Addendum to the South Essex Strategic Housing Market Assessment for Castle Point

June 2020

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Contents

Executive Summary

1. Turley completed a Strategic Housing Market Assessment[1] (SHMA) for the South Essex authorities in May 2016. An addendum report was subsequently produced one year later[2].

2. Section 8 of the SHMA explored the need for different types of housing, estimating the size and type of housing required in each authority before considering the needs of different groups including older people, those with disabilities and people wishing to build their own homes. This was partially updated in section 5 of the 2017 addendum to align with its updated projections of population and household growth.

3. This analysis has provided an evidence base for the emerging Castle Point Local Plan, and was specifically used by the Council to justify a draft policy on housing mix, albeit a recent consultation on the pre-submission version[3] is understood to have revealed concerns about its relative datedness.

4. Castle Point Borough Council ('the Council') has therefore commissioned this addendum report to provide robust and up-to-date evidence on the mix of housing needed in the borough. This is the sole focus of the report, which in accordance with the scope set by the Council has not sought to reconsider the overall need for housing – now assessed through a new standard method, independently followed by the Council – nor recalculate the need for affordable housing.

Projected growth over the plan period

5. The report presents and builds upon new demographic modelling which estimates how the population and household profile of Castle Point could change if the local housing need calculated by the Council were met in full over the emerging plan period. This recognises the evolution of national guidance since the SHMA and its first addendum were prepared, in 2015 and 2016 respectively, and the introduction of a new standard method which the Council has used to independently calculate the number of homes needed each year in Castle Point.

6. It is estimated that meeting this calculated need, through the planned provision of 352 dwellings per annum, could grow the population by circa 8,270 people or 9% over the chosen plan period (2018-33). The modelling suggests that the population will continue to age in such a scenario, in line with recent trends, but there is implied to remain the capacity to also attract and retain younger people aged 30 to 44 thus growing the size and representation of this cohort.

7. These trends would likely grow the number of households led by an individual aged over 65, with reasonably strong growth also projected amongst households led by a person aged 35 to 44. The latter dynamic contributes towards the projection suggesting that more than half of additional households could contain dependent

[1] Turley (2016) South Essex Strategic Housing Market Assessment

[2] Turley (2017) Addendum to the South Essex Strategic Housing Market Assessment

[3] Castle Point Borough Council (2019) New Castle Point Local Plan: Pre-submission Plan 2018-2033

children, growing the representation of this group over the plan period. A projected reduction in the number approaching retirement age softens the net impact of the ageing trend on the household profile, but this does continue to drive some growth in couple and single person households.

Implications for the size and type of housing needed

8. Such different household types naturally have varying requirements in terms of housing, and a continuation of the existing trends recorded in this area could particularly generate a need for homes with three bedrooms (43%), at least four bedrooms (29%) or two bedrooms (22%). This departs somewhat from the recent trend in terms of delivery, which has been oriented less towards three bedroom properties and more towards those with one bedroom or at least four bedrooms. However, it is evident that this profile is based on comparatively low levels of provision overall and in order to achieve rates of provision in line with the emerging requirement there may be a need to realise a particularly pronounced boost to the rate at which certain property sizes have been delivered in the recent past. There does appear a particular shortage of mid-sized family housing in this area, given evidence of rising house prices and rents, and this is therefore considered to support the broad split implied by the modelling.

9. Delivering this mix of homes could require around two thirds (68%) of additional homes to be houses, based on the existing stock profile, with the residual implied to be split between bungalows (25%) and flats (7%). These latter property types could, however, be justifiably combined by the Council when practically accounting both for the influence of an existing housing stock that is skewed towards bungalows, and the slow rate at which such units have been delivered in recent years. The latter trend is not unique to Castle Point, as competition for land increasingly tends to discourage the provision of bungalows and demands a focus on other forms of development offering similar features.

10. The above estimates reflect illustrative modelling and can be used for guidance and monitoring purposes. They should not be prescribed as definitive or non-negotiable requirements for all sites given the need to respond to changing market demands, local context and viability factors. In translating this evidence into policy, it is recommended that sufficient flexibility is included to ensure that where new development contributes to meeting the identified needs over the plan period it also responds to local and up-to-date market evidence.

Updating the evidence on specific needs

11. While this report has principally focused on the mix of housing needed in Castle Point, the availability of updated modelling linked to the Council's calculation of housing need allows other elements of the SHMA to be revisited and updated to maintain consistency. The modelling suggests for example that the number of residents aged 65 and over could increase by circa 19% over the plan period, annually generating a distinct need for around 20 bedspaces in communal establishments that is excluded from and additional to any assessed need for dwellings, such as that derived from the standard method. Circa 45 units of other specialist older persons' accommodation,

such as sheltered and extra care housing, could also be required each year albeit this is *included* in the assessed need for dwellings.

12. The number of people with disabilities could also be reasonably expected to increase, when applying prevalence rates derived from the 2011 Census to different age groups, and the vast majority of these residents are implicitly assumed to live in private households rather than communal establishments. Disabled Facilities Grants, of which around 75 have been recorded annually in recent years, are therefore likely to play a continuing role in meeting the housing needs of people with disabilities.

13. Finally, the report acknowledges that the Council now maintains a register of those in need of self-build plots within the borough, as foreseen in the SHMA. Analysis of this dataset shows that ten households – half under 30 years old – have registered their interest. This clearly represents only a fraction (0.03%) of all households living in Castle Point and at this point in time would appear to represent only a very modest feature of need in the local housing market.

