



Dartmoor National Park

Reg 19 Local Plan

Review of Housing Need

Boyer

## Report Control

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## 1. INTRODUCTION

- 1.1 Boyer (Development Economics) is instructed by Cavanna Homes to submit representations in response to the Regulation 19 (Pre-Submission) Local Plan (2018-2036) Consultation Document.
- 1.2 The representations set out herein relate specifically to a review of the Dartmoor National Park Authority's ("DNPA") proposed housing figure and the associated housing need evidence for their emerging Local Plan. These representations should be read in conjunction with wider representations on the Consultation Document submitted under separate cover.
- 1.3 DNPA are currently reviewing their Local Plan and have recently published their Regulation 19 (final draft) consultation. The new Local Plan proposes a housing figure of 1,125 dwellings (65 per year) between 2018 and 2036. This figure represents an increase of 15 dwellings per annum (dpa) compared to the previous Local Plan figure of 50 dpa.
- 1.4 DNPA state that 65 dpa is not a target but is the level of development evidence suggests is necessary to reduce identified problematic trends including high unaffordability, a reduction in the working age population, under occupancy of homes by older people, a greater demand for services/facilities for older people and a decreasing demand for services/facilities for younger people.
- 1.5 On this basis, this note will review DNPA's proposed figure of 65 dpa and the evidence base which supports it. This includes;
  - Dartmoor National Park Demographic Forecasts – October 2016 (Edge Analytics)
  - Dartmoor National Park Additional Scenario Analysis – June 2019 (Edge Analytics)
  - Topic Paper 6 – Housing September 2019 (DNPA)
- 1.6 It will review the above in relation to the relevant national planning policy and practice guidance on housing need and will conclude on whether the figure of 65dpa is robustly evidenced.

## 2. POLICY CONTEXT

- 2.1 The National Planning Policy Framework (NPPF) 2019 made changes to the way housing need is to be assessed. Paragraph 60 of the NPPF states that to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method set out in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals (Boyer emphasis).
- 2.2 The standard approach mentioned above involves using population and housing projections published by the Government and then making an adjustment for affordability based on median workplace-based affordability ratios (median house prices to median earnings of workers in that area)<sup>1</sup>. However, as Dartmoor is a National Park there are no published population/household projections or affordability ratios, meaning that it is not possible to apply the standard methodology. On National Parks, the planning practice guidance (PPG) states that:
- “Where strategic policy-making authorities do not align with local authority boundaries, such as National Parks and the Broads Authority, available data does not allow local housing need to be calculated using the standard method set out above. Such authorities may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels.” (Boyer Emphasis)*
- 2.3 Based on the above, DNPA will need to provide robust and thorough evidence which includes current and future demographic trends and market signals.

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<sup>1</sup> Further detail on the standard method calculations can be found on the planning practice guidance pages <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments#housing-need> Note – capping is also included in the calculation

### 3. DNPA EVIDENCE SUMMARY

#### Demographic Forecasts – October 2016 (Edge Analytics)

- 3.1 Edge Analytics undertook a review of various demographic forecasts for the National Park in 2016. They produced a range of scenarios including one which replicated the Government’s 2014 subnational population projections (SNPP)<sup>2</sup> and three alternative ‘trend’ scenarios which examined past migration trends over 6 years, 10 years and 13 years. It also included three ‘dwelling led’ scenarios which explored the impact of building 30 dwellings, 50 dwellings (current plan target) or 80 dwellings per year on the population.
- 3.2 The report found that in all but three scenarios (SNPP 2014, 50 dwellings and 80 dwellings) the population of the National Park declined. This was due to negative natural change (the balance between births and deaths) and demonstrated that migration was the key driver of population growth in the National Park.
- 3.3 The table below is an extract from the report and provides a summary of the various scenarios for information. The table shows that even at 80 dpa (1,600 over 20 years), there is only a household gain of 1,468 and only modest population growth of 1,800 people. This suggests that average household sizes are expected to be extremely small.

Table 5: Dartmoor National Park scenario outcomes 2015–2035

Scenario	Change 2015–2035				Average per year	
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings
Dwelling-led +80	1,838	5.4%	1,468	10.0%	261	80
SNPP-2014	756	2.2%	1,335	9.1%	232	73
Dwelling-led +50	422	1.2%	915	6.2%	197	50
Dwelling-led +30	-507	-1.5%	553	3.8%	156	30
PG Long-Term	-894	-2.6%	417	2.9%	133	23
PG 10yr	-957	-2.8%	398	2.7%	127	22
PG Short-Term	-2,277	-6.7%	-19	-0.1%	68	-1

Note that household growth has been calculated using 2014-based headship rates and the dwelling growth figures using a fixed 8% vacancy rate. Scenarios are ranked in order of population change.

