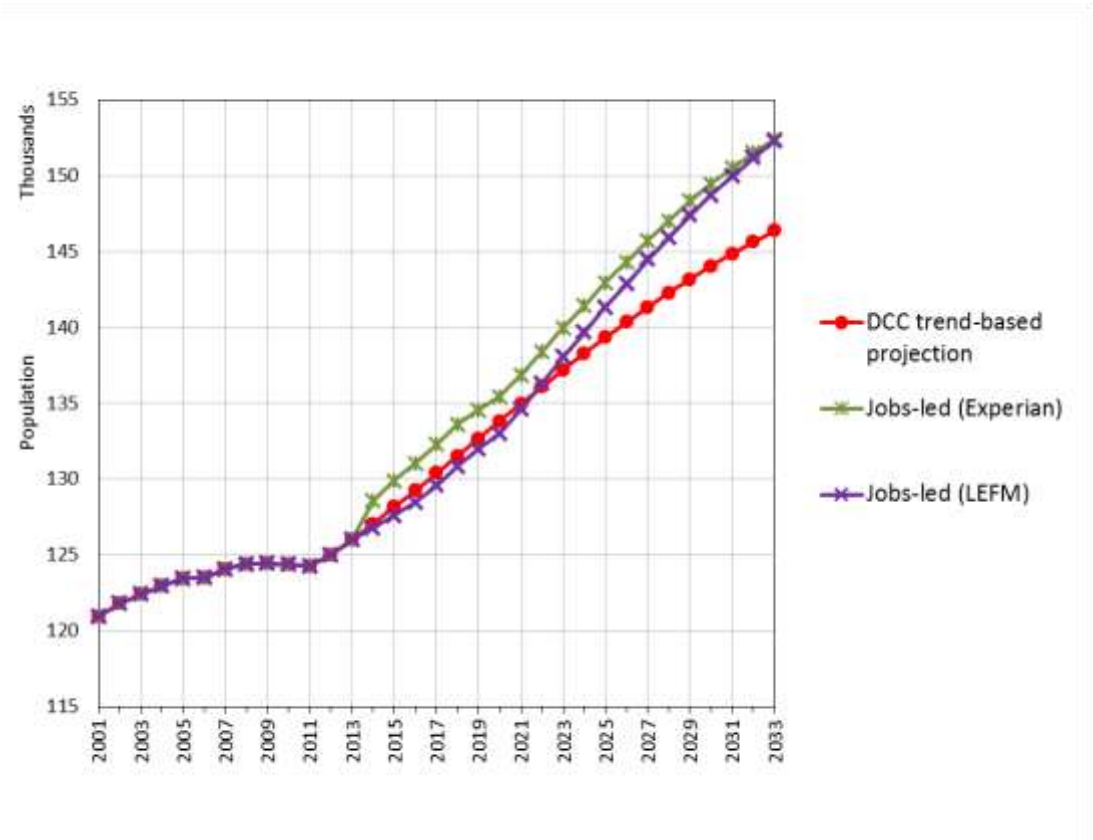
3.22 The population growth implied by the 'Jobs-led (Experian)' and the 'Jobs-led (LEFM)' scenarios is 21.0% and 20.9% respectively. The DCC trend-based projection suggests a lower growth of 16.2% between 2013 and 2033.

3.23 In terms of the dwelling growth resulting from each of the scenarios, the application of the 2008-based headship rates suggests a higher dwelling growth than the application of the fixed 2011-based headship rates. Considering the average of the two approaches, results in a range of 619 - 747 dwellings per year from the three scenarios.

Table 7: Teignbridge – dwelling growth summary

Scenario	Average annual dwelling requirement, 2013 - 2033		
	2011-based	2008-based	Average
DCC trend-based projection	589	648	619
Jobs-led (Experian)	715	779	747
Jobs-led (LEFM)	714	779	747

Teignbridge



2011-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG11	20,376	16.2%	11,010	20.0%	27,520	11,788	4,084	1,376	589	204
Jobs-led (Experian) CLG11	26,407	21.0%	13,357	24.2%	32,831	14,300	6,750	1,642	715	338
Jobs-led (LEFM) CLG11	26,289	20.9%	13,340	24.2%	33,065	14,282	6,748	1,653	714	337

2008-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change	Net Migration	Dwellings	Jobs
DCC trend-based projection CLG08	20,376	16.2%	12,111	21.5%	27,520	12,967	4,084	1,376	648	204
Jobs-led (Experian) CLG08	26,407	21.0%	14,552	25.8%	32,831	15,580	6,750	1,642	779	338
Jobs-led (LEFM) CLG08	26,289	20.9%	14,546	25.8%	33,065	15,574	6,748	1,653	779	337

Figure 9: Scenario outcomes, Teignbridge

Teignbridge (excl. Dartmoor NP)

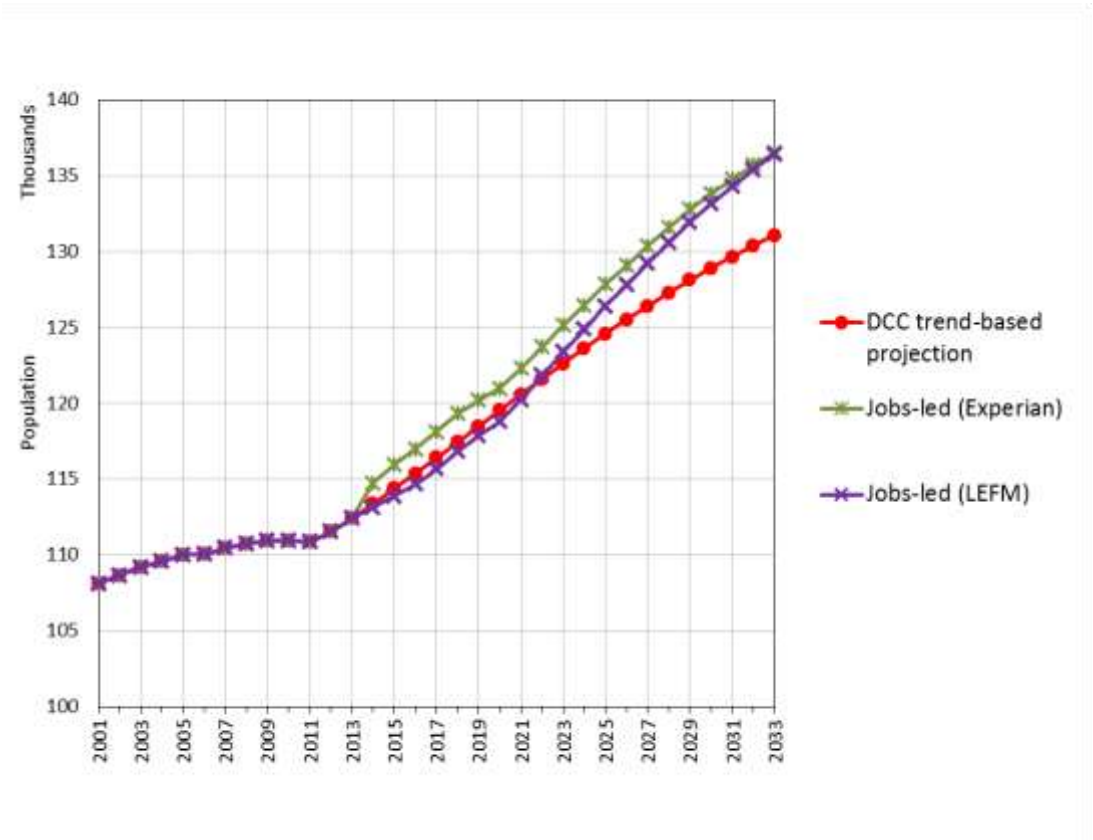
3.24 The 'jobs-led' scenarios suggest a higher total population growth in Teignbridge (excl. Dartmoor NP) over the forecast period than the DCC trend-based projection (Figure 10). The growth implied by the 'Jobs-led (Experian)' and the 'Jobs-led (LEFM)' scenarios is 21.4% and 21.3% respectively. The DCC trend-based projection suggests a lower population growth of 16.6% between 2013 and 2033.

