



GL Hearn

## Coastal West Sussex SHMA Update

### Chichester District Summary Report

November 2012

#### **Prepared by**

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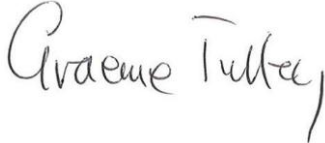
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**Limitations**

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

## **1 INTRODUCTION**

- 1.1 The Coastal West Sussex Strategic Housing Market Assessment (SHMA) Update has been prepared by GL Hearn and Justin Gardner Consulting for the local authorities of Adur, Arun, Chichester and Worthing (which together comprise the Coastal West Sussex Sub-Region) and for the South Downs National Park Authority.
- 1.2 The National Planning Policy Framework (NPPF) was published by Government in 2012 and set out new national planning policies. It outlines that an SHMA forms part of the evidence base for Local Plans. It is intended to provide an assessment of needs for all types of housing, taking account of demographic projections and the needs of different groups in the community, as well as housing demand and the level of housing supply necessary to meet this demand.
- 1.3 The SHMA Update addresses these requirements. It defines a functional housing market stretching along the South Coast from Chichester to Lewes. It includes demographic projections for local authorities within this area and considers broad environmental and infrastructure constraints – these factors together will inform future policies for housing provision. The assessment is intended to inform both policies regarding levels of housing provision and the mix of housing to be provided through new development.
- 1.4 The SHMA Update takes account of changes in housing market dynamics and includes an updated assessment of housing need and dynamics within the affordable housing sector. This takes account of national policy changes including policies within the Government's 2011 *Housing Strategy for England* as well as reforms affecting the affordable housing sector and housing-related benefits introduced in the 2011 Localism Act and 2012 Welfare Reform Act.
- 1.5 This report has been prepared alongside the main SHMA Update Report. It summarises the findings and recommendations of the SHMA with regard to Chichester District.

## **2 HOUSING OFFER**

- 2.1 A high proportion of households in 2031 will live in housing which exists today, and it is therefore important that policies regarding future housing provision are framed by an understanding of the housing offer today and gaps within this.
- 2.2 Chichester District includes 54,100 homes in 2011. It has seen the strongest growth in the overall housing stock of the four Coastal West Sussex authorities over the last decade (8.8% compared to 6.8% across Coastal West Sussex).
- 2.3 Affordable housing made up 15% of the housing stock in 2011, the highest of the Coastal West Sussex Districts. The affordable housing stock has however declined -0.5% since 2007.

**Figure 2.1: Housing Stock Profile**

	Chichester	Coastal West Sussex	South East
Housing Stock: 2011	54,097	199,554	3,684,296
Change in Housing Stock: 2001-11	9%	7%	9%
Affordable Housing, 2011:	15.0%	11.2%	14.0%
Private Housing, 2011:	85.0%	88.8%	86.0%
Change in Housing Stock, 2007-11:	3.7%	2.6%	3.3%
Change in Affordable Stock, 2007-11:	1.0%	0.9%	3.1%
Private Renting: 2001	11.1%	10.1%	10.2%
Growth in Private Renting SE: 2001-11			60%
Detached Homes: 2001	38.8%	30.5%	29.3%
Semi-Detached Homes: 2001	28.1%	26.8%	28.5%
Terraced Homes: 2001	17.9%	20.1%	23.1%
Flats/Maisonettes: 2001	14.4%	21.9%	18.5%
1-4 Rooms: 2001	9%	12%	12%
4-6 Rooms: 2001	63%	68%	63%
7+ Rooms: 2001	28%	20%	25%
Council Tax Bands A & B: 2011	16%	27%	25%
Council Tax Bands C, D and E: 2011	61%	61%	59%
Council Tax Bands F & Above: 2011	23%	12%	15%
Second Homes: 2007	5.2%	2.5%	1.0%
Vacant Homes: 2011	2.8%	2.8%	2.7%
Average Annual Completions: 2004-8	436	1241	-
Average Annual Completions: 2008-11	447	1315	-

2.4 In 2001 private renting was above average. It is likely that over the last decade private renting has been the key growth sector in the housing market in the District, in common with regional trends.