1. Introduction

1.1 Turley completed a Strategic Housing Market Assessment[4] (SHMA) for the South Essex authorities in May 2016. An addendum report was subsequently produced one year later[5].

1.2 Section 8 of the SHMA explored the need for different types of housing, estimating the size and type of housing required in each authority before considering the needs of different groups including older people, those with disabilities and people wishing to build their own homes. This was partially updated in section 5 of the 2017 addendum to align with its updated projections of population and household growth.

1.3 This analysis has provided an evidence base for the emerging Castle Point Local Plan, and was specifically used by the Council to justify a draft policy on housing mix, albeit a recent consultation on the pre-submission version[6] is understood to have revealed concerns about its relative datedness.

1.4 Castle Point Borough Council ('the Council') has therefore commissioned this addendum report to provide robust and up-to-date evidence on the mix of housing needed in the borough. This is the sole focus of the report, which in accordance with the scope set by the Council has not sought to reconsider the overall need for housing – now assessed through a new standard method, independently followed by the Council – nor recalculate the need for affordable housing.

1.5 The report is structured as follows:

- **Section 2 – Recent Trends in the Local Housing Market** – an overview of recent change in the population, housing stock and housing market of Castle Point, drawing upon the latest available evidence released since the last addendum to the SHMA;
- **Section 3 – Projected Growth over the Plan Period** – an introduction to new demographic modelling produced again by Edge Analytics to estimate the population and household growth that could result from the Council's proposals to meet its calculation of local housing need;
- **Section 4 – Size and Type of Housing Needed** – consideration of the size and type of housing that could be needed by those households projected to form in Castle Point over the plan period;
- **Section 5 – Housing Needs of Older People** – specific consideration of the housing needs of older people, drawing upon the latest projections and updating the analysis of the SHMA and its addendum;

[4] Turley (2016) South Essex Strategic Housing Market Assessment

[5] Turley (2017) Addendum to the South Essex Strategic Housing Market Assessment

[6] Castle Point Borough Council (2019) New Castle Point Local Plan: Pre-submission Plan 2018-2033

- **Section 6 – Other Specific Housing Needs** – a targeted updating of the SHMA's reporting on the projected number of disabled residents, the frequency with which existing homes are adapted and the registered interest in self-build; and

- **Section 7 – Summary and Conclusions** – a concise overview of the analysis presented in this report.

2. Recent Trends in the Local Housing Market

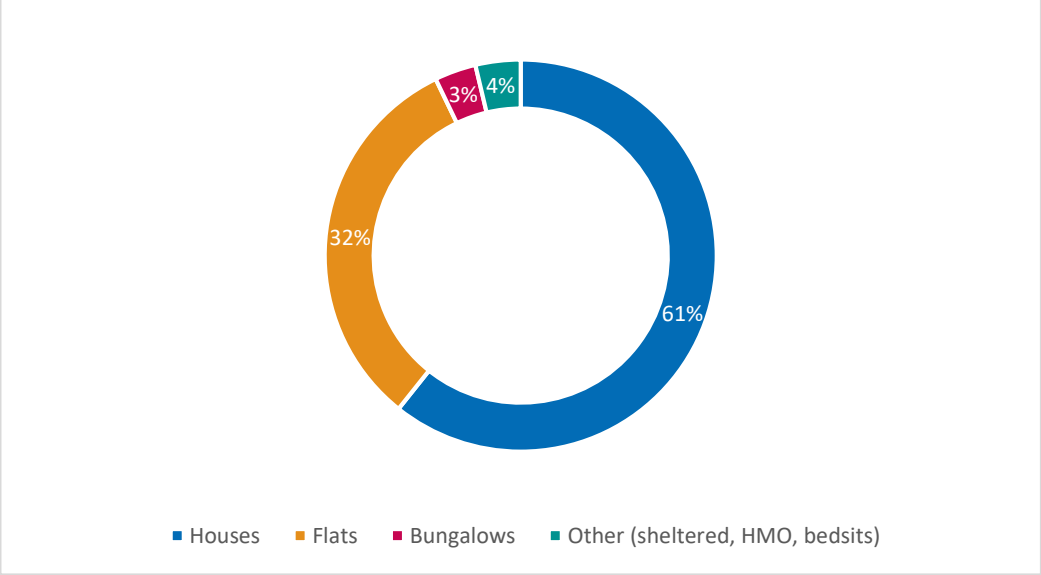
2.1 The SHMA and its addendum profiled the local housing market of Castle Point and wider South Essex in detail, exploring long-term trends relating to the housing stock, market activity and demographics for example.

2.2 The dynamic nature of housing markets means that this profile will have inevitably changed to some extent in the intervening period. This section therefore draws upon the latest available data to examine recent trends in the local housing market, building upon and updating the earlier analysis to provide context for the subsequent sections of this report.

Growth in the housing stock

2.3 The housing stock of Castle Point has continued to grow in recent years, with the Council having recorded 672 gross dwelling completions over the past five years (2015-20). Its monitoring suggests that three in every five new dwellings provided in this time were houses, while around one third were flats. Bungalows, sheltered accommodation, houses in multiple occupation (HMO) and bedsits have been provided in substantially smaller numbers, as shown at Figure 2.1.