3.25 In terms of the dwelling growth resulting from each of the scenarios, the application of the 2008-based headship rates suggests a higher dwelling growth than the application of the fixed 2011-based headship rates. Considering the average of the two approaches, results in a range of 562 - 677 dwellings per year from the three scenarios.

Table 8: Teignbridge (excl. Dartmoor NP) – dwelling growth summary

Scenario	Average annual dwelling requirement, 2013 - 2033		
	2011-based	2008-based	Average
DCC trend-based projection	535	588	562
Jobs-led (Experian)	649	706	678
Jobs-led (LEFM)	648	706	677

Teignbridge (excl. Dartmoor NP)



2011-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change*	Net Migration	Dwellings	Jobs*
DCC trend-based projection CLG11	18,660	16.6%	10,020	20.4%	24,380	10,700	4,080	1,219	535	204
Jobs-led (Experian) CLG11	24,108	21.4%	12,146	24.7%	29,160	12,980	6,760	1,458	649	338
Jobs-led (LEFM) CLG11	24,000	21.3%	12,130	24.7%	29,380	12,960	6,740	1,469	648	337

2008-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change*	Net Migration	Dwellings	Jobs*
DCC trend-based projection CLG08	18,660	16.6%	11,003	21.9%	24,380	11,760	4,080	1,219	588	204
Jobs-led (Experian) CLG08	24,108	21.4%	13,215	26.3%	29,160	14,120	6,760	1,458	706	338
Jobs-led (LEFM) CLG08	24,000	21.3%	13,209	26.2%	29,380	14,120	6,740	1,469	706	337

** jobs change and average annual jobs growth refer to Teignbridge district in total*

Figure 10: Scenario outcomes, Teignbridge (excl. Dartmoor NP)

Teignbridge (within Dartmoor NP)

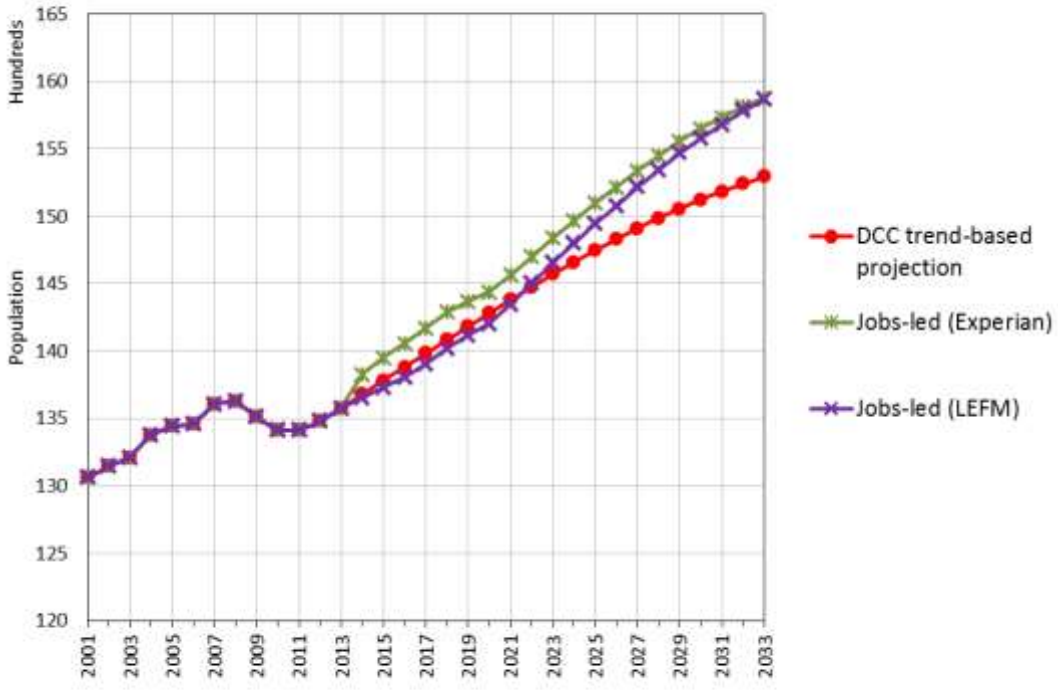
3.26 The 'jobs-led' scenarios suggest a higher total population growth in Teignbridge (within Dartmoor NP) over the forecast period than the DCC trend-based projection (Figure 11). The growth implied by the 'Jobs-led (Experian)' and the 'Jobs-led (LEFM)' scenarios is 16.9%. The DCC trend-based projection suggests a lower population growth of 12.6% between 2013 and 2033.

3.27 In terms of the dwelling growth resulting from each of the scenarios, the application of the 2008-based headship rates suggests a higher dwelling growth than the application of the fixed 2011-based headship rates. Considering the average of the two approaches, results in a range of 58 - 70 dwellings per year from the three scenarios.

Table 9: Teignbridge (within. Dartmoor NP) – dwelling growth summary

Scenario	Average annual dwelling requirement, 2013 - 2033		
	2011-based	2008-based	Average
DCC trend-based projection	54	61	58
Jobs-led (Experian)	66	73	70
Jobs-led (LEFM)	66	73	70

Teignbridge (within Dartmoor NP)



2011-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change*	Net Migration	Dwellings	Jobs*
DCC trend-based projection CLG11	1,716	12.6%	990	16.4%	3,140	1,080	4,080	157	54	204
Jobs-led (Experian) CLG11	2,299	16.9%	1,211	20.1%	3,660	1,320	6,760	183	66	338
Jobs-led (LEFM) CLG11	2,288	16.9%	1,210	20.1%	3,680	1,320	6,740	184	66	337

2008-based household model assumption

Scenario	Change 2013 - 2033							Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration Change	Dwellings Change	Jobs Change*	Net Migration	Dwellings	Jobs*
DCC trend-based projection CLG08	1,716	12.6%	1,109	18.1%	3,140	1,220	4,080	157	61	204
Jobs-led (Experian) CLG08	2,299	16.9%	1,337	21.8%	3,660	1,460	6,760	183	73	338
Jobs-led (LEFM) CLG08	2,288	16.9%	1,336	21.8%	3,680	1,460	6,740	184	73	337

** jobs change and average annual jobs growth refer to Teignbridge district in total*

Figure 11: Scenario outcomes, Teignbridge (within Dartmoor NP)

4. Summary

4.1 Using DCC's own trend-based projections for population and dwellings as the basis for scenario development, this report has presented 'jobs-led' forecasts for the Exeter HMA. These forecasts are underpinned by:

- Employment forecasts from Cambridge Econometrics – 'Jobs-led (LEFM)';
- Employment forecasts from Experian – 'Jobs-led (Experian)'.

