

Sevenoaks & Tunbridge Wells Strategic Housing Market Assessment

Sevenoaks & Tunbridge Wells Councils

Final Report

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Prepared by

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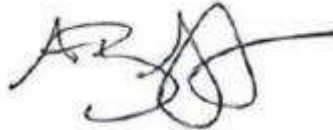
This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

DATE

September 2015

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1 EXECUTIVE SUMMARY

Introduction

- 1.1 This Strategic Housing Market Assessment (SHMA) considers housing need in Sevenoaks District and Tunbridge Wells Borough. It considers:
- Overall housing need;
 - Need for different sizes of homes;
 - Need for different types of homes, particularly from a growing older population.
- 1.2 The SHMA does not set housing targets. The Councils will bring together evidence of housing need, with information regarding available land, environmental and policy constraints, including Green Belt, and issues related to delivering infrastructure, through the plan-making process to set housing targets.
- 1.3 The SHMA has been prepared for the Councils by GL Hearn and Justin Gardner Consulting. It addresses the requirements of the National Planning Policy Framework (NPPF) and the methodology prescribed by Government for assessments such as this in Planning Practice Guidance¹.

Housing Market Geography

- 1.4 The SHMA identifies that Sevenoaks and Tunbridge Wells fall within a West Kent Housing Market Area (HMA) which includes Sevenoaks, Tonbridge and Tunbridge Wells and extends to include Crowborough, Hawkhurst and Heathfield.
- 1.5 Whilst recognising inter-relationships across administrative boundaries, for practical purposes it is appropriate to consider the 'best fit' to local authority boundaries – not least as official demographic projections are not produced below this level. The two authorities would provide the best fit to the Housing Market Area.
- 1.6 The SHMA however identifies cross-boundary interactions with the northern parts of Rother and Wealden in East Sussex; between Swanley and Dartford; and with London. Recognising these links, the Councils will need to engage with neighbouring authorities through the Duty to Cooperate.

Objectively-Assessed Housing Need

- 1.7 The SHMA builds up a picture of overall housing need by starting with trend-based demographic projections, based on the latest official (2012-based) population and households projections; considering movement to/from London and the impact of the recession on this; and then considering whether adjustments need to be made to in-migration to support economic growth; or to

¹ <http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/>

improve affordability, taking account of evidence of affordable housing need and market signals which provide evidence that the ability of younger households to form has been restricted. This process is used to define the full need for market and affordable housing, “leaving aside” supply-side considerations and constraints to development.

Trend-based Demographic Projections

- 1.8 The ONS 2012-based Sub-National Population Projections and CLG 2012-based Household Projections provide the starting point for assessing housing need. The SHMA rebases these trend-based demographic projections to take account of ONS 2013 Mid-Year Population Estimates.
- 1.9 The population projections are based on trends between 2006/7 and 2012, a period which included an economic recession. The SHMA analysis suggests that housing market circumstances during this period may have influenced net migration from London, and that a moderate increase in migration from London might be expected moving forwards. The potential impact of this has been modelled using assumptions consistent with those adopted by the Greater London Authority (GLA) in Further Alternations to the London Plan (FALP).
- 1.10 The SHMA concludes that an appropriate trend-based demographic projection would see population growth of 19,900 (17.0%) in Sevenoaks District and 19,200 (16.6%) in Tunbridge Wells Borough over the 2013-33 period.
- 1.11 The report applies (age-specific) assumptions on household formation to the population projections, and includes an allowance for vacant and second homes within the housing stock (based on levels shown by the 2011 Census). This results in a demographic-led need for 524 homes per year (2013-33) in Sevenoaks, and 631 homes per year in Tunbridge Wells.

Supporting Economic Growth

- 1.12 The SHMA then considers whether in the future higher net migration might be required relative to past trends, taking account of how the age structure of the population might change (including people moving into retirement) and the potential scale of growth in employment.
- 1.13 Over the 1993-2010 period (which is equivalent to the last economic cycle), employment in Sevenoaks District grew by an average of 1.0% per annum. In Tunbridge Wells Borough, employment levels were static (0.0% growth). Economic forecasts from the East of England Forecasting Model (EEFM) suggest employment could grow by between 8.9 – 16.5% in Sevenoaks; and by between 9.1 – 16.8% in Tunbridge Wells in the period 2013-33. The latest (Winter 2014) forecasts are the higher.

- 1.14 The SHMA concludes that the forecasts for Tunbridge Wells look overly optimistic set against historical employment trends. For Sevenoaks District, the latest forecasts are closer to the historical rate of employment growth; and taking account of wider macro-economic factors the SHMA concludes that these forecasts, for 0.8% annual growth in employment, look reasonable. On this basis the SHMA models the implications of higher economic-led migration to Sevenoaks relative to past trends. In relating jobs and homes, the SHMA takes account of trends in age-specific employment rates and changes to state pension age; and assumes that the “commuting ratio²” shown in the 2011 Census stays constant. The higher, economic-driven migration to Sevenoaks results in housing need 8% higher than in the initial trend-based demographic projections.

Affordability Issues

- 1.15 Government’s Planning Practice Guidance indicates that “the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.” It identifies that where market signals point to poor and worsening affordability and an imbalance between supply and demand, an appropriate adjustment should be made to future housing provision.
- 1.16 The median house price in Sevenoaks is £302,000, and in Tunbridge Wells £260,000 at the time of the Assessment; both of which are above those across the wider housing market area and Kent (where the average is £210,000). The mapping of house prices undertaken however clearly shows that prices are similar to other areas close to London. Whilst house price increases over the period since 2008 have been modest, particularly in real terms (taking account of inflation); growth in rents in both areas has been above inflation.
- 1.17 The evidence points to notable affordability pressures, with the lower quartile (entry level) house prices 11 times earnings of younger households in Sevenoaks; and 9.7 times earnings in Tunbridge Wells. This compares to a ratio of 6.5 nationally.
- 1.18 The analysis also suggests some real impacts arising from high housing costs. Over the 2001-11 period, home ownership fell (with increasing numbers of households renting privately). Levels of over-occupied households and those in shared housing increased, albeit that levels of both remain below Kent and national averages.
- 1.19 As we might expect, the high housing costs have contributed to levels of households who require financial support in meeting their housing needs, and would be eligible for affordable housing. The report identifies a net need from 422 households per annum for affordable housing in Sevenoaks;

² The commuting ratio is the ratio of people working in the District to the number of employed residents. This is a “policy off” assumption

and from 341 households per annum in Tunbridge Wells. This includes need arising from concealed and homeless households – who will require additional housing – as well as from overcrowded households, or those who seek an alternative tenure of accommodation, but would release a home for other households should a new affordable home be provided.

- 1.20 The evidence from market signals, and from the affordable housing needs assessment, point to affordability pressures. The report provides evidence that deteriorating affordability (coupled with the credit crunch) resulted in a fall in household formation amongst households in their late 20s and early 30s over the 2001-11 period. An improvement in affordability can be expected to see a rise in household formation amongst these households.
- 1.21 Taking account of market conditions, where sales volumes remain below pre-2008 levels and market capacity issues, coupled with the tightening of lending criteria for accessing mortgage finance, it is reasonable to expect household formation for younger households to improve gradually over time (if supply-side considerations such as land availability are left aside).
- 1.22 The report models an improvement in household formation rates amongst households aged 25-34, returning to 2001 levels by 2033. This adjustment is applied to the demographic and/or economic-led projections to derive conclusions on the objectively-assessed housing need.

Conclusions on Objectively-Assessed Housing Need

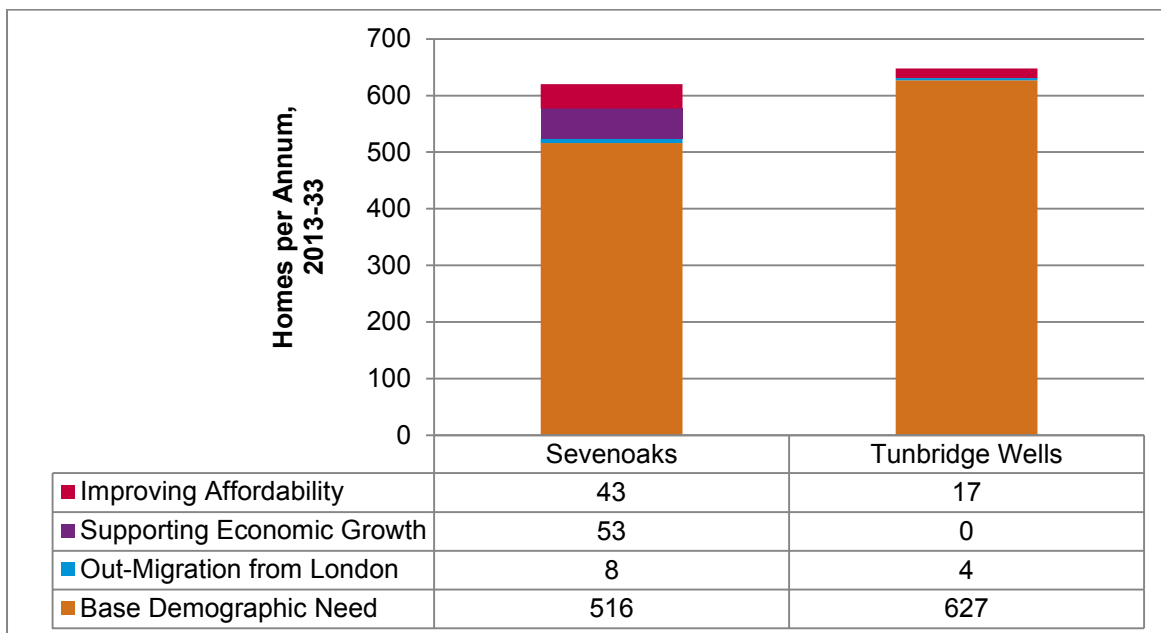
- 1.23 The SHMA draws together the above factors to identify the full objectively-assessed need for market and affordable housing. It identifies a need for 620 homes per year in Sevenoaks District, and 648 homes per year in Tunbridge Wells Borough over the 2013-33 period.

Table 1: Conclusions on Full Objectively-Assessed Housing Need

	Housing Need, 2013-33	Annual Average
Sevenoaks	12,400	620
Tunbridge Wells	12,960	648

- 1.24 The need identified is built up as shown in the figure below.

Figure 1: Objectively-Assessed Housing Need, 2013-33



Need for Different Types of Homes

Need for different Sizes of Homes

- 1.25 The SHMA has considered the need for different sizes of homes, both market and affordable, taking account of the current housing stock and market conditions; and how changes in the size and structure of the population can be expected to change over the period to 2033. The SHMA concludes that the following represents an appropriate mix of affordable and market homes to plan for over the 2013-33 period:

Table 2: Recommended Housing Mix – Sevenoaks District

	1-bed	2-bed	3-bed	4+ bed
Market	5-10%	25-30%	40-45%	20-25%
Affordable	30-35%	30-35%	25-30%	5-10%
All dwellings	15-20%	25-30%	35-40%	15-20%

Table 3: Recommended Housing Mix – Tunbridge Wells Borough

	1-bed	2-bed	3-bed	4+ bed
Market	5-10%	25-30%	35-40%	20-25%
Affordable	35-40%	30-35%	20-25%	5-10%
All dwellings	15-25%	25-30%	30-35%	15-20%

- 1.26 The evidence suggests that the strongest demand for market housing will be for two and three bedroom properties. For affordable housing, there is a greater proportional need for one and two bedroom properties; however there remains a need for a balanced mix of dwellings of different

sizes to come forward with delivery of larger properties being important in meeting the needs of households with an acute housing need, and releasing existing properties for other households.

- 1.27 In applying policies on housing mix to individual development sites, the SHMA recommends that regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

Affordable Housing Mix

- 1.28 In respect of the need for different types of affordable housing, the SHMA has considered what households can afford, together with the supply through turnover of existing housing stock. It concludes that around 25% of the affordable housing need in Sevenoaks District, and 35% in Tunbridge Wells Borough could be met by intermediate housing options, such as Help-to-Buy Shared Ownership, Rent-to-Homebuy, and Low Cost Sale/Starter Homes.

Table 4: Need for Different Forms of Affordable Housing

	Intermediate	Social / Affordable Rent
Sevenoaks	24%	76%
Tunbridge Wells	36%	64%

- 1.29 Policies for the mix of affordable housing need to take account not just of the needs evidence, but the evidence base regarding development viability, as well as local policy aspirations. It may be appropriate for viability studies to test potential alternative policies for the mix of affordable housing in order to support overall delivery.

Specialist Housing and Accommodation for Older Persons

- 1.30 The SHMA indicates that the population of persons aged over 65 accounts for 18% of the population in Tunbridge Wells; and 20% in Sevenoaks. The number of residents aged over 65 is expected to grow substantially – by 49% in Sevenoaks and 61% in Tunbridge Wells to 2033, with particularly strong growth expected in those aged over 75, driven by improving life expectancy.
- 1.31 A growing older population and increasing longevity is expected to result in a substantial growth in people with dementia and mobility problems. Across the two areas, the number of people with mobility problems is expected to increase by over 6,000; with an increase of more than 2,500 persons with dementia projected (based on the SNPP) to 2033. Some of these households will require adaptations to properties to meet their changing needs whilst others may require more specialist accommodation or support – including Lifetime and wheelchair-accessible homes. There is clear evidence of need for properties which are capable of accommodating people’s changing needs.

1.32 Specialist housing includes sheltered and extra care housing. Based on the expected growth in population of older persons, the SHMA estimates a need for an additional 1,300 specialist dwellings for older persons in Sevenoaks and 1,400 in Tunbridge Wells over the 2013-33 period. This forms part of the overall housing need identified in Table 5. The need in different areas is shown below:

Table 5: Need for Specialist Housing for Older Persons, 2013-33

	Specialist Housing Need, 2013-33	Annual Need for Specialist Housing	% Overall OAN
Sevenoaks	1,319	66	11%
Tunbridge Wells	1,391	70	11%

1.33 Decisions about the appropriate mix of specialist housing should take account of the current stock, other local needs evidence as appropriate, and policies regarding accommodation and care for older persons. The two authorities and county council should liaise as appropriate in this respect. The SHMA recommends that each Council give consideration to how best to deliver the identified specialist housing need, including for instance the potential to identify sites in accessible locations for specialist housing or to require provision of specialist housing for older people as part of larger strategic development schemes.

1.34 The SHMA recognises that many older people will want to remain in homes that they may have lived in for many years. Adaptions to properties and floating support will be important in helping older people to do so. Some older households may wish to downsize, should suitable, attractive properties be available locally. This has been taken into account in deriving the findings regarding the future mix of market and affordable housing shown in Tables 2 and 3.

Care / Nursing Home Bedspaces for Older Persons

1.35 The SHMA indicates a net need for 511 nursing or care home bedspaces for older persons in Sevenoaks and 796 bedspaces in Tunbridge Wells over the 2013-33 period. The assessment, based on the expected change in the “institutional population” aged over 75 within the demographic projections should be treated as indicative. The SHMA does not seek to set policies in how older persons with care needs should be accommodated. This need is separate from the assessed overall housing need as it relates principally to a C2 Use Class.

Table 6: Need for Residential/ Nursing Care Bedspaces

Change in institutional population aged 75+, 2013-33	
Sevenoaks	511
Tunbridge Wells	796

Self-Build Housing

- 1.36 The SHMA indicates that there is potential for growth in housing delivery through self- and custom-build housing. The SHMA provides indicative information on needs, based on data from BuildStore, as shown below. It is likely that those registered on the BuildStore website will also be active members on the Plot Search Register. Delivery of self-build housing will contribute to meeting the objectively-assessed housing need shown in Figure 1.

Table 7: Registered Interest in Self and Custom-Build Homes, Sept 2015

	Persons registered on BuildStore Custom-Build Register, Sept 2015	Active Members on BuildStore Plot Search Register, Sept 2015
Sevenoaks	39	152
Tunbridge Wells	64	340

- 1.37 To support growth in this market segment, responding to Government policy, it would be appropriate for the Councils to consider whether planning policy for larger sites should require an element of land to be put aside to support Custom-build housing. Tunbridge Wells Borough Council should also investigate putting in place a register of individuals with an interest in Custom-Build to provide more detailed information on demand, to support and provide a justification for seeking provision of plots on larger development schemes.

Meeting the Needs of Other Vulnerable Groups

- 1.38 The SHMA has considered the needs of a number of other vulnerable groups. The two local authorities have a relatively modest Black and Minority Ethnic (BME) population, but one which has been growing. BME households may be disadvantaged in the housing market. The SHMA sets out that where possible the Councils should provide advice to BME groups and in particular ensure that accommodation quality (particularly in the private rented sector) can meet the needs of such households which are disproportionately likely to contain children.
- 1.39 The evidence also suggests that lone parent households are more likely to be disadvantaged than other household groups. Advice on housing options and securing good quality of accommodation will be critical to ensure that such households' needs are best met and that children are provided with a full range of opportunities.
- 1.40 Younger households in the two areas typically have a higher reliance on rented accommodation. Given that the housing options for young people may be more limited than for other groups it will be important to monitor the accommodation quality – this will need to focus on the quality of shared accommodation and housing within the Private Rented Sector.

- 1.41 The Private Rented Sector has grown over the 2001-11 period. There is potential, moving forwards, for institutional investment in 'Build-to-Rent' housing schemes. This may contribute positively to overall housing delivery, however the Councils may need to consider how affordable housing policies are applied to this Private Rented Sector housing, given that the viability of such schemes is very different to those of more 'traditional' market or mixed-tenure developments.

2 INTRODUCTION

- 2.1 GL Hearn (GLH) and Justin Gardner Consulting (JGC) have been commissioned by Sevenoaks District Council and Tunbridge Wells Borough Council to prepare a Strategic Housing Market Assessment (SHMA). The purpose of the SHMA is to develop a robust understanding of housing market dynamics, to provide an assessment of future needs for both market and affordable housing and the housing needs of different groups within the population.
- 2.2 **The SHMA does not set housing targets. It provides an objective assessment of the need for housing, making no judgements regarding future policy decisions which the Councils may take.** Housing targets will be set in the Councils respective local plans. These will need to be informed by the SHMA but will also take into account other factors and evidence through the plan-making process.
- 2.3 The SHMA responds to and is compliant with the requirements of both the National Planning Policy Framework (the NPPF)³ and the National Planning Practice Guidance (PPG)⁴. It provides assessment of the future need for housing, with the intention that this will inform future development of planning policies. According to the PPG, housing need:
- “refers to the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet that demand.”*
- 2.4 The Planning Practice Guidance is clear that the SHMA should not apply constraints to the assessment of need, such as those relating to land supply, environmental constraints or infrastructure provision, although it is clear that these are relevant considerations in bringing together the range of evidence in the preparation of a local plan.
- 2.5 The SHMA provides specific evidence and analysis of the need for different sizes of homes, to inform policies on the mix of homes (both market and affordable). The SHMA also analyses the needs of specific groups, such as older people.
- 2.6 A best-fit of local authority boundaries to the Housing Market Area would include Sevenoaks, Tunbridge Wells and Tonbridge and Malling.
- 2.7 The SHMA provides an assessment of housing need in Sevenoaks District and Tunbridge Wells Borough. It has been prepared using a consistent methodology to that in similar assessments

³ CLG (March 2012) *National Planning Policy Framework*

⁴ CLG (March 2014) *Planning Practice Guidance – Assessment of Housing and Economic Development Needs*

prepared by GL Hearn for Tonbridge and Malling Borough; as well as Maidstone and Ashford Boroughs.

- 2.8 Findings from this report regarding housing need can be aggregated with those for Tonbridge and Malling Borough as set out in the *SHMA Update – Implications of 2012-based Household Projections* report⁵ (GL Hearn, June 2015) to provide a composite picture of housing needs across the three authorities. Both reports adopt a consistent methodology and use the same data.
- 2.9 Thus to provide an objective assessment of need across the HMA, conclusions in this report would need to be brought together with those in GL Hearn’s recent SHMA Update Report dealing with housing need in Tonbridge and Malling (together with Ashford and Maidstone).

National Planning Policy Framework and Guidance

- 2.10 National planning policies are set out in the National Planning Policy Framework (NPPF). This sets out a framework for how evidence-based studies regarding housing provision should be prepared; and policies against which development plans will be assessed at examination and with which they must comply. Local authorities are required to collaborate on assessments such as this, recognising that housing markets can cut across local authority boundaries.
- 2.11 The primary legislation to support this is the 2011 Localism Act which now imposes a ‘duty to cooperate’ on local authorities, requiring them to “engage constructively, actively and on an on-going basis” with the other authorities and relevant bodies. The Duty to Cooperate is applied as both a legal and soundness test to which development plans must comply.

National Planning Policy Framework (NPPF)

- 2.12 The NPPF was published in March 2012. The Framework sets a presumption in favour of sustainable development whereby Local Plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless the adverse impacts of doing so would significantly or demonstrably outweigh the benefits or policies within the Framework indicate that development should be restricted.
- 2.13 Paragraph 47 in the NPPF outlines that to significantly boost the supply of housing, local planning authorities (amongst other things) should use their evidence base to ensure that their Local Plan meets the full, objectively-assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the NPPF.

⁵ This deals with housing need in Tonbridge and Malling, together with Maidstone and Ashford

- 2.14 The NPPF highlights the SHMA as a key piece of evidence in determining housing needs. Paragraph 159 in the Framework outlines that this should identify the scale and mix of housing and the range of tenures which 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; and
 - Caters for housing demand and the scale of housing supply necessary to meet this demand.
- 2.15 The SHMA is intended to be prepared for the housing market area, and include work and dialogue with neighbouring authorities where the Housing Market Area (HMA) crosses administrative boundaries.
- 2.16 Paragraph 181 sets out that Local Planning Authorities (LPAs) will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination. This highlights the importance of collaborative working and engaging constructively with neighbouring authorities, as required by Section 33A of the 2004 Planning and Compulsory Purchase Act, and ensuring that there is a robust audit trail showing joint working to meet the requirements of paragraph 181 of the NPPF.
- 2.17 Paragraph 158 of the NPPF emphasises the alignment of the housing and economic evidence base and policy. Paragraph 17 in the NPPF reaffirms this, and outlines that planning should also take account of market signals, such as land prices and housing affordability. However it also makes clear that plans must be deliverable. The Councils' economic development aspirations align with the findings identified in this report.
- 2.18 In regard to housing mix, the NPPF sets out that local authorities should plan for a mix of housing based on current and future demographic trends, market trends and the needs of different groups in the community. Planning authorities should identify the size, type, tenure and range of housing that is required in particular locations reflecting local demand. Where a need for affordable housing is identified, authorities should set policies for meeting this need on site.
- 2.19 In setting affordable housing targets, the NPPF states that to ensure a plan is deliverable, the sites and the scale of development identified in the plan should not be subject to a scale of obligations and policy burdens such that their ability to be developed is threatened and should support development throughout the economic cycle. The costs of requirements likely to be applied to development, including affordable housing requirements, contributions to infrastructure and other policies in the Plan, should not compromise the viability of development schemes. To address this, affordable housing policies would need to be considered alongside other factors including infrastructure contributions – a 'whole plan' approach to viability. Where possible the NPPF

encourages local authorities to work up Community Infrastructure Levy (CIL) charges alongside the local plan.

- 2.20 The SHMA is intended to be brought together with evidence of land availability, from Strategic Housing Land Availability Assessments (SHLAAs). To increase housing supply, the NPPF proposes that local authorities should be required to maintain a 5 year supply of specific deliverable sites, and to bring forward an allowance of 5% to ensure choice and competition in the market for land (unless there is a persistent track record of under-delivery in which case a 20% buffer is to be included).

National Planning Practice Guidance

- 2.21 Planning Practice Guidance (PPG) was issued by Government in March 2014 as an online resource. Elements of this are updated periodically. The PPG includes Guidance on ‘*Assessment of Housing and Economic Development Needs*’. This SHMA takes account of the Guidance set out at the time of publication.
- 2.22 The PPG is relevant to this SHMA in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing. The approach in this report takes account of this Guidance.
- 2.23 The Guidance defines “need” as referring to “the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet this need.”
- 2.24 It sets out that the assessment of need should be realistic in taking account of the particular nature of that area (for example geographical constraints and the nature of the market area), and should be based on future scenarios that could be reasonably expected to occur. It should not take account of supply-side factors or development constraints. Specifically the Guidance sets out that:
- “plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historical under performance, infrastructure or environmental constraints. However these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.”*
- 2.25 The Guidance outlines that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need. However, the starting point for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (CLG). At the time of preparation of this report the latest projections are the CLG 2012-based Household Projections. It also outlines that the latest population projections and Mid-Year Population Estimates should be

considered. The latest Mid-Year Population Estimates available at the time of preparation of the report were for mid-2013⁶.

- 2.26 The PPG sets out that there may be instances where these national projections require adjustment to take account of factors affecting local demography or household formation rates, in particular where there is evidence that household formation rates are or have been constrained by supply. It suggests that proportional adjustments should be made where the market signals point to supply being constrained relative to long-term trends or to other areas in order to improve affordability.
- 2.27 Evidence of affordable housing needs is also relevant, with the Guidance suggesting that the total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing. In some instances it suggests this may provide a case for increasing the level of overall housing provision.
- 2.28 In regard to employment trends, the Guidance indicates that job growth trends and/or economic forecasts should be considered having regard to the growth in working-age population in the housing market area. It sets out that:

“ where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility and other sustainable options such as walking and cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing and infrastructure development could help to address these problems.”

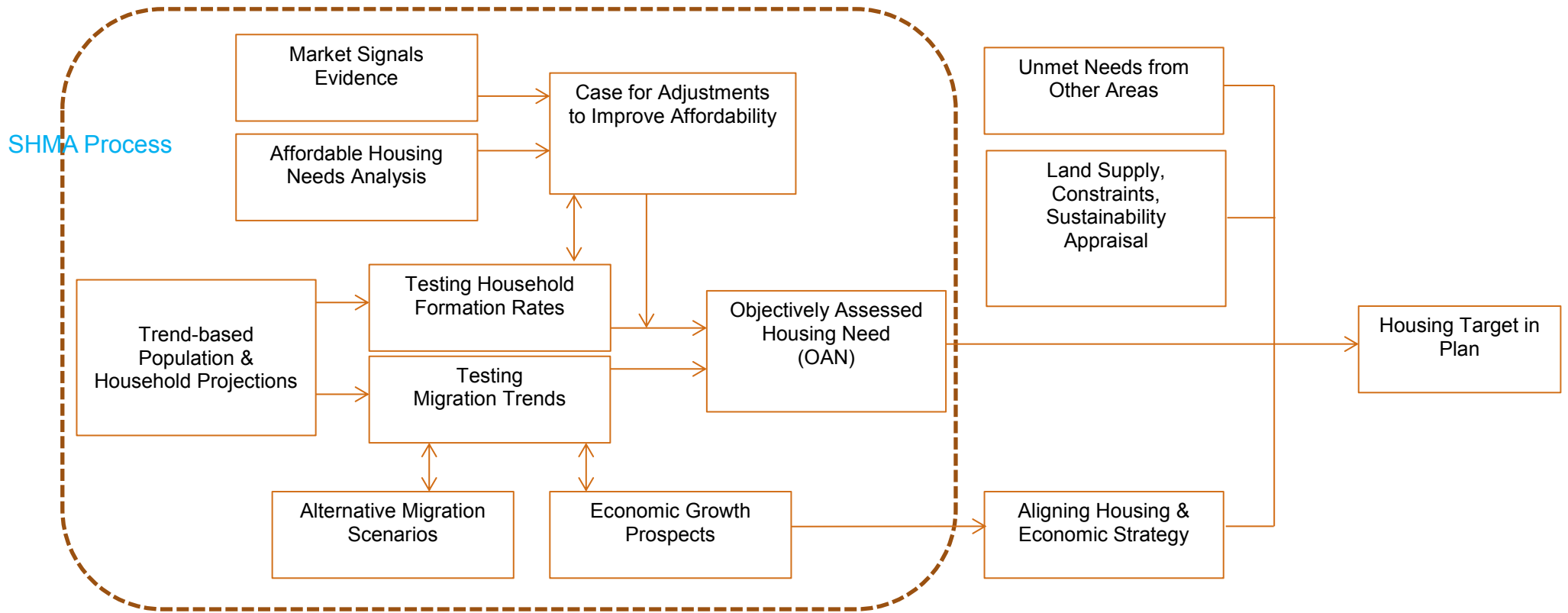
- 2.29 The Guidance indicates that the assessment should consider the need for different types of housing and the needs of different groups, including family housing, housing for older people, and households with specific needs and those looking to build their own home. It sets out that the need for older persons' housing should be broken down by tenure and type, and should include an assessment of need for residential institutions (falling within a C2 use class).

Overview of the Approach to Deriving OAN

- 2.30 Based on the above, the diagram below summarises the approach we have used to deriving conclusions regarding the Objectively-Assessed Need (OAN) for Housing.

⁶ The demographic modelling herein was undertaken in advance of release of ONS 2014 Mid-Year Population Estimates. The impact of these on the assessed housing need over a 20 year period could be expected to be minimal.

Figure 2: Overview of Approach



3 DEFINING THE HOUSING MARKET AREA

- 3.1 The National Planning Policy Framework (NPPF) states that local planning authorities should use their evidence base to ensure Local Plans meet the full, objectively assessed needs for market and affordable housing in their Housing Market Area (HMA).
- 3.2 In simple terms, the HMA is a geographical area in which the majority of people, who move, will move within. It also reflects functional relationships between where people live and work. However, defining housing market areas is an inexact science and there is no single source of information that will clearly identify housing market areas.
- 3.3 The NPPF makes clear that in planning for housing provision, it is important to consider housing needs and dynamics across a HMA, with each HMA seeking to meet needs within it where it is sustainable to do so and consistent with national planning policies. The Planning Practice Guidance (PPG) similarly highlights that needs should be assessed across the relevant housing market area. The first question for the SHMA is therefore, what housing market area(s) do Sevenoaks District and Tunbridge Wells Borough fall within.

Approach to Defining Housing Market Areas

- 3.4 The PPG defines a housing market area, setting out:

A housing market area is 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 might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate⁷.

- 3.5 The PPG sets out that housing market areas can broadly be defined using three different sources of information:
- **House prices and rates of change in house prices** – providing a market-based definition based on areas with similar house price characteristics;
 - **Household migration and search patterns** – considering the extent to which people move house within an area, with a housing market area considered to be that in which typically 70% or more of local moves are contained within (excluding long-distance moves);
 - **Contextual data** - such as travel to work areas, retail and school catchments – with travel to work areas providing information regarding commuting.
- 3.6 The three strands of information look at different aspects of household behaviour, and there is no right or wrong answer regarding what weight should be applied to different factors. What the PPG says is that:

⁷ ID: 2a-011-20140306

No single source of information on needs will be comprehensive in identifying the appropriate assessment area; careful consideration should be given to the appropriateness of each source of information and how they relate to one another. For example, for housing, where there are issues of affordability or low demand, house price or rental level analyses will be particularly important in identifying the assessment area. Where there are relatively high or volatile rates of household movement, migration data will be particularly important. Plan makers will need to consider the usefulness of each source of information and approach for their purposes.⁸

Practical Issues

- 3.7 The PPG largely reiterates previous guidance on defining HMAs set out within the CLG's 2007 Advice Note on *Identifying Sub-Regional Housing Market Areas*. There has been effectively no change in guidance, which continues to emphasise that there is no right or wrong answer as to how an HMA should be defined and that the approach should, in effect, reflect local market characteristics and circumstances.
- 3.8 There is a range of previous work which has been undertaken to define HMAs over the last decade, at national, regional and local levels. It is now however appropriate to review this, not least given that a significant proportion of the past work is informed by 2001 Census data regarding commuting and migration patterns. 2011 Census flow data was issued in late July 2014.
- 3.9 There are some further practical issues which are dealt with in the Planning Advisory Service (PAS) Technical Advice Note on *Objectively Assessed Need and Housing Targets*.⁹ This outlines that in practice, the main indicators used to define HMAs are migration and commuting flows, but goes on to point out that:

One problem in drawing boundaries is that if each local planning authority were to draw an HMA centred on its area, there would be almost as many HMAs as local authorities. This is because the largest migration flows in and out of any individual authority are usually those linking it with immediately adjacent authorities. But each of these adjacent authorities will probably find that their largest migration flows link them to their immediate neighbours, and the chain continues indefinitely.

Thus if each authority works independently to define an optimal HMA each authority may draw a different map, centred on its own area.

- 3.10 The PAS Note argues that to address this issue, it is useful to start with a "top down analysis" which looks at the whole country. This is provided by a research study led by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University to define HMAs across England, which was published by Government in November 2010¹⁰. This has defined a consistent set of HMAs across England based on migration and commuting data from the 2001 Census.

⁸ ID 2a-009-20140306

⁹ Peter Brett Associates (PBA) for PAS (June 2014) *Objectively Assessed Need and Housing Targets*

¹⁰ C Jones, M Coombe and C Wong for CLG (Nov 2010) *Geography of Housing Markets, Final Report*

3.11 Peter Brett Associates (PBA) emphasises that this should be considered ‘only a starting point’ and should be sense-checked against local knowledge and more recent data, especially on migration and commuting – concluding that more recent data ‘should always trump’ the national research. GL Hearn agrees with the report’s conclusions in this respect.

3.12 A further practical issue regards the geographical building blocks that housing market areas are built up from. A key purpose of a SHMA is to define the Objectively Assessed Need (OAN) for housing. The PPG is clear that the starting point for doing so is the official population and household projections. These are published at a national level, and for local authorities. They are not published below local authority level, nor is the data available (regarding migration and trends in household formation which are key drivers within the projections) to allow this to be undertaken below local authority level. On this basis we consider that **Housing Market Areas should be based on the ‘best fit’ to local authority boundaries**; albeit that SHMAs can (and should) recognise cross-boundary influences and interactions. The PAS Report supports this, concluding that:

It is best if HMA boundaries do not cut across local authority areas. Dealing with areas smaller than local authorities causes major difficulties in analysing evidence and drafting policy. For such small areas data availability is poor and analysis is complex. These complications are not offset by the benefit of greater accuracy.

3.13 This approach seems widely accepted and is a practical response to data availability and one we would wish to adopt. In practical terms, we are of the view that towards the edges of most housing markets there are likely to be influences in two directions.

3.14 Following this approach, we first of all therefore review existing research which has sought to consider the definition of the HMAs; before going on to consider more recent data.

CLG/ CURDS Study (2009/10)

3.15 National research undertaken for Government by a consortium of academics led by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University has sought to define housing markets across England. As the PAS Technical Advice Note recommends, we have used this as a ‘starting point’ for considering the HMA geography.

3.16 The CURDS Study for CLG considers commuting and migration dynamics (based on 2001 Census data) and house prices (standardised to account for differences in housing mix and neighborhood characteristics). This information was brought together to define a three tiered structure of housing markets, as follows:

- Strategic (Framework) Housing Markets – based on 77.5% commuting self-containment;
- Local Housing Market Areas – based on 50% migration self-containment; and

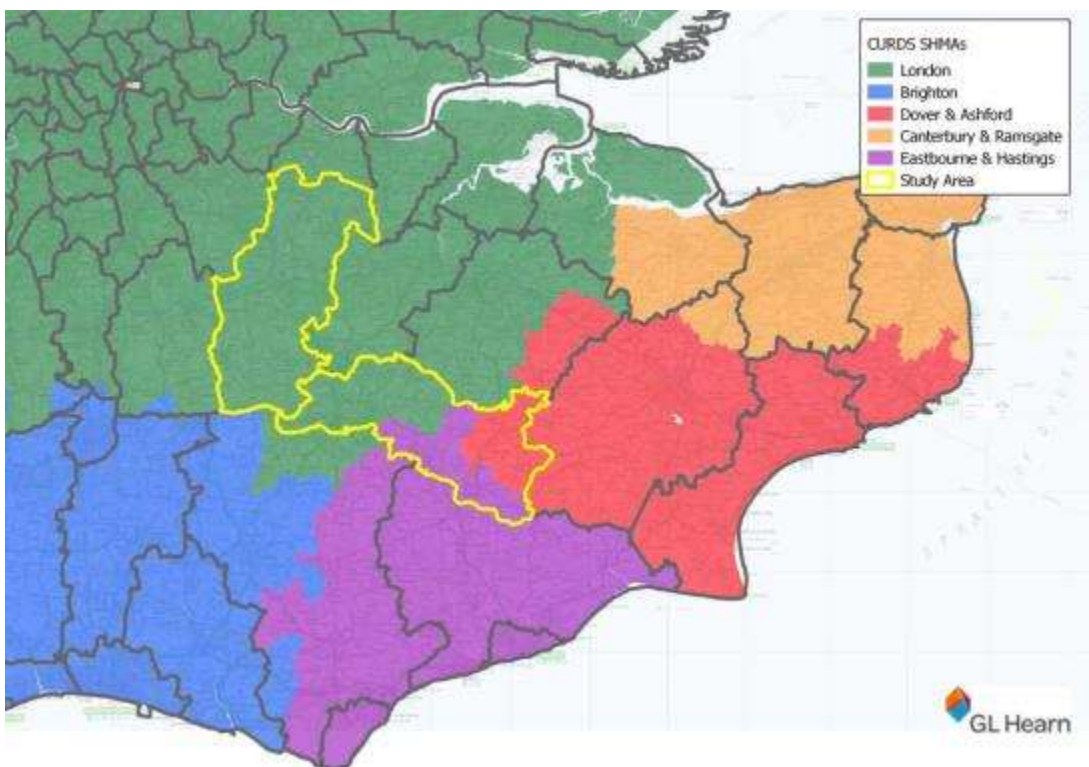
- Sub-Markets – which would be defined based on neighbourhood factors and house types.

3.17 The Strategic and Local HMAs are mapped across England, with the Local HMAs embedded within the wider Strategic HMAs. Both are defined based on wards at a “gold standard” and based on local authorities for the “silver standard” geographies defined.

Framework Housing Market Areas

3.18 All of Sevenoaks District, Tonbridge and Malling Borough and most of Maidstone Borough, as well as Tandridge to the west and the northern part of Wealden District are identified as part of a London ‘Framework’ Housing Market Area in the CURDS research. Tunbridge Wells Borough is split, with the western part of the Borough (including Tunbridge Wells itself) also falling within a London HMA; but with Benenden and Cranbrook falling in a Dover and Ashford Framework HMA; and with Hawkhurst sitting on the boundary with an Eastbourne and Hastings HMA.

Figure 3: CURDS Framework Housing Market Areas



Source: CURDS 2009/10

3.19 On the basis of a ‘best fit’ to local authority boundaries, both authorities together with Tonbridge and Malling, Maidstone and Tandridge fall within the London Framework HMA.

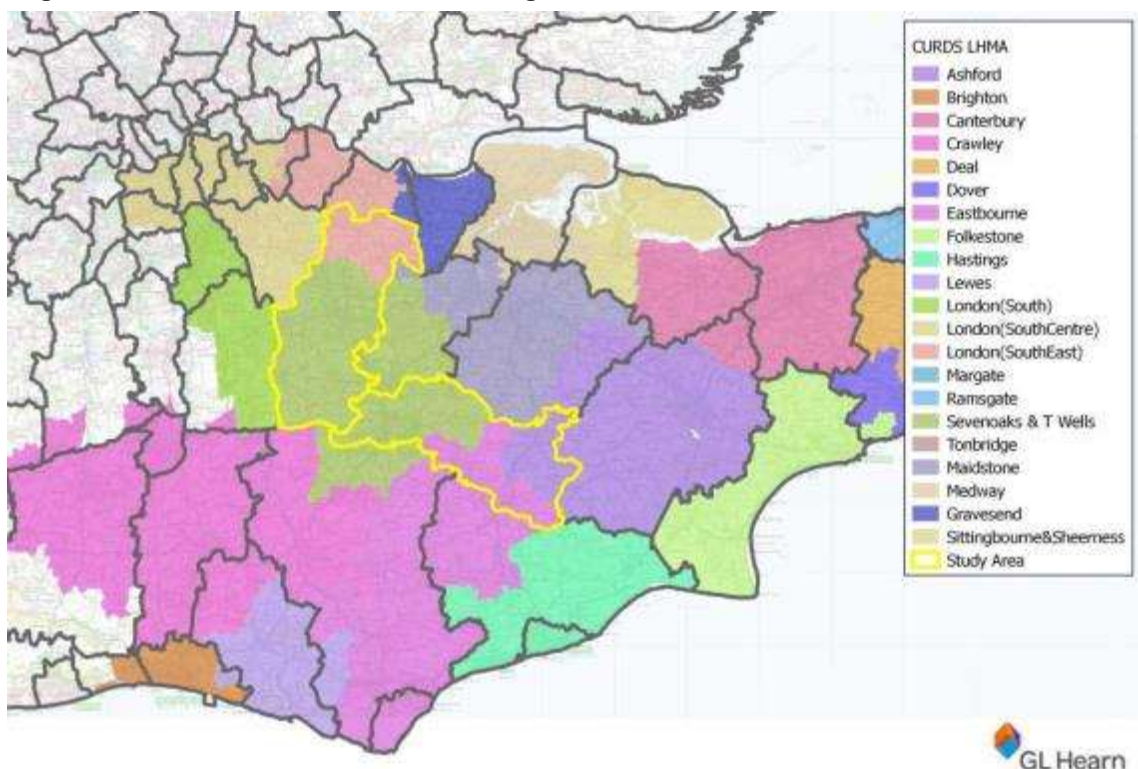
Local Housing Market Areas

3.20 The CURDS Study defined Local Housing Market Areas (LHMAs) which are embedded within the Framework Housing Markets, based on areas with 50% self-containment of migration flows (using 2001 Census data). Relevant Local HMAs defined comprise:

- South East London
- Sevenoaks and Tunbridge Wells (which also includes Tonbridge)
- Eastbourne
- Ashford

3.21 The main towns of Tonbridge, Tunbridge Wells and Sevenoaks all fall within a 'Sevenoaks and Tunbridge Wells' LHMA. Benenden and Cranbrook are shown to relate towards Ashford; with Hawkhurst and rural areas on the southeastern fringes of Tunbridge Wells Borough relating towards Eastbourne. Swanley and areas to the north of the M20 in Sevenoaks District falls within a South East London LHMA.

Figure 4: CURDS-Defined Local Housing Market Areas



Source: CURDS, 2009/10

3.22 The CURDS work highlights the strong relationship with London from Sevenoaks District and the western part of Tunbridge Wells Borough. However the extent of influence of London is highly sensitive to the 'threshold' used in analysis.

- 3.23 It must be borne in mind that the CURDS work is based on 2001 data, which is now 14 years old. 2011 Census commuting and migration flow data has been released in Summer 2014 which provides a basis for reconsidering housing market geographies using more recent information. This is considered later in this section.

Other Strategic Studies considering HMA Geographies

London SHMA (2013)

- 3.24 The GLA's 2013 SHMA looks at the Greater London area, but recognises links beyond this setting out that 'its urban area extends beyond this boundary and encompasses a substantial hinterland' but sets out that there is no universally accepted way of measuring this, noting that boundaries based on analysis of commuting and migration "are highly sensitive to the specific level of containment uses" based on reference to the CURDS Study.
- 3.25 The examination of Further Alternations to the London Plan took place in September 2014. This included consideration of whether London can be described as a single Housing Market Area. The report from the Planning Inspector, Anthony Thickett, following the Examination in Public was published in December 2014. In Paragraph 22 the Inspector did not challenge the GLA's contention that London represents a single Housing Market area, commenting that:

The Mayor points to the acceptance by previous EiP Panels that London constitutes a single housing market area with sub markets which span Borough boundaries. The Mayor also points to the findings of the High Court, following a challenge to the Revised Early Minor Alterations to the London Plan, within which in his (undisputed) opinion, the Court accepted that although local variations exist, this did not compromise the view that London constitutes a single housing market area.

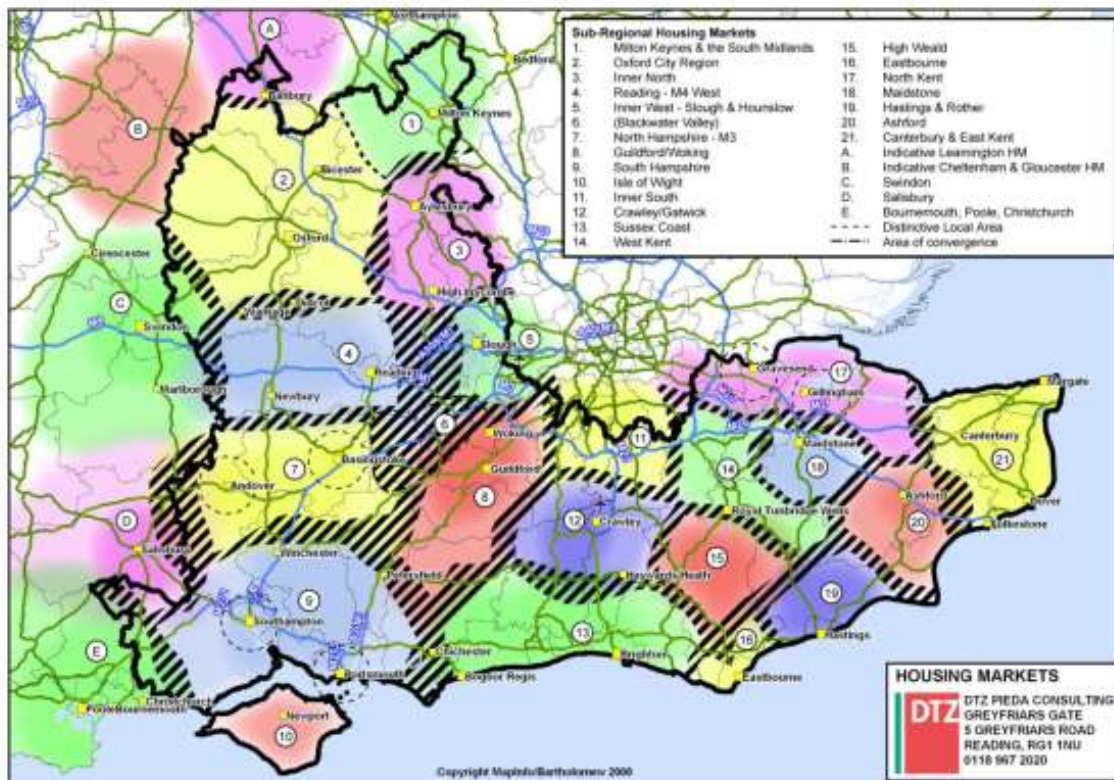
- 3.26 The implications of this for studies such as this is that local authorities must seek to define HMAs which exclude parts of London; but need to recognise that there is an inter-relationship with London which is relevant in housing market terms.

South East Plan Evidence

- 3.27 Sub-regional housing markets within the South East of England were defined in the South East Plan based on a regional study undertaken by DTZ for the South East of England Regional Assembly and Homes and Communities Agency in 2004¹¹ to define housing market areas across the South East. DTZ identified 21 housing market areas across the region, as shown in Figure 5.

¹¹ DTZ (2004) Identifying the Local Housing Markets of the South East

Figure 5: Housing Market Areas in the South East



Source: DTZ (2004) Identifying the Local Housing Markets of the South East

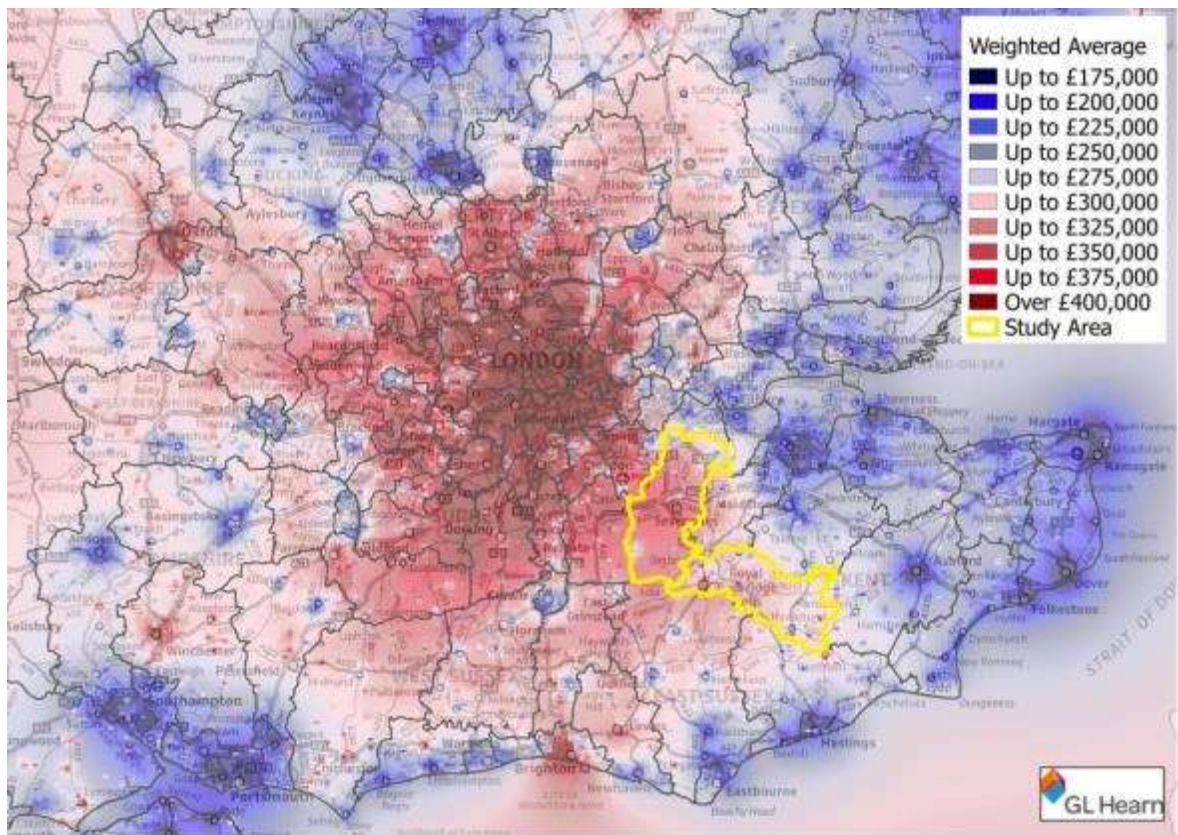
3.28 This Study defined a West Kent HMA which included much of Sevenoaks, Tunbridge Wells and Tonbridge and Malling local authorities. A High Weald market was also identified which includes parts of Tunbridge Wells Borough. These conclusions were based on analysis of migration and travel to work patterns (at local authority level) and wider data; and a programme of stakeholder engagement to agree the definitions of housing markets across the region. Areas of overlap were identified towards the boundaries of the area.

House Prices

3.29 We next move on to consider more recent data. Our analysis seeks to compare house prices spatially for comparable products. Figure 6 therefore provides an analysis of prices for semi-detached and terraced homes sold between January and December 2014 looking across the wider area. This plan provides a market-based definition of the extent of London's housing market influence.

- 3.30 The shows an area of higher house prices which extends beyond London into a number of the Home Counties, including parts of Kent, Sussex, Surrey, Berkshire, Buckinghamshire, Hertfordshire and Essex.

