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| Chichester Housing and Economic Development Needs Assessment |
| Chichester District Council  Final Report |
| September 2020 |
|  |
| Prepared by  GL Hearn  65 Gresham St  London EC2V 7NQ  T +44 (0)20 7851 4900  glhearn.com |

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| October 2020 | David Leyden |  | Paul McColgan |
|  | Planner |  | Director |
|  | David Leyden Signature |  | Paul McColgan Signature |
|  |  |  | Matt Kinghan  Director  Matt Kinghan Signature |
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Executive summary

1. Chichester District Council (CDC) has commissioned GL Hearn, with Iceni Projects Ltd, to undertake a Housing and Economic Development Needs Assessment (HEDNA). This report is an update to the 2018 HEDNA prepared by GL Hearn that provided evidence supporting the draft Local Plan as consulted upon in December 2018 - February 2019. The HEDNA deals with the need for housing and employment floorspace over the period 2019 to 2036. While this work was being completed the Council extended the plan period to 2037 – tables providing figures for the extended period are included in Appendix 1. This report does not make policy decisions regarding what levels of development should be planned for – this is for the Local Plan itself.
2. CDC does not have planning jurisdiction for the whole district as part of the district falls within the South Downs National Park. The outputs of this work relate principally to the “Plan Area” of Chichester District i.e. those parts of the district outside of the National Park. However, data limitations mean that sometimes the work is reported for the district as a whole. The Local Plan review will only relate to those parts of the district outside of the National Park and is referred to herein as the Plan Area.

Housing Market Dynamics

1. Land values in Chichester are significantly higher than the values in wider comparable areas including the South East region and England and Wales (excluding London). In comparison to neighbouring local authorities the median house prices in Chichester are significantly higher. For example, median prices in Chichester are £37k higher than West Sussex as a whole.
2. There were considerably more detached houses sold in Chichester in 2018 compared to benchmark areas and this mix is in part driving high house prices in the area, as detached homes tend to attract higher values due to their size.
3. In terms of affordability Chichester follows the national trend of significant deterioration in affordability since 2001 and stabilising since 2008 albeit at a higher level. Generally, Chichester is less affordable than all of the comparable areas.
4. In 2018, lower quartile house prices in the District stood at 13.59 times lower quartile resident earnings, indicating notable affordability pressures at the lower end of the market. The lower quartile market rent for the District is around £720 per month for all dwelling types. Plan Area North has the highest rental value (£1,020) and Chichester City has the lowest (£670).
5. Chichester has seen the proportion of residents living in over-occupied and shared properties increase by 28%, although in comparison to South East (36%) and national trends (33%) this growth is below average.

Demographic Profile & Housing Need

1. In 2018, the population of Chichester District was 120,750. This is a 19% increase since 1991 and an average annual growth of 0.6%. Net migration has been a key driver of historic population change, although levels of migration have been notably lower in the most recent past.
2. A large proportion (27%) of the District’s residents are aged 65 or over. However, the University of Chichester and the Horticultural job opportunities contribute to a stable population of those aged between 20-24 at 6% of the total population.
3. To calculate the housing need, the three-stage standard methodology has been used. The starting point of the assessment is the 2014-based projections which showed an average household growth of 533 households per annum for the ten years 2019-2029.
4. Step 2 adjusts this figure based on local affordability. In 2018, the workplace-based median affordability ratio for Chichester District was 13.1. The calculation as prescribed by the PPG increases the need by 57% to 836 dpa.
5. Where a Local Plan has been adopted within the last five years the standard methodology caps the increase at stage 2 to 40% above the housing requirement. The Local Plan target is 435 dpa. Applying the 40% cap results in 609 dpa which informed the Preferred Approach Plan. Although please note that this is for the Plan Area rather than the District so the 435 is not directly comparable to the 533 dpa.
6. The Council’s most recent assessment of housing need for the Plan Area is 628 dwellings per annum. In addition, CDC has previously signed a Statement of Common Ground that it agreed to investigate if it can meet the unmet need of 44 dpa from the SDNPA. However, a final decision on the level of any increase in housing provision in response to unmet need has yet to be taken.
7. For the demographic analysis, a “policy on” figure based on the Preferred Approach plan has been used – this is 650 dpa for the Local Plan Area. With the 81 dpa to be delivered by the SDNPA in the National Park, this gives a figure of 731 dpa for the District. This approach has been followed to enable the report to be finalised before the overall level of housing development in the emerging plan is determined.
8. This level of housing growth results in population growth of 19,251 in the Plan Area and 19,889 across the whole district over the 2019-36 period, and 19,200 and 19,906 respectively over the period to 2037.

The Economy and Labour Market

1. Chichester District’s economy produces goods and services valued at £3.3 billion per annum (GVA) and supports approximately 71,380 jobs. Real Estate contributes the most GVA in the Chichester economy. Human Health and Social Services and Wholesale and Retail are the largest sectors in terms of total employment. Key sectors of strength in Chichester are the agriculture, forestry & fishing sector, accommodation and food service and real estate activities sectors.
2. Chichester District has a relatively high employment and economic activity rate compared to the region. Unemployment in the district is recorded at 3.7% according to the Annual Population Survey 2018 which is below the equivalent levels in most of the local comparators and the England equivalent of 4.2%.
3. Those working full-time in the district earn around £2,800 less than those who reside in the district. This indicates that more higher-earning residents are commuting out of the area to higher paid jobs in surrounding areas and London.

Employment Forecasts

1. Oxford Economics data has been used to forecast employment and GVA growth to 2036. Across Chichester District, the economy is forecast to grow by 1.4% per annum between 2019 and 2036. In the same period, the district is projected to see an increase of 3,700 jobs (2,665 FTE jobs), at an annual growth rate of 0.3%. This is referred to in the Baseline Scenario in Chapter 5.
2. National forecasts from agencies such as Oxford Economics are trend-based and project a slower level of growth than was found during the previous economic cycle. National trends predict that consumer and public sector spending will fall. Special consideration was made to local investment and planned growth measures across the district.
3. After considering local growth potential in sectors including agriculture related, creative industries and ICT, an uplift was applied which resulted in additional employment growth of 5,800 jobs over the 2019-36 period taking the total jobs growth to around 9,500 additional jobs (7,468 FTEs) or a growth rate of 0.7% pa. This is referred to as the Growth Scenario in Chapter 5.

Economic Need Led by Housing Growth

1. We have considered economic growth and how it influences the level of housing need. Linked to population growth and age profile in each area, commuting patterns, double jobbing and economic activity rates, The District housing need (731 dpa) would support an increase of 10,295 jobs over the plan period (approximately 606 jobs per annum).
2. We have reviewed the number of homes required to support the jobs growth based on the Oxford Economics forecasts and the growth scenario developed herein (and described below). This found that under the labour demand baseline, the housing need is 513 dpa and under the labour demand growth scenario, housing need is 685 dpa. There is therefore not a need to increase the housing supply to support local economic growth potential in the area.

Affordable Housing Need

1. In the period to 2036, a net annual need of 348 social/affordable rented homes per annum and 130 affordable home ownership homes has been identified. There is, therefore, a requirement for new affordable housing and the Council is justified in seeking to secure additional affordable housing. Over the 2019-37 period, a net annual need of 344 social/affordable rented homes per annum and 124 affordable home ownership homes has been identified.
2. As identified, the housing figure has been calculated as 650 dpa in the Local Plan Area and 81 dpa in the National Park, resulting in a need of 731 dpa in the District. Therefore, 47% of the District’s local housing need is social/affordable dwellings for rent and 17% is affordable home ownership. This is higher than the current Council policy of 30% for social/affordable dwellings.
3. Ultimately the level of affordable housing supply will be dictated by the viability of supply. However, the level of need indicated suggests that the Council could consider a higher level of affordable housing contribution or a higher level of overall delivery.
4. The evidence does not show any strong basis to increase the provision of affordable home ownership above the 10% figure currently suggested in the NPPF. It does, however, need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided.
5. The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. We have estimated that households require an income of around £55,000 to buy and £27,600 to rent in the District.
6. In terms of affordable home ownership prices, it is recommended that the Council consider setting prices in local policy at a level which (in income terms) are equivalent to the levels needed to access private rented housing. Currently, this would mean the following prices, however, these should be updated periodically.

|  | 1-bedroom | 2-bedroom | 3-bedroom | 4+bedroom |
| --- | --- | --- | --- | --- |
| Lower limit | £117,000 | £153,000 | £187,000 | £269,000 |
| Upper limit | £129,000 | £205,000 | £293,000 | £432,000 |

1. This would ensure that households targeted by the new definition could potentially afford housing - this might mean greater than 20% discounts from Open Market Value for some types/sizes of homes in some locations.
2. To align with the Local Housing Allowance for the Chichester Broad Rental Market Area affordable rents should be capped at £581 for a 1-bedroom, £728 for a 2-bedroom and £884 for 3-bedroom. Local variations may apply across the district depending on what BRMA it falls.

Need for Different Sizes of Homes

1. The housing mix model takes into consideration a range of factors including the current housing mix and the need for different types of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures and how households occupy homes and how affordable housing might be delivered.
2. The table below sets out the recommended mix of homes for each broad tenure for both the district and the Plan Area:

|  | 1-Bed | 2-Beds | 3-Beds | 4-Beds |
| --- | --- | --- | --- | --- |
| Market Purchase | 5-15% | 35-45% | 30-40% | 10-20% |
| Affordable Housing to Buy | 15-25% | 35-45% | 25-35% | 5-15% |
| Affordable Housing to Rent | 25-30% | 40-45% | 20-25% | 5-10% |

1. There is a clear need across the district for market housing delivery to be focussed on 2 and 3 bedrooms. Similarly, affordable home ownership/Intermediate should also focus delivery on 2 and 3 although a greater percentage should be delivered as smaller homes compared to the market sector.
2. The focus of affordable rented housing delivery should be for 2-bedroom properties as a mix of flats and houses (2-bedroom upper floor flats do not meet the needs of families with young children or older people and can be difficult to let). This reflects the closer links between need and occupation.

Needs of Specific Groups

1. The District has a higher proportion of older persons than nationally or regionally and is expected to see an increase in the older person population (over 75) of almost 56% between 2019 and 2036.
2. 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 shows a deficit for housing with support (rented and leasehold) of 1,319 by 2036 and 1,394 by 2037. There is also predicted to be a deficit of 825 dwellings for housing with care to 2036 and 851 to 2037 with a higher volume required for leasehold. There will also a predicted shortfall of 839 for care bedspaces to 2036 and 905 to 2037.

|  |  | Shortfall by 2036 | Shortfall by 2037 |
| --- | --- | --- | --- |
| Housing with support | Rented | 411 | 439 |
|  | Leasehold | 908 | 955 |
| Housing with care | Rented | 337 | 349 |
|  | Leasehold | 488 | 502 |
| Total (dwellings) -Typically C3 | | 2,144 | 2,246 |
| Care bedspaces – Typically C2 | | 839 | 905 |

1. Based on the population growth of those aged 75 and over in the Plan Area and the District (see table 13 and 14) approximately 77% of the additional demand for specialist accommodation will be in the Plan Area. Assuming the supply is distributed on the same basis this would provide a Plan Area need by 2036 for:

* 1,016 Units of Housing With Support of which 316 would be rented and 699 leasehold;
* 635 Units of Housing With Care of which 259 would be rented and 376 leasehold; and
* 646 care bedspaces.

1. Around 31% of households contain someone with a long-term health problem or disability (LTHPD), which is slightly lower than that seen nationally but above the regional average. It is estimated that this will increase by 30%. There is projected to be a large rise in the number of people with dementia (up 58.2%) along with a 51.5% increase in the number of people with mobility problems.
2. Those with a mobility problem are expected to increase by around 51.5%. This along with the growth in other conditions would justify that the Council should seek as much M4(2) compliant as is viably possible.
3. The report estimates that there is an unmet need for wheelchair adapted dwellings equivalent to 3.5 per 1,000 households – in the Chichester District, as of 2019, this would represent a need for about 190 wheelchair adapted dwellings. Moving forward, the report estimates a wheelchair accessibility need from around 3% of households. If 3% is applied to the household growth in the projections (2019-36) then there would be an additional need for around 373 wheelchair-adapted homes or 22 per annum of which 287 wheelchair-adapted homes or 17 per annum in the Local Plan Area.
4. This would suggest that the Council seek around 5% of all new housing to be M4(3) compliant. However, we recognise that this won’t be possible on all sites due to topography and other constraints such as site configuration. For private dwellings, this should be 5% at M4(3)a standard and for affordable dwellings 5%-10% at M4(3)b standard wherever possible.
5. The Custom and Self-Build accommodation register has a total of 66 people, including 27 local and 39 non-local. At July 2018, the Council introduced a new 2-part register. Since then, no one has registered on the Part 1 list and two individuals have registered on the Part 2 list.
6. The University currently provides most of the student accommodation. The University only expects some modest growth in the future and is unlikely to impact the wider housing market.

Commercial Property Market

1. Commercial activity in the district is focused in areas around Chichester City, the East-West Corridor and Manhood Peninsula, with less intense activity across South Downs National Park and the North Plan area.
2. Around 64% of office take-up, the lease or occupational sale of total floorspace, has been in Chichester City and the surrounding area. Most of the District’s office availability is in Chichester City.
3. The available office floorspace is 26,115 sqm in the District and 22,000 sqm in the Plan Area (summer 2019). There is a high demand for office floorspace and market consultation has revealed that there is constrained supply in the City Centre due to permitted development rights.
4. There has been 230,330 sqm of industrial floorspace transacted in the District for the last 12 years and 202,811 sqm transacted in the plan area during the same time. The majority of this has been focused in Chichester City and the surrounding area and to a lesser degree the East-West Corridor.
5. As of September 2019, there was 32,695 sqm of available industrial floorspace in Chichester District and 26,758 sqm in the Plan Area. The distribution of available floorspace revealed a high quantum in Chichester City, followed by Manhood Peninsula and East-West Corridor. Market consultation has revealed that there has been a strong recent take up of industrial floorspace being 26,700 sqm in 2018 made up of a series of smaller and mid-sized deals including Plot 16 Terminus Rd (5,674 sqm or 61,000 sqft).

Employment Land Requirements

1. GL Hearn has considered the future needs of employment floorspace and land area needed to support B-class development across the Plan area over the period from 2019-36. Four methods were analysed:

* A labour demand baseline scenario – based on the Oxford Economics baseline jobs growth forecast;
* A labour demand growth scenario – based on the growth scenario that considered an uplift of key employment sectors;
* Consideration of the labour supply position;
* Scenarios based on past completions trends.

1. Overall the labour demand growth scenario and the completions trend scenarios, excluding losses to commercial, are considered the most relevant in terms of estimating future need.
2. In view of all factors the need is considered to be 132,200 sqm of floorspace or 25.6 ha of land to 2036. This is lower than the previous HEDNA due to a fall in economic growth outlook and a more nuanced approach to modelling completions trends.

Horticultural Development Areas

1. The 2018 HEDNA provided recommendations for growth in future glasshouses which has been revisited based on the latest information including consultation with stakeholders.
2. Trend based modelling based on horticultural permissions data and an estimated completions rate (based on CDC data) is considered more appropriate than labour demand based given changes in working practices and a divorcement of labour and floorspace.
3. This suggests a need for an additional 374,000 sqm for horticultural development or 60.7 Ha of land within HDAs in addition to a total of 728,000 or 129.6 ha outside of HDAs between 2019 and 2036 to avoid constraining growth in the horticultural industry. This is increased from past recommendations in 2018 which did not report on potential needs outside of the HDAs. This is based on permissions trend data and includes glasshouses, packhouses, polytunnels and ancillary development including water storage.
4. introduction
   1. Chichester District Council (CDC) has commissioned GL Hearn to undertake a Housing and Economic Development Needs Assessment (HEDNA). This report is an update to the 2018 HEDNA prepared by GL Hearn that provided evidence supporting the draft Local Plan as consulted upon in December 2018 - February 2019.
   2. For completeness, some information provided in the 2018 HEDNA report has been included where it remains relevant and no new information is available - for example, that relating to the 2011 census.
   3. The HEDNA deals with the need for housing and employment floorspace, over the period 2019 to 2036. Within Appendix B, we have also extended the key output tables to 2037 to align with the revised plan period. This report does not make policy decisions regarding what levels of development should be planned for – this is for the Local Plan itself.
   4. The intention behind the HEDNA is to provide an integrated evidence base regarding future development needs across uses, recognising for instance that job growth can influence housing need.
   5. Parts of the district are co-located with the South Downs National Park which comes under the jurisdiction of the National Park Authority. The focus of the Local Plan and thus this evidence base is the Plan Area i.e. those parts not located within the National Park.

Overview of Methodology

* 1. The methodology used in this report responds to the NPPF (updated 2019) which sets out the Government’s objective to significantly boost housing supply, and the current Planning Practice Guidance (PPG) on *Housing and Economic Needs Assessment*.
  2. Chapter 5 of the NPPF (2019) relates to delivering a sufficient supply of homes, Paragraph 60 sets out that “to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard methodology” which is this report. However, in exceptional circumstances, an alternative approach could be justified.
  3. Paragraph 61 of the NPPF (2019) sets out that “within this context, the size, type and tenure of housing needed for different groups in the community should be assessed”. It adds that specific groups include but are not limited to:

“those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes”.

* 1. The PPG was updated in February 2019 to reflect the government’s standard methodology on local housing need. The standard methodology seeks to simplify the approach to housing need and has three components:
* Starting Point or Baseline;
* Market Signals Adjustment; and
* Cap.
  1. The starting point is the 2014-based projections. This is despite these not being the latest projections in line with national planning practice guidance. The proposed approach would be to take an average annual household growth from these for the period 2019 to 2029.
  2. The baseline household growth is then modified to account for market signals. Specifically, the local median price of homes relative to local workplace median earnings. To ensure that the proposed housing need is as deliverable as possible, the housing need is capped at 40% above the housing target in adopted local plans where these plans are less than 5 years old. Chichester’s Local Plan was five years old in July 2020.

Economic Development Needs

* 1. Chapter 6 of the NPPF focuses on building a strong, competitive economy. It notes that planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Planning policies should:
* set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;
* set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
* seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

Geographies

* 1. Throughout this report, we refer to the Chichester Local Plan Area or “Plan Area” and the District. The Plan Area refers to the area covered by the Local Plan which excludes the South Downs National Park. The District area includes the Plan Area and South Downs National Park within the district.
  2. The 2018 HEDNA drew on the Housing Market Area (HMA) and Functional Economic Market Area (FEMA) study, “Defining the HMA and FEMA” report undertaken for the Coastal West Sussex and Greater Brighton Partnership[[1]](#footnote-2).
  3. The study identified a complex picture across Chichester with four separate HMAs and FEMA’s operating across the district. Within the district, the boundaries of the HMA and FEMA are the same.
  4. In terms of the HMA, few indicators have been updated since that time. Through discussions with local residential property agents, we have confirmed that the previous HMA remains appropriate.
  5. Whilst we also concur that the FEMA as set out in the “Defining the HMA and FEMA” report should not be amended, a further consideration since that time is the emphasis on the strength of the economic linkages between Chichester and Portsmouth / Southampton to the west. This is particularly drawn out in the recent ‘Inward Investment and Growth’ report for Chichester District Council (2019). The report notes in summary:
* It seems logical for the District to look towards Havant, Portsmouth and Southampton, where the links appear to be stronger than to the east.
* There is likely to be merit in thinking about how to attract and grow a wider range of high-end businesses and consultancies that may be linked to the marine or land-based sectors, particularly given the strong marine sector in neighbouring Portsmouth
* Southampton port is the UK’s number one export port and also welcomes two million cruise passengers to the UK annually; and Portsmouth is the UK’s second busiest cross-channel ferry port, transporting fruit and vegetables etc. emphasising its importance to businesses in the Chichester District.
  1. The identified HMA boundaries are shown in Figure 1.

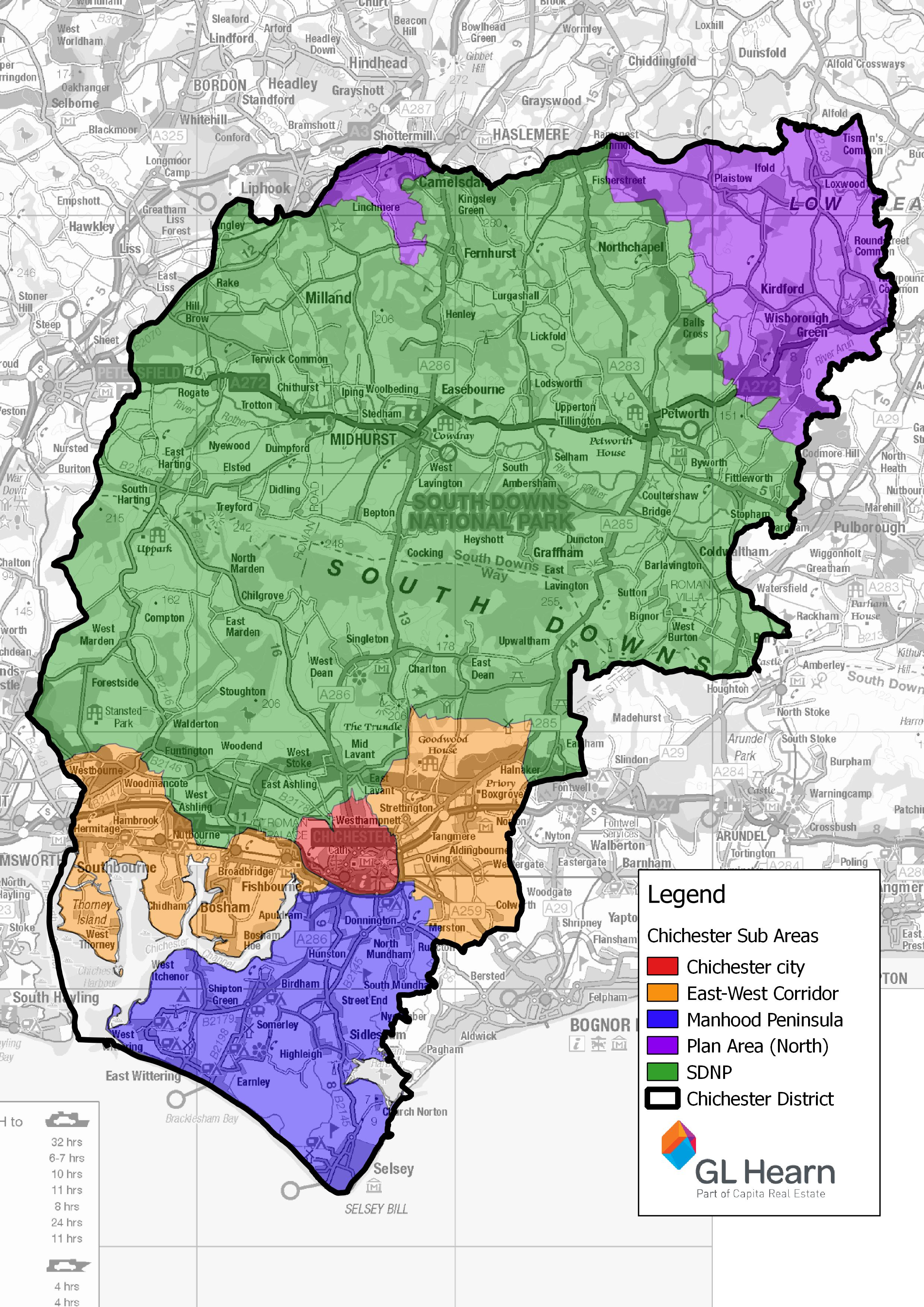
1. HMA and FEMA boundaries



Source: GL Hearn using 2011 Census

* 1. There remains a duty to cooperate with all neighbouring authorities, including the South Downs National Park Authority, part of which falls within the District. However, in terms of meeting housing needs, the focus of these discussions will be with the local authorities where there is overlap in Housing Market Areas and in particular Arun as demonstrated by the extent of the Chichester and Bognor Regis HMA.
  2. Figure 2 illustrates the defined sub-areas which are based on parish boundaries. Since the official South Downs National Park boundary does not follow exact parish or ward boundaries, the SDNP sub-area as defined for this study is based on a best fit of parish boundaries. To distinguish between the Chichester sub-area and the Chichester District the former is referred to as Chichester City.

1. Chichester Sub-Areas Boundaries



Source: GL Hearn using 2011 Census

Covid-19

* 1. The data accessed and used in this report all pre-date the Covid-19 pandemic. Whilst it is currently too early to know what the full impact of Covid-19 will be on the housing and employment market, it will be important for outcomes to be monitored and consideration given to any short- or long-term consequences. Below is a very brief initial discussion of some aspects that will need to be monitored:
* Affordable housing – potentially the most immediate impact will be, as a result of higher levels of unemployment a greater affordable housing need. Given that the Council has a finite amount of (social housing) stock this could put pressure on the private rented sector as well as various service providers. The immediate response from banks has been to offer those affected mortgage holidays. This has postponed the immediate increase in demand for affordable housing and PRS although it is unlikely to be offered indefinitely.
* Housing market – it is likely that a greater focus will be on house prices and sales volumes with some analysts predicting a notable short-term fall in prices and transactions. Whilst this would arguably make housing more affordable, it does look like lenders are changing their lending criteria (requiring higher deposits) which is likely to make it more difficult for new households to access the market. This potentially will put pressure on the need for private rented accommodation. The government has responded to this by offering cuts to stamp duty on homes until March 2021.
* Older People – whilst the number of excess deaths due to Covid-19 is relatively high in England, it still represents only a fraction of the number of deaths that might have been anticipated. However, given the groups impacted there may be a short-term shift on the population profile and hence the need for housing (particularly housing for older people). On the flip side, given high numbers of deaths in care homes, it may be (in the longer-term) that there is a change in models of care; in particular away from a traditional residential care home setting. Although the forced isolation of older people outside of this context has somewhat perversely seen a growth in demand for specialist older persons accommodation
* Commuting and Migration – There may well be a longer-term shift to increased working from home. This may well see people having less of a need to be close to their traditional place of work. This may potentially have a longer-term impact on migration patterns as people move away from major employment hubs i.e. cities towards more rural locations.
* Economic growth – There will be short, medium and longer-term impacts on the economy which will affect the demand for floorspace as well as the type and location of floorspace being delivered. For example, demand for domestically grown food may increase to reduce reliance on international supply chains, whilst office demand may fall reflecting increased home working capability. This should be monitored closely.
  1. These are just a small number of topics that might be impacted by Covid-19 and as noted it will be important to monitor the situation moving forward. That said, this report does project needs many years into the future and it may be that Covid will only create minor or short-term impacts.
  2. There is also a level of uncertainty around Brexit and this will mostly impact the economic elements. The full impact will ultimately be dependent on the final deal reached - if a deal is reached at all. Weaker international trading outlook may reduce exports but increase domestic consumption increasing demand for example on horticulture.

Report Structure

* 1. The remainder of the report provides more detail on the above and is structured as follows:
* Section 2 Housing market dynamics;
* Section 3 Demographic profile and housing need;
* Section 4 The economy and labour market;
* Section 5 Employment forecasts;
* Section 6: Economic Need Led by Housing Growth
* Section 7 Affordable housing need;
* Section 8 Different sizes of homes;
* Section 9 The need for the elderly and other specific groups;
* Section 10 Commercial property market;
* Section 11 Employment land requirements; and
* Section 12 Conclusion

1. HOUSING MARKET DYNAMICS
   1. This section of the report provides an overview of key market signals in the District. The analysis uses publicly available datasets along with consultation with local estate and letting agents.

Land Values

* 1. The Ministry of Housing, Communities and Local Government (MHCLG) published a report on residential land value estimates in May 2018, this is the latest release. As it can be seen from Table 1, the residential land values in Chichester District are estimated at £4,955,000 per hectare, which is higher than the regional figure and the national (excluding London) values.

1. Land Values, December 2017

| Area | Land Value |
| --- | --- |
| Chichester District | **£4,955,000** |
| Arun | £3,550,000 |
| Cotswold | £3,785,000 |
| West Dorset | £2,675,000 |
| West Sussex | n/a |
| Chichester and Bognor Regis HMA\* | £4,252,500 |
| South East | £4,953,358 |
| England incl. London | £6,220,086 |
| England excl. London | £2,781,966 |

Source: MHCLG, May 2018 \*as an average of Chichester and Arun – based on data availability this is the best fit to the HMA

House Price Analysis

* 1. The average (mean) house price in Chichester District (2018) was around £480,500 whilst the median price was significantly less at £365,000 indicating a small concentration of very expensive properties in the district.
  2. Compared to the wider comparators, median prices in Chichester District are generally the highest. The difference is even more significant when the mean average price is reviewed.
  3. The wider comparators have been chosen as neighbouring authorities or those identified by ONS as the most comparable local authority.

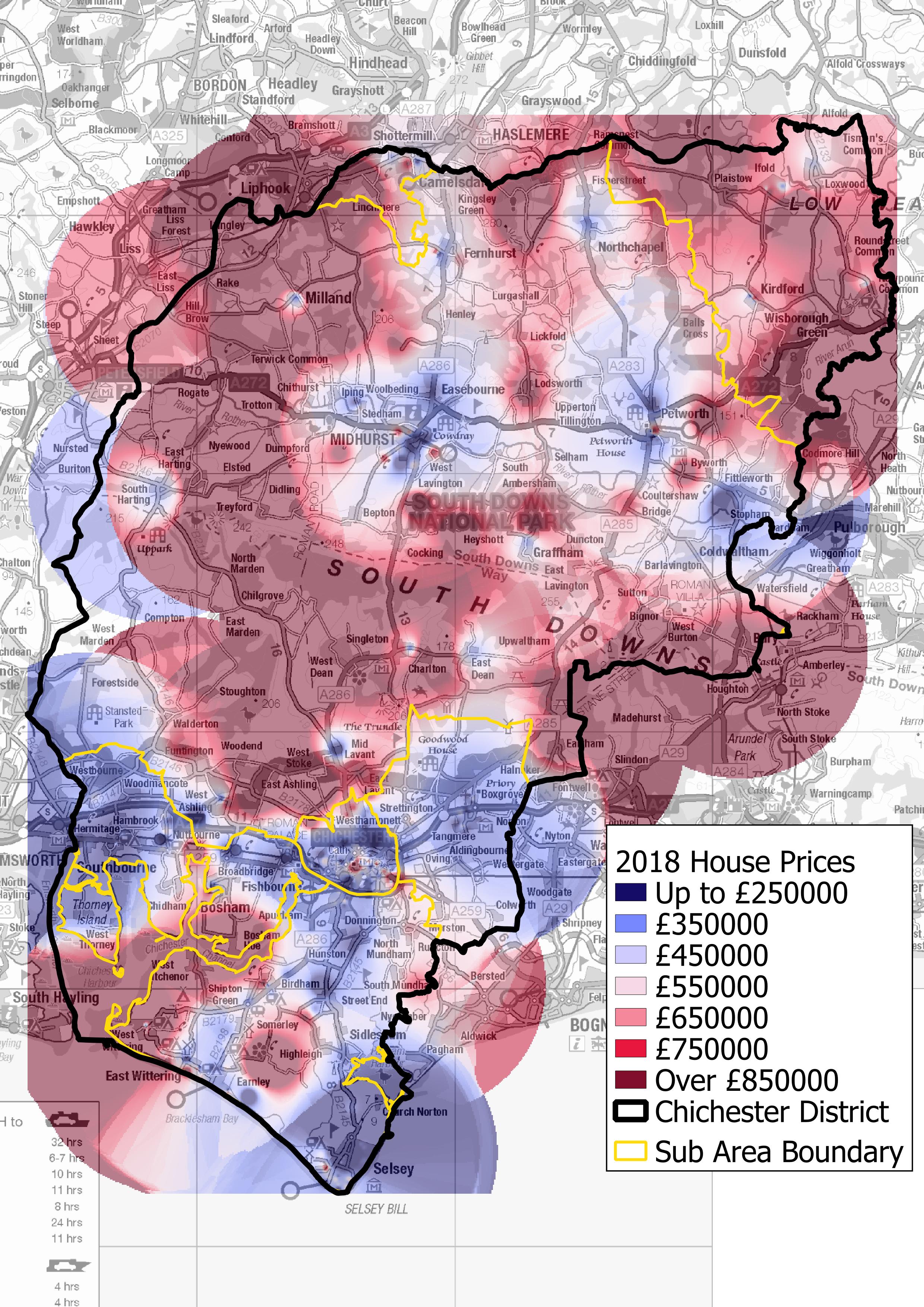
1. Average House Prices in the Housing Market Area (2018)

|  | Median | Mean | Lower Quartile |
| --- | --- | --- | --- |
| Chichester District | **£365,000** | **£480,463** | **£275,000** |
| Arun | £287,000 | £335,031 | £220,000 |
| Cotswold | £349,000 | £457,020 | £250,000 |
| West Dorset | £292,250 | £343,866 | £215,000 |
| West Sussex | £328,625 | £412,165 | £245,000 |
| Chichester and Bognor HMA\* | £283,000 | £358,064 | £217,975 |
| South East | £318,000 | £421,679 | £232,500 |
| England | £239,000 | £356,416 | £155,000 |

Source: Land Registry Price Paid Data 2018 \*median, mean and LQ figures are based in the total transactions across Chichester and Arun District Councils

* 1. Figure 3 illustrates house prices across the District. The northern parts of the District present higher values than the more urbanised south. This is in part related to the size of the properties, with the rural areas having proportionately more detached homes.
  2. We would, however, expect the rural areas within the National Park to have higher house prices as well. While this is the case in pockets of the South Downs the higher house prices in the north may relate to the area’s proximity to London.

1. House Price Heat-map (2018)



Source: GL Hearn based on HM Land Registry Data, 2018

* 1. The Manhood Peninsula demonstrates high house values in specific locations around Chichester Harbour. These high values may be related to second/holiday homes driving house prices in the area. As presented later in this chapter the sub-area analysis shows there were also significantly more sales in detached and semi-detached properties in the Manhood Peninsula compared to the rest of the District.

House Price Change

* 1. Figure 4 profiles house price change in Chichester District and the wider comparators from 1997 to 2007 (i.e. the pre-recession decade). This shows that house price trends in Chichester closely followed the countywide trend over this period albeit at a higher level.
  2. Over the pre-recession decade, median prices in Chichester increased from £90,000 to £260,000 – an increase of almost £170,000 (189%). Over the same period, median prices across the wider comparators grew at very similar rates. The South East rose by £147,250 (189%) and across England prices increased by £117,950 (190%).

1. Median House Price Trends, 1997-2007

Source: DCLG Live Tables: Land Registry Data

* 1. The increase in house prices in particular points to an imbalance between supply and demand for housing primarily over the 2001-5 period, when the increase in prices was most notable.
  2. Reflecting the wider economic backdrop, trends in house prices since 2007 have understandably been very different. Chichester District experienced a fall in median prices from early 2008 to 2009 at the onset of the recession, as was the case regionally and nationally.
  3. House prices subsequently rose during 2009 and as of 2010 Q2, median house prices in Chichester were the same as pre-recession levels. Since this time house prices in Chichester have continued to increase at a faster rate than the national trend.
  4. Figure 5 below illustrates the median house price growth between 2008 and 2018. Median house price growth in Chichester has also been significantly higher than the majority of the comparable areas, apart from Cotswold where the prices have been at a similar level. This suggests that house price affordability is not necessarily a new factor in the district but one that is on a worsening trend.