4.2 All forecasts have been derived using POPGROUP technology and each has considered a 20-year plan period 2013-2033 (2013/14 – 2032/33).

4.3 For the HMA in total, the DCC trend-based projection and the derived jobs-led forecasts suggest an average annual requirement of 2,172 – 2,601 dwellings per annum.

Table 10: Exeter HMA – average annual dwelling requirement summary

Scenario	Average annual dwelling requirement, 2013 - 2033				
	East Devon	Exeter	Mid Devon	Teignbridge	Exeter HMA
DCC trend-based projection	584	589	381	619	2,172
Jobs-led (Experian)	725	619	359	747	2,450
Jobs-led (LEFM)	850	639	367	747	2,601

4.4 Higher dwelling growth is suggested by the 'jobs-led' scenarios, with higher net in-migration required to meet the jobs growth suggested in each of the forecasts.

4.5 Whilst the jobs growth data has been drawn directly from the Cambridge Econometrics LEFM and Experian forecasts, associated assumptions on economic activity, unemployment and commuting were not readily available to inform this analysis. Edge Analytics has made an appropriate judgment on each of these assumptions to enable a demographic evaluation of the implied jobs growth forecasts to be made.

4.6 Household outcomes of each scenario have been derived using assumptions from both the DCLG 2011-based and 2008-based household models. Updated household assumptions are soon to be

released by DCLG within its 2012-based household model. These new data should be given due consideration by DCC in any future housing requirement analysis.

Appendix A

Data Inputs and Assumptions

A.1 To enable the demographic evaluation of jobs-growth forecasts for each district, assumptions on economic activity, unemployment and commuting ratios have been derived for each district. In the absence of associated information from the Cambridge Econometrics and Experian forecasts, the choice of these assumptions has been based on published statistics from the 2011 Census and from the Annual Population Survey. Whilst these assumptions are not definitive, they provide a sound basis from which to evaluate the likely demographic implications of each jobs forecast, compared to the original trend-based projections.

Jobs growth forecasts

A.2 Two core 'jobs-led' scenarios (**'Jobs-led (LEFM)'** and **'Jobs-led (Experian)'**) have been run for each of the Exeter HMA districts. These scenarios use jobs growth forecasts produced by Cambridge Econometrics and by Experian respectively.

A.3 The annual trajectory of jobs growth implied by the Cambridge Econometrics and Experian forecasts are presented in Table 11 and Table 12.

Table 11: Jobs growth trajectory - LEFM (Source: SERIO/ekosgen; LEFM, January 2014)

Area	Net number of new jobs															
	2012/13*	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2012/13-2018/19	2019/20-2024/25	2012/13-2024/25
East Devon	486	486	486	486	486	486	486	417	417	417	417	417	417	3,400	2,500	5,900
Exeter	700	700	700	700	700	700	700	700	700	700	700	700	700	4,900	4,200	9,100
Mid Devon	186	186	186	186	186	186	186	133	133	133	133	133	133	1,300	800	2,100
Teignbridge	386	386	386	386	386	386	386	317	317	317	317	317	317	2,700	1,900	4,600
Exeter HMA	**1,757**	**1,757**	**1,757**	**1,757**	**1,757**	**1,757**	**1,757**	**1,567**	**1,567**	**1,567**	**1,567**	**1,567**	**1,567**	**12,300**	**9,400**	**21,700**

**not included*

Table 12: Jobs growth trajectory – Experian, based on the total 'full-time equivalent' employment (Source: Experian, September 2014)

Area	Net number of new jobs																	
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
East Devon	1,000	520	440	400	330	240	210	200	200	200	220	220	230	230	230	240	230	230
Exeter	1,630	1,180	990	880	760	520	460	440	430	440	480	490	510	500	500	530	520	520
Mid Devon	540	270	220	190	170	100	90	90	80	80	90	100	90	100	90	100	90	100
Teignbridge	1,270	610	520	450	390	270	230	210	210	220	220	240	240	230	240	240	240	240
Exeter HMA	**4,440**	**2,580**	**2,170**	**1,920**	**1,650**	**1,130**	**990**	**940**	**920**	**940**	**1,010**	**1,050**	**1,070**	**1,060**	**1,060**	**1,110**	**1,080**	**1,090**

Economic Activity Rates

2011 Census Economic Activity Rates

A.4 'Economically active' refers to the population that is both employed and unemployed, i.e. the labour force. Economic activity rates determine the level of labour force participation associated with a particular age-sex category.

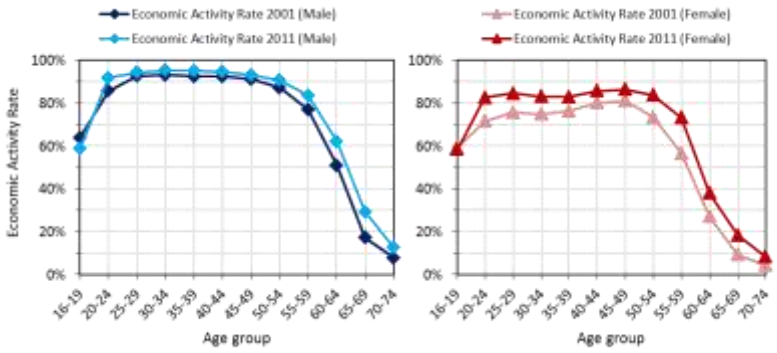
A.5 The economic activity rates used in all the scenarios are based on the latest statistics from the 2011 Census, published in November 2013. Census-based rates have been used as they provide the most detailed information on age-specific rates of economic activity for each individual local authority district.

A.6 Economic activity rates provide the basis for calculating the size of the labour force within the population. Economic activity rates by five year age group (ages 16-74) and sex have been derived from 2011 Census statistics.