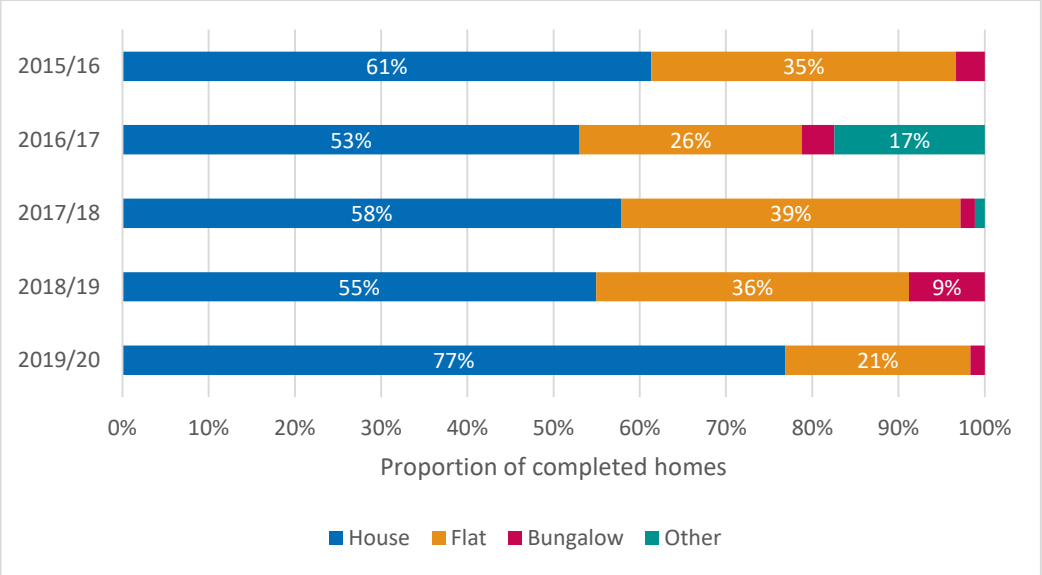
Figure 2.1: Housing Completions by Type (2015-20)



Source: Castle Point Borough Council

2.4 Figure 2.2 shows that this split has remained broadly consistent throughout the period analysed, albeit with the last year (2019/20) seeing houses account for a markedly larger share of new homes. Fewer new homes were flats last year, but it can be seen that such properties have recently accounted for as many as 39% of the homes delivered in a single year in Castle Point. As many as 9% of new homes have been bungalows, while as many as 17% of new homes have been in the "other" category.

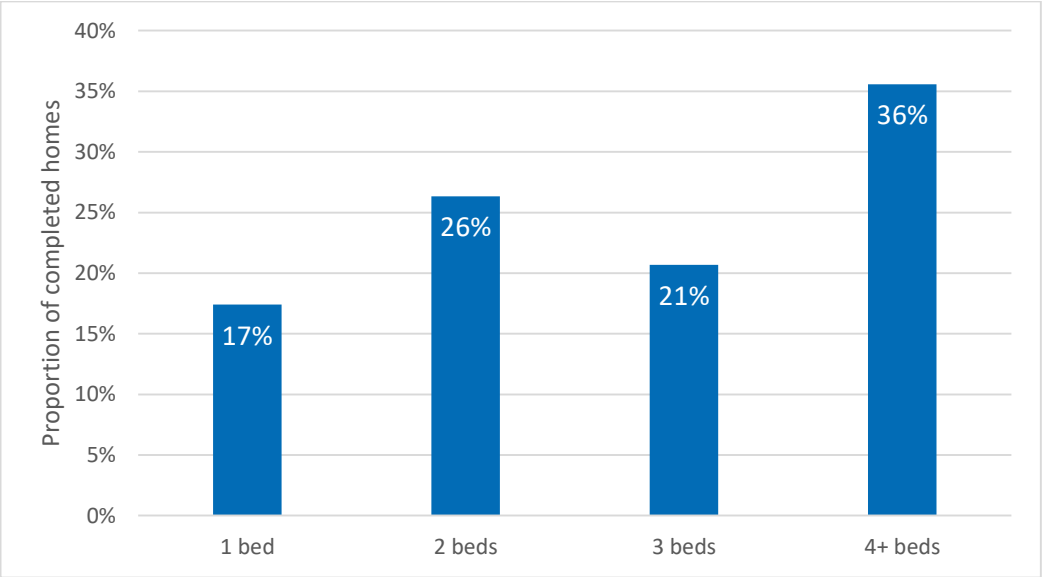
Figure 2.2: Annual Housing Completions by Type (2015-20)



Source: Castle Point Borough Council

2.5 This profile of development has had consequences for the size of property delivered in Castle Point, when measured by the number of bedrooms. This has been more balanced, as would be expected, but larger homes with at least four bedrooms have clearly been the most prominent in terms of delivery over the five year period. Around half as many one bedroom properties have been delivered in this time, relative to these larger properties with at least four bedrooms.