Figure 6: Prices of Semi-Detached and Terraced Homes Sold, 2014



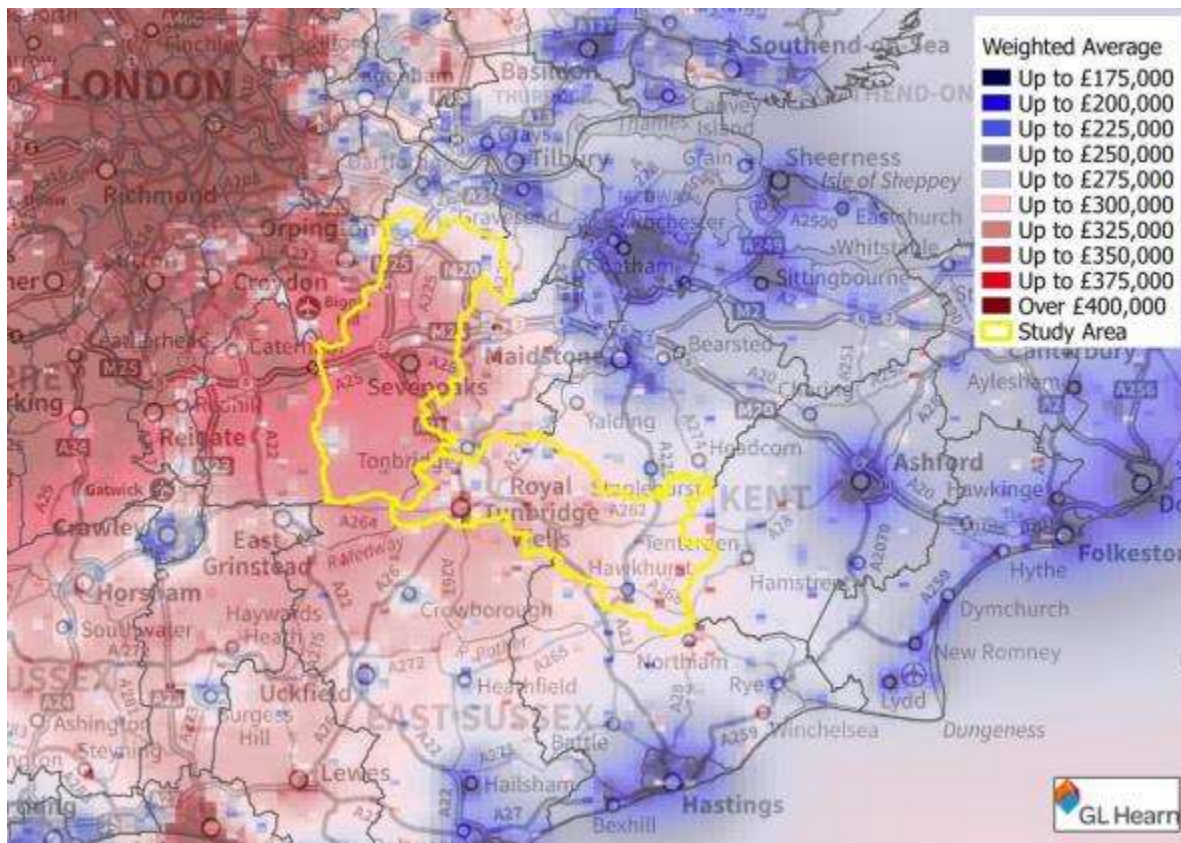
Source: Land Registry, 2015

- 3.31 Prices drop quite notably further north into Luton and Bedfordshire; in South Essex; and Western Berkshire. We see corridors of higher prices extending towards Oxford and Cambridge (influenced by economic strength), as well as down towards the Sussex Coast.
- 3.32 At a more local level, Figure 7 shows stronger house prices in Sevenoaks and Tunbridge Wells local authorities (and in Tonbridge) relative to other parts of Kent, suggesting some distinction between West Kent and other parts of the County. Prices are strongest in Sevenoaks, most likely reflecting proximity to London. Lower prices are evident in Dartford, the Medway Towns and along the Kent Coast.

Localised Price Distinctions

3.33 As described above, we would fully expect more localised distinctions in house prices to emerge through a finer grain (more localised) analysis of house price differentials. These reflect differences in the housing offer, quality of place and accessibility of different areas to employment centres.

Figure 7: Prices of Semi-Detached and Terraced Homes Sold – West Kent, 2014



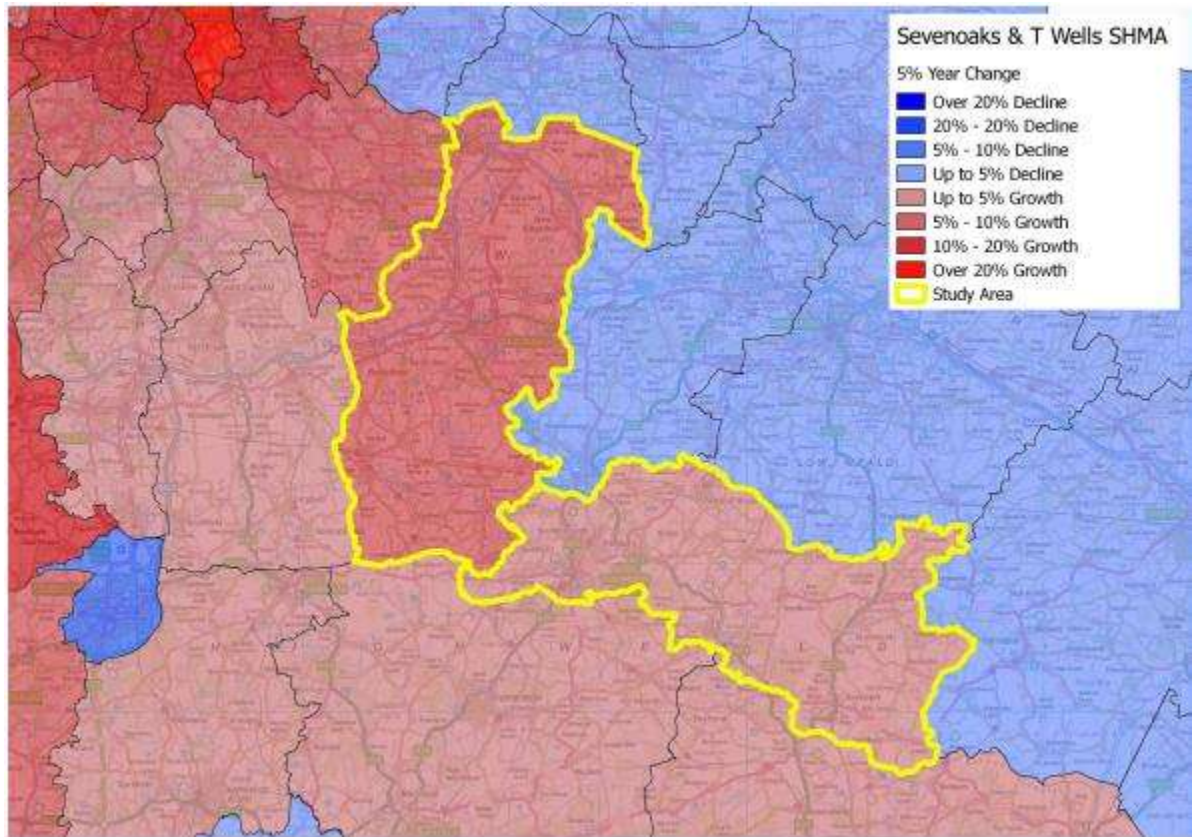
Source: Land Registry, 2015

3.34 Figure 7 highlights stronger house prices in Sevenoaks District; and lower housing costs in Hawkhurst and the eastern part of Tunbridge Wells Borough. Lower prices are also evident in Swanley.

House Price Changes

3.35 Figure 8 analyses how house prices have changed over the last five years (2009-14). It shows consistent growth in house prices across the two authorities of 10-15% over the five year period. This is slightly stronger than in either Tonbridge and Malling or Maidstone Boroughs; but similar to that in Tandridge, Mid Sussex and Wealden. The analysis shows price change at local authority level.

Figure 8: Change in House Prices (All Properties), 2009-14



Source: Land Registry, 2015

Migration Patterns

- 3.36 Migration flows reflect housing market relationships – they reflect the movement of people between homes. They are thus an important factor in considering the definition of an HMA.
- 3.37 Migration data from the 2011 Census has only been published at a local authority level. The Census records migration, asking people where they lived one year prior to Census day and on Census day itself. The use of Census data is preferable to other data (such as from NHS Central Health Register) as it records movement within individual local authorities, as well as between them, allowing self-containment analysis to be undertaken.

Self-Containment within Individual Local Authorities

- 3.38 The PPG sets out that an HMA typically would be an area within which a relatively high proportion of moves (typically 70% excluding long-distance moves) are contained. Table 8 shows self-containment levels within individual authorities. These can be measured either in terms of those who moved who were living in the local authority in 2010; or the base being those living in the authority in 2011.

Table 8: Self-Containment of Migration Flows within Individual Authorities, 2010-11

	% Self-Containment of those moving who lived in area in 2010	% Self-Containment of those moving who lived in area in 2011
Tunbridge Wells	53%	51%
Sevenoaks	40%	43%
Tonbridge & Malling	46%	46%

Source: 2011 Census

3.39 Sevenoaks in particular has a low self-containment level (40-43% depending on which basis it is measured). Tunbridge Wells is higher (51-53%). Neither can be considered to have a sufficient containment level to be considered an HMA in their own right. This is principally a reflection of the strength of relationships with London.

Migration Flows between Local Authorities

3.40 We have next sought to assess migration flows between local authorities. We have reviewed both net and gross flows. The first identifies the stronger direction of movement; with the latter highlighting the strength of connections between two local authorities – and in effect showing more about the functional links between places.

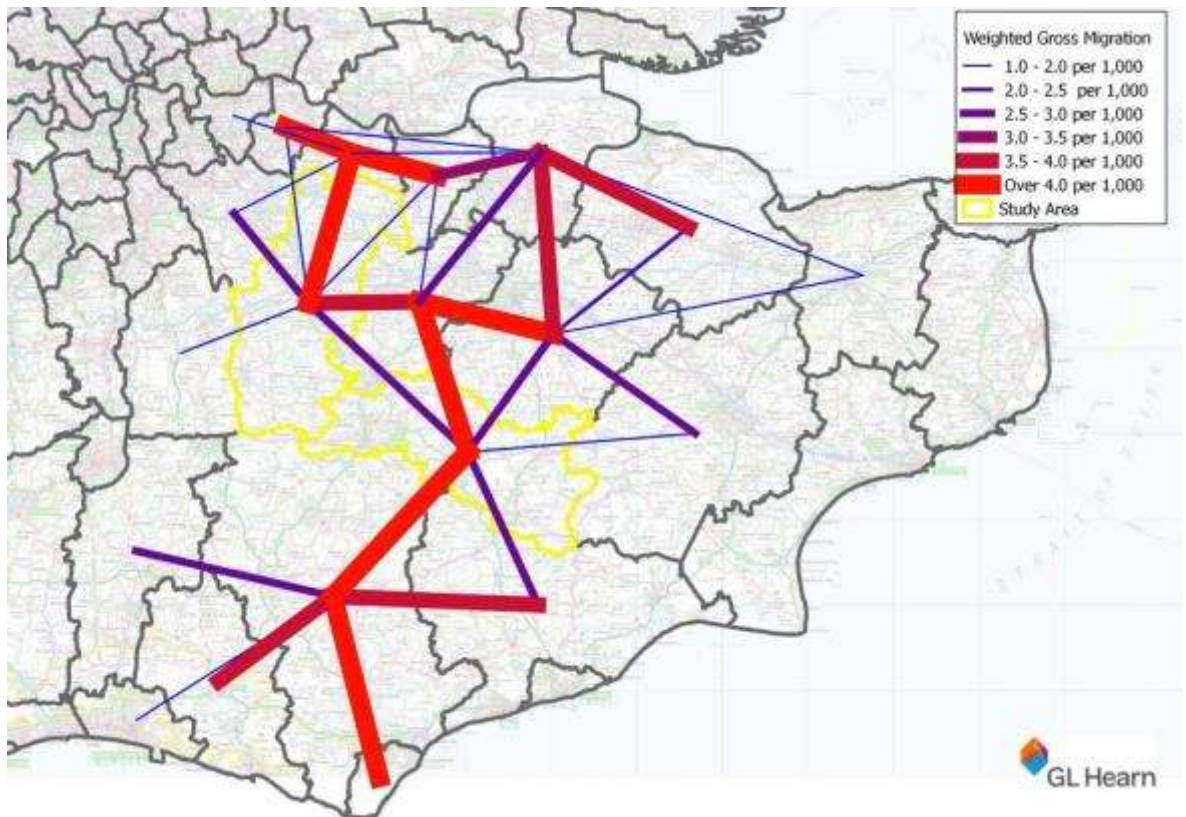
Gross Flows Analysis

3.41 Typically we would expect a larger migration flow between two authorities with larger populations. To provide a comparative assessment of the strength of migration flows, we have therefore benchmarked flows based on the combined population of two authorities. Figures are expressed per 1,000 joint population.

3.42 The analysis indicates a strong set of migration flows between local authorities in North and West Kent and between West Kent and East Sussex. We see strong flows between Sevenoaks and Dartford; and between Tunbridge Wells and both Tonbridge and Malling and Wealden.

3.43 A complex pattern of links is evident, suggesting that different parts of local authorities may fall within different housing market areas.

Figure 9: Gross Migration Flows between Local Authorities, 2010-11

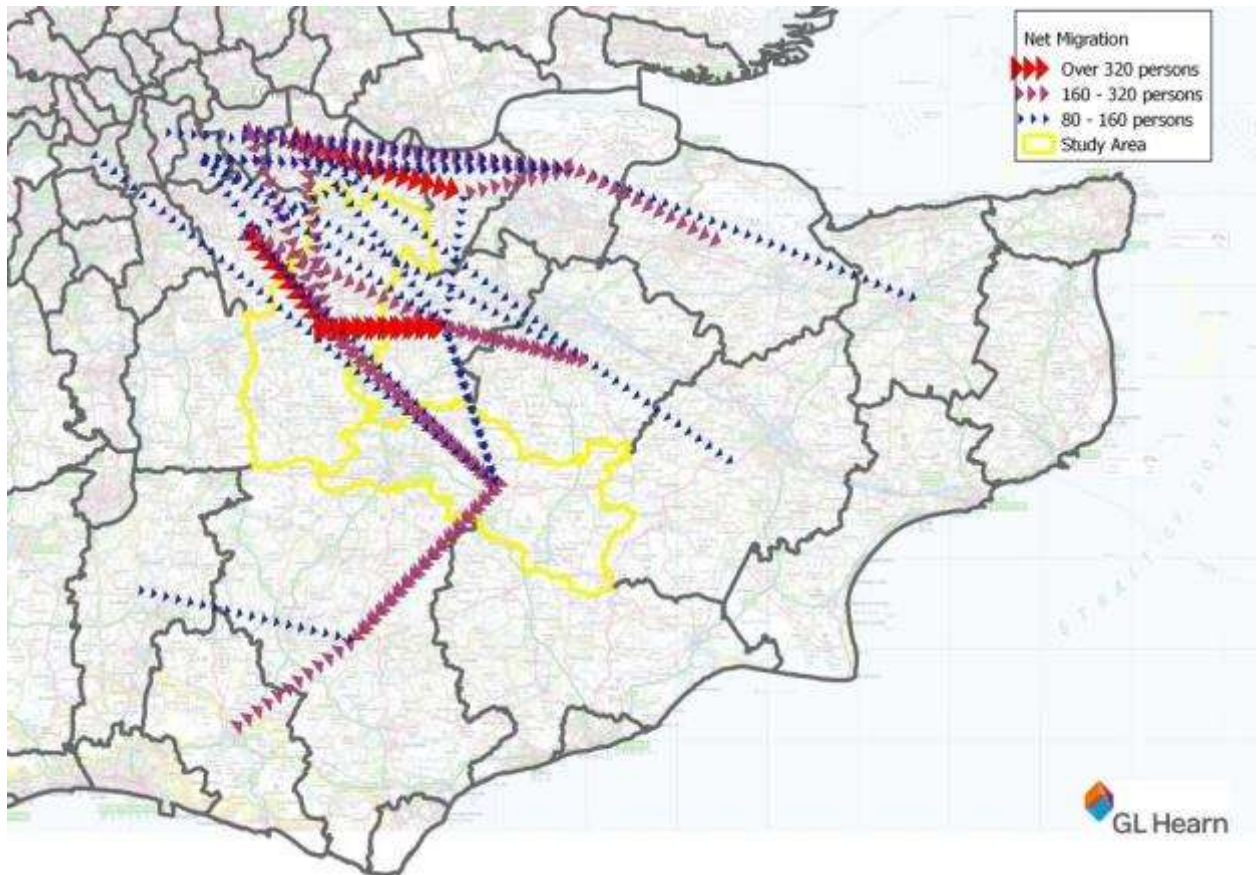


Source: 2011 Census

Net Migration

- 3.44 An analysis of net flows shows a similar picture to that which we find in most areas around London (and other core cities across the UK). Cities tend to attract in migrants from across the country and internationally, but then see a net out-migration to surrounding areas. The cities tend to have a younger population structure. Net out-migration to surrounding areas partly reflects a lifestyle model, with middle aged households from cities moving to more suburban and rural environments. Movement is influenced by a range of factors including house prices, quality of place, housing offer and schools.
- 3.45 We see a net flow from most of the South East London Boroughs to Sevenoaks; as well as flows from Westminster, Bromley, Sevenoaks and Tonbridge and Malling into Tunbridge Wells. We then see a net flow from Tunbridge Wells to Wealden.

Figure 10: Net Migration Flows between Local Authorities, 2010-11



Source: 2011 Census

3.47 We do not consider the net flows analysis to be particularly useful in defining Housing Market Area boundaries (in this or other areas).

Considering Self-Containment

3.48 The PPG sets out that an HMA would typically be an area in which 70% of moves are contained within (excluding long distance moves). We have therefore excluded long distance flow from the analysis and analysed migration self-containment levels for different potential geographies.

3.49 The migration self-containment levels for the individual local authorities are low. Considering self-containment looking at Sevenoaks and Tunbridge Wells together raises the level to 51%. There is a minimal impact of including Dartford – which increases this to 52%. This indicates a weak strategic relationship with Dartford from other parts of the HMA.

3.50 Including Tonbridge and Malling, the self-containment level rises to 56%. It increases further to 61% if Maidstone is included.

- 3.51 Low self-containment levels overall reflect the strong economic interaction between this area and London.
- 3.52 We consider it appropriate to therefore test self-containment levels if the influence of London (in economic / commuting terms) is excluded. This is shown in Table 9.
- 3.53 At a local authority level, the self-containment level nears 70% if Tonbridge and Malling and Maidstone are included; and exceeds it if these authorities and Dartford are included.

Table 9: Commuting Self-Containment, excluding London, 2011

	% Residents	% Workers
Tunbridge Wells, Sevenoaks	56%	61%
Tunbridge Wells, Sevenoaks, Dartford	59%	67%
Tunbridge Wells, Sevenoaks, Tonbridge & Malling	61%	67%
Tunbridge Wells, Sevenoaks, Tonbridge & Malling, Dartford	63%	69%
Tunbridge Wells, Sevenoaks, Tonbridge & Malling, Maidstone	67%	71%
Tunbridge Wells, Sevenoaks, Tonbridge & Malling, Maidstone, Dartford	71%	71%

- 3.54 The evidence also suggests a relationship between scale and self-containment.

Commuting Flows

- 3.55 The analysis of commuting flows in this section has been used to consider further the housing market geography. Our starting point for considering commuting patterns are the 2001 Travel to Work Areas (TTWA) which were produced by the ONS and Newcastle University in 2007. These are the only official and nationally consistent definition of Travel to Work Areas.
- 3.56 The TTWAs were an attempt to identify self-contained labour market areas in which all commuting occurs within the boundary of the area. It should however be recognised that in practice, it is not possible to divide the UK into entirely separate labour market areas as commuting patterns are too diffuse.
- 3.57 The TTWAs were developed as approximations to self-contained labour markets, i.e. areas where most people both live and work. As such they are based on a statistical analysis rather than administrative boundaries. The areas were produced by analysing commuting flows from the 2001 Census.
- 3.58 The criteria for defining TTWAs were that at least 75% of the area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area in most instances. The area must also have had a working population of at least 3,500. However, for areas where the working population is in excess of 25,000, self-containment rates as low as 66% were accepted.

Figure 11: 2001 Travel to Work Areas

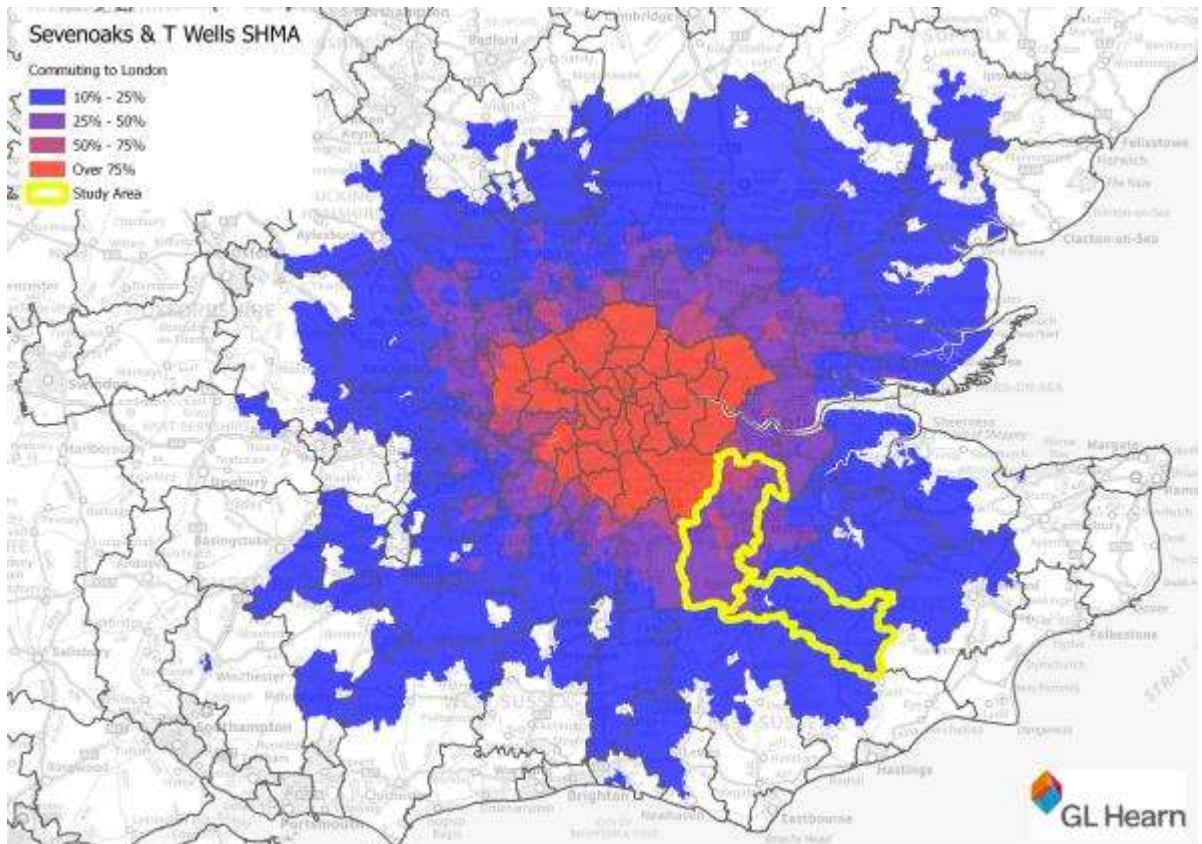


Source: ONS, 2007

- 3.59 The majority of the two authorities, together with Tonbridge and the northern parts of Wealden and north-west part of Rother District were defined as forming collectively a Tunbridge Wells TTWA by ONS. Swanley was defined as within a London TTWA.
- 3.60 Figure 12 illustrates the influence of London as an employment destination. The map shows that some Middle-Level Super Output Areas (MSOA)¹² as far as Brighton, Winchester and Suffolk from which there is notable commuting to London. It highlights the extensive influence of London on commuting from areas within the South East and East of England. This demonstrates the Capital's extensive economic influence.

¹² This is an ONS geography which is larger than wards, but below local authority level

Figure 12: London Commuting Catchment (2011)

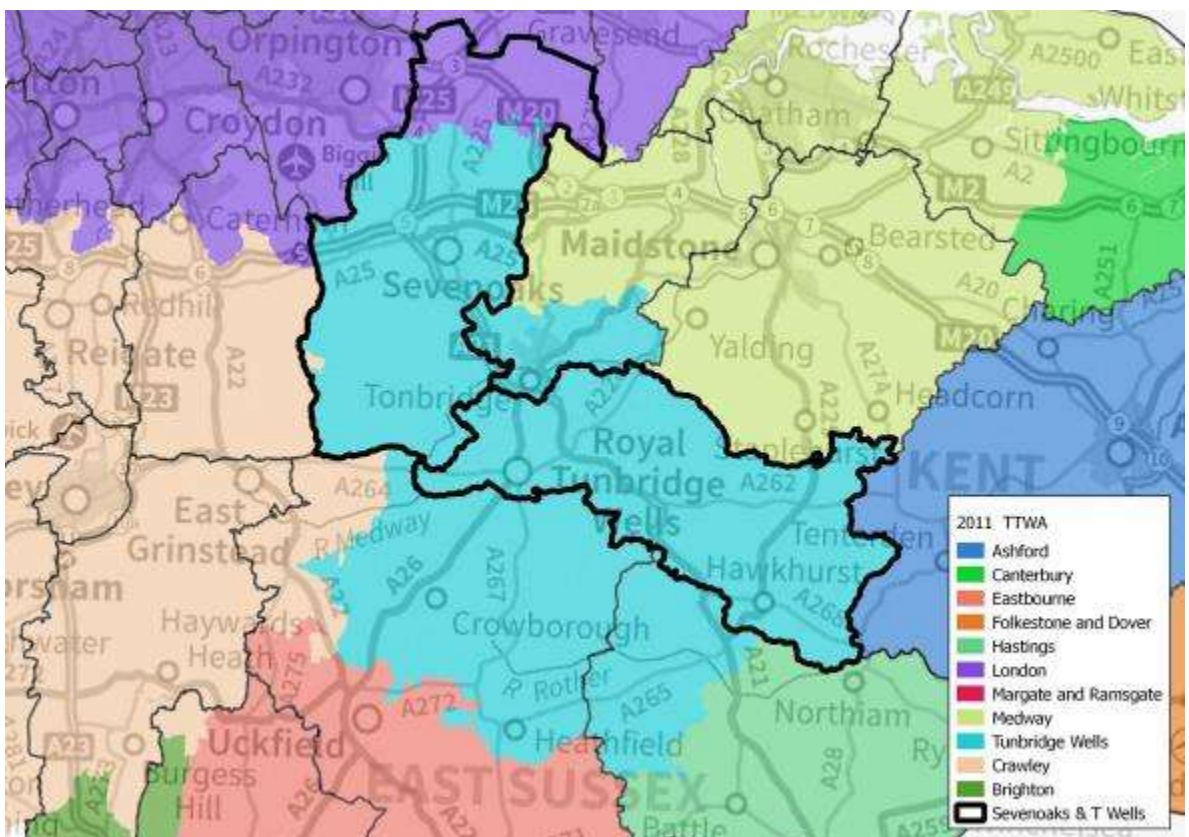


Source: ONS, Census 2011

- 3.61 As with the migration analysis, we find that commuting self-containment levels within individual local authorities are low. In Sevenoaks, 30% of residents live and work within the District. In Tunbridge Wells it is higher, at 50%.
- 3.62 The strongest commuting relationships (using 2011 Census data) from Sevenoaks are as follows:
- London (42.6%) – of which Bromley (7.2%) and Bexley (4.6%)
 - Dartford (7.0%); and
 - Tonbridge and Malling (4.9%).
- 3.63 From Tunbridge Wells, the strongest flows are to:
- London (19.1%)
 - Tonbridge & Malling (9.2%)
 - Sevenoaks (4.3%); and
 - Maidstone (4.2%).

- 3.64 From Tonbridge and Malling, the strongest relationships are with London (20.3%); Maidstone (11.4%); and Sevenoaks (7.0%). There is a strong relationship between Tunbridge Wells and Tonbridge.
- 3.65 In August 2015, ONS released updated Travel to Work Areas (TTWAs) based on 2011 Census data. Their criteria for defining TTWAs is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted. TTWA boundaries are non-overlapping, are contiguous and cover the whole of the UK.
- 3.66 The ONS defines a Tunbridge Wells TTWA which includes Sevenoaks, Tonbridge and Tunbridge Wells; together with Hawkhurst as well as Crowborough and Heathfield in the northern part of Wealden and Rother respectively. Swanley is identified as part of a London TTWA.

Figure 13: ONS 2011 Travel to Work Areas



Source: ONS

Summary and Implications – HMA Geography

- 3.67 As the CURDS analysis sets out there is a close set of interactions between the towns of Sevenoaks, Tonbridge and Tunbridge Wells which reflect their geographical proximity. There is also a relationship into the northern part of Wealden. There are cross-boundary interactions between Swanley and Dartford and a stronger commuting relationship to London. Links from Tandridge are stronger to other authorities in Surrey and West Sussex. Flows between Dartford and Swanley are relatively localised.
- 3.68 An appropriate definition of the Housing Market Area would include Sevenoaks, Tonbridge, Tunbridge Wells and Crowborough. This includes the main population centres in Sevenoaks and Tunbridge Wells local authorities. GL Hearn would consider that the 2011 Tunbridge Wells TTWA provides an appropriate HMA geography. This is not substantially different to that shown from the CURDS Local Housing Market Area.
- 3.69 However for practical purposes it is useful to consider the ‘best fit’ of local authorities to housing market areas, not least as demographic projections are developed on this basis. There is a strong basis for considering Sevenoaks and Tunbridge Wells together. Tonbridge and Malling is effectively split, with part of the Borough relating to this HMA (Tonbridge); and part (Malling) towards Maidstone.
- 3.70 There are some relationships with adjoining areas, including between Swanley and Dartford; and between Tunbridge Wells and the northern parts of Wealden and Rother Districts. The evidence also points towards a significant functional relationship with London, in respect of both commuting and migration flows. Like many areas close to the M25, there is a strong functional relationship with the Capital. However the GLA define a London HMA which is contained within the Greater London boundaries; whilst recognising relationships across a wider hinterland.
- 3.71 For the purposes of local plan preparation, a recent High Court judgement has confirmed that (interpreting the NPPF) the primary duty of a Local Planning Authority is to assess the needs of the LPA area, but in assessing these needs it is required to prepare a SHMA which may cross administrative boundaries.¹³ Against this context this report has been prepared for the commissioning authorities of Sevenoaks and Tunbridge Wells, but uses a consistent methodology to that covering Tonbridge and Malling (as well as Maidstone and Ashford).
- 3.72 The principal cross-boundary issue of relevance relates to any potential issues regarding unmet housing needs. If an unmet housing need arises from either of the commissioning authorities, it would be appropriate for them to approach other authorities with which they share an HMA to

¹³ Satnam Millenium Ltd vs. Warrington MBC [EWHC 370 (Admin) Para 25]

consider if needs can be met in these areas. The principal adjoining authorities with a strong relationship would be Tonbridge & Malling, Wealden and Rother. Equally the commissioning authorities would need to engage with these authorities in respect of any unmet housing needs arising from these other authorities' areas. We would also advise the Councils to engage with the Greater London Authority and London Boroughs in respect of any unmet needs arising from London.

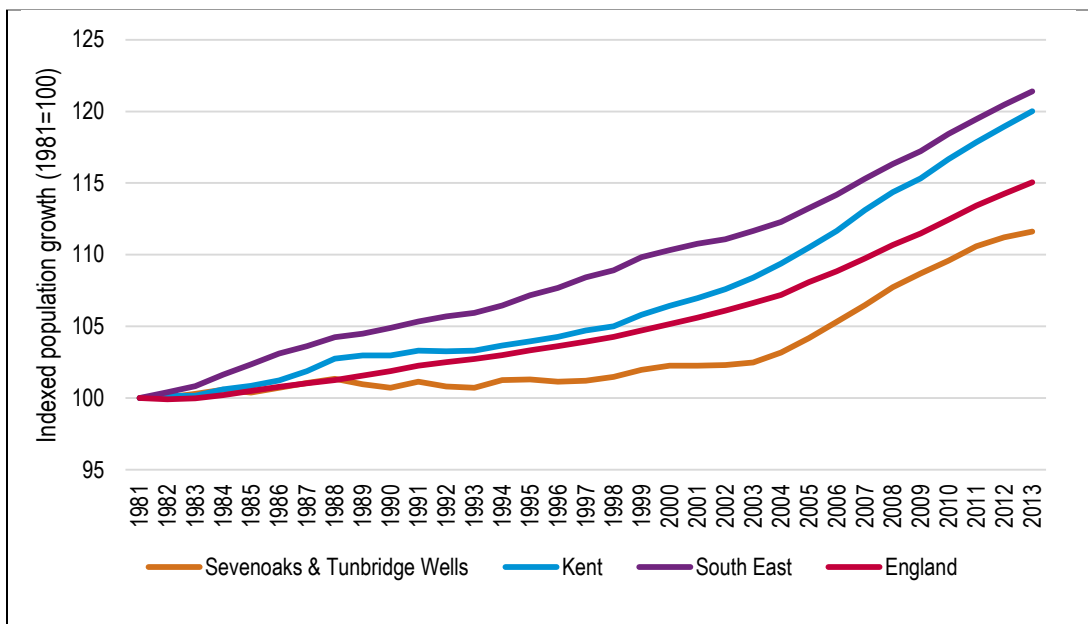
4 DEMOGRAPHIC AND ECONOMIC-LED PROJECTIONS

- 4.1 The Planning Practice Guidance (PPG) outlines that the latest official population and household projections should be considered as the 'starting point' in defining the Objectively Assessed Housing Need. It outlines that plan makers may consider sensitivity testing, considering alternative assumptions on population growth and household formation rates, but that any local changes made to projections need to be clearly explained and justified based on established sources of robust evidence.
- 4.2 The PPG also sets out that employment trends should be taken into account, with an assessment made of likely changes in job numbers based on past trends and/or economic forecasts as appropriate, having regard to the growth in the working-age population across the housing market area. Where labour force supply is less than projected jobs growth, plan makers are advised to consider how the level or location of housing provision, or infrastructure development could help to address this.
- 4.3 In this section consideration is given to demographic evidence of housing need. The analysis begins by considering the most recent population and household projections published by ONS/CLG. A sensitivity analysis is then provided considering alternative projections of population growth and housing need based on demographic trends.
- 4.4 A sensitivity analysis includes consideration of the inter-relationship between each of the two local authorities and London, and considers how migration to/ from London might change in the future. This takes account of evidence and the modelling approach which underpins the current version of the London Plan, which is based on the Greater London Authority (GLA) 2013-based Demographic Projections. It should however be noted that the London Plan is being reviewed, and that this evidence and situation may change over time.
- 4.5 The section also considers the overlay between population growth and job growth to consider if there will be a sufficient workforce moving forward to support projected growth in employment, following the approach in the PPG.
- 4.6 The core projections in this section look at housing needs in the period from 2013 to 2033. The starting point reflects a base position for which a reasonable amount of data is available (the ONS mid-2013 population estimates) with the end date selected to provide a reasonable (20-year) period for analysis.

Demographic Profile and Trends

- 4.7 The population of Sevenoaks and Tunbridge Wells in 2013 was estimated to be 232,700. This is an increase of 19,500 people since 2001 – a 9.1% increase over the 12-year period. This level of population growth is notably below that seen across Kent (12.2%) but broadly in-line with the South East region (9.6%) and nationally (8.9%). Of the two local authorities, the data shows the more significant growth in the 2001-13 period to have been in Tunbridge Wells (11.3%), with lower growth in Sevenoaks (7.1%).
- 4.8 We can also consider longer-term trends in population growth, with data being available back to 1981. Figure 14 shows that population growth in Sevenoaks and Tunbridge Wells has consistently been below the average for Kent, the South East and England. Until the end of the 1990s there had been very little population growth across the two Districts, however, over the past 12-years or so for which data is available, the level of population growth has been notably higher – in common with that across wider geographies. Over the whole 1981 to 2013 period, the data shows that the population of Sevenoaks and Tunbridge Wells grew by 12%; notably lower than in Kent (20%), the South East (21%) and England (15%).

Figure 14: Indexed Population Growth, 1981-2013

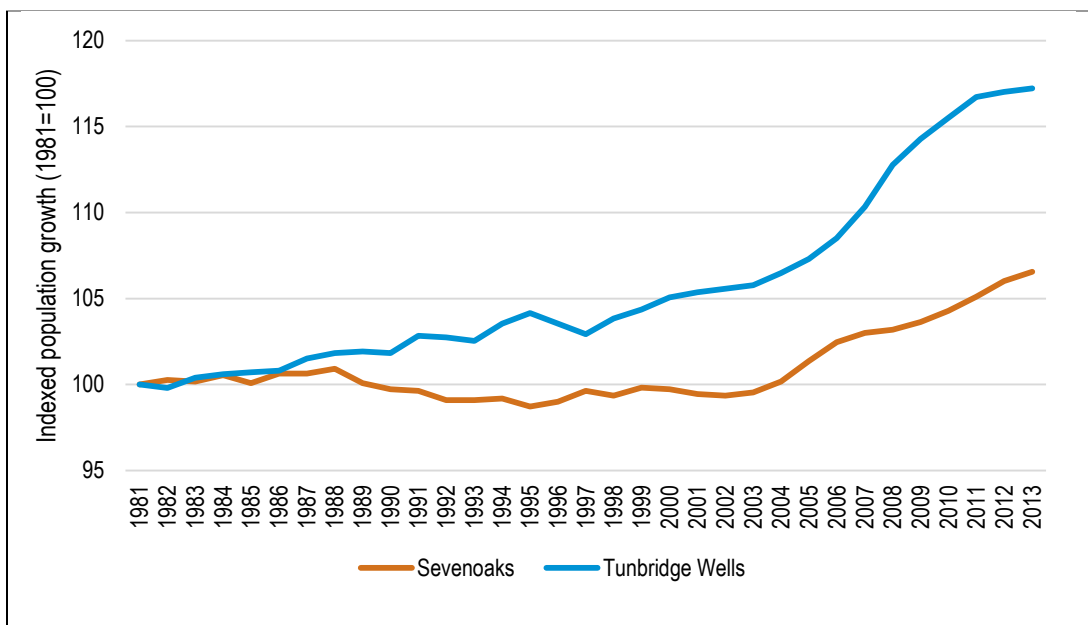


Source: ONS

- 4.9 Figure 15 shows the same information for the two individual local authority areas. The data shows a much higher level of growth in Tunbridge Wells throughout the period than seen in Sevenoaks (as well as the more recent period since 2005). The analysis also shows that until the early 2000s there had been no population growth in Sevenoaks (a slight decline). Population growth until the end of

the 1990s was also pretty moderate in Tunbridge Wells (relative to trends across wider areas, as Figure 14 shows).

Figure 15: Indexed Population Growth (1981-2013) – by District



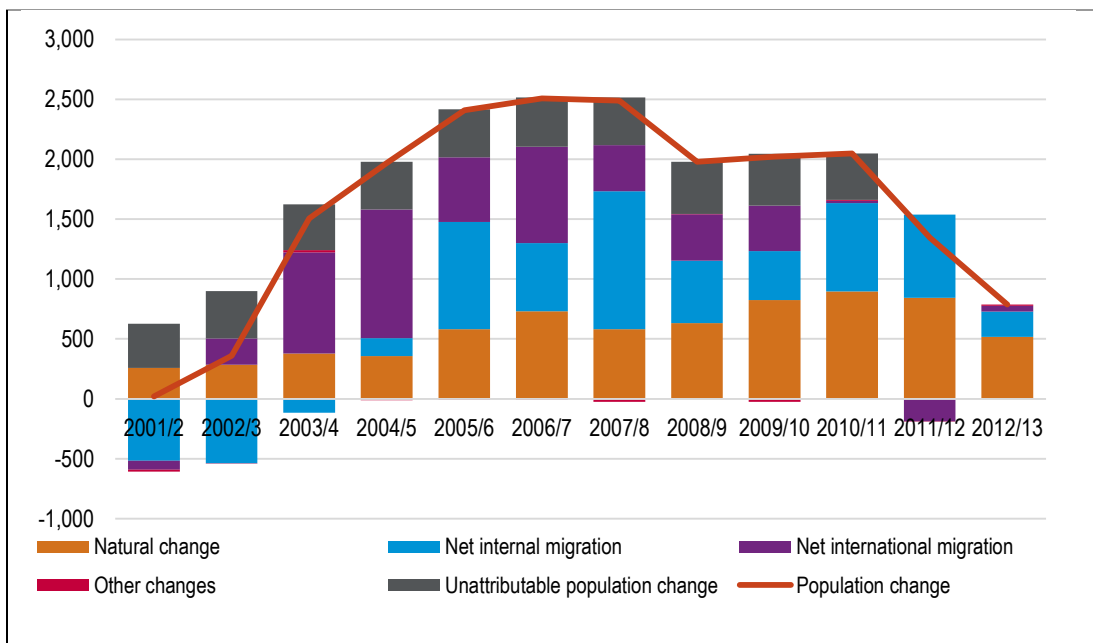
Source: ONS

- 4.10 Figure 16 and Table 10 consider the drivers of population change in the Sevenoaks and Tunbridge Wells area. Population change is largely driven by natural change (births minus deaths) and migration, although within ONS data there is also a small other changes category (mainly related to armed forces and prison populations) and an Unattributable Population Change (UPC) category. UPC is an adjustment made by ONS to Mid-Year Population Estimates where Census data suggests that population growth had either been over- or under-estimated in the inter-Censal years. Because UPC links back to Census data, a figure is only provided for 2001 to 2011. It is not entirely clear to which years (between 2001-11) any under- or over-recording might relate, or if it relates to accuracy of the Census data itself. It is ‘unattributable.’
- 4.11 The data shows that both natural change and net migration have been important components of population growth in the study area. Over the whole of the period studied (2001-13) the average level of natural change has been about 570 per annum; natural change has generally been increasing over time, although the more recent evidence suggests that this may now be levelling off or even decreasing slightly.
- 4.12 Net migration can also be seen to be significant with an average level of about 720 per annum over the 12-year period studied – this has varied on a year-by-year basis from -320 (i.e. net out-migration) in 2002/3 up to 1,540 in 2007/8. Both internal migration (i.e. moves from one part of the Country to another) and international migration have been significant drivers of population growth;

internal migration has averaged about 350 people per annum, compared with about 370 in the case of international migration. International migration is shown to have been particularly strong in the 2003-7 period.

4.13 Other changes are quite small whilst the data shows a notable (and positive) level of UPC – the positive UPC suggests that previous ONS components of change data may have under-estimated population growth in the study area. Data for the individual local authorities actually identifies a small negative level of UPC in Sevenoaks with a large positive figure for Tunbridge Wells.

Figure 16: Components of population change, mid-2001 to mid-2013 – Sevenoaks and Tunbridge Wells



Source: ONS

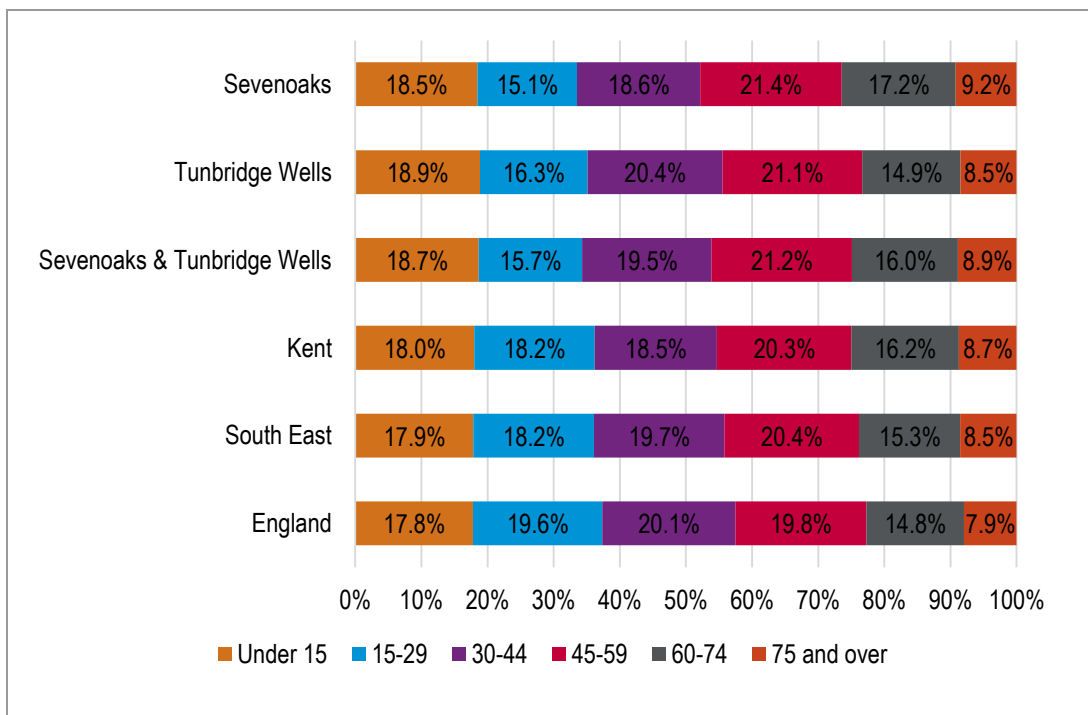
Table 10: Components of Population Change (2001-13) – Sevenoaks and Tunbridge Wells

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	259	-517	-74	-17	369	20
2002/3	286	-537	219	-2	393	359
2003/4	379	-116	844	18	381	1,506
2004/5	357	149	1,075	-11	397	1,967
2005/6	582	894	541	-9	401	2,409
2006/7	730	569	805	-8	411	2,507
2007/8	581	1,151	386	-25	397	2,490
2008/9	633	519	389	1	437	1,979
2009/10	824	409	380	-25	433	2,021
2010/11	897	738	17	8	388	2,048
2011/12	844	693	-188	-4	-	1,345
2012/13	518	211	48	9	-	786

Source: ONS

4.14 Figure 17 shows the age structure of the population in the two local authorities and a range of other areas. The profile of the population of the Sevenoaks and Tunbridge Wells area is broadly similar to that seen across the County and is slightly 'older' than equivalent data regionally or nationally – Sevenoaks looks to have a slightly older population profile than Tunbridge Wells. As shown in the figure below, some 26% of the population of Sevenoaks is aged 60 and over with an equivalent figure of 23% in Tunbridge Wells. These figures compare with 25% across Kent, 24% for the South East region and 23% for the whole of England.

Figure 17: Population Age Profile (2013)



Source: Mid-Year Population Estimates

4.15 Table 11 shows how the age structure of the population has changed over the 2001 to 2013 period. The data shows the most significant growth to have been in the 60-74 and 45-59 age groups (with a high proportionate increase in the number of people aged 75 and over). The analysis also indicates a small decline in the population aged 30-44 and increases in other age groups.

Table 11: Change in Age Structure 2001 to 2013 – Sevenoaks and Tunbridge Wells

Age group	2001	2013	Change	% change
Under 15	41,100	43,400	2,300	5.6%
15-29	33,500	36,400	2,900	8.7%
30-44	47,400	45,400	-2,000	-4.2%
45-59	44,700	49,400	4,700	10.5%
60-74	29,800	37,300	7,500	25.2%
75 and over	17,000	20,600	3,600	21.2%
Total	213,200	232,700	19,500	9.1%

Source: Mid-Year Population Estimates

4.16 The same analysis has been carried out for the individual local authorities and a range of comparator areas (in Table 12). The data identifies that population change in each of the two local authorities has broadly followed the change seen across other areas.

Table 12: Change in age structure 2001 to 2013

Age group	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells	Kent	South East	England
Under 15	3.3%	7.9%	5.6%	5.5%	5.1%	3.2%
15-29	9.3%	8.0%	8.7%	20.0%	10.5%	12.7%
30-44	-8.8%	0.4%	-4.2%	-4.0%	-4.6%	-3.7%
45-59	5.0%	16.7%	10.5%	14.7%	14.6%	14.3%
60-74	25.6%	24.6%	25.2%	30.0%	27.4%	22.4%
75 and over	24.1%	18.1%	21.2%	17.9%	16.8%	15.0%
Total	7.1%	11.3%	9.1%	12.2%	9.6%	8.9%

Source: Mid-Year Population Estimates

Sub-National Population Projections

4.17 The latest set of subnational population projections (SNPP) were published by ONS on the 29th May 2014. They replace the 2010- and 2011-based projections. Subnational population projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2012-based national population projections. The new SNPP are largely based on trends in the 2007-12 period (2006-12 for international migration trends). The SNPP are only population projections and do not contain headship rates (which are needed to convert into household estimates).

4.18 The SNPP are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.

Overall Population Growth

- 4.19 Table 13 shows projected population growth from 2013 to 2033 in each District and other areas. The data shows that the population of the Sevenoaks and Tunbridge Wells area is expected to grow by around 38,400 people; this is a 16.5% increase – slightly lower than expected across Kent, but higher than equivalent figures for the South East and England.
- 4.20 It should be noted that due to inclusion within the modelling of mid-2013 population estimates for Sevenoaks and Tunbridge Wells the figures do not exactly match those in the SNPP. Figures for comparator areas are however taken directly from the SNPP. The difference in this respect will not be material.

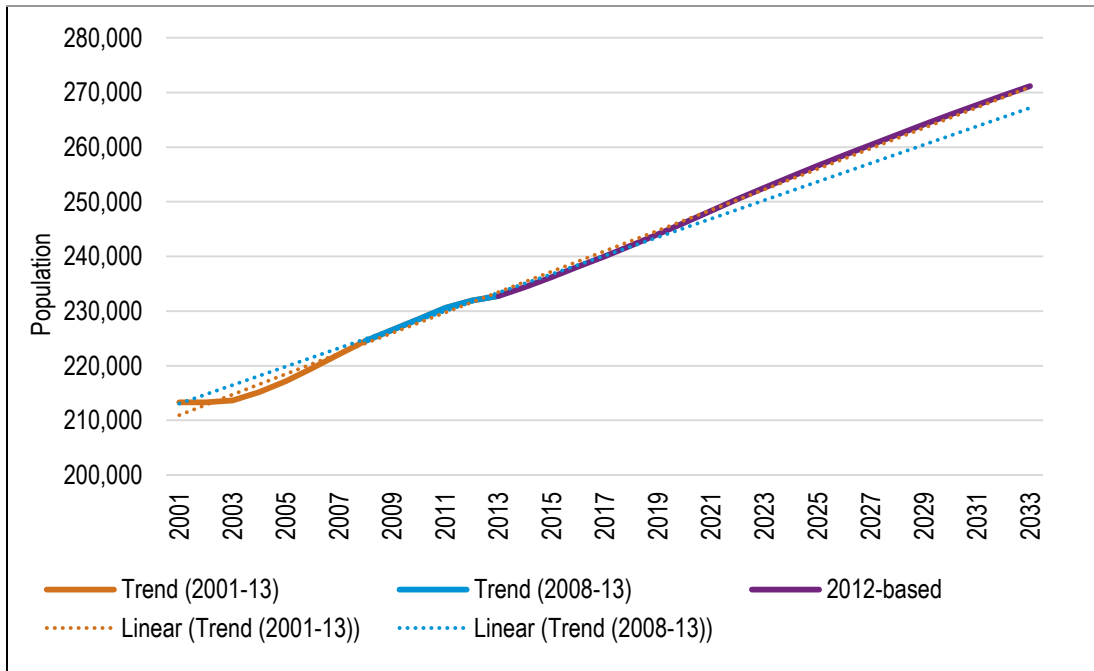
Table 13: Projected population growth (2013-2033)

	Population 2013	Population 2033	Change in population	% change
Sevenoaks	117,035	136,504	19,469	16.6%
Tunbridge Wells	115,693	134,669	18,976	16.4%
Sevenoaks & Tunbridge Wells	232,728	271,173	38,445	16.5%
Kent	1,490,700	1,744,500	253,800	17.0%
South East	8,784,800	10,092,800	1,308,000	14.9%
England	53,843,600	61,022,500	7,178,900	13.3%

Source: ONS

- 4.21 Figure 18 shows past and projected population growth in the period 2001 to 2033 for the whole of the Sevenoaks and Tunbridge Wells area. The data also plots a linear trend line for the last five years for which data is available (2008-13) and also a longer-term period from 2001 to 2013 – this being the longest period for which reasonable data about the components of population change (e.g. migration) is available. The data shows that the population is expected to grow at a rate which is broadly in-line with long-term past trends and at a level slightly above that seen over the past five years.

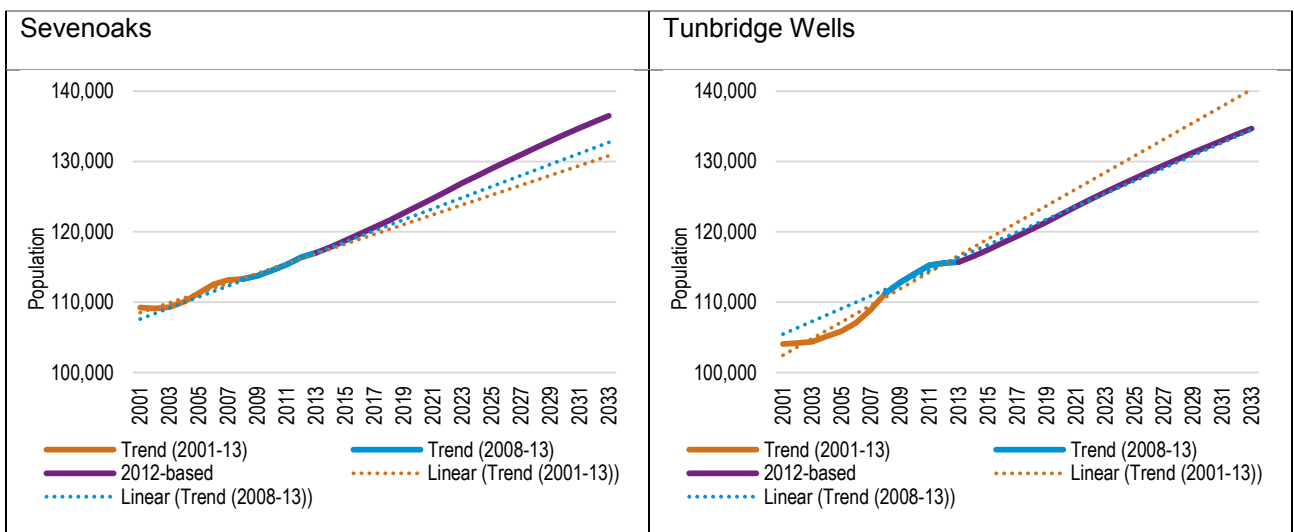
Figure 18: Past and projected population growth – Sevenoaks and Tunbridge Wells



Source: ONS

4.22 Figure 19 shows the same data for individual local authorities. In Sevenoaks, future population growth is expected to be above past trend levels (whether in the short- or long-term) whereas in Tunbridge Wells future growth is broadly in line with recent trends (past five years) but some way below longer-term trends.