- 2.5 The District's housing stock is skewed towards larger, more expensive properties – particularly in relation to other parts of Coastal West Sussex. Detached housing is above average, particularly outside of Chichester City. The City itself had a more balanced profile of house types in 2001.
- 2.6 District-wide, 38% of properties fall in Council Tax Bands E or above – higher than in other Coastal West Sussex Authorities. Second and holiday homes accounted for 5.2% of the housing stock in 2008 compared to 1.0% across the South East, with a concentration close to Chichester Harbour and the Coast.
- 2.7 There is a need to increase the supply of less expensive properties (in Council Tax Bands A-D) to improve housing affordability in the District.

### **3 HOUSING MARKET CONDITIONS**

- 3.1 Strong housing demand in the decade to 2007 was supported by a sustained period of macro-economic stability and growth, low interest rates and strong competition in the mortgage market, which provided a strong choice of mortgage products. This supported strong growth in effective demand, which outstripped growth in supply, resulting in strong house price growth in real terms (stripping out inflation).
- 3.2 Since 2008 market conditions across the UK have been very different. Effective demand is constrained by access to mortgage finance, weak macro-economic conditions and market confidence, and strong inflation which has constrained real earnings growth and households' ability to save. Bank lending continues to be affected by concerns regarding Eurozone sovereign debt. Critically for the housing market, many young households are unable to raise the necessary deposit (currently averaging 20% of the value of a home) to secure mortgage finance on competitive terms. As a result, market activity has plummeted to its lowest level in more than 40 years.
- 3.3 House prices are higher than in other parts of Coastal West Sussex – with an average house price of £343,200 in Spring 2012 compared to an average of £254,100 across the Sussex Coast Housing Market. There is a particular premium for detached properties (Figure 3.1). The District posted 8.0% nominal growth in house prices between Q3 2008 – Q3 2011 – well above the 3.6% recorded across the South East. However weak market conditions over the last year have put downward pressure on prices.

**Figure 3.1: Average House Prices, Spring 2012**

	Detached	Semi-Detached	Terraced	Flat/Maisonette
Chichester District	£506,167	£273,815	£255,722	£165,256
Sussex Coast Housing Market	£395,552	£253,154	£237,510	£180,454

Source: HMLR

- 3.4 Entry-level house prices for homes in the District vary from £106,000 for a 1-bed property in the South of the District to £368,000 for a property with four or more bedrooms in the north of the District.

**Figure 3.2: Entry-Level Housing Costs**

	1 bedroom	2 bedrooms	3 bedrooms	4 bedrooms
Entry-level purchase price				
Chichester – City	£124,000	£179,000	£230,000	£281,000
Chichester – North	£113,000	£174,000	£256,000	£368,000
Chichester - South	£106,000	£156,000	£207,000	£290,000
Entry-level private rent (per month)				
Chichester – City	£625	£750	£900	£1,250
Chichester – North	£507	£775	£948	£1,513
Chichester - South	£575	£625	£850	£1,400

Source: Online Estate and Letting Agents Survey (April 2012)

- 3.5 The housing market in Chichester District has however been out-performing other areas. Sales volumes, as an indicator of effective demand for market homes, are stronger than in other parts of the region. Sales volumes in Spring 2011 stood 31% down on pre-2007 levels relative to 39% across Coastal West Sussex and 43% across the South East region. This partly reflects the housing stock profile which is more biased towards detached homes, the demand profile for which is focused more towards households with existing equity in housing and less affected by mortgage finance constraints. 71% of properties advertised for sale in the District in April 2012 had three or four-bedrooms. The District's economy has also out-performed other parts of Coastal West Sussex.
- 3.6 Whilst the sales market is in the doldrums, the rental market is buoyant. The sector has grown substantially over the last decade, and local agents report continuing strong demand which is outstripping supply. This is driving rental growth. Rental costs vary from £507 per month for a 1-bed property in the City through to £1,513 per month for a property with four or more bedrooms in the North of the District. 62% of available rental properties in April 2012 had two- or three-bedrooms.

3.7 At a national level, Government policy is however seeking to stimulate the housing market. Locally, the SHMA Update recommends that the Council continues to work to put in place its new Local Plan as soon as possible, allocating a range and mix of sites suitable to bring forward different housing products. It encourages proactive monitoring of delivery on development sites and engagement with developers to address delivery blockages where appropriate.