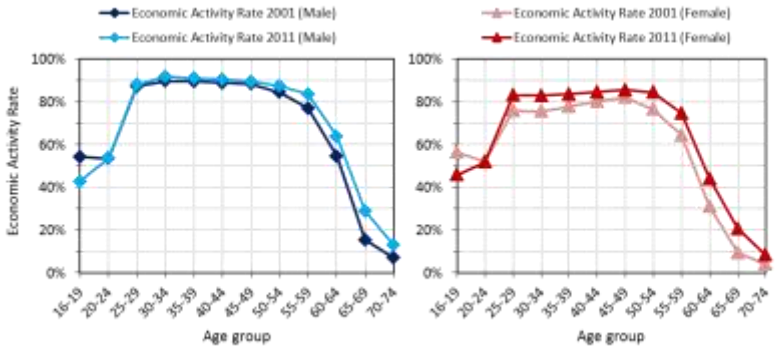
A.7 The 2011 Census statistics include an open-ended 65+ age categorisation, so economic activity rates for the 65–69 and 70–74 age groups have been estimated using a combination of Census 2011 tables, disaggregated using evidence from the 2001 Census.

A.8 A comparison of the 2001 and 2011 economic activity rates for each Exeter HMA local authority district is provided (Figure 12). This comparison indicates that economic activity rates have increased in the older age groups for both males and females in all districts, particularly for females, for whom rates have seen a general increase across all age-groups 20+.

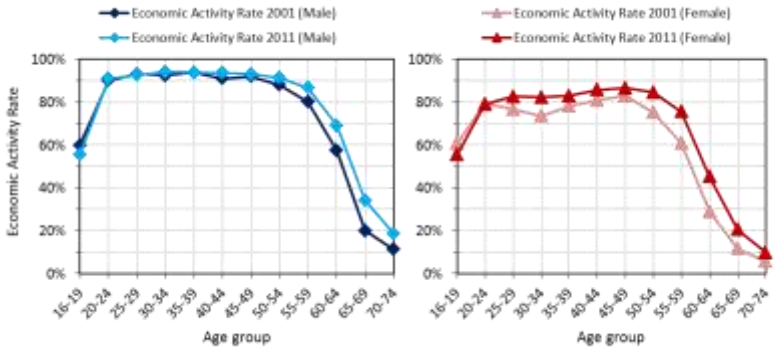
East Devon



Exeter



Mid Devon



Teignbridge

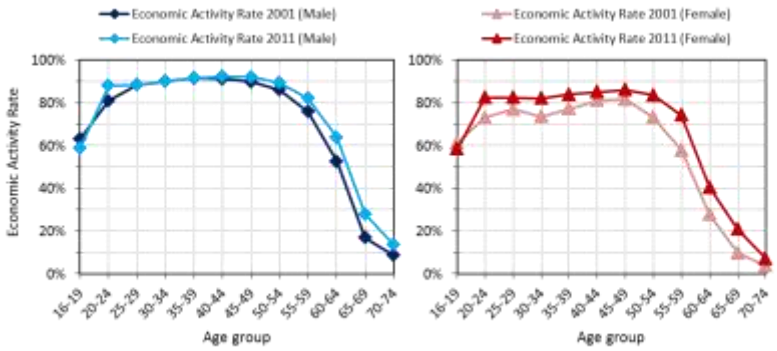


Figure 12: Economic Activity Rates, 2001 vs. 2011

Amendments to Economic Activity Rates

A.9 Using the 2011 Census statistics as a base, changes have been made to the age-sex specific economic activity rates to take account of changes to the State Pension Age (SPA) and to accommodate potential changes in economic participation which might result from an ageing but healthier population in the older labour-force age-groups.

A.10 Employment forecasts routinely apply changes to older-age economic participation rates in the derivation of longer-term forecasts of jobs growth. It is therefore important to give these assumptions due consideration in the demographic assessment of these forecasts.

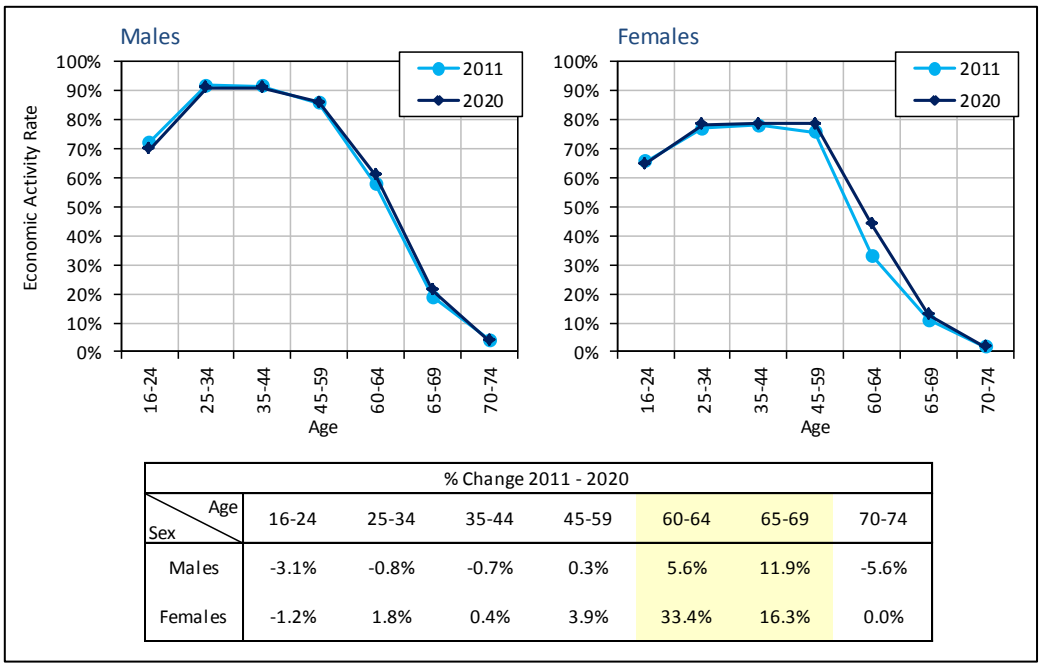
A.11 The SPA for women is increasing from 60 to 65 by 2018, bringing it in line with that for men. Between December 2018 and April 2020, the SPA for both men and women will then rise to 66. Under current legislation, the SPA will be increased to 67 between 2026 and 2028 and 68 between 2044 and 2046. It has been proposed that the rise in the SPA to 67 is brought forward to 2026–2028[3].

A.12 ONS published its last set of economic activity rate forecasts from a 2006 base[4]. These incorporated an increase in SPA for women to 65 by 2020 but this has since been altered to an accelerated transition by 2018 plus a further extension to 66 by 2020. Over the 2011–2020 period, the ONS forecasts suggested that male economic activity rates would rise by 5.6% and 11.9% in the 60-64 and 65-69 age groups respectively. Corresponding female rates would rise by 33.4% and 16.3% (Figure 13).

A.13 Given the accelerated pace of change in the female SPA and the clear trends for increased female labour force participation across all age-groups in the last decade, these 2011–2020 rate increases would appear to be relatively conservative assumptions.