Figure 19: Past and projected population growth – by local authority



Source: ONS

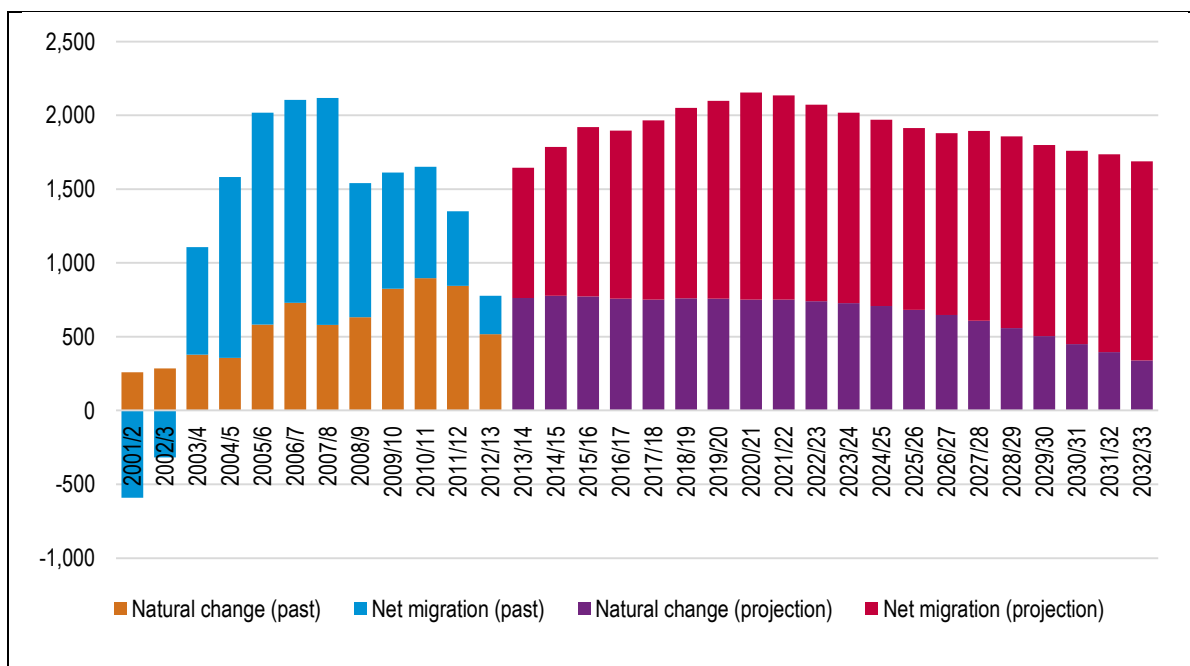
4.23 Overall, across the two authority areas, we would conclude that the SNPP is a reasonable projection to take forward into household growth modelling. Whilst, the data shows population

growth which is very slightly above short-term past trends, it is not considered that this divergence is significant. In interpreting the figures, it does also need to be born in mind that the ONS projections are not a simple roll forward of past population growth. The projections take account of the current age structure and how this will change over time. The age structure changes then feed into estimates of how migration and natural change might develop over time.

Components of Population Change

- 4.24 Figure 20 brings together data about migration (both past trends and the future projection) along with information about natural change. This shows that after being fairly constant at the start of the projection period, natural change is expected to decrease over time.
- 4.25 Expected levels of migration are generally expected to increase slightly over time – this is likely to be linked to the changing population profile in the two areas, and in particular an increase in the number of older persons in the population. For the whole of the projection period (2013-33) the average level of migration is expected to be around 1,252 people (net) per annum – this figure is somewhat higher than the levels seen in either short-term past trends (643 per annum over the last five years) or the longer-term (717 per annum on average from 2001 to 2013). Over the past decade (2003-13) the average level of net migration is also lower (at 951 per annum).

Figure 20: Components of Population Change, mid-2001 to mid-2033 – Sevenoaks and Tunbridge Wells



Source: ONS

Age Structure Changes

- 4.26 With growth in the population will also come age structure changes. Table 14 summarises the findings for key (15-year) age groups under the 2012-based SNPP. The data shows that the largest growth will be in people aged 60 and over; it is estimated that there will be 85,200 people aged 60 and over in 2033 – this is an increase of 27,200 from 2013, representing growth of 54%. The population aged 75 and over is projected to increase by an even greater proportion, 83%. Looking at the other end of the age spectrum the data shows that there are projected to be around 12% more people aged under 15 with smaller increases in other age groups.
- 4.27 The two local authorities show similar patterns in terms of age structure changes, although generally, Tunbridge Wells is expected to see a greater ageing of the population and lower growth in the number of younger people and those of working age.

Table 14: Population Change 2013 to 2033 by Fifteen Year Age Bands (2012-based SNPP)

Age group	Population 2013	Population 2033	Change in population	% change from 2013	% change from 2013 – Sevenoaks	% change from 2013 – Tun. Wells
Under 15	43,390	48,735	5,345	12.3%	15.7%	9.0%
15-29	36,550	37,355	805	2.2%	5.0%	-0.4%
30-44	45,288	48,618	3,330	7.4%	9.3%	5.5%
45-59	49,494	51,291	1,797	3.6%	2.5%	4.8%
60-74	37,249	48,480	11,231	30.2%	23.9%	37.4%
75+	20,757	36,695	15,938	76.8%	71.0%	83.2%
Total	232,728	271,173	38,445	16.5%	16.6%	16.4%

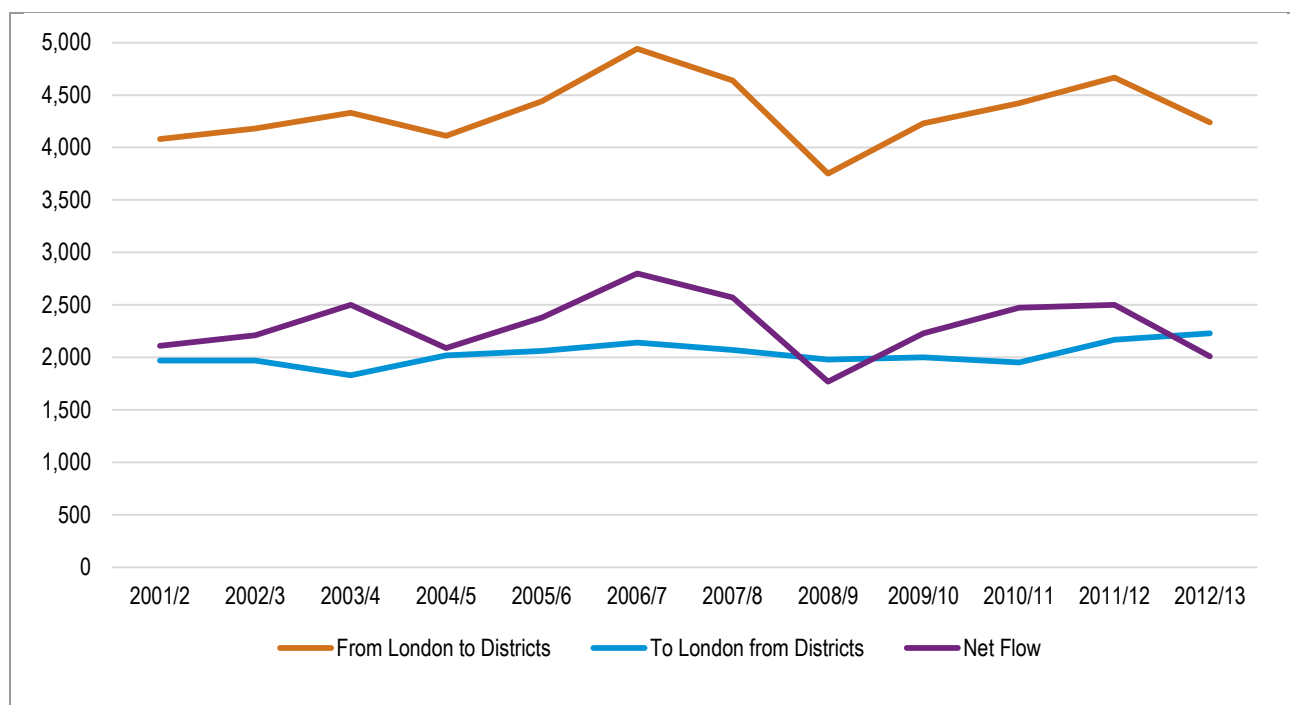
Sensitivity Analysis: Migration Flows to/ from London

- 4.28 The Greater London Authority (GLA) identified as part of their own projections feeding into the Further Alterations to the London Plan (FALP) that there had been a marked change in internal migration dynamics to- and from- London since the beginning of the recession (2007/8). Overall, the GLA identified that out-migration from London to other parts of the UK had dropped by about 10% along with a 6% increase in in-migration.
- 4.29 As a result of this the GLA developed a series of population and household projections with different assumptions about migration. The Central Scenario (used to support the FALP) made the assumption that after 2017, migration levels would recover back towards pre-recession levels – the

GLA in effect took a midpoint between pre- and post-recession migration statistics and assumed a 5% uplift in out-migration and a 3% decrease in in-migration.

4.30 Whilst the figures above are for the whole of London, it will be the case that different areas will have seen different levels of change in London related migration in the pre- and post- recession periods. Below we have studied how migration patterns have changed in the Sevenoaks and Tunbridge Wells areas. Figure 21 shows that there is some evidence across the area of a reduction in the number of people moving from London, as well as a slight increase in the numbers moving to London. The net effect is a reduction in net migration from London to the Sevenoaks and Tunbridge Wells area. The changes observed are however very modest.

Figure 21: Migration flows to- and from- London and the Sevenoaks and Tunbridge Wells Area



Source: GLA

4.31 The analysis shows in the 2001-8 period that an average of 4,389 people moved from London to the two authorities, in the five year period feeding into the SNPP (2007-12) this average reduced to 4,342 – a reduction of 47 (1%). The analysis also shows a small increase in the average number of people moving to London (increasing by about 1%). The net effect of both of these changes is a reduction in net migration from London to the Sevenoaks and Tunbridge Wells area of about 72 people per annum – this is a 3% reduction on pre-recession trends.

4.32 The same data for individual local authorities is shown in Table 15. This shows that both areas have seen a small decrease in net migration from London.

Table 15: Migration to- and from- London and the Sevenoaks and Tunbridge Wells areas – individual local authority analysis

	Sevenoaks			Tunbridge Wells		
	From London to district	To London from district	Net flow	From London to district	To London from district	Net flow
2001/2	2,730	1,270	1,460	1,350	700	650
2002/3	2,870	1,280	1,590	1,310	690	620
2003/4	2,780	1,180	1,600	1,550	650	900
2004/5	2,770	1,230	1,540	1,340	790	550
2005/6	2,930	1,260	1,670	1,510	800	710
2006/7	3,160	1,380	1,780	1,780	760	1,020
2007/8	2,940	1,260	1,680	1,700	810	890
2008/9	2,460	1,190	1,270	1,290	790	500
2009/10	2,750	1,200	1,550	1,480	800	680
2010/11	2,822	1,120	1,703	1,600	831	769
2011/12	2,912	1,263	1,649	1,756	905	851
2012/13	2,784	1,346	1,438	1,455	883	572
Pre-2008 average	2,883	1,266	1,617	1,506	743	763
SNPP average	2,777	1,207	1,570	1,565	827	738
Difference	106	59	47	-60	-84	25

Source: GLA

- 4.33 On the basis of the information above, we have developed an alternative population projection to provide a sensitivity analysis to the SNPP. This projection uses a similar assumption to the GLA modelling; i.e. for an adjustment to be made to migration levels post-2017 at a level which is half of the difference seen between pre-recession trends and the trends feeding into the SNPP.
- 4.34 Table 16 shows overall population growth from this alternative projection. For the whole Sevenoaks and Tunbridge Wells area this projection suggests population growth of 16.8% in the 2013-33 period; this compares with growth of 16.5% in the SNPP. The overall level of population growth is 39,108, which is about 663 more than the SNPP (38,445) – the projection with a London adjustment is therefore about 2% higher than the SNPP.

Table 16: Projected population growth (2013-2033) – with London adjustment

	Population 2013	Population 2033	Change in population	% change
Sevenoaks	117,035	136,934	19,899	17.0%
Tunbridge Wells	115,693	134,903	19,210	16.6%
Sevenoaks & Tunbridge Wells	232,728	271,836	39,108	16.8%

Source: Derived from ONS data

- 4.35 This scenario, with a London adjustment, is modelled to be consistent with the GLA’s demographic projections which underpin the London Plan. It reflects analysis of migration trends, which suggest that there has been some (fairly minor) ‘recessionary effect’ which has resulted in a fall in net out-migration from London to the Sevenoaks and Tunbridge Wells authorities. With improving housing market circumstances, GL Hearn consider it a realistic possibility that out-migration could increase moving forwards. The sensitivity analysis takes this into account.

Household Growth

- 4.36 Having studied the population size and the age/sex profile of the population, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship rates is used. Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).
- 4.37 With the publication of new 2012-based CLG household projections, a new set of headship rates is now available. These rates are considered to be more positive than the previous set (2011-based) and typically suggest higher rates of household growth for a given population. At a national level (in the 2012-21 period considered by CLG) the new projections show 10% higher growth in households. For Sevenoaks the growth in households on a like-for-like basis to 2021 is 6% higher; with the new projections for Tunbridge Wells 3% higher than using the headship rates in the 2011-based Interim Household Projections.
- 4.38 Table 17 shows expected household growth in the 2012-based projections from 2013 to 2033 for Sevenoaks and Tunbridge Wells and a range of other areas. The figures for the Sevenoaks and Tunbridge Wells authorities do not exactly match the CLG projections as we have included population data for 2013, all other areas show the data as published. The data suggests an increase in households of about 22,100 over the 20-year period – this is a 23% increase; somewhat higher than expected in the South East and England but slightly below the average across the County.

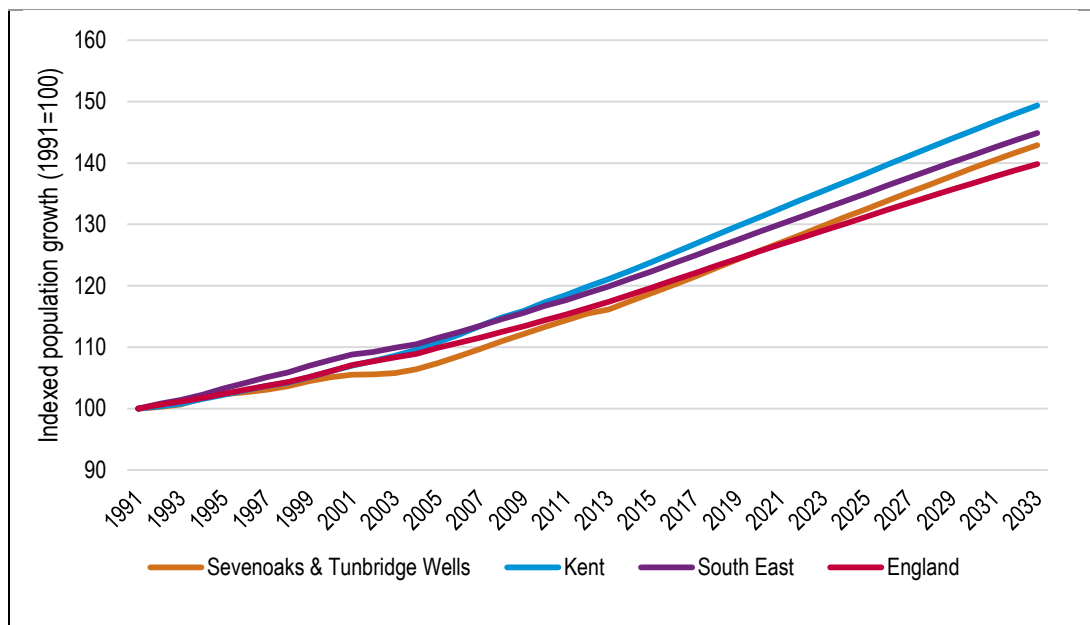
Table 17: Projected Household Growth (2013-2033)

	Households 2013	Households 2033	Change in households	% change from 2013
Sevenoaks	47,951	57,973	10,023	20.9%
Tunbridge Wells	48,032	60,076	12,044	25.1%
Sevenoaks & Tunbridge Wells	95,982	118,050	22,067	23.0%
Kent	620,272	765,118	144,846	23.4%
South East	3,631,482	4,386,939	755,457	20.8%
London	22,499,536	26,797,826	4,298,290	19.1%

Source: Derived from ONS and CLG data

4.39 Figure 22 shows household growth back to 1991 and projected forward to 2033. The analysis shows that growth in Sevenoaks and Tunbridge Wells has generally been lower than seen in other areas although moving forward the rate of change is expected to be generally quite strong, and notably stronger than expected nationally. There has been a particular acceleration in the growth rate from about 2003.

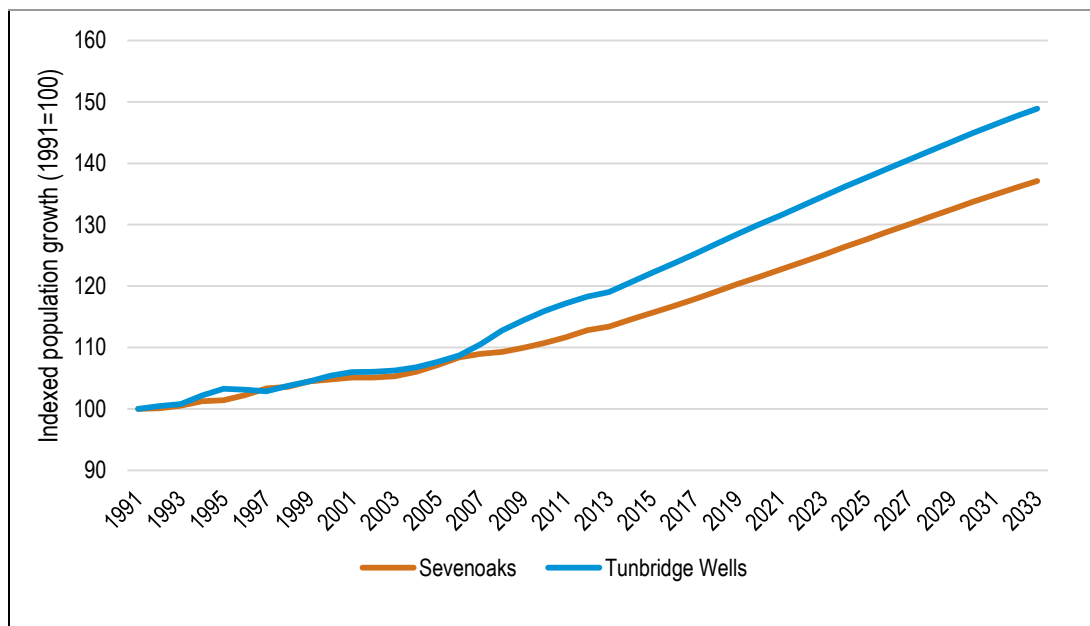
Figure 22: Indexed household growth (1991-2033)



Source: Derived from ONS and CLG data

4.40 Figure 23 shows the same information for individual local authority areas. The data shows strong growth is expected in both areas. In the past the number of households has grown more strongly in Tunbridge Wells, although this is only apparent from about 2007. Prior to this, both areas only saw fairly moderate household growth.

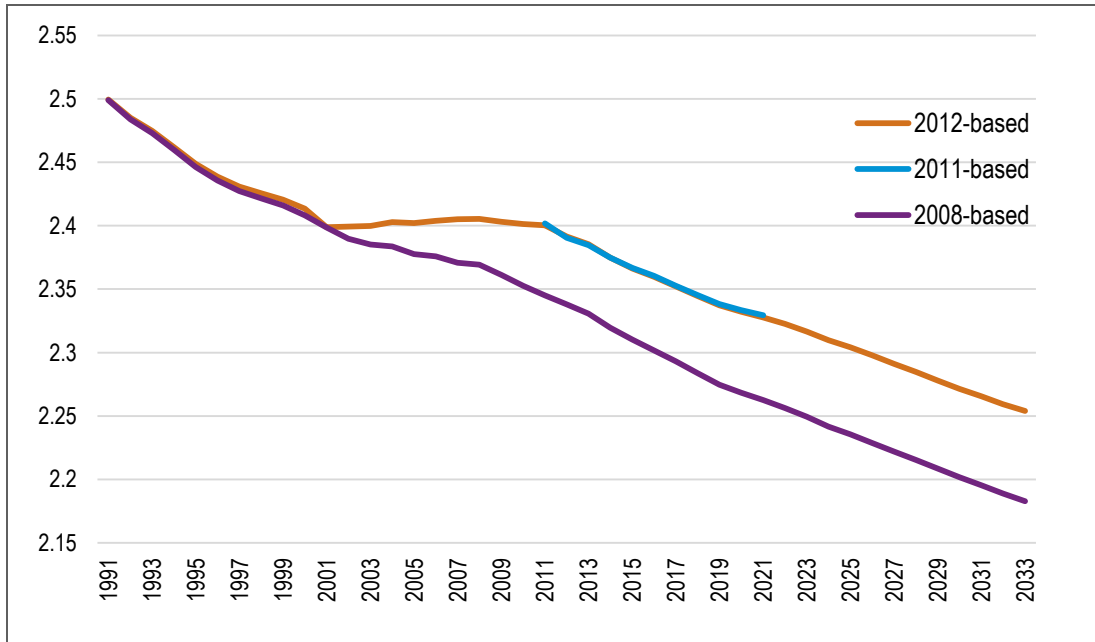
Figure 23: Indexed Household Growth (1991-2033)



Source: Derived from ONS and CLG data

- 4.41 To provide an initial assessment of the impact of the 2012-based household projections we can make a comparison of average household sizes. Figure 24 shows this based on each of 2012-, 2011- and 2008-based CLG household projection data. The data is very interesting in comparison with other areas where we have carried out a similar analysis. Essentially the data is suggesting a notable decline in average household sizes in the future (compared to a fairly flat recent trend), however it is noteworthy that the earlier (2011-based) projections were also showing a very similar trend. In most areas, the 2011-based Interim Projections show much lower levels of household size decline – suggesting that they have built in some degree of suppression of household formation. There is no strong evidence that this is the case in Sevenoaks and Tunbridge Wells.
- 4.42 Moving forward, the data is notable for showing a similar rate of change in average household sizes as was expected in the earlier (2008-based) projections – albeit from a different starting point. This would suggest that there is not a significant degree of suppression being built into the latest CLG projections – although there is still evidence of some suppression in the 2001-11 decade.

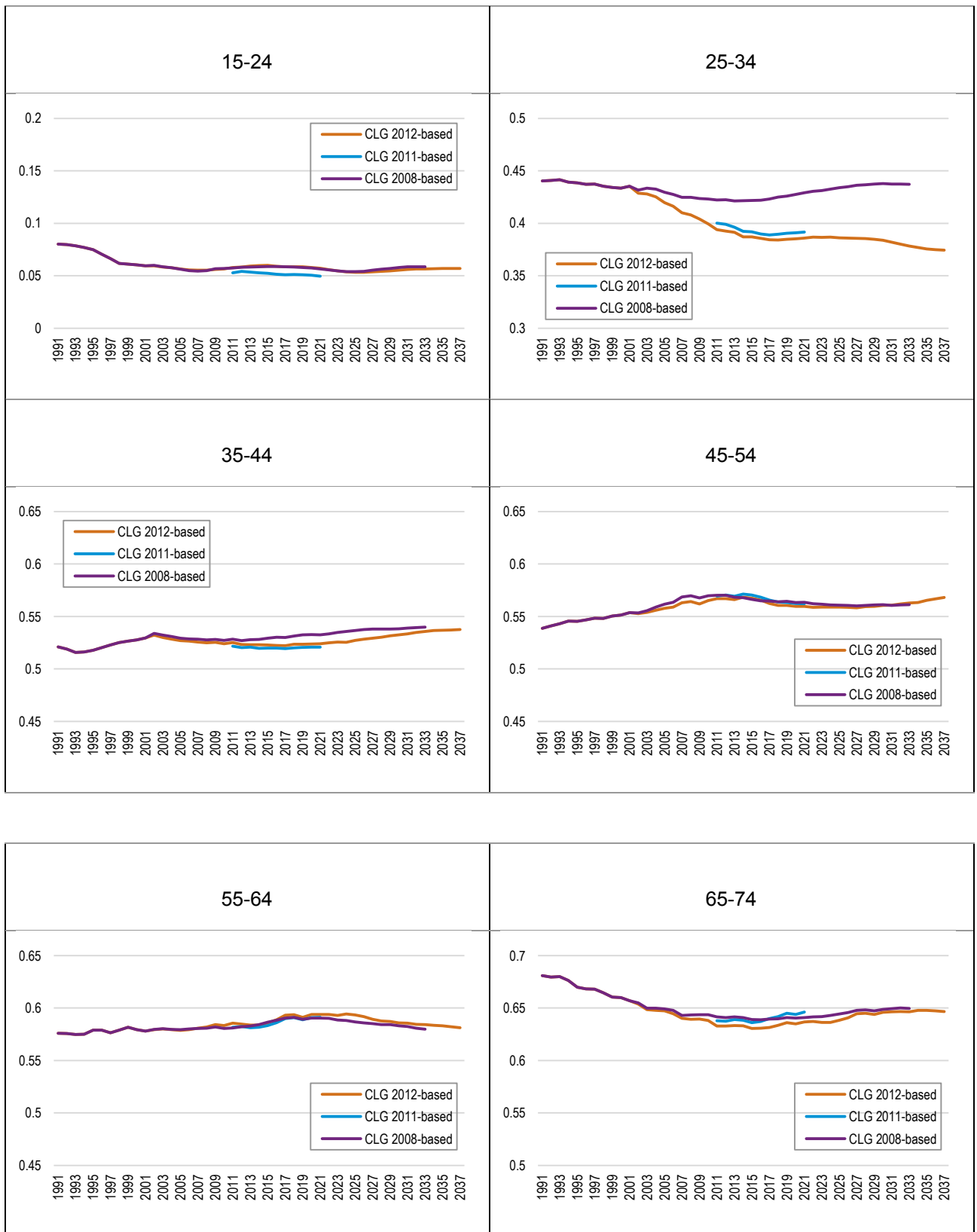
Figure 24: Past and Projected Trends in Average Household Size – Sevenoaks and Tunbridge Wells

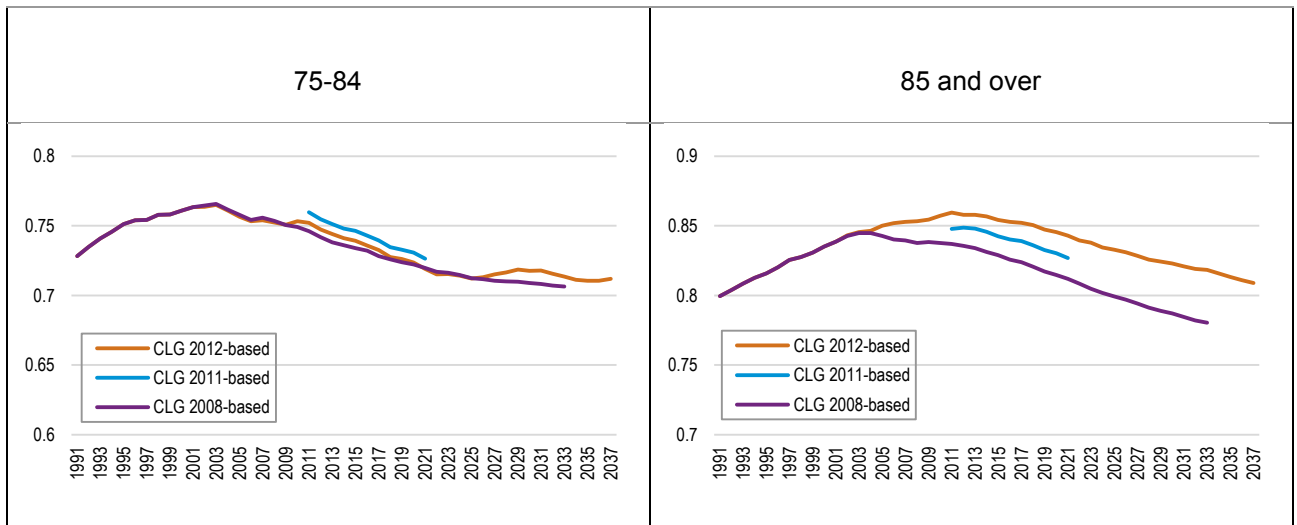


Source: Derived from ONS and CLG data

- 4.43 It is also useful to understand how the different CLG projections impact on assumptions for different age groups. Figures 25 and 26 show the headship rates used in each of the projections (separately for Sevenoaks and Tunbridge Wells). Overall the 2012-based projections look fairly sound with levels and rates of change being not dissimilar to those in the earlier (pre-recession) 2008-based projections.
- 4.44 What the analysis does show is that household formation amongst those aged 25-34 fell between 2001-11. The projections show the proportion of households who are a head of household in Sevenoaks falling from 39% to 38% over the period to 2033. In Tunbridge Wells, household formation is expected to rise from 47% to 48% to 2033. If housing supply was to increase and affordability improve, other factors remaining equal, we might expect household formation amongst this age cohort to rise in Sevenoaks. We consider this further later in the report.

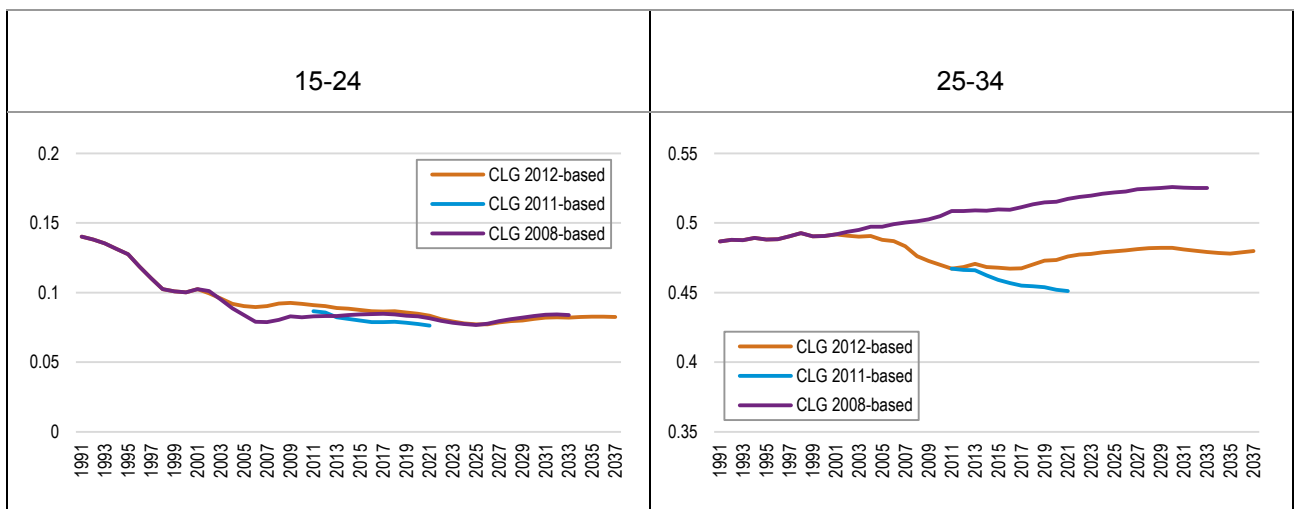
Figure 25: Projected Household Formation Rates by Age of Head of Household - Sevenoaks

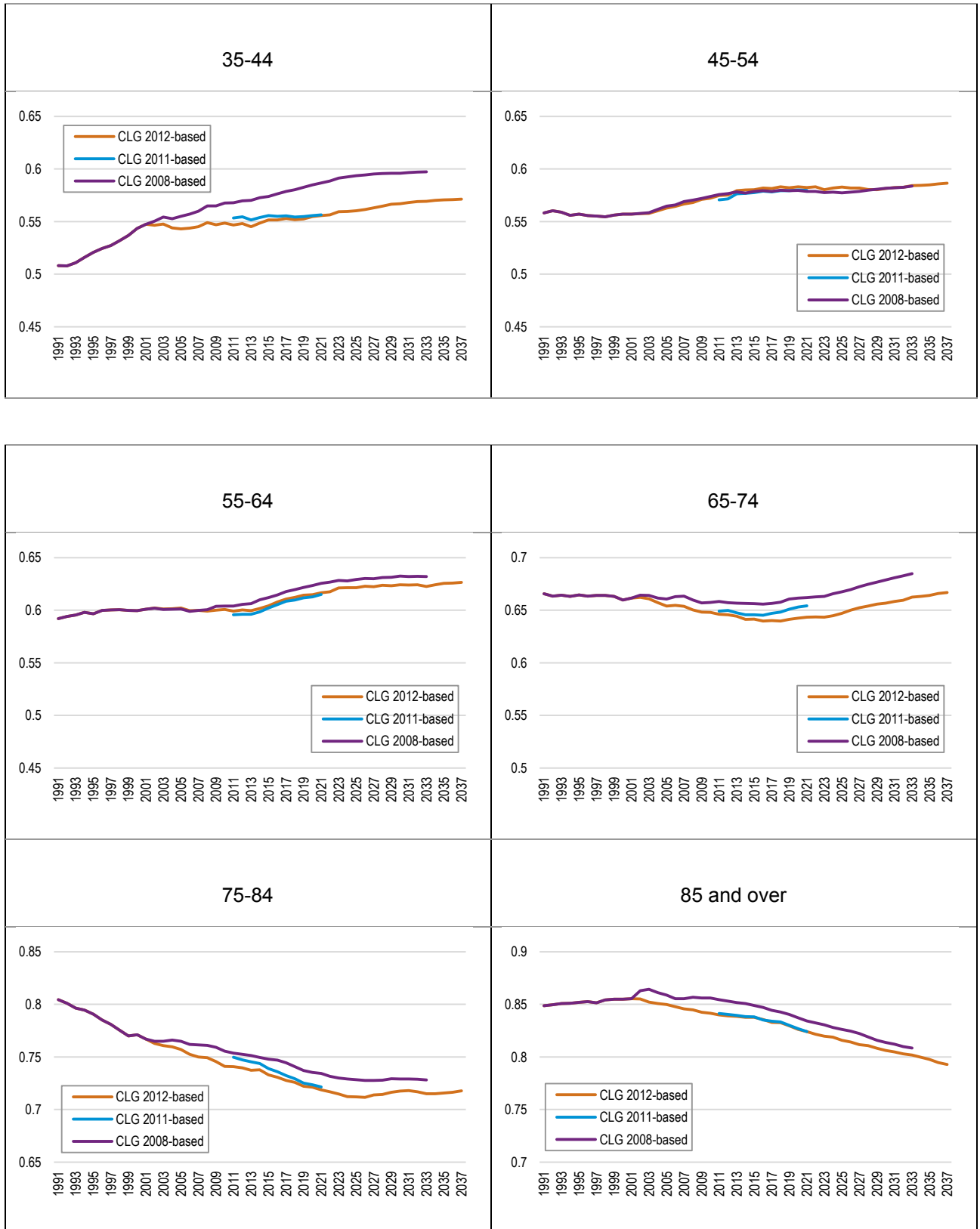




Source: Derived from CLG data

Figure 26: Projected Household Formation Rates by Age of Head of Household – Tunbridge Wells





Source: Derived from CLG data

4.45 Table 18 brings together outputs in terms of household growth and housing need using the 2012-based headship rates and our core projections linked to the 2012-based SNPP and also with a

'London adjustment'. To convert households into dwellings the data includes an uplift to take account of vacant homes. Analysis of 2011 Census data about unoccupied household spaces provides the following vacancy rate figures which have been used in analysis:

- Sevenoaks – 2.9%
- Tunbridge Wells – 4.1%

4.46 The percentage figures are calculated as the number of vacant homes divided by the number of occupied properties – this gives the vacancy allowance to use as an uplift to household estimates. It is assumed that such a level of vacant homes will allow for movement within the housing stock and includes an allowance for second homes.

4.47 The analysis shows an overall housing need for some 516 homes per annum in Sevenoaks; and 627 homes per annum in Tunbridge Wells. This would be considered the “starting point” for considering housing need, following the approach in the PPG.

4.48 If adjustments are made for higher net migration from London, the need rises by 1.5% in Sevenoaks (8 dpa) and by 0.6% (4 dpa) in Tunbridge Wells. We consider that it would be prudent to include these adjustments, albeit that the impact is minor, on the basis of the evidence that there is some potential for higher net out-migration from London related to improving economic and housing market conditions.

Table 18: Projected household growth 2013-33 – 2012-based SNPP and 2012-based headship rates

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Households 2013	47,951	48,032	95,982
Households 2033	57,973	60,076	118,050
Change in households	10,023	12,044	22,067
Per annum	501	602	1,103
Dwellings (per annum)	516	627	1,142

Table 19: Projected household growth 2013-33 – 2012-based SNPP (London adjusted) and 2012-based headship rates

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Households 2013	47,951	48,032	95,982
Households 2033	58,131	60,158	118,289

Change in households	10,180	12,127	22,306
Per annum	509	606	1,115
Dwellings (per annum)	524	631	1,155

- 4.49 If the headship rates from the previous 2011-based household projections are used (suitably indexed beyond 2021 and linked to the 2012-based SNPP) then the level of housing need would be 1,099 dwellings per annum. Hence the latest CLG projections are suggesting an uplift of 43 homes each year – a 4% increase over the 2013-33 period.
- 4.50 If the same modelling were undertaken using the 2008-based rates then a slightly higher housing need is derived (of 1,225 dwellings per annum) – this is 7% above the level suggested by the 2012-based figures. However national research has highlighted that the 2008-based Projections over-estimated likely household formation, in part related to higher international migration to the UK and the impact of different household structures within new migrant communities¹⁴.
- 4.51 In our experience, the range of outputs from the different headship rate assumptions is very small – an 11% difference between 2011- and 2008-based rates; typically we see a difference in excess of 20%. This generally confirms that none of the past projections are building in any significant suppression to household formation rates moving forward.

Alternative Demographic Scenarios

- 4.52 Although we consider the 2012-based SNPP to be reasonable demographic projection when taking account of past trends in population growth we have also developed two alternative projections. These can be summarised as:
- 4.53 10-year migration trends – this projection looks at the level of population and household/housing growth we might expect if migration levels in the future are the same as seen over the past decade. A consideration of longer-term trends is suggested as an alternative scenario in PAS Technical Advice Note.
- 4.54 UPC adjustment – as noted earlier there is a notable level of Unattributable Population change in the ONS data for 2001-11. In this instance UPC is positive, this suggests that the components of change feeding into the SNPP could underestimate migration and population growth. The sensitivity

¹⁴ Holmans, A. (2013) *New Estimates of Housing Need and Demand in England, 2011- 2031*

analysis here assumes that UPC relates entirely to under- or over-estimation of migration, and considers the impact which this could have.

- 4.55 Tables 20 and 21 show the outputs of the two alternative demographic projections developed.
- 4.56 The 10 year linear migration scenario results in a lower housing need in Sevenoaks and Tunbridge Wells relative to the SNPP. This projection shows a level of need in Sevenoaks which is 7% below that shown in the SNPP; and 11% below it in Tunbridge Wells. It is however a relatively crude projection which projects forward average annual net migration. The SNPP is a more advanced demographic projection which takes account of how the age structure of the population in the local authority is expected to change and how the population in other areas from which people typically move to the area is expected to change; and how this may influence the propensity of people to migrate. This is a more advanced projection for population growth, which is likely to be more realistic than simply projecting forward average net migration figures. The SNPP projects some growth in net migration which we would expect to occur given our understanding of dynamics of population growth in London and the wider South East.
- 4.57 The UPC scenario assumes that UPC can be allocated in full to an over or under-estimate of migration. This results in 4% lower housing need in Sevenoaks; but a notably higher housing need in Tunbridge Wells. Whilst UPC may relate to migration, it cannot be definitively determined the extent to which this is the case, or whether it reflects errors in Census data; or indeed over what period during the 2001-11 decade it relates. ONS undertook a consultation on whether adjustments should be made to the 2012-based SNPP to take account of UPC. This concluded that it would not be appropriate to include adjustments for UPC in the SNPP because:
- It is unclear what proportion of the UPC is due to sampling error in the 2001 Census, adjustments made to Mid-Year Population Estimates (MYEs) post the 2001 Census, sampling error in the 2011 Census and/or error in the intercensal components (mainly migration);
 - If it is due to either 2001 Census or 2011 Census then the components of population change will be unaffected; and
 - If it is due to international migration, it is likely that the biggest impacts will be seen earlier in the decade and will have less of an impact in the later years, because of improvements introduced to migration estimates in the majority of these years.
- 4.58 It is not possible to attribute UPC accurately to specific years. ONS has improved its methodology for modelling migration, and data collection – including in taking account of Higher Education Statistics Agency data regarding student moves. On this basis, migration estimates for the latter years over the 2001-11 decade should be better than those in earlier years. Overall, we would consider the evidence insufficient to warrant adjustments to the 2012-based SNPP Projections.

Table 20: Projected household growth 2013-33 – 10-year migration trends and 2012-based headship rates

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Households 2013	47,951	48,032	95,982
Households 2033	57,313	58,787	116,100
Change in households	9,363	10,755	20,118
Per annum	468	538	1,006
Dwellings (per annum)	482	560	1,041

Table 21: Projected household growth 2013-33 – 2012-based SNPP with UPC adjustment and 2012-based headship rates

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Households 2013	47,951	48,032	95,982
Households 2033	57,596	64,052	121,648
Change in households	9,645	16,020	25,666
Per annum	482	801	1,283
Dwellings (per annum)	496	833	1,330

4.59 Table 22 brings together the various demographic-led scenarios. We would consider that the SNPP with an adjustment for migration from London represents the most robust demographic-led projection for housing need in each of the authorities.

Table 22: Comparing the Demographic-led Projections

Housing Need per Annum, 2013-33	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
SNPP	516	627	1143
London-Adjusted Projection	524	631	1155
10 Year Migration	482	560	1042
SNPP with UPC Adjustment	496	833	1329

4.60 The 10 year migration projections are unlikely to be as robust as the SNPP as they don't take account of changes to the age structure over time and the impact this might have on migration levels.

- 4.61 The UPC scenario is a useful scenario to consider (again it is one suggested in the PAS guidance) however we do not consider it to be a robust alternative to the SNPP. The main reasons for this are that it is unclear if UPC is related to migration and more importantly, due to changes in the methods used by ONS to measure migration it is most probable that any errors are focussed on earlier periods (notably 2001-6) and therefore a UPC adjustment for more recent data would not be appropriate.

Relationship to Economic Growth

- 4.62 Planning Practice Guidance sets out that consideration should be given to future economic performance in drawing conclusions on the overall need for housing. Where the evidence suggests that higher migration might be needed than seen in past trends in order to support economic growth, consideration should be given to adjusting the assessed housing need. Specifically the Guidance outlines that:

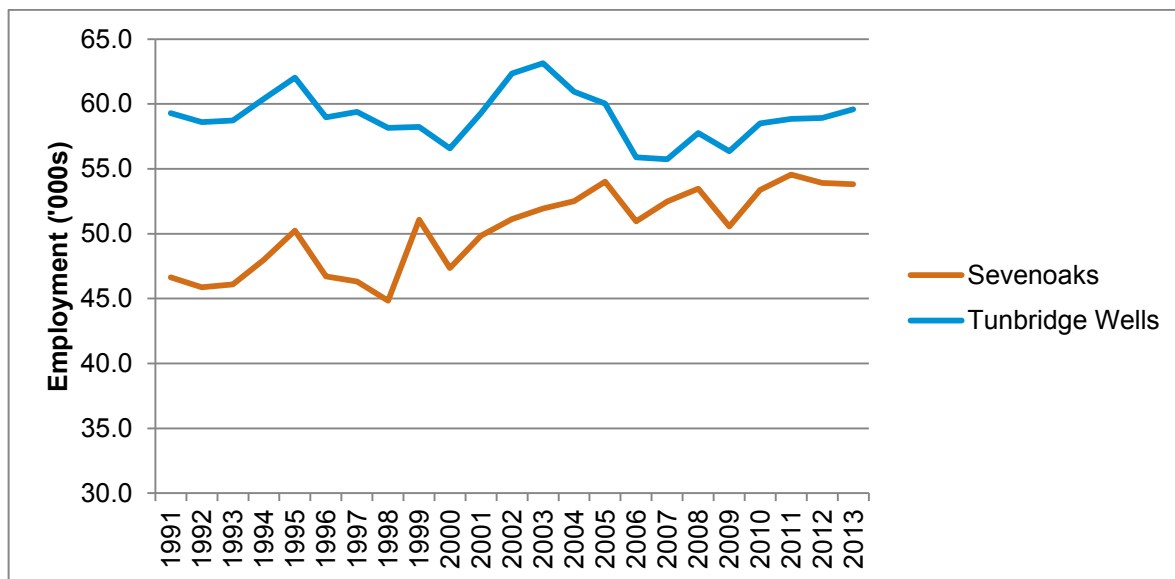
'Plan makers should make an assessment of the likely growth in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population'

And that:

'Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems'.

- 4.63 Both Councils in due course are intending to prepare Employment Land Studies, which will include consideration of economic dynamics and growth potential. This more detailed work considering economic growth potential may result in the need to consider adjustments to conclusions on OAN or to housing targets. This report, following the approach in the PPG, considers trends and forecasts in employment growth.
- 4.64 Figure 27 considers past trends over the period since 1991, based on data in the East of England Forecasting Model (EEFM). These are estimates of (workplace-based) total employment, based on aggregating data from official data sources such as the Business Register and Employment Survey (BRES), Annual Population Survey (APS) and ONS Workforce Jobs series.

Figure 27: Employment Trends, 1991-2013



Source: EEFM

- 4.65 It is evident that total employment in Tunbridge Wells has been relatively stable over the 22 year period shown. In Sevenoaks, employment was relatively stable in the 1990s, grew in the early 2000s, but has been relatively stable over the last 8 years or so.
- 4.66 Over the 1993-2010 period (which is equivalent to the last economic cycle), employment in Sevenoaks grew by an average of 1.0% per annum. In Tunbridge Wells, employment levels were static (0.0% growth).
- 4.67 We have used the EEFM to consider economic growth potential in each of the two local authorities. Both the 2013 and 2014 model runs have been considered.
- 4.68 EEFM is an econometric model which takes account of the structure and composition of local economies, their past performance and expected growth potential of different sectors (at national and regional levels). Growth potential is influenced by Oxford Economics' national and regional forecasts. The South East Local Enterprise Partnership (LEP) subscribes to these forecasts.
- 4.69 Our understanding is that the model takes account of Sub-National Population Projections in modelling demand for consumer-driven sectors (such as retail or education), but its population assumptions are constrained to Oxford Economics' view regarding overall population growth and migration at a national and regional level, driven by economic factors.
- 4.70 Consideration has been given to the past two EEFM releases (2013 and 2014 baseline). This source provides an indication of the expected job growth at a local authority level and Table 23 shows the increase in the number of jobs expected in 2033 from 2013 levels.

4.71 The EEFM only runs to 2031 and so an estimate to 2033 has been made on the basis of expected growth in the last five years of the forecast (2026-31). The data shows that in the 2013 release, the EEFM expected job growth of about 10,600 (9%) and that just one year later the forecast had been increased significantly to 18,900 additional jobs (a 17% increase over the 20-year period).

Table 23: Change in Number of Jobs (2013-33)

Area	Forecast date	Jobs (2013)	Jobs (2033)	Change (2013-33)	% change
Sevenoaks	2013	57,771	62,927	5,156	8.9%
	2014	53,823	62,703	8,880	16.5%
Tunbridge Wells	2013	60,255	65,714	5,459	9.1%
	2014	59,580	69,605	10,024	16.8%
Sevenoaks & Tunbridge Wells	2013	118,025	128,641	10,616	9.0%
	2014	113,404	132,308	18,905	16.7%

Source: East of England Forecasting Model

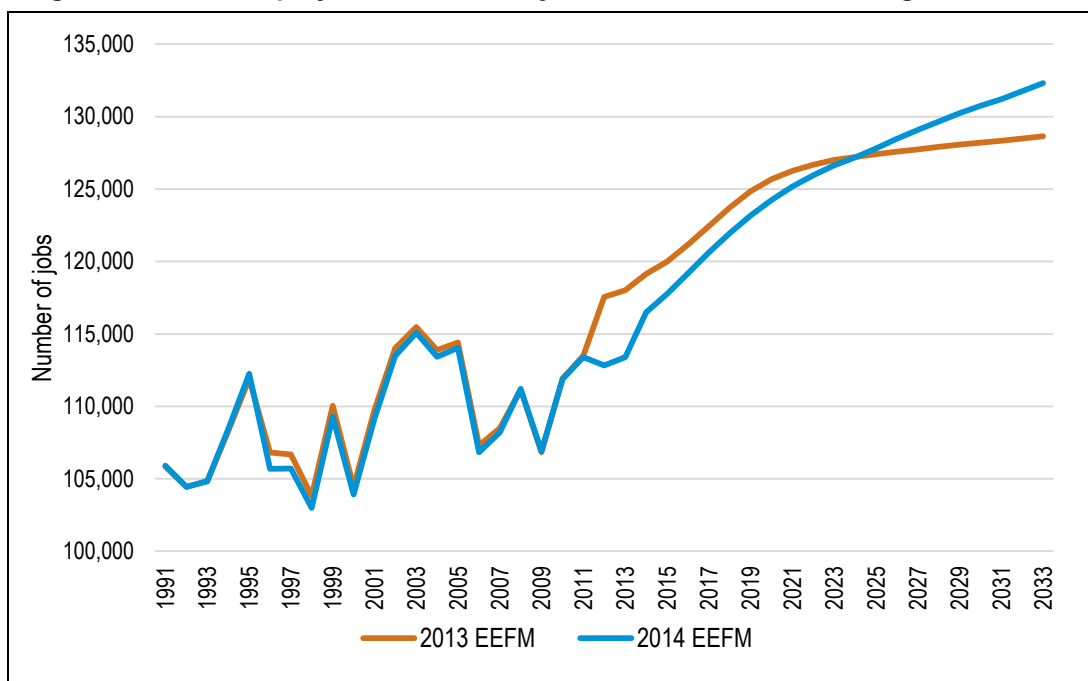
4.72 The latest (2014) forecasts shown in Table 24 expect employment growth of 0.8% pa across each of the two authorities, which compares to 0.9% pa growth forecast across Kent and 0.7% growth across the South East.

Table 24: EEFM Economic Forecasts, Winter 2014/15

2013-33	Sevenoaks	Tunbridge Wells	Kent
Employment Growth ('000s)	8.9	10.0	134.1
% Annual Growth	0.8%	0.8%	0.9%

4.73 Figure 28 shows past trends and the expected future change in the number of jobs in Sevenoaks and Tunbridge Wells. The data shows a growth in jobs in the past along with some notable year-on-year variations; the data also shows the much higher forecast level of job growth in the 2014 release compared with data from the previous year.

Figure 28: Past and projected number of jobs – Sevenoaks & Tunbridge Wells



Source: East of England Forecasting Model

- 4.74 Comparing the growth rates in the latest EEFM model with past growth over the economic cycle, the forecasts for Sevenoaks look to be reasonable; however a substantially higher growth is forecast in Tunbridge Wells than has been seen historically – raising questions about whether the forecasts can be considered to be reasonable.
- 4.75 Given competition from higher paid jobs in London, and a lack of specific local drivers which would suggest stronger relative performance, we would recommend that the latest EEFM forecasts for Tunbridge Wells are therefore treated with some care.
- 4.76 In undertaking Employment Land Studies, the Councils should consider further the likely economic performance and scale of jobs growth which can be expected.

Relating Jobs and Labour Force Growth

- 4.77 To convert jobs into growth in the labour-force, overall population growth and hence housing need is not a simple process and the analysis takes account of:
- Commuting patterns;
 - Double jobbing (i.e. the number of people with more than one job); and
 - Changes to employment rates (e.g. as a result of reducing unemployment or people working longer).

Commuting patterns

- 4.78 Table 25 shows summary data about commuting to and from the study area and individual local authorities from the 2011 Census. The data shows that the study area generally sees a notable level of out-commuting for work.
- 4.79 Out-commuting is highest in Sevenoaks where there are around 20% more people living in the area (and working) than work in the area. Tunbridge Wells shows a smaller percentage of net out-commuting (4%).