1. Median House Price Trends by Local Authority, 2008-2018

Source: DCLG Live Tables: Land Registry Data

* 1. While this information presents an interesting picture the overall median house prices are skewed slightly by the proportion of each dwelling type being sold. We have therefore analysed more recent house prices by house type to gain a further understanding of the latest dynamics for different within Chichester and the wider comparators.

House Price by Type

* 1. We have examined sales data by type of property for the latest full year (2018). As can be seen in Figure 6 there is some variance in median house prices across Chichester and the wider comparators. There is a clear split in house prices with detached house prices in Chichester being significantly higher than the other comparator areas.
  2. However, for semi-detached properties, prices in Chichester fall below those across West Sussex as a whole. For flatted properties, the district is slightly above the South East average.
  3. As noted in the qualitative analysis (see below), there are a disproportionate amount of older restricted age flats in Chichester City that are often difficult to sell and bring the overall average price down. However, the data does not record whether sales are age-restricted or not, therefore it is not possible to fully understand the impact of this type of accommodation.

1. Median House Prices by Local Authority, 2018

Source: GLH Analysis: Land Registry Price Paid Data

* 1. Figure 7 shows that there were considerably more detached house sales in Chichester which confirm that these sales drive up the average house price in the district.

1. Sales by Dwelling Type (2018)

Source: GLH Analysis: Land Registry Price Paid Data

* 1. The Cotswolds, Waverley and South Hams are the most comparable local areas which achieved a similar split in sales of detached, semi-detached, terrace and flat dwellings.

Sales Volumes and Effective Demand

* 1. We have benchmarked sales performance against long-term trends to assess the relative demand for market homes for sale. Figure 8 benchmarks annual sales over the period 1996 to 2018 against the pre-recession index.

1. Indexed Analysis of Sales Trends, 1996 – 2018

Source: DCLG Live Tables and Land Registry Price Paid Data

* 1. As illustrated sales volumes across all geographies experienced a significant drop between 2007 and 2008. During 2008-2012, the recovery in sales volumes was very modest. Since 2013, there has been a gradual growth in sales trends, with a steep increase for West Sussex in 2015 when compared to the other areas.
  2. By 2016, sales volumes in Chichester had recovered to around 90% of their pre-recession levels. This is a slight fall from the previous year when the pre-recession level was exceeded. This trend was also seen nationally indicating similarities within the region and in Chichester and the influence of macro-economic dynamics on sales volumes at a local level.
  3. In the year to 2017, sales volumes severely dropped in West Sussex and other geographies also experienced a slight decrease. The 12 months to 2018 saw a relative increase in sales volumes across all geographies.

Rental Trends

* 1. Mean average private rents in Chichester (£975 per calendar month (pcm)) are slightly lower than the regional average (£984 pcm) but notably higher the national average (£839 pcm).
  2. Median rents in the District (£895 pcm) are higher than both the regional (£850 pcm) and national figure (£650 pcm).
  3. As shown in Table 3, in comparison to Cotswold District, Chichester has a lower mean average rent but a higher median average. As with house sales, these differentials are influenced by the balance of property transactions by size.

1. Average and Median Rental Prices (September 2018)

| Area | Mean Average Rent  (p.c.m.) | Median Rent  (p.c.m.) |
| --- | --- | --- |
| Chichester District | **£927** | **£851** |
| Arun | £816 | £775 |
| Cotswold | £948 | £825 |
| West Dorset | £810 | £750 |
| Chichester and Bognor HMA | £872 | £813 |
| West Sussex | £929 | £875 |
| South East | £984 | £875 |
| England | £844 | £690 |

Source: VOA Private Rental Data – Table 2.7

* 1. An analysis of median rents by the number of bedrooms (see Figure 9) indicates that for 1-bedroom, 2-bedroom and 3-bedroom, the rental value in Chichester District is similar to West Sussex and South East, yet higher than the comparable local authority areas. For studios, the rental value is slightly higher in Chichester District compared to West Sussex and the South East. The median rental value of 4-bedroom properties in Chichester District is slightly lower than West Sussex and the South East.

1. Rental Costs by Size, 2018

Source: VOA Private Rental Data

* 1. Figure 10 shows the trend in the rental costs recorded by the VOA, indexed against 2011 figures. This illustrates that the increase in private rental transactions in the District is in line with the trend across the county and the region.

1. Trend in Private Rental Transactions, Sept 2011 to June 2018

Source: VOA Private Rental Data

* 1. Over the last 6 years, median rental values in Chichester have grown by 19% compared to 13% nationally and 21% regionally. Again, Cotswold District has higher values than Chichester District.

Affordability

* 1. We have considered affordability by looking specifically at the relationship between house prices and incomes. We have done this for both lower quartile values, which represent entry-level house prices, and also for median values. For both, we have also examined the ratio based on residents’ earnings (residence based) and the earning of those working in the district (workplace-based).
  2. As shown in Figure 11, nationally, the ratio of lower quartile house prices to residents’ earnings peaked in 2007 and linked to the recession fell over the following two years. The affordability ratios then plateaued in the following two years (12-13) with modest growth since. The most recent data for England and Wales shows affordability at around 0.3 below its 2007 peak.
  3. Chichester District broadly follows the national trend, albeit at a higher level. There has also been a stronger increase since 2013. Despite the fall in affordability ratio from 12.5 to 11.6 in 2015 to 2016, Chichester still one of the highest ratios anywhere in the country at 13.59 in 2018. This illustrates the notable affordability pressures at the lower end of the market.

1. Residence Based Lower LQ Aff. Ratio Trend, 2002-2018

Source: ONS 2018 (Ratio of lower quartile house price to lower quartile residence-based earnings (lower quartile), 2018)

* 1. We have also considered and compared lower quartile affordability ratios to the median affordability ratio (residence-based) to identify whether affordability is an issue across the market or within a particular segment. Within Chichester District, the median ratio at 11.82 is slightly lower than the lower quartile ratio at 13.59.
  2. This illustrates that affordability is particularly an issue for the lower end of the market and impacts the ability of locals to access the housing ladder. This generally manifests in worsening affordability for first-time buyers.
  3. Both the median and lower quartile ratios are also notably higher than the other comparator areas, apart from Cotswold district, although in both cases the Chichester ratio is still higher.

1. Residence Based Affordability Ratios 2018

|  | Lower Quartile Ratio | Median Ratio | Difference |
| --- | --- | --- | --- |
| Chichester District | **13.59** | **11.82** | **1.77** |
| Arun | 11.40 | 10.28 | 1.12 |
| Cotswold | 11.77 | 10.96 | 0.81 |
| West Dorset | 10.49 | 10.31 | 0.18 |
| Chichester and Bognor HMA | 12.50 | 11.05 | 1.45 |
| West Sussex | 11.59 | 10.82 | 0.77 |
| South East | 10.51 | 9.93 | 0.58 |
| England and Wales | 7.17 | 7.83 | -0.66 |

Source: ONS ratio of house price to residence-based earnings (lower quartile and median), 2002 to 2018

* 1. Figure 12 shows that workplace affordability (as used in developing the housing need numbers) has worsened since 2012 in Chichester (the ratio between house prices and workplace earnings) however Chichester has followed national and regional trends post-2009, albeit at a higher level. However, Chichester experienced a decline in the affordability ratio of 0.40 since 2017 to reach 13.10 in 2018.

1. Workplace-based median affordability ratio, 2002-2018

Source: DCLG Workplace-Based Affordability Ratio

* 1. Table 5 presents the most recent median workplace-based affordability ratios. This includes the median ratio which according to the proposed methodology is the key market signal for consideration when calculating the district’s housing need. At 2018, the median ratio was 13.10 in Chichester. This is above all the comparable ratios illustrating severe affordability pressures in Chichester.
  2. The workplace-based affordability ratios are also higher than the residence based ratio illustrating the significantly higher earnings of those living in the district compared to those working in it. It also illustrates the difficulty of people working in the district being able to live close to their place of work.

1. Workplace-Based Affordability Ratio 2018

|  | Lower Quartile Ratio | Median Ratio | Difference |
| --- | --- | --- | --- |
| **Chichester District** | **14.51** | **13.10** | **1.41** |
| Arun | 11.98 | 12.13 | -0.15 |
| Cotswold | 12.39 | 13.63 | -1.24 |
| West Dorset | 10.62 | 11.03 | -0.41 |
| Chichester and Bognor HMA | 13.25 | 12.62 | 0.63 |
| West Sussex | 12.19 | 11.38 | 0.81 |
| South East | 10.81 | 10.38 | 0.43 |
| England and Wales | 7.18 | 7.83 | -0.65 |

Source: ONS, 2018

* 1. The workplace-based median ratio is lower than the workplace-based lower-quartile ratio in Chichester. This again demonstrates a more acute affordability issue at entry-level. Although this is also the case across the County, Region. Indeed, while the ratio in the wider areas are lower the difference is less marked.

Sub-area analysis

* 1. We sought to also analyse the local market signals at a sub-area level to examine more localised market interrelationships. Figure 2 in Chapter 1 illustrates the sub-areas for which we have provided the following analysis.

House Prices

* 1. Figure 13 illustrates the median house prices by type of dwelling for 2018. The Plan Area (North) and South Downs National Park sub-areas demonstrate some of the highest prices across each dwelling type.

1. Median House Prices by Type, 2018

Source: Land Registry Price Paid Data, 2018

* 1. Despite being the largest urban area, the Chichester City sub-area shows relatively high median prices for all typologies. In contrast, the Manhood Peninsula has the lowest median prices for all typologies.

Sales Volume

* 1. At 2018, the largest number of sales across the sub-areas have been achieved in detached properties (787), followed by semi-detached (469) and terraced (433) across the District.
  2. Despite the Manhood Peninsula sub-area being the second least expensive, it is perhaps counter-intuitive that there are significantly more sales in detached and semi-detached properties (which typically command higher prices) compared to the remaining sub-areas. This may be a result of the type of detached properties that are being sold are at reduced prices. For instance, there may be more bungalows selling, however, data records do not distinguish between bungalows and other detached properties.

1. Number of sales (%) by type, 2018

| Sub-area | 2011 Stock | | | | 2018 Sales | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Detached | Semi-Detached | Terra-ed | Flats | Detached | Semi-Detached | Terraced | Flats |
| Chichester City | 17% | 24% | 26% | 33% | 87  (17%) | 95  (19%) | 171 (36%) | 159  (31%) |
| East-West Corridor | 39% | 32% | 21% | 8% | 182  (40%) | 130  (29%) | 100  (26%) | 41  (9%) |
| Manhood Peninsula | 48% | 27% | 13% | 12% | 262  (51%) | 128  (25%) | 62  (17%) | 66 (13%) |
| Plan Area North | 60% | 23% | 9% | 8% | 85  (63%) | 33  (24%) | 16  (10%) | 2  (1%) |
| SDNP | 41% | 30% | 16% | 12% | 171  (40%) | 83  (19%) | 84 (23%) | 88 (21%) |
| **District** | **38%** | **28%** | **18%** | **16%** | **38%** | **23%** | **21%** | **17%** |

Source: Land Registry Price Paid Data, 2018

* 1. The Chichester City sub-area has the lowest number of sales in detached properties, however, the highest in terraced and flats when compared to other sub-areas.

Rental Costs

* 1. Analysis of rental costs by sub-area has been calculated by using data from Rightmove and aligning this to the Chichester data produced by the VOA (March 2019). Notably, there is limited data available to depict the value of a room and studio accommodation given the nature of housing in the District.
  2. Across all properties, the District-wide lower quartile rental value is £720 per month. The rental value of a 1-bedroom at the District level is £610 per month, £795 for a 2-bedroom, £975 for a 3-bedroom and £1,400 for a 4-bedroom.
  3. The lower quartile rental value is highest in the Plan Area North at £1,020 per month and lowest in Chichester City at £670 per month.

1. Lower Quartile Market Rents by Sub-Area (2019)

|  | Chichester City | East-West Corridor | Manhood Peninsula | Plan Area North | SDNP | District-wide |
| --- | --- | --- | --- | --- | --- | --- |
| Room only | - | - | - | - | - | £395 |
| Studio | - | - | - | - | - | £475 |
| 1-bedroom | £600 | £575 | £550 | £665 | £615 | £610 |
| 2-bedrooms | £780 | £735 | £695 | £880 | £805 | £795 |
| 3-bedrooms | £950 | £890 | £835 | £1,095 | £990 | £975 |
| 4-bedrooms | £1,365 | £1,275 | £1,195 | £1,580 | £1,420 | £1,400 |
| All properties | £670 | £705 | £695 | £1,020 | £820 | £720 |

Source: GL Hearn Analysis of Rightmove and VOA data

Change in Tenure

* 1. This data remains unchanged from the 2018 HEDNA and shows that a combination of deteriorating affordability, 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 thus increased pressures on the existing affordable housing stock.
  2. These factors have also resulted in strong growth in the private rented sector as households are being forced to rent longer or cannot secure alternative accommodation. As illustrated in Table 8, the percentage of all households who own their house with a mortgage fell significantly between 2001 and 2011. Over this same period, there has been substantial growth in the private rented sector, although this trend was less evident in Chichester than in the rest of the region and country.

1. Change in Households by Tenure, 2001-11

|  | Owned Outright | Owned with mortgage | Shared Ownership | Renting:RP | Renting: Council | PRS | Living Rent Free |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Chichester 2001 | 39.1% | 31.1% | 0.4% | 7.9% | 6.8% | 11.1% | 3.6% |
| Chichester 2011 | 40.5% | 26.6% | 0.9% | 12.7% | 2.2% | 14.9% | 2.2% |
| **Chichester District Change 2001-11** | **1.5%** | **-4.5%** | **0.5%** | **4.8%** | **-4.7%** | **3.7%** | **-1.4%** |
| Arun | 1.2% | -6.0% | -0.1% | 0.7% | -0.9% | 5.7% | -0.6% |
| Cotswold | 3.6% | -5.8% | 0.2% | 0.3% | 0.2% | 3.2% | -1.7% |
| West Dorset | 2.7% | -5.2% | 0.3% | -0.2% | 0.1% | 3.4% | -1.1% |
| West Sussex | 1.1% | -6.3% | 0.2% | 1.8% | -1.7% | 5.6% | -0.7% |
| Chichester and Bognor HMA | 1.3% | -5.4% | 0.2% | 2.5% | -2.5% | 4.9% | -0.9% |
| South East | 1.2% | -6.8% | 0.3% | 1.3% | -1.5% | 6.1% | -0.6% |
| England & Wales | 1.4% | -6.0% | 0.1% | 2.2% | -3.8% | 6.8% | -0.7% |

Source: Census 2001 & 2011 \* Note numbers may not sum due to rounding.

* 1. The inverse correlation between the growth in renting from registered providers (affordable and social) and the decline in renting from the Council reflects the transfer of housing stock to Housing Associations.
  2. Finally, shared ownership grew slightly faster in Chichester District when compared to the other comparable authorities and the region. Although the tenure still only equates to 0.9% of all households.

Housing Supply Trends

* 1. Figure 14 shows the net housing completions in the Chichester Plan Area since 2012 against the Local Plan Target of 435 dpa. The target has been exceeded in the last four years however there has been an overall shortfall in delivery of 28 dwellings (3,017 versus 3,045).

1. Housing Supply vs. Target 2012/13 to 2018/19

Source: Chichester AMRs

* 1. By adopting the standard method the Council have ensured that any historic backlog (however minor) during this period is accounted for. This is confirmed by Paragraph 2 of the PPG (Reference ID: 2a-002-20190220) which states:

“The standard method uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply.”

Overcrowded and Shared Housing

* 1. This data remains unchanged from the 2018 HEDNA. Overcrowding is defined as the number of properties which have fewer rooms than their households require. The requirement is calculated based on the size, age and relationship of household members.
  2. Under-occupied properties, on the other hand, are those with more bedrooms than the household needs. For instance, an under-occupied property can relate to a couple with no children living in a 2 or more-bedroom property.
  3. At the national level, there has been a notable increase in overcrowded households (including young people living with their parents for longer) and houses in multiple occupation. This has been a symptom of the affordability pressures identified above; restrictions on access to mortgage finance; and increased housing under-supply.
  4. This national trend has also manifested in Chichester District where the proportion of residents living in over-occupied properties increased by 28% between 2001 and 2011, although this increase was below average in comparison to the South East and national trend.

1. Changes in Under- and Over-Occupied households (2001-2011)

|  | Under-Occupied | | | Over- Occupied | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | 2001 | 2011 | % Change | 2001 | 2011 | % Change |
| Chichester District | **37,078** | **39,757** | **7.2%** | **1,977** | **2,530** | **28%** |
| Arun | 48,700 | 51,248 | 5.2% | 3,308 | 4,467 | 35% |
| Cotswold | 28,911 | 30,390 | 5.1% | 1,027 | 1,292 | 26% |
| West Dorset | 33,508 | 36,261 | 8.2% | 1,336 | 1,710 | 28% |
| Chichester & Bognor HMA | 85,778 | 91,005 | 6.1% | 5,285 | 6,997 | 32% |
| South East | 2,539,347 | 2,660,553 | 4.8% | 195,392 | 265,974 | 36% |
| England & Wales | 16,254,820 | 17,070,912 | 5.0% | 1,510,422 | 1,995,860 | 32% |

Source: 2001 & 2011 Censuses

* 1. Conversely, the number of under-occupied properties in Chichester (7.2%) has increased at a greater rate than the wider HMA (6.1%), South East region (4.8%) and England and Wales (5.0%). This is in part linked to a growth in the older population who tend to remain in their family homes after their children have left. Providing suitable accommodation for this group to move on to would reduce the need for additional large properties.
  2. Similarly, the growth in shared households in Chichester District has also increased (23%) - although to a lesser extent than over occupied properties (28%). Again, this is below the regional and national growth figures (see Table 10).

1. Shared Household Spaces (2001-2011)

|  | 2001 | 2011 | % Change |
| --- | --- | --- | --- |
| Chichester District | **9,000** | **11,052** | **23%** |
| Arun | 10,027 | 14,349 | 43% |
| Cotswold | 5,285 | 5,930 | 12% |
| West Dorset | 5,556 | 6,923 | 25% |
| Chichester & Bognor HMA | 19,027 | 25,401 | 33% |
| South East | 725,101 | 946,199 | 30% |
| England and Wales | 5,092,681 | 6,774,807 | 33% |

Source: 2001 & 2011 Censuses

Second Home ownership

* 1. Council Tax data identifies second homes as properties that are furnished but are not the main home. This data shows that at 3,375 in 2019 Chichester District has one of the highest number of second homes in the Country. This equates to 5.8% of all properties on the Council Tax list compare to 1% nationally.
  2. The previous HEDNA also examined second home ownership within the population using census data and this remains unchanged. As shown in Table 11, Chichester (7.3%) has a relatively high level of population with a second home in comparison to the wider region (4.0%) and England and Wales (3.7%). However, in comparison to the other comparable authorities, including Arun (9.1%), the level of second-home ownership is slightly lower.

1. Second Home ownership (2011)

| Second Home Address | Population | Population with a  Second Home | % Second Homes |
| --- | --- | --- | --- |
| **Chichester District** | **116,976** | **8,488** | **7.3%** |
| Arun | 63,429 | 5,788 | 9.1% |
| Chichester & Bognor HMA | 180,405 | 14,276 | 7.9% |
| Cotswold | 80,376 | 6,477 | 8.1% |
| West Dorset | 92,360 | 7,596 | 8.2% |
| South East | 8,947,913 | 359,553 | 4.0% |
| England and Wales | 54,786,327 | 2,029,108 | 3.7% |

Source: ONS, Census 2011

* 1. No information is available below local authority area or before 2001. It is therefore not possible to review how this has changed or to identify where this occurrence is strongest. However, a recent study by the Resolution Foundation[[2]](#footnote-3) identified that second home ownership in the UK had increased by 30% between 2000-02 and 2012-14.
  2. This, however, includes those with buy-to-let properties. While the data does not break down by local authority, Chichester District already has an over-representation of second-home owners and therefore it is likely that a similar level of growth has occurred in the district.

Local Agent Consultation

* 1. This sub-section outlines the key findings of consultation with local housing agents in Chichester District. Discussions were held with local estate agents across the District to understand the state of the local housing market following the completion of the previous Chichester HEDNA (2018).
  2. Engagement with local agents in the towns and villages of the District was undertaken. The consultation findings are anecdotal and may not reflect the empirical evidence set out elsewhere in this report. For example, agents might only deal with the very top or bottom of the market and their responses might reflect this.
  3. The consultation with agents identified that the market is still very active, despite political uncertainty and is in a similar position to 12 months ago. In terms of the sales market, property ranging between £200,000 to £400,000 are in the greatest demand and sell quickly.
  4. The types of properties for sale in this price range are mostly semi-detached and terraced houses with around 30% 2-bedroom and 60% 3-bedroom. Larger houses (4+ bedrooms) and 1-bedroom houses account for only a small proportion of houses for sale in this price range.
  5. Across the District, there was a noted shortage of supply in the private rented sector which is driving up rents. The District is experiencing high volumes of net in-migration, most notably from the surrounding Home Counties and London with preferences to locate in Chichester City and the coastal settlements. As a consequence, rental demand is increasing which is restricting the sector from meeting the needs of people with low incomes or receiving benefits.
  6. Housing options for new households seeking to live in the District remains a challenge, particularly for those who are not in a position to become homeowners. Engagement with local agents indicated that these households seek affordable housing or rent in the private sector.
  7. These households also have the option to occupy park homes as they are slightly more affordable than private housing stock. It was suggested that park homes can reach sales of up to £150,000. Park homes are experiencing a 50/50 split of local and outside buyers.
  8. Agents have indicated that there has been a recent increase in the volume of investors from Europe looking to purchase a park home with the intent to let. Park homes are seen as an attractive option for older persons who cannot afford the cost of a retirement home.
  9. Elderly people that cannot afford retirement living in the District will also consider Park Home accommodation. Of the elderly population seeking bungalows, agents emphasised that there is a significant gap in the market for 1 to 2-bedroom bungalows.
  10. Sales values are higher in Chichester City and the area is experiencing a lack of housing options for median and low-income households. The City’s role in the District hosting the University, hospital and the historic offering of the built environment makes it an attractive place for a mixed profile of buyers which is essentially placing pressure on the supply of housing.
  11. Rents in Chichester City are achieving around £900 to £1,200 per month for 2 and 3-bedroom dwelling. On the rental market in the City, it has been identified that there is a gap in the market for 2-bedroom properties. Demand for this type of product is driven by young couple and student households.
  12. The areas to the east and west of Chichester City Centre are the areas where new housing developments are taking place, agents noted that these new properties are selling well to a broad range of buyers ranging from families, first-time buyers and retirees.
  13. In the Manhood Peninsula, properties are experiencing demand from second homeowners and retirees looking to downsize to the coastal areas of Selsey, East Wittering and Bracklesham. An issue identified was that local young families now looking to leave the rented market to buy their first home cannot compete.
  14. This area is also experiencing great demand from holiday investors. Holiday houses staying vacant in the offseason is becoming an issue for the area and preventing local households from accessing the housing on the sales market.
  15. In conclusion, while the market signals show a significant deterioration in affordability over the long term, because this is addressed through the standard methodology there is no longer a requirement to seek a further uplift on the basis.

| **Key Points**   * The key analysis in this section reveals that median house prices in Chichester stand at 13.1 times the median earnings of those working in the district. * Land values in Chichester are significantly higher than the values for all of the other comparable areas including South East and England and Wales (excluding London). * In comparison to neighbouring local authorities and the wider comparators, mean and median house prices in Chichester are significantly higher. For example, median prices in Chichester are £37k higher than West Sussex as a whole. * Over the pre-recession decade, median prices in Chichester District increased by 189% compared to 189% regionally and 190% nationally. House prices subsequently rose during 2009 and as of 2010 Q2 median house prices in Chichester were the same as pre-recession levels. Over the last four years, prices have been significantly higher than the majority of the comparable areas (apart from the house prices in Cotswold). * There were considerably more detached houses sold in Chichester in 2018 compared to the rest of the comparable areas and this mix is driving high house prices in the area as detached homes tend to attract higher values due to their size. * Sales volumes both nationally and within Chichester experienced a significant drop between 2007 and 2008. Between 2008 -12 the recovery in sales volumes was modest. Since 2013, there has been a gradual growth in sales trends as the market recovers. * In terms of affordability Chichester follows the national trend of significant growth since 2001 and stabilising since 2008 albeit at a higher level. Generally, Chichester is less affordable than all of the comparable areas. * The workplace-based affordability ratios are higher than the residence based ratio illustrating the significantly higher earnings of those living in the district compared to those working in it. It also illustrates the difficulty of the local workforce being able to live close to their workplace. * In 2018, lower quartile house prices in the District stood at 13.59 times lower quartile resident earnings, indicating notable affordability pressures at the lower end of the market. * The lower quartile market rent for the District is around £720 per month for all dwelling types. Plan Area North has the highest rental value (£1,020) and Chichester City has the lowest (£670). Rents have increased notably as demand has outstripped supply as a result of fewer households being able to access home ownership products and instead moving to the PRS. * The high rents and worsening affordability gives low and medium earning households limited options. * Since the start of the current Local Plan period in 2012, 3,017 net additional dwellings have been added to the Chichester housing stock, Overall delivery was 28 dwellings below target the target to 2018/19. * At around 5.8% the district has a significantly higher percentage of second homes than the national average (1.0%) * Combined, the market signals evidence highlights notable affordability pressures in the District. This is reflected and responded to in the 40% increase in the housing need figure calculated using the CLG’s methodology. |
| --- |

1. demographic Profile & HOUSING NEED
   1. This section updates the key socio-economic indicators and addresses demographic trends. The analysis uses local authority level data and compares trends in Chichester District with wider areas such as West Sussex, but also with regional trends from the South East. We have also provided comparison figures for Chichester and Arun combined area as a proxy for the main HMA.
   2. The section also reviews future projections for population and household growth, and the local housing need. This is a key output of the HEDNA.

Population Trends

* 1. Chichester District’s population totals 120,750 persons as of mid-2018[[3]](#footnote-4). Figure 15 indicates how the population has changed since 1991. Over this period the population has grown by 19%, with an average annual growth of 0.6%. As the graph shows, the population of Chichester District remained fairly stable until 1996 followed by gradual growth since.

1. Population change in Chichester District, 1991-2018

Source: ONS Mid-Year Population Estimates

* 1. Figure 16 compares the population growth in Chichester District to growth in the Chichester and Bognor Regis HMA (Chichester and Arun Districts), the County, Region and Country. This shows that the Chichester population growth of 19% since 1991 was slightly lower in comparative terms to West Sussex (21%) and the South East (20%). There has been a particular divergence since 2010.

1. Benchmarking Population Growth from 1991 to 2018

*Source:* ONS Mid-Year Population Estimates

* 1. Chichester District’s population growth has however exceeded that seen nationally (17%) and in the wider HMA (15%).

Age Structure

* 1. Compared to the national average, Chichester’s population structure has a slightly higher proportion of people in every age cohort from 55 and over. The University of Chichester also means that there is a spike in the population in those aged 20-24 although this still falls behind the South East and National average.
  2. There are two age groups where Chichester has a relatively low percentage, these being those under the age of 10 and those aged 30-49. This indicates that compared to West Sussex, the South East and England, Chichester has a lower proportion of young couples with children.
  3. Taking these groups 10-15 years on, we see one group retiring and the other moving out of the area to University. This then leaves a large gap in the working-age population if it is not replaced through in-migration.

1. Population Profile, 2018

*Source:* ONS 2018 Mid-Year Population Estimates

Components of Past Population Change

* 1. Figure 18 considers the drivers of population change in the District from 2001 to 2018 (the longest period for which reasonable quality data is available). Population change is largely driven by natural change (births minus deaths) and migration, although within ONS data there is also an ‘other’ changes category and included within this are changes related to armed forces and prison populations and also unattributable population change (UPC). This is an adjustment made by ONS to mid-year population estimates where Census data has suggested that population growth had either been over- or under-estimated in the inter-Census years. As UPC links back to Census data, a figure is only provided up to 2011.
  2. As illustrated in Figure 18 below, Natural Change has been consistently negative in the district, reflective of the older age structure. However, this has been more than offset by migration and other changes.
  3. Migration and other changes have been relatively consistent in the period up to 2011 since when there was a slight drop off to 2014 and an increase to 2016 – dropping down slightly over the past two years for which data is available.
  4. UPC equated to 510 persons in Chichester, making it a fairly minor component of the change seen in the district between 2001 and 2011 (<7%). By its nature, it is not clear why this has occurred, but it could relate to an over-estimate of the population in the district in 2001; an under-count in 2011; or an under-recording of migration in the intercensal period.

1. Components of Population Change in Chichester District

Source: ONS

* 1. The table below shows the exact figures associated with the components of change. The average over the 2008/9 to 2013/14 period is reflected in the 2014-based subnational population projections.

1. Components of Population Change in Chichester District

|  | Natural change | Net internal migration | Net international migration | Other changes | Other (unattributable) | Total change |
| --- | --- | --- | --- | --- | --- | --- |
| 2001/2 | -545 | 1,126 | -66 | 3 | -22 | 496 |
| 2002/3 | -405 | 922 | 11 | 1 | -7 | 522 |
| 2003/4 | -446 | 1,324 | -24 | -179 | -30 | 645 |
| 2004/5 | -348 | 798 | 167 | 42 | -43 | 616 |
| 2005/6 | -301 | 1,038 | 172 | 53 | -49 | 913 |
| 2006/7 | -372 | 1,047 | 268 | 22 | -48 | 917 |
| 2007/8 | -306 | 1,105 | 473 | -19 | -60 | 1,193 |
| 2008/9 | -233 | 654 | 497 | -167 | -73 | 678 |
| 2009/10 | -235 | 848 | 424 | -19 | -81 | 937 |
| 2010/11 | -179 | 695 | 59 | 104 | -95 | 584 |
| 2011/12 | -178 | 775 | 305 | 2 | 0 | 904 |
| 2012/13 | -274 | 859 | 251 | 65 | 0 | 901 |
| 2013/14 | -285 | 709 | 361 | -324 | 0 | 461 |
| 2014/15 | -386 | 1,173 | 388 | 348 | 0 | 1,523 |
| 2015/16 | -404 | 1,245 | 443 | 57 | 0 | 1,341 |
| 2016/17 | -499 | 1,249 | 298 | 19 | 0 | 1,067 |
| 2017/18 | -560 | 654 | 331 | 133 | 0 | 558 |

Source: ONS

Local Housing Need

* 1. The assessment of local housing need and derivation of a housing target through the standard method is a three-stage process. This is set out in the Planning Practice Guidance (PPG) in relation to Housing and Economic Needs Assessment which was revised in February 2019.
  2. Our approach below sets out the standard method for assessing need reflecting the worked example set out in the PPG.

Step 1 – Setting the baseline

* 1. Step 1 sets the baseline using national household growth projections (2014-based household projections). The PPG advises that “the projected average annual household growth over a 10-year period (this should be 10 consecutive years, with the current year being the first year)” should be used. When much of this report was completed (2019) we interpreted the “current” year as 2019. Although step 1 is assessed over the next ten years, the figure can be used across the whole plan period.
  2. Chichester District’s household projections (2014-based) are:
* 53,299 in 2019
* 58,625 in 2029
  1. This is a total of 5,326 new households over the ten years, equivalent to an average household growth of 533 per year. This annual average household growth (533) is the core output of step 1.

Step 2 – An adjustment to take account of affordability

* 1. Step 2 then adjusts the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area. This draws on the most recent median workplace-based affordability ratios. The affordability ratio applied is 2018.
  2. For every percentage point the ratio is above 4, the household projections are increased by 0.25%. Four is seen as a reasonable multiple based on standard lending practices. The formula for the adjustment is calculated as below:
  3. By this measure, Chichester District’s affordability ratio (workplace-based median ratio) is 13.1 (2018), meaning that the median house price in Chichester is 13.1 times median earnings of those working in the District. Applying the adjustment formula results in an increase of 57% on to the household growth. This results in an uncapped need of 836 dpa.

Step 3 – Capping the Need

* 1. The third step of the standard method is to cap the level of increase to a deliverable level. The cap comes in the form of a 40% cap in the increase. However, what figure the cap is placed on depends on the age of the Local Plan.
* Where the Local Plan is adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the existing housing target.
* Where the Local Plan was adopted more than 5 years ago then the cap is placed at 40% above the higher of either the existing housing target (435 dpa) or the household forecasts (533 dpa).
  1. Also, the housing target in the adopted Chichester Local Plan is for the Plan Area while the projection and affordability adjustment is for the district area.

Local Plan Less than Five Years

* 1. Until July 2020 the Local Plan for Chichester was less than 5 years old. Where this is the case the need is capped at 40% above the Local Plan Target. Currently, in the Chichester Local Plan, the adopted housing target is 435 dpa for the Plan Area.
  2. If we apply the 40% cap to this housing target, we would calculate a need for 609 dpa. As this is based on a cap for the Plan area no further adjustment is necessary to disaggregate this. **Until July 2020 the Local Housing Need for the Plan Area would be 609 dpa.**
  3. We appreciate that this is not a like for like comparison as the standard method is based on the district-wide total and the local plan target is for the Plan Area only. However, such is the extent of affordability issues across the district, it would likely require a 40% increase above the housing requirement in the Plan Area.

Local Plan Older than Five Years

* 1. Post-July 2020, the Local Plan is older than five years, then the local housing need figure is capped at 40% above the higher of the Local Plan requirement or the household forecast identified in Step 2.
  2. The Local Plan target is 435 dpa and the household forecast set out in Step 2 is 533 dpa. Therefore the cap is applied to the household forecasts. Again, we recognise this is not a like-for-like comparison as one is for the Plan Area and the other is for the district. The latter will, therefore, need to be disaggregated to the Plan Area.
  3. Applying the 40% cap above the household forecasts results in a housing need of 746 dpa for the District **(**533 + 40% = 746 dpa). However, to reiterate this is not the housing target but the local housing need for the entire District. We have disaggregated this below.
  4. Furthermore, as this is a district-wide figure it would also apply to parts of the National Park. However unconstrained development would run contrary to the purposes and duty of the National Park and this approach may not be the most appropriate.

Unmet Need

* 1. The South Downs National Park HEDNA (2017) identified that the local housing need for the part of the South Downs National Park (SDNP) within Chichester District is 125 dpa. However, in 2019 the National Park Authority was only expecting to build 81 dpa of this need within the National Park area that falls within Chichester District. They, therefore, had an unmet need of 44 dpa.
  2. Chichester District Council previously signed a Statement of Common Ground to test if it can accommodate the identified unmet need of 44 dpa from the National Park. A final decision on the capacity of the district to accommodate unmet need from the National Park or elsewhere has not yet been taken. This can potentially be added to any identified need for the Plan Area.