[3] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/310231/spa-timetable.pdf

[4] ONS January 2006, Projections of the UK labour force, 2006 to 2020 http://www.ons.gov.uk/ons/rel/lms/labour-market-trends--discontinued-/volume-114--no--1/projections-of-the-uk-labour-force--2006-to-2020.pdf



% Change 2011 - 2020							
Sex \ Age	16-24	25-34	35-44	45-59	60-64	65-69	70-74
Males	-3.1%	-0.8%	-0.7%	0.3%	5.6%	11.9%	-5.6%
Females	-1.2%	1.8%	0.4%	3.9%	33.4%	16.3%	0.0%

Figure 13: ONS Labour Force Projection 2006 – Economic Activity Rates 2011–2020 (Source: ONS)

A.14 To take account of planned changes to the SPA, the following modifications have been made to the economic activity rates for each Exeter HMA local authority:

- Women aged 60-64: 40% increase from 2011 to 2020.
- Women aged 65-69: 20% increase from 2011 to 2020.
- Men aged 60-64: 5% increase from 2011 to 2020.
- Men aged 65-69: 10% increase from 2011 to 2020.

Note: a 10% increase implies a 10% change in the economic activity rate. So for example, a 20% economic activity rate would be increased to 22%. A 10% change does not imply an increase from 20% to 30%.

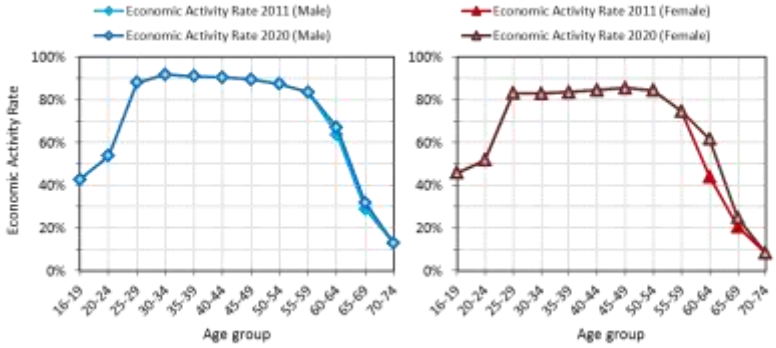
A.15 Changes have been applied incrementally over the 2011–2020 forecast period. Note that the rates for women in the 60–64 age and 65–69 age-groups are higher than the original ONS figures, accounting for the accelerated pace of change in the SPA. No changes have been applied to other age-groups. In addition, no changes have been applied to economic activity rates beyond 2020. This is an appropriately prudent approach given the uncertainty associated with forecasting future rates of economic participation.

A.16 Figure 14 shows the resulting 2020 economic activity rates and compares them to the 2011 figures.

A.17 These alternative economic activity rates are presented as realistic and robust alternatives to the very unlikely scenario of 'fixed' rates over the forecast period.

East Devon

Exeter



Mid Devon

Teignbridge

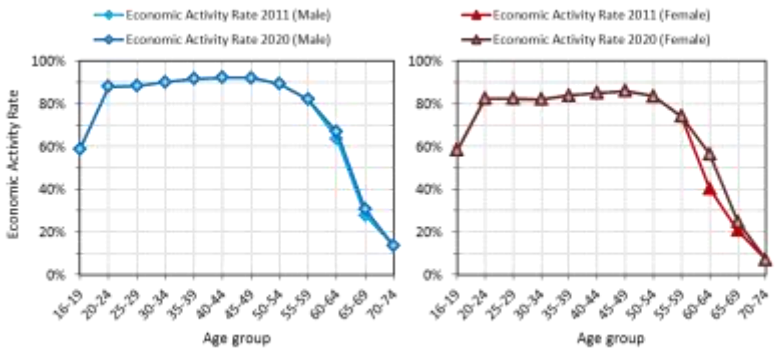


Figure 14: Economic Activity Rates, 2011 vs. 2020

Unemployment Rates

A.18 Unemployment rate statistics have been derived from the time-series of data provided by the Annual Population Survey and accessed through the NOMIS data repository.

A.19 Using the APS statistics, a base year unemployment rates has been derived for each of the Exeter HMA districts based upon a 'recession-years' average (2008-2012). Over the 2013-2020 forecast period, these base unemployment rates are allowed to reduce to a 'pre-recession' average (2004 – 2007), remaining fixed throughout the remainder of the forecast period (Table 13).

A.20 In Exeter's case, the 'recession' unemployment rate estimate was lower than the 'pre-recession', so the initial unemployment rate is fixed for the duration of the forecast.

Table 13: Unemployment rate: 'recession' and 'pre-recession' averages

Area Name	Unemployment rates (%), NOMIS	
	Recession average (2008-12)	Pre-recession average (2004-07)
East Devon	4.8%	2.8%
Exeter	4.3%	4.8%
Mid Devon	6.7%	2.8%
Teignbridge	5.2%	2.4%

Source: Annual Population Survey, NOMIS

Commuting Ratios

A.21 The commuting ratio measures the number of workers living in a district (i.e. the resident labour force) and the number of jobs available in the district.

A.22 A commuting ratio greater than 1.00 indicates that the size of the resident workforce exceeds the number of jobs available in the district, resulting in a net out-commute. A commuting ratio that is less than 1.00 indicates a net in-commute.

A.23 Using 'Travel-to-Work' statistics from the 2011 Census, commuting ratios have been derived for each of the Exeter HMA districts (Table 14).

Table 14: Commuting ratios

Area Name	Commuting ratio, Census 2011
East Devon	1.11
Exeter	0.69
Mid Devon	1.27
Teignbridge	1.18

A.24 In all scenarios, commuting ratios are held constant for the duration of the scenario forecast. Whilst it is recognised that commuting ratios may change over the plan period but with no additional intelligence on the commuting balances implied by the Cambridge Econometrics and Experian forecasts, the 'fixed' approach is deemed appropriate to enable the evaluation of each jobs-growth forecast over the plan period.

Appendix B

Sub-district Model Configuration

B.1 For Teignbridge, the area covered by the Dartmoor NP has been considered in the scenario analysis. This has involved configuring the POPGROUP model for the relevant 'sub-district' areas, using a precise Output Area (OA) definition of the Teignbridge district, both inside and outside the National Park.

B.2 For the 'sub-district' configuration, migration, fertility, mortality and household assumptions have been defined for each area.

B.3 At 'sub-district' level, 'net migration' equates to the cumulative impact of the four types of migration modelled within POPGROUP (in-migration, out-migration, immigration and emigration). Migration is calculated as a 'residual' of the population, after taking account of births and deaths.

B.4 Fertility and mortality differentials for the areas of Teignbridge that fall *within* or *outside* the National Park have been derived.

B.5 In addition, household assumptions and headship rates have been defined for each 'sub-district' area, with the 'fixed' assumptions applied by DCC in its district-level assumptions, replicated.