Table 25: Commuting patterns in Sevenoaks and Tunbridge Wells (2011)

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Live and work in LA	12,767	22,088	34,855
Home workers	7,846	8,177	16,023
No fixed workplace	5,331	5,016	10,347
Out-commute	30,555	22,349	52,904
In-commute	20,948	20,132	41,080
Total working in LA	46,892	55,413	102,305
Total living in LA (and working)	56,499	57,630	114,129
Commuting ratio	1.20	1.04	1.12

Source: 2011 Census

- 4.80 In translating the commuting pattern data into growth in the labour-force it is assumed that the commuting ratio remains at the same level as shown by the 2011 Census. This essentially means that there would be expected to be a greater increase in working residents for a given number of jobs. This is a “policy off” assumption which takes account of relevant case law¹⁵.
- 4.81 The figures have been applied on a local authority by local authority basis using data as shown in Table 25.

Double jobbing

- 4.82 Typically a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in each District divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests that around 4.1% of workers have a second job (data averaged from data for the 2004-14 period to recognise relatively high

¹⁵ Oadby & Wigston BC vs SoSCLG & Bloor Homes Ltd [2015] EWHC 1879 (Admin)

error margins associated with data for individual years). This gives a double jobbing ratio of 0.959 (i.e. the number of jobs can be discounted by 4.1% to estimate the required change in the workforce).

4.83 Again data has been used on an individual local authority basis with the double jobbing percentages for each area being:

- Sevenoaks – 4.1%
- Tunbridge Wells – 4.0%

4.84 To work out the change in the resident workforce required to match the forecast number of jobs we can multiply the commuting ratio by the amount of double jobbing and in turn multiply this by the number of jobs – this is shown in Tables 26 and 27.

4.85 Overall, the EEFM (2014) forecast expects an increase of 18,900 jobs. If commuting patterns and levels of double jobbing remain the same then this would require a slightly higher level of growth in the resident workforce (of about 20,300 people). For the earlier version of the EEFM, lower growth in the workforce is required for the forecast to be met.

Table 26: Jobs Growth and Change in Resident Workforce (2013-33) – 2013 EEFM

	Change in jobs (2013 EEFM)	Adjustment factor	Change in resident workforce
Sevenoaks	5,156	1.15	5,955
Tunbridge Wells	5,459	1.00	5,451
Sevenoaks & Tunbridge Wells	10,616	1.07	11,406

Source: EEFM, NOMIS and 2011 Census

Table 27: Jobs Growth and Change in Resident Workforce (2013-33) – 2014 EEFM

	Change in jobs (2014 EEFM)	Adjustment factor	Change in resident workforce
Sevenoaks	8,880	1.15	10,256
Tunbridge Wells	10,024	1.00	10,009
Sevenoaks & Tunbridge Wells	18,905	1.07	20,265

Source: EEFM, NOMIS and 2011 Census

Changes to Employment Rates

- 4.86 As well as studying commuting levels and double jobbing the analysis needs to consider how economic participation and employment rates will change in the future. Although the past few years have seen an increase in unemployment there have generally been increases in the proportion of people who are economically active (particularly for females and people aged over 50). In the future we may see a continuation of these trends – particularly in relation to people working longer (partly linked to pensionable ages) and have modelled for there to be some increase in employment rates as we move through to 2031.
- 4.87 Table 28 shows the age/sex specific rates assumed in the analysis. These have been based on consideration of the assumptions made by a range of different forecasting houses and also take trends shown by 2011 Census data.
- 4.88 It should be stressed that these figures reflect what we would consider to be a reasonable set of assumptions although there would be a case for alternatives (both in an upwards and downwards direction). It should also be noted that the difference in the levels of job growth in the EEFM over time may to some extent be affected by assumptions in the EEFM model about employment rate changes – as such comparisons between the different data releases should be treated as indicative.

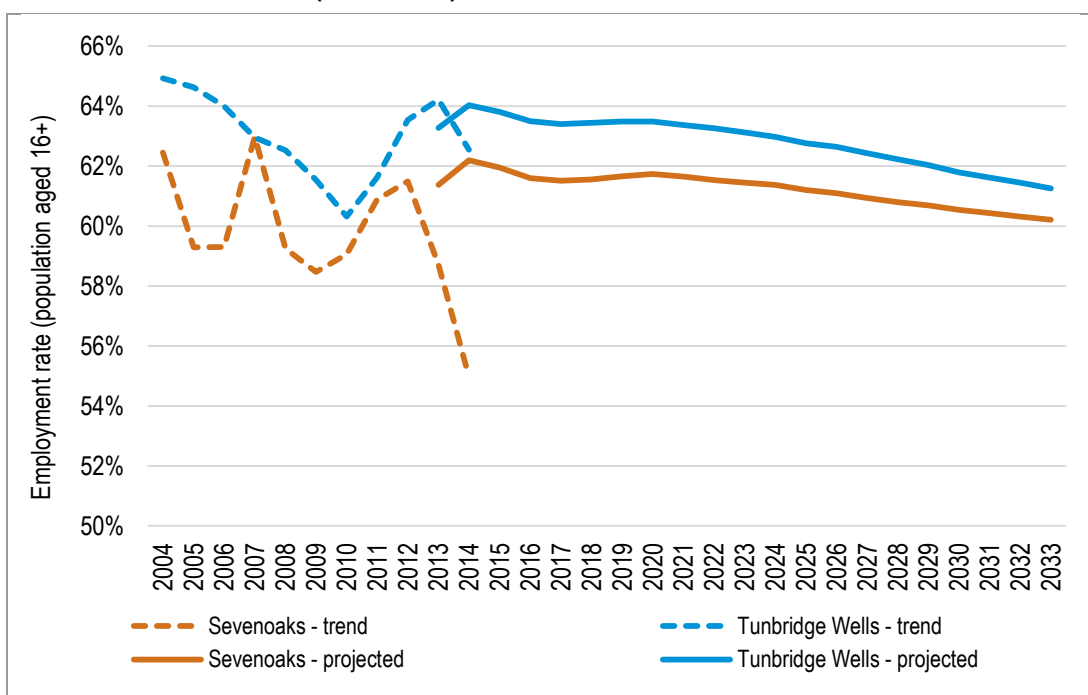
Table 28: Employment Rates by Age and Sex – Sevenoaks and Tunbridge Wells

	Sex	Year	Aged 16 to 24	Aged 25 to 34	Aged 35 to 49	Aged 50 to 64	Aged 65 and over
Sevenoaks	Male	2013	57.7%	90.7%	92.5%	79.7%	20.2%
		2033	57.7%	90.9%	93.4%	83.7%	21.5%
	Female	2013	57.0%	79.0%	77.3%	67.0%	11.6%
		2033	57.0%	84.1%	82.2%	75.5%	13.1%
Tunbridge Wells	Male	2013	55.9%	89.7%	90.6%	80.0%	19.8%
		2033	55.9%	89.9%	91.5%	84.0%	20.9%
	Female	2013	54.6%	80.7%	77.6%	69.0%	12.1%
		2033	54.6%	85.8%	82.5%	77.5%	13.6%

- 4.89 Figure 29 shows how the overall employment rate in Sevenoaks and Tunbridge Wells is expected to change over time, a past trend analysis from the Annual Population Survey (APS) back to 2004 has also been shown although some caution should be used in comparing figures given that the sources are different. The employment rate is based on the number of people in employment divided by the population aged 16 and over.

- 4.90 The analysis shows in both areas there is expected to be a small increase in this rate to about 2014 with a small decline thereafter. The period to 2014 reflects expectations of some improvements (particularly around reducing unemployment) with the decline in the rate thereafter being strongly linked to the demographic profile of the population (i.e. ageing).
- 4.91 The rates shown in Figure 29 are derived from the 2012-based SNPP and it should be noted that these change very slightly with different assumptions about population growth.

Figure 29: Past and projected Change in Employment Rate – Sevenoaks and Tunbridge Wells (2004-2031)



Source: Derived from Annual Population Survey, Labour Force Survey, Experian forecasts and demographic projections

- 4.92 The outputs from the EEFM-based projections are shown below.

Table 29: Projected Household Growth 2013-33 – EEFM (2013) and 2012-based headship rates

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Households 2013	47,951	48,032	95,982
Households 2033	56,339	57,982	114,321
Change in households	8,389	9,950	18,339
Per annum	419	498	917
Dwellings (per annum)	432	518	949

Table 30: Projected Household Growth 2013-33 – EEFM (2014) and 2012-based headship rates

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Households 2013	47,951	48,032	95,982
Households 2033	59,164	61,102	120,267
Change in households	11,214	13,071	24,284
Per annum	561	654	1,214
Dwellings (per annum)	577	680	1,257

- 4.93 For both local authorities, the 2013 EEFM forecasts can be accommodated with the housing provision projected in the SNPP. There is thus no need to adjust the assessed housing need to take account of these forecasts.
- 4.94 The 2014 forecasts show stronger employment growth. To support the scale of employment growth forecast would require 12% higher housing provision relative to the SNPP in Sevenoaks (577 homes pa, 2013-33) and 8% higher housing provision than in the SNPP in Tunbridge Wells (680 homes pa, 2013-33).
- 4.95 **GL Hearn considers that the evidence would support an adjustment to housing provision to reflect the stronger economic growth potential in Sevenoaks, taking account of the latest forecast and past trends.**
- 4.96 **However in Tunbridge Wells, there is no substantive evidence to suggest that the economy will generate much stronger employment growth than seen historically – where employment numbers have been broadly static. There is not conclusive evidence to suggest that a higher housing need will arise.**
- 4.97 The assessment of economic growth potential in this report should be treated as “provisional.” GL Hearn would recommend that the Councils review the assessment of economic growth potential further through preparation of Economic/ Employment Land Studies, and if appropriate consider updating the assessment of housing need (OAN) herein.

Summary and Implications – Demographic & Economic-led Projections

- 4.98 Official (2012-based) trend-based population projections indicate that Sevenoaks population can be expected to grow by 16.3% between 2013-33; with 16.4% growth expected in Tunbridge Wells' population. However the evidence suggests that as the economy recovers from recession, it would be reasonable to expect slightly higher net out-migration from London – increasing population growth between 2013-33 to 17.0% in Sevenoaks and 16.6% in Tunbridge Wells. Taking account of age-specific headship rates, and including an allowance for vacant and second homes, this results in a need for 524 homes per year in Sevenoaks Borough; and 631 in Tunbridge Wells District. This represents the “starting point” for considering housing provision, following the approach in Planning Practice Guidance.
- 4.99 Consideration is then given to economic performance, and whether taking account of age structure changes, employment growth may lead to an increase in net migration relative to past trends.
- 4.100 Employment in Tunbridge Wells has been relatively static, and there is no clear evidence that economic performance would drive higher housing need moving forwards. The Council will consider this issue further in preparing Employment Land Studies.
- 4.101 For Sevenoaks, economic trends and forecasts suggest that 0.8% employment growth per annum can be expected. This is equivalent to a growth in employment of 8,900 between 2013-33. This would result in housing need for 577 homes per annum.

5 AFFORDABLE HOUSING NEED

5.1 In this section we discuss levels of affordable housing need in Sevenoaks and Tunbridge Wells. The analysis is intended to assess need arising from “those households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market” as the Planning Practice Guidance sets out. Such households will be eligible for affordable housing. Affordable housing is defined as:

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.

5.2 The Practice Guidance sets out a standard approach for assessing affordable housing need - consistent with the methodology advocated in the 2007 SHMA Guidance - which we adopt for this study. This is known as the Basic Needs Assessment Model.

5.3 The analysis is based on secondary data sources. It draws on a number of sources of information including 2011 Census data, demographic projections, house prices/rents and income information. Key definitions used are outlined in Appendix A.

5.4 The housing needs model is based largely on housing market conditions (and particularly the relationship of housing costs and incomes) at a particular point in time – the time of the assessment – as well as the existing supply of affordable housing which can be used to meet housing need. The base date for analysis (e.g. data about housing costs and incomes) is 2014.

Housing Affordability

5.5 In preparing this report we have undertaken a survey of housing costs for different sizes of properties by tenure category. This is presented in Appendix B.

5.6 Figure 30 estimates how current prices and rents in the two local authorities might equate to income levels required to afford such housing. The figures are based on the figures derived in the analysis above and include four different tenures (buying, private rent, affordable rent and social rent) and are taken as the lower quartile price/rent across the whole stock of housing available (i.e. including all property sizes).

5.7 For illustrative purposes the calculations are based on 3.5 times household income for house purchase and 30% of income to be spent on housing for rented properties. The figures for house purchase are based on a 100% mortgage for the purposes of comparing the different types of housing.

Figure 30: Indicative income required to purchase/rent without additional subsidy



Source: Land Registry, VOA and CoRe

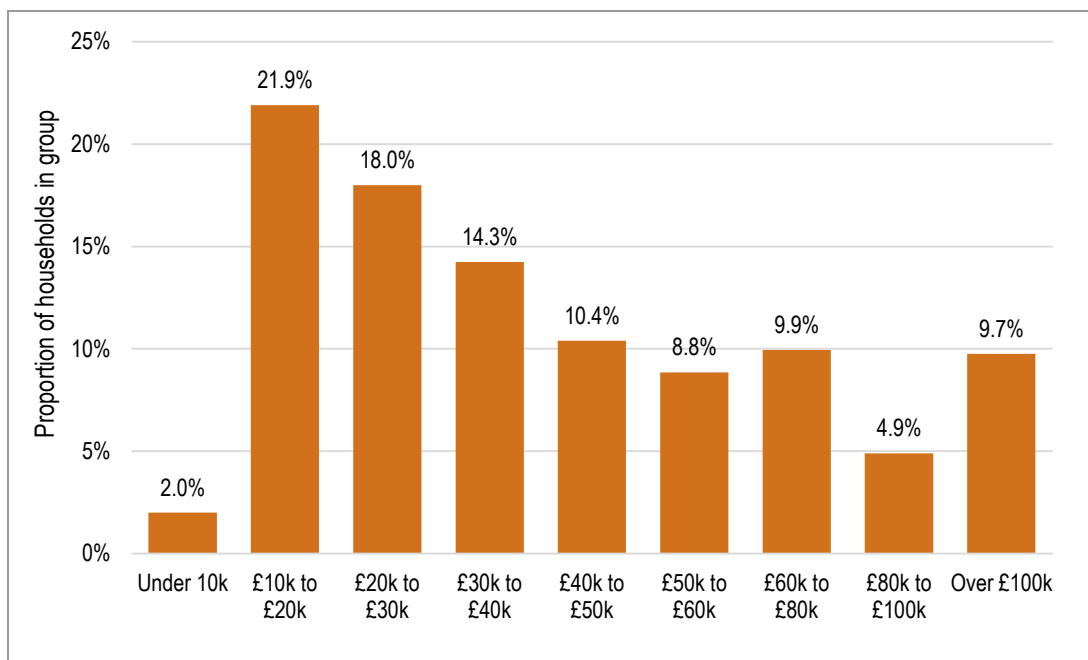
5.8 Data about gross household income has been modelled on the basis of a number of different sources of information to provide both an overall average income and the likely distribution of incomes in each area. The key sources of data include:

- CACI from *Wealth of the Nation 2012* – to provide an overall national average income figure for benchmarking;
- English Housing Survey (EHS) – to provide information about the distribution of incomes (taking account of variation by tenure in particular);
- Annual Survey of Hours and Earnings (ASHE) – to assist in looking at how incomes have changed from 2012 to 2014 (a 2.0% increase was identified from this source for the South East region); and
- ONS modelled income estimates – to assist in providing more localised income estimates (i.e. for each of the local authority areas).

5.9 Drawing all of this data together we have therefore been able to construct an income distribution for each authority in 2014. The data shows that around a quarter (24%) of households have an income

below £20,000 with a further third in the range of £20,000 to £40,000. The overall average (median) income of all households in Sevenoaks and Tunbridge Wells is estimated to be around £35,400 with a mean income of £46,600.

Figure 31: Distribution of Household Income in Sevenoaks & Tunbridge Wells



Source: Derived from ASHE, EHS, CACI and ONS data

5.10 Table 31 shows how income levels vary for each of the two local authorities. Incomes were found to be slightly higher in Sevenoaks than Tunbridge Wells.

Table 31: Income levels by local authority

	Mean income	Median income
Sevenoaks	£47,689	£36,272
Tunbridge Wells	£45,550	£34,644
Sevenoaks and Tunbridge Wells	£46,619	£35,444

Source: Derived from ASHE, EHS, CACI and ONS data

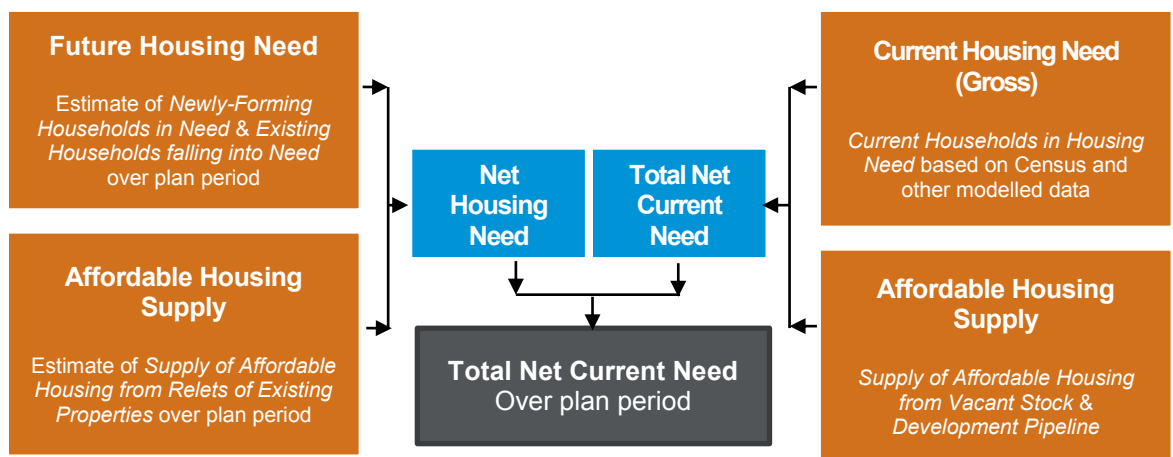
5.11 To assess affordability we have brought together the information on housing costs and incomes. We have looked at households ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. The distribution of household incomes is then used to estimate the likely proportion of households who are unable to afford to meet their needs in the private sector without support, on the basis of existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private sector housing.

5.12 Different affordability tests are applied to different parts of the analysis depending on the group being studied (e.g. recognising that newly forming households are likely on average to have lower incomes than existing households). Assumptions about income levels are discussed for relevant analyses where relevant in the analysis that follows.

Affordable Housing Needs Assessment

5.13 Affordable housing need has been assessed using the Basic Needs Assessment Model, in accordance with the CLG Practice Guidance. This model is summarised in the chart below.

Figure 32: Overview of the Basic Needs Assessment Model



5.14 The figures presented in this report for affordable housing needs have been based on secondary data sources including analysis of 2011 Census data. The modelling undertaken provides an assessment of affordable housing need for a 20-year period (which is then annualised). Each of the stages of the affordable housing needs model calculation are discussed in more detail below.

Current Affordable Housing Need

5.15 In line with Planning Practice Guidance, the current need for affordable housing has been based on estimating the number of households living in unsuitable housing along with consideration of their current tenure and affordability.

5.16 Estimates of households living in unsuitable housing have been derived from the number of households shown to be overcrowded in the 2011 Census (updated to a 2013 base) along with an estimate of other needs which have been modelled by comparing the tenure profile in each area with information regarding housing need by tenure. Much of these additional needs are found in the private rented sector and relate to issues around security of tenure and housing costs.

5.17 The analysis suggests some 3,019 overcrowded households (using the bedroom standard) along with an estimated 2,309 households with other needs. In total it is therefore estimated that around 5,329 households are currently living in unsuitable accommodation – this represents 5.6% of the estimated number of households in the study-area in 2013.

5.18 In taking this estimate forward, the data modelling estimates housing unsuitability by tenure. From the overall number in unsuitable housing (5,329) households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise). The analysis also excludes all outright owners under the assumption (which is supported by analysis of survey data) that they will have sufficient equity to move and 90% of owners with a mortgage. Again analysis of a range of recent surveys indicates that the vast majority of owners with a mortgage are able to afford housing once savings and equity are taken into account. A final adjustment (which only has a very modest impact) is to slightly reduce the unsuitability figures to take account of student-only households – such households could technically be overcrowded but would be unlikely to be considered as being in affordable housing need.

5.19 At the time of the assessment there were an estimated 2,379 households living in unsuitable housing (excluding current social tenants and the majority of owner-occupiers) – this represents 2.5% of all households in the study area. This data is shown in Table 32 which shows a particularly high level of unsuitability in Tunbridge Wells relative to Sevenoaks – this looks to be driven by both a higher level of overcrowding and also a larger private rented sector.

Table 32: Estimated number of households in unsuitable housing

Area	In unsuitable housing	Total number of households	% in unsuitable housing
Sevenoaks	864	47,951	1.8%
Tunbridge Wells	1,514	48,032	3.2%
Sevenoaks & Tunbridge Wells	2,379	95,982	2.5%

Source: Census (2011) and data modelling

5.20 Our estimated level of current need is therefore 2,379. We can however additionally consider that a number of these households might be able to afford market housing without the need for subsidy. For an affordability test we have used the income data and adjusted the distribution to reflect a lower average income amongst households living in unsuitable housing – for the purposes of the modelling an income estimate of 69% of the figure for all households has been used. Overall, around three-fifths of households with a current need are estimated to be likely to have insufficient income to afford market housing and so our estimate of the total current need is reduced to 1,412 households.

Table 33: Estimated Current Need

Area	In unsuitable housing	% Unable to Afford	Revised Gross Need (including Affordability)
Sevenoaks	864	64.8%	560
Tunbridge Wells	1,514	56.3%	852
Sevenoaks & Tunbridge Wells	2,379	59.3%	1,412

Source: Census (2011), data modelling and income analysis

5.21 The PPG also suggests that the housing register can be used to estimate levels of affordable housing need. Our experience working across the Country is that housing registers can be highly variable in the way allocation policies and pointing systems work. This means that in many areas it is difficult to have confidence that the register is able to define an underlying need. Many housing registers include households who might not have a need whilst there will be households in need who do not register (possibly due to being aware that they have little chance of being housed). For these reasons, the method linked to Census and other modelled data is preferred.

Newly-Arising Need

5.22 To estimate newly-arising (projected future) need we have looked at two key groups of households based on the CLGs SHMA Guidance. These are:

- Newly forming households; and
- Existing households falling into need.

Newly Forming Households

5.23 The number of newly-forming households has been estimated through the demographic modelling with an affordability test also being applied. This has been undertaken by considering the changes in households in specific 5-year age bands relative to numbers in the age band below 5 years previously to provide an estimate of gross household formation. This differs from numbers presented in the demographic projections which are for net household growth. The number of newly-forming households is limited to households forming who are aged under 45 – this is consistent with CLG guidance (from 2007) which notes after age 45 that headship (household formation) rates ‘plateau’. There may be a small number of household formations beyond age 45 (e.g. due to relationship breakdown) although the number is expected to be fairly small when compared with formation of younger households.

5.24 The estimates of gross new household formation have been based on outputs from our core demographic projection. In looking at the likely affordability of newly-forming households we have drawn on data from previous surveys. This establishes that the average income of newly-forming

households is around 84% of the figure for all households. This figure is remarkably consistent across areas (and is also consistent with analysis of English Housing Survey data at a national level).

- 5.25 We have therefore adjusted the overall household income data to reflect the lower average income for newly-forming households. The adjustments have been made by changing the distribution of income by bands such that average income level is 84% of the all household average. In doing this we are able to calculate the proportion of households unable to afford market housing without any form of subsidy (such as Local Housing Allowance or Housing Benefit). Our assessment suggests that overall around half of newly-forming households will be unable to afford market housing and that a total of 989 new households will have a need on average in each year to 2033.

Table 34: Estimated Level of Affordable Housing Need from Newly Forming Households (per annum)

Area	Number of new households	% unable to afford	Total in need
Sevenoaks	940	55.7%	523
Tunbridge Wells	1,008	46.3%	466
Sevenoaks & Tunbridge Wells	1,948	50.8%	989

Source: Projection Modelling/Income analysis

Existing Households falling into Affordable Housing Need

- 5.26 The second element of newly arising need is existing households falling into need. To assess this we have used information from CoRe¹⁶. We have looked at households who have been housed over the past two years – this group will represent the flow of households onto the Housing Register over this period. From this we have discounted any newly forming households (e.g. those currently living with family) as well as households who have transferred from another social rented property. An affordability test has also been applied, although relatively few households are estimated to have sufficient income to afford market housing.
- 5.27 This method for assessing existing households falling into need is consistent with the 2007 SHMA guide which says on page 46 that *‘Partnerships should estimate the number of existing households falling into need each year by looking at recent trends. This should include households who have entered the housing register and been housed within the year as well as households housed outside of the register (such as priority homeless households applicants)’*. Households who fall into need and are not housed are counted as having a current housing need.

¹⁶ The Continuous Recording of lettings and sales in social housing in England (referred to as CoRe) is a national information source that records information on the characteristics of both private registered providers and local authority new social housing tenants and the homes they rent.

5.28 Following the analysis through suggests a need arising from 323 existing households each year (with very similar estimates in each of the two local authorities) – this is about 0.3% of all households living in the study area (in 2013).

Table 35: Estimated level of Housing Need from Existing Households (per annum)

Area	Number of Existing Households falling into Need	% of Need
Sevenoaks	160	49.5%
Tunbridge Wells	163	50.5%
Sevenoaks & Tunbridge Wells	323	100.0%

Source: CoRe/affordability analysis

Supply of Affordable Housing

Current Affordable Housing Supply

5.29 The PPG sets out that assessments should identify the current supply of housing that can be used to accommodate households in affordable housing need as well as future supply. Potential sources of supply include affordable homes that are going to be vacated by current occupiers that are fit for use by other households, surplus vacant properties, and the committed supply of new affordable units. Any properties due to be “taken out of management” are expected to be deducted from these figures to identify the total affordable housing stock available.

5.30 The assessment herein excludes homes to be vacated by current occupiers in both the need and supply calculations (as these will in any case cancel each other out).

5.31 The supply from other categories is shown below, based on data from the two Councils.

Table 36: Current Affordable Housing Supply

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Surplus Vacant Properties	0	0	0
Committed Affordable Supply	232	350	582
Units to be taken Out of Management	0	-96	-96
Total Stock Available	232	254	486

Future Supply of Affordable Housing

- 5.32 The future supply of affordable housing is the flow of affordable housing arising from the existing stock that is available to meet future need. It is split between the annual supply of social/affordable rent relets and the annual supply of relets/sales within the intermediate sector.
- 5.33 The PPG suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. We have used information from the Continuous Recording system (CoRe) to establish past patterns of social housing turnover. Our figures include general needs and supported lettings but exclude lettings of new properties plus an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. Additionally an estimate of the number of 'temporary' supported lettings have been removed from the figures (the proportion shown in CoRe as being lettings in direct access hostels or foyer schemes (of which there were relatively few in the study area)).
- 5.34 On the basis of past trend data it has been estimated that 571 units of social/affordable rented housing are likely to become available each year moving forward, with a higher proportion of these being in Tunbridge Wells.

Table 37: Analysis of past social/affordable rented housing supply (per annum – past 2 years)

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Total lettings	429	583	1,012
% as non-newbuild	91.3%	90.9%	91.1%
Lettings in existing stock	392	530	922
% non-transfers	65.8%	65.6%	65.7%
Sub-total	258	348	605
% non-temporary housing	100.0%	90.1%	94.3%
Total lettings to new tenants	258	313	571

Source: CoRe

- 5.35 The supply figure is for social/affordable rented housing only and whilst the stock of intermediate housing in Sevenoaks & Tunbridge Wells is not significant compared to the social/affordable rented stock it is likely that some housing does become available each year (e.g. resales of shared ownership). For the purposes of this assessment we have again utilised CoRe data about the number of sales of homes that were not newbuild. From this it is estimated that around 26

additional properties might become available per annum. The total supply of affordable housing is therefore estimated to be 597 per annum.

Table 38: Supply of Affordable Housing

Area	Social/affordable rented relets	Intermediate housing 'relets'	Total supply (per annum)
Sevenoaks	258	20	278
Tunbridge Wells	313	6	319
Sevenoaks & TW	571	26	597

Source: CoRe

Net Affordable Housing Need

5.36 Table 39 shows our overall calculation of annual affordable housing need using the approach suggested in the PPG. The analysis shows a net annual need from 422 households in Sevenoaks, and 341 households in Tunbridge Wells, who require financial support to meet their housing needs.

Table 39: Estimated level of Affordable Housing Need per Annum

		Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
A	Current Gross Affordable Need	560	852	1,412
B	Committed Supply of Affordable Housing	232	254	486
C	Total Net Current Affordable Need	328	598	926
D	Total Net Need per Annum to 2033 (C / 19)	17	31	49
E	Annual Need from Newly-Forming Households	523	466	989
F	Annual Need from Existing Households Falling into Need	160	163	323
G	Total Annual Gross Newly-Arising Need (E + F)	683	629	1,312
H	Annual Supply from Relets of Social & Affordable Rented Homes	258	313	571
I	Annual Supply from Relets of Intermediate Housing	20	6	26
J	Total Future Annual Supply from Re-Lets (H + I)	278	319	597
K	Annual Net Need for Affordable Housing (D + G - J)	422	341	764

Sensitivity to Income Thresholds

5.37 A 30% rent to income threshold for affordability has been used in the main modelling. It is however worthwhile considering the implications of alternative thresholds. To understand the implications of the income threshold, a sensitivity test has been undertaken which assumes variant levels of

income spent on housing costs. Table 40 summarises the findings. In particular, it can be seen with an assumption of households spending 40% of gross income on housing costs that the need falls to 459 households per annum (down from 787 using a 30% threshold). The analysis in this table excludes committed supply of affordable housing.

Table 40: Estimated level of Affordable Housing Need (per annum) at Variant Income Thresholds

	@ 25%	@ 30%	@ 35%	@ 40%
Current Need	81	71	62	54
Newly forming households	1,162	989	844	725
Existing households falling into need	343	323	301	277
Total Need	1,586	1,383	1,206	1,056
Supply	597	597	597	597
Net Need	990	787	609	459
Sevenoaks	524	434	347	275
Tunbridge Wells	465	353	262	184

Source: 2011 Census/CoRe/Projection Modelling and affordability analysis

Relating Affordable Need and OAN

5.38 The analysis above indicates a significant need for affordable housing. Using a baseline demographic need (for all tenures) linked to the 2012-based SNPP and household projections (a need for 516 dpa in Sevenoaks and 627 dpa in Tunbridge Wells), the affordable housing need would represent 82% of the need shown in the demographic projections in Sevenoaks; and 54% of the need in Tunbridge Wells.

5.39 The PPG sets out that:

“the total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. 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.”

5.40 Sevenoaks Core Strategy seeks provision of 40% affordable housing on sites of over 15 dwellings, and a sliding scale of contributions on smaller sites depending on size. Tunbridge Wells Core Strategy seeks 35% affordable housing provision on sites of 10 or more dwellings. On this basis, it

would be reasonable to assume that 35% affordable housing could be delivered on market-led housing schemes in each local authority on the basis of assuming policy compliance.

5.41 Assuming the target is delivered, the following levels of overall housing provision would be needed in theory if the affordable housing need was delivered just through mixed-tenure development schemes:

Table 41: Comparing the Affordable Housing Need and Demographic Projections

Need per Annum, 2013-33	Affordable Need	Est. Delivery	Provision needed to support delivery of full Affordable Housing Need	Uplift on SNPP
Sevenoaks	422	35%	1206	134%
Tunbridge Wells	341	35%	976	56%
Sevenoaks & Tunbridge Wells	764		2182	91%

5.42 This theoretical exercise indicates that housing provision of nearly more than double that projected in the SNPP would be needed to deliver the full affordable housing need. GL Hearn would consider that this is neither feasible, in respect of the market and industry capacity to deliver this scale of housing provision, nor necessary. In particular, the affordable housing needs model does not suggest that there are this many additional households who require accommodation.

5.43 In particular it is important to understand the basis of the affordable housing needs model. As the Planning Practice Guidance sets out, the calculation of affordable need involves *“adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable stock.”* The affordable housing need does therefore not represent an assessment of what proportion of “additional households” might require affordable housing. Instead the model considers:

- What need can be expected to arise from both existing and newly-forming households who require financial support to access suitable housing;
- This is then compared with the projected supply of affordable housing expected to arise from the turnover of existing stock, and affordable housing in the development pipeline.

5.44 The modelling is influenced by the available stock, which has been influenced by past funding and investment decisions. The projected supply of affordable housing would for instance be greater (and the identified affordable housing need lower) if greater public resources had been devoted to delivering affordable housing and more had been built over the last decade, or no properties lost through right-to-buy sales.

- 5.45 The model also looks at needs arising from both new households and existing households. Part of the needs included are from households who might require an additional home, such as:
- Newly-forming households;
 - Those in temporary accommodation;
 - Concealed households; and
 - Homeless households.
- 5.46 But the figures also include needs arising from households who will require a different form of home, but who – by moving to another property – would release an existing property for another household. These households do not generate a need for more dwellings overall. They include households who need to move as they are:
- Overcrowded;
 - Coming to the end of a tenancy;
 - Living in unsuitable housing; or
 - Cannot afford to remain in their current home.
- 5.47 These elements of the affordable housing need are not directly relevant to considering overall housing need and housing targets (which are typically measured in terms of net dwellings). On this basis the annual delivery to meet full need in Table 41 will over-estimate the scale of overall need for market and affordable housing.
- 5.48 A need for net additions to the overall housing stock could arise from newly-forming households, concealed households and homeless households/ those in temporary accommodation. The need arising from newly-forming households is calculated from the demographic projections. Any additional need (over and above the demographic projections) would thus potentially come from concealed and homeless households – although these cannot simply be “added on” to the demographically-assessed need, as for instance modelled improvements in the projections in household formation rates would reduce levels of concealed households. To address the needs from concealed and homeless households, it may however be appropriate to consider adjustments to household formation rates – particularly for younger households. We consider these issues further in the next section.
- 5.49 We would also point out that delivery of affordable housing through market-led development schemes (for instance as secured through Section 106 Agreements) shouldn’t be considered in isolation from other mechanisms for increasing affordable housing supply. There are a range of other mechanisms which deliver affordable housing, including:
- Schemes brought forward by Registered Providers – including those funded through the HCA’s Affordable Housing Programme;
 - Building Council Homes – following reform of the HRA funding system, Councils can bring forward affordable housing themselves;

- Empty Homes Programmes – where local authorities can bring properties back into use as affordable housing;
- Rural Exception Site Development – where the emphasis is on delivering affordable housing to meet local needs.

5.50 Funding for specialist forms of affordable housing, such as extra care provision, may also be available from other sources; whilst other niche agents, such as Community Land Trusts, may deliver new affordable housing. Government in December 2014 also announced a *Starter Homes Initiative* providing support for first-time buyers to get onto the housing market. Councils are also able to bring empty properties back into use as affordable housing, and Government funding is available to support this.

Need for Different Types of Affordable Housing

5.51 Having studied housing costs, incomes and affordable housing need the next step is to make an estimate of the proportion of affordable housing need that should be met through provision of different housing products. We therefore use the income information presented earlier in this section to estimate the proportion of households who are likely to be able to afford intermediate housing and the number for whom only social or affordable rented housing will be affordable. There are three main types of affordable housing that can be studied in this analysis:

- Intermediate
- Affordable rent
- Social rent

5.52 Whilst the process of separating households into different income bands for analytical purposes is quite straightforward, this does not necessarily tell us what sort of affordable housing they might be able to afford or occupy.

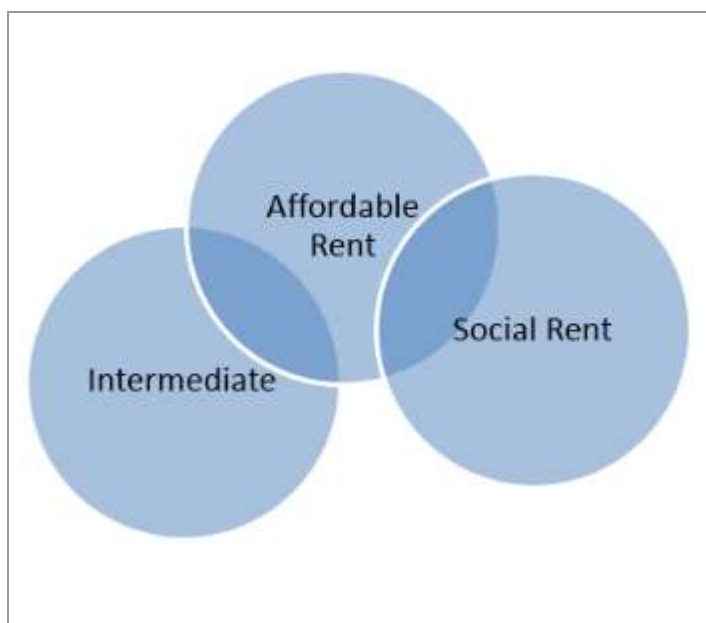
5.53 For example a household with an income close to being able to afford market housing might be able to afford intermediate or affordable rent but may be prevented from accessing certain intermediate products (such as shared ownership) as they have insufficient savings to cover a deposit. Such a household might therefore be allocated to affordable rented or intermediate rented housing as the most suitable solution. However we would expect that few Registered Providers would build intermediate rented homes, given that the level of potential occupants for affordable rented homes is greater (as it includes households who could claim housing benefit to supplement their incomes).

5.54 The distinction between social and affordable rented housing is also complex. Whilst rents for affordable rented housing would be expected to be higher than social rents, this does not necessarily mean that such a product would be reserved for households with a higher income. In

reality, as long as the rent to be paid falls at or below LHA limits then it will be accessible to a range of households (many of whom will need to claim housing benefit). Local authorities' tenancy strategies might set policies regarding the types of households which might be allocated affordable rented homes; and many authorities will seek to avoid where possible households having to claim higher levels of housing benefit. This however needs to be set against other factors, including viability and the availability of grant funding. Over the current spending period to 2015 grant funding is primarily available to support delivery of affordable rented homes. A significant level of affordable housing delivery is however through developer contributions (Section 106 Agreements).

5.55 For these reasons it is difficult to exactly pin down what proportion of additional affordable homes should be provided through different affordable tenure categories. In effect there is a degree of overlap between different affordable housing tenures, as the figure below shows.

Figure 33: Overlap between Affordable Housing Tenures



5.56 Given this overlap, for analytical purposes we have defined the following categories:

- Households who can afford 80% or more of market rent levels;
- Households who would potentially be able to afford more than existing social rent levels but could not afford 80% of market rents;
- Households who can afford no more than existing social rent levels (or would require housing benefit, or an increased level of housing benefit to do so).

5.57 The first of these categories would include equity-based intermediate products such as shared ownership and shared equity homes. The latter two categories are both rented housing and in reality can be considered together (both likely to be provided by Registered Providers (or the

Council) with some degree of subsidy). Additionally, both affordable rented and social rented housing is likely to be targeted at the same group of households; many of whom will be claiming Housing Benefit. For this reason the last two categories are considered together for the purposes of drawing conclusions.

- 5.58 Detailed information on households' savings is not available. It has therefore been assumed that all households with an income which would allow them to afford 80% or more of market rents would represent the potential market for intermediate products such as shared ownership and shared equity homes – in reality a number of these households might only be able to afford some sort of rental product. Housing supply information is derived from CoRe lettings data. The profile of need shown differs slightly from that in Table 39 as the analysis excludes the committed supply of affordable housing, as data on the tenure mix of properties expected is not consistently available.
- 5.59 Taking the gross numbers for affordable housing need and comparing this against the supply from relets of existing stock, the following net need arises within the different categories. Overall the analysis suggests around 30% of housing could be intermediate with the remaining 70% being either social or affordable rented – Tunbridge Wells shows a potentially higher 'need' for intermediate products.

Table 42: Estimated level of Affordable Housing Need (per annum) by type of affordable housing, 2013-33

	Intermediate			Social/Affordable Rented		
	Total need	Supply	Net need	Total need	Supply	Net need
Sevenoaks	125	20	105	586	258	329
Tunbridge Wells	132	6	126	540	313	227
Sevenoaks & Tunbridge Wells	257	26	231	1,126	571	556
% of total	29%			71%		

Source: Affordable Housing Needs Analysis

- 5.60 In determining policies for affordable housing provision on individual sites, the analysis in Table 35 should be brought together with other local evidence such as from the Housing Register. Consideration could also be given to areas with high concentrations of social rented housing where additional intermediate housing might be desirable to improve the housing mix and to create 'housing pathways'.

6 MARKET SIGNALS

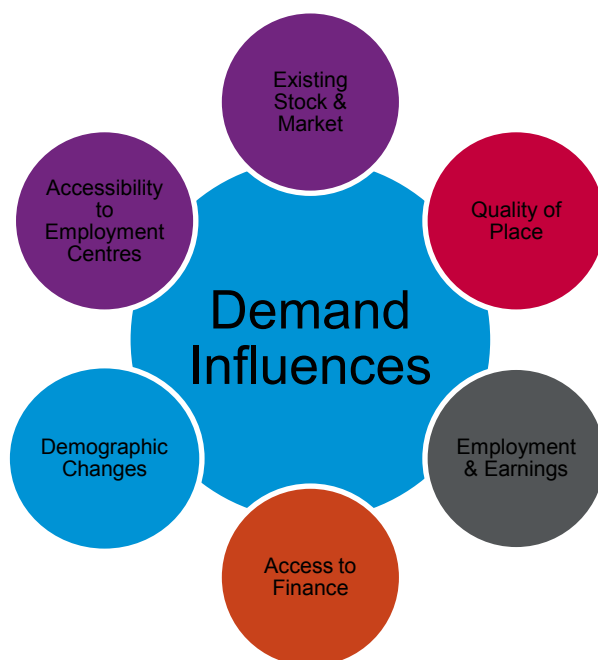
6.1 In line with the Planning Practice Guidance, we have sought to analyse in detail the housing market dynamics. This section, initially reviews housing market dynamics including national and macro-economic drivers. This is then developed at a HMA and district level with quantitative analysis of local prices, sales volumes and affordability.

Overview of the Housing Market and Economy

Conceptual Framework

6.2 It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level. There are a number of key influences on housing demand, which are set out in the diagram below:

Figure 34: Understanding Housing Demand Drivers



Source: GLH

6.3 At the macro-level, the market is particularly influenced by interest rates and mortgage availability, as well as market sentiment (which is influenced by economic performance and prospects at the macro-level). In the recent recessionary period, these macro conditions have been particularly prominent in driving the housing market.

6.4 The market is also influenced by the economy at both regional and local levels, recognising that economic employment trends will influence migration patterns (as people move to and from areas

to access jobs) and that the nature of employment growth and labour demand will influence changes in earnings and wealth (which influences affordability).

6.5 Housing demand over the longer-term is particularly influenced by population and economic trends: changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products.

6.6 There are then a number of factors which play out at a more local level, within a functional housing market and influence demand in different locations. The importance of these local factors is perhaps more pronounced in stable or healthy economic times, when mortgage availability and market liquidity are far less of a constraint on activity. Local factors include:

- quality of place and neighbourhood character;
- school performance and the catchments of good schools;
- the accessibility of areas including to employment centres (with transport links being an important component of this); and
- the existing housing market and local market conditions.

6.7 These factors influence the demand profile and pricing within the market. At a local level, this often means that the housing market (in terms of the profile of buyers) tends to be influenced and consequently reinforce to some degree the existing stock profile. However, regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.

6.8 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

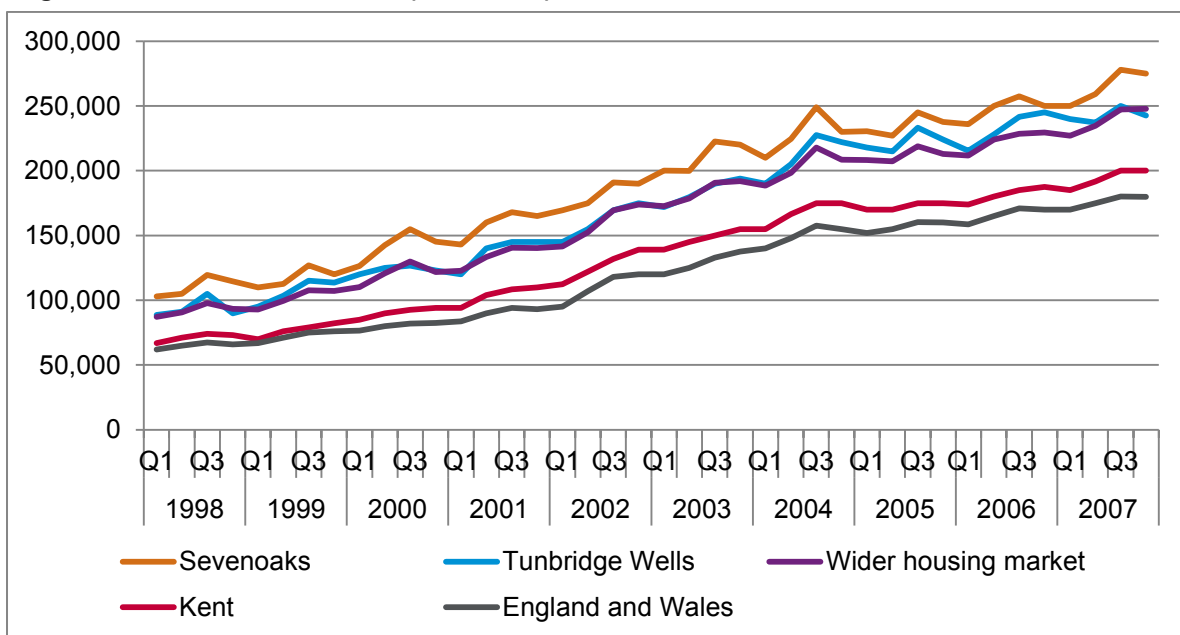
Local Demand Indicators and Market Signals

House Prices

6.9 Across Sevenoaks District the mean house price (Jan 2013 – Dec 2014 incl.) is £414,500 whilst the median is £302,000. In Tunbridge Wells Borough average house prices are lower with a mean house price of £351,000 and a median of £260,000. We can compare this to the wider housing market – which comprises Rother, Sevenoaks, Tunbridge Wells, Tonbridge and Malling, and Wealden councils. The mean house price across the wider housing market as a whole is £324,000 and the median is £250,000. Average prices in Sevenoaks and Tunbridge Wells are the highest of any of the authorities in the wider housing market. Average house prices across Kent are considerably lower, with a mean value of £253,000 and a median of £210,000.

- 6.10 Figure 35 profiles median house prices from 1998 to 2007 (i.e. the pre-recession decade). It shows median values for Sevenoaks, Tunbridge Wells, Kent, and England and Wales along with the average of the median values of the authorities within the wider housing market.
- 6.11 All areas have seen strong and steady growth in house prices over this period. Over this period the median house price in Sevenoaks grew from £103,000 in Q1 1998 to £275,000 by Q4 2007 – an increase of £172,000 (167%). This is an increase of £54,000 more than the national average over this period. In Tunbridge Wells the median house prices increased from £88,600 in Q1 1998 to £242,500 by Q4 2007 – an increase of £153,900 (174%).
- 6.12 The wider housing market has seen an increase of £160,600 (184%) – slightly more than seen in Tunbridge Wells but below that seen in Sevenoaks. The county of Kent saw a £133,000 (199%) increase, and England and Wales saw an £118,000 (190%) increase over this period.

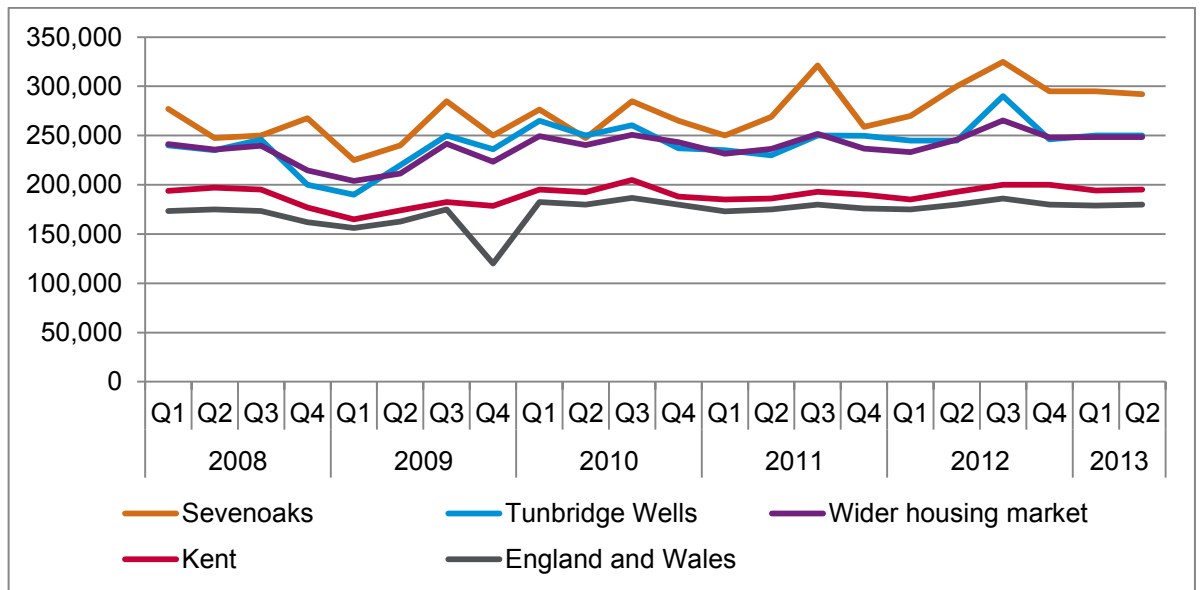
Figure 35: Median House Price (1998-2007)



Source: DCLG Live Tables: Land Registry Data

- 6.13 Since 2007, national trends in house prices have been very different due to the economic backdrop. Sevenoaks and Tunbridge Wells experienced notable price falls in late 2008 / early 2009 at the onset of the recession, as was the case regionally and nationally, followed by a period of growth throughout the second half of 2009 and into 2010 before falling away again. Prices have remained roughly level since. As of Q2 2013 median house prices in Sevenoaks were £292,000, 5% higher than the pre-recession high. Median house prices in Tunbridge Wells were equal to pre-recession levels. By comparison Kent saw a 2% decrease in median prices while England and Wales saw zero change over this period.

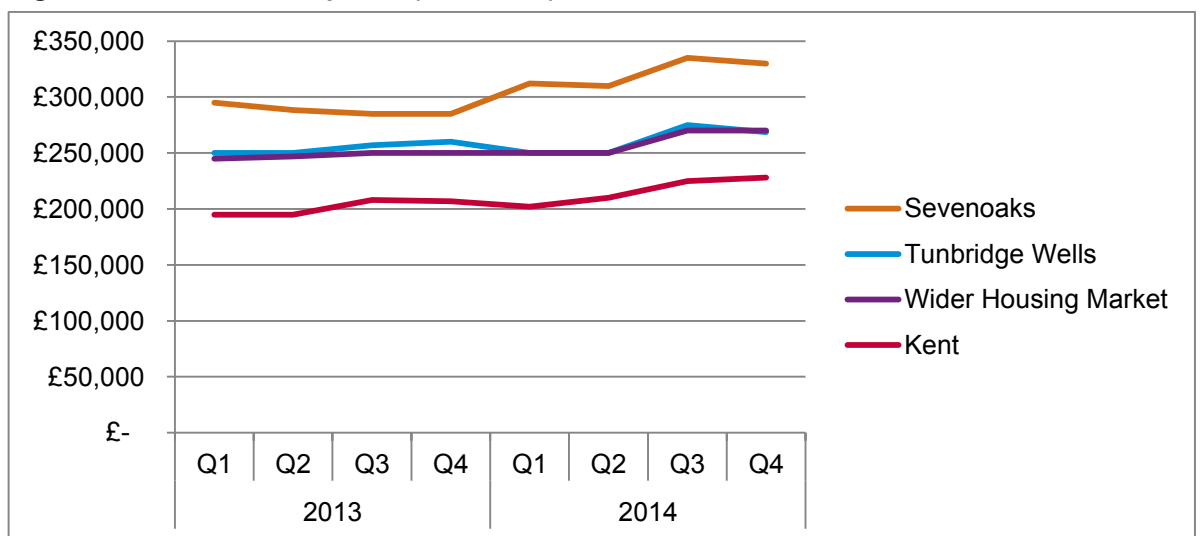
Figure 36: Median House Price (2008-2013)



Source: DCLG Live Tables: Land Registry Data

6.14 Although taken from a different source, Figure 37 shows median house prices over the past 2 years (2013 – 2014). This shows a notable upward trend in house prices, particularly since the start of 2014. In Sevenoaks the median price has increased by £35,000 (12%) over these two most recent years. Tunbridge Wells has seen an increase of £18,600 (7%) over this period. This is lower than the £25,000 (10%) increase seen across the wider housing market and £33,000 (17%) seen across Kent as a whole.