Conclusion

* 1. The standard method for the district identified a local housing need for 746 dpa. A component of this need will also be covered by the 125 dpa identified for the South Downs National Park. Therefore subtracting the SDNP need from the district need would result in a Local Housing Need (LHN) for the Chichester Plan Area of 621 dpa.
  2. Up until July 2020, the standard method for the Plan Area would likely have resulted in a need for 609 dpa. This assumes a 40% uplift above the existing Local Plan target.
  3. In addition, the previous *Preferred Approach Local Plan* also took account of the agreement in the Statement of Common Ground to test the possibility of taking the unmet need for the South Downs National Park. Adding this to the Plan Area LHN resulted in **a housing target of 650 dpa for the Plan Area** (44 dpa + 609 dpa = 653 dpa, rounded to 650dpa).
  4. To convert this back to a district area need the SNDPA capacity of 81 could be added to the 650 dpa need for the Plan Area to calculate a **District-wide housing need of 731 dpa.** This number is taken forward for the analysis within the remainder of this assessment.
  5. On this basis, it would appear that 11% of the district-wide need would be addressed within the South Downs National Park and 89% within the Plan Area.
  6. Now the Local Plan is older than 5 years old the District-wide local housing need would arguably increase slightly to 746 dpa. However, this in no way recognises the constraints within the South Downs National Park nor its purposes and duty.
  7. It is also worth reiterating Paragraph 14 of the PPG (Reference ID: 2a-014-20190220) which states that:

“Where strategic policy-making authorities do not align with local authority boundaries (either individually or in combination), or the data required for the model are not available such as in National Parks and the Broads Authority, where local authority boundaries have changed due to reorganisation within the last 5 years or local authority areas where the samples are too small, an alternative approach will have to be used. Such authorities may continue to identify a housing need figure using a method determined locally, but in doing so will need to consider the best available information on anticipated changes in households as well as local affordability levels.”

* 1. This clearly applies to Chichester as a location whose boundaries are crossed by a National Park.
  2. In the late stages in the production of this calculation in 2019, revised affordability calculations and household projection apply as at July 2020. The Council’s most recent calculation, based on updated figures and excluding any unmet need from outside the Plan area, is set out below:
* Step 1 – 538 dpa based on a growth of 5,377 households over 2020-2030 period as set out in the 2014 -based household projections;
* 57% uplift based on an affordability ratio of 13.2 taking the uncapped need to 846 dpa
* Capping this figure to 40% above the household projections results in a need for 753 dpa.
  1. However, this figure includes the entire district not just the Local Plan Area. Removing the 125 dpa need for the National Park would mean the Plan Area need would be 628 dpa. It is the case that the inputs to the standard methodology for housing need (population projections and affordability ratios) change regularly. It is also the case that the final amount of housing in the Local Plan (including any addition in response to unmet need) has yet to be determined.
  2. Therefore to provide a suitable basis for informing the production of the Local Plan a judgement has to be made regarding the assumed level of housing, to then enable an assessment of the various types of housing need to be addressed and the interaction with employment needs.
  3. A decision has been taken to base the remainder of this report on a housing figure for the Plan area of 650 dpa. However on occasion data restrictions mean we need to look at the district, in those instances, we have based the report on a housing figure of 731 dpa and we have strived to break this down to the plan area where possible.
  4. Also, by using a method which is based on the standard method applied to the Plan Area, we can, therefore, be content that the approach we have used takes into account the best available information as per the PPG.

Population Growth

* 1. Having established a housing figure of 650 dpa for the Local Plan area based on the standard methodology, the next section of the report moves on to consider several specific issues within the housing market (including affordable housing need, the mix of housing and the needs of older persons).
  2. As the analysis takes a start point of 2019, the projections have been updated with reference to ONS mid-year population estimates (MYE). In projecting forward, the same assumptions around fertility and mortality rates and levels of migration have been assumed from those in the 2016-based official projections.
  3. The table below reports the projected population change in the Local Plan area and the area of Chichester which is within the SDNP. The projected change in population is linked to 731 dwellings per annum to 2036. Under this housing growth, the total population is expected to increase by around 21.5% in the plan area, and 16.4% in the district to 2036. This data is also provided in Appendix B for the alternative plan period.

1. Projected population change in LPA and SDNP

|  | Population 2019 | Population 2036 | Change in population | % change |
| --- | --- | --- | --- | --- |
| LPA (650 dpa) | 89,487 | 108,737 | 19,250 | 21.5% |
| SDNP (81 dpa) | 32,141 | 32,780 | 639 | 2.0% |
| Total (731 dpa) | 121,628 | 141,517 | 19,889 | 16.4% |

Source: GLH modelling

* 1. The following table breaks this forecast population for the Plan Area down by age group. Under the housing growth of 650 dpa, the older age groups are expected to experience the greatest proportional growth. This data is also provided in Appendix B for the alternative plan period.
  2. The 85 years and over age group is expected to grow at the greatest rate, increasing by around 84% by 2036. This is followed by the 75-79 and 80-84 age groups, increasing by around 42% and 49%. The young working-age groups are also forecast to experience growth, peaking at 38% for those aged 20-24. However, the number of people aged in their 50s is projected to decrease.

1. Projected population change in Chichester Plan Area (linked to 650 dpa)

|  | Population 2019 | Population 2036 | Change in population | % change |
| --- | --- | --- | --- | --- |
| 0-4 | 4,299 | 5,147 | 848 | 19.7% |
| 5-9 | 4,854 | 5,255 | 400 | 8.2% |
| 10-14 | 4,610 | 5,056 | 446 | 9.7% |
| 15-19 | 4,654 | 5,674 | 1,019 | 21.9% |
| 20-24 | 5,386 | 7,446 | 2,060 | 38.2% |
| 25-29 | 4,544 | 5,892 | 1,348 | 29.7% |
| 30-34 | 4,234 | 5,127 | 893 | 21.1% |
| 35-39 | 4,497 | 4,925 | 428 | 9.5% |
| 40-44 | 4,442 | 5,298 | 856 | 19.3% |
| 45-49 | 5,421 | 5,714 | 293 | 5.4% |
| 50-54 | 6,116 | 5,657 | -459 | -7.5% |
| 55-59 | 6,487 | 6,119 | -368 | -5.7% |
| 60-64 | 5,988 | 6,733 | 745 | 12.4% |
| 65-69 | 5,619 | 7,646 | 2,027 | 36.1% |
| 70-74 | 6,339 | 8,103 | 1,764 | 27.8% |
| 75-79 | 4,654 | 6,635 | 1,981 | 42.6% |
| 80-84 | 3,501 | 5,219 | 1,719 | 49.1% |
| 85 & over | 3,843 | 7,092 | 3,249 | 84.6% |
| Total | 89,487 | 108,737 | 19,251 | 21.5% |

Source: GLH Demographic Projections

* 1. We have also set out below the age profile growth of delivering 731 dpa across the district. These show a similar trend to the district.

1. Projected population change in Chichester District (linked to 731 dpa)

|  | Population 2019 | Population 2036 | Change in population | % change |
| --- | --- | --- | --- | --- |
| 0-4 | 5,661 | 6,266 | 605 | 10.7% |
| 5-9 | 6,611 | 6,723 | 112 | 1.7% |
| 10-14 | 6,592 | 6,882 | 290 | 4.4% |
| 15-19 | 6,226 | 7,345 | 1,119 | 18.0% |
| 20-24 | 6,391 | 8,535 | 2,144 | 33.6% |
| 25-29 | 5,757 | 6,944 | 1,187 | 20.6% |
| 30-34 | 5,427 | 6,023 | 596 | 11.0% |
| 35-39 | 5,912 | 5,971 | 59 | 1.0% |
| 40-44 | 6,016 | 6,786 | 770 | 12.8% |
| 45-49 | 7,611 | 7,684 | 74 | 1.0% |
| 50-54 | 8,793 | 7,839 | -953 | -10.8% |
| 55-59 | 9,054 | 8,297 | -756 | -8.4% |
| 60-64 | 8,489 | 9,293 | 804 | 9.5% |
| 65-69 | 7,974 | 10,593 | 2,618 | 32.8% |
| 70-74 | 8,712 | 10,916 | 2,203 | 25.3% |
| 75-79 | 6,496 | 9,085 | 2,589 | 39.9% |
| 80-84 | 4,754 | 6,979 | 2,225 | 46.8% |
| 85 & over | 5,154 | 9,355 | 4,201 | 81.5% |
| Total | 121,628 | 141,517 | 19,889 | 16.4% |

Source: Demographic projections

| **Key Points**   * The Chichester District’s population totals 120,750 persons as of mid-2018. This has grown by 19% since 1991, with an average annual growth of 0.6%. * A large proportion (27%) of the district’s residents are aged 65 or over. There is also a relatively high percentage of those in their early 20’s linked to the University. * Net migration has been a key driver of historic population change, although levels of migration have been notably lower in the most recent past. * The starting point of the assessment is the 2014-based projections which show an average household growth of about 533 households per annum for the period 2019-2029 for the whole District. * The proposed methodology adjusts this figure based on local affordability (13.1 at 2018). In Chichester’s case, this increases the housing need by 57% to 836 dpa. * However, the standard methodology also caps the need. In the case where strategic policies were adopted more than 5 years ago, the local housing need figure is capped at whichever is higher of the projected household growth over the 10 years or the average annual housing requirement figure set out in the recently adopted strategic policy. * Once the Chichester Local Plan is over 5 years old, the local housing need figure will be set at 40% above the projected household growth. The local housing need is 746 dpa for the District. However, this is for the district and assumes unconstrained development within the National Park which is perhaps contrary to the NPPF * Until July 2020 when the Local Plan will become 5 years old, the need is capped at 40% above the Local Plan target for the Plan Area. The Local Plan target is 435 dpa. Applying the 40% cap results in 609 dpa. Chichester signed a Statement of Common Ground to investigate if it can deliver 44 dpa of unmet need from the SDNPA. The Preferred Approach Plan in December 2018, therefore, contained proposals for 650 homes per annum. * The analysis within the remainder of this report is based on 650 dpa in the Local Plan Area plus 81 dpa in the National Park. This results in 731 dpa in the District. * This rate of housing growth is expected to generate a population growth of around 19,250 over the 2019 to 2036 period for the plan area and 19,889 across the district. * It is the case that the inputs to the standard methodology for housing need (population projections and affordability ratios) change regularly. It is also the case that the final amount of housing in the Local Plan (including any addition in response to unmet need) has yet to be determined. * Therefore to provide a suitable basis for informing the production of the Local Plan a judgement has to be made regarding the assumed level of housing, to then enable an assessment of the various types of housing need to be addressed and the interaction with employment needs. |
| --- |

1. The Economy and Labour Market
   1. Chichester District’s economy produces goods and services valued at just over £3.3 billion per annum Gross Value Added (GVA) and supports around 71,380 jobs[[4]](#footnote-5). This equates to around 1.5% of the regional jobs total (4.9 million) and 1.3% of the GVA (£250 billion). Figure 19 illustrates the growth in GVA and Employment since 1991 in Chichester using the latest Oxford Economics data.
2. Employment and GVA Trend (1991-2018) – Chichester District

Source: Oxford Economics, 2019

Employment and Economic Growth

* 1. Figure 20 shows Chichester’s GVA growth trend since 1991 compared to the trend for the South East. Whilst Chichester’s GVA has grown by 50% since 1991, its GVA growth has been outpaced by the greater region in the same period (84%). GVA growth in Chichester has somewhat flatlined since 2006 whereas growth has continued in the South East.

1. Indexed GVA Growth (1991-2018)

Source: Oxford Economics, 2019

* 1. Since 1991 the employment in Chichester District has grown by almost 15,700 jobs (34% growth). This represents a level of growth above the regional trend where there has been a 28% growth in employment. Growth in employment has not been in line with the GVA growth (50%), indicating productivity improvements within the local economy. Employment growth in Chichester, as shown in Figure 21, has outpaced growth in the greater South East except for between 2003 and 2009.

1. Indexed Employment Growth (1991-2018)

Source: Oxford Economics, 2019

GVA Growth by Sector

* 1. Figure 22 shows the breakdown of Chichester District’s GVA by sector in 2018. The strongest contributors to GVA in Chichester are the real estate, wholesale and retail and manufacturing sector. Also shown is the equivalent GVA figure from 1991. This shows that the real estate sector has seen the largest absolute GVA growth over this period.
  2. In proportional terms the Real Estate sector has increased by 149% from 1991-2018, followed by Wholesale (128%), Professional services (126%) and Human Health (110%). Most sectors have seen a growth in GVA over this period, the exception being Water Supply (-56%) and Public Administration and Defence (-57%).

1. GVA by Sector (1991-2018) – Chichester District

Source: Oxford Economics, 2019

Employment Structure

* 1. The District’s largest sector in terms of total employment numbers is the Human Health and Social Work Activities with 9,700 jobs in 2018 along with 9,400 jobs in the Wholesale and Retail sector. There are also large numbers employed in Education (6,700), Accommodation and Food Services (6,400), Manufacturing (5,600) and Professional Services (4,900).
  2. The Oxford Economics data suggests that 2,700 agricultural jobs are located in Chichester District. The West Sussex Growers Association suggest that horticulture employs around 10,000 full-time equivalents across West Sussex including a wider definition of packers, processors and distributors and/or temporary workers as well as those in office-based and other support employment, as well as taking into account the seasonality of employment.
  3. The Accommodation and Food Services Sector has seen the largest jobs growth since 1991, with a growth of 3,000 jobs. Other sectors which have seen a large growth in the District over this period are Wholesale and Retail Trade (2,249 jobs) and Administrative and Support (1,700 jobs). In percentage terms, the largest growth was in the Real Estate sector (250%) followed by Information and Communication (116%), and Accommodation and Food Services (90%).

1. Employment by Broad Sector[[5]](#footnote-6) (1991 - 2018) – Chichester District

Source: Oxford Economics

* 1. Conversely, the Mining and Quarrying sector has seen the greatest relative loss of employment (-52%) but in absolute terms only lost only 46 jobs. Agriculture lost 452 jobs since 1991, a decline of 14%. All other sectors grew during this time. These changes are illustrated in Figure 23.
  2. The OE forecasts do not explicitly identify jobs in the tourism sector, but these are divided across the Accommodation and Food Service and Arts, Entertainment and Recreation Sectors. In combination, these totalled just over 10,000 jobs in 2018 and have seen a growth of just under 4,000 jobs since 1991.

Location Quotient

* 1. Figure 24 shows the location quotient analysis of Chichester District’s employment structure compared to the structures at regional and national levels. In relative terms, a key sector strength in Chichester is in Agriculture, forestry & fishing sector, and to a lesser extent in Accommodation and food services and Real Estate activities, all of which are stronger than the national and regional trends.

1. Employment Location Quotient (2018)

Source: Business Register and Employment Survey (2018)

* 1. Horticulture, which is broadly included under the Agriculture, forestry & fishing sector, can be approximated under the two-digit sector of Food and Crop Production. Further analysis of horticultural needs is provided under Chapter 11.
  2. Against the regional representation Chichester District also has a strong representation in the Arts, Entertainment and Recreation; while against the national representation, Chichester is strong in the Public Administration and Defence sector.
  3. There are some sectors in the district which are relatively weak in comparison to the regional and national representation. Of particular note are Transportation and Storage along with Mining and Quarrying along with Information and Communication.
  4. Within the manufacturing sector, we do see some notable variation within the sub-sectors. For example, there is significant strength in the manufacturing of motor vehicles (mostly Rolls Royce), textiles, food products, wood and of wood-related products and “Other” manufacturing, but lower representation within the manufacturing of machinery and equipment, fabricated metal and rubber and plastic.
  5. The lack of representation in the transportation and storage sector reflects the location of the district away from motorway networks. While the A27 runs through the district its reputation for congestion may be off-putting to major distribution operators as well as other sectors.

Business Base

* 1. The vast majority (90.4%) of the enterprises based in the district are micro-businesses: that is they employ fewer than 10 people. This group includes a high percentage of self-employed and sole-traders. This is slightly higher than the county (89.7%), regional (89.9%) or national (89.5%) rates indicative of a level of local entrepreneurship.
  2. As with the regional and national picture employment within Chichester is not overly reliant on a small number of major employers. This provides the district with a level of resilience to a major downturn affecting a single business.

1. Enterprises by Size, 2018 – Chichester District

Source: UK Business Counts, NOMIS 2018

* 1. There are 20 businesses which have over 250 employees. Large employers in the district include Rolls Royce Motor Cars which is part of the manufacturing of motor vehicles sector and food production companies, although levels of employment in the horticulture/food production sector are subject to significant seasonal fluctuations.

Labour Market

Economic Participation

* 1. Figure 26 shows employment and unemployment as a percentage of the working-age population (defined by ONS to be the population aged 16-64 years). The figure also shows economic activity as a percentage of those aged over 16.
  2. The figures show that the employment rate in Chichester District is 85.2%. This is above the regional rate (78.4%) and above the national rate (76.7%).

1. Economic Activity Rates (2018) [[6]](#footnote-7)

Source: Annual Population Survey (2018)

* 1. The Economic Activity Rate describes the percentage of working-age adults (16-64) who are working or looking for work. The Economic Activity Rates in Chichester (88.4%) is much higher than the other comparators.
  2. Unemployment within Chichester District (3.7%) is about on par with what seen in the county and South East region (4.2% and 3.4% respectively). The level of self-employment in Chichester (20.4%) exceeds that in compared to the County (12.8%), regional (11.9%) and national trends (10.9%). This is driven by a particularly high level of self-employed females.

1. Employment by Type (2018)

Source: Annual Population Survey (2018)

Earnings

* 1. In 2018 those working in Chichester District in full-time employment earned a median gross annual pay of just over £28,000. This was lower than the median for West Sussex (£28,500), England as a whole (£30,000 per annum), and the South East region (£31,000 per annum).
  2. GL Hearn uses median values in preference to mean values for earnings data. This is because median values are less influenced by extreme values and because of the skewed distribution of earnings data.
  3. The median gross annual pay of residents in Chichester District is higher at £31,000. This is greater than all of the other comparators but lower than the wider South East (£32,000).

1. Earnings – Annual Median Pay of Full-Time Workers (2018)

Source: ONS Annual Survey of Hours and Earnings, 2018

* 1. Those working full-time in the district typically earn around £2,800 less than those who reside in the district suggesting, as we might expect, that many higher-earning residents commute out of the area to higher paid jobs in surrounding areas such as Brighton and Greater London.
  2. This is supported by Census data showing distance travelled to work by occupation which shows a larger proportion of workers in the managerial, professional, and technical occupations commute over 10km to work, and a smaller proportion of workers in these occupations commuting shorter distances when compared to other occupations.

1. Distance Travelled to Work by Occupation, Chichester Residents (2011)

| Occupation | Less than 10km | 10km and over | Work mainly at or from home | Other |
| --- | --- | --- | --- | --- |
| 1. Managers, directors and senior officials | 31% | 39% | 26% | 4% |
| 2. Professional occupations | 34% | 45% | 16% | 5% |
| 3. Associate professional and technical occupations | 31% | 38% | 23% | 8% |
| 4. Administrative and secretarial occupations | 49% | 34% | 16% | 2% |
| 5. Skilled trades occupations | 28% | 19% | 21% | 32% |
| 6. Caring, leisure and other service occupations | 55% | 25% | 12% | 7% |
| 7. Sales and customer service occupations | 65% | 28% | 5% | 2% |
| 8. Process, plant and machine operatives | 43% | 33% | 11% | 13% |
| 9. Elementary occupations | 59% | 21% | 8% | 12% |

Source: Census 2011

* 1. Also notable is the fact that the earnings of both male residents and male workers are less than the wider county and regional and national equivalent whereas female residents and to a lesser degree female workers earn more than the county, region and national figures. Although male earnings are still above those for women.
  2. Potentially this is due to the high number of low paid manual roles such as agricultural employment which are typically filled by men. Thus, the male average is reduced by this but the female earnings are less affected.

| **Economy and Labour Market: Key Points**   * Chichester District’s economy produces goods and services valued at £3.3 billion per annum (GVA) and supports around 71,380 jobs. The strongest contributor to GVA in Chichester is the real estate sector. * The District’s largest sector in terms of total employment numbers are the Human Health and Social Services along with the Wholesale and Retail sectors. In relative terms, key sectors of strength in Chichester are the agriculture, forestry & fishing sector, accommodation and food service and real estate activities sectors. * The vast majority of the enterprises based in the district are micro-businesses: that is they employ fewer than 10 people. This group includes a high percentage of self-employed and sole-traders. Chichester district has relatively high employment and economic activity rate compared to the region. * Unemployment in the district, recorded at 3.7% by the Annual Population Survey, is below that in most of the comparator geographies considered. The England average is 4.2%. * Those working full-time in the district typically earn around £2,800 less than those who reside in the district. This is indicative of a notable number of higher-earning residents commuting out of the area to higher paid jobs in surrounding areas. |
| --- |

1. Employment Forecasts
   1. Oxford Economics (OE) was commissioned by GL Hearn to provide baseline demand-based forecasts for the HEDNA. The OE forecast is dated August 2019.
   2. The baseline model is the lowest hierarchical level of the OE framework of forecasting models. Such a modelling framework ensures that global and national factors (such as developments in the Eurozone and UK Government fiscal policy) have an appropriate impact on the forecasts at the local authority level. This framework ensures that the forecasts are much more than just an extrapolation of historical trends. Rather, the trends in the OE global, national and sectoral forecasts have an impact on the local area forecasts alongside the sectoral structure and past sector performance locally.
2. Hierarchal structure of Oxford Economics’ suite of models

| Flowchart showing how the forecasts are derived at different levels of geography in a top-down approach |
| --- |

Source: Oxford Economics, 2019

* 1. The baseline forecasts for the HEDNA and its constituent authorities are essentially shaped by three factors:
* International, national and regional outlooks - all the local area forecasts produced by OE are fully consistent with broader regional, national and international models and forecasts. This ensures global events that impact on the performance of UK local economies, such as the strength of global trade are fully captured in the forecasts for a local area. So too are national-level growth and policies, whether that be the impact of monetary policy on consumer spending or government spending on locally provided public services;
* Historical trends in an area, which implicitly factor in supply-side factors affecting demand, are combined with the OE and GLH knowledge of local areas and the patterns of local economic development. This ensures for example, that we recognise and factor into the forecasts any evidence of particularly high/low levels of competitiveness that local economies have in particular activities. It also includes national policy programmes that have a particular local impact and that are very likely to happen; and
* Fundamental economic relationships which interlink the various elements of the outlook. OE’s models ensure full consistency between variables in a local area. For example, employment, commuting, migration and population are all affected by one another.
  1. The forecasts are produced within a fully integrated system, which makes assumptions about migration, commuting and activity rates when producing employment and population forecasts. Note that these are different to the population assumptions set out earlier in this report and therefore different to the demographic growth assessment. The main internal relationships between variables are summarised in Figure 30.

1. Employment Forecasting Main Relationships

| Flowchart showing the relationship between various inputs in a forecast model |
| --- |

Source: Oxford Economics, 2019

* 1. The starting point for producing employment forecasts for a local authority is the determination of workplace-based employees in employment in each broad sector. There are two key sources for this – ONS Workforce Jobs (WFJ) and the Business Register and Employment Survey (BRES). The WFJ series is reported quarterly, providing estimates of employee jobs by sector (based on the 2007 Standard Industrial Classification – SIC 2007) for the UK and its constituent government office regions. The BRES Survey is an annual survey of businesses which is used to estimate the employment levels by different sectors.
  2. Within the OE model migration is expected to grow or decline in parallel with the employment total. If the employment total within an area is falling too fast, migration also falls as the model assumes that people would not be attracted into this area to live, given that the employment prospects are weak. This ensures that the relationship between the labour market outlook and the population outputs are inter-linked.

Disaggregating Growth

* 1. The Oxford Economics forecasts are based on a global view of growth which is translated to the UK, then the South East region and then each local authority within the region. Within the hierarchy, the growth in the lower level in the hierarchy must add up to that of the level above within the baseline forecast.
  2. How the national level of growth is translated into a regional and local authority level differs from sector to sector. Some of the sectors are driven predominantly by population estimates, others by total employment in the area and the remainder by the sector’s performance relative to the regional performance (largely exporting sectors). The methods of sectoral projection are as follows, each of which are forecast based on recent trends:
* Agriculture - share of the regional employment
* Mining and quarrying - share of the regional employment
* Manufacturing - share of the regional employment
* Electricity, gas, and steam - share of the regional employment
* Water supply; sewerage, waste management - share of the regional employment
* Construction - location quotient (LQ) based upon total employment
* Wholesale and retail trade - LQ based upon consumer spending
* Transportation and storage - LQ based upon consumer spending
* Accommodation and food service activities - LQ based upon consumer spending
* Information and communication - share of the regional employment
* Financial and insurance activities - share of the regional employment
* Real estate activities - LQ based upon total employment
* Professional, scientific and technical activities - LQ based upon total employment
* Administrative and support service activities - LQ based upon total employment
* Public administration and defence - LQ based upon sectoral employment per population
* Education - LQ based upon sectoral employment per population
* Human-health and social-work activities- LQ based upon sectoral employment per population
* Arts, entertainment and recreation - LQ based upon consumer spending
* Other service activities LQ based upon consumer spending
  1. Because of the way national forecasts are disaggregated the baseline growth in any given local authority largely reflects the relative strength of the sectors expected to grow nationally. In practice, this means that local authorities with particular strength in their professional, scientific and technical sector and/or the administrative and support sectors (as the drivers of growth nationally) will see notable growth.

Baseline Forecast

* 1. In this section, we have provided the baseline forecast between 2019 and 2036 drawing on the latest 2019 data which is historic to 2017 (BRES based) and part historic in 2019 (regional data only). Oxford Economics indicate that Chichester District’s economy is expected to grow by 1.33% per annum (GVA growth), which is just over half the growth achieved over the previous economic cycle (1993-2010) – 2.08% growth per annum. By comparison, the OE baseline forecast for the South East Region shows a GVA growth of 1.9% per annum (2016-36) compared to a past growth of 2.9% per annum (1993-2010).
  2. Oxford Economics Baseline scenario shows the total number of jobs in Chichester District is expected to grow from approximately 73,800 in 2016 to 75,900 in 2036. This is a total forecast growth of 2,100 which equates to an annual growth rate of 0.14%. This is a slower rate than the 2018 HEDNA data which indicated a growth of 8,900 jobs over the same period. The principle cause is a short term slow down largely driven by Brexit and a slightly slower longer-term growth rate.

1. Chichester District Jobs Growth, Baseline Forecast (1991-2036)

Source: Oxford Economics, 2019

* 1. As with GVA growth, the jobs growth in the Baseline Forecast in Chichester District is slower than the level of jobs growth over the previous economic cycle (1.6% per annum). The forecast level of jobs growth is both higher than the regional equivalent (0.5% pa) and above the forecast national increase (1.1% pa).
  2. The slower rate of growth going forward as compared to previous economic cycles is not confined to Chichester District but is expected regionally and nationally.

Adjusted Forecasts

* 1. While the baseline forecast provides a good indication of the direction of growth it does not reflect the progression of some specific sectors locally. We have considered the Baseline Forecast for these sectors and reviewed the historic and future trends for the District in each and compared this to regional and national trends.
  2. The location quotient analysis in Figure 24 set out the structure of Chichester District’s economy compared to that of the South East region in 2016. That figure illustrated that the District has particular strengths in the agriculture sector (where the proportion of jobs in Chichester is three times the regional rate). This is driven by horticulture which falls under the two-digit sector of Food and Crop Production.
  3. Additionally, the District has strengths against the South East in manufacturing. This is predominantly linked to Rolls Royce Motors Goodwood site in Chichester District. In addition, Accommodation and food services and the creative and recreation sectors (both linked to tourism), real estate and business support services, public administration and defence and healthcare (linked to the ageing population) are also significant contributors to the District’s economy.
  4. The way that OE constructs their models means that the baseline forecast for some sectors in Chichester may more closely resemble the regional trends which, as described above, OE considers will be less positive than the historic trends at a regional level. Furthermore, when the regional trends for these sectors are disaggregated to a local authority level it may result in a modest growth (or contraction) in Chichester which does not necessarily reflect either past trends, current market dynamics, or future growth opportunities.
  5. In 2018 for the HEDNA GL Hearn undertook detailed consultation with a range of partners to determine growth plans and sector drivers. This included the Local Enterprise Partnership (LEPs), the Council, and the University of Chichester as well as consultation with local commercial agents. In 2019 we have revisited these and supplemented with further consultation and analysis of the Inward Investment and Growth report 2019. The report recognises that from an employment perspective, the District has strengths in wholesale and retail, accommodation & food service, health & social work and education, which account for just under half of the jobs. However, the agriculture/horticulture sectors are also key features of the District’s economy. It has a high concentration of public sector employment, some niche manufacturing and a fairly strong creative industries sector. The report sets out a focus on the following elements:
* Branding and Marketing
* Relationship development with land owners, developers, agents, existing businesses and other councils
* Developing a whole council approach to supporting business growth and inward investment
  1. The Economic Development Strategy for Chichester District 2019-2024 reports that consultation evidence to support the previous strategy emphasised the importance of the food and drink sector; suggested that there was potential to expand the District’s marine related activities (perhaps in partnership with neighbouring coastal authorities); and recommended focus on activities related to the visitor and the creative economies. Its natural and cultural assets underpin its great food and drink production and creative industries sector and give it the potential to develop a strong marine industries presence alongside neighbouring areas. Working with the natural environment is a key component of sustainable economic development.
  2. As a result, on balance, the sectors which are expected to see high levels of jobs growth in the District are:
* Crop and animal production
* Manufacture of food products
* High-tech manufacturing
* Civil Engineering and Waste
* Wholesale trade and warehousing
* Accommodation
* Food and beverage service
* Computer programming
* Financial services
* Scientific research and development
* Office administration
* Education
* Creative, arts and entertainment activities
* Sports activities and amusements.
  1. GL Hearn has assessed the growth potential of these sectors as shown in the OE baseline forecasts. For three of the sectors (Accommodation; Creative, arts and entertainment activities; and Sports activities and amusements) the baseline forecast shows a strong level of growth in Chichester District – stronger than either the regional growth rate or the historic trend in the District. This reflects that these are growth sectors at a regional level as well as being strongly represented in Chichester District, and as such are already forecast to have high levels of growth in the baseline forecast.
  2. For the other growth sectors listed the OE baseline forecast for Chichester District is either slower than the historic trend for the District or below the regional forecast growth. We have therefore developed a Growth Scenario which applies sectoral uplifts for the Chichester District specific growth sectors. The uplift increases the future jobs growth in these sectors (or lowers expected reductions) based on modelling the forecast sectoral performance over the Plan period to better reflect the historic sectoral performance seen in the District over the period 1993-2010[[7]](#footnote-8). The uplift for each sector is set out in Figure 32.

1. Growth Sub-Sectors, 2019-36 – Chichester District

Source: Oxford Economics, 2019

* 1. Table 17 shows the sectoral jobs growth for the Baseline and the Growth scenarios over the period from 2019-36. Both scenarios show the largest growth sectors are Wholesale and retail trade, accommodation and food services, Professional and scientific services, Business Support Services, Education and Health.
  2. The sectors which are uplifted in the Growth scenario in table 17 below are highlighted in green. The sectors with the largest increase in jobs growth in the Growth Scenario are Wholesale and Retail (700 additional jobs) Accommodation and food services (2,000 additional jobs), Manufacturing (reduction in forecast losses from 1,400 to a loss of 200), and Education (800 additional jobs).
  3. The adjusted scenario results in additional employment growth of 5,800 jobs above the Baseline Scenario taking the total jobs growth to around 9,500 (2019-36). This represents a growth rate of 0.7% pa, up from 0.3% pa in the Baseline Scenario. This compares to a regional growth rate of 0.4% pa. However, when compared to historic trends both the Growth and the Baseline scenarios are lower than the growth rate seen over the previous economic cycle (1.6% pa in Chichester and 1.1% across the South East).

1. Jobs Growth by Sector, Baseline and Growth Scenario, 2019-2036

| **Sector** | **Baseline Scenario** | **Growth Scenario** | **Justification** |
| --- | --- | --- | --- |
| Agriculture and Mining | -200 | -100 | Growth in the horticultural sector |
| Manufacturing | -1,400 | -200 | Full return to historic trend for automotive manufacturing |
| Utilities | -100 | -100 |  |
| Construction | 600 | 600 |  |
| Wholesale and Retail Trade | 200 | 900 | Half return to historic trend |
| Transport, Warehouse and Postal | - | 100 | Quarter return to historic trend |
| Accommodation and Food and Beverage Services | 500 | 2,500 | Half return to historic trend |
| Media and IT | 100 | 400 | Quarter return to historic trend |
| Professional and Scientific Services | 1,100 | 1,400 | Half return to historic trend |
| Business Support Services | 800 | 900 | Half return to historic trend |
| Public Administration and Defence | -300 | -300 |  |
| Education | 200 | 1,000 | Half return to historic trend |
| Health | 1,200 | 1,200 |  |
| Creative and Recreation | 600 | 600 |  |
| Other | 100 | 100 |  |
| Total | 3,700 | 9,500 |  |

Source: Oxford Econometrics and GL Hearn, 2019 (numbers may not sum due to rounding)

* 1. Overall jobs growth is therefore focused on:
* Professional and Scientific Services (1,400) primarily office-based activities.
* Construction (600 jobs) typically self-employed or smaller firms.
* Wholesale/retail (900 jobs) working in the retail sector in town centres often part-time roles.
* Accommodation and food/beverage (2,500 jobs) working in the tourism industry, often part-time roles.
* Media and IT (400) creative industries and technology-based roles.
* Education (1,000) in public sector roles.
* Health (1,200) primarily related to an increase in an ageing population and care roles at hospitals and health centres.
* Creative and recreation (600) a range of roles in creative industries, arts and leisure/sports.
  1. The Growth Scenario has considered the sectors which, given the local economic drivers in Chichester District and across the LEP area, would be expected to see a strong future performance. The baseline was assessed to consider how the growth sectors were forecast to grow over the period from 2019-36 and adjustments have been made where appropriate. These adjustments have been informed by sectoral performance in Chichester District and the South East over the last full economic cycle (1993-2010) to ensure the scale of growth is reasonable. The one exception is the Agriculture and Mining sector where an adjustment arresting the decline in jobs was informed by stakeholder engagement.

1. Employment Growth Scenarios Comparison

|  | 1993-2010 | 2019-36 | 2019-36 |
| --- | --- | --- | --- |
|  | **Growth Per Annum** | **Jobs Growth** | **Growth Per Annum** |
| Chichester Baseline | 1.6% | 3,655 | 0.3% |
| Chichester Growth | 1.6% | 9,511 | 0.7% |
| South East | 1.1% | 217,300 | 0.4% |

* 1. For completeness, the figure below reports the position comparing the 2018 HEDNA (using 2017 data) and the 2019 data for this HEDNA update.

1. Employment Scenarios 2017 data / 2019 data

Source: Oxford Economics, 2017/19

* 1. Considering the above factors as a whole, we consider the 2019 Growth Scenario to be a robust forecast of economic growth to assess future employment and housing needs taking account of local drivers and historic trends.

| **Economic Growth: Key Points**   * The baseline forecast produced by Oxford Economics indicates that the District’s economy is expected to grow by 1.4% per annum (GVA growth pa) between 2019 and 2036. The total number of jobs growth forecast is 3,700 which equates to an annual growth rate of 0.3%. * As with the national forecasts, this is a slower level of growth compared to the previous business cycle. However, this is justified as both consumer and public sector expenditure is expected to fall. * However, these baseline forecasts are largely trend-based and do not reflect local investment or planned growth. We, therefore, considered adjustments to the forecasts to reflect this. * The growth scenario results in additional employment growth of 5,800 jobs from the Baseline Scenario (2019-36) taking the total jobs growth to around 9,500 across the District representing growth of 0.7% pa. * The adjusted growth forecasts see the accommodation and food services sector, professional and scientific services and wholesale and retail sectors have the most significant growth in jobs. * The agricultural and manufacturing sectors are expected to oppose historic trends with a cessation of job losses. Both, however, are still expected to see significant growth in GVA and productivity. |
| --- |

1. Economic need led by housing growth
   1. This section considers economic growth and how this influences the level of housing need. It also considers what level of jobs could be supported by the standard method.
   2. While the standard method removes any consideration of economic growth within the housing need, there is still a requirement for local authorities to align their economic and housing strategies. By failing to do so, Local Authorities would either struggle to meet their economic growth aspirations or draw a greater level of workforce from outside the borough thus creating unsustainable commuting patterns.
   3. The PPG is also clear that the standard methodology is also a minimum and that where growth strategies are in place, this might indicate the actual housing requirement should be higher than the figure identified by the standard method.
   4. This section of the report seeks to understand the employment level generated by the standard methodology and compares this to the most recent economic forecasts supporting the Council’s strategy.