Figure 1 – Extract showing scenario summary table (Table 5, Demographic Forecasts – October 2016 Edge Analytics)

- 3.4 A key finding of this report was that in the SNPP 2014 scenario, which equated to 73 dpa, all households under 65 years (by household representative person) were expected to decline, as shown in the extract in Figure 2 below.

<sup>2</sup> This was replicated by Edge as the Government only publish these figures at local authority level. The SNPP2014 are the baseline projections used in the NPPF/NPPG standard approach

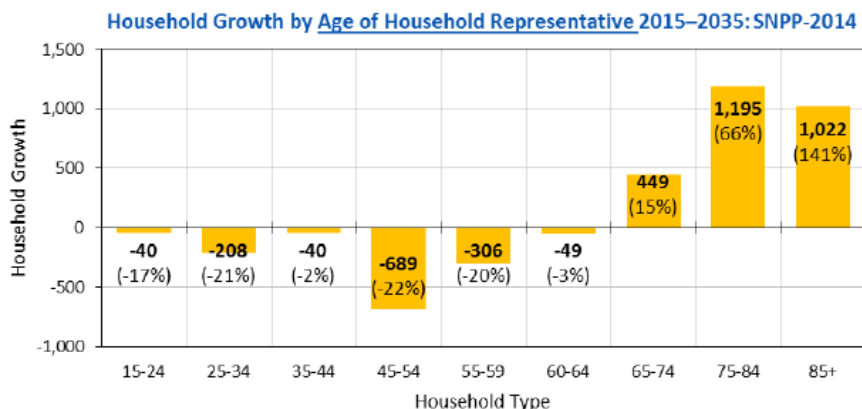


Figure 11: Dartmoor National Park SNPP-2014 household growth by age of household representative

Figure 2 - Extract showing household growth by age for SNPP 2014 scenario (Figure 11 Demographic Forecasts – October 2016 Edge Analytics)

3.5 The report states that the 80 dpa scenario provides sufficient internal migration to reduce the rate of ageing, maintaining a more youthful profile to the Park’s population. However, no household growth by age analysis is included for this scenario. This analysis would have been helpful as it is difficult to understand how an additional 8 dpa would achieve this given the figures shown in Figure 2.

**Additional Scenario Analysis – June 2019 (Edge Analytics)**

3.6 In 2019, Edge were commissioned to provide further scenario analysis for DNPA. This included two additional ‘dwelling led’ scenarios, one for 65 dpa and one which is referred to as ‘dwelling-led blended’ which considers the impact of 50dpa up to 2020 and 65dpa thereafter. It states the other assumptions remain as per the 2016 analysis.

3.7 A summary of the scenario results is shown below in Figure 3 for reference<sup>3</sup>.

<sup>3</sup> Note – The report also includes a table showing figures for 2018 to 2036 however the 2015-2035 range is included here for ease of comparison.

Table 3: Dartmoor National Park Scenario Outcomes 2015–2035

Scenario	Change 2015–2035				Average per year	
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings
Dwelling-led +80	1,838	5.4%	1,468	10.0%	261	80
Dwelling-led +65	1,129	3.3%	1,191	8.1%	229	65
Dwelling-led Blended	928	2.7%	1,109	7.6%	221	61
SNPP-2014	756	2.2%	1,335	9.1%	232	73
Dwelling-led +50	422	1.2%	915	6.2%	197	50
Dwelling-led +30	-507	-1.5%	553	3.8%	156	30
PG Long Term	-894	-2.6%	417	2.9%	133	23
PG 10yr	-957	-2.8%	398	2.7%	127	22
PG Short Term	-2,277	-6.7%	-19	-0.1%	68	-1

Scenarios ranked in order of population change. This table replicates Table 5 (page 14) of the October 2016 report but includes the two additional dwelling-led scenarios (highlighted in orange).

Figure 1 - Extract showing scenario summary table (Table 3, Additional Scenario Analysis – June 2019 Edge Analytics)

- 3.8 The 2019 report provides little further analysis of the impact of these dwelling figures on the age structure of the population and how these scenarios would address the demographic issues of ageing population and reducing economic activity.