#### 4 AFFORDABILITY & HOUSING NEED

##### *Housing Affordability*

4.1 Entry-level (lower quartile) house prices in Chichester District are 5.7 times typical earnings of young households (lower quartile earnings) in 2012<sup>1</sup>. The average earnings of a household in the District are £42,260.

**Figure 4.1: Average Household Earnings, 2012**

	Median Household Income, 2011
Chichester City	£35,772
National Park	£46,578
North East	£56,966
South	£40,667
Chichester District	£42,260
Coastal West Sussex	£35,257

4.2 Taking account of the costs of either buying or renting a home an estimated 35% of households in the District are unable to afford market housing (based on their earnings) without some form of subsidy. This rises to just over 50% in Chichester City.

**Figure 4.2: Households Unable to Afford Market Housing without Subsidy**

	Income required to access market	Number unable to afford	Estimated households, 2011	% unable to afford
Chichester District	£35,800	17,197	48,807	35.2%
Chichester City	£36,000	5,682	11,158	50.9%
National Park	£37,200	4,986	14,520	34.3%
North East	£37,200	626	2,880	21.7%
South	£30,000	5,905	20,250	29.2%
Coastal West Sussex	£35,700	85,543	188,221	45.4%

<sup>1</sup> Note, this ratio is based on the incomes of households rather than the earnings of individuals which may be used in other reports

### *Affordable Housing Need*

- 4.3 The SHMA Update has included an analysis of the need for affordable housing using the Basic Needs Assessment Model set out in Government Practice Guidance<sup>2</sup>. The model is designed specifically to identify whether there is a surplus or shortfall in affordable housing.
- 4.4 The model considers differences between the level of current affordable housing need, based on interrogation of the Council's Housing Register and newly-arising need over the 2011-16 period. This is compared with the estimated supply of affordable housing from relets of existing affordable homes and delivery of affordable housing schemes with planning permission which are expected to come forward before 2016.
- 4.5 The SHMA Update identifies a net housing need for 1,782 affordable homes over the 2011-16 period, equating to an average of 356 per annum across the District, if all households in housing need were to be housed in an affordable home. The table below indicates how this breaks down into different areas.

**Figure 4.3: Estimated Housing Need, 2011-16**

	Chichester City	National Park	North East	South	Chichester District
Current (Backlog) Housing Need	447	239	33	484	1203
Need from Newly-Forming Households	417	484	90	606	1597
Existing Households Falling into Need	305	182	25	410	923
<b>Total Need</b>	<b>1169</b>	<b>905</b>	<b>148</b>	<b>1500</b>	<b>3723</b>
Supply from Relets	491	394	61	434	1380
Supply from Development Pipeline	351	82	0	128	561
<b>Total Supply</b>	<b>842</b>	<b>476</b>	<b>61</b>	<b>562</b>	<b>1941</b>
<b>Net Need</b>	<b>327</b>	<b>429</b>	<b>87</b>	<b>938</b>	<b>1782</b>
<b>Net Need per Year</b>	<b>65</b>	<b>86</b>	<b>17</b>	<b>188</b>	<b>356</b>

- 4.6 The housing needs analysis does not look at all housing needs, but specifically the needs of those who can't afford market housing. It assumes that households spend no more than 25% of their gross income on housing costs, and that all households in 'housing need' are housed in affordable homes (which includes provision that the home remains at an affordable price for future eligible households).

<sup>2</sup> CLG (2007) Strategic Housing Market Assessments – Practice Guidance (V2)