B.6 Due to the unavailability of the jobs growth forecasts at the sub-district level and the limited availability of the other economic assumptions (i.e. commuting ratio, unemployment rate and economic activity rates), the jobs-led forecasts for the two sub-areas have been calculated 'indirectly'. The district-level population forecasts by single year of age resulting from the 'Jobs-led (LEFM)' and the 'Jobs-led (Experian)' scenarios have been used as constraints on the sub-area scenarios. This means that the sum of the sub-areas population forecasts equals the district total but the disaggregation has taken into account the sub-districts' characteristics.

Appendix C

Population & dwelling growth outcomes for core scenarios

C.1 Presented below are population and dwelling growth trajectories resulting from the two core 'jobs-led' scenarios, i.e. 'Jobs-led (LEFM)' and 'Jobs-led (Experian)':

Population

Table 15: Population growth, core scenarios

'Jobs-led (LEFM)'

Area	Population																				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
East Devon	134,898	136,020	137,214	138,379	139,765	141,235	142,796	144,078	145,848	147,686	149,501	151,325	152,966	154,550	156,072	157,583	159,243	160,664	162,045	163,441	164,750
Exeter	121,800	122,532	123,086	123,676	124,571	125,565	126,547	127,469	128,712	129,916	131,275	132,503	133,663	134,947	136,201	137,447	138,685	139,778	140,806	141,800	142,763
Mid Devon	78,670	79,137	79,632	80,082	80,676	81,327	81,932	82,439	83,210	84,004	84,724	85,539	86,323	87,001	87,647	88,352	89,066	89,737	90,306	90,884	91,440
Teignbridge	126,001	126,932	127,926	128,961	130,226	131,675	132,983	134,175	135,792	137,557	139,302	140,960	142,641	144,161	145,805	147,266	148,770	150,089	151,333	152,571	153,666
Exeter HMA	**461,369**	**464,622**	**467,858**	**471,098**	**475,237**	**479,803**	**484,257**	**488,161**	**493,562**	**499,163**	**504,802**	**510,327**	**515,592**	**520,658**	**525,726**	**530,649**	**535,765**	**540,270**	**544,489**	**548,697**	**552,619**
Teignbridge (within Dartmoor NP)	13,578	13,667	13,759	13,853	13,967	14,098	14,214	14,317	14,461	14,619	14,774	14,920	15,068	15,200	15,344	15,469	15,598	15,709	15,812	15,913	15,998
Teignbridge (excl. Dartmoor NP)	112,423	113,265	114,167	115,108	116,258	117,577	118,769	119,858	121,331	122,938	124,527	126,040	127,573	128,961	130,462	131,797	133,172	134,381	135,521	136,659	137,668

'Jobs-led (Experian)'

Area	Population																				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
East Devon	134,898	137,044	138,314	139,394	140,622	141,798	142,886	143,765	145,106	146,506	147,873	149,280	150,494	151,666	152,770	153,854	155,101	156,092	157,031	157,985	158,852
Exeter	121,800	123,722	124,852	125,762	126,849	127,891	128,602	129,134	130,008	130,892	131,974	133,004	134,003	135,158	136,261	137,332	138,419	139,329	140,142	140,899	141,616
Mid Devon	78,670	79,895	80,578	81,109	81,725	82,357	82,796	83,224	83,917	84,611	85,229	85,958	86,675	87,260	87,832	88,437	89,069	89,635	90,112	90,594	91,053
Teignbridge	126,001	128,734	130,203	131,534	132,962	134,459	135,573	136,625	138,066	139,650	141,229	142,717	144,255	145,626	147,089	148,380	149,707	150,844	151,884	152,909	153,786
Exeter HMA	**461,369**	**469,395**	**473,947**	**477,799**	**482,158**	**486,505**	**489,856**	**492,749**	**497,098**	**501,659**	**506,305**	**510,960**	**515,426**	**519,710**	**523,951**	**528,004**	**532,296**	**535,900**	**539,169**	**542,387**	**545,307**
Teignbridge (within Dartmoor NP)	13,578	13,843	13,981	14,104	14,234	14,368	14,465	14,553	14,680	14,820	14,959	15,088	15,222	15,339	15,465	15,574	15,686	15,780	15,863	15,944	16,008
Teignbridge (excl. Dartmoor NP)	112,423	114,891	116,222	117,430	118,729	120,091	121,108	122,072	123,386	124,830	126,270	127,629	129,034	130,287	131,623	132,806	134,021	135,065	136,020	136,965	137,778

'DCC trend-based projection'

Area	Population																				
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
East Devon	134,898	135,758	136,652	137,572	138,509	139,456	140,409	141,361	142,304	143,229	144,134	145,012	145,859	146,671	147,446	148,181	148,874	149,527	150,140	150,718	151,256
Exeter	121,800	122,794	123,804	124,829	125,861	126,894	127,931	128,973	130,015	131,056	132,087	133,109	134,119	135,117	136,101	137,069	138,024	138,966	139,896	140,816	141,724
Mid Devon	78,670	79,339	80,013	80,688	81,364	82,036	82,705	83,369	84,024	84,670	85,301	85,917	86,516	87,096	87,657	88,197	88,717	89,217	89,699	90,164	90,611
Teignbridge	126,001	127,062	128,150	129,262	130,393	131,530	132,671	133,814	134,955	136,084	137,193	138,275	139,326	140,344	141,326	142,269	143,171	144,030	144,851	145,634	146,377
Exeter HMA	**461,369**	**464,953**	**468,619**	**472,350**	**476,127**	**479,916**	**483,716**	**487,518**	**491,298**	**495,039**	**498,715**	**502,312**	**505,819**	**509,228**	**512,529**	**515,716**	**518,787**	**521,741**	**524,587**	**527,332**	**529,968**
Teignbridge (within Dartmoor NP)	13,578	13,680	13,781	13,883	13,984	14,084	14,184	14,282	14,379	14,475	14,569	14,659	14,746	14,829	14,909	14,985	15,056	15,122	15,185	15,242	15,294
Teignbridge (excl. Dartmoor NP)	112,423	113,382	114,369	115,379	116,409	117,446	118,487	119,533	120,575	121,608	122,624	123,616	124,580	125,514	126,416	127,284	128,115	128,908	129,666	130,392	131,083

Dwellings

Table 16: Dwelling growth, core scenarios, CLG08

'Jobs-led (LEFM)'

Area	Number of net new dwellings, CLG 2008-based household assumptions																			Total
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2013-2033
East Devon	628	685	680	843	863	858	729	973	1,034	1,033	1,048	1,020	1,005	985	960	997	912	884	899	875	17,911
Exeter	591	603	576	568	543	576	560	685	684	702	687	705	783	690	635	721	705	683	632	681	13,009
Mid Devon	313	351	339	378	431	413	342	469	463	425	481	495	453	443	475	466	433	402	417	366	8,352
Teignbridge	606	591	636	823	890	797	681	869	928	950	906	923	878	932	885	879	802	769	731	681	16,157
Exeter HMA	**2,138**	**2,229**	**2,230**	**2,611**	**2,727**	**2,644**	**2,312**	**2,996**	**3,108**	**3,110**	**3,122**	**3,142**	**3,119**	**3,051**	**2,955**	**3,063**	**2,852**	**2,738**	**2,679**	**2,602**	**55,429**
Teignbridge (within Dartmoor NP)	69	63	63	80	83	74	64	81	86	89	84	86	81	87	81	80	72	69	62	57	1,513
Teignbridge (excl. Dartmoor NP)	537	527	573	743	807	722	618	788	842	861	822	838	797	845	804	799	730	699	669	624	14,644