Figure 37: Median house prices (2013-2014)

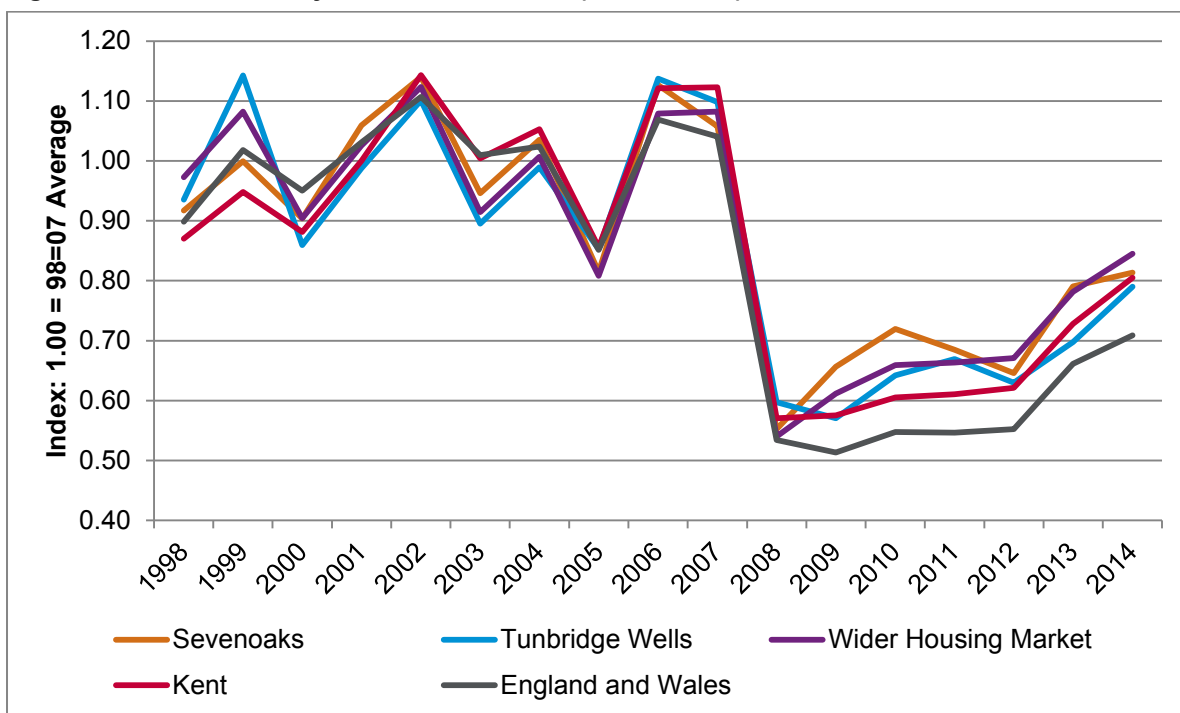


Source: GLH Analysis: Land Registry Price Paid Data

Sales Volumes and Effective Demand

- 6.15 Sales volumes are an important indicator of effective demand for market housing. We have benchmarked sales performance against long-term trends to assess relative demand. Figure 38 benchmarks annual sales in Sevenoaks and Tunbridge Wells and comparator areas over the period 1998 to 2014. It uses an index where 1.00 is the average annual sales over the 1998-2007 pre-recession decade.
- 6.16 As illustrated in Figure 38, the impact of the 2008 recession was experienced across all geographical areas with sales volumes experiencing a significant drop between 2007 and 2008. Following the recessionary slump, sales volumes have remained well below pre-recession levels, although figures for 2013 and 2014 show signs of accelerated improvement. It is notable that sales numbers have improved markedly quicker in Kent than the England and Wales average.
- 6.17 As of 2014, sales volumes in Sevenoaks remain at 81% of the pre-recession average levels, in Tunbridge Wells this figure is 79%. This is below the 85% seen across the wider housing market but considerably above the England and Wales rate of 71%.

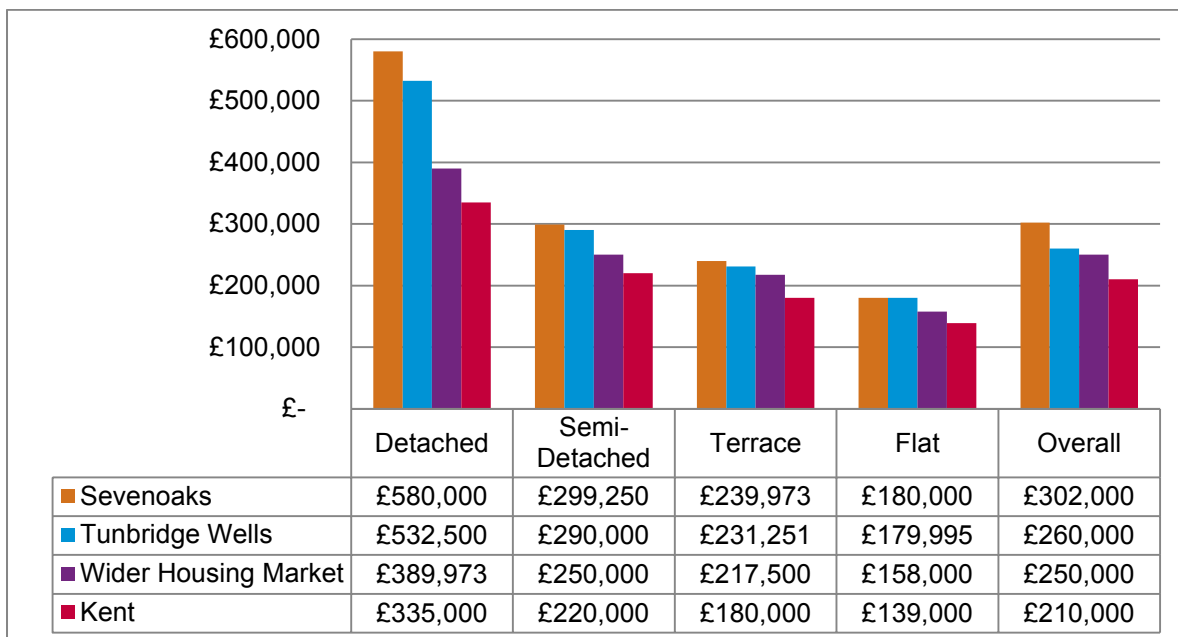
Figure 38: Indexed Analysis of Sales Trends (1998 – 2014)



Source: DCLG and Land Registry Price Paid Data

- 6.18 We have also analysed house prices achieved over past two years (January 2013 to December 2014 incl.) in more detail to gain an understanding of the latest dynamics for different property types within the local housing markets.

Figure 39: Median House Prices (Jan 2013 – Dec 2014)



Source: GLH Analysis: Land Registry Price Paid Data

6.19 Figure 39 shows median house prices by different dwelling type. The median price for detached houses in Sevenoaks is £580,000. The median detached house price in Tunbridge Well is slightly lower at £532,500. These values are considerably above the values in the rest of the wider housing market and Kent where the median prices are £390,000 and £335,000 respectively. On average, detached house prices in Sevenoaks are 49% higher than the wider housing area value. In Tunbridge Wells prices are 43% higher. Median house prices for other dwelling types are also higher in Sevenoaks and Tunbridge Wells than the comparator areas, although the difference is less considerable.

6.20 Median prices for all dwelling types are higher in Sevenoaks than Tunbridge Wells. For detached houses the difference is 9%. Other than for detached houses this difference is modest with semi-detached houses 3% more expensive, Terrace houses are 4% more expensive, and the difference for flats is negligible.

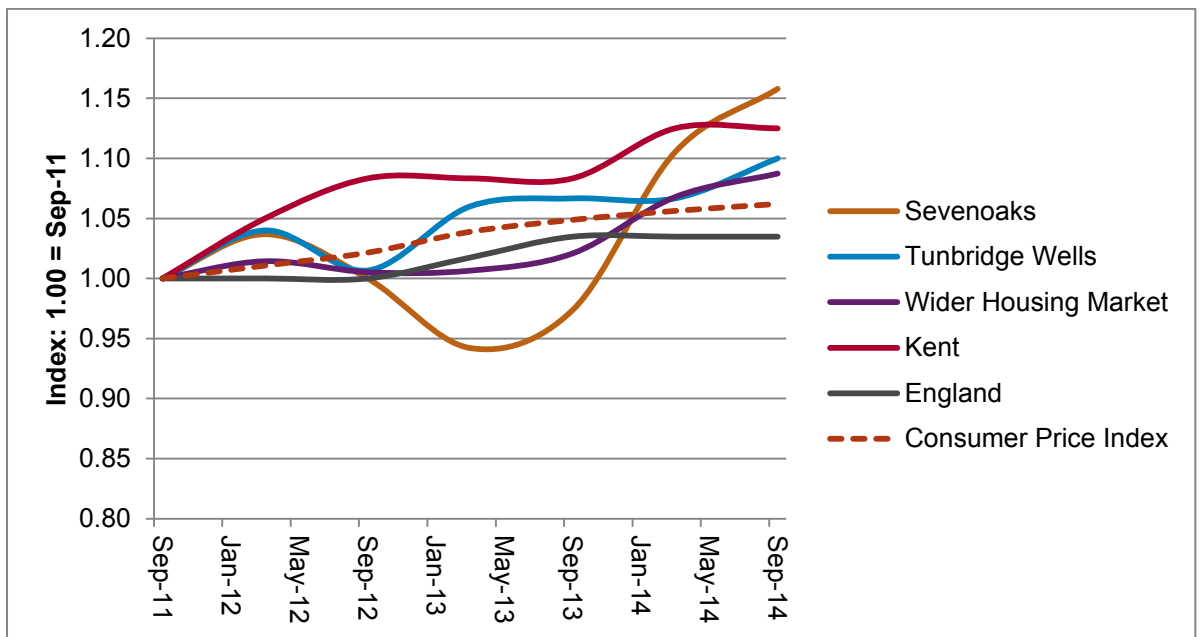
Rental Trends

6.21 The most recent VOA private rental data (over the year to September 2014) shows the median rental price in Sevenoaks was £1100 per calendar month (pcm); with an average of £825 pcm in Tunbridge Wells. These compare to an average of £825 pcm across the wider housing market area and £595 pcm across England.

Figure 40 shows the median rental values benchmarked to September 2011 values. Also shown in Figure 40 is the Consumer Price Index (CPI). This shows strong growth in private rental values

across Sevenoaks, Tunbridge Wells, and Kent as a whole. In Sevenoaks prices have grown by 16% over this period, and in Tunbridge Wells there has been a 10% increase – both above the inflation rate of 6%, and above the national growth rate of 3%. This growth is roughly in line with the trend across the wider housing market, where there has been 9% growth, and across Kent as a whole, where there has been a 13% increase.

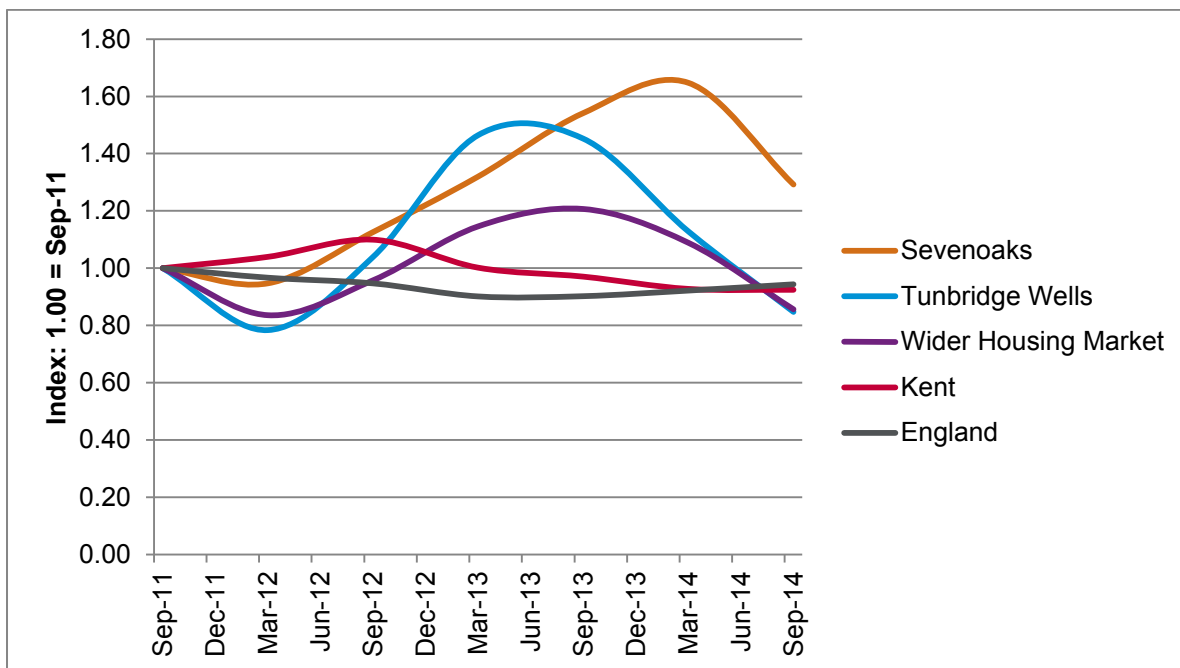
Figure 40: Benchmarked trend in median private rental values (Sep 2011 – Sep 2014)



Source: VOA Private Rental Data

6.22 Figure 41 shows trends in the number of private rental transactions recorded by the VOA benchmarked against September 2011 figures. This shows a strong upward trend in the number of rental transactions in Sevenoaks and Tunbridge Wells until the most recent 12 to 18 months where the number of transactions has declined notably. In Sevenoaks rental volume is still well above (29%) the September 2011 figure. However in Tunbridge Wells the figure is 15% down. Nationally, over this period there has been a slight downward trend which is an indication of households returning to owner occupation as a result of improved mortgage availability and the impact of Government schemes such as Help to Buy.

Figure 41: Trend in private rental transactions (Sep 2011 – Sep 2014)



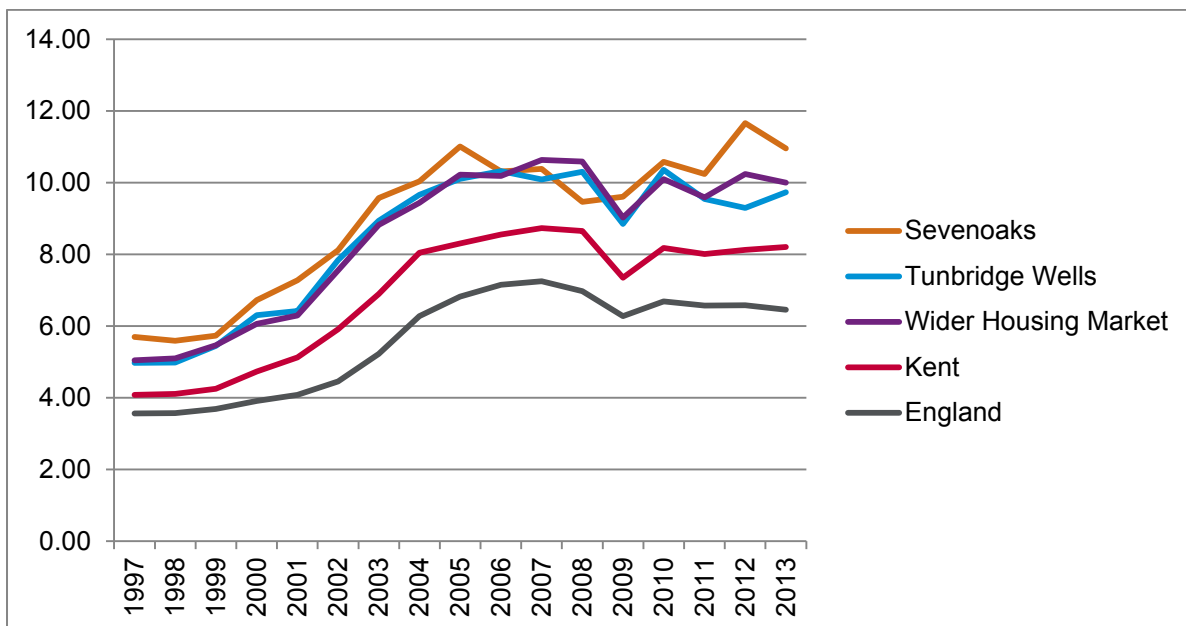
Source: VOA Private Rental Data

Affordability of Market Housing

- 6.23 We have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and lower quartile earnings. As of 2013 the lower quartile house prices in Sevenoaks are 10.95 times higher than lower quartile earnings. The equivalent figure for Tunbridge Wells is 9.73.
- 6.24 These affordability ratios are high, which is symptomatic of the authorities' location within commuting distance of London. Indeed, the average lower quartile affordability ratio seen across the wider housing market is 10.00, so Sevenoaks and Tunbridge Wells are not too dissimilar to the surrounding areas. However, comparison with other areas highlights that affordability pressures are significant. The figure for Kent as a whole is lower at 8.20. This figure includes the local authorities within the wider housing market area, where the average ratio of 10.0 reflects proximity and transport links to London.
- 6.25 As shown in Figure 42, across all areas the ratio of affordability rose steadily over the period to 2005, before experiencing a post-recession trough in 2009. At a national level, affordability ratios have plateaued following a modest 'bounce back' in 2010 and are currently lower than the 2007 peak. Within Sevenoaks however there has been some growth in the ratio rise in recent years with a general upward trend since 2008 and a ratio which is now above the previous 2005 peak.

6.26 As a general observation, we can see that across all areas the affordability of property has worsened quite markedly over the past 15 years. However much of this growth was prior to 2005, and there has been limited change in affordability over the last decade, particularly in Tunbridge Wells.

Figure 42: Lower Quartile Affordability Trend (1997-2013)



Source: DCLG Housing Market Live Tables

6.27 Table 43 compares the lower quartile affordability ratio to the median price-earnings ratio to identify whether affordability is an issue across the market or within a particular segment. In Sevenoaks and Tunbridge Wells the median ratio is below the lower quartile figure indicating that affordability pressures are even more acute at the lower end of the market.

Table 43: Comparison of lower quartile and median affordability (2013)

	Lower Quartile Ratio	Median Ratio	Difference
Sevenoaks	10.95	10.47	0.48
Tunbridge Wells	9.73	9.11	0.62
Wider Housing Market	10.00	10.21	-0.21
Kent	8.20	7.75	0.45
England	6.45	6.72	-0.27

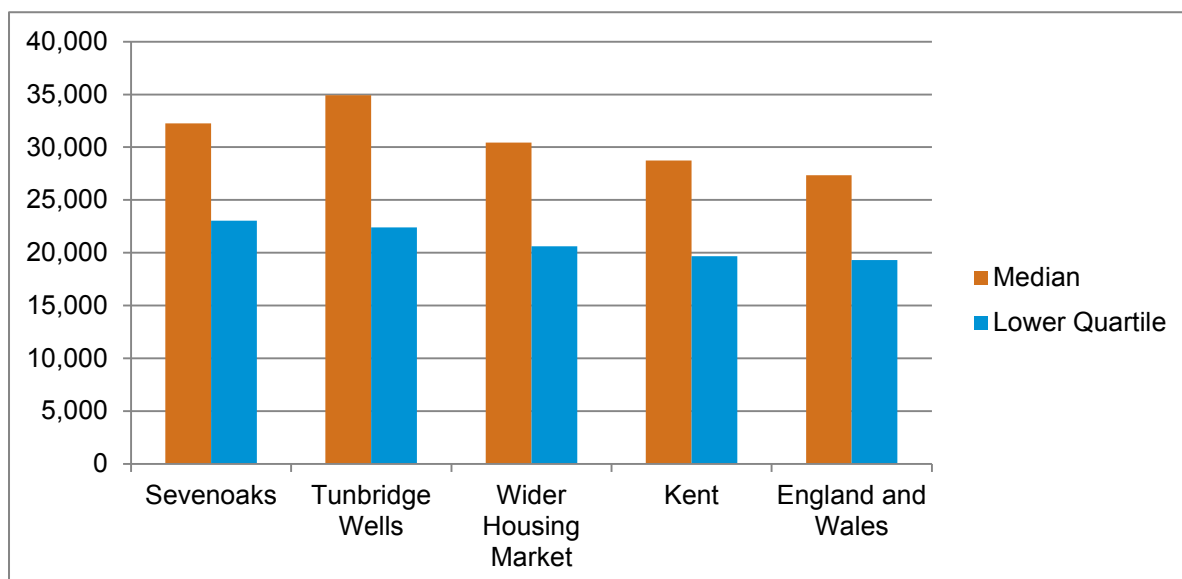
Source: DCLG Housing Market Live Tables

6.28 Affordability is influenced by house prices and earnings. Figure 42 compares the median and lower quartile gross annual earnings by place of residence. The median earnings in Sevenoaks is £32,300 per annum while the median in Tunbridge Wells is higher at £34,900. These are higher

than median wages seen in the comparator areas and considerably higher than the national figure of £27,300. The lower quartile earnings figure for Sevenoaks is £23,000 per annum. In Tunbridge Wells the figure is slightly lower at £22,400. Again, these values are above those seen in the comparator areas, and the national figure of £19,300.

6.29 This emphasises that the median and lower quartile affordability ratios are higher in Sevenoaks and Tunbridge Wells despite these areas having higher median and lower quartile earnings than comparator areas. This suggests that the lack of affordability in these areas is driven by high property prices rather than low wages.

Figure 43: Annual earnings (gross) of full time workers by place of residence (2014)



Source: Annual Survey of Hours and Earnings

6.30 Nationally, a combination of the deteriorating affordability of market homes, restricted access to mortgage products and a lack of social housing supply over the 2001-11 decade has resulted in fewer households being able to buy and increased pressures on the existing affordable housing stock. This has resulted in strong growth in the private rented sector as households are being forced to rent longer. This is illustrated in Figure 44.

6.31 Figure 44 shows the percentage point change in tenureship between 2001 and 2011. Over this period there has been a notable shift in the number of people owning their home to living in the private rented sector. This has been seen across all the comparator areas. However, this phenomenon has been less prevalent in Sevenoaks than the comparator areas. In Sevenoaks there has been a decrease of 3 percentage points in homeownership and an increase of 4 percentage points in those living in the private rented sector. The trend in Tunbridge Wells has been much closer to the national trend. In Tunbridge Wells there has been a decrease of 5 percentage points in homeownership and an increase of 6 percentage points in those living in the private rented sector.

6.32 It is noted that the two areas with the lowest levels of tenure change – Sevenoaks and the wider housing market – are the two areas with the highest levels of homeownership and the highest levels of homeowners who own their property outright. The relatively smaller swing seen in these areas therefore may reflect this more settled market composition.

Figure 44: Change in Households by Tenure (2001-11)



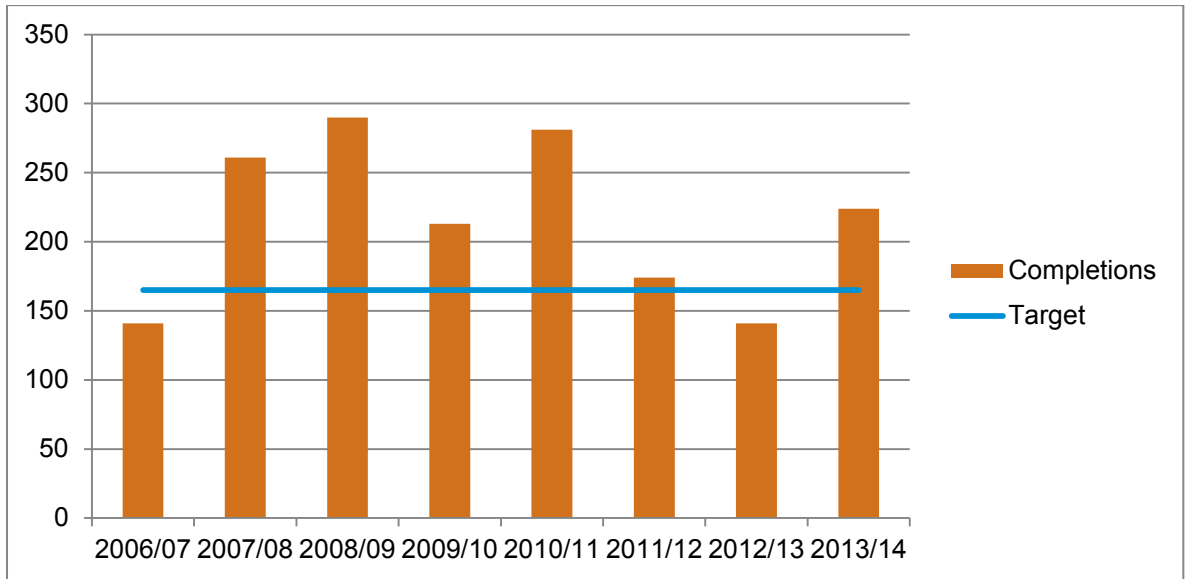
Source: 2001 & 2011 Censuses

Past Housing Supply vs. Targets

6.33 We have examined housing completions data for Sevenoaks and Tunbridge Wells dating back to 2006/07. Figures 45 and 46 show net housing completions against the annual housing target from 2006/07 to 2012/13. Over this period, housing delivery in Sevenoaks has exceeded the target by 30% delivering 405 units above target.

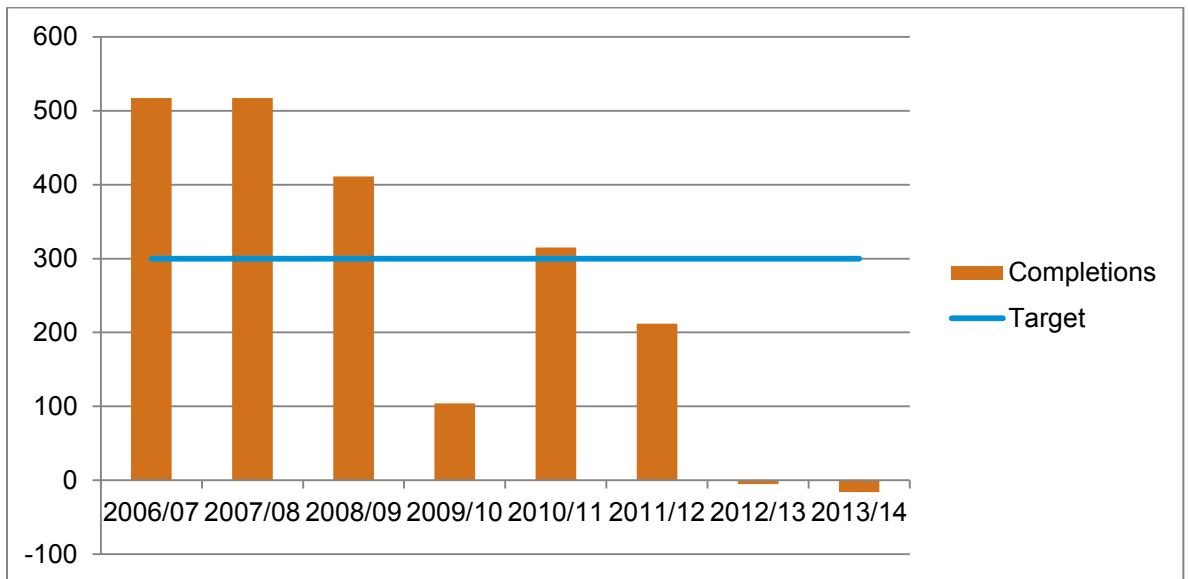
6.34 In Tunbridge Wells housing delivery has been less consistent with delivery well exceeding the target from 2006 to 2009 but also seeing some years with low levels of delivery. In the two most recent years net housing delivery has actually been negative with losses outnumbering completions, reflecting a number of housing redevelopments which involved the demolition and then rebuilding of dwellings where the timing of demolition and replacement development occurred in different monitoring periods. Over this period 86% of the housing target has been delivered, equating to an overall shortfall of 345 dwellings fewer than the adopted target for this period. However, recent monitoring shows a return to a level of completions above the target (323 dwellings for 2014/15).

Figure 45: Sevenoaks – Housing Supply vs Target (2006/07 – 2013/14)



Source: Authority Monitoring Reports

Figure 46: Tunbridge Wells – Housing Supply vs Target (2006/07 – 2013/14)



Source: Authority Monitoring Reports

Table 44: Changes in Over Occupied and Houses in Multiple Occupation (2001-2011)

	Over Occupied			HMOs		
	2001	2011	Change	2001	2011	Change
Sevenoaks	3.8%	4.6%	0.8%	2.9%	3.4%	0.5%
Tunbridge Wells	6.4%	8.6%	2.2%	3.9%	4.9%	1.0%
Wider Housing Market	4.2%	5.2%	1.0%	3.2%	4.0%	0.8%
Kent	5.4%	7.0%	1.6%	3.5%	4.5%	1.0%
England and Wales	7.0%	8.5%	1.5%	4.5%	5.7%	1.2%

Source: 2001 & 2011 Censuses

6.35 Restricted access to mortgages brought on by tighter regulation is likely to have resulted in constrained household formation rates and contributed to the current need for affordable housing. A symptom of this is increased over-crowding and a growth of households living in houses in multiple occupation (HMO) as households fail to form properly. This is a trend that has been seen nationally where between 2001 and 2011 the number of households living in over occupied properties increased from 7.0% to 8.5%. In Sevenoaks these figures are lower – 3.8% in 2001 and 4.6% in 2011 – and the increase is half the national figure. By contrast, the Tunbridge Wells figure of 8.5% in 2011 is above national average and the inter-census growth of 2.2% is also above national trend.

Summary and Implications – Market Signals

6.36 Nationally, the pre-recession decade saw a strong and sustained growth in house prices which has been mirrored in increasing affordability pressures. Over this period the affordability ratio – the ratio of average house prices to average earnings – saw similarly large and consistent increases. Nationally, there has been a fundamental shift in housing market conditions since 2007, particularly in relation to confidence and credit availability. This saw a steep drop in the volume of housing sales and house prices plateauing. In recent years there is evidence to suggest the market is improving, albeit slowly. The housing market in Sevenoaks and Tunbridge Wells has largely followed this national trend.

6.37 Median house prices in Sevenoaks are £302,000 and in Tunbridge Wells are £250,000 – these are higher than other authorities within the HMA, but similar to other areas around London. House prices grew substantially during the pre-recession decade; but over the period since 2008 have seen more modest growth, particularly once account is taken of inflation.

6.38 As with the national trend described above, sales volumes in Sevenoaks and Tunbridge Wells dropped significantly between 2007 and 2008. Sales volumes in Sevenoaks and Tunbridge Wells

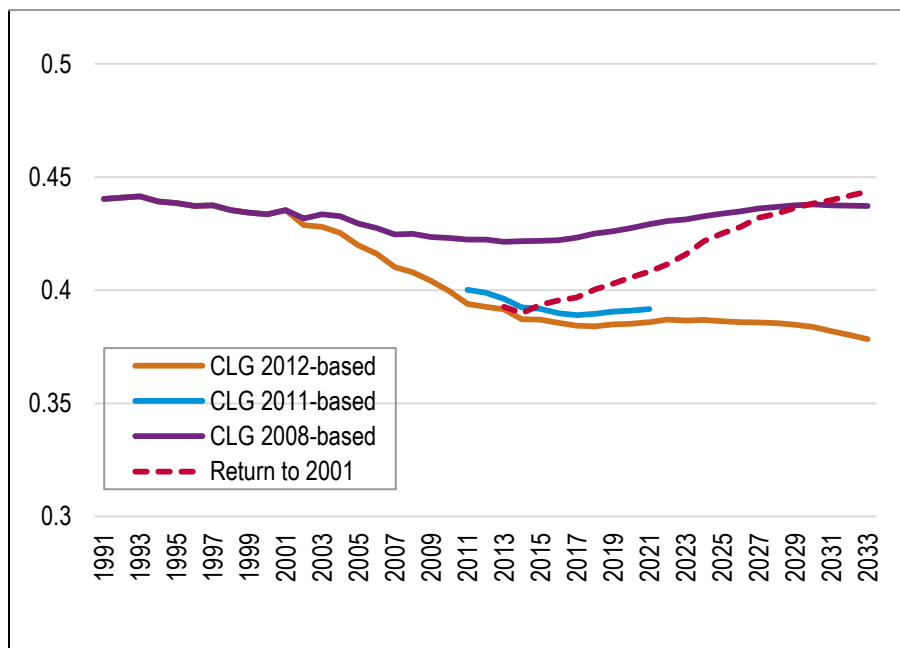
have recovered more strongly than has been seen nationally. However, sales volume remains well below pre-recession levels.

- 6.39 Like for like house prices in Sevenoaks are on average more expensive than elsewhere in the wider housing market. Prices are slightly cheaper in Tunbridge Wells than Sevenoaks, but still considerably above the other authorities in the wider housing market and across Kent as a whole.
- 6.40 The Private Rented Sector has seen an increase in rental prices in all areas within the wider housing market with price increases well above inflation – unlike the national trend where increases have been below inflation. The two authorities also saw strong increases in the volume of rental transactions although these have fallen again in recent years.
- 6.41 Affordability ratios in Sevenoaks and Tunbridge Wells are high and are well above the national and county averages. Lower quartile house prices are 11.0 times earnings in Sevenoaks, and 9.7 times earnings in Tunbridge Wells. This points to a particular housing affordability problem in both areas. Both areas have high levels of earnings – both average and lower quartile – suggesting affordability pressures stem from high house prices rather than low incomes. There is not however significant evidence of a substantial worsening of the position over the last decade.
- 6.42 Declining affordability has contributed to a decrease in the level of homeownership and an increase in the numbers renting instead of buying. Similarly there has been an overall increase in the proportion of the Sevenoaks and Tunbridge Wells' population living in over occupied dwellings and HMOs. The evidence suggests that key impacts of declining affordability have been more young people living with parents (as shown by the demographic analysis of household formation rates amongst households in their late 20s and early 30s) and more living in shared accommodation.
- 6.43 Recent levels of housing delivery in Sevenoaks have been high with delivery exceeding target in the majority of years and overall. Overall housing delivery in Tunbridge Wells has been lower with the most recent years seeing housing losses outnumber completions, reflecting a number of regeneration schemes involving the demolition and rebuilding of properties. Most recent monitoring data shows a return to a level of completions above the annual target.
- 6.44 Overall the analysis of market signals clearly points to higher affordability pressures on housing in both Sevenoaks and Tunbridge Wells than in other parts of the country. The demographic analysis indicates that levels of household formation, particularly for younger households, have fallen. It would therefore be appropriate to consider an adjustment to the overall assessment of housing need to improve affordability over time in line with the approach outlined in the Practice Guidance.
- 6.45 The Planning Practice Guidance sets out that:

“In areas where an upward adjustment [to the assessment of housing need] is required, plan makers should set this adjustment at a level that is reasonable. The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (eg the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.”

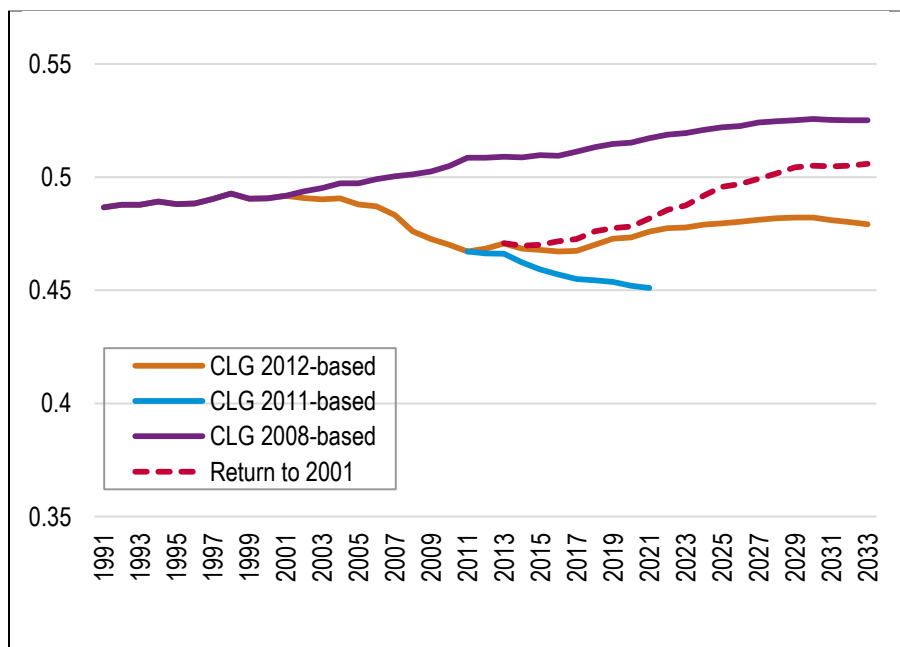
- 6.46 The Guidance does not however set out how such an adjustment should be quantified. It simply sets out that it should be ‘reasonable.’
- 6.47 To consider this issue further we have sought to use the demographic analysis to assess the degree to which household formation levels have been constrained for younger age groups, and what scale of adjustment to housing provision would be necessary for these to improve. The key premise is that as a decline in affordability in demographic terms has been manifest in a reduction in household formation for younger households, the reverse would also be true.
- 6.48 A detailed interrogation of demographic dynamics in Sevenoaks and Tunbridge Wells indicates that in demographic terms, the deterioration in affordability of market housing and the economic recession over the 2001-11 decade is likely to have influenced – at least in part – a decline in household formation rates in younger people, particularly amongst those aged between 25 and 34. This is the key age group in which the data shows that household formation rates have fallen.
- 6.49 When we consider age-specific data it is notable that those aged 25-34 have lower headship rates than was expected in the 2008-based projections and that the rates have dropped considerably from 2001 to 2011 – the 2012-based projections do however show some improvement from 2011 onwards (an improvement in the case of Tunbridge Wells and a slowing down of the rate of change in Sevenoaks). We have therefore run a sensitivity analysis which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to 2001 levels (i.e. before the rate started to decrease) by 2033.
- 6.50 The figures below show how this adjustment impacts on the formation rates of people aged 25-34. The analysis shows that the adjustment is particularly notable in Sevenoaks, with Tunbridge Wells seeing a smaller uplift. This is consistent with observations earlier in the report that the CLG household projections are not expecting any recovery in formation rates for this age group in Sevenoaks but are projecting some modest increases in Tunbridge Wells.
- 6.51 Household formation rates for younger households in Tunbridge Wells are higher than in Sevenoaks, and than in a range of other areas within the South East region. This is a relevant factor in determining the scale of additional adjustment which might be considered appropriate.

Figure 47: Projected household formation rates for those aged 25-34 – Sevenoaks



Source: Derived from CLG data

Figure 48: Projected household formation rates for those aged 25-34 – Tunbridge Wells



Source: Derived from CLG data

6.52 This sensitivity in effect seeks to consider a scenario in which affordability and access to housing for younger households improves, and quantifies what level of housing provision might be associated with this, all other factors being equal. If achieved, the effect would be to reduce the

proportions of shared households and persons within this age group living with parents. We term this sensitivity analysis the ‘affordability adjustment.’

6.53 In reality, other factors such as real growth in disposable income (allowing people to save), the availability of and access to mortgage finance, interest rates and economic confidence will all influence trends in household formation. There is a complex set of factors at play, and it is difficult to predict how these factors might interact in the future and the impact on household formation rates (in the absence of any supply-side constraints). Furthermore part of the changes in household formation rates for this age group may have been due to international migration.

6.54 The sensitivity analysis indicates that, all other things being equal, an uplift of around 41 homes per annum in Sevenoaks and 17 homes per annum in Tunbridge Wells would support an improvement in affordability and household formation rates amongst younger households. The analysis is based on a projection linked to the 2012-based SNPP.

Table 45: Projected household growth 2013-33 – 2012-based SNPP (adjusted) and 2012-based headship rates – with affordability adjustment

	Sevenoaks	Tunbridge Wells	Sevenoaks & Tunbridge Wells
Households 2011	47,951	48,032	95,982
Households 2031	58,771	60,405	119,176
Change in households	10,820	12,373	23,193
Per annum	541	619	1,160
Dwellings (per annum)	557	644	1,201
From SNPP model	516	627	1,142
Potential uplift	41	17	58
% uplift	8.0%	2.7%	5.1%

6.55 For Sevenoaks the adjustment in drawing conclusions has been based on the economic-led projection. Based on the higher projected population growth, in this an adjustment to improve affordability of 43 dwellings per annum is modelled.

6.56 The level of uplift modelled is fairly moderate. This however reflects the assumptions in the 2012-based Household Projections which project that household formation is likely to increase for all age groups in Tunbridge Wells; and for all age groups besides the 25-34 cohort in Sevenoaks.

6.57 To illustrate the point, we have sought to run a scenario which holds headship rates constant for those aged under 45. This is modelled for the preferred scenario for each local authority (the

economic-led scenario for Sevenoaks, and preferred demographic-led scenario for Tunbridge Wells).

Table 46: Impact of Affordability Adjustments – Housing Need per Annum, 2013-33

	Sevenoaks	Tunbridge Wells
Constant headship rates under 45	577	606
Scenario with affordability adjustment	620	648
% Difference	7%	7%

6.58 The improvements to headship rates for younger households in the projections thus result in a 7% uplift in the assessed housing need across both authorities.

7 NEED FOR DIFFERENT SIZES OF HOMES

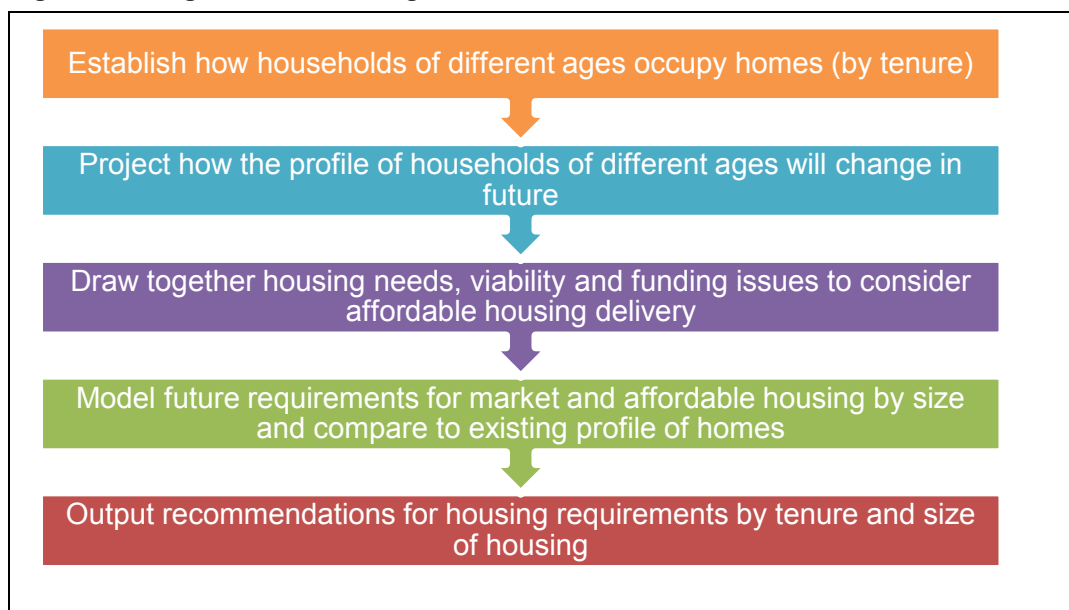
Introduction

- 7.1 As noted in Section 4, there are a range of factors which influence housing demand. These factors play out at different spatial scales and influence both the level of housing demand (in terms of aggregate household growth) and the nature of demand for different types, tenures and sizes of homes. It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level.
- 7.2 The analysis in this section seeks to use the information available about the size and structure of the population and household structures; and consider what impact this may have on the sizes of housing required in the future. For analysis purposes, the analysis assumes population and household growth in line with the 2012-based Household Projections (as updated by mid-year population estimate data for 2013), but with an “affordability adjustment” made to increase the formation of younger households. These projections indicate a need 557 homes per annum in Sevenoaks, and 644 per annum in Tunbridge Wells over the 2013-33 period.
- 7.3 It should be noted that this projection will not necessarily be translated into policy, once account is taken of other factors including development constraints, but has been used to indicate the likely need for different sizes of homes moving forward. Were a projection with a different housing figure used then the outputs would be expected to be broadly similar.

Methodology

- 7.4 The figure below describes the broad methodology employed in the housing market model which is used to consider the need for different sizes of market and affordable homes. Data is drawn from a range of sources including the 2011 Census and demographic projections.

Figure 49: Stages in the Housing Market Model



Understanding how Households Occupy Homes

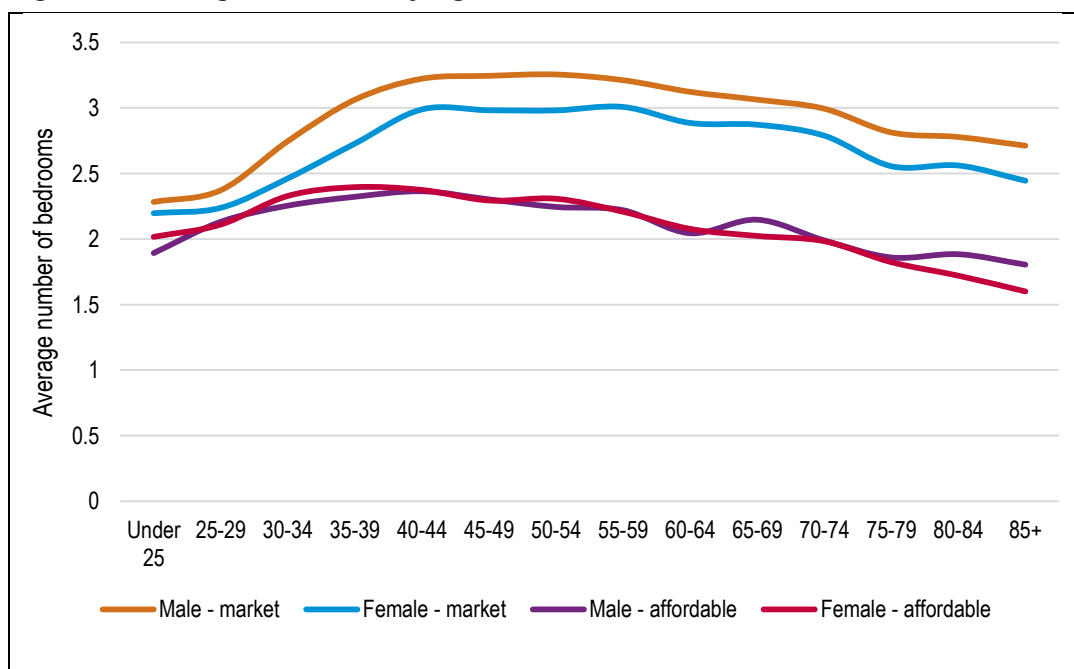
- 7.5 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.
- 7.6 The size of housing which households occupy relates more to their wealth and age than the number of people which they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a four bedroom home as long as they can afford it and hence projecting an increase in single person households does not automatically translate into a need for smaller units. This issue is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to continue to under-occupy their current homes.
- 7.7 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age and sex group and apply this to the profile of housing within these groups. The data for this analysis has been formed from a commissioned table by ONS (Table C1213 which provides relevant data for all local authorities in England) with data

then calibrated to be consistent with 2011 Census data (e.g. about house sizes in different tenure groups and locations).

7.8 Figures 50 and 51 show an estimate of how the average number of bedrooms varies by different ages of HRP and different sexes by broad tenure group. In the market sector the average size of accommodation rises over time to typically reach a peak around the age of 40-49. In the affordable sector this peak appears earlier. After this peak the average dwelling size decreases – as typically some households downsize as they get older.

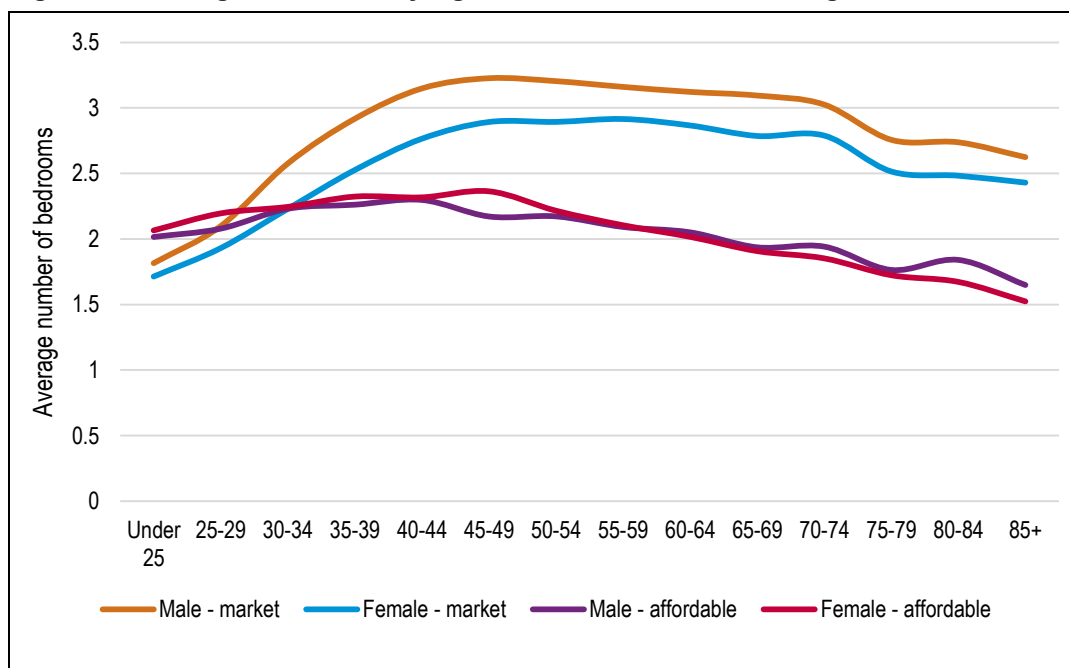
7.9 It is also notable that the average size for affordable housing dwellings are lower than those for market housing whilst; in market housing male HRPs live in larger accommodation for all age groups (with no particular trend being seen in the affordable sector). The patterns observed are broadly similar in each of the two local authorities.

Figure 50: Average Bedrooms by Age, Sex and Tenure – Sevenoaks



Source: Derived from ONS Commissioned Table C1213 and 2011 Census

Figure 51: Average Bedrooms by Age, Sex and Tenure – Tunbridge Wells



Source: Derived from ONS Commissioned Table C1213 and 2011 Census

Establishing a Baseline Position

7.10 As of 2013 it is estimated that there were 47,951 households living in Sevenoaks and 48,032 in Tunbridge Wells. Analysis of Census data linked to the demographic baseline provides an estimate of the profile of the housing stock in 2013, as shown in Tables 47 and 48. This shows that an estimated 14% of households live in affordable housing in Sevenoaks and 16% in Tunbridge Wells with 84% and 86% respectively being in the market sector. The size of the affordable sector has been fixed by reference to an estimate of the number of occupied social rented and shared ownership homes in the 2011 Census along with an estimate of changes in the sector from 2011 to 2013 from data in CLG Live Table 100. The data also suggests that homes in the market sector are generally bigger than in the affordable sector with 73% having three or more bedrooms in Sevenoaks and 64% in Tunbridge Wells; this compares with 32% and 36% respectively for affordable housing.

7.11 These figures are for households rather than dwellings as information about the sizes of vacant homes across the whole stock (i.e. market and affordable) is not readily available. For the purposes of analysis this will not make any notable difference to the outcome. The household projections have however been translated into dwelling figures by including a vacancy allowance when studying the final outputs of the market modelling.

Table 47: Estimated Profile of Dwellings in 2013 by Size – Sevenoaks

Size of housing	Market		Affordable		Total	
	Number	%	Number	%	Number	%
1 bedroom	2,359	5.7%	2,194	31.9%	4,553	9.5%
2 bedrooms	8,898	21.7%	2,149	31.2%	11,047	23.0%
3 bedrooms	16,410	40.0%	2,331	33.9%	18,741	39.1%
4+ bedrooms	13,408	32.6%	202	2.9%	13,610	28.4%
Total	41,075	100.0%	6,876	100.0%	47,951	100.0%
% in tenure	85.7%		14.3%		100.0%	

Source: Derived from 2011 Census

Table 48: Estimated Profile of Dwellings in 2013 by Size – Tunbridge Wells

Size of housing	Market		Affordable		Total	
	Number	%	Number	%	Number	%
1 bedroom	4,570	11.3%	2,581	34.3%	7,151	14.9%
2 bedrooms	10,095	24.9%	2,556	34.0%	12,651	26.3%
3 bedrooms	13,698	33.8%	2,170	28.8%	15,868	33.0%
4+ bedrooms	12,144	30.0%	217	2.9%	12,361	25.7%
Total	40,508	100.0%	7,524	100.0%	48,032	100.0%
% in tenure	84.3%		15.7%		100.0%	

Source: Derived from 2011 Census

Tenure Assumptions

- 7.12 The housing market model has been used to estimate the future need for different sizes of property over the 20-year period from 2013 to 2033. The model works by looking at the types and sizes of accommodation occupied by different ages of residents, and attaching projected changes in the population to this to project need and demand for different sizes of homes. However the way households of different ages occupy homes differs between the market and affordable sectors (as shown earlier). Thus it is necessary to consider what the mix of future housing will be in the market and affordable sectors.