- 4.7 It is important to interpret the identified levels of housing need in context. Some households in housing need will be able to secure appropriate accommodation in the Private Rented Sector, supported by Local Housing Allowance. There were 2,150 people living in the Private Rented Sector in the District in December 2011 who were claiming Local Housing Allowance. Over the 2011-16 period, it is estimated that the Private Rented sector could support 1,378 lettings to households in housing need based on current market dynamics. It may thus be able to meet a significant proportion of the shortfall of genuine affordable housing in the District.
- 4.8 However the Government's welfare and benefit reforms may impact both on levels of households falling into housing need and on the supply of housing to meet need, in both the private and social rented sectors.
- 4.9 In particular the size criteria for working-age households in the social rented sector to be introduced in 2013, may result in a short-term increase in need for smaller properties. Similarly the Government's attempts to control growth in LHA payments may result in some increases in pressures for social rented accommodation. The affordable rent tenure and flexible tenancies both aim to support increases in the supply of affordable properties and given the levels of need identified, should be carefully considered.
- 4.10 Furthermore there is evidence of competition for private rented homes from LHA claimants, households in their 20s and 30s who cannot afford to buy and in Chichester City from students. The evidence points to demand growing faster than supply in the private rented sector in recent years. Moving forward, these factors together with reforms to Local Housing Allowance, may influence the potential for growth in the number of households in housing need which can be find suitable accommodation in the private rented sector.
- 4.11 The SHMA Update recommends that Coastal West Sussex authorities consider policies regarding flexible tenancies, working with Registered Providers; and work to support households in housing need to access suitable housing in the private rented sector. Chichester District Council has set up a Homefinder scheme to progress the latter.
- 4.12 In terms of policies for affordable housing, the SHMA Update recommends that Councils review affordable housing viability to inform Local Plans taking into account potential policies regarding the Community Infrastructure Levy. It also proposes that rural exceptions policies are reviewed potentially to allow some market housing provision if necessary to achieve a deliverable development scheme, informed by detailed assessment of development viability.

*Need for Different Types of Affordable Homes*

- 4.13 Analysis of households incomes has been used to consider levels of need for different types of affordable housing. A household is considered to afford intermediate housing if it has an affordable housing need but can afford between 80-100% of market rents. Households are included in the affordable rented category if they could afford more than existing social rents but would not be able to access intermediate housing or market housing (without subsidy). Figure 4.4 sets out the household incomes necessary to access different types of homes:

**Figure 4.4: Income Range for Access to Intermediate Housing**

Area	Income required to access market housing	Income below which affordable rented housing is required	Income below which social rented housing is required
Chichester District	£35,800	£28,800	£19,900
<i>Chichester City</i>	£36,000	£29,800	£19,900
<i>National Park</i>	£37,200	£29,800	£19,900
<i>North East</i>	£37,200	£24,000	£19,900
<i>South</i>	£30,000	£26,900	£19,900

- 4.14 Taking account of both need for different types of affordable property and the existing supply of homes, Figure 4.5 sets out net needs for different types of properties.

**Figure 4.5: Net Need for Different Types of Affordable Homes, 2011-16**

Area	Intermediate	Social/affordable rented
<b>Chichester District</b>	27%	73%
<b><i>Chichester City</i></b>	19%	81%
<b><i>National Park</i></b>	34%	66%
<b><i>North East</i></b>	47%	53%
<b><i>South</i></b>	28%	72%

- 4.15 The figures for the north-east of the District should be treated with some caution given the small population base in this area. A high intermediate housing requirement in this area and the National Park is influenced by the profile of incomes of households in this area. However it should be recognised that, particularly in the short-term, many households in need which fall into this intermediate category may not have sufficient deposits to be able to purchase shared ownership or equity homes.
- 4.16 However if the intermediate-affordable rent threshold is set at 70% of market costs, 47% of net need in the District would be for intermediate homes whilst 53% would require social or affordable rented properties. The SHMA Update concludes that that across Coastal West Sussex a minimum of 20% of affordable housing should be intermediate housing in the short-term, increasing to 30% over the longer-term as housing market conditions improve. It recommends that local authorities within the sub-region consider policies regarding flexible tenancies and affordable rented housing in liaison with Registered Providers through the development of their tenancy strategies. In Chichester

District, provision of between 25-30% of affordable housing provision as intermediate affordable homes would be supported by the housing needs analysis.

## 5 FUTURE HOUSING REQUIREMENTS

5.1 The SHMA Update forms part of the Council's evidence base in considering housing requirements policies within the emerging Local Plan. National planning policy sets out that Local Plans should seek to meet the objectively assessed development needs across the housing market area where this is consistent with sustainable development.

### *Overall Housing Requirements*

5.2 The SHMA Update includes various scenarios for future housing requirements, for both affordable and market housing, taking account of population trends. It also includes scenarios driven by economic performance. The demographic projections developed are shown in Figure 5.1.

5.3 In Chichester, the two projections developed on the basis of past demographic trends (PROJ 1 & 2) show a requirement for between 438 to 497 additional homes a year. 750 homes a year would be required to support forecast economic growth assuming current commuting patterns continue, with up to 777 homes a year required if the workforce growth in the District was to match economic forecasts for jobs.