Number of Jobs Supported by the Standard Method

* 1. As established in Chapter 3, there is a housing figure of 650 dpa for the Plan Area and 731 dpa for the District. However, to translate this into the labour force and jobs growth, a series of assumptions need to be made. In doing so, the first step is to understand how the economic activity might change and therefore what the resident labour force would be.
  2. In earlier years, unemployment was at its highest during the Global Financial Crisis around 2009. In the years following this, unemployment increased in 2011, slightly decreased in 2012 before increasing again in 2013 to reach the highest level across the period.
  3. At 2018, there were 1,500 people unemployed in Chichester which is the lowest level experienced over the period.

1. Number of people unemployed (2004-2018)

Source: Annual Population Survey

* 1. The next step is to consider how economic activity may change in the years to 2036. For this, we drew on the Office of Budget Responsibility (OBR) Fiscal Sustainability Report (2018) and adjusted using 2011 Census data to reflect the start point and age structure in Chichester. The figures overleaf illustrate the predicted changes to economic activity rates for both males and females.

1. Projected changes to economic activity rates (2019 – 2036)

| Males | Females |
| --- | --- |
|  |  |

Source: GLH modelling

* 1. The percentage of economically active males is forecast to broadly continue the same trend to 2036 albeit with a slightly higher percentage being economically active over the age of 60.
  2. For females, the change is slightly more apparent. It is projected that a higher percentage of the economically active female population will be working from the 20 to 54 age group and older. This is linked to both improving longevity and changes to pensionable age.
  3. Applying these assumptions to the population growth stemming from the housing need, it is possible to assess the change in the economically active population. An additional 4,296 economically active persons will be created in Chichester District as per the subnational population projections (SNPP). This is because of the increase associate with the uplift at Step 2 and the in migrants associated with that uplift typically being economically active.

1. Change to the economically active population (2019 – 2036)

|  | **Economically active (2019)** | **Economically active (2036)** | **Total change in economically active** |
| --- | --- | --- | --- |
| SNPP | 60,553 | 64,849 | 4,296 |
| SNPP (+MYE) | 60,312 | 64,579 | 4,268 |
| Linked to 731 dpa | 60,312 | 68,867 | 8,555 |

Source: GLH modelling

* 1. The final step is to translate this growth to a local jobs growth taking account of those with more than one job and those who are likely to commute in to and out of the District for work.

Commuting Patterns

* 1. The table below shows the commuting ratio for Chichester and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).
  2. As illustrated in the table below, Chichester is an in-commuter District. The number of people who work in the area is 13% higher than the number of people in employment who live in the District.

1. Commuting Patterns for Chichester District (2011)

|  | **Chichester District** |
| --- | --- |
| Live and work in Local Authority (LA) | 23,500 |
| Homeworkers | 9,007 |
| No fixed workplace | 5,077 |
| In-commute | 24,296 |
| Out-commute | 16,321 |
| Total working in LA | 61,880 |
| Total living in LA (and working) | 53,905 |
| Commuting ratio | 0.871 |

Source: Census 2011

* 1. This means that for every 1,000 jobs created in Chichester, the district needs an additional 871 residents to retain the same balance of homes and jobs. The proportion of people commuting to and from the local authority is not assumed to change even if the number of jobs does.
  2. It is not unreasonable to assume that commuting patterns will change in the future. However, such changes should be the subject of sub-regional discussions under the duty to cooperate. It will be for the local authorities to decide the merits of different policy approaches to changing commuting patterns and the appropriate approach to follow in Local Plans.

Double-Jobbing

* 1. We also need to consider that some people will hold down more than one job. Where data is available, double jobbing has been analysed to show the percentage of people with multiple jobs at once. This is drawn from the Annual Population Survey from 2004 onwards.
  2. Since 2004, the proportion of residents with a second job has fluctuated, however, it has constantly remained below 10% over the period. The year 2010 experienced the highest proportion of people in employment with a second job which may be attributed to the wider impacts of the global financial crisis.

1. % of all people in employment who have a second job (2004-18)

Source: Annual Population Survey, 2019

* 1. Over the period, the double jobbing average is 4.6%. This figure is used in the modelling in the next section.
  2. To translate the number of economically active residents into the number of jobs supported the commuting ratio is multiplied by the double-jobbing rate to get to an adjustment factor relevant to each area.
  3. As the table below illustrates, the standard method would support 10,295 jobs over the 2019 to 2036 period for the district which equates to 605 jobs per annum.

1. Jobs supported by growth in econ active population (2019-36)

|  | **Total change in economically active** | **Allowance for net commuting** | **Allowance for double jobbing (= jobs supported)** |
| --- | --- | --- | --- |
| SNPP | 4,296 | 4,931 | 5,170 |
| SNPP (+MYE) | 4,268 | 4,899 | 5,136 |
| District (731 dpa) | 8,555 | 9,821 | 10,295 |

Source: GL Hearn modelling

* 1. We have not calculated a jobs growth for the Plan Area however the constrained nature of the SDNP and its ageing population means that a higher growth than 10,295 would be likely.
  2. This is somewhat counter-intuitive as the Plan Area is a subset of the wider district and thus a smaller number would, on face value be logical. However, we would expect a declining labour force in the SDNP and this element would be factored out.
  3. It is also the case that the commuting ratio is based on the district so a like for like comparison is not possible. Furthermore, the district-wide figure provides a fairer comparison to the economic forecasts.

Comparison to Employment Forecasts

* 1. To ensure that the district and plan area has a sufficient workforce to meet their economic ambitions, we have compared the above outputs with economic forecasts produced by Oxford Economics and the growth scenario reported in the previous chapter of this report.
  2. Section 2 of this report sets out the situation in relation to forecast housing needs and associated population growth. The district-wide housing need of 731 dwellings per annum is perhaps a more appropriate comparison to the economic forecast given that they are based on the same geographic scale.
  3. Table 22 sets out the population and associated change in employment for the housing scenario. For completeness, the housing requirement associated with the labour demand baseline and growth models is also included. This data is also provided in Appendix B for the alternative plan period.

1. Jobs by housing scenario (2019-2036)

| Scenario | Jobs | Jobs Per Annum | Dwellings per annum |
| --- | --- | --- | --- |
| Labour supply 731 (district wide) | 10,295 | 542 | 731 |
| Labour demand baseline (district) | 3,655 | 192 | 513 |
| Labour demand growth (district) | 9,511 | 501 | 685 |

Source: GL Hearn /Oxford Economics 2019

* 1. Jobs change is slightly higher (+784 jobs) for 2019-36 period within the Labour Supply scenario than the Labour Demand Growth scenario. This equates to only around 46 jobs per annum so it is not a substantial difference. **This also means that the Council does not need to increase the housing need to support the local economic growth.**

| **Economic Growth and Housing Need: Summary Points**   * We have examined the link between housing and employment in Chichester District drawing on several assumptions. * Linked to population growth and age profile in each area, commuting patterns, double jobbing and economic activity rates, the district (731 dpa) would support an increase of 10,773 jobs over the 2019-2036 period (542 jobs per annum). * We have also reviewed the number of homes required to support the jobs growth based on Oxford Economics forecasts and the growth scenario. This found that under the labour demand baseline, the housing need is 513 dpa and under the labour demand growth scenario, housing need is 685 dpa this is for the district. * There is, therefore, no need for additional homes above the identified Plan Area local housing need and District local housing need to support local economic growth potential in the area. |
| --- |

1. Affordable Housing Need

Introduction

* 1. This section discusses the level of affordable housing need in Chichester. Affordable housing is defined in Annex 2 of the NPPF (2019). The new definition is slightly wider than the previous NPPF (2012) definition; in particular, a series of affordable home ownership options are considered to be affordable housing.
  2. The Planning Practice Guidance relating to the measurement of affordable housing need was updated in February 2019, although it is similar to that set out in draft in March 2018. The PPG describes the calculation of affordable housing need as relating to *‘the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market’*.
  3. A methodology is set out in the PPG to look at affordable need, this is largely the same as the previous PPG method and does not address the additional (affordable home ownership) definition other than to identify “the number of households from other tenures in need and those that cannot afford their own homes, either to rent or to own, where that is their aspiration”.
  4. Due to the lack of any detailed guidance the analysis below is therefore split between the current definition of affordable need (to rent) and the additional definition of affordable home ownership products. This section of the report below deals with the existing definition of affordable need with the following section considering the revised/expanded NPPF definition.
  5. The affordable 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 the need. The base date for analysis is 2019 (i.e. data about housing costs and incomes is for 2019). It is recognised that the analysis should align with other research and hence estimates of affordable housing need are provided in this section on an annual basis for the period to 2036.

Affordable Housing Need (established definition)

* 1. The method for studying the need for affordable housing has been enshrined in guidance for many years, with an established approach to look at the number of households who are unable to afford market housing (to either rent or buy). The analysis below follows the methodology and key data sources in guidance and can be summarised as:
* Current need (an estimate of the number of households who have a need now and based on a range of data modelled from local information) – Analysis in line with the Housing and Economic Needs Assessment PPG. Reference ID: 2a-020-20190220;
* Projected newly forming households in need (based on projections developed for this project along with an affordability test to estimate numbers unable to afford the market) – Analysis in line with Reference ID: 2a-021-20190220;
* Existing households falling into need (based on studying the types of households who have needed to access social/affordable rented housing and based on study past lettings data) – Analysis in line with Reference ID: 2a-021-20190220;
* These three bullet points added together indicate the gross need (the current need is divided by 17 to meet the need over the 2019 to 2036 period);
* Supply of affordable housing (an estimate of the likely number of letting that will become available from the existing social housing stock – drawing on data from CoRe[[8]](#footnote-9)) – Analysis in line with Reference ID: 2a-022-20190220; and
* Subtracting the supply from the gross need provides an estimate of the overall (annual) need for affordable housing) – Analysis in line with Reference ID: 2a-024-20190220
  1. Each of these stages is described below. In addition, much of the analysis requires a view about affordability to be developed. This includes looking at house prices and private rents along with estimates of local household incomes. The following sections, therefore, look at different aspects of the analysis.

Local Prices and Rents

* 1. An important part of the affordable needs model is to establish the entry-level costs of housing to buy and rent. 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. To establish an affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes). The following chapter expands on this information in more detail to present a consideration of the types of affordable housing that might meet local needs.
  3. This section focuses on establishing, in numerical terms, the overall need for affordable housing. The analysis considers the entry-level costs of housing to both buy and rent across the Council area. The approach has been to analyse Land Registry and Valuation Office Agency (VOA) data to establish lower quartile prices and rents – using a lower quartile figure is consistent with the PPG and reflects the entry-level point into the market.
  4. The analysis below looks at the cost of housing of different tenures and develops this to seek to understand what this might mean in terms of an income required to access such housing. The analysis looks at both market housing and the full range of affordable housing options set out in the NPPF.
  5. Data from the Land Registry for the year to March 2019 (i.e. Q2-Q4 of 2018 and Q1 of 2019) shows the bottom end of the market (lower quartile) cost of all housing types in the District was £275,000. The lower quartile price of all dwellings is highest in the Plan Area North at £405,000 and lowest in Chichester City (£254,000).
  6. The lower quartile price of buying a flat/maisonette in the Manhood Peninsula is £142,000, well below Chichester City (£164,000) and the District-wide value (£159,000). Notably, there is no data available for Plan Area North sub-area given the nature of housing in the settlements.
  7. Across the District, the lower quartile cost of semi-detached housing is £285,000. The cost of semi-detached houses is greatest in the Plan Area North at £373,000 which reflects the higher land values in the rural settlements closer to London. This compares to £319,000 in the SDNP, £301,000 in Chichester City, and £285,000 in the East-West Corridor.
  8. The lower quartile cost of detached housing at the District level is £410,000 with Plan Area North upholding the highest price at £571,000. The lower quartile cost of detached housing in SDNP is fairly high compared to the sub-areas at £494,000. Detached houses in Chichester City have a lower quartile cost of £448,000, £403,000 in the East-West Corridor and the lowest cost is the Manhood Peninsula at £352,000.

1. Lower quartile cost of housing to buy – year to March 2019

|  | Chichester City | East-West Corridor | Manhood Peninsula | Plan Area North | SDNP | District-wide |
| --- | --- | --- | --- | --- | --- | --- |
| Flat/maisonette | £164,000 | £162,000 | £142,000 | *-* | £164,000 | £159,000 |
| Terraced | £286,000 | £240,000 | £241,000 | £291,000 | £275,000 | £263,000 |
| Semi-detached | £301,000 | £285,000 | £261,000 | £373,000 | £319,000 | £285,000 |
| Detached | £448,000 | £403,000 | £352,000 | £571,000 | £494,000 | £410,000 |
| All dwellings | £254,000 | £268,000 | £265,000 | £405,000 | £318,000 | £275,000 |

Source: Land Registry, 2019

* 1. The table below shows the breakdown of lower quartile house prices by dwelling size. This is drawn from an analysis of online sources such as Zoopla and Rightmove linked backed to the Land Registry data.
  2. At a District-wide level, the lower quartile price of a 1-bedroom is £129,000, this increases to £205,000 for a 2-bedroom, and again to £293,000 for a 3-bedroom and finishes at £432,000 for a 4-bedroom. Across all size of dwellings, the lower quartile price is maintained at £275,000.

1. Estimated lower quartile property price by dwelling size

|  | Chichester City | East-West Corridor | Manhood Peninsula | Plan Area North | SDNP | District-wide |
| --- | --- | --- | --- | --- | --- | --- |
| 1-bedroom | £124,000 | £113,000 | £102,000 | £152,000 | £132,000 | £129,000 |
| 2-bedrooms | £198,000 | £179,000 | £162,000 | £242,000 | £209,000 | £205,000 |
| 3-bedrooms | £283,000 | £256,000 | £232,000 | £346,000 | £299,000 | £293,000 |
| 4-bedrooms | £417,000 | £378,000 | £342,000 | £510,000 | £441,000 | £432,000 |
| All dwellings | £254,000 | £268,000 | £265,000 | £405,000 | £318,000 | £275,000 |

Source: Land Registry, 2019

* 1. Prices are higher for small bedrooms (1 and 2-bedrooms) in Plan Area North, SDNP and Chichester City. The trend continues for 3-bedrooms with the lower quartile cost of housing in Plan Area North at £346,000, £299,000 in the SDNP and £283,000 in Chichester city.
  2. For 4-bedroom houses, costs are significantly higher in Plan Area North (£510,000). This is followed by the SDNP (£441,000) and the Chichester city (£417,000). The cost of a 4-bedroom house in the Manhood Peninsula is considerably lower at £342,000.

**Private Rental Housing**

* 1. The table below establishes the cost of renting a property on the open market in Chichester by the number of bedrooms in a property. At a District level, lower quartile rents start average £720. This ranges from £610 per calendar month for a 1-bedroom property, rising to £1,400 for a 4-bedroom family-sized home.

1. Lower Quartile Market Rents, year to March 2019

|  | Chichester  City | East-West Corridor | Manhood Peninsula | Plan Area North | SDNP | District-wide |
| --- | --- | --- | --- | --- | --- | --- |
| Room only | - | - | - | - | - | £395 |
| Studio | - | - | - | - | - | £475 |
| 1-bedroom | £600 | £575 | £550 | £665 | £615 | £610 |
| 2-bedrooms | £780 | £735 | £695 | £880 | £805 | £795 |
| 3-bedrooms | £950 | £890 | £835 | £1,095 | £990 | £975 |
| 4-bedrooms | £1,365 | £1,275 | £1,195 | £1,580 | £1,420 | £1,400 |
| All properties | £670 | £705 | £695 | £1,020 | £820 | £720 |

Source: Valuation Office Agency

* 1. Lower quartile rental values are highest in Plan Area North, achieving £1,020 per month for all properties. This is followed by the SDNP (£820 per month) and the East-West Corridor (£705 per month). Rental prices in the Manhood Peninsula and Chichester City are below the District-wide value at £695 and £670 per month.

Income Required to Access Different Tenures of Housing

* 1. Having established the likely cost of housing, the next step is to estimate what level of income might be required to access the different products. Separate tests are applied for home ownership and private renting; home ownership is based on looking at mortgage multiples (mortgage affordability) with accessing private rented housing being based on consideration of the proportion of income that might need to be spent on housing (rental affordability). These tests assume:
* Mortgage affordability – a 10% deposit and remaining equity that does not exceed 4.5 times annual income; and
* Rental affordability – spending no more than 31% of income on housing.
  1. The table below provides an analysis of the income levels required to access a home. Although the measures for mortgage and rental affordability are different; both ultimately lead to an estimate of the income required.
  2. Looking at the figures for the whole of the District, it can be seen that it is estimated that an income of around £55,000 per household would be required for open market purchase. However, there is a much lower income requirement to rent (£27,600).

1. Household income thresholds for different tenures of housing

|  | To buy | To rent |
| --- | --- | --- |
| Chichester City | £50,800 | £25,700 |
| East-West Corridor | £53,600 | £27,100 |
| Manhood Peninsula | £53,000 | £26,700 |
| Plan Area North | £81,000 | £39,200 |
| SDNP | £63,600 | £31,500 |
| District-wide | £55,000 | £27,600 |

Source: GLH modelling, 2019

* 1. To buy in the Plan Area North requires the highest income at £81,000 which is substantially greater than the income required to purchase in Chichester City (£50,800), the East-West Corridor (£53,600) and Manhood Peninsula (£53,000).
  2. However in all areas and overall the income required to rent (£27,600) is much lower than that to buy (£55,000). At a sub-area level, the income required to rent is still highest in the Plan Area North £39,200 and at £25,700 in Chichester City, the lowest in the District.
  3. Therefore the threshold for Affordable Housing is driven by the rental costs rather than the purchase costs as this is where it is easier to enter the market.

Income Levels and Affordability

* 1. Following on from the assessment of local prices and rents, it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS mid-year estimates modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes.
  2. Drawing all of this data together we have therefore been able to construct an income distribution for the whole District based on mid-2018 estimates. Figure 37 shows that around 22% of households have incomes less than £20,000 almost a third (32%) in the range of £20,000 to £40,000. The overall average (median) income of all households in the District was estimated to be around £37,100 with a mean income of £49,100.

1. Dist of Household Income in Chichester District (mid-2018 est)

Source: Derived from EHS and ONS data

* 1. To assess affordability, the analysis has looked at a household’s ability to afford private rented housing based on the incomes required above. This is because the income threshold for such housing (across the district) is lower than for buying a home.
  2. 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, based on existing incomes. This analysis brings together the data on household incomes with the estimated incomes required to access private rented housing.
  3. 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 (this has consistently been shown to be the case in the English Housing Survey and the Survey of English Housing). Assumptions about income levels for specific elements of the modelling are discussed where relevant in the analysis that follows.

Affordable Housing Needs Assessment

* 1. Affordable housing need has been assessed using the Affordable Needs Assessment Model as set out in the PPG which is virtually identical to models set out in previous guidance (such as the 2007 CLG SHMA guide).
  2. The analysis is essentially a full update to the affordable needs assessment presented in the previous HEDNA 2018. The methodology used is summarised in Figure 38, which as noted, is in line with the Affordable Needs Assessment Model as set out in the PPG.

1. Overview of affordable housing needs model

|  |
| --- |
| **Future Housing Need**  Estimate of *Newly-Forming Households in Need* & *Existing Households falling into Need* over plan period  **Future Affordable Housing Supply**  Estimate of *Supply of Affordable Housing from Relets of Existing Properties* over plan period  **Current Housing Need (Gross)**  *Current Households in Housing Need* based on Census and other modelled data  **Total Net Current Need**  **Net Housing Need Arising**  **Total Net Current Need** Over plan period |

* 1. The table below shows the estimated need for affordable housing (social and rented) by sub-area. The analysis is based on the lower quartile rental costs in each sub-area as established in the previous chapter. The overall current need has been divided by 17 to arrive at an annual need across the plan period.
  2. As illustrated in the table, the analysis calculated an overall net need of 348 social and affordable rented housing per annum to 2036 for the district. Once the SDNP area is subtracted then the Plan Area need would be 286 per annum. The net need is calculated as follows:

Net Need = Current Need + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

* 1. As identified in the table below, the highest net need is located in Chichester City, although there is also considerable need in the Manhood Peninsula and East-West Corridor sub-areas. This data is also provided in Appendix B for the alternative plan period.

1. Est level of Social/ Affordable Rented Housing Need per annum

|  | Current need | Newly forming house-holds | Existing house-holds falling into need | Total Gross Need | Supply from existing stock | Net Need |
| --- | --- | --- | --- | --- | --- | --- |
| Chichester City | 16 | 115 | 62 | 193 | 96 | 97 |
| East-West Corridor | 9 | 80 | 24 | 113 | 39 | 74 |
| Manhood Peninsula | 14 | 82 | 24 | 120 | 36 | 84 |
| Plan Area North | 3 | 31 | 7 | 41 | 11 | 30 |
| SDNP | 13 | 75 | 49 | 137 | 75 | 62 |
| **Chichester District\*** | **55** | **383** | **167** | **605** | **257** | **348** |

Source: Housing Register/Census (2011)/CoRe/Projection Modelling and affordability analysis

\*The total District figures are rounded.

* 1. This is a notable increase from the previous assessment, however, the gross need is almost identical (previously 610) therefore the only difference is the reduction in supply (previously 325) as turnover in existing stock has reduced, although this part of the data can fluctuate on a year by year basis.
  2. When compared to the overall need the affordable housing need is fairly substantial. For the Plan Area, the identified annual affordable housing need of 286 equates to 44% of the overall need for 650 dpa. This would justify the Council seeking to gain as much affordable housing as viably possible.

Establishing a Need for Affordable Home ownership

* 1. As set out above, the previously established method to look at affordable need estimates that there is a need for around 348 dwellings per annum – this is for subsidised housing at a cost below that to access the private rented sector (i.e. for households unable to access any form of market housing without some form of subsidy) using the standard method. It would be expected that this housing would be delivered primarily as social/affordable rented housing.
  2. However, the NPPF (2018) introduced a new category of households in affordable housing need and widened the definition of affordable housing (as found in the NPPF (2018 and 2019) – Annex 2). It is considered that households falling into the definition (aspiring to home ownership) would be suitable for Starter Homes or Discounted market sales housing, and other forms of affordable home ownership such as shared ownership.
  3. This section considers the level of need for these types of dwellings in Chichester. Paragraph 64 of the NPPF (2019) states:

“Where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.”

* 1. The methodology used in this report to quantify this need, therefore, draws on the current standard method and includes an assessment of current needs and projected need (including housing need for newly forming and existing households).
  2. The key difference is that in looking at affordability, an estimate of the number of households in the ‘gap’ between buying and renting is used. This can be drawn from Table 26 above which shows that these products are effectively being targeted for those earning between £27,600 and £55,000 for renting and buying respectively.
  3. There is also the issue of establishing an estimate of the supply of affordable home ownership homes. As with assessing the need for affordable home ownership, it is the case that at present, PPG does not include any suggestions about how the supply of housing to meet these needs should be calculated.
  4. In projecting forward, the analysis is only able to consider newly forming households and the remaining existing households who expect to become owners further into the future.
  5. The method has applied the same affordability test (albeit on a very slightly different income assumption for newly forming households). To clarify, the supply range maximum is based on the number of homes sold at below the lower quartile price.
  6. The supply side is assumed as half of the lower quartile (LQ) supply which would be able to meet the needs. This is just a broad assumption on the basis that some of the properties in the lower quartile range will not be fit for habitation or will be age-restricted.
  7. Using Land Registry data there were 2,040 homes sold in Chichester District in the last year (2019). By definition, there were 510 sold at or below the lower quartile price. Using the assumption set out above we have assumed a supply of 255 homes per annum.
  8. The analysis set out in the table below identifies a gross need for around 385 affordable home ownership dwellings per annum in Chichester District over the period 2019 to 2036. Once the supply position is taken into account under the standard methodology, there is a net need for 130 low-cost home ownership dwellings for the district. Removing the need generated from the SDNP gives a Plan Area need of 97 per annum.This data is also provided in Appendix B for the alternative plan period.

1. Estimated level of Affordable Home ownership Need per annum

|  | Current need | Newly forming households | Existing households falling into need | Total Gross Need | Supply (50% LQ +AHO resales) | Net Need |
| --- | --- | --- | --- | --- | --- | --- |
| Chichester City | 9 | 83 | 26 | 117 | 63 | 55 |
| East-West Corridor | 5 | 65 | 14 | 83 | 61 | 22 |
| Manhood Peninsula | 5 | 57 | 15 | 76 | 63 | 14 |
| Plan Area North | 1 | 21 | 3 | 24 | 18 | 6 |
| SDNP | 7 | 55 | 22 | 84 | 51 | 33 |
| **Chichester District** | **26** | **280** | **79** | **385** | **255** | **130** |

Source: Housing Register/Census (2011)/CoRe/Projection Modelling and affordability analysis

* 1. The table also shows the estimated need for affordable home ownership by sub-area. The net need for affordable home ownership in Chichester District is 130 dwellings per annum. Chichester City has the highest net need for affordable home ownership dwellings at 55 dpa. This is followed by the SDNP (33), East-West Corridor (22), Manhood Peninsula (14) and Plan Area North (6).

How Much Should Affordable Home Ownership Cost?

* 1. The evidence in this report suggests that there are many households likely to fall under the new PPG definition of affordable housing need to buy (i.e. in the gap between renting and buying), although the potential supply of housing to buy makes it difficult to fully quantify this need.
  2. The NPPF details that where major development involving the provision of housing is proposed, the Council should expect 10% of additional homes to be available for home ownership as part of the overall affordable housing provision.
  3. Forms of housing such as Starter Homes, Shared Ownership and discounted market sale are considered to be appropriate forms of affordable home ownership. Another option is providing support for deposits. It will be important for the Council to ensure that such homes are sold at a price that is genuinely affordable for the intended target group.
  4. On this basis, it is worth discussing what sort of costs affordable home ownership properties should be sold for. The Annex 2 (NPPF) definitions suggest that such housing should be made available at a discount of at least 20% from Open Market Value (OMV).
  5. The problem with having a percentage discount is that it is possible in some locations or types of property that such a discount still means that housing is more expensive than that typically available in the open market, particularly given the premium associated with new-build housing.
  6. The preferred approach in this report is to set out a series of affordable purchase costs for different sizes of accommodation. The analysis forms cost recommendations for, affordable home ownership and shared ownership. Later in this chapter, we have provided recommendations on the cost of renting affordable housing. This is to ensure that any affordable housing contribution is pitched at a truly affordable level.

Affordable Home ownership

* 1. The table below sets out suggested prices for affordable home ownership products in Chichester District. The lower limit is based on equalising the private rent figures into a house price so that the sale price will meet the needs of all households in the gap between buying and renting. The upper limit was based on the estimated lower quartile price for purchasing different size of properties.
  2. It is suggested that prices are not set at any more than the midpoint of the range. Setting higher prices for affordable home ownership would mean the needs of fewer households in affordable housing need (to buy) for whom the Government is seeking to provide an ‘affordable’ option would be met.
  3. For comparison, we have also provided the typical cost of new-build properties based on a 20% premium being added to the lower quartile costs. This is based on the difference nationally between resale and new build property. It is applied to the lower quartile cost on the basis that low-cost home ownership products are likely to be more basic than typical new build for sale property.
  4. The modelling (based on rental costs) suggests a mid-point of a 1-bedroom at an ‘affordable’ price £123,000 which increases to £179,000 for a 2-bedroom. For larger homes (3 and 4+ bedroom), prices reach a midpoint of £240,000 and £350,500 respectively.

1. Affordable home ownership prices – Chichester District

|  | 1-Bedroom | 2-Bedroom | 3-Bedroom | 4+ Bedroom |
| --- | --- | --- | --- | --- |
| Lower limit (Equivalent of Rent) | £117,000 | £153,000 | £187,000 | £269,000 |
| Upper limit (LQ Prices) | £129,000 | £205,000 | £293,000 | £432,000 |
| Midpoint | £123,000 | £179,000 | £240,000 | £350,500 |
| Basic New Build Price (20% Premium on LQ) | £154,800 | £246,000 | £351,600 | £518,400 |
| Effective at Midpoint after discount | 79% | 73% | 68% | 68% |

Source: derived from VOA and Land Registry data

* 1. As shown in Table 29 the midpoint for all homes would require a greater discount than the 20% minimum set out in the NPPF. At the midpoint, half of all households in need for affordable home ownership would be catered for. The other half could be catered for either through deeper discounts or other tenures such as shared ownership which would cater to those on a lower income (see below).
  2. The Council have also set an alternative approach to affordability based on local earnings. This is set out in the Planning Obligations & Affordable Housing Supplementary Planning Document[[9]](#footnote-10). This sets out that the affordability formula applied to any scheme is calculated by multiplying the district’s average household earnings by 4.5, which is then divided by the average unit market value of that particular scheme and converted into a percentage for the discount rate.
  3. This would typically result in greater discounts than 20% of those set out in the table below. However, a balance will need to be struck between delivering homes at a greater discount and more homes at a lesser discount.
  4. We are also conscious that these figures are based on a given point in time. However, they can be monitored and updated every six months by reference to VOA data[[10]](#footnote-11). This can be calculated by working the rental figure backwards into an equivalent purchase price to give an affordable price to buy.
  5. The income required is calculated as the monthly rent annualised and then assumed to be 31% of all income. The mortgage cost is based on the income multiplier of 4 times incomes. The final purchase cost then assumes a 10% deposit. The formula is as follows:

((((Monthly Rent\*12)/31)\*100)\*4)/0.9)

Intermediate Housing (shared ownership)

* 1. Looking at affordability for shared ownership draws on both a mortgage and rental affordability test and is discussed separately below. Shared ownership starts with an open market value (OMV) and then part of the property is sold and the rest is rented (normally from a Registered Provider).
  2. It is difficult to know exactly what the OMV of shared ownership might be (as this will depend on a range of factors such as the location of the dwelling), however, for an indicative analysis, it is assumed that the OMV for shared ownership will be approximately lower quartile house price plus 20% (the estimated new-build premium).
  3. Taking the example of a 2-bedroom property, it is estimated that the OMV would be about £275,000 for a new property. If buying a 25% share in the property, the income required for the purchase part of the tenure would be around £15,450 (this assumes a 10% deposit and 4× income multiple). The rental element would be about £5,700per annum (based on paying a rent of 2.75% per annum on the unsold equity) and based on 33% of income for this (which seems to be a fairly standard figure for shared ownership) an additional income of about £17,200 would be needed. The overall income required for shared ownership would, therefore, be around £32,650.
  4. The table below shows the same calculation (working through to an income requirement) for all dwelling sizes and also considering a 50% share (as well as 25%). This is based on the same basic new build price as used in the previous table.
  5. As shown shared ownership is affordable for 1-bedroom homes with a 25% discount (this is based on considering if there is an income requirement which is less than the LQ private rent figure for each size). Additionally, 2-bedrooms look to just about ‘work’ with a 25% share but not if this is raised to 50%.
  6. However, these figures exclude service charges, this may for flatted development mean an additional cost is likely. If the charge were to be £100 per month (£1,200 per annum) then the analysis would suggest an additional income of £3,600 per annum might be required.
  7. This means that even with a 50% discount, shared ownership is arguably not an affordable product. That said enabling households to access shared ownership would potentially release other accommodation into the market for use by another household.
  8. The calculations below all assume a 10% deposit on the equity part of the home; if a household were to be able to pay a larger deposit, then the mortgage cost (and income requirement) would reduce, and hence the housing would be more affordable. That said, it may be that some shared ownership is available with deposits lower than 10% - this, in turn, would increase the monthly housing cost.

1. Indicative affordability (income) thresholds for shared ownership – by size – Chichester District

|  | 25% equity share | 50% equity share | Income required to rent |
| --- | --- | --- | --- |
| 1-bedroom | £18,400 | £23,850 | £22,182 |
| 2-bedrooms | £29,250 | £37,950 | £28,909 |
| 3-bedrooms | £41,800 | £54,200 | £35,455 |
| 4-bedrooms | £61,550 | £79,900 | £50,909 |

Source: Derived from a range of sources as described

* 1. Overall, it should, therefore, be noted that the analysis is based on a specific set of circumstances; these would be different for individual households seeking to access shared ownership accommodation and should, therefore, be seen as indicative (albeit consistent with the analysis carried out when looking at the affordability of other tenures). There may be some circumstances, for example, rural shared ownership properties where a higher deposit may be required and where households are unable to staircase to full ownership.
  2. In looking at shared ownership, the question about affordability can be shifted to ask what level of equity purchases would be needed for a home to be affordable (i.e. at the same cost or less than access level private rented accommodation).
  3. The table below estimates these percentages and shows that an equity purchase of 42% for a 1-bedroom home would bring the cost in at a level close to the private rented sector. For other sizes of homes, a household would only be able to equal the income requirement to access the private rented sector if the equity purchase was as low as 10%-24%.

1. Equity share needed to make shared ownership income requirements the same as requirements in the private rented sector – Chichester District

|  | Affordable equity share |
| --- | --- |
| 1-bedroom | 42% |
| 2-bedrooms | 24% |
| 3-bedrooms | 12% |
| 4-bedrooms | 10% |

Source: Derived from a range of sources as described

* 1. The analysis (particularly for the larger dwelling sizes) does not mean that the Council should not consider this type of accommodation within the mix of housing. Larger shared ownership properties can add to the mix of housing and will be affordable to some households who can afford to rent but not to buy. However, it is likely that these would still have to sell a minimum share of 25% meaning that the potential market for these products is limited.
  2. Additionally, whilst 1-bedroom shared ownership looks to be relatively affordable, it would need to be established if there is a demand for this size and tenure of accommodation in a local area – experience elsewhere has suggested that one-bedroom shared ownership is not typically in high demand. The Council have also suggested this is the case locally, particularly in rural areas.

How Much Should Affordable Rents Cost?

* 1. Social rents are set centrally so we have not provided any indication of what level these should be set at. However, local authorities do have some control over the cost of affordable rental products.
  2. Based on work undertaken by the Joseph Rowntree Foundation Living rents indicate the level an affordable rent might be pitched at every month. This is effectively the affordable rents which should be set to allow working families to rent without the aid of housing benefits.

1. Living Rents (per month)

|  | 1-Bedroom | 2-Bedroom | 3-Bedrooms |
| --- | --- | --- | --- |
| Chichester District | £282 | £366 | £451 |

Source: ASHE and Living Rents Methodology

* 1. Alternatively, the table below shows LHA limits in the three Broad Rental Market Areas (BRMAs) defined by the Valuation Office Agency which cover the district. There is a case for ensuring that affordable rents are capped at the maximum amount of benefit able to be claimed. The Council’s current policy builds in a potential further discount by capping affordable rents at LHA limits or 80% of OMV rents, whichever is lower.