7.13 It is necessary on this basis to make some judgement for modelling purposes about what proportion of net completions might be of market and affordable housing. For modelling purposes, the analysis assumes that 35% of net completions are of affordable housing. This is not a policy target. Policy targets for affordable housing on new development schemes in some cases are above this; but not all sites deliver policy-compliant affordable housing provision. Equally some housing development is brought forward by Registered Providers and local authorities and may deliver higher proportions of affordable housing than in current policy. It should be stressed that this is not a policy position and has been applied simply for the purposes of providing outputs from the modelling process.

Key Findings: Market Housing

7.14 There is a range of factors which can influence demand for market housing in different locations. The focus of this analysis is on considering long-term needs, where changing demographics are expected to be a key influence. It uses a demographic-driven approach to quantify demand for different sizes of properties over the 20-year period from 2013 to 2033.

7.15 On the basis of the modelling assumptions, an increase of 7,000 additional households is modelled in Sevenoaks and 8,000 in Tunbridge Wells to 2033. The majority of the need is for two- and three-bed homes.

Table 49: Estimated Size of Dwellings Needed 2013 to 2033 – Market Housing – Sevenoaks

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	2,359	2,934	576	8.2%
2 bedrooms	8,898	10,867	1,969	28.0%
3 bedrooms	16,410	19,279	2,870	40.8%
4+ bedrooms	13,408	15,027	1,619	23.0%
Total	41,075	48,108	7,033	100.0%

Source: Housing Market Model

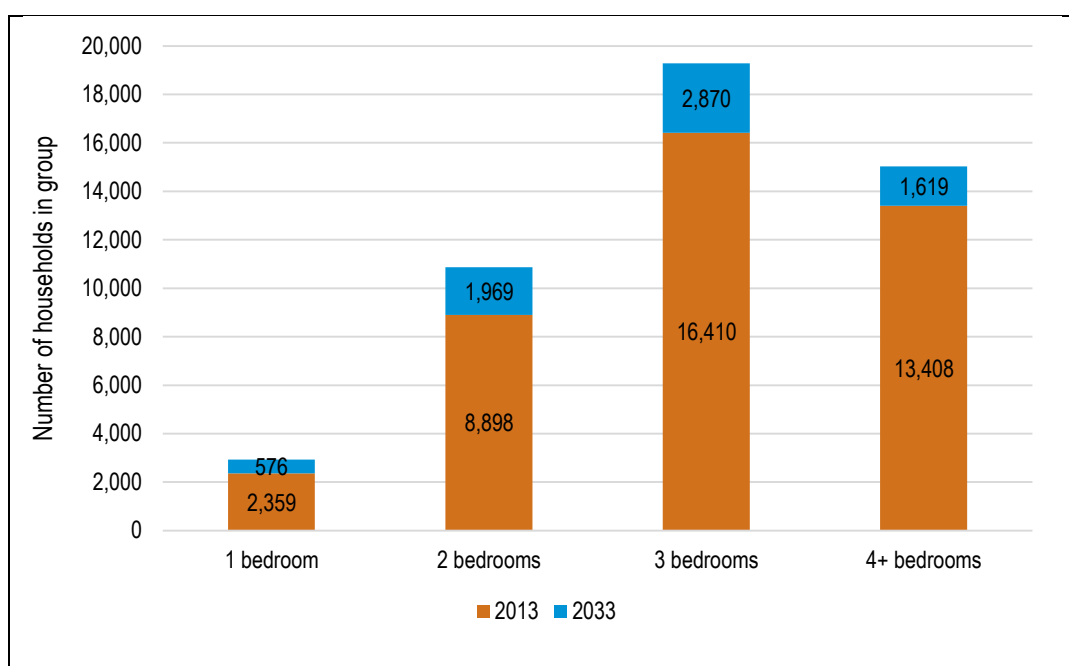
Table 50: Estimated Size of Dwellings Needed 2013 to 2033 – Market Housing – Tunbridge Wells

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	4,570	5,319	749	9.3%
2 bedrooms	10,095	12,463	2,368	29.4%
3 bedrooms	13,698	16,634	2,936	36.5%
4+ bedrooms	12,144	14,134	1,990	24.7%
Total	40,508	48,550	8,043	100.0%

Source: Housing Market Model

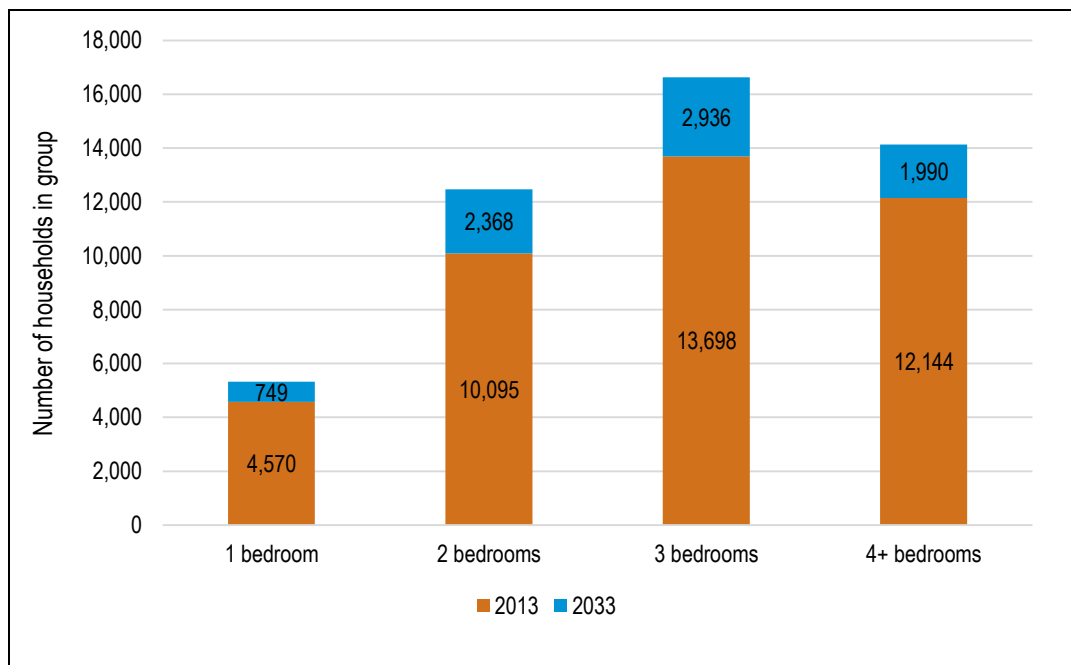
7.16 Figures 52 and 53 show the number of households in different sizes of dwellings in 2013 and 2033. In both areas, the data suggests that housing need can be expected to reinforce around the existing profile, but with a slight shift towards a requirement for smaller dwellings relative to the distribution of existing housing. This is understandable given the fact that household sizes are expected to fall slightly in the future – particularly as a result of a growing older population living in smaller households. The shift towards smaller homes relative to the current offer is more notable in Sevenoaks and will to some degree reflect the high proportion of larger homes in the stock currently.

Figure 52: Impact of Demographic Trends on Market Housing Requirements by House Size, 2013 to 2033 – Sevenoaks



Source: Housing Market Model

Figure 53: Impact of Demographic Trends on Market Housing Requirements by House Size, 2013 to 2033 – Tunbridge Wells



Source: Housing Market Model

7.17 The graphs and statistics are based upon the modelling of demographic trends. As has been identified, it should be recognised that a range of factors including affordability pressures and market signals will continue to be important in understanding market demand. In determining policies for housing mix, policy aspirations are also relevant.

7.18 At the strategic level, a local authority in considering which sites to allocate, can consider what type of development would likely be delivered on these sites. It can also provide guidance on housing mix implicitly through policies on development densities.

Key Findings: Affordable Housing

7.19 The tables and figures below show estimates of the need for different sizes of affordable homes based on the analysis of demographic trends. The data suggests in the period between 2013 and 2033 that around three-quarters of the need is for homes with one- or two-bedrooms (70% in Sevenoaks and 76% in Tunbridge Wells), with around a quarter of the need being for larger homes with three or more bedrooms.

7.20 This analysis provides a longer-term view of the need for different sizes of affordable housing and does not reflect any specific priorities such as for family households in need rather than single people. In addition, it should be noted that smaller properties (i.e. one bedroom homes) typically offer limited flexibility in accommodating the changing needs of households, whilst delivery of larger

properties can help to meet the needs of households in high priority and to manage the housing stock by releasing a supply of smaller properties. That said, need for smaller homes has been boosted by welfare reforms limiting the amount of housing benefit being paid to some working-age households.

Table 51: Estimated Size of Dwellings Required 2013 to 2033 – Affordable Housing – Sevenoaks

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	2,194	3,712	1,518	40.1%
2 bedrooms	2,149	3,294	1,146	30.2%
3 bedrooms	2,331	3,367	1,036	27.4%
4+ bedrooms	202	290	88	2.3%
Total	6,876	10,663	3,787	100.0%

Source: Housing Market Model

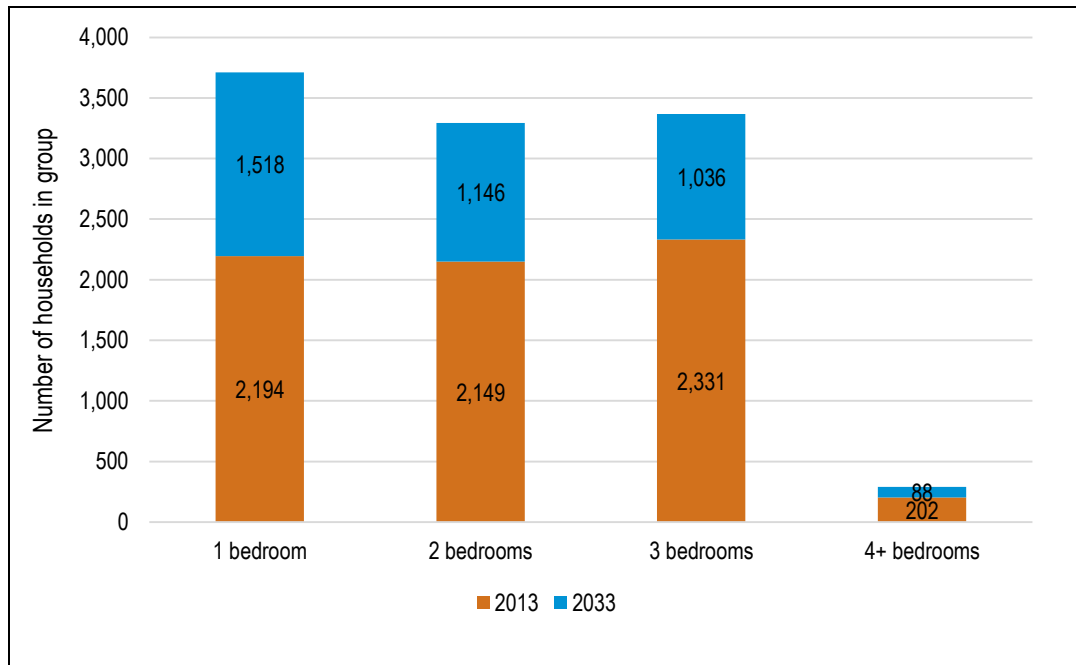
Table 52: Estimated Size of Dwellings Required 2013 to 2033 – Affordable Housing – Tunbridge Wells

Size	2013	2033	Additional households 2013-2033	% of additional households
1 bedroom	2,581	4,487	1,906	44.0%
2 bedrooms	2,556	3,945	1,389	32.1%
3 bedrooms	2,170	3,116	946	21.8%
4+ bedrooms	217	306	90	2.1%
Total	7,524	11,855	4,331	100.0%

Source: Housing Market Model

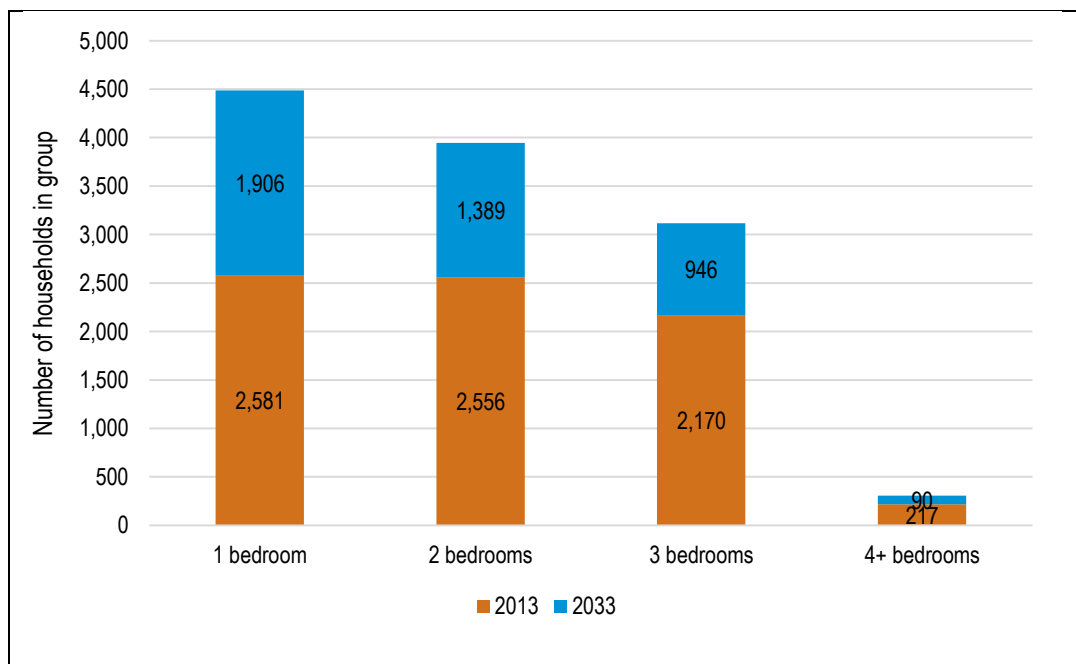
7.21 Figures 54 and 55 show how the estimated need from households for different sizes of affordable homes in 2013 compares to the profile of need in 2033. Again, the data shows that relative to the current profile there is a slight move towards a greater proportion of smaller homes being needed – this makes sense given that in the future household sizes are expected to drop whilst the population of older people will increase – older person households (as shown earlier) are more likely to occupy smaller dwellings.

Figure 54: Impact of Demographic Trends on Affordable Housing Requirements by House Size, 2013 to 2033 – Sevenoaks



Source: Housing Market Model

Figure 55: Impact of Demographic Trends on Affordable Housing Requirements by House Size, 2013 to 2033 – Tunbridge Wells

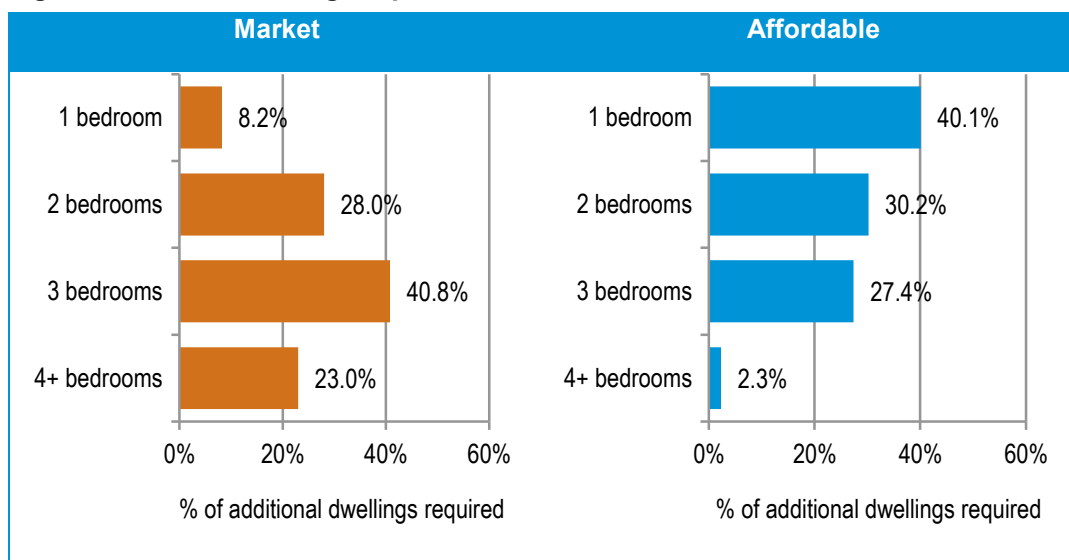


Source: Housing Market Model

Indicative Targets by Dwelling Size

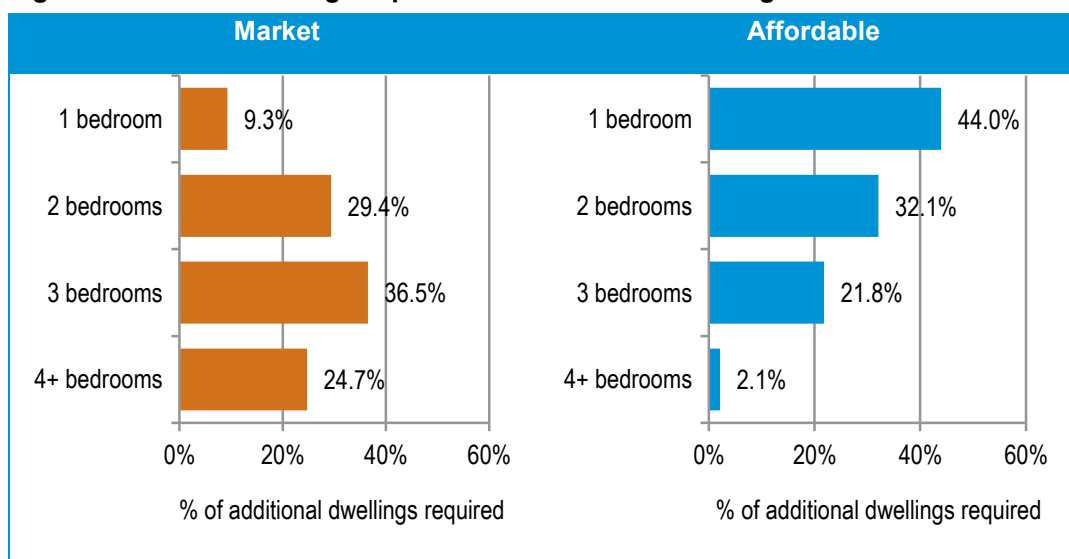
7.22 Figures 56 and 57 summarise the above data in both the market and affordable sectors under the modelling exercise. A vacancy allowance has been factored in when moving from household figures to estimates of housing need/demand (the same figures have been used as in the demographic modelling).

Figure 56: Size of Housing Required 2013 to 2033 – Sevenoaks



Source: Housing Market Model

Figure 57: Size of Housing Required 2013 to 2033 – Tunbridge Wells



Source: Housing Market Model

7.23 Whilst the outputs of the modelling provide estimates of the proportion of homes of different sizes that need to be provided there are a range of factors which should be taken into account in setting

policies for provision. This is particularly the case in the affordable sector where one-bed properties can provide limited flexibility to take account of households changing needs *in situ*; whilst the stock and turnover of larger properties with four or more bedrooms tends to be lower. The conclusions drawn on housing mix in the affordable sector take these factors into account but recognise that welfare reforms deter under-occupation of properties by working-age households. Delivery of some larger dwellings can however assist in the management of housing stock, helping to meet households with acute needs and releasing smaller properties for other households.

7.24 For these reasons it is suggested in converting the long-term modelled outputs into a profile of housing to be provided (in the affordable sector) that the proportion of one bedroom homes required is reduced slightly from these outputs with a commensurate increase in four or more bedroom properties.

7.25 There are thus a range of factors which are relevant in considering policies for the mix of **affordable housing** sought through development schemes. At a district level, the analysis would support policies for the mix of affordable housing of:

Sevenoaks

- 1-bed properties: 30-35%
- 2-bed properties: 30-35%
- 3-bed properties: 25-30%
- 4-bed properties: 5-10%

Tunbridge Wells

- 1-bed properties: 35-40%
- 2-bed properties: 30-35%
- 3-bed properties: 20-25%
- 4-bed properties: 5-10%

7.26 The strategic conclusions recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.

7.27 The need for affordable housing of different sizes will vary by area across the HMA and over time. In considering the mix of homes to be provided within specific development schemes, the information herein should be brought together with details of households currently on the Housing Register in the local area and the stock and turnover of existing properties.

7.28 In the market sector a profile of housing that closely matches the outputs of the modelling is suggested. The recommendations take some account of the time period used for the modelling and the fact that the full impact of the ageing population will not be experienced in the short-term.

7.29 On the basis of these factors it is considered that the provision of market housing should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of **market housing** is recommended:

Sevenoaks	Tunbridge Wells
<ul style="list-style-type: none"> • 1-bed properties: 5-10% • 2-bed properties: 25-30% • 3-bed properties: 40-45% • 4-bed properties: 20-25% 	<ul style="list-style-type: none"> • 1-bed properties:5-10% • 2-bed properties: 25-30% • 3-bed properties: 35-40% • 4-bed properties: 20-25%

7.30 Although the analysis has quantified this on the basis of the market modelling and an understanding of the current housing market it does not necessarily follow that such prescriptive figures should be included in the plan making process. The ‘market’ is to some degree a better judge of what is the most appropriate profile of homes to deliver at any point in time, and demand can change over time linked to macro-economic factors and local supply. The figures can however be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area.

Summary and Implications – Need for Different Sizes of Homes

7.31 There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households’ ability to save; economic performance and housing affordability. The analysis linked to long-term (20-year) demographic change concludes that the following represents an appropriate mix of affordable and market homes:

Table 53: Need for Different Sizes of Homes, Sevenoaks

	1-bed	2-bed	3-bed	4+ bed
Market	5-10%	25-30%	40-45%	20-25%
Affordable	30-35%	30-35%	25-30%	5-10%
All dwellings	15-20%	25-30%	35-40%	15-20%

Table 54: Need for Different Sizes of Homes, Tunbridge Wells

	1-bed	2-bed	3-bed	4+ bed
Market	5-10%	25-30%	35-40%	20-25%
Affordable	35-40%	30-35%	20-25%	5-10%
All dwellings	15-25%	25-30%	30-35%	15-20%

- 7.32 The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing supply of smaller properties for other households; together with the limited flexibility which one-bed properties offer to changing household circumstances which feed through into higher turnover and management issues.
- 7.33 The mix identified above should inform strategic District-wide policies. In applying these to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.
- 7.34 Based on the evidence, it is expected that the focus of new market housing provision will be on two- and three-bed properties. Continued demand for family housing can be expected from newly forming households. There may also be some demand for medium-sized properties (2- and 3-beds) from older households downsizing and looking to release equity in existing homes, but still retain flexibility for friends and family to come and stay.
- 7.35 The analysis of an appropriate mix of dwellings should also inform the 'portfolio' of sites which are considered by each local authority through its local plan process. Equally it will be of relevance to affordable housing negotiations.

8 HOUSING NEEDS OF PARTICULAR GROUPS

Introduction

- 8.1 We have considered in the previous section the needs for different sizes of property. In this section we move on to consider groups within the population who have specialist housing needs, or whose housing needs differ from the wider population.
- 8.2 Estimates of household groups who have particular housing needs is a key output of the SHMA guidance whilst the National Planning Policy Framework identifies that local planning authorities should plan for a mix of housing which takes account of the needs of different groups in the community.
- 8.3 The following key groups have been identified which may have housing needs which may differ from those of the wider population:
- Older Persons;
 - People with disabilities;
 - Black and Minority Ethnic (BME) households;
 - Households with children;
 - Young people; and
 - People wishing to build their own homes.

Housing Needs of Older People

- 8.4 The SHMA Guidance recognises the need to provide housing for older people as part of achieving a good mix of housing. A key driver of change in the housing market over the next few years is expected to be the growth in the population of older persons.
- 8.5 Indeed as the population projections in this report show, the number of older people is expected to increase significantly over the next few years. In this section we draw on a range of sources including our population projections, 2011 Census information and data from POPPI (Projecting Older People Population Information).
- 8.6 In planning for a growing older population, it is important to recognise:
- A need to provide housing for older people as part of achieving a good mix of housing, but recognizing that many older people are able to exercise choice and control over housing options – e.g. owner occupiers with equity in their homes;
 - Evidence of falling demand for residential care in some areas, and a rapidly rising average age of people living in sheltered housing, requiring higher levels of support. However many local authorities have struggled to contain expenditure on services for older people;

- New models of enhanced and extra care housing. These aim to meet the needs of those who require high levels of care and support alongside those who are still generally able to care for themselves. These models often allow for changing circumstances in situ rather than requiring a move; and
- Providing choice, including supporting people to stay in their own homes including through supporting adaptations to properties and through provision of floating support.

Current Population of Older Persons

8.7 Table 55 provides baseline population data about older persons and compares this with other areas. The data for this table has been taken from the published ONS mid-year population estimates and is provided for age groups from 65 and upwards.

8.8 The data shows that over a fifth of the population of Sevenoaks (in 2013) was aged 65 and over (20.2%) – this is above the proportion seen in any of the other areas studied. In Tunbridge Wells, the proportion of older people is slightly lower (at 17.9%) – this proportion is slightly above the national average but below equivalent figures for Kent and the South East.

Table 55: Older Person Population (2013)

		Under 65	65-74	75-84	85+	Total	Total 65+
Sevenoaks	Popn	93,400	12,713	7,790	3,132	117,035	23,635
	% of popn	79.8%	10.9%	6.7%	2.7%	100.0%	20.2%
Tunbridge Wells	Popn	94,963	10,895	6,658	3,177	115,693	20,730
	% of popn	82.1%	9.4%	5.8%	2.7%	100.0%	17.9%
Kent	% of popn	80.8%	10.4%	6.1%	2.6%	100.0%	19.2%
South East	% of popn	81.7%	9.7%	5.9%	2.6%	100.0%	18.3%
England	% of popn	82.7%	9.3%	5.7%	2.3%	100.0%	17.3%

Source: ONS 2013 Mid-Year Population Estimates

Future Changes in the Population of Older Persons

8.9 As well as providing a baseline position for the proportion of older persons in each local authority we can use population projections to provide an indication of how the numbers might change in the future compared with other areas. The data for the study area is based on our core projection linked to the 2012-based SNPP (with an adjustment for mid-2013 population estimates). Data for other areas is taken from the 2012-based SNPP.

8.10 The data shows that the study area (in line with other areas) is expected to see a notable increase in the older person population with the total number of people aged 65 and over expected to

increase by 48% in Sevenoaks and 61% in Tunbridge Wells over the 20-years from 2013. This compares with overall population growth of 16%-17% and growth in the Under 65 population of just 7%-9%.

Table 56: Projected Change in Population of Older Persons (2013 to 2033)

	Under 65	65-74	75-84	85+	Total	Total 65+
Sevenoaks	8.6%	29.1%	46.6%	131.6%	16.6%	48.5%
Tunbridge Wells	6.7%	40.3%	57.0%	138.1%	16.4%	60.6%
Kent	7.7%	36.4%	57.6%	132.8%	17.0%	56.2%
South East	5.6%	38.0%	55.5%	127.5%	14.9%	56.4%
England	5.4%	34.5%	50.2%	120.7%	13.3%	51.1%

Source: derived from ONS data and demographic projections

Characteristics of Older Persons Households

8.11 We have used 2011 Census data to explore in more detail the characteristics of older person households in Sevenoaks and Tunbridge Wells (based on the population aged 65 and over). Table 57 shows the number of households compared with the County, region and England. The data shows in 2011 that around 24% of households in Sevenoaks were comprised entirely of people aged 65 and over with a slightly lower figure (of 21%) in Tunbridge Wells. The proportion of older person households in Sevenoaks is higher than seen in any of the comparator areas although in Tunbridge Wells the proportion is lower than seen across the County and region (although slightly above the national average).

Table 57: Older Person Households (Census 2011)

		Single older person	2 or more older people	All other households	All households	Older person only
Sevenoaks	Households	6,386	5,018	35,616	47,020	11,404
	% of hhs	13.6%	10.7%	75.7%	100.0%	24.3%
Tunbridge Wells	Households	5,818	4,147	37,209	47,174	9,965
	% of hhs	12.3%	8.8%	78.9%	100.0%	21.1%
Kent	% of hhs	13.1%	9.7%	77.2%	100.0%	22.8%
South East	% of hhs	12.7%	9.3%	78.1%	100.0%	21.9%
England	% of hhs	12.4%	8.4%	79.3%	100.0%	20.7%

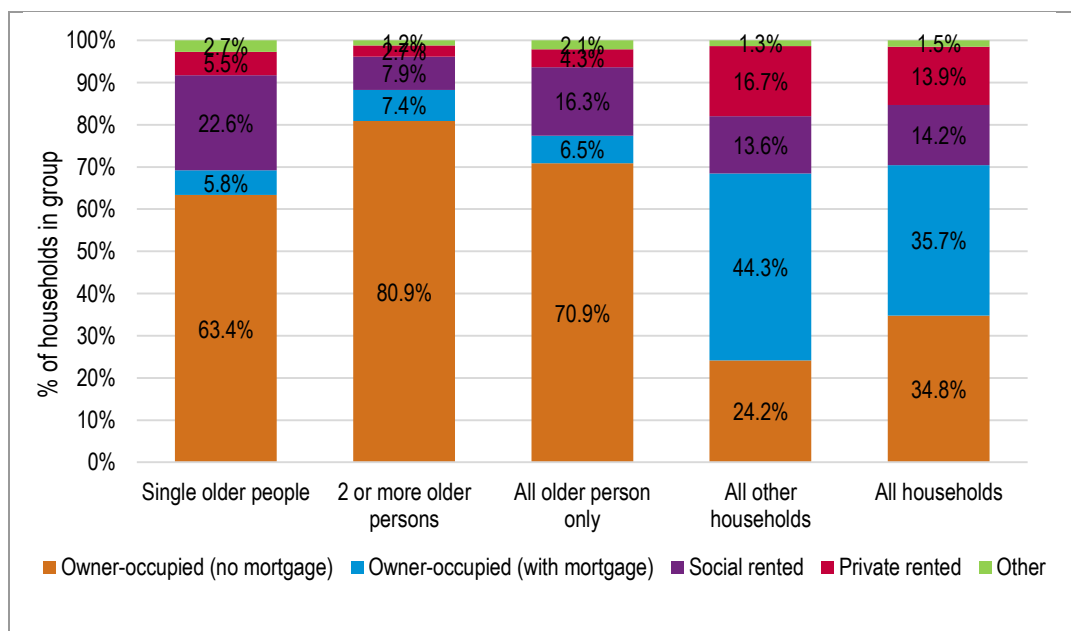
Source: 2011 Census

8.12 Figure 58 shows the tenure of older person households – the data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that older person households are relatively likely to live in outright owned accommodation (71%) and are also more likely than other households to be in the social rented sector. The proportion of older person households living in the private rented sector is relatively low (4% compared with 14% of all households in the study area).

8.13 There are however notable differences for different types of older person households with single older people having a much lower level of owner-occupation than larger older person households – this group also has a much higher proportion living in the social rented sector.

8.14 Given that the number of older people is expected to increase in the future and that the number of single person households is expected to increase this would suggest (if occupancy patterns remain the same) that there will be a notable demand for affordable housing from the ageing population. That said, the proportion of older person households who are outright owners (with significant equity) may mean that market solutions will also be required to meet their needs. This is considered later in this section.

Figure 58: Tenure of Older Person Households – Sevenoaks and Tunbridge Wells

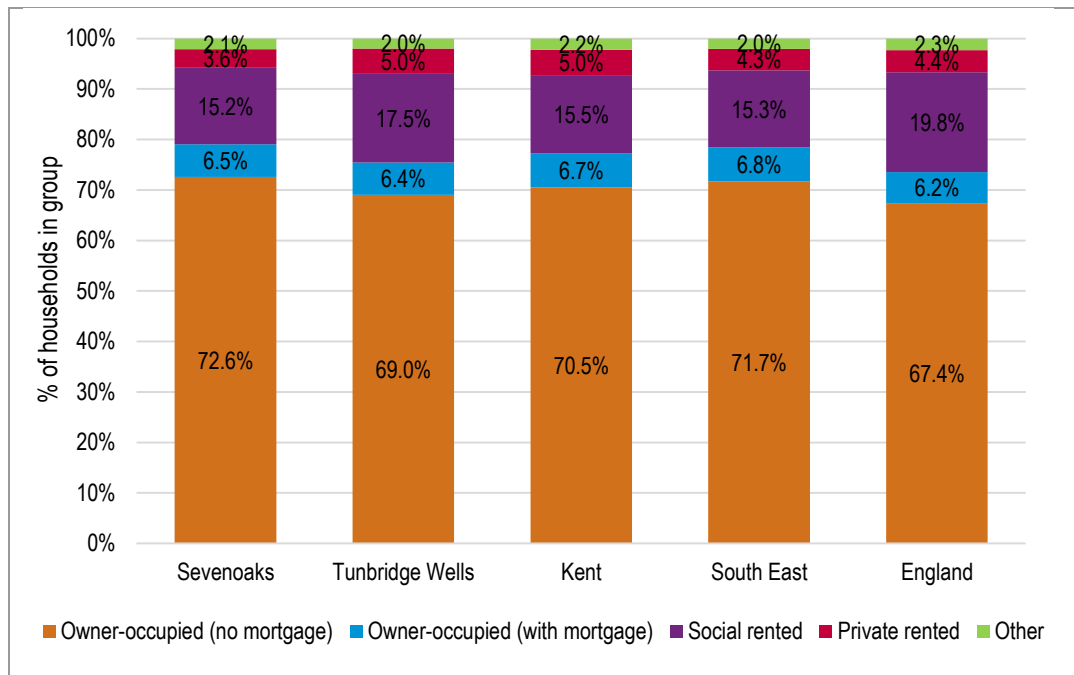


Source: 2011 Census

8.15 Data for individual local authorities and other comparator areas is shown in Figure 59. There are small differences between areas; the most notable is the high proportion of outright owners in Sevenoaks and a higher proportion in social rented housing in Tunbridge Wells. Overall however,

the patterns of tenure in Sevenoaks and Tunbridge Wells are broadly similar to that seen in other locations.

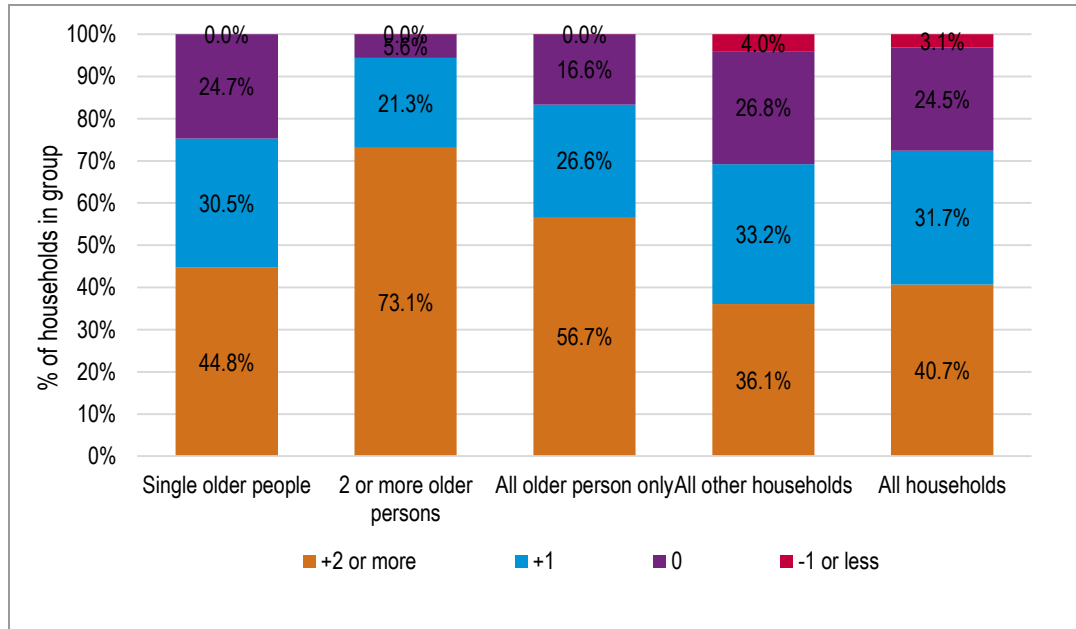
Figure 59: Tenure of Older Person Households – by Local Authority and other areas



Source: 2011 Census

- 8.16 A key theme that is often brought out in Housing Market Assessment work is the large proportion of older person households who under-occupy their dwellings. Data from the Census allows us to investigate this using the bedroom standard.
- 8.17 The Census data suggests that older person households are more likely to under-occupy their housing than other households in the study area. In total, 57% have an occupancy rating of +2 or more (meaning there are at least two more bedrooms than are technically required by the household). This compares with 36% for non-older person households. Further analysis suggests that under-occupancy is far more common in households with two or more older people than single older person households.

Figure 60: Occupancy Rating of Older Person Households – Sevenoaks and Tunbridge Wells



Source: 2011 Census

8.18 The occupancy ratings of older person households also show some differences by location with Sevenoaks showing a higher proportion of under-occupying older person households than Tunbridge Wells. Both areas however see levels of under-occupancy which are higher than observed across the County, regionally or nationally. This is a reflection, at least in part, of housing wealth.

Figure 61: Occupancy Rating of Older Person Households – by local authority and other areas



Source: 2011 Census

8.19 It is of interest to study the above information by tenure. Tables 58 and 59 show the number of older person households who had a positive occupancy rating in each of three broad tenure groups in 2011 (the positive occupancy rating indicating at least one spare bedroom). Whilst the majority of older person households with a positive occupancy rating were in the owner-occupied sector, there were around 1,300 properties in the social rented sector occupied by older person only households with an occupancy rating of +1 or more (650 in Sevenoaks and 656 in Tunbridge Wells). Of these, some 577 had a rating of +2 or more, indicating at least two spare bedrooms. This may therefore present some opportunity to reduce under-occupation - although to achieve this it may be necessary to provide attractive alternative housing in areas where households currently live and where they have social and community ties.

Table 58: Older Person Households with Occupancy Rating of +1 and +2 or more by Tenure – Sevenoaks

Tenure	Single older person		2 or more older people		All older person only households	
	+1	+2 or more	+1	+2 or more	+1	+2 or more
Owner-occupied	1,427	2,637	854	3,383	2,281	6,020
Social rented	227	221	102	100	329	321
Private rented	173	153	66	90	239	243
All tenures	1,827	3,011	1,022	3,573	2,849	6,584

Source: 2011 Census

Table 59: Older Person Households with Occupancy Rating of +1 and +2 or more by Tenure – Tunbridge Wells

Tenure	Single older person		2 or more older people		All older person only households	
	+1	+2 or more	+1	+2 or more	+1	+2 or more
Owner-occupied	1,412	2,165	675	2,783	2,087	4,948
Social rented	275	157	125	99	400	256
Private rented	208	132	76	59	284	191
All tenures	1,895	2,454	876	2,941	2,771	5,395

Source: 2011 Census

8.20 It should however be recognised that many older households in the private sector will have built up equity in their existing homes. In the private sector many older households may be able to afford a

larger home than they need (and thus under-occupy housing). Some may look to downsize to release equity from homes to support their retirement (or may move away from the area); however we would expect many older households to want to retain family housing with space to allow friends and relatives to come to stay.

Health-related Population Projections

- 8.21 In addition to providing projections about how the number and proportion of older people is expected to change in the future we can look at the likely impact on the number of people with specific illnesses or disabilities. For this we have used data from the Projecting Older People Population Information System (POPPI) website which provides prevalence rates for different disabilities by age and sex. For the purposes of the SHMA, analysis has focussed on estimates of the number of people with dementia and mobility problems.
- 8.22 For both of the health issues analysed the figures relate to the population aged 65 and over. The figures from POPPI are based on prevalence rates from a range of different sources and whilst these might change in the future (e.g. as general health of the older person population improves) the estimates are likely to be of the right order.
- 8.23 Table 60 shows that both of the illnesses/disabilities are expected to increase significantly in the future although this would be expected given the increasing older population. In particular there is projected to be a large rise in the number of people with dementia (80% in Sevenoaks, 90% in Tunbridge Wells) along with an increase in the number with mobility problems in Sevenoaks and 80% increase in Tunbridge Wells. Tunbridge Wells looks likely to see the most significant increases.

Table 60: Estimated Population Change for range of Health Issues (2013 to 2033)

	Type of illness/disability	2013	2033	Change	% increase
Sevenoaks	Dementia	1,570	2,818	1,248	79.5%
	Mobility problems	4,296	7,213	2,917	67.9%
Tunbridge Wells	Dementia	1,458	2,774	1,317	90.3%
	Mobility problems	3,917	7,049	3,132	80.0%

Source: Data from POPPI and demographic projections

Indicative Need for Specialist Housing

- 8.24 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. The analysis in this section draws on data from the Housing Learning and Information Network

(Housing LIN) along with our demographic projections to provide an indication of the potential level of additional specialist housing that might be required for older people in the future.

Current Stock of Specialist Housing

8.25 Table 61 shows the current supply of specialist housing for older people. At present it is estimated that there are 2,808 units (1,592 in Sevenoaks and 1,216 in Tunbridge Wells). This is equivalent to 135 units per 1,000 people aged 75 and over. This proportion varies from 124 per 1,000 in Tunbridge Wells up to 146 per 1,000 in Sevenoaks. The majority (66%) of this housing is in the affordable sector, even though the majority of older person households are owner-occupiers.

Table 61: Current Supply of Specialist Housing for Older People

		Type of housing	Market	Affordable	Total	Supply per 1,000 aged 75+
Sevenoaks	Sheltered		513	977	1,490	136
	Extra-Care		0	102	102	9
	Total		513	1,079	1,592	146
Tunbridge Wells	Sheltered		428	757	1,185	120
	Extra-Care		0	31	31	3
	Total		428	788	1,216	124

Source: Housing LIN

Projected Future Need for Specialist Housing

8.26 A toolkit has been developed by Housing LIN ‘The Housing Learning Infiltration Network’, in association with the Elderly Accommodation Council and endorsed by the Department of Health, to identify potential demand for different types of specialist housing for older people and model the future range of housing and care provision. It suggests that there should be around 170 units of specialised accommodation (other than registered care home places) per thousand people aged over 75 years.

8.27 Table 62 shows the change in the population aged 75 and over in each local authority and what this would mean in terms of provision at 170 units per 1,000 population. The analysis shows a potential need for 2,710 units across the two authorities – 66 per annum in Sevenoaks and 70 per annum in Tunbridge Wells. This is around 11% of the total need identified in the demographic modelling (linked to the 2012-based SNPP and household projections with an affordability adjustment for younger person household formation).

Table 62: Projected need for Specialist Housing for Older People (2013-33)

	Population aged 75+ (2013)	Population aged 75+ (2033)	Change in population aged 75+	Specialist housing need (@ 170 units per 1,000)
Sevenoaks	10,922	18,679	7,757	1,319
Tunbridge Wells	9,835	18,016	8,181	1,391

Source: Derived from demographic projections and Housing LIN

Types and Tenures of Specialist Housing

- 8.28 Earlier in this section analysis has been carried out with regard to the tenure of older person households – the data was split between single pensioner households and those with two or more pensioners (which will largely be couples). The data showed that pensioner households are relatively likely to live in outright owned accommodation (71%) and are also more likely than other households to be in the social rented sector. There were however notable differences for different types of pensioner households with single pensioners having a lower level of owner-occupation than larger pensioner households as well as differences by location.
- 8.29 The information about current supply of specialist housing indicates that slightly more of this is in the affordable sector than the market. Moving forward we would suggest that additional specialist housing should be split roughly 60:40 between the market and affordable sectors. This reflects the likely ‘market’ for specialist housing products as well as the current tenure profile of older person households (i.e. the current profile of specialist housing is focussed towards affordable housing and this is likely to in part reflect the need and demand for such accommodation, however, with 70% of older persons being outright owners there is the opportunity to broaden this housing offer to a wider range of household groups).
- 8.30 The analysis is not specific about the types of specialist housing that might be required. We would consider that decisions about mix should be taken at a local level taking account of specific needs and the current supply of different types of units available (for example noting that at present the dominant type of housing is traditional sheltered accommodation). There may also be the opportunity moving forward for different types of provision to be developed as well as the more traditional sheltered and Extra-Care housing.
- 8.31 Within the different models and assumptions made regarding the future need for specialist retirement housing (normally defined as a form of congregate housing designed exclusively for older people which usually offers some form of communal space, community alarm service and access to support and care if required), there may for example be an option to substitute some of

this specialist provision with a mix of one and two bedroomed housing aimed to attract 'early retired' older people which could be designated as age specific or not. Such housing could be part of the general mix of one and two bedroom homes but built to Lifetime Homes standards in order to attract retired older people looking to 'down size' but perhaps not wanting to live in specialist retirement housing.

- 8.32 Our experience when carrying out stakeholder work as part of SHMA commissions typically identifies a demand for bungalows. Where developments including bungalows are found it is clear that these are very popular to older people downsizing. It should be acknowledged that providing significant numbers of bungalows involves cost implications for the developer given the typical plot size compared to floor space – however providing an element of bungalows should be given strong consideration on appropriate sites, allowing older households to downsize while freeing up family accommodation for younger households.

Registered Care Housing

- 8.33 As well as the need for specialist housing for older people the analysis needs to consider Registered Care. At present (according to Housing LIN) there are around 1,873 spaces in nursing and residential care homes (850 in Sevenoaks and 1,023 in Tunbridge Wells). Given new models of provision (including Extra-care housing) it may be the case that an increase in this number would not be required. There will however need to be a recognition that there may be some additional need for particular groups such as those requiring specialist nursing or for people with dementia.
- 8.34 As with the analysis of potential need for specialist accommodation, the analysis below considers changes to the number of people aged 75 and over who are expected to be living in some form of institutional housing. This is a direct output of the demographic modelling which indicates an increase of 1,307 people living in institutions over the 2013-33 period (65 per annum). This is split as 511 (26 per annum) in Sevenoaks and 796 (40 per annum) in Tunbridge Wells. These figures are important to note if the Councils intend to include C2 class uses in their assessment of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation.

Table 63: Potential Need for Residential Care Housing

	Institutional population aged 75+ (2013)	Institutional population aged 75+ (2033)	Change in institutional population aged 75+
Sevenoaks	622	1,133	511
Tunbridge Wells	862	1,659	796

Source: Derived from demographic projections

People with Disabilities

- 8.35 This section concentrates on the housing situation of people/households that contain someone with some form of disability. We have again drawn on Census data although it should be recognised that an analysis of people with disabilities is very strongly linked with the above analysis about older people.
- 8.36 Table 64 shows the proportion of people with a long-term health problem or disability (LTHPD) and the proportion of households where at least one person has a LTHPD. The data suggests that across the two local authorities some 22%-23% of households contain someone with a LTHPD. These figures are lower than the equivalent figures for all of the County, the region and nationally. The figures for the population with a LTHPD again show a lower proportion when compared with regional and national figures (an estimated 14%-15% of the population of the study area have a LTHPD).
- 8.37 For the individual local authorities the data suggests little difference between the two areas – Sevenoaks seeing a very slightly higher level of disability than Tunbridge Wells (although this is likely to be related to the higher proportion of older people living in Sevenoaks).

Table 64: Households and people with Long-Term Health Problem or Disability (2011)

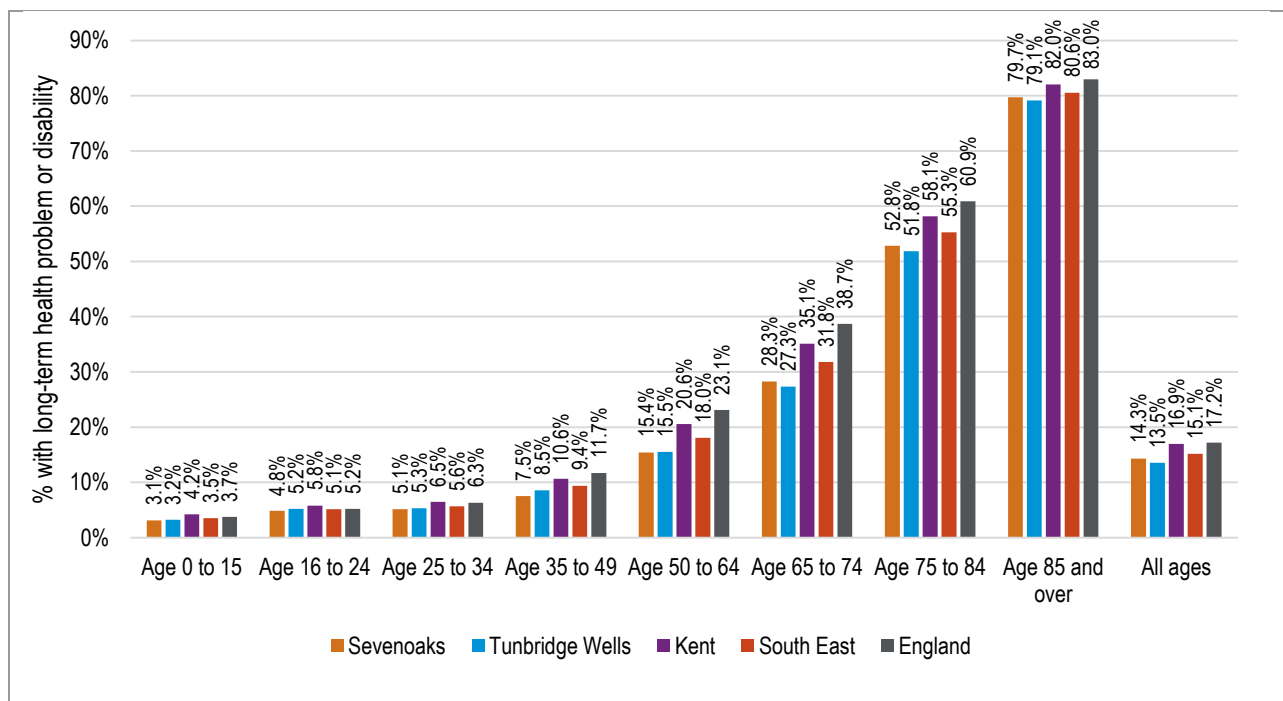
Area	Households containing someone with health problem		Population with health problem	
	Number	%	Number	%
Sevenoaks	10,753	22.9%	17,091	14.9%
Tunbridge Wells	10,503	22.3%	16,371	14.2%
Kent	154,753	25.6%	257,038	17.6%
South East	839,086	23.6%	1,356,204	15.7%
England	5,659,606	25.7%	9,352,586	17.6%

Source: 2011 Census

8.38 As noted, it is likely that the age profile of the area will impact upon the numbers of people with a LTHPD, as older people tend to be more likely to have a LTHPD. Therefore Figure 62 shows the age bands of people with a LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have a LTHPD – for example some 79%-80% of people aged 85 and over have a LTHPD. It should be noted that the base for the figure below is slightly different to the above table in that it excludes people living in communal establishments.

8.39 When compared with the County and national situation (and to a lesser extent regional data), the data suggests lower levels of LTHPD for all age groups.

Figure 62: Population with Long-Term Health Problem or Disability in each Age Band



Source: 2011 Census

8.40 The age specific prevalence rates shown above can be applied to the demographic data to estimate the likely increase over time of the number of people with a LTHPD. In applying this information to the 2012-based SNPP (adjusted to take account of 2013 mid-year population data) it is estimated that the number of people with a LTHPD will increase by around 14,200 (a 42% increase) – the increase is expected to be slightly higher in Tunbridge Wells than Sevenoaks.