**Figure 5.1: Demographic Projections, Chichester District 2011-31**

Projection	Population growth		Housing numbers		Employment growth	
	Total	% change	Total	% change	Total	% change
PROJ 1 – 10-year migration trends	16,025	13.9%	8,755	17.5%	1,910	3.4%
PROJ 2 – 5-year migration trends	19,159	16.7%	9,943	19.9%	3,581	6.4%
PROJ 3 – zero net migration	-9,982	-8.7%	-1,108	-2.2%	-11,960	-21.2%
PROJ 4 – zero employment growth	12,275	10.7%	7,350	14.7%	0	0.0%
PROJ 5 – employment growth	32,428	28.2%	15,010	30.0%	10,799	19.2%

5.4 Trend-based projections were also run for sub-areas in the District. These, shown below, are consistent with PROJ 1 above (based on past demographic trends).

**Figure 5.2: Demographic Projections based on 10 Year Migration Trends, Sub-Areas 2011-31**

Area	Population growth		Housing Numbers		Employment Growth	
	Total	% change	Total	% change	Total	% change
Chichester – City	3,897	13.7%	2,237	18.1%	370	2.7%
Chichester – National Park	4,242	13.4%	2,240	16.2%	566	3.6%
Chichester – North East	780	11.0%	410	13.9%	133	3.6%
Chichester - South	7,106	14.9%	3,868	18.6%	841	3.7%

- 5.5 It needs to be recognised that there are a number of strategic development constraints which may restrict the ability of the local authorities within the Housing Market Area to meet identified development needs. For Chichester District the scale of development which can be delivered is affected by a range of factors.
- 5.6 A substantial proportion of the District falls within the National Park affording a strong level of protection from development pressures. The scope for significant development is therefore focused in the South of the District. The scale and pace of development in this area is particularly influenced by sewage treatment capacity (including the timescales over which new capacity can be brought forward) and the scope for improvements to key junctions on the A27 Chichester Bypass. The Council are taking forward further work to assess the cost-benefit of alternative solutions to sewage capacity issues as well as transport modelling. This should be used to firm up potential housing requirements with a focus on seeking to maximise what can be sustainably delivered over the plan period. Chichester Harbour is also designated an Area of Outstanding Natural Beauty and thus given significant protection from development pressures in the NPPF.
- 5.7 The demographic projections prepared indicate overall housing need/demand across the Sussex Coast Housing Market for between 63,400 – 69,900 homes over the period between 2011-31 (3170-3500 homes per annum) based on past demographic trends. It however seems highly unlikely given the land availability and infrastructure constraints across the sub-regional housing market that this level of housing provision can be achieved. The potential identified in current or emerging Local Plan policies could support (in broad terms) between 44,000 – 45,500 homes over the 2011-31 period.
- 5.8 Given the evident development constraints across the Sussex Coast Housing Market, the SHMA Update recommends that a common statement is jointly prepared which articulates the strategic development constraints which exist; and that housing requirements in Local Plans are expressed as 'minima.' Engagement with surrounding authorities in light of the 'duty to cooperate' introduced in the Localism Act is encouraged.
- 5.9 The SHMA also recommends that that the local authorities across the sub-region collaborate to consider further options for strategic development which could be brought forward in the longer-term, such as through a future review of Local Plans. Local Plans should be drafted to provide for a review mechanism. Feasibility work to consider the potential for additional strategic development and associated infrastructure. in the longer-term should be progressed collaboratively in the medium-term (post adoption of emerging local plans).

*Need for Different Sizes of Affordable Housing*

5.10 Based on analysis of demographic trends, potential housing supply policies and consideration of how households occupy homes, the SHMA Update has estimated requirements for different sizes of affordable homes.

5.11 Figure 5.3 analyses the size requirements of households on the Housing Register along with just those in a priority group. The data suggests that just over half of those registered require one bedroom accommodation with around 21% needing three or more bedrooms. When looking at priority categories there is a notable shift towards requirements for larger homes with 32% needing three or more bedrooms (and only 40% requiring one bedroom). On the supply side it is estimated that over half of lettings have one bedroom and only 13% have three or more bedrooms.