1. Maximum Local Housing Allowance (Housing Benefit) by location and property size per calendar month (August 2019)

|  | 1-bedroom | 2-bedroom | 3-bedrooms | 4-bedrooms |
| --- | --- | --- | --- | --- |
| Chichester BRMA | £581 | £728 | £884 | £1,161 |
| Guildford BRMA | £758 | £962 | £1,196 | £1,586 |
| Portsmouth BRMA | £520 | £641 | £767 | £1,040 |

Source: Valuation Office Agency

* 1. The suggested Living Rents are significantly lower than the relevant LHA (see Table 33). As a general rule, it is not considered feasible to be charging rent in excess of LHA, as this would mean many households having to top up their rent from other income sources. In setting rents, the local authority could, therefore, consider that the ‘affordable level’ is in the range from a Living Rent up to the maximum LHA level.

Relating Affordable Need and Overall Housing Need

* 1. The analysis indicates a clear need for affordable housing. As identified, there is a net need for 348 social/affordable dwellings and 130 affordable home ownership dwellings per annum through to 2036 for the District. For the Plan Area, the need is for 286 social/affordable dwellings and 97 affordable home ownership dwellings per annum through to 2036
  2. As identified, the housing figure has been calculated as 650 dpa in the Local Plan Area and 81 dpa in the National Park resulting in a need of 731 dpa in the District. Therefore, of the District-wide housing need, 48% is social/affordable rented dwelling need and 18% is affordable home ownership. For the Plan Area, this falls to 44% social/affordable rented dwelling need and 15% is an affordable home ownership
  3. The adopted Chichester Local Plan seeks (subject to scheme viability) 30% affordable dwellings on sites where there is a net increase of 11 or more dwellings and in all developments with a net increase of between 6 and 10 units in rural areas.
  4. It should be noted that the widened definition of affordable housing now includes low cost and discounted market housing such as Starter Homes. This may impact on the viability of schemes and the future level of affordable housing provision.
  5. Given the level of affordable housing need, the Council should, however, seek to maximise delivery where possible within the limitations of viability. Besides delivery of affordable housing on mixed-tenure development schemes, there are some other mechanisms which deliver affordable housing. These include:
* Shared Ownership and Affordable Homes Programme – this (this is administered by Homes England) aims to increase the supply of shared ownership and other affordable homes in England by March 2021. Initial allocations of capital grant for new affordable housing schemes were announced on 5 January 2017 and these did not allocate all of the available budget, with £1.3 billion remaining available;
* Empty Homes Programmes – where local authorities can bring properties back into use as affordable housing. These are existing properties, and thus represent a change in tenure within the current housing stock, although most of the empty homes in Chichester are second homes;
* Rural Exception Site Development – where the emphasis is on delivering affordable housing to meet local needs. This includes delivery through Community Land Trusts.
  1. The Council has also received £1.4m from the government to support Community-led housing. This is being used to support groups in setting up (incorporation) at £10k per group, to help fund technical support in achieving planning permission at £30k per group, purchase of exception sites at £10k per plot, as well as funding additional enabling and planning resources to help facilitate this project.
  2. The Council currently has 8 groups moving forward, some of which have already identified land. Although this project is not expected to deliver homes in great numbers it is hoped that it will contribute to easing the affordability issues in rural parishes, where the larger regional/ national RPs are less willing to develop.
  3. As of December 2019, the Council currently had £2,095,715 to support affordable housing of which £1.35m is already allocated. 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.
  4. Net changes in affordable housing stock may also be influenced by estate regeneration schemes, as well as potentially negatively by factors such as the proposed extension of the Right to Buy to housing association properties and increased disposals of vacant dwellings. Small amounts of affordable housing need can be met by changes in the ownership of existing housing stock, not just by new-build development.
  5. It is also worth briefly thinking about how affordable need works in practice and the housing available to those unable to access market housing without Housing Benefit.
  6. Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF ‘for planning purposes’, it has evidently (through LHA) been playing a role in meeting the needs of households who require financial support in meeting their housing need. The government recognises this and indeed legislated through the 2011 Localism Act to allow Councils to discharge their “homelessness duty” through providing an offer of a suitable property in the PRS. It is also notable that the Housing White Paper is proposing to include a new tenure of affordable housing (affordable private rent housing). However, some private landlords are withdrawing due to changes in tax and introduction of Universal Credit.
  7. Where a household can access suitable housing in the private rented sector (with or without Housing Benefit) it is the case that these needs are being met by the market (as within the NPPF definition). As such the role played by the private rented sector should be recognised – it is part of the functioning housing market. There are however issues with the use of Housing Benefit in the private rented sector, including the cost to the public purse and a disincentive barrier to reduce benefit dependency (i.e. there is potentially a disincentive for households to work if benefit losses are greater than the income they can earn).
  8. However, national planning policy does not specifically seek to meet the needs identified above in the Private Rented Sector through the assistance of housing benefits. Government’s benefit caps may reduce the contribution which this sector plays in providing a housing supply which meets the needs of households identified in the affordable housing needs model. In particular, future growth in households living within the PRS and claiming Housing Benefit cannot be guaranteed.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Affordable Housing: Key Points**   * An assessment of affordable housing need has been undertaken which is compliant with Government guidance to identify whether there is a shortfall or surplus of affordable housing in Chichester District and the Plan Area. * Overall, in the period to 2036, a net need of 348 social/affordable rented homes per annum and 130 affordable home ownership per annum is identified for the district. For the Plan Area, there is a net need of 286 social/affordable rented homes per annum and 87 affordable home ownership per annum is identified. In both cases, this is an increase from a previous assessment based on a reduction in the number of relets rather than an increase in gross need. * As identified, the housing figure has been calculated as 650 dpa in the Local Plan Area and 731 dpa in the District. Therefore, of the District-wide housing need, 48% is social/affordable rented dwelling need and 18% is affordable home ownership. For the Plan Area, this falls to 44% social/affordable rented dwelling need and 15% is affordable home ownership. * There is a significant need for new affordable housing and thus the Council is justified in seeking to maximise affordable housing provision within the limits of viability. * While the need for affordable home ownership (at 15% of overall need) exceeds the 10% figure currently suggested in the NPPF, increasing such provision is not recommended as this would likely result in a lower provision of social/affordable rented accommodation, of which there is a much higher need (44% of all need) and is likely to be a more acute need. * The analysis has taken account of local housing costs (to both buy and rent) along with estimates of household income. We have estimated that households require an income of around £55,000 to buy and £27,600 to rent in the District. * In terms of affordable home ownership prices, it is recommended that the Council consider setting prices at a level which (in income terms) are equivalent to the midpoint between the levels needed to access private rented housing and Lower quartile purchase. These are set out below and should be updated every 6 months.  |  | 1-bedroom | 2-bedroom | 3-bedroom | 4+bedroom | | --- | --- | --- | --- | --- | | Midpoint | £123,000 | £179,000 | £240,000 | £350,500 |  * This would ensure that at least 50% of the households targeted by the new definition could potentially afford housing - this would mean greater than 20% discounts from Open Market Value. Further discounts would ensure a greater proportion of those in need would be met. * It does, however, need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. |

1. Need for Different Sizes of Homes

Introduction

* 1. As discussed in previous sections, there is 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 the 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.
  2. In this section, consideration is given to the current housing mix initially, as future housing delivery will principally add to this. The section then moves on to assess the need for different types of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures. The assessment is intended to provide an understanding of the implications of demographic dynamics on need and demand for different sizes of homes.
  3. 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.
  4. We start by profiling the “housing offer,” considering the characteristics of the current stock of housing by tenure, type and size. As the majority of housing that will be in existence in 2036 already forms part of the current housing stock, it is important to understand the existing housing mix when considering what new housing is needed.
  5. As some of the data below draws on the 2011 census it remains unchanged from the previous HEDNA.

Tenure

* 1. The 2011 Census data can be used to provide a detailed breakdown of the housing stock by tenure. Owner occupation is the most common tenure type in all the sub-areas, with the percentage being highest in Plan Area North (80%), followed by the Manhood Peninsula sub-area (66%). This compares to the national percentage of 64%.
  2. In terms of social renting, the highest percentage can be found in the Chichester City sub-area (22%). In comparison to the national figure (18%), this tenure type is over-represented in Chichester City. The lowest levels of social renting are found in the Manhood Peninsula Sub-area at 9%, with all other sub-areas falling below the national average.

1. Households by Tenure Type

|  | Chichester City | East-West Corridor | Manhood Peninsula | Plan Area North | SDNP | England & Wales |
| --- | --- | --- | --- | --- | --- | --- |
| **All Households** | 12,316 | 8,390 | 11,716 | 3,279 | 13,481 | 23,366,044 |
| **Owned Outright** | 34% | 41% | 48% | 42% | 39% | 31% |
| **Owned with Mortgage** | 21% | 30% | 29% | 38% | 25% | 33% |
| **Shared Ownership** | 1% | 1% | 1% | 1% | 1% | 1% |
| **Social Rented** | 22% | 11% | 9% | 9% | 16% | 18% |
| **Private Rented** | 20% | 15% | 12% | 8% | 15% | 17% |
| **Living Rent Free** | 2% | 2% | 2% | 2% | 4% | 1% |

Source: Census, 2011

* 1. The Private Rental Sector is most prominent in Chichester City at 20%, followed by SDNP with 15%. Apart from Chichester City, all the sub-areas have a lower level of private renting than the national figure (17%).
  2. Except for the Plan Area (North), the percentage of homeowners with a mortgage is below the national average. Conversely, those who own their homes outright exceeds the national average. This reflects the high percentage of the older wealthy population who have paid off their mortgage.

Change in Tenure

* 1. Analysis of the change in tenure composition between 2001 and 2011 reveals a notable shift from home ownership with a mortgage towards the private rental sector. This reflects the national picture which has been a result of restricted access to mortgage products, particularly for younger households.

1. Households by Major Tenure Type, change in Households (%) 2001-2011

|  | All households Growth | Owned Outright | Owns with mortgage | Social Rented | Private Rented |
| --- | --- | --- | --- | --- | --- |
| **Chichester City** | **1,595**  **(15%)** | 543  (15%) | -378  (-13%) | 361  (15%) | 1,075  (78%) |
| **East-West Corridor** | **1,103**  **(43%)** | 595  (21%) | -73  (-3%) | 137  (17%) | 421  (52%) |
| **Manhood Peninsula** | **1,278**  **(31%)** | 574  (11%) | 53  (2%) | 112  (12%) | 553  (66%) |
| **Plan Area North** | **255**  **(8%)** | 207  (18%) | -11  (-1%) | 57  (23%) | 22  (10%) |
| **SDNP** | **705**  **(21%)** | 671  (14%) | -243  (-7%) | 132  (6%) | 363  (22%) |

Source: Census, 2001 & 2011

* 1. Within the district private renting is highest in the Chichester City sub-area, followed by Manhood Peninsula and East-West Corridor. All areas saw an increase in the number of rental properties, both private and social rented.

House Types and Sizes

* 1. The housing mix is dominated by detached and semi-detached homes. Around 84% of the housing stock in the District is made up of houses – 38% detached; 28% semi-detached; and 18% terraced houses with only 16% of household spaces are flats.
  2. The highest proportion of detached homes are located in Plan Area (North) sub-area (60%), followed by the Manhood Peninsula (48%).
  3. Only the Chichester City sub-area does not have the largest stock type as detached housing. The largest proportion of the City’s housing stock is flats at around 33%. Some of these would be restricted to elderly residents (as is the case in all areas).
  4. The highest percentage of semi-detached houses is located in the East-West Corridor (32%), while the highest proportion of terraced is located in Chichester (26%).

1. Housing Types, % of Dwellings, 2011

Source: 2011 Census

**Number of bedrooms**

* 1. Three-bedroom properties are the most common size of properties in all of the sub-areas. The next most numerous are two-bedroom properties. The only exception being the Plan Area (North) sub-area where four-bedroom properties are more common than two-bedroom properties.

1. Dwelling Size by Number of Bedrooms, 2011

Source: 2011 Census

* 1. As perhaps expected, the highest percentage of one-bedroom properties are found in Chichester City (17%). Conversely, the highest percentage of five-bedroom properties can be found in the Plan Area (North) sub-area (14%) and SDNP (11%).

Methodology

* 1. 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, this assumes population and household growth in line with the 2014-based CLG household projections (+MYE).

1. Stages in the Housing Market Model

|  |
| --- |

Understanding how Households Occupy Homes

* 1. Whilst 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 can 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.
  2. The size of housing which households occupy often 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 persons and working households who may be able to under-occupy housing.
  3. The approach used is to interrogate information derived in the projections about the number of household reference persons[[11]](#footnote-12) (HRPs) in each age 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 CT0621 which provides relevant data for all local authorities in England and Wales from the 2011 Census).
  4. The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group. In the owner-occupied sector, the average size of accommodation rises as the age of the HRP increases to typically reach a peak around the age of 50; a similar pattern (but with smaller dwelling sizes) is seen in the private rented sector. In the social rented sector, this peak appears earlier/when the HRP is younger.
  5. After this peak, the average dwelling size decreases – as typically some households downsize as they get older. It is also notable that the average size for affordable housing dwellings is lower than that for market housing for all age groups.

1. Average Bedrooms by Age and Tenure – Chichester District

Source: Derived from ONS Commissioned Table CT0621

Mix of Housing

* 1. This is linked to the housing need identified for Chichester District. The housing mix projections indicate the likely need for different sizes of homes moving forward. The suggested housing mix can be used as a guide to inform housing policy and monitoring.
  2. We do not, however, believe there is a need for the Plan Area to diverge away from the district area mix as the vast majority of housing delivery will be in the Plan Area rather than the National Park. It is also the case that some of the National Park’s need may be met in the Plan Area.
  3. It is necessary on this basis to make some judgement for modelling purposes on what proportion of net completions might be market and affordable housing.
  4. To confirm, the analysis has not assumed a mix of tenures and for **modelling** purposes **only**, it has been assumed that the following proportions of different tenures will be provided moving forward:
* 70% market
* 10% affordable home ownership
* 20% social/affordable rented
  1. It should be stressed that these figures are not policy targets. 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, whilst some delivery is on sites below affordable housing policy thresholds.
  2. 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. The figures used are not a policy position and has been applied simply to provide outputs from the modelling process.
  3. There are 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 period to 2036.

Size Mix

* 1. The table below provides the output of the modelling by the size of home and by tenure in both the market and affordable sectors for Chichester District. This is linked to the Household need calculation of 731 dpa across the district. The analysis shows the market is skewed towards larger houses (42% for 3-bedrooms).
  2. It is considered that this mix is suitable for both the plan area and the district as a whole. This recognises that some of the SDNP area need is exported out of the National Park to the Plan Area.
  3. The affordable housing (rented) sector is more heavily skewed towards smaller dwellings, particularly 2-bedrooms (40%), which is similar to the trend for affordable home ownership. This reflects the change in older age group households and the need emerging from these groups ageing and downsizing.

1. Modelled Mix of housing by size and tenure – Chichester District

|  | 1-bedroom | 2-bedrooms | 3-bedrooms | 4+ -bedrooms |
| --- | --- | --- | --- | --- |
| Market | 5% | 30% | 42% | 23% |
| Affordable home ownership | 19% | 40% | 30% | 11% |
| Affordable housing (rented) | 32% | 43% | 23% | 2% |

Source: Housing Market Model

* 1. Whilst the output of the modelling provides estimates of the proportion of homes of different sizes that are needed, there is a range of factors which should be considered in setting policies for provision.
  2. One consideration should be the current occupancy patterns. As the table below shows 88% of owner-occupied properties have more bedrooms than they require. Overcrowding in Chichester is highest in the social rental sector at 6%.

1. Occupancy rating by tenure

|  | 2+ bedrooms more than standard | 1 bedroom more than standard | Matching Standard | 1+ bedroom less than standard (i.e. overcrowded) |
| --- | --- | --- | --- | --- |
| Owner-occupier | 55% | 33% | 11% | 1% |
| Social rent | 10% | 32% | 52% | 6% |
| Private rent (& living rent free) | 22% | 38% | 36% | 4% |
| All households | 43% | 34% | 21% | 2% |

Source: 2011 Census

* 1. This also demonstrates the lack of connection between household size and the size of the property occupied, particularly in the owner-occupied sector. This is particularly acute in areas with an older population. As a result, the local authority might seek additional smaller homes to support downsizing and at the same time release larger homes for families to occupy.
  2. Typically, the link is closer between what households can afford and the size of property than what they need. As a result, as affordability deteriorates so will the need for larger homes with a consequential shift towards smaller properties as a result.
  3. In addition, the affordable rental sector where there are typically issues around the demand for and turnover of 1-bedroom homes (as well as allocations to older person households) – e.g. one-bedroom homes provide limited flexibility for households (e.g. a couple household expecting to start a family) and as a result, can see relatively high levels of turnover – therefore, it may not be appropriate to provide as much one-bedroom stock as is suggested by the modelling exercise.
  4. At the other end of the scale, conclusions also need to consider that the stock of 4+ bedroom affordable housing is very limited and tends to have a very low turnover. As a result, whilst the number of households coming forward for 4+ bedroom homes is typically quite small the ability for these needs to be met is even more limited. There are also localised issues about the stock of different sizes of homes which need to be considered in conclusions.
  5. 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 1-bedroom homes required is reduced slightly from these outputs with a commensurate increase in 4+ bedroom homes also being appropriate.
  6. There are thus a range of factors which are relevant in considering policies for the mix of affordable housing (rented) sought through development schemes. At a local authority wide level, the analysis from the residual Local Plan housing need would support policies for the mix of affordable housing (rented) of:
* 1-bed properties: 25-30%
* 2-bed properties: 40-45%
* 3-bed properties: 20-25%
* 4-bed properties: 5-10%
  1. The strategic conclusions 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 and the issue of single people under 35 years old only being eligible to claim benefits for a room in a shared house.
  2. The need for affordable housing of different sizes will vary by area (at a more localised level) 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.
  3. In the affordable home ownership and market sectors, a profile of housing that more closely matches the outputs of the modelling is suggested, although some consideration of the current stock profile is also relevant.
  4. Based on these factors, it is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of affordable home ownership is suggested:
* 1-bed properties: 15-25%
* 2-bed properties: 35-45%
* 3-bed properties: 25-35%
* 4-bed properties: 5-15%
  1. Finally, in the market sector, a balance of dwellings is suggested that takes account of the demand for homes and the changing demographic profile. As demonstrated above there is significant levels of under-occupation, therefore, it is reasonable to shift the modelled outputs towards smaller homes. This would also support downsizing in the elderly population.
  2. The findings still show larger recommended proportions for larger houses compared with other tenure groups. The following mix of market housing is suggested:
* 1-bed properties: 5-15%
* 2-bed properties: 35-45%
* 3-bed properties: 30-40%
* 4-bed properties: 10-20%
  1. Although the analysis has quantified this based on the market modelling and an understanding of the current housing market, it does not necessarily follow that such prescriptive figures should be followed in all cases.
  2. Evidence at a more local level, including market intelligence, can provide more information on the appropriate mix of market housing, and demand can change over time linked to macro-economic factors and local supply.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Key Points**   * The housing mix model takes into consideration a range of factors including the current housing mix and the need for different types of homes in the future, modelling the implications of demographic drivers on need/demand for different sizes of homes in different tenures and how households occupy homes and how affordable housing might be delivered. * It is considered that the mix below is suitable for both the plan area and the district as a whole. This recognises that some of the SDNP area need is exported out of the National Park to the Plan Area.  |  | 1-Bed | 2-Beds | 3-Beds | 4-Beds | | --- | --- | --- | --- | --- | | Market Purchase | 5-15% | 35-45% | 30-40% | 10-20% | | Affordable Housing to Buy | 15-25% | 35-45% | 25-35% | 5-15% | | Affordable Housing to Rent | 25-30% | 40-45% | 20-25% | 5-10% |  * Based on the demographic led forecasts there is a clear need across the district for market housing delivery to be focussed on 2 and 3 bedrooms. Similarly, affordable home ownership/Intermediate should also focus delivery on 2 and 3 although a greater percentage should be delivered as smaller homes compared to the market sector. * The focus of affordable rented housing delivery should be for 2-bedroom property as a mix of flats and houses (2-bedroom upper floor flats do not meet the needs of families with young children or older people and can be difficult to let). This reflects the closer links between need and occupation. * These figures should not be used prescriptively on individual sites, particularly non-strategic sites. However, they can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by the demographic change in the area. |

1. Needs of SPECIFIC Groups

Introduction

* 1. Planning Practice Guidance note 56 (Housing: optional technical standards) sets out how local authorities can gather evidence to set requirements on a range of issues (including accessibility and wheelchair housing standards, water efficiency standards and internal space standards). This section looks at the first two of these (i.e. accessibility and wheelchair housing) as well as considering the specific needs of older people.
  2. The PPG sets out that the reason for the approach to setting standards is designed to ‘rationalise the many differing existing standards into a simpler, streamlined system which will reduce burdens and help bring forward much needed new homes’ (56-001) and that ‘local planning authorities will need to gather evidence to determine whether there is a need for additional standards in their area’ (56-002).
  3. The PPG sets out that local authorities should be using their assessment of housing need (and other sources) to consider the need for M4(2) (accessible and adaptable dwellings), and/or M4(3) (wheelchair user dwellings), of the Building Regulations. It sets out that there are a range of published statistics which can be considered, including:
* the likely future need for housing for older and disabled people (including wheelchair user dwellings);
* size, location, type and quality of dwellings needed to meet specifically evidenced needs (for example retirement homes, sheltered homes or care homes);
* the accessibility and adaptability of existing housing stock;
* how needs vary across different housing tenures; and
* the overall impact on viability.
  1. This section of the report draws on a range of statistics, including those suggested in the PPG (for which the Government has provided a summary data sheet ‘Guide to available disability data’ – termed the Guide in analysis to follow). The discussion below begins by looking at older persons’ needs.

Current Population of Older People

* 1. The table below provides baseline population data about older persons and compares this with other areas. The data has been taken from the published ONS mid-year population estimates and is provided for age groups from 65 and upwards.
  2. We have examined the population growth of those aged 65 and over as this is the typical retirement age. However, in examining the need for specialist accommodation we have based this on the population aged 75 and over. This is largely because the prevalence rates used are for those aged 75 and over. This itself reflects the fact that most people entering specialist accommodation, do so around that age and above.
  3. The data shows, when compared with both the South East region and England, that the District has a notably higher proportion of older persons. In 2018, it is estimated that 27% of the population of the District was aged 65 or over.

1. Older Person Population (2018)

|  |  | Under 65 | 65-74 | 75-84 | 85+ | Total | Total 65+ |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Chichester** | **Popn** | **88,218** | **16,644** | **10,843** | **5,045** | **120,750** | **32,532** |
| **District** | **% of popn** | **73%** | **14%** | **9%** | **4%** | **100%** | **27%** |
| West Sussex | % of popn | 77% | 12% | 7% | 3% | 100% | 23% |
| South East | % of popn | 81% | 10% | 6% | 3% | 100% | 19% |
| England | % of popn | 82% | 10% | 6% | 2% | 100% | 18% |

Source: ONS 2018 Mid-Year Population Estimates

Future Changes in the Population of Older Persons

* 1. As well as providing a baseline position for the proportion of older persons in the District, population projections can be used to indicate how the numbers might change in the future compared with other areas.
  2. The data presented below uses the 2014-based SNPP for consistency across areas and runs from 2019 to 2036 to be consistent with projections developed for use within this report. The data for the District (including the National Park) has additionally been updated to reflect ONS mid-year population estimates (MYE) up to 2018. The population projections are based on the delivery of 731 dpa over the 2019 to 2036 period.
  3. The table below shows that the District is expected to see a notable increase in the older person population with the total number of people aged 75 and over expected to increase by around 55% between 2019 and 2036. This compares with an overall population growth of 16% and an increase in the under 75 population of around 10%.

1. Projected Percentage Change in Population of Older Persons (2019 to 2036) – Chichester District

|  | Population 2019 | Population 2036 | Change in population | % Change |
| --- | --- | --- | --- | --- |
| Under 75 | 105,224 | 116,098 | 10,874 | 10.3% |
| 75 and Over | 16,404 | 25,419 | 9,015 | 55.0% |
| All | 121,628 | 141,517 | 19,889 | 16.4% |

Source: Derived from ONS subnational population projections (2014-based)

* 1. In total population terms, the projections show an increase in the population aged 75 and over of around 9,000 people, this is against a backdrop of an overall increase of approximately 19,900 people and an increase in the population aged under 65 of approximately 10,800.

Older Persons’ Housing Needs

* 1. Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The analysis in this section draws on data from the Housing Learning and Information Network (Housing LIN) along with demographic projections to indicate the potential level of additional specialist housing that might be required for older people in the future.
  2. The data for need is calculated by applying prevalence rates to the population aged 75+ and as projected forward. The prevalence rates are the rate of provision for each accommodation type by care level and tenure for every 1,000 people aged over 75 (although the supply is for the total population regardless of age). The starting point for the prevalence rates have been taken from a toolkit developed by Housing LIN, in association with the Elderly Accommodation Council and endorsed by the Department of Health.
  3. This database includes the need across the following categories (discussed in more detail below): sheltered housing, enhanced sheltered housing, extra care, residential care and nursing care. Additionally, the analysis draws on current supply estimates from HOPSR (Housing for Older People Supply Recommendations) – a database developed by Sheffield Hallam University along with data from the Elderly Accommodation Counsel (EAC) which indicates the current tenure mix of such accommodation.

| Definitions of Different Types of Older Persons’ Accommodation  ***Retirement/sheltered housing (typically Use Class C3):***  A group of self-contained flats or bungalows typically reserved for people over the age of 55 or 60; some shared facilities lounge, garden, guest suite, laundry; plus, on-site supportive management. A regularly visiting scheme manager if s/he is available to all residents when on site. An on-call-only service does not qualify a scheme to retirement/sheltered housing. Developments usually built for either owner occupation or renting on secure tenancies.  ***Enhanced sheltered housing (typically Use Class C3):***  Sheltered housing with additional services to enable older people to retain their independence in their own home if possible. Typically, there may be 24/7 (non-registered) staffing cover, at least one daily meal will be provided and there will be additional shared facilities. Also called assisted living and very sheltered housing.  ***Extra care housing (typically Use Class C3):***  Schemes where a service registered to provide personal or nursing care is available on site 24/7. Typically, meals will be provided and there will be additional shared facilities. Some schemes specialise in dementia care or may have a dementia unit.  ***Care beds (typically Use Class C2):***  *Care homes:* Residential settings where a number of older people live, usually in single rooms, and have access to personal care services (such as help with washing and eating).  *Care homes with nursing:* These homes are similar to those without nursing care, but they also have registered nurses to provide care for more complex health needs. |
| --- |

Source: HOPSR

* 1. As well as setting out overall prevalence rates for different types of housing, the Housing LIN provides some suggestions for the tenure split between rented and leasehold accommodation (essentially public vs. private provision), this varies depending on an area’s level of deprivation.
  2. The data draws on assumptions from the Shop@ tool with local adjustments based on the relative health of older people locally (from 2011 Census data) and a tenure split based on local deprivation levels (2015 IMD).
  3. Consideration has also been given to overall levels of disability in the older person population; given that these are slightly higher than the national average a small upwards adjustment has been made.
  4. The table below reports the older person’s dwelling requirements for Chichester District based on the delivery of 731 dpa (the minimum annual housing need figure) to 2036. The supply analysis is not available for the Plan Area hence the calculations can only be made for the wider area.
  5. The dwelling requirements use two categories of accommodation (in addition to care beds). These are a) Housing with Support (which covers retirement/sheltered housing) and b) Housing with Care (which includes the enhanced sheltered and extra-care housing).
  6. The data in the table below shows a deficit for housing with support (rented and leasehold) is 376 dwellings increasing to 1,319 units by 2036, the majority of which would be leasehold. There is a current deficit of 485 increasing to 825 units for housing with care with a higher volume required for leasehold. This data is also provided in Appendix B for the alternative plan period.

1. Older Person’s Dwelling and Care Bedspace Requirements 2019 - 2036

|  |  | | Housing demand per 1,000 75+ | Current supply | 2019 Demand | Current shortfall/ (surplus) | Additional demand to 2036 | Shortfall/ (surplus) by 2036 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Housing | Rented | | 40 | 599 | 652 | 53 | 358 | 411 |
| with support | Leasehold | | 65 | 742 | 1,065 | 323 | 585 | 908 |
| Housing | Rented | | 17 | 99 | 281 | 182 | 155 | 337 |
| with care | Leasehold | | 21 | 34 | 337 | 303 | 185 | 488 |
| Total (dwellings) | |  | 142 | 1,474 | 2,335 | 861 | 1,283 | 2,144 |
| Care bedspaces | | | 92 | 1,502 | 1,511 | 9 | 830 | 839 |

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

* 1. Based on this analysis there is also a current small shortfall of 9 Care bedspaces. However, this is expected to increase significantly to 839 over the period to 2036. The estimated need for care bedspaces is based on national prevalence rates. However, it should be noted that in reality, the proportion of people in care home accommodation will also be influenced by government policy and the potential of health and social care service interventions to prevent people needing to move into such accommodation.
  2. In addition, the need for housing with care and support is part of the overall housing need (not additional to it). In meeting the need, there could be some changes to the mix of housing required across the District.
  3. The traditional model of ‘Housing with Support’ for older people i.e. council-run sheltered housing with on-site support staff is becoming rarer. Most schemes now operate simply as age-restricted retirement schemes with access to a 24/7 alarm monitoring service which is remotely based.
  4. Given the very limited appetite for commissioning such services it is unlikely that within the affordable sector at least, this kind of need will be met in the foreseeable future. Reflecting this West Sussex County Council has expressed the ambition for extra care housing to become the default option for adults with care needs who require residential placement.
  5. In theory, this would increase the need for housing with care and reduce the need for housing with support with in-situ care providing the intermediate step. However, this would only be in the rented sector (which includes both social and private renting) as the market demand for leaseholder accommodation of this type remains buoyant.
  6. The nature of Extra Care Housing requires the involvement of a Registered Provider with the capacity to deliver a core element of the scheme for the benefit of residents with eligible social care needs.  With the involvement of the social care authority extra care schemes present the opportunity to provide affordable 24/7 care presence to residents who live independently in their own home.
  7. In many cases schemes will provide a mix of tenures – rented and home ownership – which caters for those with both an eligible care needs as well as those who self- fund. The role of the ‘affordable element’ in extra care is however critical and without it, private market schemes are very unlikely to be able to provide the 24/7 care presence in a way that would be affordable or viable.
  8. It should also be noted that the County Council has also assessed the need for this type of accommodation, also using prevalence rates from the Housing LIN. However, the assessment is based on the official population projections rather than the somewhat larger population growth associated with 731 dpa. As a result, the needs identified by the County Council are lower.
  9. Based on the population growth of those aged 75 and over in the Plan Area and the District (see table 13 and 14) approximately 77% of the additional demand for specialist accommodation will be in the Plan Area. Assuming the supply is distributed on the same basis this would provide a Plan Area need by 2036 for:
* 1,016 Units of Housing With Support of which 316 would be rented and 699 leasehold;
* 635 Units of Housing With Care of which 259 would be rented and 376 leasehold; and
* 646 care bedspaces.

People with disabilities

* 1. The Guide provides data about households with a long-term illness or disability from the English Housing Survey. Whilst this provides a national perspective, the source cannot provide more localised data. Hence the analysis below has drawn on the 2011 Census (which has a definition of long-term health problem or disability (LTHPD)).
  2. The table below 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 an LTHPD. The data suggests that across the District, some 31% of households contain someone with an LTHPD and 32% for the Plan Area. This figure is similar to that seen in the wider areas.
  3. The figures for the population with an LTHPD again show a similar pattern in comparison with other areas. At the District level, around 17% of the population have LTHPD and around 18% for the Plan Area. The analysis, therefore, identifies that issues around disability are similar in the District, despite the area having a higher proportion of older people.

1. Households and people with Long-Term Health Problem or Disability (2011)

|  | Households containing someone with health problem | | Population with health problem | |
| --- | --- | --- | --- | --- |
|  | Number | % | Number | % |
| Chichester District | **15,292** | **30.7%** | **18,506** | **16.7%** |
| Plan Area | 11,089 | 32.2% | 13,244 | 17.5% |
| West Sussex | 107,127 | 31.0% | 129,912 | 6.4% |
| South East | 1,048,887 | 29.5% | 1,278,964 | 15.1% |
| England | 7,217,905 | 32.7% | 8,936,954 | 17.2% |

Source: 2011 Census

* 1. The age profile impacts upon the numbers of people with an LTHPD, as older people tend to be more likely to have an LTHPD. Therefore, the figure below shows the age bands of people with an LTHPD. It is clear from this analysis that those people in the oldest age bands are more likely to have an LTHPD.

1. Population with Long-Term Health Problem or Disability in each Age Band

Source: 2011 Census

* 1. The figure below shows the tenures of people with an LTHPD. Notably, the data is for the population living in households rather than households. The analysis clearly shows that people with an 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).
  2. 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. This is because not all housing options are suitable to their housing needs meaning they are often dependent on wheelchair adaptable dwellings.

1. Tenure of people with LTHPD

Source: 2011 Census

* 1. The table below shows the projected changes to the population with a range of disabilities. The data is at the Chichester District level and based on the delivery of 731 dpa to 2036. The population over 65 years with dementia and mobility problems are expected to experience the greatest growth to 2036. The population with mobility problems is projected to increase by approximately 51.5% by 2036. The population with dementia is projected to grow by approximately 58.2%.
  2. The older population (over 65 years) with autistic spectrum disorders is expected to increase by around 44% over the period. The population aged between 18 to 64 years is expected to change at a less significant rate (approximately 8%).