Figure 2.3: Housing Completions by Size (2015-20)

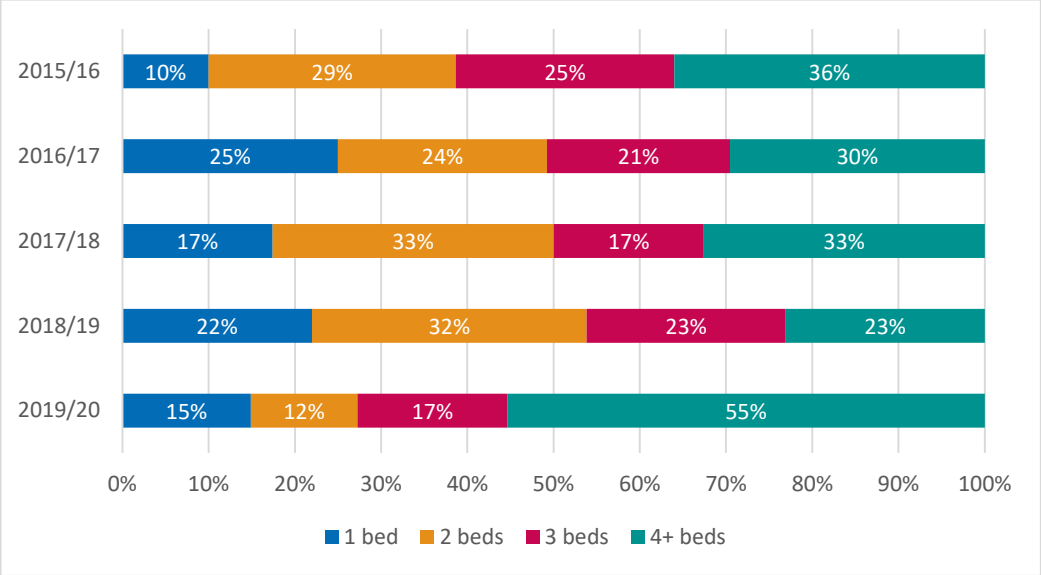


Source: Castle Point Borough Council

2.6 This has again varied to some extent over time, as shown at Figure 2.4. Properties with at least four bedrooms were particularly prominent last year, when accounting for

more than half of all new homes in the borough. Property of this size has accounted for the largest or joint-largest share of new homes in all but one of these five years, the exception being 2018/19 when one and two bedroom properties were notably prevalent.

Figure 2.4: Annual Housing Completions by Size (2015-20)



Source: Castle Point Borough Council

2.7 An up-to-date profile of the housing stock, accounting for the additions in the stock considered above, can be determined through reference to data released by the Valuation Office Agency[7] (VOA). The latest available data relates to 2019, thereby omitting the last year of monitoring data supplied by the Council (2019/20), but the vast majority (82%) of the new homes described above will nonetheless be captured in the VOA dataset.

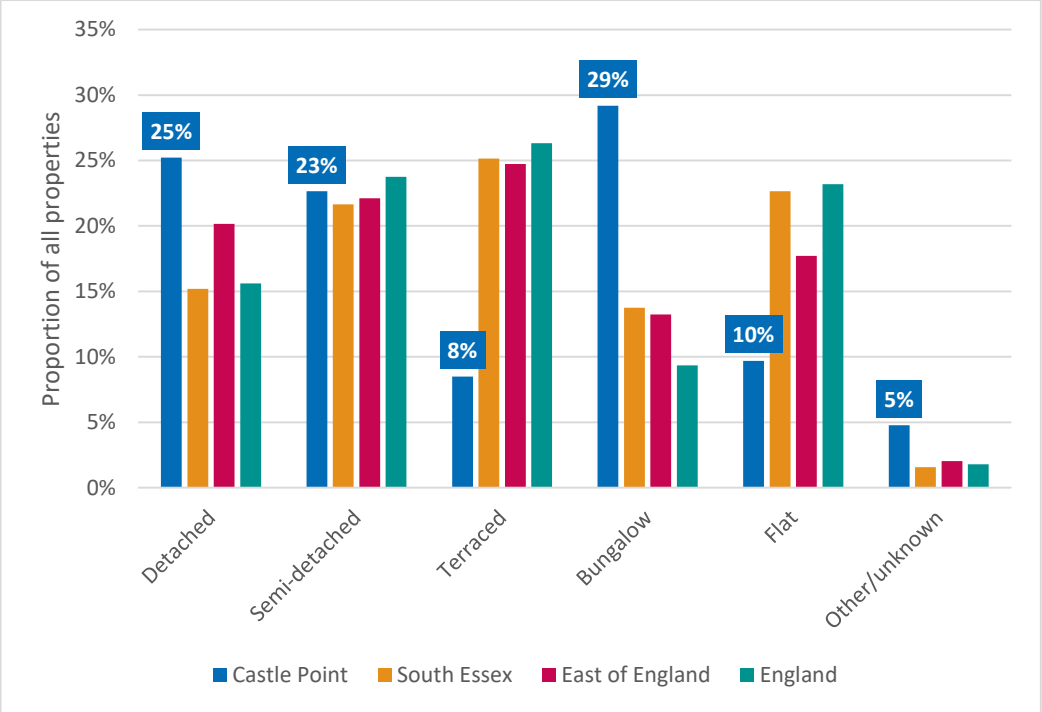
2.8 This data from the VOA confirms that Castle Point continues to have a particularly large number of bungalows, relative to South Essex, the wider region and England. Detached houses are also more prevalent in this area – as observed in the SHMA, based on its analysis of data from the 2011 Census[8] – but there are considerably fewer terraced properties and flats. There are also a relatively large number of other or unknown property types recorded by the VOA, the former known to include annexes, mobile homes (including park homes) and caravans[9].