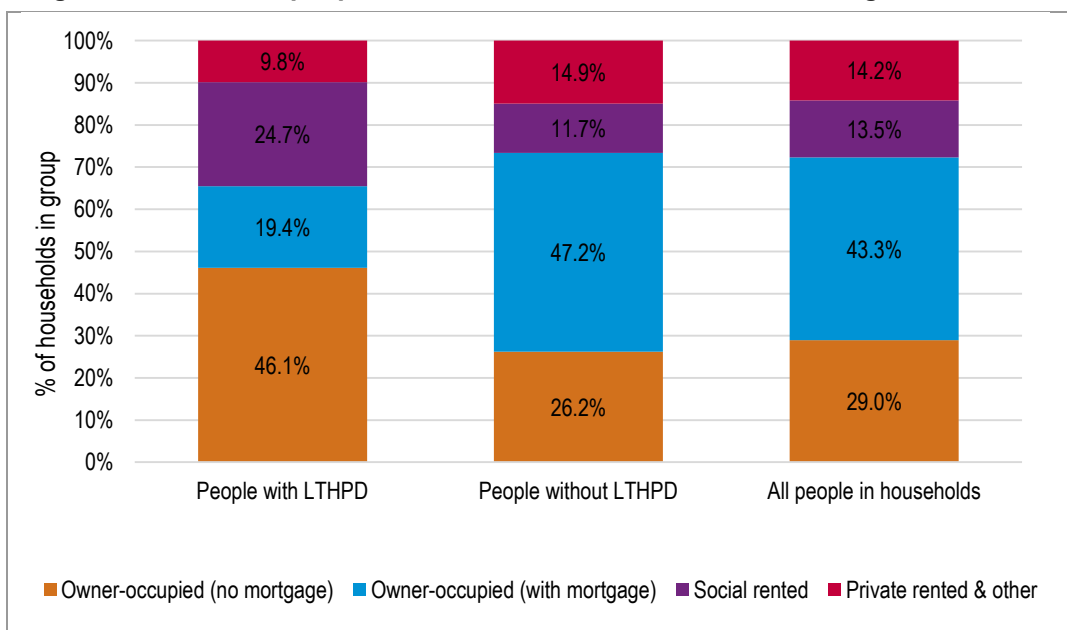
Table 65: Estimated change in population with LTHPD (2013-33)

Area	Population with LTHPD		Change (2013-33)	% change from 2013
	2013	2033		
Sevenoaks	17,477	24,324	6,847	39.2%
Tunbridge Wells	16,531	23,877	7,346	44.4%

Source: Derived from demographic modelling and Census (2011)

8.41 The figure below shows the tenures of people with a LTHPD – it should be noted that the data is for population living in households rather than households and is therefore not comparable with other tenure analysis provided in this section. The analysis clearly shows that people with a LTHPD are more likely to live in social rented housing and are also more likely to be outright owners (this will be linked to the age profile of the population with a disability). Given that typically the lowest incomes are found in the social rented sector and to a lesser extent for outright owners the analysis would suggest that the population/households with a disability are likely to be relatively disadvantaged when compared to the rest of the population.

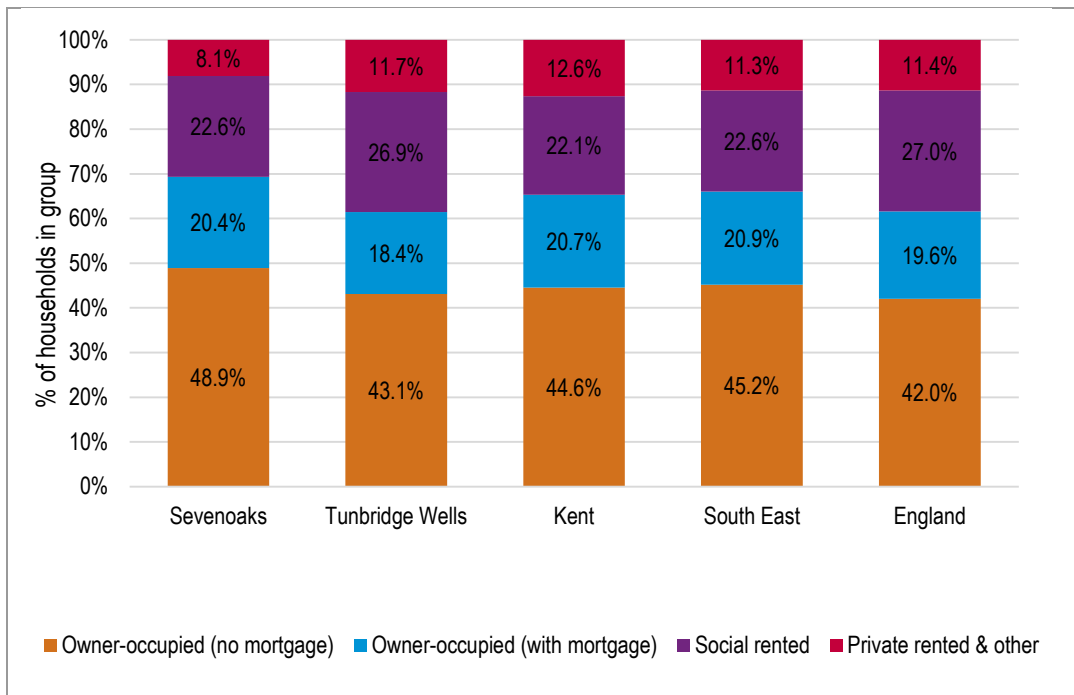
Figure 63: Tenure of people with LTHPD – Sevenoaks and Tunbridge Wells



Source: 2011 Census

8.42 Figure 64 shows the tenures of people with a LTHPD by local authority and other comparator areas. The data shows a similar pattern across areas with high proportions of outright owners and people in the social rented sector. Within this however, the data does show a higher proportion in social rented housing in Tunbridge Wells and a higher proportion of outright owners in Sevenoaks.

Figure 64: Tenure of people with LTHPD – by local authority



Source: 2011 Census

BME Households

- 8.43 Black or Minority Ethnic (BME) households, as a group, are quite often found to have distinct characteristics in terms of their housing needs, or may be disadvantaged in some way.
- 8.44 From 2011 Census data we find that around 8% of the population of Sevenoaks came from a non-White (British/Irish) background with a slightly higher figure (of 10%) being seen in Tunbridge Wells. These figures are below that found across the region (14%) and also nationally (19%). The proportion of the population from a BME group is however consistent with the average for Kent (10%). The key BME group in both areas is Other-White (which is likely to contain a number of Eastern European migrants) – the Other-White population makes up 3.6% of all people in Sevenoaks and 4.3% in Tunbridge Wells.

Table 66: Black and Minority Ethnic Population (2011)

Ethnic Group	Sevenoaks	Tunbridge Wells	Kent	South East	England
White: British	91.0%	89.6%	89.1%	85.2%	79.8%
White: Irish	0.8%	0.8%	0.7%	0.9%	1.0%
White: Gypsy or Irish Traveller	0.3%	0.3%	0.3%	0.2%	0.1%
White: Other White	3.6%	4.3%	3.6%	4.4%	4.6%
Mixed: White & Black Caribbean	0.4%	0.4%	0.4%	0.5%	0.8%
Mixed: White & Black African	0.2%	0.2%	0.2%	0.3%	0.3%
Mixed: White & Asian	0.6%	0.7%	0.5%	0.7%	0.6%
Mixed: Other Mixed	0.3%	0.4%	0.4%	0.5%	0.5%
Asian: Indian	0.6%	0.6%	1.2%	1.8%	2.6%
Asian: Pakistani	0.1%	0.2%	0.2%	1.1%	2.1%
Asian: Bangladeshi	0.1%	0.4%	0.2%	0.3%	0.8%
Asian: Chinese	0.4%	0.5%	0.4%	0.6%	0.7%
Asian: Other Asian	0.5%	0.8%	1.2%	1.4%	1.5%
Black: African	0.5%	0.4%	0.8%	1.0%	1.8%
Black: Caribbean	0.2%	0.1%	0.2%	0.4%	1.1%
Black: Other Black	0.1%	0.1%	0.1%	0.2%	0.5%
Other ethnic group: Arab	0.1%	0.1%	0.1%	0.2%	0.4%
Any other ethnic group	0.1%	0.2%	0.4%	0.4%	0.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Total population	114,893	115,049	1,463,740	8,634,750	53,012,456
% non-White (British/Irish)	8.2%	9.6%	10.2%	13.9%	19.3%

Source: 2011 Census

8.45 Since 2001 the BME population in the study area can be seen to have increased significantly as shown in Tables 67 and 68. We have condensed some categories together due to a slightly different list of potential groups being used in the 2011 Census when compared with 2001 data. In Sevenoaks, the data shows that whilst the overall population has risen by 5,600 over the 10-year period the increase in BME groups (all groups other than White (British/Irish)) has been 4,300. The White (British/Irish) population has therefore increased by 1% compared to an increase of 82% in BME groups (all combined). In Tunbridge Wells, the White (British/Irish) population grew by about 5%, with BME groups increasing by 107%

8.46 Looking at particular BME groups we see that the largest rises in terms of population have been for White-Other and Asian people. This latter group also sees one of the highest increases in proportionate terms – a 129% rise in population in Sevenoaks and 182% in Tunbridge Wells.

Table 67: Change in BME groups 2001 to 2011 – Sevenoaks

Ethnic Group	2001	2011	Change	% change
White (British/Irish)	104,151	105,488	1,337	1.3%
White – Other	2,921	4,541	1,620	55.5%
Mixed	847	1,675	828	97.8%
Asian or Asian British	910	2,085	1,175	129.1%
Black or Black British	259	853	594	229.3%
Chinese and other	217	251	34	15.7%
Total	109,305	114,893	5,588	5.1%
Non-White (British/Irish)	5,154	9,405	4,251	82.5%

Source: Census (2001 and 2011)

Table 68: Change in BME groups 2001 to 2011 – Tunbridge Wells

Ethnic Group	2001	2011	Change	% change
White (British/Irish)	98,680	103,995	5,315	5.4%
White – Other	2,780	5,244	2,464	88.6%
Mixed	949	1,893	944	99.5%
Asian or Asian British	1,029	2,903	1,874	182.1%
Black or Black British	266	638	372	139.8%
Chinese and other	326	376	50	15.3%
Total	104,030	115,049	11,019	10.6%
Non-White (British/Irish)	5,350	11,054	5,704	106.6%

Source: Census (2001 and 2011)

8.47 When comparing the findings with regional and national data it can be seen that the increase in the BME community has been stronger in the study area than across England but lower than seen in Kent. BME growth in Tunbridge Wells has been above the regional average, with the opposite pattern being seen with regard to Sevenoaks.

Table 69: Change in non-White (British/Irish) population – 2001-11

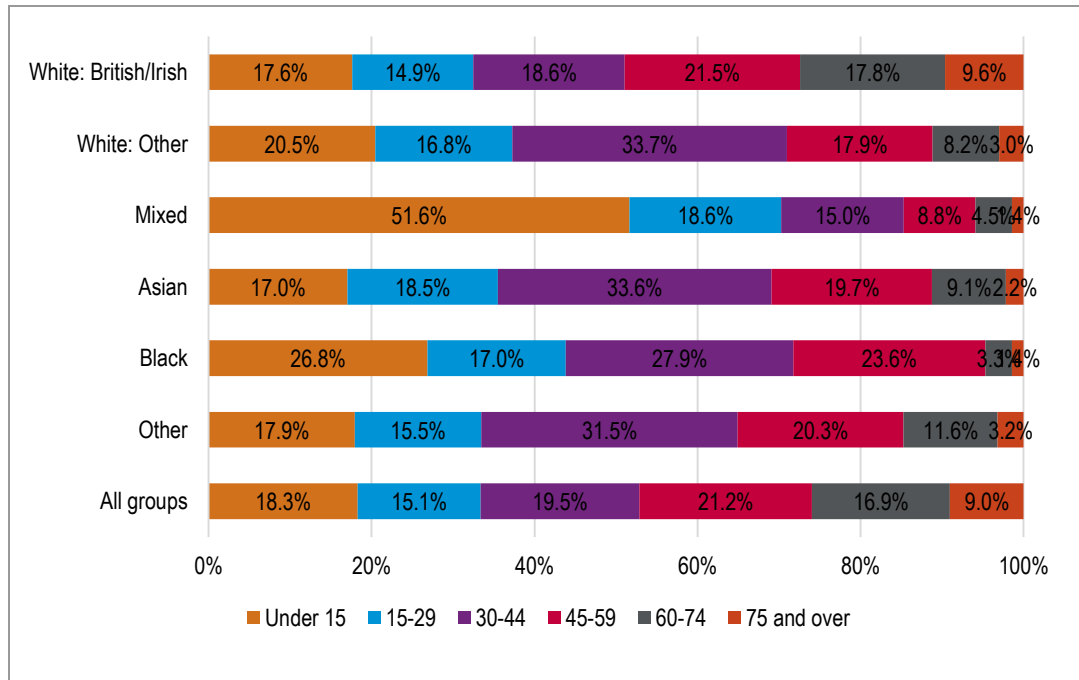
	Population (2001)	Population (2011)	Change from 2001	% change from 2001
Sevenoaks	5,154	9,405	4,251	82.5%
Tunbridge Wells	5,350	11,054	5,704	106.6%
Kent	67,548	149,943	82,395	122.0%
South East	613,562	1,202,181	588,619	95.9%
England	5,767,580	10,216,219	4,448,639	77.1%

Source: Census (2001 and 2011)

BME Household Characteristics

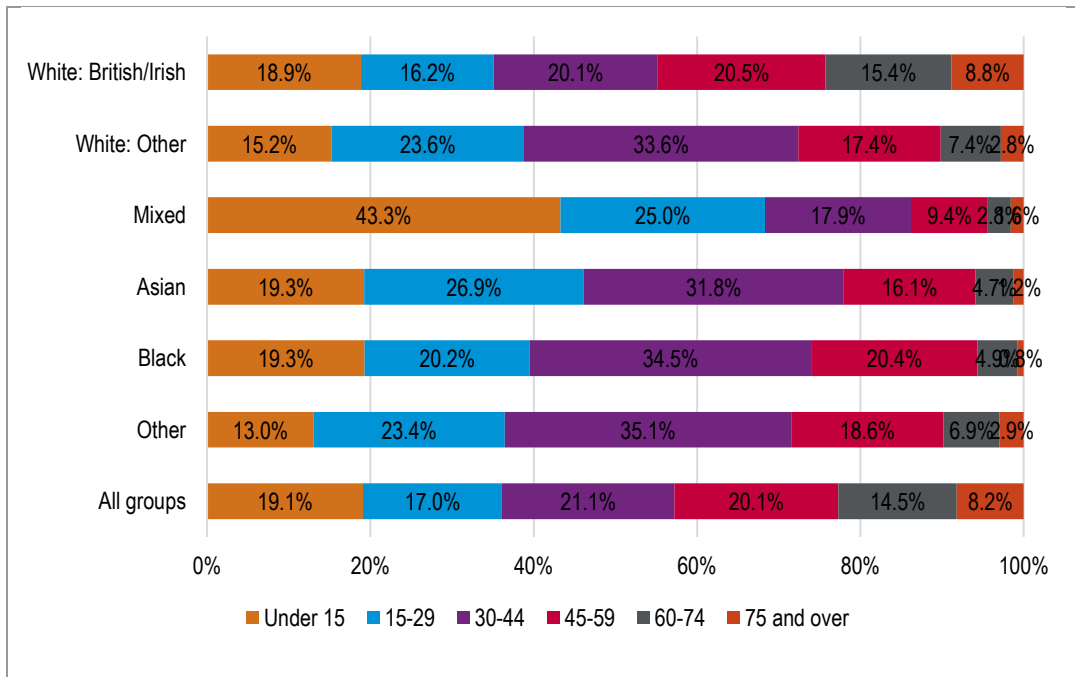
- 8.48 Census data can also be used to provide some broad information about the household and housing characteristics of the BME population in the study area. Figures 65 and 66 look at the population age structure of six broad age groups using data from the 2011 Census.
- 8.49 The age profile of the BME population is striking when compared with White: British/Irish people. All BME groups are considerably younger than the White (British/Irish) group with people from a Mixed background being particularly likely to be aged under 15 when compared with any other group. The proportions of older persons are also notable with 24%-27 of White (British/Irish) people being aged 60 or over – this compares with all BME groups showing proportions of no more than about 15% in this age group. The age structure profile of BME groups is similar in each of Sevenoaks and Tunbridge Wells.

Figure 65: Population age profile (2011) – Sevenoaks



Source: 2011 Census

Figure 66: Population age profile (2011) – Tunbridge Wells

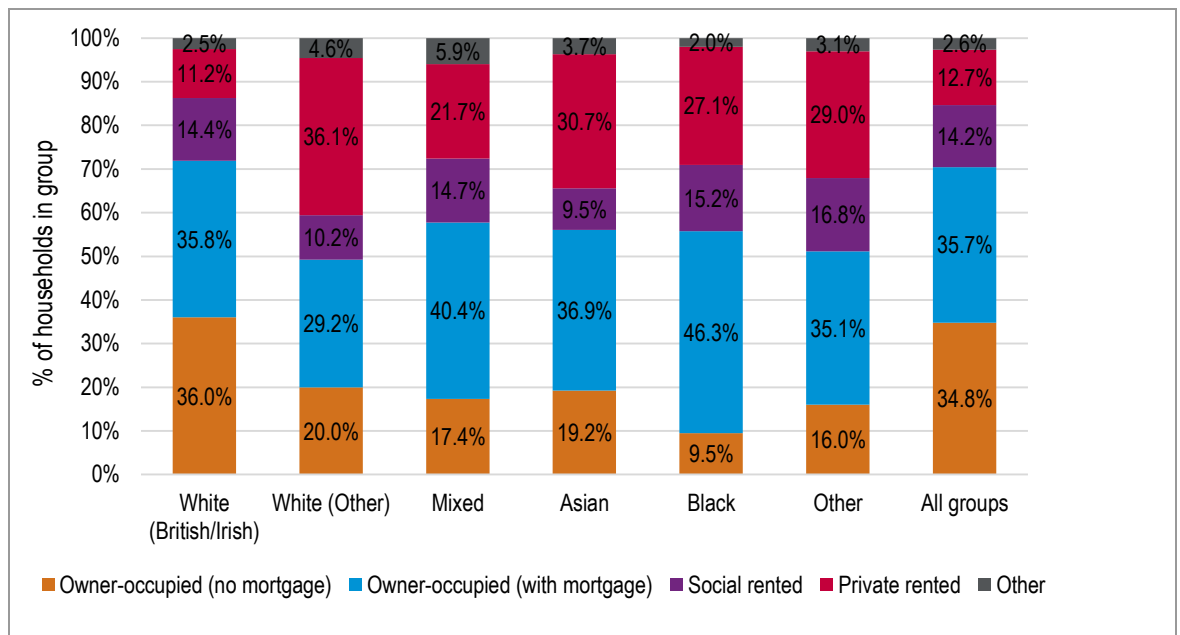


Source: 2011 Census

8.50 There are notable differences between the household characteristics of BME households and the White: British population. Figure 67 indicates that BME groups are less likely to be owner-occupiers

(particularly outright owners) and more likely to live in private rented accommodation. Arguably the starkest trend is the 36% of White (Other) and 31% of Asian households living in the private rented sector.

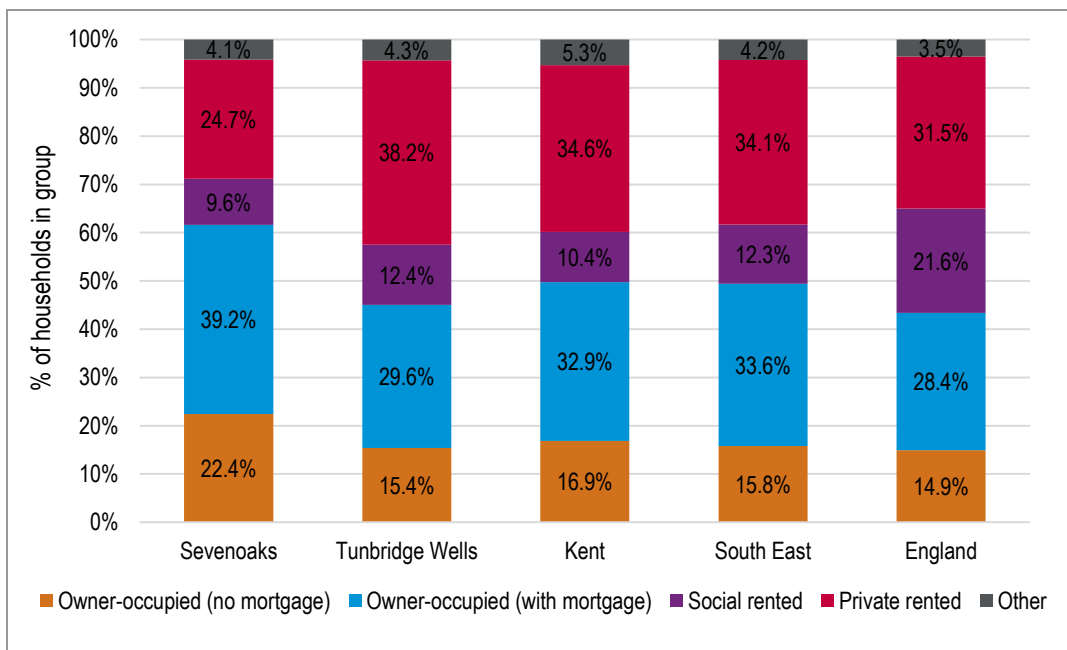
Figure 67: Tenure by ethnic group – Sevenoaks and Tunbridge Wells



Source: 2011 Census

8.51 Looking at individual local authorities (Figure 68) the data shows some differences by location. In Tunbridge Wells, some 38% of BME households live in the private rented sector with a figure of only 25% being seen in Sevenoaks – this area also sees a notably higher proportion of owner-occupiers than other locations. When compared with England the data shows that BME households are slightly more likely to be owner-occupiers (and therefore less likely to live in rented accommodation (particularly social rented homes)).

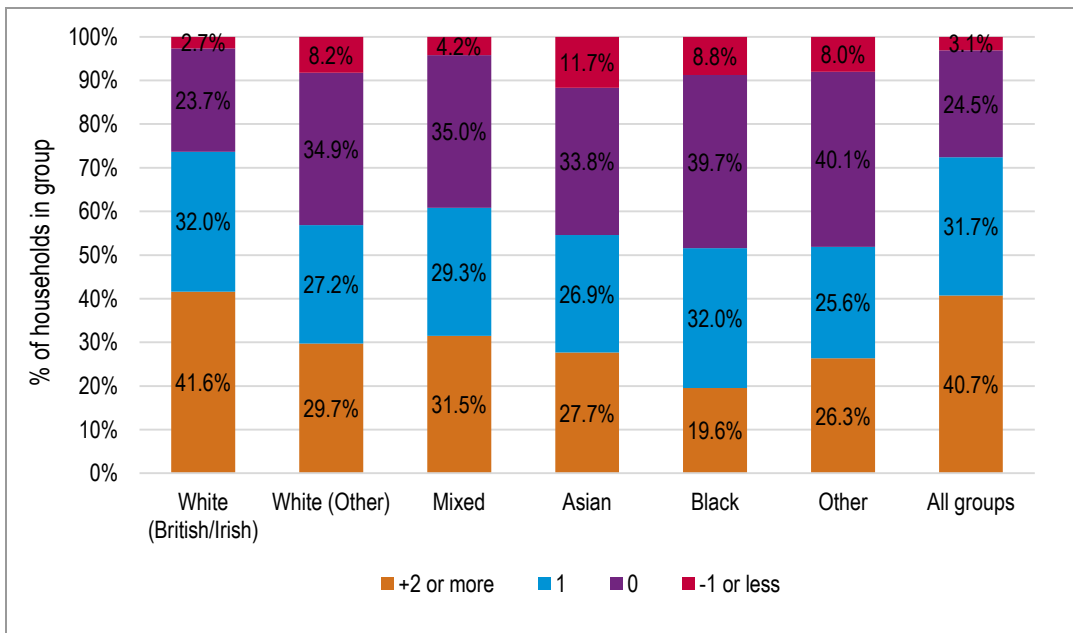
Figure 68: Tenure of BME households – by District and comparator areas



Source: 2011 Census

- 8.52 The strong representation of BME households in the Private Rented Sector means that they are more likely to be affected by the changes discussed to Local Housing Allowance (particularly as the sector in the study area shows a strong representation of LHA Claimants).
- 8.53 As BME communities mature over time, the level of owner occupation may increase. The pace at which this happens may be influenced by economic opportunities available as well as the level of enterprise within the local community. For some communities there may be support mechanisms which can work within the community, such as availability of interest free loans or support raising a deposit to buy a home, depending on cultural factors.
- 8.54 Figure 69 shows ‘occupancy ratings’ by BME group; this is based on the bedroom standard where a positive figure indicates under-occupancy and negative figures suggest some degree of overcrowding. BME groups are more likely to be overcrowded (i.e. have a negative occupancy rating) than White (British) households. In particular, the Census data suggests that around 12% of Asian households are overcrowded – this compares with only 3% of the White (British/Irish) group. Levels of under-occupancy amongst BME communities are generally low.

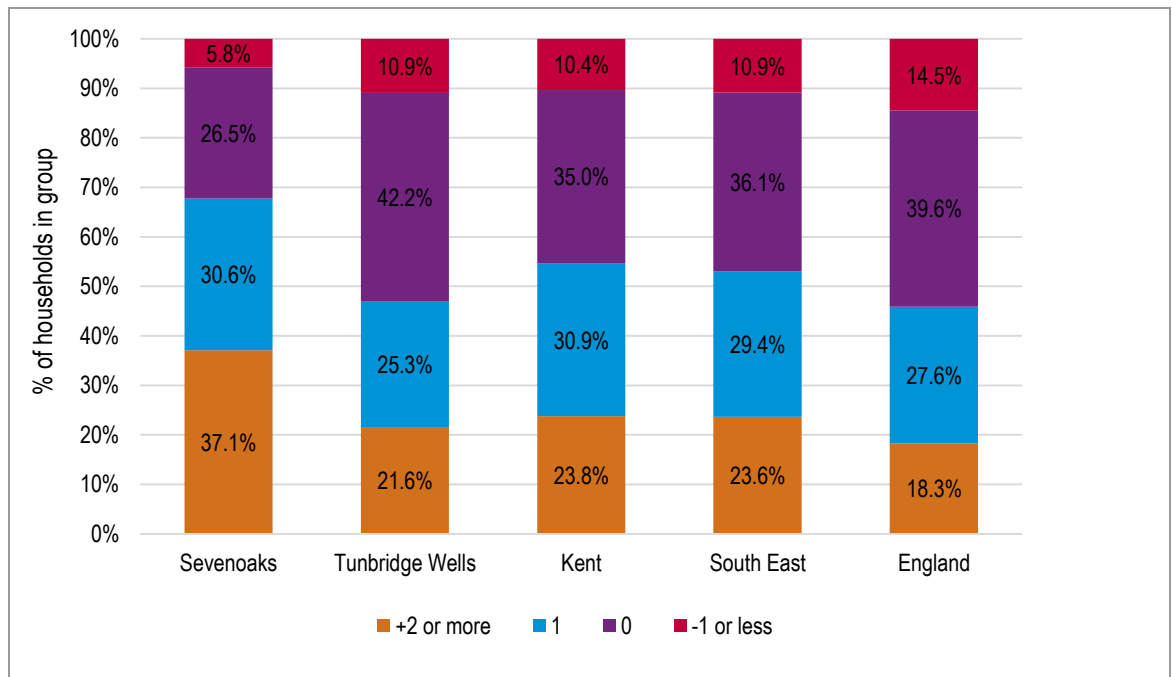
Figure 69: Occupancy rating by ethnic group – Sevenoaks and Tunbridge Wells



Source: 2011 Census

8.55 Looking at individual local authorities (Figure 70) the analysis does suggest some differences. Tunbridge Wells has a notably higher level of overcrowding and low levels of under-occupancy with the opposite being seen in Sevenoaks. The occupancy ratings in Tunbridge Wells are similar to those observed across England although levels of overcrowding are more in line with County and regional data. In Sevenoaks, overcrowding amongst BME households is low when compared with other areas and levels of under-occupancy are quite high. The analysis does however suggest in all areas that BME households are more likely to be overcrowded and less likely to be under-occupying homes than White (British/Irish) households.

Figure 70: Occupancy rating of BME households – by local authority



Source: 2011 Census

Family Households

8.56 The number of families in the study area (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 28,300 as of the 2011 Census (with similar numbers seen in each of Sevenoaks and Tunbridge Wells), accounting for 30% of households. This proportion is very slightly higher than the County, regional and national average. Sevenoaks and Tunbridge Wells do however see a higher proportion of married couple households with dependent children and lower proportions in other groups (most notably a low proportion of lone parents).

Table 70: Households with dependent children (2011)

		Married couple	Cohabiting couple	Lone parent	Other households	All other households	Total	Total with dependent children
Sevenoaks	No.	9,139	1,809	2,287	838	32,947	47,020	14,073
	%	19.4%	3.8%	4.9%	1.8%	70.1%	100.0%	29.9%
Tunbridge Wells	No.	8,993	1,884	2,465	855	32,977	47,174	14,197
	%	19.1%	4.0%	5.2%	1.8%	69.9%	100.0%	30.1%
Kent	%	16.0%	4.6%	6.8%	2.3%	70.4%	100.0%	29.6%
South East	%	17.1%	3.9%	6.1%	2.3%	70.6%	100.0%	29.4%
England	%	15.3%	4.0%	7.1%	2.6%	70.9%	100.0%	29.1%

Source: 2011 Census

8.57 The demographic projection linked to the 2012-based SNPP (and with an adjustment to take account of 2013 mid-year population data) suggests that the number of children (aged 15 and under) is expected to increase from 2013 to 2033 (an increase of 3,400 – 16% increase in Sevenoaks and 2,000 (9%) in Tunbridge Wells).

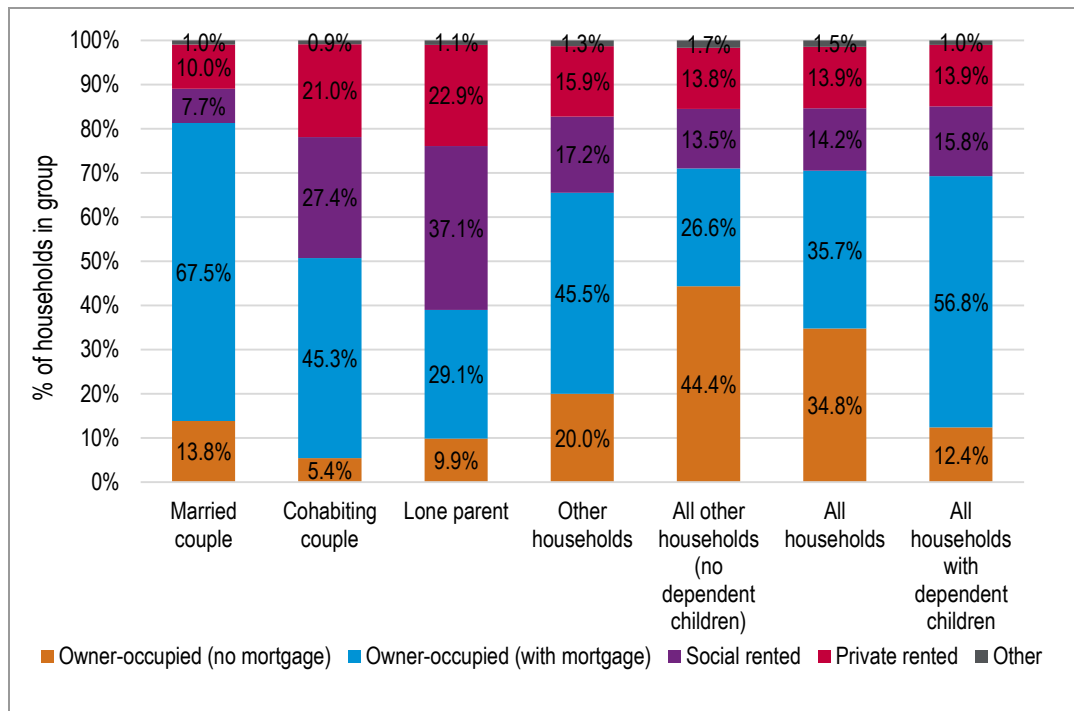
Table 71: Estimated change in population aged 15 and under (2013-33)

Area	Population aged 15 and under		Change (2013-33)	% change from 2013
	2013	2033		
Sevenoaks	21,540	24,928	3,388	15.7%
Tunbridge Wells	21,850	23,807	1,957	9.0%

Source: Derived from demographic modelling

8.58 Figure 71 shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social rented sector and also in private rented accommodation. Only around two-fifths of lone parent households are owner-occupiers compared with 81% of married couples with children.

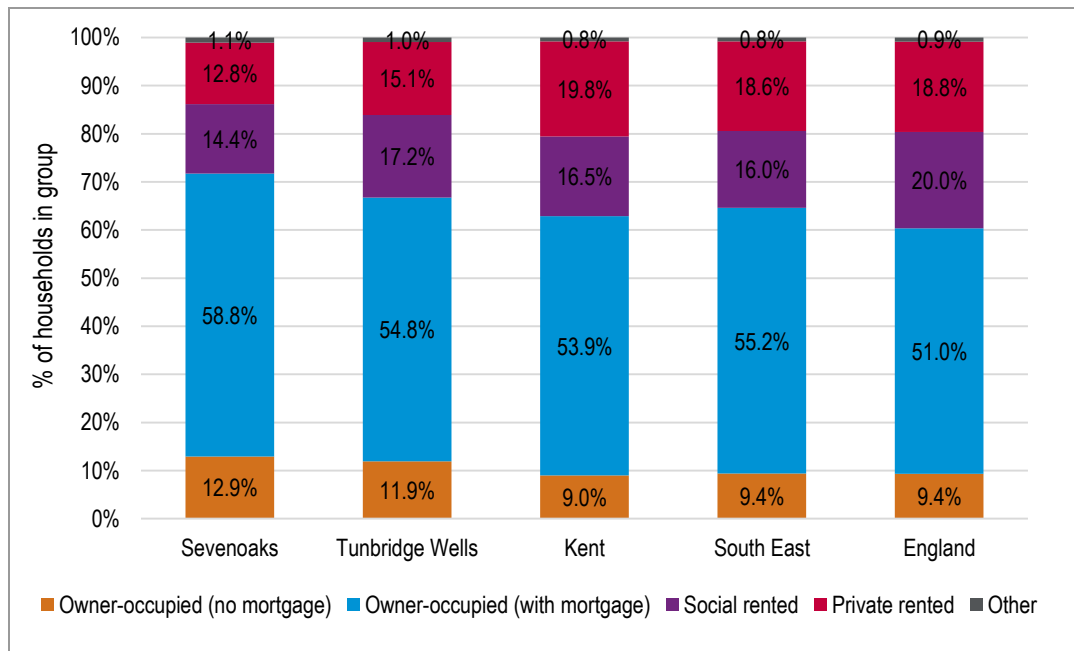
Figure 71: Tenure of households with dependent children – Sevenoaks and Tunbridge Wells



Source: 2011 Census

8.59 Figure 72 shows the current tenure of households with dependent children for each individual local authority area (the figures are for all households with dependent children combined). The data tends to show a similar pattern in each location although Sevenoaks stands out as having a lower proportion living in social and private rented accommodation. Overall, both Tunbridge Wells and to a greater extent Sevenoaks show higher proportions of households with dependent children living in owner-occupied accommodation and lower proportions in rented homes (both private and social) when compared with other comparator locations.

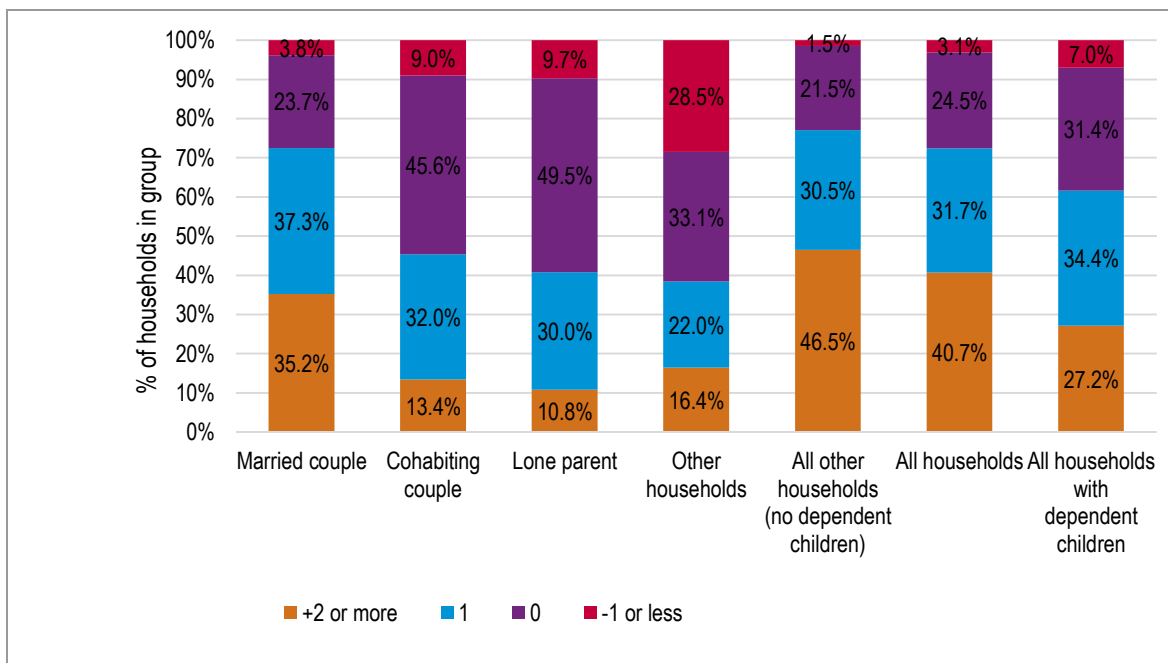
Figure 72: Tenure of households with dependent children – by local authority



Source: 2011 Census

8.60 Overcrowding is often a key theme when looking at the housing needs of households with children and Figure 73 shows that households with children are about five times more likely than other households to be overcrowded. In total, some 7% of all households with dependent children are overcrowded. Included within this, the data shows particularly high levels of overcrowding amongst lone parent households and 'other' households with dependent children. Other than for married couple households levels of under-occupancy are also very low.

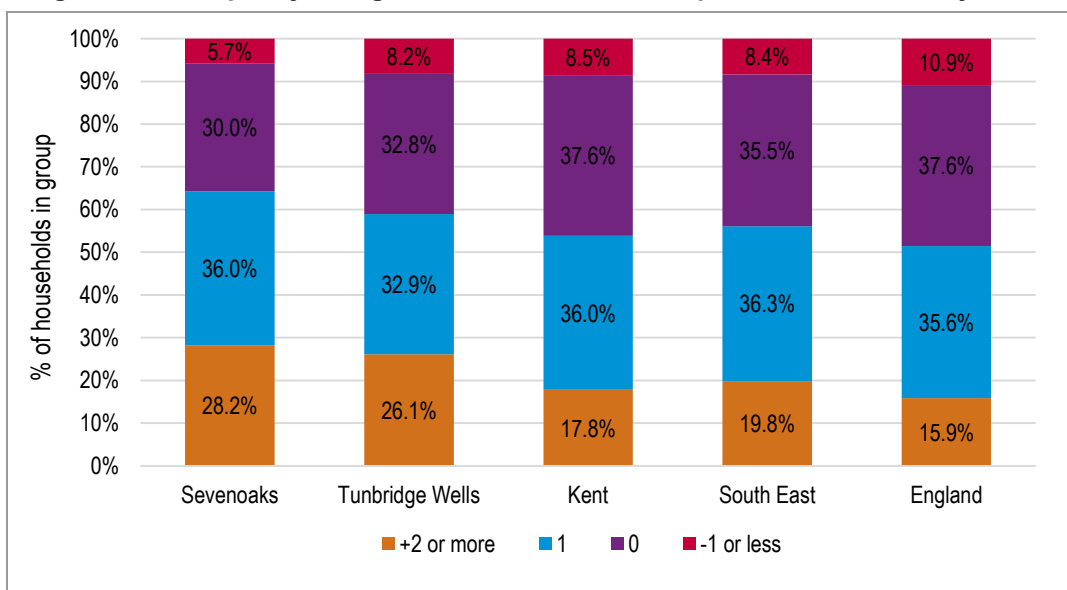
Figure 73: Occupancy rating and households with dependent children – Sevenoaks and Tunbridge Wells



Source: 2011 Census

8.61 Figure 74 shows occupancy rates of households with dependent children by local authority and a range of comparator areas. The data shows a higher level of overcrowding in Tunbridge Wells along with a lower level of under-occupancy; however, when compared with other locations, overcrowding in this area is quite modest. When compared with other areas, the data reveals a particularly low level of overcrowding in Sevenoaks and well as a high proportion of households with dependent children who under-occupy.

Figure 74: Occupancy rating and households with dependent children – by local authority



Source: 2011 Census

Young People

8.62 Providing for the needs of younger person households is an important consideration for the Councils. Given ageing populations, the ability to retain young people in an area can assist in providing a more balanced demographic profile as well as providing a vital part of the local workforce. Young people may however find barriers to accessing housing given typically low incomes and potential difficulties in securing mortgage finance due to deposit requirements. Additionally, LHA payments may limit choice for under-35s requiring private rented homes.

8.63 The demographic projections (linked to the 2012-based SNPP and CLG household projections) suggest that in 2013 there were around 12,700 households headed by someone aged under 35 and that this is set to remain virtually unchanged over the period from 2013 to 2033.

Table 72: Estimated change in households headed by someone aged under 35 (2013-33) – using 2012-based CLG household formation rates

Area	Households aged under 35		Change (2013-33)	% change from 2013
	2013	2033		
Sevenoaks	5,306	5,370	63	1.2%
Tunbridge Wells	7,348	7,249	-99	-1.3%

Source: Derived from demographic modelling

8.64 The data above uses the 2012-based CLG household projections; if the analysis is re-run with an uplift to the formation rates of the population aged 25-34 (as in the suggested market signals uplift)

then there is actually expected to be an increase in the number of younger households – increasing by 16% (860) in Sevenoaks and 3% (230) in Tunbridge Wells over the full 2013-33 projection period.

Table 73: Estimated change in households headed by someone aged under 35 (2013-33) – using 2012-based CLG household formation rates and a ‘market signals’ uplift

Area	Households aged under 35		Change (2013-33)	% change from 2013
	2013	2033		
Sevenoaks	5,306	6,167	861	16.2%
Tunbridge Wells	7,348	7,578	230	3.1%

Source: Derived from demographic modelling

8.65 As well as households headed by a younger person there will be others living as part of another household (typically with parents). Table 74 shows the number of households in the study area with non-dependent children. In total, some 10% of households (9,200) contained non-dependent children in 2011 (11% in Sevenoaks and 9% in Tunbridge Wells). This may to some degree highlight the difficulties faced by young people in accessing housing. Ineligibility for social housing, lower household incomes and the unaffordability of owner occupation for such age groups all contribute to the current trend for young people moving in with or continuing to live with parents. The proportion of households with non-dependent children in the study area is broadly similar to the County, regional and national average.

Table 74: Households with non-dependent children (2011)

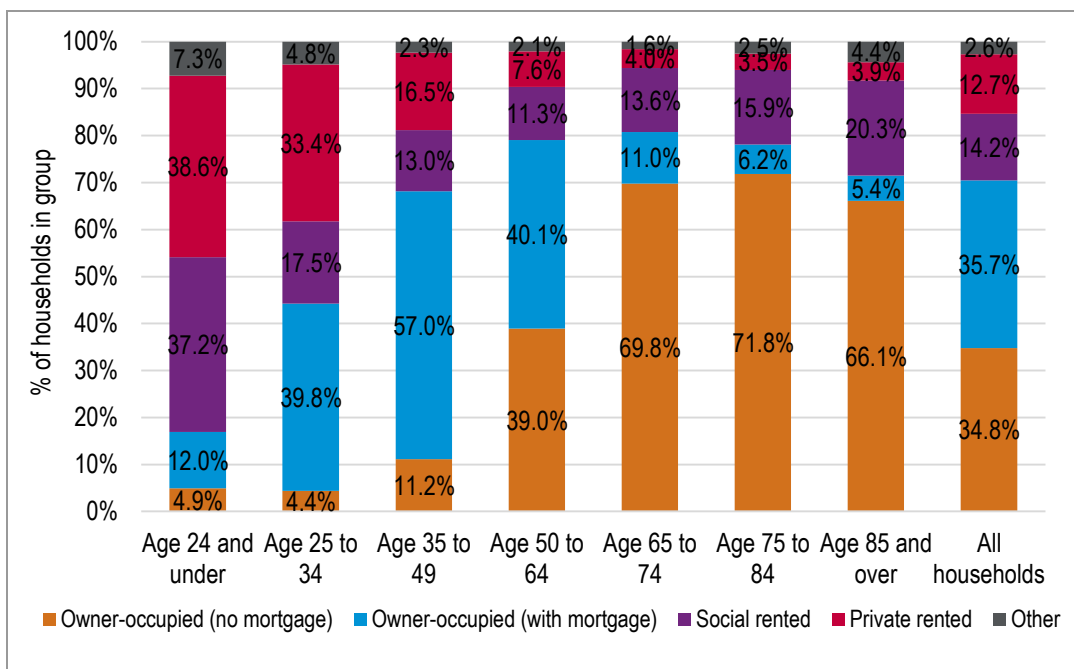
		Married couple	Cohabiting couple	Lone parent	All other households	Total	Total with non-dependent children
		No.	No.	No.	No.	No.	No.
Sevenoaks	No.	3,179	240	1,562	42,039	47,020	4,981
	%	6.8%	0.5%	3.3%	89.4%	100.0%	10.6%
Tunbridge Wells	No.	2,579	231	1,427	42,937	47,174	4,237
	%	5.5%	0.5%	3.0%	91.0%	100.0%	9.0%
Kent	%	5.7%	0.5%	3.2%	90.6%	100.0%	9.4%
South East	%	5.5%	0.5%	3.1%	90.9%	100.0%	9.1%
England	%	5.6%	0.5%	3.5%	90.4%	100.0%	9.6%

Source: 2011 Census

8.66 When considering households that are currently headed by a younger person we can use 2011 Census data to look at some key characteristics. The figure below shows the tenure groups of

these households (compared with other age groups). The data clearly shows that very few younger households are owner-occupiers with a particular reliance on the private rented sector and to a lesser degree social rented housing.

Figure 75: Tenure by age of HRP – Sevenoaks and Tunbridge Wells



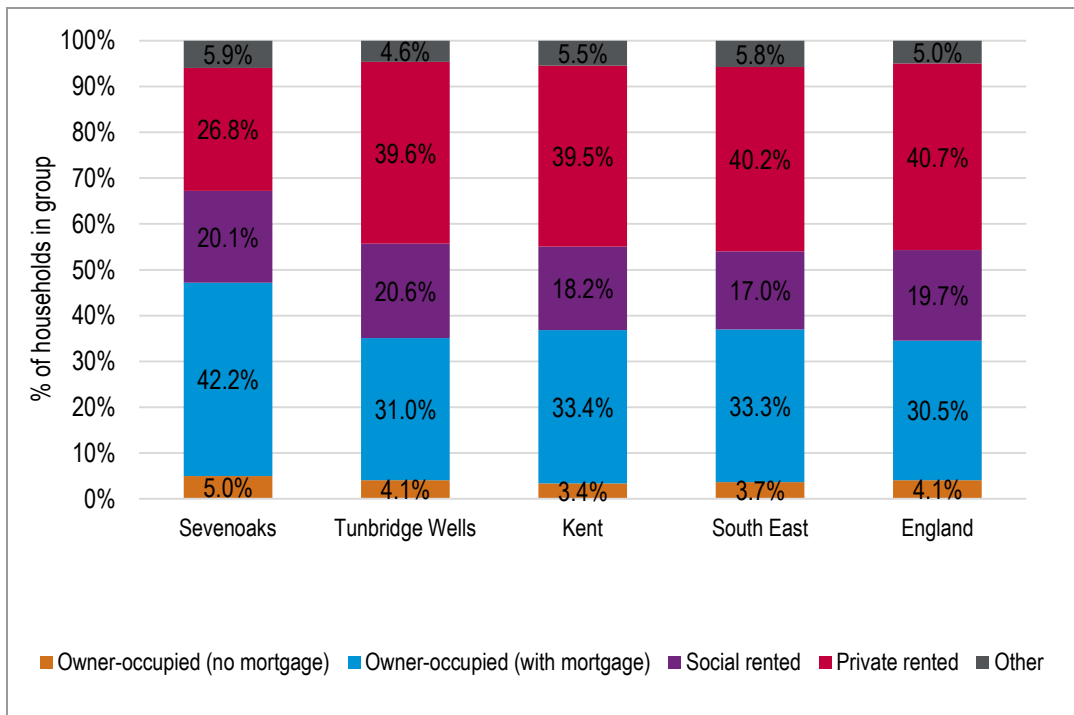
Source: 2011 Census

8.67 When looking at the tenure groups of younger households by district (based on household reference persons aged under 35) the data shows similar patterns in all areas (i.e. a high reliance on the private rented sector). This is particularly strong in Tunbridge Wells with a somewhat lower figure (of 27%) being seen in Sevenoaks. Compared with County, regional and national data, Sevenoaks shows a lower reliance on the private rented sector and a higher proportion of owner-occupiers – trends in Tunbridge Wells are broadly similar to that seen in other locations.

8.68 Affordability issues are clearly evidence for younger people, in their 20s and 30s in particular. There are a number of initiatives which aim to assist younger households in getting on the housing ladder, including:

- Help-to-Buy equity loans/ mortgage guarantee;
- Shared ownership homes (both new-build and re-sales);
- Sevenoaks District Council’s “A Home of Your Own” (Diyso) Scheme;
- The Government’s new Starter Homes Initiative.

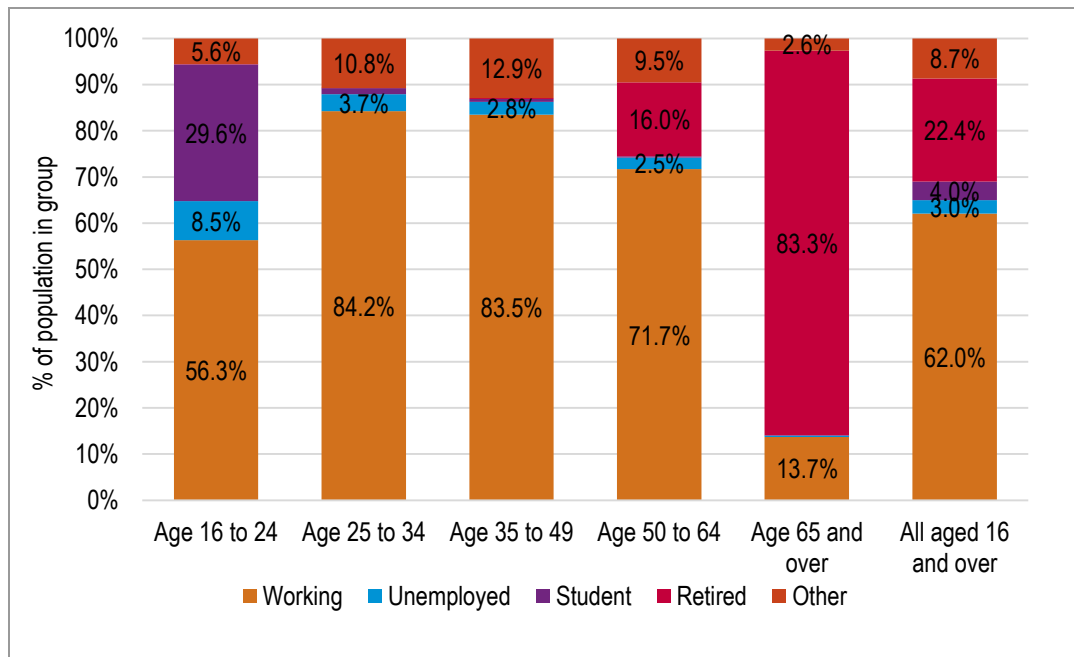
Figure 76: Tenure of households aged under 35 – by local authority



Source: 2011 Census

8.69 Census data can also be used to look at economic activity rates; including employment and unemployment levels. Data about this is shown in Figure 77. The data shows that younger people are more likely to be unemployed than other age groups. The data shows that of the population aged 16-24 some 8% are unemployed, along with 4% of the 25-34 age group.

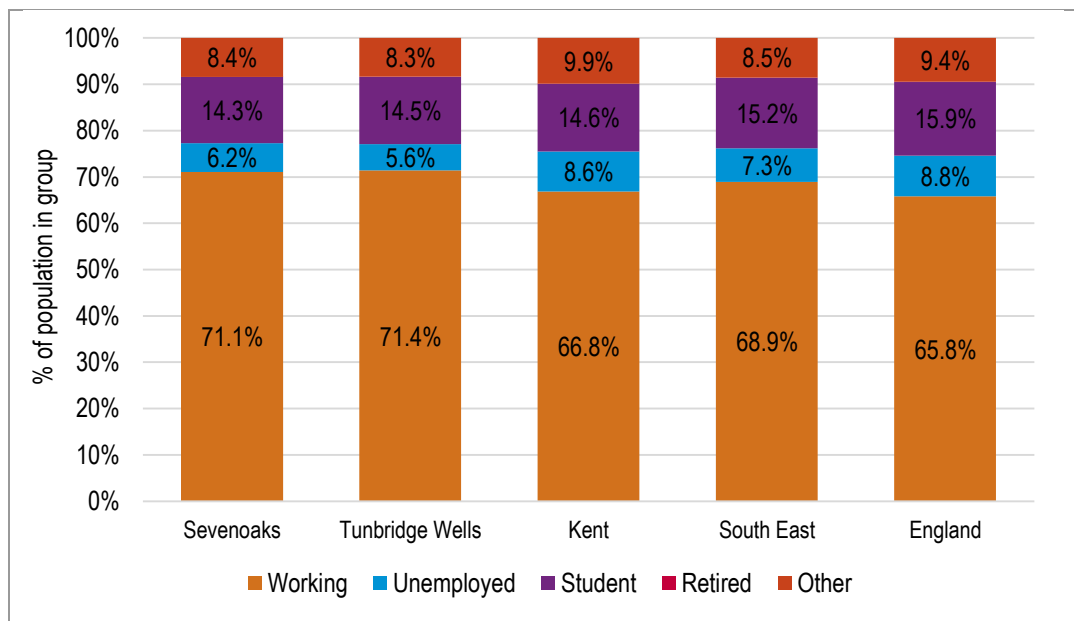
Figure 77: Economic activity by age – Sevenoaks and Tunbridge Wells



Source: 2011 Census

8.70 Data about economic activity has been provided below at a more localised level for the population aged under 35. The data shows that both Sevenoaks and Tunbridge Wells have around 6% of younger people who are unemployed. Compared with other locations (notably England) the data shows a relatively low level of unemployment amongst younger people in the two local authorities.