1. Projected changes to population with a range of disabilities Chichester District

| Disability | Age range | 2019 | 2036 | Change | % change |
| --- | --- | --- | --- | --- | --- |
| Dementia | 65+ | 2,475 | 3,917 | 1,442 | 58.2% |
| Mobility problems | 65+ | 6,355 | 9,630 | 3,275 | 51.5% |
| Autistic Spectrum Disorders | 18-64 | 649 | 699 | 49 | 7.6% |
|  | 65+ | 305 | 439 | 134 | 43.9% |
| Learning Disabilities | 15-64 | 1,696 | 1,828 | 132 | 7.8% |
|  | 65+ | 688 | 969 | 281 | 40.8% |
| Challenging behaviour | 15-64 | 31 | 34 | 2 | 7.2% |
| Impaired mobility | 16-64 | 4,099 | 4,152 | 53 | 1.3% |

Source: POPPI/PANSI and demographic projections

* 1. The population with learning disabilities in the over 65 years age group is projected to increase by approximately 40.8% over the period with those aged 15 to 64 years to increase by around 8%. The population with challenging behaviour is expected to increase by approximately 7%.
  2. Those with a mobility problem are expected to increase by around 51.5%. This along with the growth in other conditions would justify that the Council should seek as much M4(2) compliant as is viably possible.
  3. Based on the population growth of those aged 65 and over and those aged 16-64 in the Plan Area and the District (see table 13 and 14), again approximately 77% of the growth in those aged over 65 is located in the Plan Area. However, as the working-age population is expected to be negative in the National Park approximately 135% of the District growth is expected in the Plan Area. This results in the following growth within the Plan Area:
* 1,191 additional persons with dementia;
* 2,524 additional persons with mobility problems;
* 66 additional persons aged 18-64 with autistic spectrum disorders;
* 104 additional persons aged 65 and over with autistic spectrum disorders;
* 3 additional persons with challenging behaviour; and
* 72 additional persons with impaired mobility

Wheelchair Adapted Housing

* 1. Information about the need for housing for wheelchair users is difficult to obtain (particularly at a local level) and so some brief analysis has been carried out based on national data within a research report by Habinteg Housing Association and London South Bank University (Supported by the Homes and Communities Agency) – Mind the Step: An estimation of housing need among wheelchair users in England. This report provides information at a national and regional level although there are some doubts about the validity even of the regional figures; hence the focus is on national data.
  2. The report identifies that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive. Furthermore, it is estimated (based on English House Condition Survey data) that just 0.5% of homes meet criteria for ‘accessible and adaptable’, while 3.4% are ‘visitable’ by someone with mobility problems (data from the CLG Guide to available disability (taken from the English Housing Survey) puts the proportion of ‘visitable’ properties at a slightly higher 5.3%).
  3. Overall, the report estimates that there is an unmet need for wheelchair adapted dwellings equivalent to 3.5 per 1,000 households – in the Chichester District, as of 2019, this would represent a need for about 190 wheelchair adapted dwellings. Moving forward, the report estimates a wheelchair accessibility need from around 3% of households. If 3% is applied to the household growth in the projections (2019-36) then there would be an additional need for around 373 adapted homes or 22 per annum for the District.
  4. On the basis that 73% of the population lives in the Plan Area, this would mean a current unmet need of 139 wheelchair adapted households. On the basis that 77% of the population growth will occur in the Plan Area, this would mean a future need for 287 wheelchair adapted homes in future or 17 per annum.
  5. Information in the CLG Guide on available disability data also provides some historical national data about wheelchair users by tenure (data from the 2007/8 English Housing Survey). This showed around 7.1% of social tenants to be wheelchair uses, compared with 2.3% of owner-occupiers (there was insufficient data for private renting, suggesting that the number is low). This may impact on the proportion of different tenures that should be developed to be wheelchair accessible (although it should be noted that the PPG (56-009) states that ‘Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling’).
  6. This would suggest that the Council seek around 5% of all new housing to be M4(3) compliant, subject to the limits of viability. However, we recognise that this won’t be possible on all sites due to topography and other constraints such as site configuration.
  7. Although outside the requirements of the PPG more detailed building regulations can split the M4(3) category in M4(3)a and M4(3)b. According to MHLG information on “The Current status of Part M of the Building Regulations”[[12]](#footnote-13) M4(3)a is designed to require only simple adaptation and M4(3)b is ready for wheelchair use on completion.
  8. In principle, given the additional costs of retrofit, it would stand to reason that the 10% of additional homes that are built to M4(3) standard are done so on completion i.e. M4(3)b. However, Paragraph 9 of the PPG concerning housing optional technical standards (Reference ID: 56-009-20150327) states that [Local Plan](https://www.gov.uk/guidance/local-plans--2) policies for wheelchair accessible homes (M4(3)b) “should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling.”
  9. One solution may be to have a separate policy seeking 5% of market properties as M4(3)a standard and 5%-10% affordable dwellings at M4(3)b standard.

Black and Minority Ethnic Households

* 1. This data remains unchanged from the 2018 HEDNA. 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.
  2. From 2011 Census data we find that around 6% of the population of the district came from a non-White (British/Irish) background. This figure is slightly less than that found across the HMA (7%) and county (10%) and more significantly below that of the South East (14%) and England (19%).

1. Black and Minority Ethnic Population (2011)

| Ethnic Group | Chichester District | HMA | West Sussex | South East | England |
| --- | --- | --- | --- | --- | --- |
| White: British | 93.0% | 92.2% | 88.9% | 85.2% | 79.8% |
| White: Irish | 0.7% | 0.6% | 0.7% | 0.9% | 1.0% |
| White: Gypsy or Irish Traveller | 0.2% | 0.2% | 0.1% | 0.2% | 0.1% |
| White: Other White | 3.1% | 4.0% | 4.0% | 4.4% | 4.6% |
| Mixed: White & Black Caribbean | 0.2% | 0.3% | 0.4% | 0.5% | 0.8% |
| Mixed: White & Black African | 0.1% | 0.1% | 0.3% | 0.3% | 0.3% |
| Mixed: White and Asian | 0.3% | 0.3% | 0.5% | 0.7% | 0.6% |
| Mixed: Other Mixed | 0.3% | 0.2% | 0.4% | 0.5% | 0.5% |
| Asian: Indian | 0.4% | 0.4% | 1.2% | 1.8% | 2.6% |
| Asian: Pakistani | 0.0% | 0.1% | 0.6% | 1.1% | 2.1% |
| Asian: Bangladeshi | 0.1% | 0.2% | 0.3% | 0.3% | 0.8% |
| Asian: Chinese | 0.3% | 0.3% | 0.4% | 0.6% | 0.7% |
| Asian: Other Asian | 0.6% | 0.5% | 1.0% | 1.4% | 1.5% |
| Black: African | 0.3% | 0.2% | 0.6% | 1.0% | 1.8% |
| Black: Caribbean | 0.1% | 0.1% | 0.2% | 0.4% | 1.1% |
| Black: Other Black | 0.1% | 0.1% | 0.2% | 0.2% | 0.5% |
| Other ethnic group: Arab | 0.1% | 0.1% | 0.1% | 0.2% | 0.4% |
| Any other ethnic group | 0.1% | 0.1% | 0.2% | 0.4% | 0.6% |
| Total | 100% | 100% | 100% | 100% | 100% |
| Total population | 113,794 | 263,312 | 806,892 | 8,634,750 | 53,012,456 |
| **% non-White (British/Irish)** | **6.3%** | **7.1%** | **10.3%** | **13.9%** | **19.3%** |

Source: ONS (2011 Census)

* 1. The largest minority ethnic group in Chichester and the HMA is the Other-White group (which is likely to contain many Eastern European migrants). The Other-White population makes up 3.1% of all people in the district and 4% in the HMA. This figure is notably higher than for any other group.
  2. Since 2001 the BME population in the district can be seen to have increased significantly as can be seen in Table 44. We have merged some categories due to a slightly different list of potential groups being used in the 2011 Census when compared with 2001 data.
  3. The data shows that whilst the overall population of the district has risen by 7,300 over the 10 years the increase in BME groups (all groups other than White (British/Irish)) has been around 3,200. The White (British/Irish) population has therefore increased by 4.1% compared to an increase of 84% in BME groups (all combined).

1. Change in BME groups 2001 to 2011 -Chichester District

| Ethnic Group | 2001 | 2011 | Change | % change |
| --- | --- | --- | --- | --- |
| White (British/Irish) | 102,431 | 106,584 | 4,153 | 4.1% |
| White - Other | 2,272 | 3,738 | 1,466 | 64.5% |
| Mixed | 656 | 1,092 | 436 | 66.5% |
| Asian or Asian British | 275 | 637 | 362 | 131.6% |
| Black or Black British | 211 | 518 | 307 | 145.5% |
| Chinese and other Asian | 374 | 980 | 606 | 162.0% |
| Total | 106,450 | 113,794 | 7,344 | 6.9% |
| Non-White (British/Irish) | 3,788 | 6,965 | 3,177 | 83.9% |
| % Non-White (British/Irish) | 3.6% | 6.1% | 43.3% | - |

Source: Census 2001 and 2011

* 1. Looking at particular BME groups we see that the largest increase in terms of population has been within the White Other group increasing by around 1,500 in ten years. While in percentage terms the largest increase was the Chinese and Other Asian population – almost trebling between 2001-11.

BME Household Characteristics

* 1. Census data can also be used to provide some broad information about the household and housing characteristics of the BME population in Chichester. Figure 45 looks at the population age structure of four broad age groups using data from the 2011 Census.
  2. 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 15 or younger when compared with any other group.
  3. The proportions of older persons are also notable with 26% of White; British/Irish people being age 65 or over compared with all BME groups showing proportions of no more than 12%.

1. Population Age Profile (2011) – Chichester District

Source: Census (2011)

* 1. There are notable differences between the household characteristics of BME households and the White: British population. Figure 46 indicates that all BME groups are significantly less likely to be owner-occupiers (particularly outright owners) and far more likely to live in Private Rented accommodation. Arguably the starkest trends are the 41% of White (Other), 44% of Asian and 51% of Black households living in the Private Rented Sector.

1. Tenure by Ethnic Group in Chichester District

Source: 2011 Census data (from NOMIS)

* 1. The strong representation of BME households in the Private Rented Sector means that they are more likely to be affected by the implementation of Universal Credit. While the over-reliance on PRS could be perceived as an issue it has been reported by local agricultural and horticultural businesses that many of the agricultural workers choose this tenure as a preference as they do not reside in the country for the entire year.
  2. However, 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.
  3. 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.
  4. Figure 47 shows ‘occupancy ratings’ by BME group; this is based on the bedroom standard. BME groups and particularly Asian Households (17%) are more likely to be over-occupied than White (British) households (4%).

1. Occupancy Rating by Ethnic Group – Chichester District

Source: 2011 Census data (from NOMIS)

* 1. Conversely, the levels of under-occupancy amongst BME communities are generally lower than in White British/Irish Households. Additional larger homes will help to deal with overcrowding, but additional smaller homes may also assist the ageing and under occupying White British / Irish households to downsize and thus release their larger homes.
  2. Therefore, there may be a need to provide further larger homes to deal with this specific issue. Alternatively (or as well as) additional smaller homes to allow for the ageing and under-occupying households to downsize into thus releasing their larger homes.
  3. As noted later in this report the horticultural industry is reliant on a significant proportion of eastern European workers. This group have a diverse range of needs including temporary accommodation which is used in picking season only. This could support growth in purpose-built build to rent accommodation in areas close to the HDA.

Homeless Households and Temporary Housing

* 1. The lack of delivery of affordable housing may also impact on the demand for temporary homes. Yet, Chichester has bucked the national trends by having a reduction in the number of people being accepted as homeless.
  2. As shown in Figure 48 in 2009-10 approximately 0.9 households/persons were accepted as being homeless for every 1,000 households. By 2016-17 this figure had fallen to 0.7. In contrast, the national figure for England saw an increase from 1.9 to 2.5 per thousand households.
  3. In numerical terms, the fall in Chichester District was from 47 to 38 with the latter remaining consistent over the last four years. This equates to around 0.07% of homeless acceptances nationally compared to 0.2% of the country’s population.

1. Numbers accepted as being homeless and in priority need per 1,000 Households

Source: DCLG 2018, Live Table 784

* 1. Of those being accepted as homeless 97% were white identical to the district’s overall population (as of 2011) although this is likely to have reduced. The ethnicity of the other acceptances was not disclosed due to their small number. By comparison, the white population accounted for 60% of homelessness acceptances nationally.
  2. A range of accommodation types have been utilised by the Council to temporarily accommodate homeless households. As set out in Table 45, since 2010/11, the vast majority of homeless households have been placed in vacant local authority temporary accommodation with any shortfall taken up by bed & breakfast accommodation and self-contained temporary private accommodation.
  3. We also recognise that there is limited capacity within the temporary accommodation stock within Chichester District and as a result, some homeless households are often placed outside of the district. Therefore the Council should consider additional temporary accommodation to allow people to live locally.

1. Type of Temporary Accommodation – Chichester District

|  | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Bed and breakfast (inc. shared annexe) | 3% | 7% | 20% | 0% | 0% | 14% | 0% | 21% |
| Hostels | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| LA temporary accommodation | 97% | 93% | 80% | 90% | 80% | 80% | 93% | 74% |
| Private sector leased (by LA) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| Other types (including private landlord) | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |

Source: DCLG 2017, Live Table 784 (Note numbers may not add to 100% as some figures are suppressed due to being less than 5 or to prevent calculation),

* 1. The Council has set up its own letting agency whereby it guarantees private sector landlords their rent; to manage their property at a low rate. These properties are then used to secure accommodation for potentially homeless households. This has increased the available private rented sector accommodation available to vulnerable people in the City.
  2. The Council’s Housing Options Team is actively implementing a range of measures to reduce homelessness. This includes providing eligible households with the required deposit on a rental property and paying up to six weeks rent in advance. This is then repaid at £10 per week.
  3. The Housing Options team also provide emergency assistance including providing access to homeless accommodation. Alternatively, they assist with placing these households in a local bed and breakfast or provide better access to private-sector temporary accommodation.
  4. As part of the Homelessness Reduction Act, the Council also works across their different agencies to ensure earlier intervention in potentially homeless cases. This includes working to prevent parental evictions.
  5. In December 2018, it was announced that Chichester District Council will invest £1 million with an additional sum funded by Homes England to deliver 21 units of short-term accommodation at a Council owned property at Freeland Close. Since the announcement, the project has been redesigned and the property is now expected to provide 17 units of additional short-term accommodation for homeless families and single people in the District.
  6. In 2016, the Government launched a Rough Sleeping Grant Funding Programme. The East and West Sussex bid was successful in granting a Homeless Outreach Worker employed to take responsibility of the districts of Arun and Chichester. At January 2018, the role of the Outreach Worker in Chichester ended, however neighbouring Arun District secured funding to extend the post, however, the Council has identified the prevalence of rough sleepers across Arun and Chichester, demonstrating the need for an Outreach Worker to continue the role in Chichester.
  7. In January 2018 the Council’s Cabinet approved the employment of a full-time Rough Sleeper outreach worker to engage with rough sleepers and assist them into settled accommodation working with Council’s Community Safety team and local charities/ voluntary organisations.
  8. The Rough Sleeper Outreach Worker delivers a street-based service engaging with rough sleepers to support them into moving off the street. This role is in addition to existing tenancy sustainment officers and welfare officers who ensure households threatened with homelessness are receiving the support in terms of claiming benefits, sorting out issues with landlords, help with budgeting etc.
  9. The Council Rough Sleepers Panel works with several agencies and entities to ensure homelessness is minimised. This includes working with:
* Community safety wardens;
* Sussex Police;
* City Angels – a pastoral care project working in the night-time economy of Chichester
* Stonepillow – a provider of a local homeless hostel and day centre;
* Southdown Housing Association.
  1. The work with Southdown Housing Association includes the provision of an independent living scheme, tenancy support for vulnerable people. The work with Stonepillow includes the provision of an additional outreach worker (shared with Arun DC) working with a caseload of the most entrenched rough sleepers, as well as a lettings, support worker helping those with a history of rough sleeping to access and sustain accommodation funded from the Government’s Rapid Rehousing Pathway.

Self and Custom Build

* 1. This data remains unchanged from the 2018 HEDNA. The Council defines Custom build housing as housing commissioned and built by individuals or groups for their own use, either by building it themselves or working with builders. "Custom build" is used to include self-build, which is a particular type of custom build where a person organises all the works themselves. Custom build may be undertaken by an individual, a group, or a builder.
  2. According to local agents, Self and Custom Build (SCB) occurs across the District on infill sites and ‘garden grabs’. This particularly occurs in Chichester City and the East-West Corridor. We have also seen evidence of this in the Manhood Peninsula where a small number of dwellings have been replaced on existing plots.
  3. In July 2018, Council introduced a new 2-part register. This now requires applicants to provide evidence that they have a local connection to the local plan area for 5 years and have adequate financial resources to buy land to be eligible for part 1. Applicants who applied before July 2018 will still be counted towards the permissions; however, they have not been carried forward onto the new 2-part register. Since the introduction of the 2-part register demand to be on the register has reduced to around 2 applications per month.
  4. For this update, the Council has provided data on the updated registration and there are currently no individuals on the Part 1 registration and only two registered on the Part 2 list. Both identified the intent to build a detached 4-bedroom home under the owner-occupier scheme. One applicant noted the maximum they could afford is £500,000 and the second identified £700,000 as the maximum.
  5. The table below identifies the position of the self-build and custom-build register in 2017, before the 2018 change. The table identifies 66 individuals registered, 27 of which are local and 39 non-locals. Just over one-quarter of respondents were aged 60 and over and a similar number were aged 41 -50 years. Around 68% of applicants were aged 41 or over. Most respondents were also currently living outside of the district.

1. Self and Custom Build by Age (2017) – Chichester District

| Ages | Local | Non-local | Total no. | Total % |
| --- | --- | --- | --- | --- |
| 60+ (1956 & earlier) | 6 | 12 | **18** | 27.3% |
| 51-60 (1957-1966) | 6 | 5 | **11** | 16.7% |
| 41-50 (1967-76) | 6 | 10 | **16** | 24.2% |
| 31-40 (1977-86) | 7 | 6 | **13** | 19.7% |
| Under 30 (1987 & later) | 2 | 5 | **7** | 10.6% |
| Error |  | 1 | **1** | 1.5% |
| **Total** | **27** | **39** | **66** | **100%** |

Source: Chichester District Council, 2017

* 1. In terms of estimating demand for self-build plots over the plan period, while presenting a snapshot of current demand, the self-build register does not provide enough data to forecast demand figure for plots over the plan period.
  2. Whilst, in theory, it would be possible to apply the annual growth rate from past registers to the remaining plan period, this would result in a very substantial estimate of demand, one that is unlikely to be the reality.
  3. By law, the Council must address the demand for self-build and custom-build as per the 66 individuals on the registry. Therefore, the Council should support this level of provision. However, this is likely to be an under-estimate given that it satisfies current need only and does not allow for any additional need emerging over the plan period. That said it is possible that it over-estimates need as many on the register maybe on the register of multiple local authorities to maximise their opportunity.
  4. In developing policy, the need should take into account the nature of the settlement landscape and availability of plots for self-build and custom-build development.
  5. With reference to Table 47, a small proportion of local respondents were seeking to self-build (22%). The majority, 78%, envisaged a custom build project.

1. Self & Custom Build by Build Type (2017) – Chichester District

|  | Local | Total % |
| --- | --- | --- |
| Do work themselves | 6 | 22% |
| Employ someone else | 21 | 78% |
| Want individual (not group) build | 27 | 100% |

Source: Chichester District Council, 2017

* 1. As shown in Table 48 around 48% of local respondents were seeking to build a 3-bedroom home which is the largest group. Around 20% were seeking to build a 4-bedroom home. Only around 7% were looking to build smaller homes of one or two bedrooms. All were seeking to build a detached house or bungalow.

1. Self + Custom Build by Bedrooms (2017) – Chichester District

| Want: | Local | Total % |
| --- | --- | --- |
| 1 bedroom | 0 | 0% |
| 2 bedrooms | 2 | 7% |
| 3 bedrooms | 13 | 48% |
| 4 bedrooms | 6 | 22% |
| 5 bedrooms | 5 | 19% |
| 6 bedrooms | 0 | 0% |
| Unstated | 1 | 4% |
| **Total** | **27** | **100%** |

Source: Chichester District Council, 2017

* 1. The 2017 Council data provides information on the finance available for self-build and custom-builds. Only around 10% of the applicants have finance of £100,000 or less. The majority (63%) had finance in the range of £100,000 to £500,000. Around 19% of local respondents had finance of over £500,000 with 7% failing to state their financial position.

1. Self + Custom Build, Scale of Finance (2017) – Chichester District

| Finance available | Local | Total % |
| --- | --- | --- |
| up to £50k | 2 | 7% |
| £51k-100k | 1 | 4% |
| 101k-£250k | 6 | 22% |
| £251k-500k | 11 | 41% |
| £501k-£1million | 4 | 15% |
| £1million+ | 1 | 4% |
| Unstated | 2 | 7% |
| **Total** | **27** | **100%** |

Source: Chichester District Council, 2017

Students

* 1. According to the Higher Education Statistics Agency (HESA), in 2017/18 the University of Chichester had 5,520 full-time graduate and postgraduate students. Of the 168 institutions listed on the HESA website, Chichester is the 52nd smallest university with the median institution size having more than double the number of Chichester’s students.
  2. The University of Chichester has two campuses, located in Chichester City Centre and a smaller campus located at Bognor Regis. At present, the university owns and directly manage university halls accommodation at 1,110 rooms.
  3. There are 2 off-campus accommodation sites (approximately 20-minute walk from the campus) which are self-catered en-suite rooms, costing £136.99 per week.
  4. In Chichester, there are 15 student hall accommodation buildings with prices ranging from £118.23 per week to £177.17 per week. On the Bognor Campus, there are 3 halls, ranging from £161.35 per week to £177.17 per week. Some of the university rooms have adapted rooms which provide wheelchair access.
  5. It is understood that within Chichester District the University is only anticipating a modest growth in student numbers over the medium term. However, the creation of the Engineering and Digital Technology Park at their Bognor Regis Campus (Arun District) will see significant growth in student numbers but outside of the District.
  6. As well as the University this District is also home to Chichester College although as a further education college it is not included in the HESA statistics. The College does, however, teach university-level courses.
  7. Chichester College has over 15,000 students, of whom 5,000 are full-time students. It is not anticipated that part-time students will require any additional housing as they will already be living in the area.
  8. The College has entered into a sub-lease and separate head-lease agreement with the University on some accommodation at Stockbridge Student Village. Between them, they share facilities management services with the University providing housing management and Pastoral Care Service.
  9. The Housing Delivery Test[[13]](#footnote-14) now allows for purpose-built student accommodation to be included within the housing supply. However, this is not a one for one calculation. For every 2.5 bedspaces built, the Council can count this as one dwelling.
  10. At present, there is no need to plan for additional purpose-built student accommodation as the University is only planning modest growth. However, supporting such accommodation would also support movement out of the general housing stock for others to use. As such the Council should consider applications for such accommodation on its merits. Any application should be supported with evidence of demand and support from the University.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Specific Groups: Key Points**   * The District has a higher proportion of older persons than nationally or regionally and is expected to see an increase in the older person population (over 75) of almost 56% between 2019 and 2036. * 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 shows a deficit for housing with support (rented and leasehold) of 1,319 by 2036. There is also predicted to be a deficit of 825 dwellings for housing with care with a higher volume required for leasehold. There will also a predicted shortfall of 839 for care bedspaces.  |  |  | Shortfall by 2036 | | --- | --- | --- | | Housing with support | Rented | 411 | | Leasehold | 908 | | Housing with care | Rented | 337 | | Leasehold | 488 | | Total (dwellings) -Typically C3 | | 2,144 | | Care bedspaces – Typically C2 | | 839 |  * There is projected to be a large rise in the number of people with dementia (up 58.2%) along with a 51.5% increase in the number with mobility problems. * Around 31% of households contain someone with a long-term health problem or disability (LTHPD), which is slightly lower than that seen nationally but above the regional average. It is estimated that this will increase by 30%. * Given the scale of need for wheelchair accommodation (22% per annum), The Council may wish to adopt a policy seeking 5% of market properties as M4(3)a standard and 5%-10% affordable dwellings at M4(3)b standard. * Self-Build accommodation registration list totals 66, including 27 local and 39 non-local. At July 2018, Council introduced a new 2-part register. Since then, none have registered on the Part 1 list and two individuals have registered on the Part 2 list. * The University currently provides most of the student accommodation. The University only expects modest growth in the district and is unlikely to have any bearing on the local housing market. However, the Council should consider applications for Student accommodation on its merits. Any application should be supported with evidence of demand and support from the University. |

1. Commercial Property Market
   1. This section provides an assessment of the office and industrial property market in Chichester District. This assessment has been undertaken using a variety of sources including take-up and availability data from the Estates Gazette Interactive (EGi) database and the Focus CoStar commercial property database, a review of the latest commercial property literature and stakeholder/property agents’ consultation. This section updates the 2018 HEDNA with information released since that time and additional consultations. Where original matters remain unchanged they have been included for completeness.
   2. The VOA data is only available at a local authority level and thus is presented for the entirety of the Chichester District. The CoStar and EGi analysis, however, has been analysed according to sub-area and thus takes into account data without the South Downs National Park area.

Office Market Review

* 1. This section provides an assessment of the Chichester District office market compared with office markets of similar local authorities. The quantitative analysis for the District itself in terms of past take-up has been based on transactions recorded on EGi and CoStar[[14]](#footnote-15). The quantitative analysis has been supplemented through engagement with commercial agents.
  2. According to the Valuation Office Agency based on property surveys for ratings, the amount of office floorspace in Chichester District in 2018 was 101,000 sqm. This excludes high street financial and professional services that might otherwise be classified as retail space, or other research and development type lab space.

1. Office Floorspace, 2018

| Geography | Office Floorspace (‘000 sqm) |
| --- | --- |
| **Chichester District** | **101** |
| Arun | 54 |
| Havant | 97 |
| Waverley | 120 |
| Horsham | 145 |
| East Hampshire | 62 |
| Worthing | 90 |
| Cotswold | 120 |
| West Dorset | 106 |
| Lewes | 98 |
| South East | 13,295 |
| England and Wales | 88,803 |

Source: VOA Business Floorspace Statistics

* 1. Over the 2000-18 period, office floorspace has decreased by 11% in Chichester District. However, this is driven by a significant fall between 2003/04. Whilst floorspace continued to decline to 2007 it then grew until 2014 before a further slowdown considered to be influenced by permitted development rights.

1. Office floorspace (Chichester District)

Source: VOA

* 1. Commercial property data providers such as EGi and CoStar were used to inform the following sections.
  2. The figure below illustrates the number of deals within the sub-areas of Chichester District over the 10 years to 2018. The highest number of deals was recorded in the Chichester City sub-area (213 transactions). This is followed by South Downs National Park (107) and the Manhood Peninsula (73). There were 59 transactions in East-West Corridor and only 1 deal in Plan Area North.
  3. Including the SDNP area, the market was most active in 2016 when 70 deals were recorded. The lowest number of transactions was recorded in 2008 and 2010 when just 28 transactions were made. On average 38 office transactions were made per annum in the district.
  4. Excluding the SDNP area, the market was most active in 2016 when 46 deals were recorded. The lowest number of transactions was recorded in 2008 when just 11 transactions were made.

1. Number of Office Transactions by Year and sub-area, 2007-2018

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. At 64% the vast majority of office floorspace was transacted in Chichester City sub-area (46,216 sqm), this is followed by South Downs National Park (9,341 sqm) at 13%.
  2. Over the 2007-2018 period, the average annual floorspace take-up was around 5,979 sqm. The highest volume of transactions in a single year was recorded in 2016 with 10,242 sqm of office floorspace transacted across the district.
  3. Without the SDNP area over the 2007-2018 period, the average annual floorspace take-up was around 5,200 sqm. The highest volume of transactions in a single year was recorded in 2013 with 9,103 sqm of office floorspace transacted across the district.

1. Office Floorspace Take-Up by Location, 2007-18 (sqm)

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. The majority of transactions in Chichester District involved units with sizes less than 185 sqm. Since 2014 there has however been an increase in the number of larger transactions recorded on EGi/CoStar, likely reflecting in part improvements to data; together with a partial recovery in the office market.

1. Profile of Office Deals by Size in Chichester District (sqm), 2007-2018

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. The figure below profiles take-up over time and by floorspace in each size band in the plan area over the last 10 years. The highest volume of office floorspace take-up was in the small size band of less than 185 sqm. Floorspace transactions peaked in 2016 at just over 10,000 sqm, but subsequently dipped below 4,000 sqm in 2017, rebounding to just over 8,000 sqm in 2018.

1. Office Floorspace Take- Up by Size in Chichester District (sqm), 2007-2018

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. The largest office transaction throughout this period was located in the Chichester City sub-area which was the 2,116 sqm unit advertised at Gravel Lane.

Office Availability

* 1. Figure 54 illustrates the distribution of available office space across the District as recorded in EGi and CoStar databases in September 2019. As at September 2019, there was total available space of 26,115 sqm of office floorspace across the District, 22,000 sqm of which was available in the Plan Area.
  2. Within the District, the highest number of office spaces available is in the Chichester City sub-area (49) followed by the South Downs National Park sub-area (26). The majority of available office stock comprises smaller office spaces than 185 sqm (63%), followed by those sized between 185-500 sqm (24%). There are only six offices which are larger than 1,000 sqm available in the district.

1. Number of Available Office Units

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. Figure 55 displays the amount of available office floorspace located within the district by sub-area. The highest amount of available office floorspace is located in Chichester City sub-area (15,719 sqm), followed by South Downs National Park sub-area (4,115 sqm). Across the plan area, this amounts to 22,000 sqm of available space.
  2. The highest amount of available office floorspace is held within offices of between 185 and 500 sqm in size (32%). This is followed by 1,000-10,000 sqm sizes (27%). The largest single available office unit in the District is a 1,373 sqm sized unit at Southern Gate in Chichester City.

1. Office Availability by Location and Size (sqm)

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. In terms of the status of office floorspace, the highest amount is concentrated in Second-hand Grade B (83%), followed by Refurbishment Existing (7%) and Under Construction (7%). Chichester City demonstrates the highest concentration of New Build (pre-construction), Refurb (Existing) and Second-hand Grade B. The highest concentration of Under Construction is located in the East-West Corridor.

1. Office floorspace by status and location (sqm)

Source: GL Hearn Analysis of EGi and CoStar Data

Industrial Market Review

* 1. This section provides an assessment of the Chichester District industrial market with those in comparable local authorities. The quantitative analysis for the District itself in terms of past take-up has been based on transactions recorded on EGi and CoStar.[[15]](#footnote-16) This has been augmented through engagement with commercial agents.
  2. As noted at the beginning of this chapter, the VOA data is only available at a local authority level and thus is presented for the entirety of the Chichester District. The CoStar and EGi analysis has been analysed according to sub-area and thus takes into account data without the South Downs National Park area.
  3. According to the Valuation Office Agency based on property surveys for ratings, the amount of industrial floorspace in Chichester District in 2018 was 509,000 sqm. This includes general industrial, storage distribution and ‘other’ industrial uses typically falling under uses classes B1b, B1c, B2 and B8 with some sui generis. VOA property assessment may not exactly reflect planning use classes due to a functional assessment approach for ratings.

1. Industrial Floorspace, 2018

|  | Industrial Floorspace (‘000 sqm) |
| --- | --- |
| **Chichester District** | **509** |
| Arun | 529 |
| Havant | 412 |
| Waverley | 269 |
| Horsham | 546 |
| Lewes | 361 |
| East Hampshire | 504 |
| Worthing | 301 |
| Cotswold | 528 |
| West Dorset | 516 |
| South East | 36,417 |
| England and Wales | 328,316 |

Source*:* VOA Business Floorspace Statistics

* 1. Over the 2000/01 to 2018/19 period, industrial floorspace has increased by 35% in Chichester District. The largest increase is largely due to a single major development by Rolls Royce – see Chapter 12. However, there has been an ongoing increase in floorspace since that time indicating the industrial strength of the area.

1. Chichester Industrial Floorspace

Source: VOA

* 1. The figure below presents the number of industrial deals by size and year in Chichester District. On average 40 deals were recorded per annum in the District and 30 deals per annum excluding the SDNP. The highest amount of deals were made on premises with less than 185 sqm. (47%), followed by units between 185 and 500 sqm (31%).

1. Number of Industrial deals by size and year in Chichester District, 2007-18

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. The figure below presents the number of deals broken down by year and sub-area for the 2007 to 2018 period. The highest number of deals were recorded in the Chichester sub-area (165), followed by the East-West Corridor (112) and South Downs National Park (111). The smallest number of industrial deals was recorded in Plan Area North sub-area (11 deals).

1. Number of Industrial deals by year and sub-area, 2007-18

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. The figure below presents the spatial distribution of the industrial floorspace take-up by sub-area. The highest volume of industrial floorspace transactions was recorded in Chichester City sub-area (36%), followed by East-West corridor (26%) and Manhood Peninsula (24%).

1. Industrial floorspace by year and sub-area, 2007-18 (sqm)

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. Figure 61 presents the industrial floorspace take-up by size band. Over the 12 years, the highest volume of floorspace was recorded for units between 1,000 and 10,000 sqm (56%), followed by units between 185 and 500 sqm (18%).

1. Industrial floorspace by year and size in Chichester District, 2007-18 (sqm)

Source: GL Hearn Analysis of EGi and CoStar Data

Available Industrial Floorspace

* 1. As of August 2019, there was 32,695 sqm of available industrial floorspace in Chichester District of which 26,758 sqm of space was located in the Plan Area. The highest concentration of available industrial floorspace can be observed in Chichester primarily, followed by Manhood Peninsula, South Downs National Park and East-West Corridor sub-areas.
  2. The figure below presents the available industrial properties by size and sub-area within the District. The highest number of available industrial properties is in the Chichester City sub-area (52%), followed by SDNP (20%) and the East-West Corridor sub-area (18%). The smallest amount of available industrial properties is recorded in the Plan Area North sub-area with no current listed properties on either database.

1. Number of available industrial properties by size and sub-area

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. Figure 63 shows the available industrial floorspace by size and sub-area. According to data recorded by EGi and CoStar, in August 2019 the highest amount of available industrial floorspace was located in Chichester City (53%) followed by South Downs National Park (18%) and Manhood Peninsula (17%).
  2. This equates to 17,201 sqm in Chichester City, 4,139 sqm in East-West Corridor, 5,418 sqm in the Manhood Peninsula, 0 sqm in the Plan Area North and 5,937 sqm in the SDNP and is demonstrated in the figure below. The largest industrial development which is advertised as available is the City Fields Way development in the East-West Corridor which is just over 3,700 sqm.

1. Industrial Floorspace Availability by size and sub-area (sqm)

Source: GL Hearn Analysis of EGi and CoStar Data 2019

* 1. In terms of status, the highest amount of industrial floorspace has been advertised as Second-hand Grade B (82%), followed by New Build (Under Construction) at 9% and New Build (Pre-construction) at 4%. When broken down by sub-area, Figure 64 demonstrates the distribution is uneven in terms of types of properties, with the East-West Corridor sub-area demonstrating the only supply in terms of Design & Build ND New Build (pre-construction), Chichester City in New Build (Under Construction) and Refurbishment (pre-construction).

1. Industrial floorspace by status (sqm)

Source: GL Hearn Analysis of EGi and CoStar Data

* 1. In terms of sizes, it can be seen that Second-hand Grade B dominates in all size bands, with some Refurbishment (existing) within the 1,000-10,000 sqm band, and some New Build (pre-construction) in units less than 500 sqm.