[7] VOA (2019) Council Tax: stock of properties

[8] Turley (2016) South Essex Strategic Housing Market Assessment, Figure 8.1 and paragraph 8.7. The Census data drawn upon in the SHMA provided no breakdown to bungalows, and care should therefore be taken in comparing the two datasets

[9] VOA (2019) Council Tax: stock of properties, background information

Figure 2.5: Current Housing Profile by Type (2019)

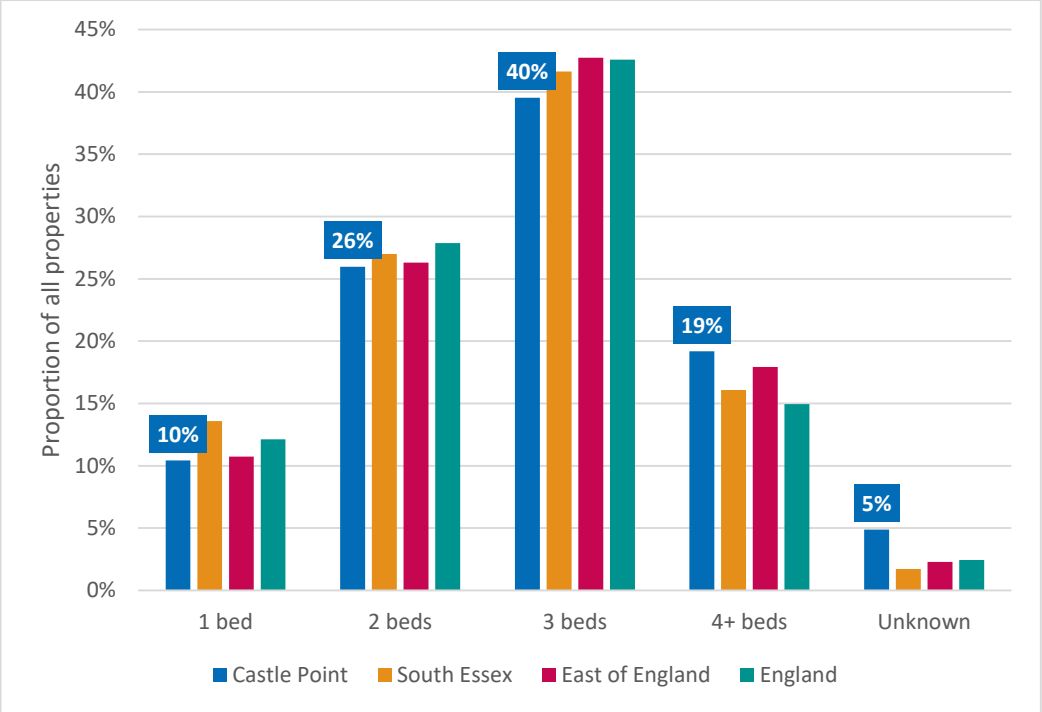


Source: VOA, 2019

2.9 There is more limited departure from these comparator areas when considering the size of existing homes in Castle Point, albeit it is clear that a relatively large proportion of homes in the borough contain at least four bedrooms – as noted in the SHMA[10] – with fewer containing three bedrooms. Castle Point has proportionately fewer small properties than South Essex as a whole, but is relatively aligned in this regard with the wider East of England.

[10] *Ibid*, Figure 8.3 and paragraph 8.10

Figure 2.6: Current Housing Profile by Size (2019)



Source: VOA, 2019

Demographic trends

2.10 The SHMA and its addendum included extensive analysis of the official population estimates produced by the Office for National Statistics (ONS), which continue to be released annually to provide an indication of population change in Castle Point. Detailed estimates are currently available to 2018, with a provisional estimate for 2019 also having recently been published.

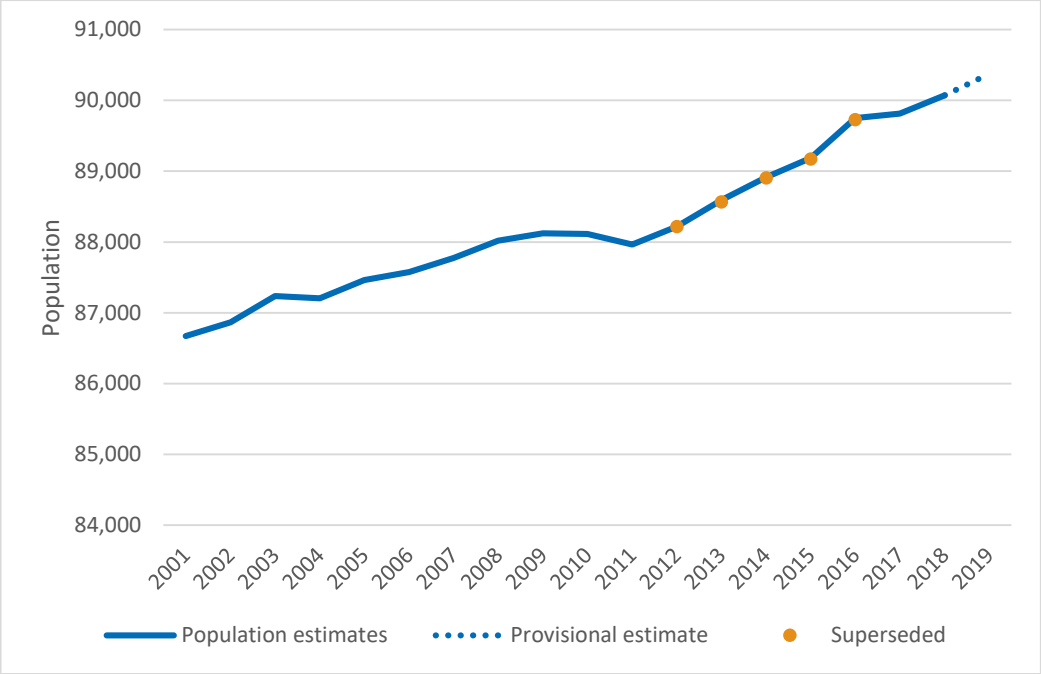
2.11 The intervening period has also seen the ONS revise its population estimates for the years immediately following the last Census (2012-16) in order to capture the effects of methodological improvements and take full account of previously unavailable data[11]. This had an extremely minor impact in Castle Point, however, retrospectively increasing the estimate for 2015 – the latest available when the last addendum was prepared – by only 11 people, or 0.01%.