**Figure 5.3: Demand for and supply of different sized affordable homes in Chichester District**

Bed Size	Demand			Supply	
	All Housing Register	In Priority Category	General Needs	Supported Housing	All Supply
1 bedroom	51.4%	40.2%	31.8%	100%	56.2%
2 bedroom	27.8%	28.3%	48.8%	0%	31.3%
3 bedroom	16.8%	24.1%	19.5%	0%	12.5%
4+ bedroom	4.1%	7.4%			

5.12 Looking at requirements over the longer-term, taking account of demographic trends, just under a third of estimated affordable housing need to 2031 is for properties with three or more bedrooms.

**Figure 5.4: Estimated Size of Dwellings Required 2011 to 2031 – Affordable Housing (Chichester)**

Sub-area		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Chichester	No.	759	1,263	859	80	2,962
	%	25.6%	42.7%	29.0%	2.7%	100.0%
City	No.	246	346	201	22	815
	%	30.2%	42.5%	24.7%	2.7%	100.0%
National Park	No.	165	249	195	12	622
	%	26.6%	40.1%	31.4%	2.0%	100.0%
North East	No.	34	53	44	4	135
	%	25.2%	39.5%	32.6%	2.7%	100.0%
South	No.	314	615	419	42	1,390
	%	22.6%	44.2%	30.1%	3.0%	100.0%
Coastal West Sussex	No.	2,611	3,302	2,426	262	8,602
HMA	%	30.4%	38.4%	28.2%	3.0%	100.0%

- 5.13 There are a range of factors which are relevant in considering policies for the mix of affordable housing sought through development schemes. At a District-wide level, the SHMA recommends the following mix of affordable housing of different sizes:

**Figure 5.5: Recommended Affordable Housing Mix by Size – Chichester District**

Property Size	% Affordable Housing
1-bed	10-15%
2-bed	30-35%
3-bed	35-40%
4+ bed	15-20%

- 5.14 The need for affordable housing of different sizes will however vary by settlement across the District and over time. In considering the mix of homes to be provided within specific development schemes, this information should be brought together with details of households currently on the Housing Register in the local area, the stock and turnover of existing properties and information from local needs surveys.

*Market Housing*

- 5.15 A similar analysis for market housing, informed by demographic analysis, estimates that 73% of demand over the longer-term to 2031 will be for three and four-bed properties.

**Figure 5.6: Estimated Size of Dwellings Required 2011 to 2031 – Market Housing (Chichester)**

Sub-area		1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms	Total
Chichester	No.	440	1,720	3,344	1,406	6,910
	%	6.4%	24.9%	48.4%	20.4%	100.0%
City	No.	184	461	945	311	1,901
	%	9.7%	24.2%	49.7%	16.3%	100.0%
National Park	No.	63	304	680	403	1,450
	%	4.4%	20.9%	46.9%	27.8%	100.0%
North East	No.	14	56	145	101	315
	%	4.4%	17.7%	45.9%	32.1%	100.0%
South	No.	179	900	1,574	592	3,244
	%	5.5%	27.7%	48.5%	18.2%	100.0%
Coastal West Sussex HMA	No.	1,571	6,533	9,366	2,600	20,071
	%	7.8%	32.6%	46.7%	13.0%	100.0%

- 5.16 The District's housing offer is however currently strongly focused towards larger properties in Bands E and above. There is evidently market demand for larger properties (4+ beds) and this is stronger than in other parts of the HMA. Delivery of larger properties may provide economic benefits in terms of enterprise development and skills; however stronger delivery of two-bed properties in contrast may help to retain younger households with people aged between 25-34.

- 5.17 The SHMA identifies a strong case to seek to attract and retain more younger households across the Sussex Coast Housing Market in order both support the local economy and business base, help shift the economy towards higher value-added activities and maintain a more balanced population profile (including for instance maintaining school rolls). This will require intervention both in attracting and retaining economic investment, continuing to improve the skills profile and levels of enterprise and innovation, and in developing the housing offer to attract and retain younger households.
  
- 5.18 The SHMA Update concludes that the mix of market housing in Chichester District should be focused to a slightly greater degree on smaller properties with 35% 1 and 2-bed, 50% 3-bed and 15% 4 or more bed market homes. The SHMA analysis indicates that it would be appropriate to focus provision towards delivering affordable family homes. This will help to retain younger working households in the area. In addition, demand for 2-bedroom houses tends to be greater than for 2-bedroom flats. Flats can be difficult to let as they may not be suitable for older or less able people as well as causing problems for families with young children (access for prams and buggies). On this basis we would expect delivery of 2-bed houses and not just flats.