1. Industrial floorspace by status and size in Chichester District (sqm)

Source: GL Hearn Analysis of EGi and CoStar Data

Commercial Agent Consultation

* 1. GL Hearn has conducted a consultation with local commercial estate agents operating within the District and surrounding areas to understand local dynamics and trends in commercial property. Many of the views raised reinforce those from the 2018 HEDNA. For ease, these have been included and updated with new findings.
  2. Industrial agents noted that since 2016, a reasonable amount of development had occurred and that there is a notable amount of industrial supply in the pipeline. The agents noted that the Glenmore Business Park has released more available freehold supply, somewhat saturating the market for that type of product in the short term. They also noted that the district typically saw roughly 100,000 sqft (9,290 sqm) of take-up per annum. However, they noted there is 120,000 sqft (11,150 sqm) of supply and more developments are expected to come forward in the near future.
  3. According to agents, new industrial buildings above 1,500 sqft (140 sqm) tend to achieve rents of around £10 psft (approx. £108 psm) whereas smaller new floorplates achieve rents of around £12 psft (approx. £130 psm).
  4. Stakeholders considered there to be potential to expand the food industry, for example, diversification of activities at Chichester Food Park to include food manufacturing businesses. Enquiries have been reported for such occupiers interested in building on the food production agglomeration.
  5. Some agents stated that there is a demand for good quality office space, small units ranging from 500 to 2,000 sq.ft. for sale and there is a lack of supply as an increasing number have been converted to residential including:
* Offices above the Southgate jobcentre
* Former NHS office at West St
* Opposite County Hall
* North St above the Cooperative Bank
* Boardwalk on top of North Street
* Offices above retail unit at 19/22 Southgate
  1. It is noted that the County Council Office consolidated and applied to convert their former sites around Chichester, specifically Tannery in West Gate, to residential, however, it is contaminated – this is now sitting vacant.
  2. Occupiers looking for town centre office stock have failed and had to look elsewhere. Those looking to expand faced similar issues. They eventually gave up searching for anything of value because there was no good office stock.
  3. The agents also noted that there is currently a limited supply of good quality B8 premises, however, this demand is assumed to be met by the increase in supply coming forward. The highest demand is coming from existing companies within the District who are expanding their current units due to lack of new premises. The District has limited wider catchment; however, this is starting to change gradually, with some speculative developments happening along the A27.
  4. Agents recognise there are various viability issues connected with rents and current values, which have been restricting speculative development. Some of the main sectors which have been experiencing growth in the District include Storage, Wholesale, Services, Real Estate and small-scale manufacturing, which generally would require B1, B2 and B8 floorspace. However, there is not much demand for “dirty” industrial uses.
  5. Some of the main restrictions to growth and development of commercial premises in the district mentioned by the commercial agents included lack of or good quality broadband in rural areas, planning restrictions which can delay or prevent development, limited available employment land due to competition with residential development, the quality of employment floorspace available, and recruitment issues. Some agents expressed the view that it is difficult to attract labour from the Brighton area due to problems getting to Chichester via Southern Rail. Another issue mentioned was the demand for senior staff in Chichester as it is in direct competition with Guildford, Brighton and Horsham.

| **Key Points**   * Commercial activity in the District is focused in areas around Chichester City, the East-West Corridor and Manhood Peninsula, with more moderate activity across South Downs National Park.   **Offices**   * The vast majority (64%) of office take-up in the District has been in Chichester City and the surrounding area. There has been a smaller level of commercial activity in South Downs National Park and Manhood Peninsula. * The majority of the District’s office availability is in Chichester City and the surrounding area. The available office floorspace is 26,115 sqm in the District, and 22,000 sqm in the Plan Area. * Constraint on office supply due to permitted development – demand is evident.   **Industry/Warehousing**   * There has been 230,330 sqm of industrial floorspace transacted in the District for the last 12 years. The majority of this has been focused in Chichester City and the surrounding area and to a lesser degree the East-West Corridor. * As of September 2019, there was 32,695 sqm of available industrial floorspace in Chichester District and 26,758 sqm in the Plan area. The highest amount of available industrial floorspace was located in Chichester City, followed by the Manhood Peninsula and East-West Corridor. * Strong recent supply and take-up of industrial premises. |
| --- |

1. Employment Land Requirements
   1. In this section, we consider the demand for employment land and floorspace over the period from 2019-36. The section considers requirements for employment land in the B1, B2 and B8 use classes. The analysis is of ‘demand’ for employment land and therefore does not take account of any supply-side factors such as existing employment land allocations or commitments. Figures for the extended plan period to 2037 are given in the appendices.
   2. When considering the scale of future needs the Planning Practice Guidance (PPG, 2019) requires consideration of quantitative and qualitative need. This entails estimating the scale of future needs broken down by different market segments, such as different B use classes. The PPG recommends the use of a number of different techniques to estimate future employment land requirements, namely assessments based on:

* Labour Demand;
* Labour Supply; and
* Past Take-Up.
  1. There are relative benefits of each approach. For Labour Demand scenarios and Labour Supply Scenarios, econometric forecasts take account of differences in expected economic performance moving forward relative to the past, overall with regard to the sectoral composition of growth. However, a detailed model is required to relate net forecasts to use classes and to estimate gross floorspace and land requirements.
  2. In contrast, past take-up is based on the actual delivery of employment development; but does not take account of the implications of growth in labour supply associated with housing growth nor any potential differences in economic performance relative to the past. It is also potentially influenced by past land supply policies.
  3. The quantitative evidence is also supplemented by the wider analysis of the market and economic dynamics.
  4. Scenarios are at first presented on a Chichester District level, as econometric models are only readily available at a local authority level. Adjustments to these scenarios have then been made to provide information on the overall floorspace and land need for the Plan Area.

Labour Demand Scenarios

* 1. This section takes forward the economic growth forecasts set out in Chapter 4. This includes a scenario based on the baseline Oxford Economics forecast and a second scenario based on the adjusted Growth forecast.

1. Total Jobs – Jobs Growth Scenarios – Chichester District

|  | 2019-21 | 2021-26 | 2026-31 | 2031-36 | Growth 2019-36 |
| --- | --- | --- | --- | --- | --- |
| Baseline Scenario | 1,100 | 1,600 | 700 | 200 | 3,700 |
| Growth Scenario | 1,400 | 3,100 | 2,600 | 2,500 | 9,500 |

Source: GLH and Oxford Economics (numbers may not sum due to rounding)

Baseline Scenario

* 1. The Baseline Scenario considers the quantum of employment land required to support the growth of 3,700 jobs (2019-36) shown in the Oxford Economics baseline forecast.
  2. GLH has converted the forecasts for total employment by sector into forecasts for Full-Time Equivalent (FTE) employment through analysis of the proportion of full- and part-time jobs in Chichester on a sector by sector basis.
  3. The table below shows the percentage of full-time workers for each sector in the district. This is used in relating the forecasts for total employment to expected growth in Full-Time Equivalent (FTE) employment which is used in calculating employment floorspace and land requirements.

1. Percentage of full-time jobs per sector in Chichester District

| Industrial Sector | % of Full Time Workers (2019) |
| --- | --- |
| Agriculture and Mining | 96% |
| Manufacturing | 99% |
| Utilities | 96% |
| Construction | 90% |
| Wholesale and retail trade | 79% |
| Transport and Warehouse | 78% |
| Accommodation and F&B Service | 75% |
| Media and IT | 82% |
| Professional Services | 88% |
| Business support services | 81% |
| Public Administration & Defence | 96% |
| Education | 75% |
| Health and Social Care | 77% |
| Arts, Recreation, and Other Services | 86% |

Source: GLH analysis of BRES data

* 1. This provides a figure for the net change in the number of FTE jobs in each sector over the plan period. The baseline OE forecasts show a net jobs growth of 2,665 FTE jobs over the period 2019-36.

1. OE Baseline – Net change in FTE jobs in Chichester District, 2019-2036

Source: Oxford Economics

* 1. GLH has considered the proportion of employment in each of these sectors which is likely to take place in an office or R&D floorspace (Use Classes B1a and B1b), light industrial floorspace (Use Classes B1c), general industrial floorspace (Use Class B2), and warehouse/distribution floorspace (Use Class B8). To do this we have calibrated our standard model which relates sectors and use classes for the Chichester economy through interrogation of the current composition of employment in key sectors at 4-digit SIC (Standard Industrial Classification) level. This provides an estimate of the proportion of FTE jobs in each sub-sector which are currently located on each type of employment land (or other use class) in Chichester District. The modelling assumes that this proportion will hold moving forwards. As noted below most of the job growth is in sectors that do not require B-class floorspace. This approach has been used to derive the following forecasts of net growth in FTE employment by use class over the plan period, relating to the district as a whole:

1. Baseline Scenario – FTE Job Growth by B-Class Sector, 2019-36 – Chichester District

|  | 2019-21 | 2021-26 | 2026-31 | 2031-36 | 2019-36 |
| --- | --- | --- | --- | --- | --- |
| B1a/b | 262 | 354 | 181 | 154 | 951 |
| B1c/B2 | -90 | -313 | -385 | -387 | -1,175 |
| B8 | 24 | 35 | -17 | -46 | -5 |
| NON-B | 642 | 1,158 | 715 | 379 | 2,894 |
| Total | 838 | 1,234 | 494 | 100 | 2,665 |
| B-Class Total | 195 | 76 | -222 | -279 | -229 |

Source: Oxford Economics

* 1. To these figures, we have applied employment densities taking account of the *HCA Employment Densities Guide: 3rd Edition* (Drivers Jonas Deloitte, 2015). We have converted figures to provide employment densities for gross external floor areas on the following basis, which is consistent with the 2018 HEDNA work:
* Office (B1a): an average of 14 sq. m GEA per employee based on a blend between business park, serviced office and general office floorspace and assuming that the gross external area of buildings is on average 20% higher than the net internal area;
* Office – Research and Development (B1b): an average of 60 sq. m GEA per employee, assuming that the gross external area of buildings is on average 20% higher than the net internal area;
* Light Industrial (B1c): an average of 49 sq. m GEA per employee, assuming that the gross external area of buildings is on average 5% higher than the net internal area;
* General Industrial (B2): an average of 38 sq. m GEA per employee, assuming that the gross external area of buildings is on average 5% higher than the gross internal area;
* Warehouse/ Distribution (B8): an average of 72 sq. m GEA per employee. This is slightly below the middle of the range of employment densities for B8 activities, reflecting the predominantly smaller stock and lack of large scale and high bay warehousing in the district.
  1. Applying these employment densities to the forecasts of net growth in jobs in B-class activities, we can derive forecasts for net changes in employment floorspace. This forecasts a net requirement for B-Class floorspace of -37,420 sqm for the district. The breakdown by use class is shown below.
  2. Floorspace is converted to land area by using the following plot ratios: for B1a/b office space a plot ratio of 0.75 is used (i.e. it is assumed that total floorspace will comprise 75% of the site area); for B1c/B2 industrial space a plot ratio of 0.4 is used; for B8 warehouse/distribution space a plot ratio of 0.5 is used, consistent with the 2018 HEDNA.

1. Baseline Labour Demand Scenario – Net Requirements, 2019-2036 – Chichester District

|  | Employment Floorspace Requirement (sq. m) | Employment Land Requirement (Ha) |
| --- | --- | --- |
| B1a/b | 10,199 | 1.4 |
| B1c/B2 | -47,273 | -11.8 |
| B8 | -346 | -0.1 |
| Total B Class | -37,420 | -10.5 |

Source: GL Hearn based on Oxford Economics data

Growth Scenario

* 1. The Growth Scenario considers the quantum of employment land required to support the growth of 9,511 jobs (2019-36) shown in the adjusted growth forecast that was first discussed in Chapter 4.
  2. Using the same modelling assumptions as for the Baseline Scenario, GLH has converted the forecasts for total employment by sector into forecasts for Full-Time Equivalent (FTE) employment by sector. This provides a figure for the net change in the number of FTE jobs in each sector over the plan period. The Growth Scenario forecasts show a net jobs growth of 7,468 FTE jobs over the period 2019-36.

1. Growth Scenario – Net change in FTE jobs, 2019-2036 – Chichester District

Source: GL Hearn based on Oxford Economics data

* 1. Using the same modelling assumptions as the Baseline scenario, the Growth Scenario results in the following forecasts of net growth in FTE employment by use class over the period 2019-2036:

1. Growth Scenario – FTE Job Growth by B-Class Sector, 2019-36 – Chichester District

|  | 2019-21 | 2021-26 | 2026-31 | 2031-36 | 2019-2036 |
| --- | --- | --- | --- | --- | --- |
| B1a/b | 299 | 524 | 417 | 420 | 1,660 |
| B1c/B2 | 20 | -6 | -17 | 20 | 17 |
| B8 | 63 | 142 | 125 | 127 | 456 |
| Non-B | 763 | 1,744 | 1,474 | 1,354 | 5,335 |
| Total | 1,145 | 2,404 | 1,999 | 1,920 | 7,468 |
| B-Class Total | 382 | 660 | 526 | 566 | 2,133 |

Source: GL Hearn based on Oxford Economics data (2019)

* 1. Applying the employment densities to the forecasts of net growth in jobs in B-class activities, we can derive forecasts for net changes in employment floorspace. This forecasts a net requirement for additional B-Class floorspace of 56,685 sqm or 9.6 ha across Chichester District. The breakdown by use class is shown below. Please note that the adjustment for SDNP has not been made as part of this calculation – an adjustment is made later on as referred to in para 11.42.

1. Growth Labour Demand Scenario – Net Requirements, 2019-2036 – Chichester District

|  | Employment Floorspace Requirement (sq. m) | Employment Land Requirement (Ha) |
| --- | --- | --- |
| B1a/b | 25,200 | 3.4 |
| B1c/B2 | -1,388 | -0.3 |
| B8 | 32,873 | 6.6 |
| Total B Class | 56,685 | 9.6 |

Source: GL Hearn based on Oxford Economics data

* 1. The Growth Scenario forecasts an employment land requirement of 9.6 ha which is 20.1 ha greater than the Baseline Scenario (-10.5 ha). The Growth Scenario forecasts a greater need for all types of employment land albeit that a loss of light and general industrial land is still forecasted.

Labour Supply Scenario

* 1. Section 2 of this report sets out the situation in relation to forecast housing needs and associated population growth. Two scenarios are considered, being the Local Plan over 5 years old resulting in a housing need of 731 dwellings per annum for the District and the preferred scenario of 650 dwellings per annum (including an unmet need from SDNP).
  2. The table below sets out the population and associated change in employment for the housing scenarios. For completeness, the housing requirement associated with the labour demand baseline and growth models is also included.

1. Jobs by Housing Scenario (2019-2036)

| Scenario | Jobs | Dwellings per annum |
| --- | --- | --- |
| Standard Methodology (District Wide) | 10,194 | 731 |
| Labour demand baseline (District) | 3,655 | 513 |
| Labour demand growth (District) | 9,511 | 685 |

Source: GL Hearn / Justin Gardner / Oxford Economics 2019

* 1. Labour supply and resulting jobs generated at the district-wide level is higher than the labour demand growth scenario by some 683 jobs. Both of these are at the district level.
  2. The labour supply at the plan area is 12% lower (comparable with the 15% downward adjustment in floorspace reported below related to completions trends).
  3. Assuming a 12% downward adjustment on labour demand for the growth scenario to align with the plan area population results in a 509 job difference, being 509 additional potential employees above those considered to be required by local employment. There would be a minor increase in population services i.e. retail, health and education over the labour demand position due to a higher population but this is considered to be negligible particularly in B Class requirement terms. Some additional out commuting may also occur under this scenario.
  4. In forecasting the jobs and housing relationships the current commuting patterns as reported in the 2011 Census are held steady. On the basis that the above housing figures are taken forward in the Plan – which may not be the case – the current commuting ratio would remain relatively unchanged.
  5. On balance, the marginal differences between the labour supply and labour demand (growth) scenarios indicate that the B Class requirements established under the latter can suitably represent the labour supply position for employment land needs.

Past Completions Trend

* 1. We have considered historic completions of employment floorspace in Chichester Local Plan area. From 2001 to 2019, there has been a total of 319,400 sqm of employment floorspace (gross) completed in the CLP area. This is equivalent to an annual completion rate of 17,500 sqm per annum (2001-18 data). The data shows a higher completion rate in the first half of the period before 2008 when the average annual completions figure was 28,800 sqm per annum, compared to post-2008 when the average annual figure was 9,600 sqm per annum however the 2014-2018 average was 13,100 sqm.

1. Employment Completions Chichester Local Plan Area (SQM, Gross)

Source: Chichester District Council

* 1. The data shows a clear spike in 2004 when just under 90,000 sqm of employment space completed. The majority of this was due to a single development – the 55,500 sqm Rolls Royce factory at Westhampnett. This development alone accounts for well over the average annual figure for the period or even the next highest yearly figure (32,000 sqm in 2007).
  2. This single development is considerably out of scale with other developments. Any forecast which extrapolates forward using this data will be heavily influenced by this single development. It is reasonable to consider the 2004 Rolls Royce development as an outlier. The table below summaries the position – note that B1 mix completions have been included under B1a/b.

1. Past Floorspace Completions, 2001-18 – Chichester Local Plan Area

|  | Including Rolls Royce Development | | Excluding Rolls Royce Development | |
| --- | --- | --- | --- | --- |
|  | Total  (sqm) | Annual Average (sqm) | Total  (sqm) | Annual Average (sqm) |
| B1a/b | 71,700 | 4,200 | 71,700 | 4,200 |
| B1c/B2 | 137,200 | 8,070 | 81,700 | 4,800 |
| B8 | 89,400 | 5,300 | 89,400 | 5,300 |
| Total | 298,300 | 17,500 | 242,800 | 14,300 |

Source: Chichester District Council

* 1. Next, we consider the historic trend in employment floorspace which has been lost through redevelopment. This includes through the change of use to commercial and non-B Class uses; however, this latter data is only supplied from 2011. For the plan area over the 2001-2018 period, there have been total recorded losses of 118,000 sqm of employment land – equivalent to 6,940 sqm per annum. However, based on the 2011 onwards data, 50,215 total sqm was lost of which the majority 38,415 sqm was lost to housing.
  2. The table below compares the completions and losses data. The 2004 Rolls Royce outlier is excluded from the data. It should be noted that losses to residential are recorded in hectares and conversions to sqm have been made on the assumptions noted previously regarding average plot ratios.
  3. The losses data reflects the high demand for residential uses in the area and the relative land values associated with residential compared to employment uses. Losses of industrial to residential may represent land that no longer required by industry reflecting changes in the economy as well as in some instances land that may still have had potential commercial use but where redevelopment for employment is not viable. Losses from office use include a mix of permitted development and changes of use from vacant or redundant offices.
  4. The table below examines the net trend both between losses to commercial and losses to residential, rounded where appropriate.

1. Net Completions Excluding Rolls Royce Development (sqm) – Plan Area

|  | Measure | B1a/b | B1c/B2 | B8 | Total |
| --- | --- | --- | --- | --- | --- |
| Gross Completions (A) | Annual average (2001-18) | 4,200 | 4,800 | 5,300 | 14,300 |
| Losses (to Commercial uses) (B) | Annual average (2001-18) | 20 | 2,700 | 2,000 | 4,700 |
| Losses (to Residential uses) (C) | Annual average (2011-18) | 2,500 | 2,000 | 350 | 4,800 |
| Net Completions (A-B) | Per annum | 4,200 | 2,100 | 3,300 | 9,600 |
| Net Completions (A-B-C) | Per Annum | 1,700 | 200 | 2,900 | 4,800 |

Source: GL Hearn based on Chichester District Council data

* 1. Applying the same plot ratio assumptions as the labour demand scenarios, we can extrapolate the future quantum of employment land required to 2036 assuming that development trends continue in line with past trends.

1. Completions Trend Scenarios Future Requirement, 2019-36 – Plan Area

|  | Net (exc losses to commercial & residential uses) | | Net (exc losses to commercial uses) | | Gross | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Sq m | Ha | Sq m | Ha | Sq m | Ha |
| B1a/b inc B1 | 29,200 | 3.9 | 71,400 | 9.5 | 71,700 | 9.6 |
| B1c/B2 | 3,000 | 0.8 | 36,200 | 9.1 | 81,700 | 20.4 |
| B8 | 49,400 | 9.0 | 55,600 | 11.1 | 89,400 | 17.9 |
| Total | 81,500 | 13.6 | 163,200 | 29.7 | 242,800 | 47.9 |

Source: GL Hearn based on Chichester District Council data

Flexible Margin

* 1. It is considered good practice to include a margin of employment land need in addition to floorspace modelling based on demographic trends (this does not relate to past trend projections). In the 2017 Chichester HEDNA, a flexible margin of 5 years’ worth of completions trends was used. The flexible margin is included to account for:
* The potential error margin associated with the forecasting process;
* Providing a choice of sites to facilitate competition in the property market;
* Allowance for sites lost to alternate uses; and
* Providing flexibility to allow for any delays in individual sites coming forward and the time it takes to deliver individual sites.
  1. Whilst there is no statutory guidance on this matter the former South East England Partnership Board Guidance (SEEPB) Employment and Economic Land Assessments guidance (2010) recommended an allowance equivalent to the average time it takes for a site to gain planning permission, typically two years. For the 2019 update is considered preferable to use a margin of 2 years of completions trends. This is considered appropriate as one of the drivers for the 5-year margin was an allowance for sites lost to alternate uses including residential. This can now be calculated separately and considered in addition to the flexible margin as a longer run data series of losses to both employment and non-employment uses (now 8 years of data) is available.
  2. Taking into account the analysis previously the flexible margin is established as 2 years gross completions trends being:
* B1a/b: 8,400 sqm (1.1 ha)
* B1c/B2: 9,600 sqm (2.4 ha)
* B8: 10,600 sqm (2.1 ha)

Replacement Demand

* 1. The replacement demand assessment considers to what degree a further allowance for floorspace should be made to account for floorspace or land that has been lost from business activity in the past and may continue to be lost in the future. As the previous section identified, there has been a degree of losses of employment land to residential.
  2. These losses are made up of a combination of losses of redundant sites that are no longer desired by the market, taking into account changing industrial patterns and structural shifts in the economy, and losses due to permitted development rights to residential use.
  3. It is not expected that the rate of losses will continue to the same degree in the future but some losses will continue to occur.
  4. Losses of office space through permitted development rights are expected to slow as poorer quality or readily developable office sites have already been converted to residential. Permitted development from office to residential historically makes up 50% of all employment losses to residential. Losses were highest in 2012/13 at around 6,200 sqm but have slowed since. To avoid constraining future provision the recommendations for future employment provision at Table 62 includes an uplift to allow for 25% of annual average losses from office space to residential to be replaced. Very little office space has been recorded as being lost to other commercial uses so an allowance for this is not considered necessary as can be seen in table 61.
  5. Losses from light and general industrial will in some instances reflect a change in industrial patterns as the manufacturing sector continues to slowly contract, with a number of older employment sites already having been redeveloped. Monitoring data indicates that losses to residential have slowed considerably since 2013/14 (5,560 sqm lost) to an average of only 350 sqm since then up to 2018/19, as demand has increased. On balance it is estimated that around of half historic industrial losses to residential since 2010/11 warrant replacement being 1,200 sqm per annum or 16,600 sqm of industrial and 3,100 sqm of distribution for the next plan period.
  6. If future losses slow to around half of that seen between 2010/11 and but a replacement demand component of 50% is included then the current net trend (excluded losses to commercial) is effectively giving the same result, and there is therefore no need to add in a further allowance.
  7. No allowance is needed to replace losses to commercial activity as the vast majority are changes to other to employment uses representing a recycling of sites rather than actual losses.
  8. This results in the following need in addition to the flexible margin, to be considered under the labour demand scenario. As above, no uplift to the completions trend scenario is necessary as that scenario already allows for net completions excluding commercial losses.
* B1a/b: 10,600 (1.4 ha)
* B1c/B2: 16,600 (4.2 ha)
* B8: 3,100 (0.6 ha)

Summary and Implications

* 1. The tables below summarise the forecast employment land floorspace and area positions. Note that:
* the completions trends exclude the Rolls Royce outlier development; and
* the labour demand based modelling has been reduced by 15% to reflect that 85% of employment activity takes place in the Plan Area compared with the district (based on 2018 HEDNA) however this does not apply to the flexible margin nor replacement demand which are based on completions in the Chichester Plan Area.
  1. The various forecasts show a future employment land need ranging from 27,000 sqm / 2.9 ha (Labour Demand Baseline) to 242,788 sqm / 47.9 ha (Completions Trend Gross).

1. Range of Employment Land Need (sq. m) 2019-36 – Chichester Plan Area

|  | Labour Demand Baseline Scenario (After 15% Adjustment) | | Labour Demand Growth Scenario (After 15% Adjustment) | | Completions Trend – Net (exc Comm loss) | Completions Trend - Gross |
| --- | --- | --- | --- | --- | --- | --- |
|  | Forecast | Inc margin + rplt demand | Forecast | Inc margin + rplt demand | Forecast | Forecast |
| B1a/b | 8,700 | 27,600 | 21,400 | 40,400 | 71,400 | 71,700 |
| B1c/B2 | -40,200 | -14,000 | -1,200 | 25,000 | 36,200 | 81,700 |
| B8 | -300 | 13,300 | 27,900 | 41,600 | 55,600 | 89,400 |
| Total | -31,800 | 27,000 | 48,200 | 107,000 | 163,200 | 242,800 |

Source: GL Hearn based on Oxford Economics and Chichester District Council data

1. Range of Employment Land Need (Ha) 2019-36 – Chichester Plan Area

|  | Labour Demand Baseline Scenario (After 15% Adjustment) | | Labour Demand Growth Scenario (After 15% Adjustment) | | Completions Trend – Net (exc Comm loss) | Completions Trend - Gross |
| --- | --- | --- | --- | --- | --- | --- |
|  | Forecast | Inc margin + rplt demand | Forecast | Inc margin + rplt demand | Forecast | Forecast |
| B1a/b | 1.2 | 3.7 | 2.9 | 5.4 | 9.5 | 9.6 |
| B1c/B2 | -10.0 | -3.5 | -0.3 | 6.3 | 9.1 | 20.4 |
| B8 | -0.1 | 2.7 | 5.6 | 8.3 | 11.1 | 17.9 |
| Total | -8.9 | 2.9 | 8.1 | 20.0 | 29.7 | 47.9 |

Source: GL Hearn based on Oxford Economics and Chichester District Council data

* 1. As previously noted, the completions trend ‘net excluding losses to commercial’ is considered to be more useful than the completions trend ‘gross’ in forecasting future requirements as the net figure reports land after taking account of sites lost to other commercial uses which primarily involves the recycling of space for alternative B Class uses. This is anticipated to continue to be the case and therefore new requirements should reflect the continuation of this occurrence on existing sites.
  2. The labour demand scenarios show a lower need for new office space than is shown by the completions trend scenarios. It is less than the 2018 HEDNA. This is due to expected changes in the structure of the economy as shown in the Oxford Economics forecasts including the downwards effect of Brexit. The forecast growth in these sectors, therefore, reflects a slower growth in Chichester than has been seen historically.
  3. It is of note that VOA office data indicates an average change of 200 sqm per annum over the last decade equivalent to approximately 0.5 ha projected forwards, however, this will build in losses to residential through permitted development.
  4. Having considered for these factors and given the more nuanced view taken in the labour demand adjustments, evidence would suggest that the labour demand growth scenario should be planned for B1a/b floorspace need being around 40,000 sqm or 5.4 ha.
  5. Considering industrial demand, the labour demand baseline jobs forecasts show losses of jobs in manufacturing sectors over the period from 2019-36 reflecting wider (national and regional) trends. The Growth Scenario recognises the discrepancy between the wider trends and recent local performance, notably jobs growth locally since 2001 in the sector.
  6. The Completions Trend scenarios are based on data since 2001. During this period there has been a growth in manufacturing jobs in Chichester, which is reflected in the reasonably healthy B1c/B2 completions data for this period. This level of growth is projected forward in the Completions Trends scenarios. VOA data indicates strong continual growth in industrial and warehousing floorspace since 2008 of 5,000 sqm per annum equating to around 85,000 sqm to 2036 for B1c/B2/B8 which is comparable to the c90,000 sqm reported above combined for these uses. This has been tested against an alternative approach to completions which tests the net position after discounting commercial and residential losses but includes the 50% replacement demand plus a margin , which arrives at a comparable floorspace requirement.
  7. It is recommended that the completions trend scenario without losses to other commercial uses be planned for in terms of industrial floorspace to ensure a constraint is not put on industrial and business development. It should be noted that the rolling forward of the Rolls Royce growth is not included in either of these scenarios as this would be reliant upon the requirements of a single specific employer.
  8. Similarly to the industrial floorspace, warehouse demand forecasts have slowed since the 2018 HEDNA however commercial analysis and completions data suggests that the net floorspace completions trend would best meet the needs of the local economy which also reflects the VOA data trend.
  9. Overall, the evidence suggests that the employment land needs for the Plan Area for the period 2019-36 is 25.6 ha. This includes replacement demand and a margin for flexibility, along with a 15% adjustment to B1a/b floorspace need to account for only the Plan Area.
  10. The economic forecasts are slower in 2019 than for the previous HEDNA. The land requirement is reduced in part due to this and in part due to a more nuanced approach to industrial completions trend modelling that removes changes of use to commercial premises.

1. Employment requirements 2019-2036 – CLP Area

| Use Class | 19-24 | 24-29 | 29-34 | 34-46 | Total Floorspace (sqm) | Land (ha) | Scenario Chosen |
| --- | --- | --- | --- | --- | --- | --- | --- |
| B1a/b | 13,900 | 10,700 | 11,200 | 4,600 | 40,400 | 5.4 | Labour Demand Growth Scenario X 0.85  (to account for 15% reduction from Plan Area) |
| B1c/B2 | 10,700 | 10,700 | 10,700 | 4,300 | 36,200 | 9.1 | Net Completions Trend |
| B8 | 16,300 | 16,300 | 16,300 | 6,600 | 55,600 | 11.1 | Net Completions Trend |
| Total | 40,900 | 37,700 | 38,200 | 15,400 | 132,200 | 25.6 |  |

Source: GL Hearn based on Oxford Economics and Chichester District Council data

NB: Industrial floorspace is ‘smoothed’ as based on completions rather than labour demand

* 1. It is of note that the horticultural recommendations below include 12.6 ha of planning for development of storage and distribution uses. There is inevitable cross over between agricultural related B8 activities and general B8 activities and this should not be double counted. Analysis of horticultural permissions suggests that around 50% are likely to be counted under general B8 permissions. A total of 6.3 ha should be reduced from either the general needs above or the horticultural requirements subject to the Council’s preferred method of Local Plan strategy.

Horticultural Development Areas

* 1. The adopted Chichester Local Plan 2014-29 currently includes four designated Horticultural Development Areas (HDAs) around Tangmere, Runcton, Sidlesham and Almodington. These allocations are intended to ensure that the District’s horticultural industry remains nationally and internationally competitive and meet needs up until 2029.
  2. The 2018 HEDNA provided recommendations for growth in future glasshouses based on data available at the time which was reflected in the draft Local Plan consultation.
  3. This has been revisited based on the latest information which draws on consultation with stakeholders and updated development and planning information from Chichester District Council.

Engagement

* 1. Engagement was undertaken with local stakeholders including the managers of the Chichester Food Park and the West Sussex Growers Association. Feedback in relation to development primarily refers to the needs of the larger HDAs of Tangmere and Runcton whereas broader needs and trends reflect the industry as a whole. Key findings include:
* The horticultural industry is valued at around £1bn in turnover and estimated to employ around 10,000 full-time equivalents across West Sussex.
* Eastern European labour is important to the industry due to low levels of domestic unemployment and is estimated to make up around three-quarters of jobs in the industry. The trend of migrant labour staying in shared accommodation has continued however an increasing proportion can purchase or rent independently, particularly those who have developed longer-term prospects and are now working in higher managerial or professional activities. Historic issues regarding inappropriate accommodation including caravans are reported to have decreased. Some purpose-built accommodation does exist and is in demand on or near to HDAs and this is primarily for seasonal workers preferring temporary arrangements. This sector does need to be catered for and suitable accommodation of this nature supported to ensure optimal business functionality. Renting in Bognor or Littlehampton is common due to cheaper rents and some major employers run bus services. The cost of housing and accessibility remains a sensitive factor in terms of industrial success.
* Most employers directly employ staff, however, some have used agencies, such as Proforce. Proforce used a former holiday camp to house workers which has since been granted planning permission for residential development leading to alternative accommodation being sought.
* Whilst picking and manual jobs are essential to the function of the industry, the full spectrum of jobs available include office-based, IT, business planning and engineering and robotics. The high levels of automation have increased the requirement for specialist skills however robotic picking is estimated to still be at least a decade away. The gradual move towards more specialist skills is anticipated to increase, however, with the expansion of economic activity, there is not expected to be a decrease in any skill level of labour.
* The land allocated at Tangmere is reported to have deliverability issues and identified as not being released for development which is constraining activity. Further consideration of the deliverability would be appropriate to ensure the full range of required land is available.
* The industry requires a range of building activity in relation to glasshouses including offices, changing facilities, packing space and other B Class uses as relevant.
* The departure from the European Union has created some short term uncertainty, however, in the medium term it is expected that the most likely outcome is an increase in local demand and self-reliance on homegrown produce, which also takes account of the devaluation of sterling. This would lead to a greater level of need for development.
* The quality of the horticulture and related operations is world-class and the clustering of operations has generated a real industrial success. The packing and packhouse operations are essential and require floorspace – the HDAs packing operations also include a location for imports from elsewhere in West Sussex and the UK, in addition to products arriving via the ports in Portsmouth and Southampton, and being combined with Chichester produce. This needs to be recognised in the scale of operations.
* Modern glasshouses tend to be much larger than in the past.
* The remaining HDA land allocated in the Adopted Local Plan may be insufficient to accommodate such development. In a competitive market, certainty is essential for industrial success and investment and therefore an allocation is much more appropriate than an exceptions policy (DM15). A figure of around 30 hectares of additional allocation has been put forward by industry which reflects concerns about the deliverability of the Tangmere HDA.

Horticultural Needs Modelling

* 1. GL Hearn has revised the OE forecasts for crop and animal production to understand the potential growth in the industry. This sector includes the core glasshouse production sub-sectors of:
* Growing of non-perennial crops (SIC Code - 01.1);
* Growing of perennial crops (SIC Code - 01.2); and
* Plant propagation (SIC Code - 01.3)
  1. The figure below indicates that whilst GVA for animal and crop production has increased substantially since 1994, employment over the same period has shown a largely downward trend. This is likely to reflect a level of automation as well as improvements to production techniques.
  2. The Oxford Economics baseline forecasts for 2019 show a continuation of a downward trend in employment and GVA. The GVA forecast is considered to be influenced by the regional trend as it does not match local historic performance. Although employment has fluctuated historically, the growth scenario ‘levelling off’ best reflects long term past job trends.
  3. However, neither metric provides useful evidence for planning development given the levels of new glasshouse completed in recent years and the divergence of floorspace and labour correlations.

1. OE forecasts for Food and Crop Production (1994-2036) – Chichester District

Source: Oxford Economics / GL Hearn

* 1. In the 2018 HEDNA, a trend-based forecast for the district over the period 2016-36 was based on past glasshouse floorspace permissions, derived from the Council’s planning records. The historic growth was on average around 16,000 sqm of permissions per annum, adjusted to 12,000 sqm for the more recent post-recession period of 2011 to 2016, leading to a recommendation of 240,000 sqm of additional glasshouse space or 32 Ha of land (for the 2016-36 period). This was based on an assumed 75% plot ratio which is updated below based on more detailed data provided by the council.
  2. As of April 2020, Chichester District Council has provided GL Hearn with a revised dataset for horticultural and related planning permissions dating back to 1993/4. These have been categorised by GL Hearn as ‘glasshouse’, ‘polytunnel/greenhouse’, ‘water storage’, ‘storage, distribution or packhouse’ and ‘other’. Where development is mixed the primary use type has been referenced. The data reports whether the development is within an HDA or not and provides floorspace areas for proposed developments (where provided by the applicants) as well as total plot size details. It differentiates replacement from new floorspace, enabling a net position analysis.
  3. As the data relates to planning permissions some may be unimplemented (completions data is not monitored). The Council estimates that 80% of permissions are implemented. The figure below displays net development floorspace (not plot area) reported in Ha. The figure reports permissions within HDAs, separating glasshouse and non-glasshouse permissions, and outside of HDAs, which is almost exclusively non glasshouse but relates in particular to a series of large polytunnels permitted between 2006 and 2012.

1. Net Horticultural Planning Permissions Floorspace (HDAs) 1993 – 2020

Source: Chichester District Council, GL Hearn analysis

* 1. The figure above indicates that the majority of horticultural development taking place in HDAs is glasshouse however the other development types also make a significant contribution. The largest glasshouse permissions were seen in 2009 and 2014.
  2. The table below provides a more detailed breakdown of type and location of permissions. The figures are aggregated and annualised. Hectare measurement is used for ease however this represents floorspace as provided by the Council and not plot area. For information the gross (with replacement) and net position is reported which indicates around half of glasshouses permissions are for replacement floorspace.
  3. Note that land plot area totals are not included as application plot areas often refer to large areas of land that goes beyond what would normally be considered the plot curtilage for development. Reporting plot areas would lead to significant data distortions not least in the instances where reservoirs accompany water storage facilities. Plot data is also missing in some instances or considered inaccurate as noted by the Council.