### Topic Paper 6 – Housing September 2019

- 3.9 DNPA have produced a series of topic papers to support the emerging Local Plan. Topic Paper 6 deals with all housing related issues including housing need. DNPA state that the topic paper draws largely from evidence prepared by Three Dragons and Associates working for DNPA. A request for a copy of the Three Dragons evidence was made to DNPA, and in response it was explained that there is no separate document and that their work is contained within Topic Paper 6. We return to this point in the analysis section of the note.
- 3.10 The topic paper includes discussion on a range of housing related issues including sections on affordable housing need and market signals.
- 3.11 On affordable housing, it is noted that there is an identified need for 170 dwellings (35 per year over 5 years). This appears to represent the current backlog and it is not clear how (if at all) future affordable housing need has been considered.



- 3.12 On market signals, the paper discusses affordability ratios and concludes that Dartmoor's 2017 housing affordability ratio was 12.34 for workplace-based earnings and 11.11 for residence-based earnings. It goes on to state that comparing workplace-based earnings, in 2017 Dartmoor National Park was the 55th most unaffordable of 326 Local Authority areas in England and if London is discounted Dartmoor becomes the 28th most unaffordable such area. The paper also briefly reviews house prices and found that average house prices in the National Park are increasing and are 15% above Devon's average and 29% above the national average. We return to these points in the analysis section below.
- 3.13 The paper also includes some analysis of the various demographic scenarios produced by Edge, however it only appears to include the 30, 50 and 80 dpa scenarios originally modelled by Edge in 2016.

## 4. ANALYSIS

- 4.1 As noted in the policy review section, as a National Park, DNPA are unable to use the standard approach for calculating housing need, however they are still required to provide robust evidence demonstrating that they have considered both demographic trends and market signals in their assessment of housing need.
- 4.2 In the draft Local Plan, DNPA state that a housing figure of 65dpa will reduce the scale of identified demographic issues including an expected decline in the working age population and increase in the older population. However, it is not clear from the evidence how this conclusion has been reached and indeed if it is a valid conclusion that can be drawn from the evidence base work.
- 4.3 Whilst DNPA have published two demographic studies to support the Local Plan review, these are mostly focused on 'dwelling led' scenarios where the housing number is an input rather than an output of the modelling. This means that it is a 'policy on' approach and therefore, this work cannot be considered to be a true objective assessment of housing need.
- 4.4 The Housing Topic Paper (para 4.13.3) states *"The recommendation of Three Dragons is that, on balance, the most appropriate baseline figure from a policy off perspective (i.e. equivalent to an OAN) is 30 dpa. This is based upon the 10 year localised demographic trends (taken either with the adjustment factor from the standard methodology or with a 30% uplift for market signals to reflect affordability pressures and vacancy rates)."* However, it is not clear from the Housing Topic Paper how or why this conclusion has been reached and as noted above, separate evidence/analysis from the Three Dragons work is not available. In addition, this conclusion does not seem to be supported by the demographic work produced by Edge which shows that the 2014 SNPP scenario (which would be equivalent to the base projections used in the NPPF/NPPG's standard approach) results in a dwelling figure of 73dpa.
- 4.5 As discussed above, the 2016 Edge report shows that in the SNPP 2014 scenario, which at 73dpa is 8 more than the proposed housing figure of 65dpa, a decline in all households under 65 is expected (based on the household representative person<sup>4</sup>).
- 4.6 In paragraph 318 of the 2016 Edge report, it is stated that *"Under the Dwelling-led +80 scenario, with an annual growth in the number of dwellings, the higher level of positive net internal migration is sufficient to reduce the rate of ageing, maintaining a more youthful profile to the Park's population"*. However, it is once again not clear how this conclusion has been reached as household growth broken down by age is only provided for the SNPP 2014 scenario. It is difficult to understand how an additional 7 dpa would reverse the significant ageing of the population previously outlined and therefore the inclusion of this analysis would be helpful.

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<sup>4</sup> House Representative Person is defined as the eldest economically active person in the household, then the eldest inactive person if there was no economically active person