2.12 The following chart shows how the population of Castle Point has continued to change in recent years, and also includes the original – now superseded – estimates made until 2016 prior to their revision by the ONS. This both reaffirms the relatively modest nature of the revisions, and confirms that the borough has seen sustained population growth since 2011. This implied growth trend has been notably validated by the ONS, through a revisions programme that naturally took account of any robust and quantifiable evidence that was available to improve accuracy[12].

[11] ONS (March 2018) Revised population estimates for England and Wales: mid-2012 to mid-2016

[12] ONS (2014) Population, migration and life events statistics revisions policy

Figure 2.7: Population Change in Castle Point (2001-19)



Source: ONS

2.13 Recent population change over the period for which official estimates are currently available – to 2018 – has only modestly altered the age profile of Castle Point, as summarised in the following table. Circa one third (32%) of residents continue to be under 30, falling below the averages for South Essex, the wider region and England. One in four residents are now over 65, rising since 2011 and remaining notably higher than seen in the wider geographies. It can also be seen that proportionately fewer residents are now aged 30 to 64.

Table 2.1: Change in the Age Profile of Castle Point (2011-18)

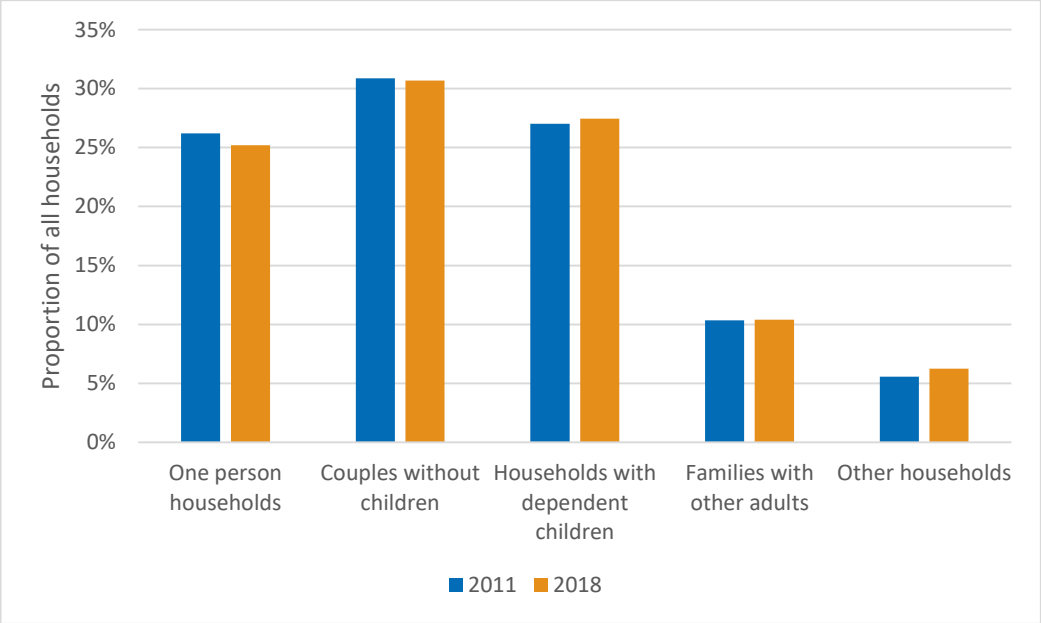
	2011	2018			
	Castle Point	Castle Point	South Essex[13]	East of England	England
15 and under	17%	17%	20%	19%	19%
16 to 29	15%	15%	16%	16%	18%
30 to 44	18%	16%	20%	19%	19%
45 to 64	29%	27%	26%	26%	26%
65 and over	22%	25%	19%	20%	18%

Source: ONS

[13] Basildon, Castle Point, Rochford, Southend-on-Sea and Thurrock

2.14 This is estimated to have resulted in still more modest change to the profile of households residing in the borough, albeit such up-to-date counts are not officially published and have instead been modelled by Edge Analytics[14]. Couples without children continue to be the largest cohort in Castle Point, as of 2018, followed by households with dependent children and one person households. The representation of each group, as a share of all households, is fundamentally unchanged since 2011.