'Jobs-led (Experian)'

Area	Number of net new dwellings, CLG 2008-based household assumptions																			Total
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2013-2033
East Devon	1,051	716	649	782	741	656	555	787	840	835	865	832	827	808	781	824	732	701	713	688	15,382
Exeter	981	796	708	673	604	541	513	617	588	594	583	594	680	582	530	641	646	612	542	577	12,603
Mid Devon	601	424	376	393	429	350	309	434	419	380	443	465	415	414	436	433	391	365	378	327	8,184
Teignbridge	1,358	790	768	909	918	716	615	784	839	868	823	856	811	857	814	803	724	682	640	588	16,164
Exeter HMA	**3,990**	**2,726**	**2,501**	**2,758**	**2,693**	**2,263**	**1,993**	**2,622**	**2,686**	**2,676**	**2,715**	**2,747**	**2,734**	**2,661**	**2,562**	**2,701**	**2,493**	**2,359**	**2,273**	**2,180**	**52,333**
Teignbridge (within Dartmoor NP)	141	82	76	88	86	66	57	73	77	81	77	79	74	80	75	73	65	61	54	48	1,513
Teignbridge (excl. Dartmoor NP)	1,217	708	692	821	833	650	557	711	762	787	747	777	737	778	740	731	659	620	587	540	14,652

'DCC trend-based projection'

Area	Number of net new dwellings, CLG 2008-based household assumptions																			Total
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2013-2033
East Devon	520	561	577	652	640	602	589	621	645	645	643	676	673	665	631	590	588	560	551	545	12,172
Exeter	676	755	727	629	581	626	640	660	666	602	612	640	665	564	502	582	620	627	583	629	12,586
Mid Devon	389	420	427	412	444	442	404	424	404	388	399	417	410	406	407	387	363	366	369	322	8,001
Teignbridge	660	630	669	768	758	725	659	661	652	673	652	646	655	643	657	616	600	583	534	528	12,967
Exeter HMA	**2,246**	**2,366**	**2,400**	**2,462**	**2,423**	**2,394**	**2,291**	**2,366**	**2,366**	**2,308**	**2,306**	**2,379**	**2,403**	**2,278**	**2,197**	**2,175**	**2,171**	**2,135**	**2,037**	**2,023**	**45,726**
Teignbridge (within Dartmoor NP)	74	67	66	75	70	67	62	61	59	63	60	59	60	60	60	55	53	52	44	43	1,211
Teignbridge (excl. Dartmoor NP)	586	563	603	693	687	658	597	600	593	610	591	587	595	583	597	561	547	531	490	485	11,756

Table 17: Dwelling growth, core scenarios, CLG11

'Jobs-led (LEFM)'

Area	Number of net new dwellings, CLG 2011-based household assumptions																			Total
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2013-2033
East Devon	591	615	636	777	816	803	706	896	1,025	1,013	981	930	886	885	867	918	817	835	892	842	16,732
Exeter	495	518	487	495	462	499	490	606	626	633	610	625	664	577	513	606	597	613	602	643	11,362
Mid Devon	272	284	296	334	373	382	301	412	454	409	450	460	405	372	422	421	387	376	390	352	7,550
Teignbridge	570	547	599	753	814	731	619	801	894	891	832	848	767	820	783	793	711	704	701	666	14,845
Exeter HMA	**1,928**	**1,963**	**2,017**	**2,359**	**2,465**	**2,416**	**2,116**	**2,715**	**3,000**	**2,945**	**2,873**	**2,864**	**2,723**	**2,654**	**2,586**	**2,738**	**2,511**	**2,529**	**2,585**	**2,503**	**50,490**
Teignbridge (within Dartmoor NP)	64	59	60	72	75	67	56	73	83	83	78	78	69	75	70	71	63	62	61	56	1,374
Teignbridge (excl. Dartmoor NP)	506	488	538	680	739	664	563	728	811	807	754	770	699	745	713	722	648	643	640	611	13,471

'Jobs-led (Experian)'

Area	Number of net new dwellings, CLG 2011-based household assumptions																			Total
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2013-2033
East Devon	1,004	644	605	717	697	606	537	715	839	823	805	750	717	716	696	750	643	656	709	658	14,286
Exeter	866	701	612	594	518	464	442	538	536	532	515	525	570	478	418	533	543	548	519	547	10,999
Mid Devon	550	353	330	347	369	321	270	380	413	367	416	434	372	347	386	391	347	341	352	314	7,401
Teignbridge	1,300	739	725	834	840	652	555	719	809	811	753	784	704	749	716	721	637	622	615	579	14,864
Exeter HMA	**3,720**	**2,438**	**2,272**	**2,492**	**2,424**	**2,044**	**1,804**	**2,353**	**2,595**	**2,533**	**2,489**	**2,492**	**2,363**	**2,289**	**2,216**	**2,396**	**2,170**	**2,166**	**2,195**	**2,098**	**47,550**
Teignbridge (within Dartmoor NP)	135	77	72	80	77	59	49	65	75	76	70	72	62	68	64	64	56	54	53	48	1,375
Teignbridge (excl. Dartmoor NP)	1,165	662	653	754	763	593	505	655	734	736	683	712	642	681	652	657	581	568	562	531	13,489

'DCC trend-based projection'

Area	Number of net new dwellings, CLG 2011-based household assumptions																			Total
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2013-2033
East Devon	485	494	536	593	601	555	570	556	649	637	590	600	567	576	550	524	504	519	550	519	11,173
Exeter	577	662	630	552	497	545	563	580	608	539	541	566	555	461	392	479	520	561	556	594	10,979
Mid Devon	346	350	380	367	383	408	360	369	397	374	373	387	366	339	360	348	322	343	346	310	7,227
Teignbridge	623	585	630	699	686	662	597	600	628	623	588	582	555	543	566	542	519	527	512	518	11,788
Exeter HMA	**2,030**	**2,091**	**2,177**	**2,211**	**2,167**	**2,170**	**2,091**	**2,104**	**2,281**	**2,173**	**2,093**	**2,136**	**2,044**	**1,919**	**1,867**	**1,894**	**1,866**	**1,950**	**1,963**	**1,942**	**41,168**
Teignbridge (within Dartmoor NP)	69	62	63	67	62	61	54	53	58	58	54	52	48	48	50	47	45	45	43	42	1,083
Teignbridge (excl. Dartmoor NP)	554	523	567	632	624	601	543	547	570	565	534	530	507	495	516	495	475	482	469	476	10,706

Appendix D

POPGROUP Methodology

D.1 Demographic forecasts have been developed using the POPGROUP suite of products. POPGROUP is a family of demographic models that enables forecasts to be derived for population, households and the labour force, for areas and social groups. The main POPGROUP model (Figure 15) is a cohort component model, which enables the development of population forecasts based on births, deaths and migration inputs and assumptions.