Figure 78: Economic activity by location (people aged 16-34)



Source: 2011 Census

Build-to-Rent

- 8.71 The size of the Private Rented Sector has grown in both Sevenoaks and Tunbridge Wells, and in Tunbridge Wells in 2011 accommodated more households than social rented housing.
- 8.72 Between 2001-11, the number of households living in the Private Rented Sector grew by 2046 in Sevenoaks, and 3460 in Tunbridge Wells; with the size of the sector increasing – from accommodating 6.8% to 10.8% of households in Sevenoaks; and from 10.6% to 16.9% of households in Tunbridge Wells. The evidence is clear that it has been the major growth sector in the housing market.
- 8.73 Linked in part to this, there is an increased interest from developers in “Build to Rent” housing, which is specifically built not for open market sale but for the Private Rented Sector. There is evidence occupier demand, linked to high house prices and borrowing restrictions which have resulted in a pool of young people in particular who are renting for longer.
- 8.74 The sector provides the opportunity for good quality, well-managed rental accommodation which is purpose-build. In particular the sector provides the opportunity to boost overall housing delivery, as it does not compete directly with traditional housing development schemes which are built for sale. There are a number of active institutional investors and developers who are actively engaged in the sector.
- 8.75 Government has been promoting Build-to-Rent housing. It has set up a Private Rented Sector Taskforce; and supported delivery through other measures – including a Build to Rent Fund which provides Government-backed loans to support new development.
- 8.76 The sector is currently relatively small, but is one with growth potential. To support development of Build to Rent housing, the Council may well however need to be flexible in how affordable housing policies are applied. The financing of development is different from that of market-led development schemes where the properties are sold within a short-time of completion, generating a capital receipt. For private rental development, the return on the investment is staggered over a number of years. This impacts on finance costs and overall scheme viability.
- 8.77 We would expect potential sites suitable for this type of product to be focused in the main towns and close to transport hubs.

Custom/Self-Build

- 8.78 SHMAs need to investigate the contribution that self-builds makes toward the local supply. *Laying the Foundations – a Housing Strategy for England 2010* sets out that only one in 10 new homes in

Britain was self-built in 2010 – a lower level than in other parts of Europe. It identifies barriers to self or custom-build development as including:

- A lack of land;
- Limited finance and mortgage products;
- Restrictive regulation; and
- A lack of impartial information for potential custom home builders.

- 8.79 Government aspires to make self-build a ‘mainstream housing option’ and has thus sought to address these issues.
- 8.80 There are now a number of websites which provide information on self- and custom-build housing, including www.self-build.co.uk, www.selfbuildportal.org.uk and www.nacsba.org.uk. The level of information and advice available is increasing. The Councils could signpost people to these.
- 8.81 Government is proposing to introduce a “Right-to-Build” whereby Councils are required to set up and maintain a register of individuals who wish to build their own homes; and to use private sector land to provide service plots for individuals who want to build their own homes. A number of “vanguard” councils have been identified to test how this might work.
- 8.82 Government has also introduced a £150 million Custom Build Service Plots Loan Fund, through which developers can bid for loan finance to bring forward serviced plots with planning permission which can be sold to individuals for custom-build development. Government has also mooted an extension of the Help-to-Buy Scheme to Custom Build, allowing potential self-builders to access finance with a 5% deposit. These schemes aim to increase land supply, and address barriers identified above.
- 8.83 The SHMA needs to consider potential demand for self- or custom-build development. Sevenoaks District Council has set up a register of persons interested in self- or custom-build, but at the time of writing this report only one person has registered. As yet, Tunbridge Wells Borough Council is still to set up a register and wider information available is somewhat limited.
- 8.84 We have sought principally to use the Custom Build Register maintained by BuildStore to consider potential demand. These are shown below, and should be treated as an indicative assessment as at September 2015. It is likely that those registered on the BuildStore website will also be active members on the Plot Search Register.
- 8.85 Delivery of self-build housing will contribute to meeting the objectively-assessed housing need for housing identified in this report. .

Table 75: Interest in Self- and Custom-Build, Sept 2015

	Persons registered on BuildStore Custom-Build Register, Sept 2015	Active Members on BuildStore Plot Search Register, Sept 2015
Sevenoaks	39	152
Tunbridge Wells	64	340

Source: BuildStore, Sept 2015

- 8.86 There are a number of websites dedicated to advising and assisting people to self-build, of which BuildStore is the main one. BuildStore, as at September 2015, shows 7 potential plots available for self-build in Sevenoaks District; and 3 in Tunbridge Wells.
- 8.87 From a development point of view, key issues with this market are associated with skills and risk: whilst there may be notable number of people with an ‘interest’ in self-build, there is in some circumstances a significant financial outlay, risk and time-cost associated with self-build. Government’s drive is however likely to support some growth in this sector.
- 8.88 We would expect most new delivery through self-build to be on small windfall sites; although there is some potential through policy to encourage developers of larger schemes to designate parts of these as plots available for custom build.
- 8.89 While the focus of Self-build is understandably for market housing, there are opportunities for delivery of affordable homes through this method. One example of this is the ‘Build!’ programme run by Cherwell District Council in Oxfordshire. This programme offers individuals or interested groups the opportunity to come together to either build a new home, or to renovate and decorate an existing property. These properties are eventually available on a shared ownership or affordable rent tenure. In return for their labour, participants would receive reduced purchase price or lower rental rates. The level of discount applied would reflect the individual’s involvement in the build or renovation process.
- 8.90 Overall self- and custom-build homes is a small sector of the housing market, but one with some potential to grow. It can help to increase overall housing delivery.
- 8.91 To support growth, it would be appropriate for the Councils to consider whether planning policy for larger sites should require an element of land to be put aside to support Custom-build housing. Tunbridge Wells Borough Council should also investigate putting in place a register of individuals with an interest in Custom-Build to provide more detailed information on demand, to support and provide a justification for seeking provision of plots on larger development schemes.

Summary and Implications – Specific Groups of the Population

- 8.92 A key issue over the period to 2033 will be meeting the needs of a growing older population, driven by demographic changes including increasing life expectancy. The number of people aged 65 and above is expected to increase by 24,000 (54%) over the 20-years from 2013 to 2033. Demographic change is likely to see a requirement for additional levels of care/support along with provision of some specialist accommodation (particularly in the market sector).
- 8.93 A growing older population will generate a need for specialist housing, as well as potentially nursing/ care home provision. It will also result in a need for properties suitable for those with disabilities, and adaptations to existing homes to take account of people's changing needs. Demographic projections suggest a 135% increase in the population aged over 85 from 2013 to 2033 with Census data suggesting that around 80% of this age group have some level of disability.
- 8.94 The population from Black and Minority Ethnic (BME) groups in the two local authorities is proportionally smaller than the regional and national average (and also slightly below equivalent figures for Kent). The BME population has however grown significantly over the past decade. Characteristics of BME groups (including tenure profiles and occupancy patterns) suggest that such households may be disadvantaged in the housing market. Where possible the Councils should provide advice to BME groups and in particular ensure that accommodation quality (particularly in the private rented sector) can meet the needs of such households which are disproportionately likely to contain children.
- 8.95 As we might expect, younger households have a greater reliance on rented accommodation than other groups. Given that the housing options for young people may be more limited than for other groups it will be important to monitor the accommodation quality – this will need to focus on HMOs given general trends of an increase in house sharing over time.
- 8.96 The analysis also points to potential for growth in the Private Rented Sector, including Build to Rent; but suggests that affordable housing policies may need to be applied somewhat flexibly given the different economics of this form of development compared to traditional market-led housing development schemes.
- 8.97 Lone parents are particularly disadvantaged in the housing market with a high reliance on rented housing. Projections suggest an increase in the number of children in the two local authorities over the next few years and if past trends are repeated this will also see an increase in the number of lone parents. Again advice about housing options and maintaining a good quality of accommodation will be critical to ensure that such households' needs are best met and that children are provided with a full range of opportunities (e.g. education) as they grow up.

8.98 Self- and Custom-Built Homes are identified as a further potential growth sector, with evidence of demand in both authorities. This is a small sector, but one with growth potential; and the analysis identifies a number of means through which the sector can be supported – including potentially through identifying plots on larger development schemes.

9 CONCLUSIONS

- 9.1 This final section of the report draws together the preceding analysis to draw conclusions (leaving aside supply-based considerations) on:
- Overall housing need;
 - Need from different sizes of homes (both market and affordable); and
 - Needs for particular types of homes, particularly from the growing older population.
- 9.2 This report defines a West Kent Housing Market Area (HMA) which includes Sevenoaks, Tonbridge and Tunbridge Wells and extends to include Crowborough, Hawkhurst and Heathfield. Use of a 'best fit' to local authority boundaries would include Sevenoaks and Tunbridge Wells; but there are evident cross-boundary interactions with the northern parts of Rother and Wealden in East Sussex; between Swanley and Dartford; and with London.
- 9.3 An assessment of housing need is undertaken following the approach set out in Planning Practice Guidance (PPG). This is one whereby the latest population and household projections are a starting point; and then consideration is given as to whether this needs to be adjusted to take account of market signals, evidence of affordable housing need or to support expected economic growth. This is a prescribed approach, which is clearly set out by Government, and against which the evidence base is tested – such as at local plan examinations. This approach is used to define the full, objectively assessed need (OAN) for housing on a 'policy off' basis. Housing need is defined for the two local authorities of Sevenoaks and Tunbridge Wells as the NPPF requires (and as clarified by the case law)¹⁷.
- 9.4 As national policy requires, the SHMA findings purposely "leaves aside" supply-side considerations and constraints to development – including land availability, infrastructure and Green Belt. These considerations are applied in bringing together the evidence, and testing options for development as part of the plan-making process. In effect, national policy sets out that development needs should be assessed leaving aside constraints (Stage 1); and then brought together with evidence related to land availability, development constraints, infrastructure and unmet housing needs from other areas in deriving policy targets for housing provision through the development of local plans (Stage 2). The requirement for this two stage approach is clearly outlined in the case law¹⁸.
- 9.5 Whilst national policy sets the bar high in terms of seeking to meet housing need¹⁹, and the ability to do so needs to be tested as part of the plan-making process, the housing need identified in the SHMA is not a housing target – and there may be sound reasons as to why the identified housing need cannot be sustainably accommodated.

¹⁷ Satnam Millenium Ltd. V Warrington BC [2015] EWHC 370 (Admin)

¹⁸ City and District Council of St Albans vs. Hunston Properties Ltd [2013] EWCA Civ. 1610

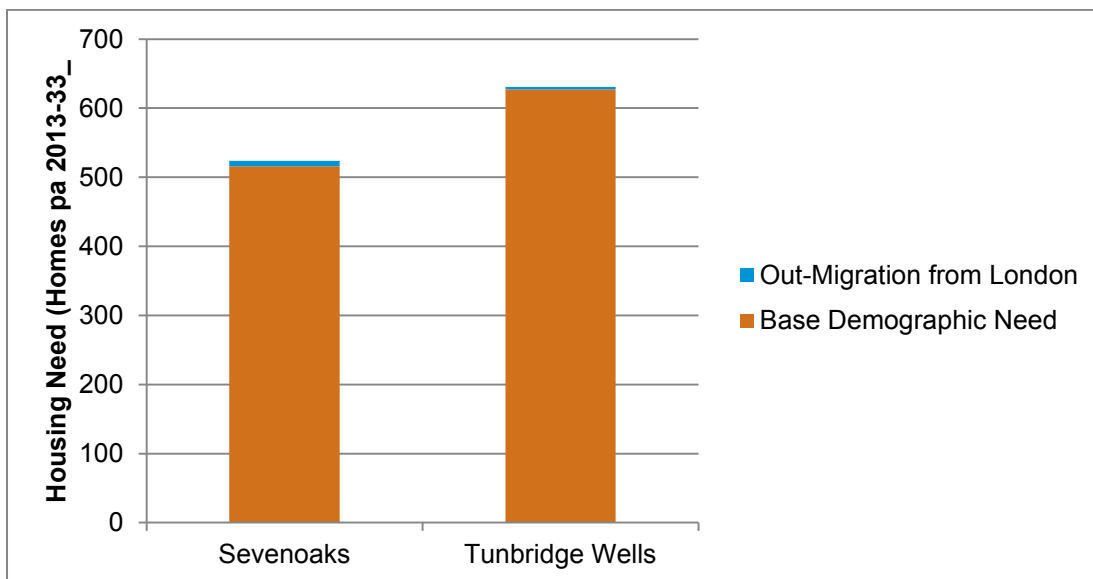
¹⁹ The Hunston Case describes this as a "consideration of particular standing"

- 9.6 Housing targets will be set in local plans. The SHMA provides an important input into setting targets for housing provision, but these will also take into account factors such as the supply of land for new development, Green Belt and Areas of Outstanding Natural Beauty, local infrastructure capacity and wider environmental constraints. These factors may limit the amount of development which can be sustainably accommodated.

Demographic Projections – the Starting Point

- 9.7 Planning Practice Guidance sets out that “*household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.*” The most up-to-date projections are the 2012-based CLG Household Projections published in February 2015. These projections were underpinned by ONS (2012-based) Sub-National Population Projections (SNPP) – published in May 2014.
- 9.8 The SNPP are based on trends in births, deaths and migration. Migration is projected based on trends in domestic migration over the 2007-12 period; and international migration between 2006-12 constrained to ONS national population projections. The projections are dynamic, and take account of how the age structure of the population in different areas is expected to change over time, and how this can be expected to influence migration flows.
- 9.9 Given that the projections are influenced by trends between 2007-12, a period which included an economic recession, the analysis suggests a moderate increase in migration from London might be expected moving forwards. The potential impact of this has been modelled using assumptions consistent with those adopted in Further Alternations to the London Plan (FALP).
- 9.10 The report concludes that an appropriate trend-based demographic projection would see population growth of 19,900 (17.0%) in Sevenoaks District and 19,200 (16.6%) in Tunbridge Wells Borough over the 2013-33 period.
- 9.11 The report applies (age-specific) assumptions on household formation to the population projections, and includes an allowance for vacant and second homes within the housing stock (based on levels shown by the 2011 Census). This results in a demographic-led need for 524 homes per year (2013-33) in Sevenoaks, and 631 homes per year in Tunbridge Wells. These provide the ‘starting point’ for assessing housing need, following the approach in the Planning Practice Guidance.

Figure 79: Demographic-Led Assessment of Housing Need, Homes per Year 2013-33



- 9.12 The assessment is based on the latest available evidence, draws on the official projections which are advocated in Planning Practice Guidance as based on nationally-consistent assumptions, and which take account of how changes in the size and structure of the population in different areas nationally can be expected to influence movement between areas.

Supporting Economic Growth

- 9.13 Following the approach in the PPG, consideration needs to be given to whether future economic performance might result in higher net migration to Sevenoaks and Tunbridge Wells than has been seen in the recent past. Consideration is expected to be given to employment trends and/or forecasts.
- 9.14 Over the 1993-2010 period (which is equivalent to the last economic cycle), employment in Sevenoaks grew by an average of 1.0% per annum. In Tunbridge Wells, employment levels were static (0.0% growth).
- 9.15 The report has considered economic forecasts from the East of England Forecasting Model (EEFM), from both the 2013 and 2014 model runs. The latest 2014 forecasts expect 0.8% pa growth in employment in Sevenoaks and in Tunbridge Wells – above the growth rate expected across the South East region (0.7% pa) but below that forecast across Kent (0.9% pa).

Table 76: EEFM Economic Forecasts

Area	Forecast date	Forecast Employment Growth 2013-33	% change
Sevenoaks	2013	5,200	8.9%
	2014	8,900	16.5%
Tunbridge Wells	2013	5,500	9.1%
	2014	10,000	16.8%

- 9.16 The labour supply generated in the demographic-led projections is sufficient to support the expected growth in employment in the 2013 EEFM forecasts.
- 9.17 The EEFM 2014 forecasts for Sevenoaks look reasonable set against past trends; whereas there is no substantive evidence to suggest that employment growth in Tunbridge Wells will be substantially stronger than seen historically, where employment numbers have been broadly static.
- 9.18 GL Hearn conclude that, leaving aside supply-side constraints, economic performance in Sevenoaks District could drive an increase in net migration into the area than seen historically. The economic-led projection run shows a housing need for 577 homes per annum – 10% above the need shown in the demographic-led projections. This holds the ‘commuting ratio’ (the balance between residents in work and jobs) constant, but models some improvement to employment rates principally from expected increases in women and older persons within the workforce.
- 9.19 Each authority intends to prepare studies considering economic growth and employment land needs. In light of more detailed work on economic growth potential, it may be necessary to revisit conclusions on housing need herein, depending on the scale of employment growth anticipated.

Market Signals & Affordability

- 9.20 The Planning Practice Guidance indicates that *“the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.”* It identifies that where market signals point to poor and worsening affordability and an imbalance between supply and demand, an appropriate adjustment should be made to future housing provision.
- 9.21 It indicates that rather than seek to estimate the precise impact of an increase in housing supply, plan makers should increase planned supply (relative to demographic projections) by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability, and monitor the response of the market over the plan period.
- 9.22 The median house price in Sevenoaks is £302,000, and in Tunbridge Wells £260,000; both of which are above those across the wider housing market area and Kent (where the average is £210,000). The mapping of house prices undertaken however clearly shows that prices are similar to other

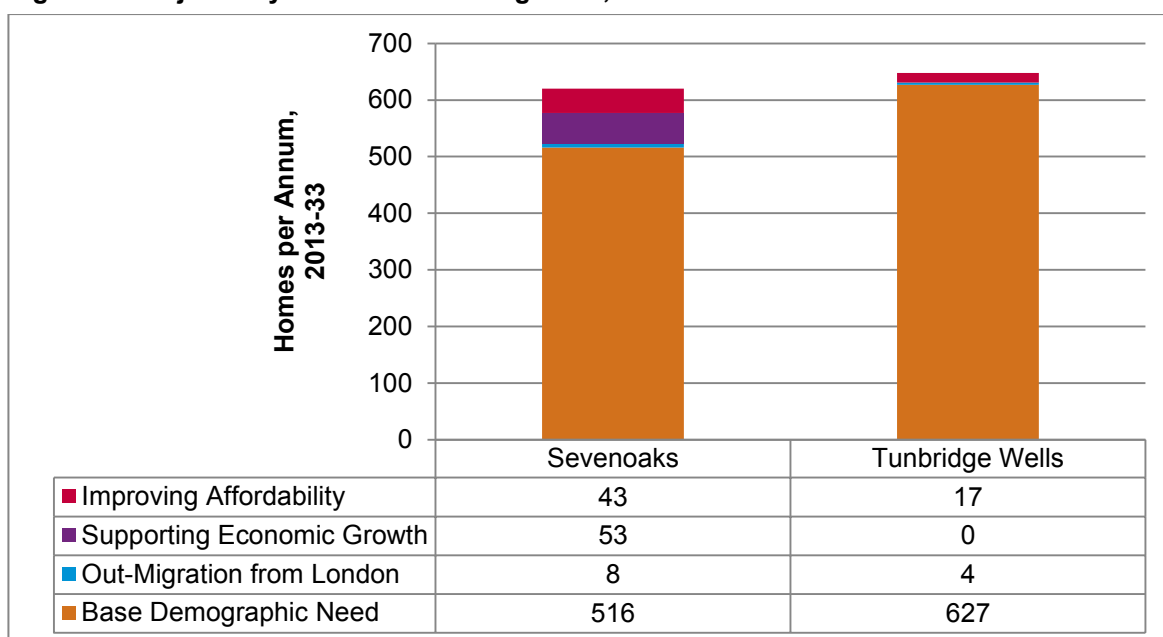
areas close to London. Whilst house price increases over the period since 2008 have been modest, particularly in real terms (taking account of inflation); growth in rents in both areas has been above inflation.

- 9.23 The evidence points to notable affordability pressures, with the lower quartile (entry level) house prices 11 times earnings of younger households in Sevenoaks; and 9.7 times earnings in Tunbridge Wells. This compares to a ratio of 6.5 nationally.
- 9.24 The analysis also suggests some real impacts of affordability pressures. Over the 2001-11 period, home ownership fell (with increasing numbers of households renting privately). Levels of over-occupied households and those in shared housing increased, albeit that levels of both remain below Kent and national averages.
- 9.25 As we might expect, the high housing costs have contributed to levels of households who require financial support in meeting their housing needs, and would be eligible for affordable housing. The report identifies a net need from 422 households per annum for affordable housing in Sevenoaks; and from 341 households per annum in Tunbridge Wells.
- 9.26 This includes need arising from concealed and homeless households – who will require additional housing – as well as from overcrowded households, or those who seek an alternative tenure of accommodation, but would release a home for other households should a new affordable home be provided. Households in the former categories will generate a need for additional homes overall.
- 9.27 The evidence from market signals, and from the affordable housing needs assessment, point to affordability pressures. The report provides evidence that deteriorating affordability (coupled with the credit crunch) resulted in a fall in household formation amongst households in their late 20s and early 30s over the 2001-11 period. An improvement in affordability can be expected to see a rise in household formation amongst these households.
- 9.28 Taking account of market conditions, where sales volumes remain below pre-2008 levels and market capacity issues, coupled with the tightening of lending criteria for accessing mortgage finance, it is reasonable to expect household formation for younger households to improve gradually over time (if supply-side considerations such as land availability are left aside). The report models an improvement in household formation rates amongst households aged 25-34, returning to 2001 levels by 2033. This adjustment is applied to the demographic and/or economic-led projections to derive conclusions on the objectively-assessed housing need.

Conclusions on Objectively-Assessed Housing Need

9.29 In drawing conclusions on the overall need for housing, we have followed the approach in the PPG, of starting out with trend-based demographic projections; and then considering whether these need to be adjusted to support economic growth or improve affordability. Drawing together the above analysis, **a need for 12,400 homes is identified over the 2013-33 period in Sevenoaks District (620 per annum); and 12,960 homes (648 per annum) in Tunbridge Wells Borough.** The need identified is built up as shown in the chart below.

Figure 80: Objectively-Assessed Housing Need, 2013-33



9.30 The assessment of housing need above does not include any specific provision from meeting unmet needs of adjoining areas. Where an adjoining authority has an unmet housing need, the potential to contribute to addressing this will need to be considered through the Duty to Cooperate.

9.31 GL Hearn considers that where an authority is planning for higher migration than is shown in trend-based projections, such as by seeking to accommodate economic growth, the upwards adjustments may provide scope to meet unmet needs from other areas. This recognises that if an authority is meeting unmet needs from another area, this would potentially support enhanced population and likely workforce growth in the recipient authority, which could contribute to support economic growth in its area.

Need for Different Types of Homes

- 9.32 The NPPF in Paragraph 159 requires local planning authorities, through the SHMA, to identify the range of types and sizes of accommodation likely to be needed by the population in the future, including that required by those groups with specific housing needs.

Mix of Homes of Different Sizes

- 9.33 There are a range of factors which will influence demand for different sizes of homes. Section 6 modelled the needs for different sizes of market and affordable homes over the 2013-33 period, based on an understanding of how the size and structure of the population is expected to change, and analysis of how households of different ages occupy homes. The SHMA concludes that the following represents an appropriate mix of affordable and market homes to plan for over the 2013-33 period:

Table 77: Recommended Housing Mix – Sevenoaks District

	1-bed	2-bed	3-bed	4+ bed
Market	5-10%	25-30%	40-45%	20-25%
Affordable	30-35%	30-35%	25-30%	5-10%
All dwellings	15-20%	25-30%	35-40%	15-20%

Table 78: Recommended Housing Mix – Tunbridge Wells Borough

	1-bed	2-bed	3-bed	4+ bed
Market	5-10%	25-30%	35-40%	20-25%
Affordable	35-40%	30-35%	20-25%	5-10%
All dwellings	15-25%	25-30%	30-35%	15-20%

- 9.34 The evidence suggests that the strongest demand for market housing will be for two and three bedroom properties.
- 9.35 For affordable housing, there is a greater proportional need for one- and two-bedroom properties; however there remains a need for a balanced mix of dwellings of different sizes to come forward with delivery of larger properties being important in meeting the needs of households with an acute housing need, and releasing existing properties for other households.
- 9.36 In applying policies on housing mix to individual development sites regard should be had to the nature of the development site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

9.37 The analysis of an appropriate mix of dwellings should also inform the ‘portfolio’ of sites which are considered through the Local Plan process, including: Site Allocations, Neighbourhood Plans and other planning documents. Equally it will be of relevance to affordable housing negotiations.

Affordable Housing Mix

9.38 In respect of the need for different types of affordable housing, the SHMA has considered what households can afford, together with the supply through re-lets of existing housing stock. Conclusions regarding the need for different forms of affordable housing are shown below:

Table 79: Need for Different Forms of Affordable Housing

	Intermediate	Social / Affordable Rent
Sevenoaks	24%	76%
Tunbridge Wells	36%	64%

9.39 The need for intermediate housing has been calculated on the basis of the proportion of households in need of affordable housing who can afford more than 80% of market rent levels but whose earnings fall below £60,000 annually. Such households might be eligible for:

- Help-to-Buy Shared Ownership
- Affordable Rent
- Rent-to-Buy

9.40 Policies for the mix of affordable housing need to take account not just of the needs evidence, but the evidence base regarding development viability, as well as local policy aspirations and Central Government priorities and funding. As such in finalising policies, needs and viability evidence should be brought together. It may be appropriate for viability studies to test potential alternative policies for the mix of affordable housing in order to support overall delivery.

Specialist Housing and Accommodation for Older Persons

9.41 The SHMA indicates that the population of persons aged over 65 accounts for 18% of the population in Tunbridge Wells; and 20% in Sevenoaks. The number of residents aged over 65+ is expected to grow substantially – by 49% in Sevenoaks and 61% in Tunbridge Wells to 2033, with particularly strong growth expected in those aged over 75, driven by improving life expectancy.

9.42 A growing older population and increasing longevity is expected to result in a substantial growth in people with dementia and mobility problems. Across the two areas, the number of people with mobility problems is expected to increase by over 6,000; with an increase of more than 2,500 persons with dementia projected (based on the SNPP) to 2033. Some of these households will require adaptations to properties to meet their changing needs whilst others may require more specialist accommodation or support. There is clear evidence of need for properties which are capable of accommodating people’s changing needs.

9.43 There are currently over 2,800 units of specialist housing for older persons across the Study Area. Based principally on the expected growth in population of older persons, the SHMA estimates a need for an additional 1,300 specialist dwellings for older persons in Sevenoaks and 1,400 in Tunbridge Wells over the 2013-33 period. The need in different areas is shown below:

Table 80: Need for Specialist Housing for Older Persons, 2013-33

	Specialist Housing Need, 2013-33	Annual Need for Specialist Housing	% Overall OAN
Sevenoaks	1,319	66	11%
Tunbridge Wells	1,391	70	11%

9.44 It may be the case that some existing sheltered housing is in a poor condition or suffers from low demand and that there remains a need for additional extra care accommodation – such as to reduce the proportion of households accommodated in residential care. The Councils should bring the SHMA analysis together with local knowledge of demand and the stock profile in determining the appropriate mix of specialist housing in development schemes.

9.45 Specialist housing includes sheltered and extra care housing. The numbers of homes set out in the above table are considered to fall within a C3 use, and thus form part of the overall Objectively Assessed Need (OAN) for housing identified in this report.

9.46 Decisions about the appropriate mix of specialist housing should take account of the current stock, other local needs evidence as appropriate, and policies regarding accommodation and care for older persons. The two authorities and county council should liaise as appropriate in this respect.

9.47 Each Council should give consideration to how best to deliver the identified specialist housing need, including for instance the potential to identify sites in accessible locations for specialist housing or to require provision of specialist housing for older people as part of larger strategic development schemes.

9.48 In addition to specialist housing, the potential for the wider housing stock to cater for a growing older population needs to be considered. Many older people live in homes which they may have lived in for some years. Adaptions to properties and floating support may help households requiring support to remain in their home.

9.49 Some households may wish to downsize, should suitable, attractive properties be available locally. This has been taken into account in deriving the findings regarding the future mix of market and affordable housing above.

Need for Registered Care Provision

- 9.50 Registered care provision falls within a C2 use class, with households who live in care homes counted as part of the institutional rather than the household population. As such provision of residential care is treated in the analysis of housing need separately in this report from that for C3 dwellings.
- 9.51 The SHMA indicates a net need for 511 C2 bedspaces for older persons in Sevenoaks and 796 bedspaces in Tunbridge Wells over the 2013-33 period. The assessment should be treated as indicative, and does not seek to set policies in how older persons with care needs should be accommodated.

Table 81: Need for Residential/ Nursing Care Bedspaces

Change in institutional population aged 75+, 2013-33	
Sevenoaks	511
Tunbridge Wells	796

- 9.52 These figures are important to note if the Councils intend to include C2 class uses in their assessment of 5-year housing land supply as it will be necessary to include figures on both the need and supply side of the equation.

Self and Custom-Build Homes

- 9.53 The SHMA indicates that there is potential for growth in housing delivery through self- and custom-build housing. The SHMA provides indicative information on needs, based on data from BuildStore, as shown below.

Table 82: Registered Interest in Self and Custom-Build Homes, Sept 2015

	Persons registered on BuildStore Custom-Build Register, Sept 2015	Active Members on BuildStore Plot Search Register, Sept 2015
Sevenoaks	39	152
Tunbridge Wells	64	340

- 9.54 To support growth in this market segment, responding to Government policy, it would be appropriate for the Councils to consider whether planning policy for larger sites should require an element of land to be put aside to support Custom-build housing. Tunbridge Wells Borough Council should also investigate putting in place a register of individuals with an interest in Custom-Build to provide more detailed information on demand, to support and provide a justification for seeking provision of plots on larger development schemes.

Build-to-Rent

- 9.55 The Private Rented Sector has grown significantly in size over the 2001-11 period in both Sevenoaks and Tunbridge Wells. There is potential, moving forwards, for institutional investment in 'Build-to-Rent' housing schemes.
- 9.56 The Build-to-Rent sector is currently small but there is growth potential. It can contribute positively to overall housing delivery, however the Councils may need to consider how affordable housing policies are applied to this Private Rented Sector housing, given that the viability of such schemes is very different to those of more 'traditional' market or mixed-tenure developments.

Meeting the Needs of Other Vulnerable Groups

- 9.57 The SHMA has considered the needs of a number of other vulnerable groups. The two local authorities have a relatively modest Black and Minority Ethnic (BME) population, but one which has been growing. BME households may be disadvantaged in the housing market. Where possible the Councils should provide advice to BME groups and in particular ensure that accommodation quality (particularly in the private rented sector) can meet the needs of such households which are disproportionately likely to contain children.
- 9.58 The evidence also suggests that lone parent households are more likely to be disadvantaged than other household groups. Advice on housing options and securing good quality of accommodation will be critical to ensure that such households' needs are best met and that children are provided with a full range of opportunities.
- 9.59 Younger households in the two areas typically have a higher reliance on rented accommodation. Given that the housing options for young people may be more limited than for other groups it will be important to monitor the accommodation quality – this will need to focus on the quality of shared accommodation and housing within the Private Rented Sector.

Appendices

APPENDIX A: GLOSSARY AND DEFINITIONS

Definitions used in this report are set out below.

Affordable Housing Need

1. Affordable housing need is defined as the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their housing needs in the market.

Newly-Arising Need

2. Newly-arising (or future) need is a measure of the number of households who are expected to have an affordable housing need at some point in the future. In this assessment we have used trend data from CoRe along with demographic projections about the number of new households forming (along with affordability) to estimate future needs.

Supply of Affordable Housing

3. An estimate of the likely future supply of affordable housing is also made (drawing on secondary data sources about past lettings). The future supply of affordable housing is subtracted from the newly-arising need to make an assessment of the net future need for affordable housing.

Assessment of Affordability

4. Affordability is assessed by comparing household incomes, based on income data modelled using a number of sources including CACI, ASHE, the English Housing Survey (EHS) and ONS data, against the cost of suitable market housing (to either buy or rent). Separate tests are applied for home ownership and private renting (in line with the SHMA Guidance) and are summarised below:
 - A. Assessing whether a household can afford home ownership: A household is considered able to afford to buy a home if it costs 3.5 times the gross household income – CLG guidance suggests using different measures for households with multiple incomes (2.9×) and those with a single income (3.5×), however (partly due to data availability) we have only used a 3.5 times multiplier for analysis. This ensures that affordable housing need figures are not over-estimated – in practical terms it makes little difference to the analysis due to the inclusion of a rental test (below) which tends to require lower incomes for households to be able to afford access to market housing;
 - B. Assessing whether a household can afford market renting: A household is considered able to afford market rented housing in cases where the rent payable would constitute no more than 30% of gross income. The choice of an appropriate threshold is an important aspect of the analysis, CLG guidance (of 2007) suggested that 25% of income is a reasonable start point but also notes that a different figure could be used. Analysis of current letting practice suggests that letting agents typically work on a multiple of 40% (although this can vary by area). Government policy (through Housing Benefit payment thresholds) would also suggest a figure of 40%+ (depending on household characteristics). Hence a pragmatic view has been taken in this assessment with a figure of 30% being adopted. Analysis has also been carried out to test the sensitivity of affordable need at different percentages (from 25% to 40%).
5. It should be recognised that a key challenge in assessing affordable housing need using secondary sources is the lack of information available regarding households' existing savings. This is a key factor in affecting the ability of young households to purchase housing particularly in the current market context where a deposit of at least 10% is typically required for the more attractive mortgage

deals. The 'help to buy' scheme is likely to be making some improvements in access to the owner-occupied sector although at present this is likely to be limited (although the impact of recent extensions to this scheme to include the second-hand market should be monitored moving forward). In many cases households who do not have sufficient savings to purchase have sufficient income to rent housing privately without support, and thus the impact of deposit issues on the overall assessment of affordable housing need is limited.

Affordable Housing

6. The NPPF provides the definition of affordable housing (as used in this report). The following is taken from Annex 2 of NPPF.

"Affordable housing includes social rented, affordable rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- *Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices;*
- *Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision."*

7. Within the definition of affordable housing there is also the distinction between social rented affordable rented, and intermediate housing. Social rented housing is defined as:

"Rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the national rent regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant."

8. Affordable rented housing is defined as:

"Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80 per cent of the local market rent."

9. The definition of intermediate housing is shown below:

"Intermediate affordable housing is 'Housing at prices and rents above those of social rent, but below market price or rents. These can include shared equity products (e.g. HomeBuy), other low cost homes for sale and intermediate rent but does not include affordable rented housing."

Specialist Housing

10. This is housing that has been specifically designed to meet the needs of people with particular needs. It can refer to housing that has been purpose designed or designated for a particular client group to assist tenants to live independently.

Sheltered Housing

11. Sheltered Homes are self-contained properties designated for older people that are linked to and supported by sheltered housing support staff. The support staff provides housing support to tenants to assist them live independently

Extra Care Housing

12. Extra Care Housing is designed with the needs of frailer older people in mind and with varying levels of care and support available on site. Extra-care housing is sometimes called very sheltered housing.

Registered Care Provision

13. This is housing for people living in registered care homes which are managed and run by a care provider who is responsible for all aspects of their daily needs and wellbeing. Such housing is not self-contained and is often referred to as either residential or nursing care.

APPENDIX B: ANALYSIS OF LOCAL PRICES AND RENTS

Local Prices & Rents

1. An important part of the SHMA is to establish the entry-level costs of housing to buy and rent – this data is then used in the assessment of the need for affordable housing. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an ‘affordable housing need.’
2. In this appendix we establish the entry-level costs of housing to both buy and rent across the study area. Our approach has been to analyse Land Registry and Valuation Office Agency (VOA) data to establish lower quartile prices and rents. For the purposes of analysis (and to be consistent with CLG guidance) we have taken lower quartile prices and rents to reflect the entry-level point into the market.
3. Table 83 shows estimated lower quartile property prices by dwelling type. The data shows that entry-level costs to buy are estimated to start from about £150,000 for a flat (in either area), and rising to £435,000 for a detached home in Sevenoaks District. Prices for all types of accommodation other than detached homes are fairly similar in the two areas. Looking at the lower quartile price across all dwelling types the analysis shows a range from £205,000 in Tunbridge Wells, up to £232,500 in Sevenoaks.

Table 83: Lower quartile sales prices by type (2014)

Dwelling type	Sevenoaks	Tunbridge Wells
Flat	£150,300	£149,700
Terraced	£206,400	£208,000
Semi-detached	£250,000	£250,000
Detached	£435,000	£385,000
All dwellings	£232,500	£205,000

Source: Land Registry (2014)

4. A similar analysis has been carried out for private rents using Valuation Office Agency (VOA) data – this covers a 12-month period to September 2014. For the rental data information about dwelling sizes is provided (rather than types); the analysis shows an average lower quartile cost (across all dwelling sizes) of between £675 per month (in Tunbridge Wells), rising to £850 in Sevenoaks. When compared with the price data, it is worthwhile to note that rents in Sevenoaks are higher for all dwelling sizes – with the price data figures broadly similar other than for larger (detached) properties.

Table 84: Lower quartile private rents by size and location (year to September 2014) – per month

Dwelling type	Sevenoaks	Tunbridge Wells
Room only	-	£368
Studio	-	£475

1 bedroom	£695	£595
2 bedrooms	£825	£795
3 bedrooms	£1,100	£850
4+ bedrooms	£1,900	£1,488
All dwellings	£850	£675

Source: Valuation Office Agency

- In addition to rental costs from our internet survey we have looked at the maximum amount of Local Housing Allowance (LHA) payable on different sized properties within the area. Maximum LHA payments are based on estimates of rents at the 30th percentile and should therefore be roughly comparable with our estimates of lower quartile costs.
- The geographical areas used to determine LHA are not however co-terminus with local authority boundaries and so any comparison is not exact. LHA levels are based on Broad Rental Market Areas (BRMA). The BRMA is an area where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping (as defined by the Rent Office).
- Parts of each of the two local authorities fall into three different BRMAs, however the majority of both districts are within the High Weald BRMA – this area does extend some way beyond the boundaries of the two local authorities and most notably includes the towns of Tonbridge, Crowborough and Uckfield (in East Sussex). A small part of Sevenoaks District is within the North West Kent BRMA (Swanley being the most notable settlement) whilst small parts of Tunbridge Wells are within the Ashford BRMA. Given that the majority of the two areas are within the High Weald BRMA, this area has been used for comparison purposes.
- Table 85 therefore shows the LHA rates in the High Weald BRMA, along with the lower quartile rents identified from the VOA analysis above. The analysis shows that maximum LHA payments are lower than lower quartile rents for all property sizes in Sevenoaks and lower for all sizes other than three bedroom properties in Tunbridge Wells. This analysis would suggest that some households may find it difficult to secure a private rented tenancy without having to top-up benefit payments to be able to afford the rent.

Table 85: Maximum LHA payments by Size and BRMA (per month)

Size	High Weald BRMA	Sevenoaks (LQ)	Tunbridge Wells (LQ)
Room only	£335	-	£368
1 bedroom	£587	£695	£595
2 bedrooms	£765	£825	£795
3 bedrooms	£967	£1,100	£850
4 bedrooms	£1,460	£1,900	£1,488

Source: VOA data (April 2015)

Cost of Affordable Housing

9. Traditionally the main type of affordable housing available in an area is social rented housing and the cost of social rented accommodation by dwelling size can be obtained from Continuous Recording (CoRe) – a national information source on social rented lettings. Table 86 illustrates the rental cost of lettings of social rented properties by size in 2013/14. As can be seen the costs are below those for private rented housing indicating a gap between the social rented and market sectors. This gap increases for larger properties. The figures in the table include service charges.

Table 86: Monthly social rent levels

Size	Sevenoaks	Tunbridge Wells
1 bedroom – average	£399	£397
2 bedrooms – average	£464	£483
3+ bedrooms – average	£521	£538
Lower quartile (all sizes)	£418	£398

Source: CoRe (2014)

10. Changes in affordable housing provision has seen the introduction of a new tenure of affordable housing (Affordable Rented). Affordable rented housing is defined in the NPPF as being '*let by local authorities or private registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is subject to rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable)*'. In the short-term it is likely that this tenure will replace social rented housing for new delivery.
11. Affordable Rented housing can therefore be considered to be similar to social rented housing but at a potentially higher rent. The 80% (maximum) rent is to be based on the open market rental value of the individual property and so it is not possible to say what this will exactly mean in terms of cost (for example the rent for a two-bedroom flat is likely to be significantly different to a two-bedroom detached bungalow). In addition, market rents for new-build homes are likely to be higher than within the existing stock and may well be in excess of 80% of lower quartile rents. However, for the purposes of analysis we have assumed that the 80% figure can be applied to the lower quartile private rented cost data derived from VOA information.

APPENDIX C: EXTENDING PROJECTIONS TO 2035

1. The projections run in this report are summarised below:
 - **SNPP** – based on the 2012-based subnational population projections (SNPP) with an update to include 2013 ONS mid-year population data (MYE). Household formation/headship rates based on 2012-based CLG household projections (SNHP)
 - **London Adjustment** – the same assumptions as SNPP but with an uplift to population growth post-2017 to take account of post-recession changes in migration patterns to/from London
 - **10-year Migration Trends** – a demographic projection based on levels of migration over the past ten years (2003-13). Household formation/headship rates based on 2012-based SNHP
 - **UPC Adjustment** – a demographic projection linked to the SNPP but with an adjustment to take account of Unattributable Population Change (UPC) within ONS components of change data (headship again from the SNHP)
 - **2013 EEFM** – projection linked to estimates of population growth required to meet the job growth forecasts in the 2013 East of England Forecasting Model (EEFM) - headship again from the SNHP
 - **2014 EEFM** – projection linked to estimates of population growth required to meet the job growth forecasts in the 2014 EEFM - headship again from the SNHP
 - **SNPP with Affordability Adjustment** – the same projection as SNPP but with an uplift to the household formation/headship rates for people aged 25-34.
 - **2014 EEFM with Affordability Adjustment** – the same projection as 2014 EEFM but with an uplift to the household formation/headship rates for people aged 25-34. This projection has only been run for Sevenoaks.
 - **London Adjustment with Affordability Adjustment** – the same projection as London adjustment but with an uplift to the household formation/headship rates for people aged 25-34. This projection has only been run for Tunbridge Wells
2. The tables overleaf provide estimates of the housing need set against the range of projections set out in the report. The figures in the tables below provide the overall need and annualised figures. As well as the core projection period of 2013-33, the analysis has been expanded to provide outputs for the 2013-35 period.

Table 87: Results of Projections – Sevenoaks

Projection	2013-33		2013-35	
	Total need	Per annum	Total need	Per annum
SNPP	10,317	516	11,267	512
London adjustment	10,479	524	11,450	520
10-year migration trends	9,638	482	10,491	477
UPC adjustment	9,928	496	10,833	492
2013 EEFM	8,635	432	9,380	426
2014 EEFM	11,543	577	12,641	575
SNPP with affordability adjustment	11,138	557	12,109	550
2014 EEFM with affordability adjustment	12,394	620	13,516	614

Table 88: Results of Projections - Tunbridge Wells

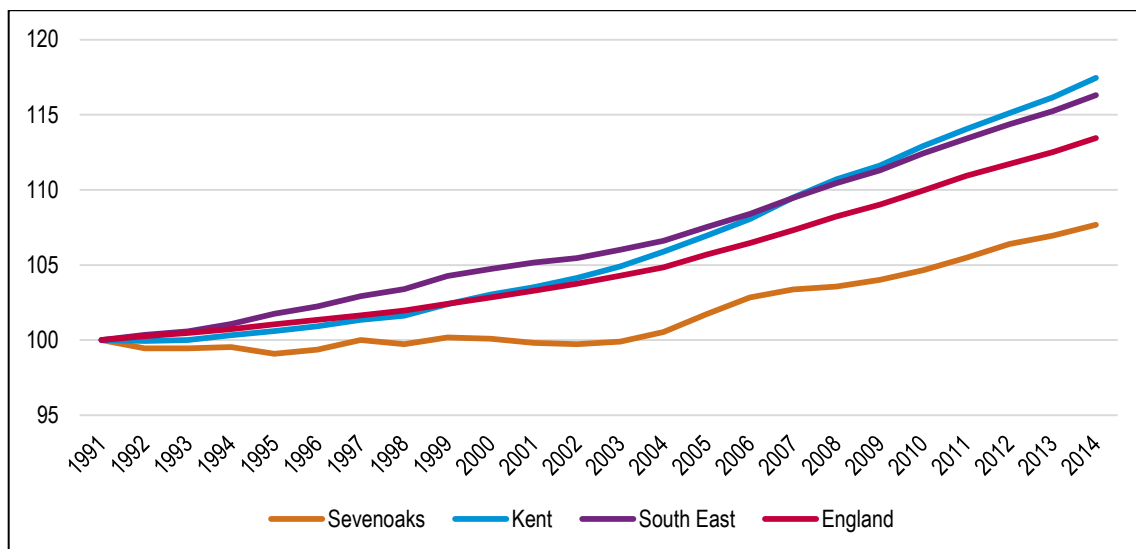
Projection	2013-33		2013-35	
	Total need	Per annum	Total need	Per annum
SNPP	12,532	627	13,639	620
London adjustment	12,618	631	13,738	624
10-year migration trends	11,191	560	12,071	549
UPC adjustment	16,669	833	18,253	830
2013 EEFM	10,353	518	11,197	509
2014 EEFM	13,600	680	14,835	674
SNPP with affordability adjustment	12,874	644	13,995	636
London adjustment with affordability adjustment	12,961	648	14,096	641

APPENDIX D: THE SEVENOAKS DISTRICT CONTEXT

Past Population Growth

- Figure 81 below shows how the population of Sevenoaks District has changed since 1991. The graph shows that population growth in Sevenoaks has consistently been below the average for Kent, the South East and England. Until the beginning of the 2000s there had been very little population growth across the District, in fact population slightly declined in the mid 1990s compared with trends across the wider areas, however over the past 12 years or so for which data is available, the level of population growth has been notably higher – in common with that across wider geographies. Over the whole 1991 to 2013 period, the data shows that the population of Sevenoaks grew by 9%; notably lower than in Kent (17%), the South East (16%) and England (14%).

Figure 81: Indexed population growth from 1991



Source: ONS

- This data can be interrogated further by looking at population change in terms of short term (10 year) and long term (20 year) trends, illustrated in Tables 89 and 90 below. The District's population grew notably between 1971 and 1991 (23,081 people) but the rate dropped drastically the following decade (2,389 people). However, since the early 2000s the rate has picked up again (7,516 people 2001-2011), reflecting higher levels of net migration and higher fertility rates.

Table 89: Population growth 1971-2011 (10 year trends)

	Population growth	% population growth
1971 – 1981	12,916	15.4%
1981 – 1991	10,165	10.5%
1991 – 2001	2,389	2.2%
2001 - 2011	7,516	6.9%

Source: ONS

Table 90: Population growth 1971-2011 (overlapping 20 year trends)

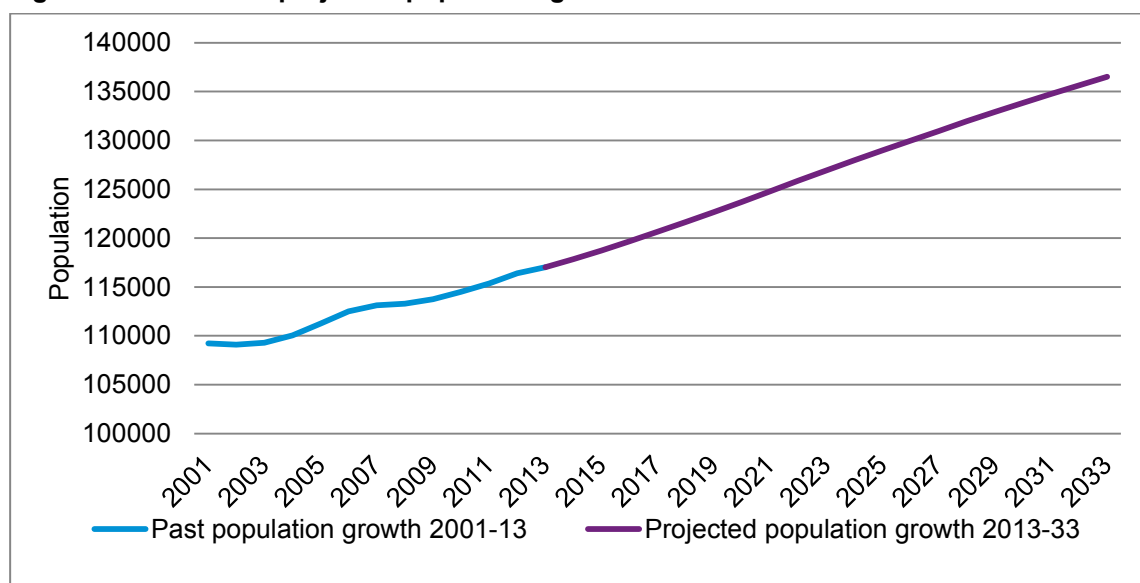
	Population change	% population change
1971 – 1991	23,081	27.5%
1981 – 2001	12,554	13.0%
1991 – 2011	9,905	9.2%

Source: ONS

Future Population Growth

- Future population growth is estimated using subnational population projections (SNPPs) published by ONS. These projections provide estimates of the future population of the District assuming that recent local trends in fertility, mortality and migration continue. The projections are largely based on trends in the 2007-2012 period.
- The SNPPs are more advanced than simply projecting forward past trends as they take account of how the age structure of the population is expected to change and how the population in other areas from which people typically move to the area is expected to change, and how this may influence the propensity of people to migrate.
- The SNPPs are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour i.e. the projections show unconstrained population growth.
- Figure 82 below shows the District's past population growth (2001-2013) compared with how it is expected to grow over the period 2013-2033.

Figure 82: Past and projected population growth



Source: ONS

7. The population of Sevenoaks is expected to grow by 19,469 people over the period 2013-2033; this is a 16.6% increase – slightly lower than expected across Kent (17%), but higher than equivalent figures for the South East (14.9%) and England (13.3%).
8. The expected growth of 16.6% can be compared to past growth in Table 90. This shows that population growth was particularly high (27.5%) in the 1971-1991 period, but then reduced to 9.2% over the 1991-2011 period. The projections for the period 2013-2033 reflect higher levels of net migration and higher fertility rates expected. This is discussed in further detail below.

Components of Population Change

9. The two key components of population change are natural change (births minus deaths) and net migration. The SNPPs project forward recent trends observed in the District, more specifically:
 - Fertility trends use data over the previous five years to establish a starting level with the trend projected to follow that projected nationally (which in the case of fertility rates is for there to be little change moving forward).
 - Mortality rates use a similar method and once applied to national projections it is expected that life expectancy will improve over time (along with some closing of the gap between male and female rates).
 - International migration is based on trends over the past six years (on an age/sex specific basis) with figures then consolidated with national projections – this can see international migration being either higher or lower than national estimates depending on the age structure (note: in most areas the projection is below trends).
 - Internal migration uses data from the previous five years. However, it is not a straight projection of the number of migrants but calculates rates by age and sex (i.e. the proportion of each age/sex group who move from one place to another on average per year). This means that changes to the age structure (both in Sevenoaks and areas from which people move to Sevenoaks) can impact on the actual level of net migration.
10. The SNPPs show that, for Sevenoaks:
 - The population of the District is expected to grow by 19,469 people over the period 2013-2033; this is a 16.6% increase and equates to just under 1,000 people each year.
 - Approximately 1,400 births and 1,000 deaths are expected each year, with deaths rising to 1,200 towards the end of the projection period (2030-2033). These figures are representative of people living longer. Natural change therefore equates to approximately 400 people each year.
 - There is approximately 600 net internal migration expected each year. The projections show approximately 6,600 people entering the District and 6,200 leaving the District each year, rising to 7,500 entering and 6,800 leaving each year in the latter years of the projection period (2031-33). Over the period 2011-2014 the majority of moves into the District were from London and neighbouring districts. The flows out of Sevenoaks were mostly to neighbouring districts. This trend is largely expected to continue and the majority of the 600

is likely to be due to in-migration from London linked to a rapidly growing population in the City, but also a minority of people moving into the District from elsewhere in the country.

- There is zero net international migration. The projections show approximately 400 people entering the District and 400 people leaving the District each year for the whole of the projection period (2013-2033).
- There is zero net cross-border (EU) migration. The projections show approximately 100 people entering the District and 100 people leaving the District each year for the whole of the projection period (2013-2033).