- 4.7 The 2019 Edge report models the 65dpa and 'blended' 50/65 dpa scenarios and is therefore completely 'dwelling led'/'policy on' and provides very little analysis of how these housing figures will impact the population structure, economy and infrastructure requirements of the National Park. Paragraph 2.5 states that population ageing in the National Park is inevitable given the existing age profile of the population but that housing growth and its effect on the net migration profile, would moderate the future imbalance between the younger 'working age' groups and older age population. Despite this statement it does not provide any update to the household age analysis previously provided in the 2016 analysis.
- 4.8 A shortage of homes impacts most significantly on younger households which are those entering the housing market or trading up. This has the effect of delaying couple and family formation rates and results in this segment of the population putting their lives on hold. Rather than addressing the issue of a declining working age population, the result of a low housing supply is to disproportionately impact upon the young adult / most economically active segment of the population. In order to address this imbalance, new housing will need to cater to the needs of couples and families with both younger and older children.
- 4.9 A decline in the working age population would have a significant impact on the economy of the National Park. It would negatively impact the businesses that operate there and could lead to unsustainable commuting patterns. It would also severely impact health and social infrastructure provision; for example putting greater strain on health facilities as the population ages and potentially leading to school closures as the school age population declines.
- 4.10 Both Edge reports only provide demographic analysis and therefore, notwithstanding the concerns noted above, are unable to provide a true assessment of housing need as they do not include any analysis of market signals. As noted in the policy review section, the NPPF requires market signals to be taken into account and an uplift to be included where affordability is an issue. It cannot be denied that affordability in DNPA is an issue with house prices significantly above the values achieved in neighbouring authorities and the rest of the County.
- 4.11 The brief market signals section included in the housing topic paper concludes that affordability is poor in the National Park. However no uplift in the housing target is included to address this. Additionally, there is no discussion or analysis in the topic paper which considers how increasing dwelling numbers could act to improve affordability or affordable housing delivery.
- 4.12 In addition, another important factor to consider in the housing need of the National Park is the rate of second and holiday homes.

- 4.13 Second and holiday homes in the National Park are acknowledged as a significant issue in the Housing Topic paper. However, whilst an 8% 'vacancy' rate based on the 2011 Census is included within the demographic analysis in converting population to households, the topic paper acknowledges that some areas including Moretonhampstead have much higher vacant/second home ownership levels at 12-15% according to the 2011 census. Given that the 2011 census is now 9 years old and that there was a +5% increase in vacant/second homes between the 2001 census (3%) and 2011 census (8.4%), it is very likely that second and holiday home proportion of the overall DNPA has increased further. A local survey to establish an up to date picture of second home and holiday home would have been justified as this is such an important aspect of housing need in areas such as National Parks.
- 4.14 We consider that this issue and particularly the impact that second homes being taken out of the housing supply has on the local housing market when combined with issues over local affordability should have been more thoroughly addressed in the housing need analysis for the National Park. These two market signals by themselves and in combination would be sufficient to justify an uplift to the base household need. That this has not been undertaken is in our view a significant failing of the evidence base which calls into question the robustness of target currently set.
- 4.15 From the evidence published it is not at all clear how the figure of 65dpa has been derived and it is not possible based upon the evidence base work undertaken by and on behalf of DNPA to determine the impact that the delivery of 65dpa will have on the range of issues identified by DNPA including affordability and the ageing population.

## 5. CONCLUSION

- 5.1 It is accepted that there are issues relating to development in a National Park however equally important is securing sustainable and balanced communities and the need to have a level of economic activity to support the ongoing viability of existing/established settlements, services and businesses based within the National Park.
- 5.2 DNPA have proposed a housing figure of 65dpa however our review of their evidence base is unable to determine the basis upon which the figure has been selected and what the implications and impact of the target selected will be. We therefore strongly question whether it is true assessment of housing need or as we believe an arbitrary number selected without any empirical basis or understanding of consequences.
- 5.3 DNPA state that this figure is not a target but represents the level of development that their evidence suggests is necessary to reduce identified problematic trends including high unaffordability, a reduction in the working age population, under occupancy of homes by older people, a greater demand for services for older people and a decreasing demand for services for younger people.
- 5.4 However, as our analysis has clearly demonstrated there is no evidence provided to demonstrate that 65dpa will address the problems highlighted. We do not believe that the 65dpa target will be effective and it is in our view clear from the DNPA's evidence that a higher figure of 73dpa does not address the demographic imbalance between economically active and inactive and the consequences this imbalance creates for local services and sustainable employment patterns.
- 5.5 DNPA have not published sufficient evidence to justify this statement and we doubt they could provide the evidence to justify this in any case. It is instructive that the demographic evidence in Edge's 2016 analysis seems to suggest that a figure of 73pa would result in a decline in all households under 65 (based on household reference person) however the same analysis was not included in the Edge 2019 report which assessed the impact of 65 dpa. From the evidence presented it not possible to determine an appropriate housing need figure for the National Park however, it is clear that it is in excess of 73dpa.
- 5.6 Whilst it is acknowledged that as a National Park, the standard approach to assessing housing need cannot be used, the NPPF and NPPG require DNPA to provide robust evidence demonstrating that they have considered both demographic trends and market signals. Our review of the evidence published to date leads us to the conclusion that that what has been provided does not adequately address market signals and factors such as second/holiday homes and affordability issues. It cannot therefore, in the absence of evidence and testing be robustly concluded that the 65dpa target which is being proposed is sound.