D.2 The Derived Forecast (DF) model (Figure 16) sits alongside the population model, providing a headship rate model for household projections and an economic activity rate model for labour-force projections.

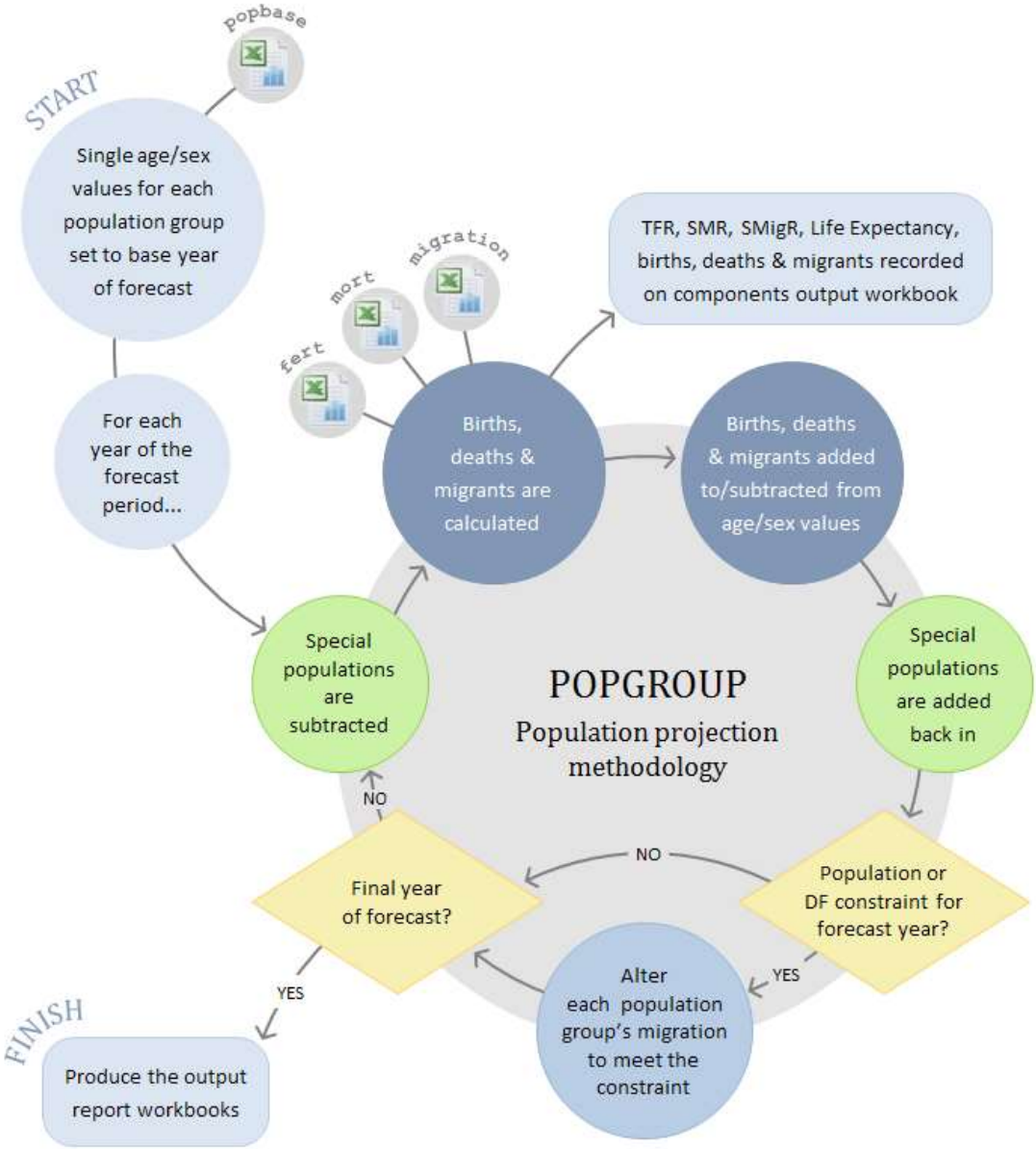
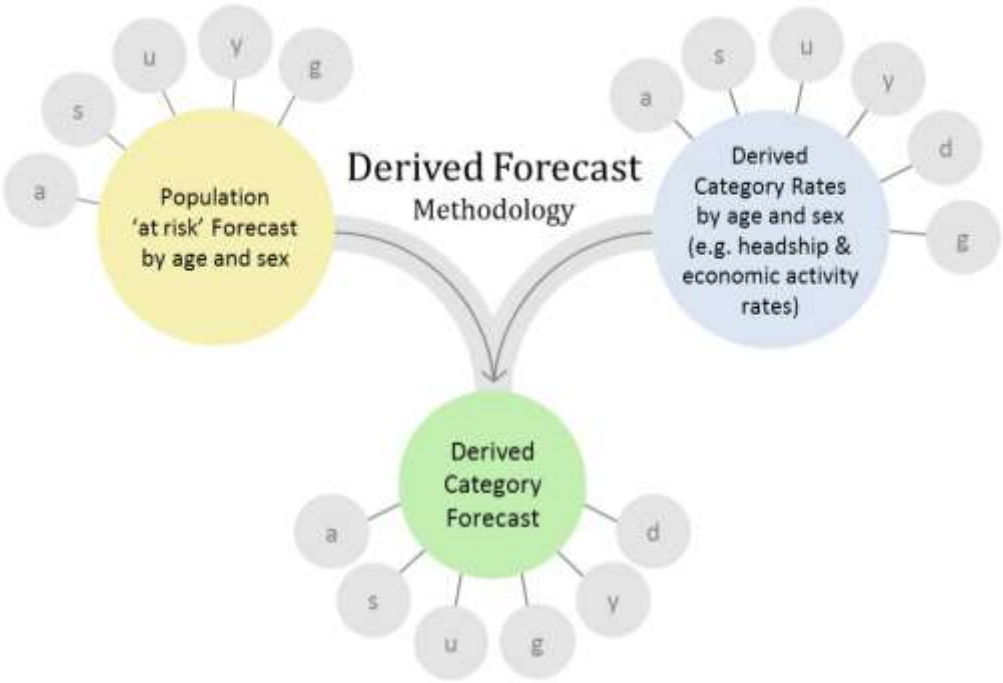


Figure 15: POPGROUP population projection methodology



$$D_{a,s,u,y,d,g} = \frac{P_{a,s,u,y,g} \quad R_{a,s,u,y,d,g}}{100}$$

D Derived Category Forecast
P Population 'at risk' Forecast
R Derived Category Rates
a Age-group
s Sex
u Sub-population
y Year
d Derived category
g Group (usually an area, but can be an ethnic group or social group)

Figure 16: Derived Forecast (DF) methodology