1. Horticultural Permissions 1993/4-2018/19 data (Floorspace reported in Ha)

|  |  | In HDA | Out HDA | Total\* |
| --- | --- | --- | --- | --- |
| Glasshouse net | Annual | 1.8 | 0.2 | 2.0 |
|  | Total | 49.8 | 4.6 | 54.4 |
| Glasshouse inc replacement | Annual | 3.1 | 0.2 | 3.3 |
|  | Total | 84.6 | 6.5 | 91.2 |
| Polytunnel / greenhouse | Annual | 0.4 | 4.6 | 5.0 |
|  | Total | 10.3 | 124.8 | 135.1 |
| Water storage | Annual | 0.1 | 1.4 | 1.5 |
|  | Total | 4.0 | 37.2 | 41.2 |
| Storage, distribution or packhouse | Annual | 0.4 | 0.1 | 0.5 |
|  | Total | 9.9 | 2.5 | 12.7 |
| Other | Annual | 0.2 | 0.5 | 0.7 |
|  | Total | 4.2 | 12.5 | 19.5 |
| Total Net | Annual | 2.9 | 6.7 | 9.6 |
|  | Total | 78.2 | 181.7 | 262.8 |
| Total inc replacement | Annual | 4.2 | 6.9 | 11.3 |
|  | Total | 114.2 | 186.8 | 303.9 |

\* includes figures where in/out HDA data not provided

Source: GL Hearn based on Chichester District Council data

* 1. The data reports a total of 54.4 ha of permitted glasshouse floorspace excluding replacements. Most glasshouse floorspace (49.8 ha) is delivered in HDAs, however, there are also significant areas of related uses. Polytunnel / greenhouse and water storage permissions are much more common outside of the HDAs.
  2. Analysis of ‘storage, distribution or packhouse’ permissions suggests that around 50% are likely to be counted under general B8 completions (see paragraph 11.57).
  3. The table that follows considers the annualised data above projected forward to 2036 to indicate a trend based need, discounting for unimplemented permissions as Chichester Council estimate that 80% of permissions are implemented. This is based on a sampling exercise across all development types and district sub areas (in and outside of HDAs) for permissions up until 2018/19.

1. Future Horticultural Floorspace Needs 2019-36 (ha)

|  | Floorspace  (HDA) | Floorspace  (Non HDA) | Total Floorspace\* |
| --- | --- | --- | --- |
| Glasshouse net | 25.1 | 2.3 | 27.4 |
| Polytunnel / greenhouse | 5.2 | 62.9 | 68.1 |
| Water storage | N/A | N/A | N/A |
| Storage, distribution or packhouse | 5.0 | 1.3 | 6.4 |
| Other | 2.1 | 6.3 | 9.8 |
| Total | 37.4 | 72.8 | 111.7 |

\* includes figures where in/out HDA data not provided

Source: GL Hearn based on Chichester District Council data

* 1. Water storage data has been removed from the table as this typically refers to buildings supporting water facilities rather than the water body itself. Examples of reservoir development reach over 700 ha in Chichester but should be considered on an ad hoc and not trend basis.
  2. Storage and distribution facilities are assumed to cross over with the employment land requirements set out in the early part of this chapter. As such they should not be double counted however this analysis does give an indication of the overall horticultural related needs.
  3. The ‘other’ covers a range of uses such as car parks, mobile homes, shops, culverts, access, offices, and farm buildings. It is considered reasonable to include these in future needs.
  4. GL Hearn recommends planning for around 111.7 ha or 1,170,000 sqm of future horticultural floorspace development of which 37.4 ha or 374,000 in HDAs and the remainder outside. This assumes historic rates continue and that in particular glasshouse development occurs in HDAs and polytunnel type development continues to occur at the same rate outside of HDAs.
  5. GL Hearn has sought to convert this to a land area need based on applications with complete data. The average plot ratio for glasshouses is estimated as 0.62 (ref applications 14/01721/FUL, 96/01335/FUL, 03/01053/FUL). This means that 62% of the land is taken up by development floorspace c.38% given over to other uses including landscaping and car parking etc. For polytunnels / greenhouses this is estimated as 0.51 (ref applications 01/00320/FUL, 07/05913/FUL, 08/02247/FUL, 16/04001/FUL). Due to difficulty in analysing plot areas for storage activities a general 0.5 ratio is assumed here (as per general B8 needs). GL Hearn is of the view that ‘other’ activities are included within these plot areas. The plot area estimation is set out below.

1. Future Horticultural Floorspace and Plot (Land) Needs 2019-36 (ha)

|  | Plot ratio | Floorspace  (HDA) | Plot (HDA) | Floorspace  (Non HDA) | Plot (Non HDA) | Total Plot (sum) |
| --- | --- | --- | --- | --- | --- | --- |
| Glasshouse net | 0.62 | 25.1 | 40.5 | 2.3 | 3.7 | 44.2 |
| Polytunnel / greenhouse | 0.51 | 5.2 | 10.2 | 62.9 | 123.3 | 133.5 |
| Storage, distribution or packhouse | 0.50 | 5.0 | 10.0 | 1.3 | 2.6 | 12.6\* |
| Total |  | 35.3 | **60.7** | 66.5 | **129.6** | **190.3** |

\* Around 50% or 6.3 ha is considered to be double counted with general B8 needs.

* 1. Using the plot ratio assumptions above **a total area of 190.3 ha could be planned for to 2036 of which 60.7 ha in HDAs and 129.6 ha outside HDAs**. As noted around 6.3 ha is likely to be double counted with general B8 needs. Should Chichester District Council do further work on testing and refining plot ratios then the future land requirement may be adjusted to reflect this.
  2. Based on stakeholder discussions there is anticipated to be a very limited need for new temporary accommodation for agricultural workers however there may be applications where accommodating displacement of existing residences is required.

Adjacent Authorities Employment Provision

* 1. GL Hearn has considered the allocations being made in adjacent authorities, with Arun being the most relevant given its relationship within the FEMA.
  2. The Arun Local Plan (2018) identifies a total of 74.5 ha of employment through its strategic employment allocations. The 2016 Employment Needs Update considers a range of scenarios with a need of between 6.9 and 28.6 ha. Excluding past take-up requirements for floorspace the land requirement equates to 6.9 ha to 10.9 ha respectively. It is recognised that there will be an oversupply of employment land driven by Enterprise Bognor Regis creating inward investment. However, it seems reasonable that some investment anticipated in adjacent areas including Chichester could be accommodated.
  3. The strategic employment provision in Arun could, therefore, contribute towards meeting some of Chichester District’s identified employment need by providing for a greater proportion of the FEMA wide need. This redistribution, however, would need to be agreed with Arun DC through the duty to cooperate.
  4. Other nearby authorities are in the process of progressing their Local Plans.
* Havant has a modest need as set out in the 2019 ELR review of 55,551 sqm and will be considered in the emerging Plan. The adopted 2014 Plan identifies around 16 Ha of land for employment.

The East Hampshire emerging Local Plan indicates delivering 50 ha of which 32.6 ha of allocations. This appears to exceed the need referenced in the 2019 HEDNA of up to 18.7 ha.

| **Key Points**   * This section estimates the quantum of employment floorspace and land area required to support B Class employment development in the District and Plan Area over the period 2019-36. * Four scenarios have been developed:   + A labour demand baseline scenario – based on the OE baseline jobs growth forecast;   + A labour demand growth scenario – based on the growth scenario;   + Consideration of the labour supply position;   + Scenarios based on past completions trends – reflecting on the large-scale Rolls Royce development at Westhampnett as well as losses to residential uses. * Overall the labour demand growth scenario for B1a/b and the net completions trend (net excluding losses to residential) scenario for and B1c/B2 and B8 floorspace are considered the most relevant. The labour demand model for the District is considered to underestimate requirements for industrial and warehousing premises which are better represented by the longer term trend which aligns with market feedback. * Considering all factors we consider that the need is 132,200 sqm or 25.6 ha for the Plan Area. * In addition, a trend-based forecast for glasshouses in the Plan Area has been revisited taking into account industry feedback and recent developments. This suggests a need for an additional 374,000 sqm for horticultural development or 60.7 Ha of land within HDAs in addition to a total of 728,000sqm or 129.6 ha outside of HDAs to avoid constraining growth in the horticultural industry. * It is recommended that the Council consider the deliverability of existing allocated sites and if necessary, allocate additional land. |
| --- |

1. Conclusions
   1. The purpose of this Housing and Economic Development Needs Assessment (HEDNA) has been to assess future housing needs, the scale of future economic growth and the quantity of land and floorspace required for B-class uses[[16]](#footnote-17) and horticultural economic development uses between 2019 and 2036. The Plan period has now been extended to 2037. Figures for this extended period are provided in the appendices.
   2. The HEDNA identifies Chichester and Arun as the relevant Housing Market Area (HMA) and Functional Economic Market Area (FEMA), although we recognise there are overlaps with other neighbouring authorities. For plan-making purposes, we have considered the needs of the Chichester Local Plan Area.

Housing Need

* 1. Calculating the housing need follows the standard methodology outlined in the Planning Practice Guidance which was updated in February 2019. The standard methodology seeks to simplify the approach to housing need and has three components:
* Starting Point or Baseline;
* Market Signals Adjustment; and
* Cap.

Step 1 – Setting the baseline

* 1. Step 1 sets the baseline using national household growth projections (2014-based household projections). The PPG advises that “the projected average annual household growth over a 10-year period (this should be 10 consecutive years, with the current year being the first year)” should be used. When much of this report was completed (2019) we interpreted the “current” year as 2019. Although step 1 is assessed over the next ten years, the figure can be used across the whole plan period.
  2. Chichester District’s household projections (2014-based) are:
* 53,299 in 2019
* 58,625 in 2029
  1. This is a total of 5,326 new households over the ten years, equivalent to an average household growth of 533 per year. This annual average household growth (533) is the core output of step 1.

Step 2 – An adjustment to take account of affordability

* 1. Step 2 then adjusts the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area. This draws on the most recent median workplace-based affordability ratios. The affordability ratio applied is that for 2018.
  2. For every percentage point the ratio is above 4, the household projections are increased by 0.25%. Four is seen as a reasonable multiple based on standard lending practices. The formula for the adjustment is calculated as below:
  3. By this measure, Chichester District’s affordability ratio (workplace-based median ratio) is 13.1 (2018), meaning that the median house price in Chichester is 13.1 times median earnings of those working in the District. Applying the adjustment formula results in an increase of 57% on to the household growth. This results in an uncapped need of 836 dpa.

Step 3 – Capping the Need

* 1. The third step of the standard method is to cap the level of increase to a level which is deliverable. The cap comes in the form of a 40% cap in the increase. However, what figure the cap is placed on depends on the age of the Local Plan and the extend of the housing target within it.
* Where the Local Plan is adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the existing housing target.
* Where the Local Plan was adopted more than 5 years ago then the cap is placed at 40% above the higher of either the existing housing target (435 dpa) or the household forecasts (533 dpa).
  1. In addition, the housing target in the adopted Chichester Local Plan is for the Plan Area while the projection and affordability adjustment is for the district area.

Local Plan Less than Five Years

* 1. Until July 2020 the Local Plan for Chichester was less than 5 years old. Where this is the case the need is capped at 40% above the Local Plan Target. Currently, in the Chichester Local Plan, the adopted housing target is 435 dpa for the Plan Area.
  2. If we apply the 40% cap to this housing target, we would calculate a need for 609 dpa. As this is based on a cap for the Plan area no further adjustment is necessary to disaggregate this. **Until July 2020 the Local Housing Need for the Plan Area was 609 dpa.**
  3. We appreciate that this is not a like for like comparison as the standard method is based on the district-wide total and the local plan target is for the Plan Area only. However, such is the extent of affordability issues across the district, it would likely require a 40% increase above the housing requirement in the Plan Area.

Local Plan Older than Five Years

* 1. Post July 2020, the Local Plan is older than five years, then the local housing need figure is capped at 40% above the higher of the Local Plan requirement or the household forecast identified in Step 2.
  2. The Local Plan target is 435 dpa and the household forecast set out in Step 2 is 533 dpa. Therefore the cap is applied to the household forecasts. Again, we recognise this is not a like-for-like comparison as one is for the Plan Area and the other is for the district. The latter will, therefore, need to be disaggregated to the Plan Area.
  3. Applying the 40% cap above the household forecasts results in a housing need of 746 dpa for the District **(**533 + 40% = 746 dpa). However, to reiterate this is not the housing target but the local housing need for the entire District. We have disaggregated this below.
  4. Furthermore, as this is a district-wide figure it would also apply to parts of the National Park. However unconstrained development would run contrary to the purposes and duty of the National Park and this approach may not be the most appropriate.

Unmet Need

* 1. The South Downs National Park HEDNA (2017) identified that the local housing need for the part of the South Downs National Park (SDNP) within Chichester District is 125 dpa. However, in 2019 the National Park Authority was only expecting to build 81 dpa of this need within the National Park area that falls within Chichester District. They, therefore, had an unmet need of 44 dpa.
  2. Chichester District Council previously signed a Statement of Common Ground to test if it can accommodate the identified unmet need of 44 dpa from the National Park. A final decision on the capacity of the district to accommodate unmet need from the National Park or elsewhere has not yet been taken. This can potentially be added to any identified need for the Plan Area.

Housing Need Conclusion

* 1. The standard method for the district identified a local housing need for 746 dpa. A component of this need will also be covered by the 125 dpa identified for the South Downs National Park. Therefore subtracting the SDNP need from the district need would result in a Local Housing Need (LHN) for the Chichester Plan Area of 621 dpa.
  2. Prior to July 2020 , the standard method for the Plan Area would likely result in a need for 609 dpa. This assumes a 40% uplift above the existing Local Plan target.
  3. In addition, the previous *Preferred Approach Local Plan* also took account of the agreement in the Statement of Common Ground to test the possibility of taking the unmet need for the South Downs National Park. Adding this to the Plan Area LHN resulted in **a housing target of 650 dpa for the Plan Area** (44 dpa + 609 dpa = 653 dpa, rounded to 650dpa).
  4. To convert this back to a district area need the SNDPA capacity of 81 could be added to the 650 dpa need for the Plan Area to calculate a **District-wide housing need of 731 dpa.** This number was used for the analysis within this report which was largely competed prior to the plan becoming 5 years old..
  5. On this basis, it would appear that 11% of the district-wide need would be addressed within the South Downs National Park and 89% within the Plan Area.
  6. Now the Local Plan is older than 5 years old the District-wide local housing would arguably increase slightly to 746 dpa. However, this in no way recognises the constraints within the South Downs National Park nor its purposes and duty, and is sufficiently close to 731 for the assessments to remain valid.

Affordable Housing Need

* 1. The report has considered the need for affordable housing. The analysis identifies a net need for 348 affordable rented dwellings per annum for the District. Of this, there is a need for 286 affordable rented dwellings per annum for the Plan Area. There is also a net need for 130 low-cost home ownership dwellings for the district. Removing the need generated from the SDNP gives a Plan Area need of 97 per annum.
  2. As the report explains this would represent the ‘theoretical need’ for affordable homes if all households who needed some form of support in meeting their housing need were to be allocated an affordable home.
  3. However, the affordable needs calculations include the needs arising from existing households who require an alternative type/ size of home (and would thus release their current homes) and from newly forming households who are already included in the demographic growth.

Tenure Mix

* 1. In analysing the need for housing of different tenures it needs to be recognised that there are a series of choices to be made concerning the provision of new affordable housing; essentially a trade-off between the affordability of accommodation and the number of homes that can viably be provided. Hence the analysis in this report can only provide a guide to the types of affordable housing that should be provided.
  2. To aid the decision-making process regarding these choices, the following breakdown of tenure could be used as a starting point.
* 70% market
* 10% affordable home ownership
* 20% social/affordable rented
  1. However, this comes with a series of caveats including the viability of providing different types of affordable housing. Furthermore, the cost of low-cost home ownership properties can sometimes exceed those of lower-cost market homes and thus cannot be truly considered as “affordable”, albeit they might be recognised as such by the government.

Need for Different Types and Sizes of Homes

* 1. The modelling outputs provide an estimate of the proportion of homes of different sizes that are needed, there are a range of factors which should be taken into account in setting policies for provision. The mix of affordable rented housing sought through development at a District-wide level should be as follows:
* 1-bed properties: 25-30%
* 2-bed properties: 40-45%
* 3-bed properties: 20-25%; and
* 4-bed properties: 5-10%;
  1. The strategic conclusions 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 and the issue of single people under 35 years old only being eligible to claim benefits for a room in a shared house.
  2. The provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households. On this basis the following mix of affordable ownership housing is suggested:
* 1-bed properties: 15-25%;
* 2-bed properties:35-45%;
* 3-bed properties: 25-35%; and
* 4-bed properties: 5-15%.
  1. In the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile. The following mix of market housing is suggested:
* 1-bed properties: 5-15%;
* 2-bed properties: 35-40%;
* 3-bed properties: 30-40%; and
* 4-bed properties: 10-20%
  1. 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 or linked to macro-economic factors and local supply.
  2. The need for affordable housing of different sizes will vary by area (at a more localised level) 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.
  3. The mix identified above should inform strategic planning and housing policies. In applying recommended housing mix to individual development sites, regard should be had to the nature of the development site and character of the area, and up-to-date evidence of need as well as the existing mix and turnover of properties at the local level.

Older Persons Housing Need

* 1. The HEDNA indicates that the number of residents aged over 75 across the district is projected to increase by 55% over the period to 2036. As a result of a growing older population and increasing life expectancy, the official projections would result in an increase in people with mobility problems of around 51.5% by 2036 and an increase of 58.2% in persons with dementia.
  2. 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 the need for properties which are capable of accommodating people’s changing needs.
  3. Based principally on the expected growth in the population of older persons, the report estimates a deficit for housing with support (rented and leasehold) is 376 dwellings increasing to 1,319 units by 2036, the majority of which would be leasehold. There is a current deficit of 485 increasing to 825 units for housing with care with a higher volume required for leasehold. There is also an estimated small current shortfall of 9 Care bedspaces. However, this is expected to increase significantly to 839 over the period to 2036.
  4. Based on the population growth of those aged 75 and over in the Plan Area and the District (see table 13 and 14) approximately 77% of the additional demand for specialist accommodation will be in the Plan Area. Assuming the supply is distributed on the same basis this would provide a Plan Area need by 2036 for:
* 1,016 Units of Housing With Support of which 316 would be rented and 699 leasehold;
* 635 Units of Housing With Care of which 259 would be rented and 376 leasehold; and
* 646 care bedspaces.
  1. Those with a mobility problem are expected to increase by around 51.5%. This along with the growth in other conditions would justify that the Council should seek as much M4(2) compliant as is viably possible.
  2. The report estimates that there is an unmet need for wheelchair adapted dwellings equivalent to 3.5 per 1,000 households – in the Chichester District, as of 2019, this would represent a need for about 190 wheelchair adapted dwellings. Moving forward, the report estimates a wheelchair accessibility need from around 3% of households. If 3% is applied to the household growth in the projections (2019-36) then there would be an additional need for around 373 adapted homes or 22 per annum and 287 wheelchair adapted homes in future or 17 per annum for the local plan area.
  3. Although outside the requirements of the PPG more detailed building regulations can split the M4(3) category into M4(3)a and M4(3)b. According to MHLG information on “The Current status of Part M of the Building Regulations”[[17]](#footnote-18) M4(3)a is designed to require only simple adaptation and M4(3)b is ready for wheelchair use on completion.
  4. However, there are restrictions on the tenure that wheelchair accessible homes standards are applied i.e. only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling. One solution could be having separate policies for 5% of market properties as M4(3)a standard and 5-10% affordable dwellings at M4(3)b standard.
  5. However, we also recognise that this won’t be possible on all sites due to topography and other constraints such as site configuration.

Employment Land Requirements

* 1. GL Hearn has purchased forecasts for Chichester from Oxford Economics to inform this assessment. The baseline forecasts show a growth of employment of 3,700 jobs across the District over the period 2019-36. The “Growth Scenario” sets out a growth of 9,500 jobs over the period 2019-36 for the whole District, reflecting the progression of some specific sectors locally. Labour supply and completions trends are also considered.
  2. Overall the labour demand growth scenario and the net completions trend scenarios are considered the most relevant.
  3. Considering all factors we consider that the need for employment space in the Plan Area is 129,300 sqm or 25.6 ha.

1. Employment requirements 2019-2036 – CLP Area

| Use Class | Floorspace (sqm) | Land (ha) |
| --- | --- | --- |
| B1a/b | 40,400 | 5.4 |
| B1c/B2 | 36,200 | 9.1 |
| B8 | 55,600 | 11.1 |
| Total | **132,200** | **25.6** |

Source: GL Hearn

* 1. In addition, a trend-based forecast for horticultural development in the Plan Area has been revisited taking into account industry feedback and recent developments. This suggests a need for an additional 374,000 sqm for horticultural development or 60.7 Ha of land within HDAs in addition to a total of 728,000 or 129.6 ha outside of HDAs to avoid constraining growth in the horticultural industry. This is increased from past recommendations in 2018 which did not report on potential needs outside of the HDAs.
  2. Following discussions with horticultural industry stakeholders, it is recommended that the deliverability of the remaining Tangmere allocation be revisited to ensure that sufficient future land is available and if necessary additional land be allocated.

1. **OXFORD ECONOMICS BROAD SECTORS BY 2 DIGIT SECTORS**

| Broad Sector | 2 Digit Sector |
| --- | --- |
| Agriculture, forestry and fishing | Crop and animal production |
|  | Forestry and logging |
|  | Fishing and aquaculture |
| Mining and quarrying | Mining of coal and lignite |
|  | Extraction of crude petroleum |
|  | Mining of metal ores |
|  | Other mining and quarrying |
|  | Mining support service activities |
| Manufacturing | Manufacture of food products |
|  | Manufacture of beverages |
|  | Manufacture of tobacco products |
|  | Manufacture of textiles |
|  | Manufacture of wearing apparel |
|  | Manufacture of leather |
|  | Manufacture of wood and of products |
|  | Manufacture of paper and paper |
|  | Printing and reproduction of records |
|  | Manufacture of coke |
|  | Manufacture of chemicals |
|  | Manufacture of basic pharmaceuticals |
|  | Manufacture of rubber and plastic |
|  | Manufacture of other non-metallic products |
|  | Manufacture of basic metals |
|  | Manufacture of fabricated metal |
|  | Manufacture of computer, electronics |
|  | Manufacture of electrical equipment |
|  | Manufacture of machinery and equipment |
|  | Manufacture of motor vehicles |
|  | Manufacture of other transport equipment |
|  | Manufacture of furniture |
|  | Other manufacturing |
|  | Repair and installation of machinery |
| Utilities | Electricity, gas, steam and air conditioning |
|  | Water collection, treatment |
|  | Sewerage |
|  | Waste collection, treatment |
| Construction | Remediation activities |
|  | Construction of buildings |
|  | Civil engineering |
|  | Specialised construction activities |
| Wholesale and retail trade | Wholesale and retail trade |
| Wholesale trade, except of motor vehicles |
| Retail trade, except of motor vehicles |
| Transportation and storage | Land transport |
|  | Water transport |
|  | Air transport |
|  | Warehousing and support activities |
|  | Postal and courier activities |
| Accommodation and Food services | Accommodation |
|  | Food and beverage service activities |
| Information and communication | Publishing activities |
|  | Motion picture, video and television |
|  | Programming and broadcasting |
|  | Telecommunications |
|  | Computer programming, consultancy |
|  | Information service activities |
| Professional, scientific and technical activities | Financial service activities |
|  | Insurance, reinsurance and pension |
|  | Activities auxiliary to financial services |
|  | Real estate activities |
|  | Legal and accounting activities |
|  | Activities of head offices |
|  | Architectural and engineering |
|  | Scientific research and development |
|  | Advertising and market research |
|  | Other professional, scientific |
| Administrative and support service activities | Veterinary activities |
|  | Rental and leasing activities |
|  | Employment activities |
|  | Travel agency, tour operator |
|  | Security and investigation activities |
|  | Services to buildings and landscapes |
|  | Office administrative, office support |
| Public admin and defence | Public administration and defence |
| Education | Education |
| Health and Social work | Human health activities |
|  | Residential care activities |
|  | Social work activities |
| Arts, entertainment and recreation | Creative, arts and entertainment activities |
| Other service activities | Libraries, archives, museums |
|  | Gambling and betting activities |
|  | Sports activities and amusement |
|  | Activities of membership organisation |
|  | Repair of computers and personal |
|  | Other personal service activities |

1. Key Tables for 2019-2037 Plan Period
2. Projected population change in LPA and SDNP

|  | Population 2019 | Population 2037 | Change in population | % change |
| --- | --- | --- | --- | --- |
| LPA (650 dpa) | 89,487 | 108,687 | 19,200 | 21.5% |
| SDNP (81 dpa) | 32,141 | 32,847 | 706 | 2.2% |
| Total (731 dpa) | 121,628 | 141,534 | 19,906 | 16.4% |

Source: GLH modelling

1. Projected population change in Chichester Local Plan Area (linked to 650 dpa)

|  | Population 2019 | Population 2037 | Change in population | % change |
| --- | --- | --- | --- | --- |
| 0-4 | 4,299 | 5,142 | 844 | 19.6% |
| 5-9 | 4,854 | 5,251 | 397 | 8.2% |
| 10-14 | 4,610 | 5,054 | 444 | 9.6% |
| 15-19 | 4,654 | 5,672 | 1,017 | 21.9% |
| 20-24 | 5,386 | 7,441 | 2,055 | 38.2% |
| 25-29 | 4,544 | 5,887 | 1,343 | 29.6% |
| 30-34 | 4,234 | 5,121 | 888 | 21.0% |
| 35-39 | 4,497 | 4,920 | 423 | 9.4% |
| 40-44 | 4,442 | 5,295 | 853 | 19.2% |
| 45-49 | 5,421 | 5,711 | 290 | 5.4% |
| 50-54 | 6,116 | 5,655 | -461 | -7.5% |
| 55-59 | 6,487 | 6,117 | -370 | -5.7% |
| 60-64 | 5,988 | 6,732 | 743 | 12.4% |
| 65-69 | 5,619 | 7,644 | 2,025 | 36.0% |
| 70-74 | 6,339 | 8,101 | 1,762 | 27.8% |
| 75-79 | 4,654 | 6,634 | 1,980 | 42.5% |
| 80-84 | 3,501 | 5,219 | 1,718 | 49.1% |
| 85 & over | 3,843 | 7,091 | 3,248 | 84.5% |
| Total | 89,487 | 108,687 | 19,200 | 21.5% |

Source: GLH Demographic Projections

1. Projected population change in Chichester District linked to 731 dpa (2019-37)

|  | Population 2019 | Population 2037 | Change in population | % change |
| --- | --- | --- | --- | --- |
| 0-4 | 5,661 | 6,268 | 606 | 10.7% |
| 5-9 | 6,611 | 6,725 | 114 | 1.7% |
| 10-14 | 6,592 | 6,884 | 292 | 4.4% |
| 15-19 | 6,226 | 7,346 | 1,120 | 18.0% |
| 20-24 | 6,391 | 8,535 | 2,143 | 33.5% |
| 25-29 | 5,757 | 6,945 | 1,188 | 20.6% |
| 30-34 | 5,427 | 6,024 | 597 | 11.0% |
| 35-39 | 5,912 | 5,972 | 60 | 1.0% |
| 40-44 | 6,016 | 6,787 | 772 | 12.8% |
| 45-49 | 7,611 | 7,686 | 75 | 1.0% |
| 50-54 | 8,793 | 7,841 | -952 | -10.8% |
| 55-59 | 9,054 | 8,298 | -755 | -8.3% |
| 60-64 | 8,489 | 9,294 | 805 | 9.5% |
| 65-69 | 7,974 | 10,594 | 2,620 | 32.9% |
| 70-74 | 8,712 | 10,916 | 2,204 | 25.3% |
| 75-79 | 6,496 | 9,085 | 2,590 | 39.9% |
| 80-84 | 4,754 | 6,979 | 2,226 | 46.8% |
| 85 & over | 5,154 | 9,356 | 4,201 | 81.5% |
| Total | 121,628 | 141,534 | 19,906 | 16.4% |

Source: Demographic projections

1. Jobs supported by growth in economically active population (2019 – 2037)

|  | **Total change in economically active** | **Allowance for net commuting** | **Allowance for double jobbing**  **(= jobs supported)** |
| --- | --- | --- | --- |
| SNPP | 4,448 | 5,106 | 5,353 |
| SNPP (+MYE) | 4,410 | 5,063 | 5,308 |
| District (731 dpa) | 8,875 | 10,188 | 10,680 |

Source: GLH modelling

1. Estimated level of Social/ Affordable Rented Housing Need per annum

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Current need | Newly forming households | Existing households falling into need | Total Gross Need | Supply from existing stock | Net Need |
| Chichester City | 15 | 115 | 62 | 192 | 96 | 96 |
| East-West Corridor | 9 | 80 | 24 | 113 | 39 | 74 |
| Manhood Peninsula | 13 | 82 | 24 | 119 | 36 | 83 |
| Plan Area North | 3 | 31 | 7 | 41 | 11 | 30 |
| SDNP | 12 | 75 | 49 | 137 | 75 | 61 |
| **Chichester District\*** | **52** | **383** | **167** | **602** | **257** | **344** |

Source: Housing Register/Census (2011)/CoRe/Projection Modelling and affordability analysis

\*The total District figures are rounded.

1. Estimated level of Affordable Home ownership Need per annum

|  | Current need | Newly forming households | Existing house-holds falling into need | Total Gross Need | Supply (50% LQ +AHO resales) | Net Need |
| --- | --- | --- | --- | --- | --- | --- |
| Chichester City | 8 | 83 | 24 | 115 | 63 | 53 |
| East-West Corridor | 4 | 65 | 13 | 82 | 61 | 21 |
| Manhood Peninsula | 5 | 57 | 14 | 75 | 63 | 13 |
| Plan Area North | 1 | 21 | 3 | 24 | 18 | 6 |
| SDNP | 7 | 55 | 21 | 82 | 51 | 31 |
| **Chichester District** | **25** | **280** | **75** | **379** | **255** | **124** |

Source: Housing Register/Census (2011)/CoRe/Projection Modelling and affordability analysis

1. Older Person’s Dwelling and Care Bedspace Requirements 2019 - 2037

|  |  | Housing demand per 1,000 75+ | Current supply | 2019 Demand | Current shortfall/ (surplus) | Additional demand to 2037 | Shortfall/ (surplus) by 2037 |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Housing with support | Rented | 40 | 599 | 652 | 53 | 387 | 439 |
| Leasehold | 65 | 742 | 1,065 | 323 | 632 | 955 |
| Housing with care | Rented | 17 | 99 | 281 | 182 | 167 | 349 |
| Leasehold | 21 | 34 | 337 | 303 | 200 | 502 |
| Total (dwellings) | | 142 | 1,474 | 2,335 | 861 | 1,385 | 2,246 |
| Care bedspaces | | 92 | 1,502 | 1,511 | 9 | 896 | 905 |

Source: Derived from demographic projections and Housing LIN/HOPSR/EAC

1. Employment requirements 2019-2037 – CLP Area

| Use Class | 19-24 | 24-29 | 29-34 | 34-37 | Total Floorspace (sqm) | Land (ha) | Scenario Chosen |
| --- | --- | --- | --- | --- | --- | --- | --- |
| B1a/b | 13,900 | 10,700 | 11,200 | 6,100 | 41,900 | 5.6 | Labour Demand Growth Scenario X 0.85  (to account for 15% reduction from Plan Area) |
| B1c/B2 | 10,700 | 10,700 | 10,700 | 6,400 | 38,400 | 9.6 | Net Completions Trend |
| B8 | 16,300 | 16,300 | 16,300 | 9,800 | 58,800 | 11.8 | Net Completions Trend |
| Total | 40,900 | 37,700 | 38,200 | 22,300 | **139,100** | **26.9** |  |

Source: GL Hearn based on Oxford Economics and Chichester District Council data

1. Future Horticultural Floorspace and Plot (Land) Needs 2019-37 (ha)

|  | Plot ratio | Floorspace  (HDA) | Plot (HDA) | Floorspace  (Non HDA) | Plot (Non HDA) | Total Plot (sum) |
| --- | --- | --- | --- | --- | --- | --- |
| Glasshouse net | 0.62 | 26.5 | 42.7 | 2.5 | 4.0 | 46.7 |
| Polytunnel / greenhouse | 0.51 | 5.5 | 10.8 | 66.6 | 130.6 | 141.4 |
| Storage, distribution or packhouse | 0.50 | 5.3 | 10.6 | 1.4 | 2.8 | 13.4\* |
| Total |  | 37.4 | **64.1** | 70.5 | **137.4** | **201.5** |

\* Around 50% or 6.8 ha is considered to be double counted with general B8 needs.

1. https://www.adur-worthing.gov.uk/media/media,143976,en.pdf [↑](#footnote-ref-2)
2. http://www.resolutionfoundation.org/media/press-releases/21st-century-britain-has-seen-a-30-per-cent-increase-in-second-home-ownership/ [↑](#footnote-ref-3)
3. ONS 2018 Mid-Year Population Estimates [↑](#footnote-ref-4)
4. Oxford Economics estimates, 2018 [↑](#footnote-ref-5)
5. A schedule showing the breakdown of each broad sector by 2-digit sectors is included in Appendix A [↑](#footnote-ref-6)
6. Employment as % of people aged 16 -64 who did some paid work in the reference week (whether as an employee or self-employed); those who had a job that they were temporarily away from (e.g. on holiday); those on government supported training and employment programmes; and those doing unpaid family work (i.e. working in a family business).; Economic Active people, who are economically active, expressed as a percentage of all people; Unemployment as % is a proportion of economically active population. [↑](#footnote-ref-7)
7. The period covering the last complete market cycle. [↑](#footnote-ref-8)
8. 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 [↑](#footnote-ref-9)
9. <https://www.chichester.gov.uk/CHttpHandler.ashx?id=25712&p=0> [↑](#footnote-ref-10)
10. <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/march2018/relateddata>. [↑](#footnote-ref-11)
11. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person. [↑](#footnote-ref-12)
12. <https://www.sheffield.ac.uk/polopoly_fs/1.834113!/file/Luke-Turner.pdf> [↑](#footnote-ref-13)
13. Housing Delivery Test Measurement Rule Book, July 2018 [↑](#footnote-ref-14)
14. Although these are the most comprehensive lists available, not all transactions are included. In some cases transactions or availability is applied to the nearest postal town which may be in a different local authority to the transaction. GL Hearn has used Geographic Information System (GIS) to accurately present the analysis at a local authority level. [↑](#footnote-ref-15)
15. Although these are the most comprehensive lists available, not all transactions are included. In some cases transactions or availability is applied to the nearest postal town which may be in a different local authority to the transaction. GL Hearn have used Geographic Information System (GIS) to accurately present the analysis at a local authority level. [↑](#footnote-ref-16)
16. These comprise Office, industrial and warehouse/ distribution space [↑](#footnote-ref-17)
17. <https://www.sheffield.ac.uk/polopoly_fs/1.834113!/file/Luke-Turner.pdf> [↑](#footnote-ref-18)