Figure 2.8: Estimated Change in the Household Profile of Castle Point (2011-18)



Source: ONS; MHCLG; Edge Analytics

House prices and rents

2.15 The SHMA adhered to guidance in place at the time of its preparation by considering a number of market signals in its section 5, principally to determine the degree of imbalance between housing supply and demand. While no longer an explicit requirement of the PPG, subsequent change in the price paid to purchase or privately rent housing in Castle Point continues to provide valuable context, particularly when focusing on variation across different property sizes and types to reflect the scope of this report.

House Prices

2.16 Land Registry data has been analysed in order to establish trends in the average price paid for housing since 2014, the final year presented at Figure 5.4 of the SHMA. House type (i.e. detached, semi-detached, terraced and flats) is the means by which this analysis has been conducted, given that the Land Registry's price paid dataset does not include information as to house size (i.e. number of bedrooms).

[14] The age-specific headship rates released with the 2014-based household projections have been applied to the officially published population estimates, up to 2018. These rates have been preferred to those applied in the more recent 2016-based household projections due to concerns expressed by the Government about their reliability.

2.17 Overall, the mean price paid for housing in Castle Point grew by 35% between 2014 and 2019, the average house price in the borough subsequently standing at £321,648 in 2019. Whilst proportionate growth in prices has been broadly similar across all house types, it can be seen that the average price paid for semi-detached and terraced houses grew to a greater extent (respectively by 38% and 37%) than flats and detached houses (respectively 32% and 30%). This could signal growing imbalance between the supply of and demand for mid-sized housing in particular, albeit the consistency seen across all house types suggests that this is generally mirrored across the entire housing market.

Table 2.2: Change in Mean Price Paid by Dwelling Type (2014-19)

	2014	2019	Change	% Change
Detached	£290,207	£377,419	+£87,212	**+30%**
Semi	£220,695	£303,981	+£83,287	**+38%**
Terraced	£191,252	£262,634	+£71,382	**+37%**
Flat	£149,467	£197,281	+£47,814	**+32%**
All Types	**£239,082**	**£321,648**	**£82,566**	**+35%**

Source: Land Registry, 2020

Rents

2.18 Data published by the Valuation Office Agency (VOA) and latterly by the ONS tracks mean monthly rents. Average rents recorded by the most recent data (covering the period October 2018 – September 2019) and change since the same period in 2014/15 is outlined below[15], disaggregated by house size. It should be noted that this data is not available for different house types.

2.19 Overall, average monthly rents increased by 20% during the period 2014/15 - 2018/19, with the most significant rental growth recorded for three bedroom properties (21%). As with house prices, where the most significant growth was recorded for terraced and semi-detached housing, this analysis indicates that mid-sized family housing is displaying the greatest signs of imbalance between supply and demand.

[15] The October 2014 - September 2015 period presented in this table is slightly different from the period presented at Figure 5.6 of the original SHMA (April 2014 - March 2015) in order to align with the most recent 2018/19 data.

Table 2.3: Change in Mean Monthly Rents by Dwelling Size (2014/15-18/19)

	2014/15	2018/19	Change	% Change
1 bed	£623	£694	+£71	**+11%**
2 beds	£766	£892	+£126	**+16%**
3 beds	£933	£1,128	+£195	**+21%**
4+ beds	£1,231	£1,448	+£217	**+18%**
All Sizes	**£821**	**£985**	**£164**	**+20%**

Source: VOA, 2015; ONS, 2019

Summary

2.20 There has inevitably been an evolution in the profile of the local housing market of Castle Point, including its housing stock, since the SHMA and its addendum were prepared, given its dynamic nature. Such changes will continue over a plan period and they should continue to be regularly monitored by the Council.

2.21 The Council has recorded around 672 dwelling completions over the past five years (2015-20), with circa 61% of new homes being houses and a further third being flats. There has been a greater mix of housing sizes delivered, but larger homes with at least four bedrooms have generally been the most prominent having accounted for circa 36% of all homes completed in the past five years. These trends have been broadly sustained within this period, albeit with some fluctuation on an annual basis.

2.22 A review of the latest available housing stock data, which accounts for all but the last year of completions, suggests that Castle Point continues to offer a large number of bungalows and detached houses relative to South Essex, the wider region and England. The so-called "other" property types, including mobile homes and caravans, are also relatively prevalent. The size of the housing stock is nonetheless comparable to these wider areas, if slightly more orientated towards larger properties.

2.23 The population of Castle Point has continued to grow in recent years, largely driven by migration from elsewhere in the UK and to a lesser extent overseas. The age profile remains oriented towards older age groups, and increasingly so, with relatively few residents aged under 30 when compared to South Essex, the wider region and England. The household profile is similarly estimated to have seen little change, with couples without children continuing to be the largest cohort followed by those with dependent children and single person households.

2.24 The housing market has also remained active, with the average price paid for housing having risen by around one third over the past five years. While this has been broadly consistent across all property types, the price paid for semi-detached and terraced properties has seen the greatest growth in this time. Private rents have also risen across all sizes of property over a similar period, most notably for properties with at least three bedrooms. This suggests imbalance between supply and demand across all property sizes and types, but particularly for mid-sized family housing.

3. Projected Growth over the Plan Period

3.1 In responding to official guidance in place at that time, both the SHMA and its addendum included a series of projections of future population and household growth for each of the South Essex authorities, including Castle Point. Reference was made both to official projections – released by the ONS and what is now the Ministry of Housing, Communities and Local Government (MHCLG) – and further modelling configured by Edge Analytics, using the POPGROUP suite of software.