**Figure 5.7: Recommended Market Housing Mix by Size – Chichester District**

Property Size	% Market Housing
1 and 2-bed	35%
3-bed	50%
4+ bed	15%

**6 HOUSING NEEDS OF SPECIFIC GROUPS**

- 6.1 As of 2010 it was estimated that 23.8% of the population of Chichester was aged 65 or over. By 2030 this is expected to increase significantly to 31.7% (based on 2010-based subnational population projections). Older persons are more likely to under-occupy homes. We would expect under-occupation to increase. They are also more likely to live in social rented housing (especially single pensioner households). The projected increases in older persons may therefore put additional pressure on the affordable housing stock albeit that there is no evidence of this to-date from the Housing Register. This will need to be monitored in the future.
  
- 6.2 The growing older population (particularly in the oldest age groups) will also result in growth in households with specific housing needs. This will create demand for alterations to properties (such as to bathrooms, showers and toilets, provision of emergency alarms or help maintaining homes). Many of these can be resolved *in situ* through adaptations to existing properties and through



delivery of new properties which meet 'lifetime homes' standards and can be adapted to households' changing needs.

- 6.3 The growing older population will however likely lead to some increase in requirements for specialist housing solutions. Over the 2012 to 2030 period a 68% growth in older population with dementia, and 55% increase in the older population with mobility problems is projected. Some of these people will require specialist housing such as sheltered or extra care provision. Increasing numbers of older people with health problems will also require joint-working between housing, social care and health (Councils and NHS). The analysis also suggests that the population requiring care/ extra care homes can be expected to increase by around 860 persons between 2012 and 2030.
- 6.4 The SHMA recommends that planning policy should promote delivery of housing for older persons, including lifetime homes and delivery of specific housing for older people as part of major development schemes. The Council might also consider working with Registered Providers to develop shared equity homes targeted at older persons, and consider developing a specific register of accessible housing.
- 6.5 The BME population in Coastal West Sussex appears to have grown quite strongly since 2001 with experimental data from ONS suggesting that the proportion of the population from a non-White (British/Irish) group in Chichester has risen from 3.7% to 9.3% in the period from 2001 to 2009.
- 6.6 There are very few BME households on the Councils' Housing Register despite some indication of likely housing problems relating to overcrowding, condition and security of tenure. Where possible the Council should encourage BME groups to register for housing where there is a clear need for an affordable solution to be provided. BME households typically exhibit higher levels of overcrowding and are more likely to live in the Private Rented Sector. The SHMA recommends that specific research is progressed sub-regionally to further understand the housing support needs of BME groups and consider how these can be addressed through multi-agency working.
- 6.7 The level of student accommodation in Chichester does not appear to have changed significantly since the 2008 SHMA was undertaken. This identified that the University had approximately 650 bedspaces in halls of residence on the Chichester (Bishop Otter) Campus. It also rents a number of private houses to accommodate students and overall directly accommodates around 900 students across in Chichester and Bognor.
- 6.8 The SHMA has tracked changes in the student population since 2008 using Higher Education Statistics Agency (HESA) data. This indicates that student numbers across Chichester University's

two campuses have increased by 14% between 2008/9 – 2010/11 with growth primarily of undergraduate students.

- 6.9 The University's Strategy 2010-13 outlines its intention to retain and invest in the Bognor Regis Campus. It is (as with many other UK universities) seeking to increase international student numbers to which Government tuition fee caps do not apply. It is also embarking on a programme of refurbishment of campus accommodation. The introduction of higher tuition fees may influence future growth in student numbers and this should be kept under review.
- 6.10 The growth of students living within the private rented sector in Chichester has influenced the dynamics of the housing market in the City, reducing the supply of entry-level private housing for first-time buyers and families and supporting price growth within this section.
- 6.11 Moving forward, the analysis of student housing requirements identified that there is potential for changes to tuition fees to impact on growth in student numbers at Chichester University. Chichester District Council should continue to work with the University, monitor future changes in student numbers, and consider the need for any further development of student accommodation in this context in order to mitigate the impact of student growth on the wider housing market.