3.2 The guidance has since evolved, however, with revisions to the National Planning Policy Framework (NPPF) having introduced a new standard method for determining '*the minimum number of homes needed*'[16]. This minimum need can now be simply calculated by any party, through reference to 2014-based household projections and affordability ratios annually released by the ONS. This has allowed the Council to independently apply the formula to calculate the minimum number of homes needed in Castle Point[17].

3.3 While the Planning Practice Guidance (PPG) is prescriptive on the method itself, it does not specify how plan-makers should translate any calculation of need into population and household growth. The method does make implicit assumptions on how the population will change during the decade over which its baseline is calculated, but this cannot be simply reconciled with a longer plan period nor take account of population change that has already occurred since the 2014 base of the projections. It equally makes no allowance for the demographic impact of the affordability adjustment applied through the method, which plans for additional homes that are intended to be occupied[18]. This is inferred to be either through improved rates of household formation – particularly amongst those who have been restricted from doing so due to worsening affordability issues – or increased migration, enabled through the provision of new homes.

3.4 Demographic modelling can be used to overcome these limitations of the method, and estimate how the population and household profile of Castle Point could change if the calculated need for housing is met in full as proposed by the Council through its intended provision for 352 dwellings per annum over the plan period[19] (2018-33). This modelling has again been provided by Edge Analytics, using official demographic datasets with an allowance for a recovery in younger household formation in line with the underlying principles of the affordability adjustment. The methodology is outlined in further detail at **Appendix 1** with its outcomes summarised in this section.

Population growth

3.5 Edge Analytics' modelling suggests that the provision of 352 dwellings per annum in Castle Point, from 2018 onwards, could be reasonably expected to grow the population

[16] MHCLG (2019) National Planning Policy Framework, paragraph 60

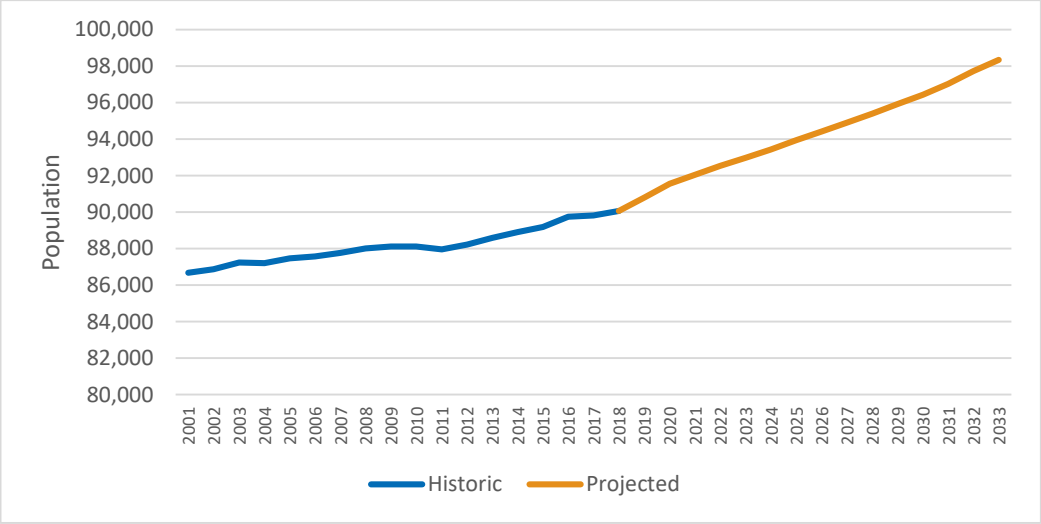
[17] Castle Point Borough Council (2019) New Castle Point Local Plan: Pre-submission Plan 2018-2033, paragraph 9.5

[18] PPG Reference ID 2a-006-20190220

[19] Castle Point Borough Council (2019) New Castle Point Local Plan: Pre-submission Plan 2018-2033, paragraph 9.6. This slightly exceeds the Council's calculation of a need for 342 dwellings per annum

by circa 8,270 people by the end of the proposed plan period (2033). This represents population growth of approximately 9%.

Figure 3.1: Potential Population Impact of Planned Housing Provision in Castle Point



Source: Edge Analytics, 2020

3.6 The population of Castle Point would likely continue to age in this scenario, further increasing the proportion of residents aged 65 and over in line with the recent trend identified in section 2. This cohort would be expected to see the strongest growth in absolute and proportionate terms over the plan period, closely followed by those aged 30 to 44 who are implicitly assumed to be attracted and retained through the availability of housing[20]. A slight decline in the number of residents aged 45 to 64 is also implied by the modelling.

Table 3.1: Modelled Impact of Planned Housing Provision on Age Profile

	2018		2033		Change	% change
	Total	%	Total	%		
15 and under	15,250	17%	16,329	17%	1,079	7%
16 to 29	13,440	15%	14,449	15%	1,009	8%
30 to 44	14,221	16%	16,558	17%	2,337	16%
45 to 64	24,425	27%	23,970	24%	-455	-2%
65 and over	22,734	25%	27,031	27%	4,297	19%
Total	**90,070**	**100%**	**98,336**	**100%**	**8,266**	**9%**

[20] Having accounted for natural change in the population, international migration and changing household formation rates – including an improvement for younger people – the modelling then allows net internal migration to fill the remaining homes that are assumed to be available

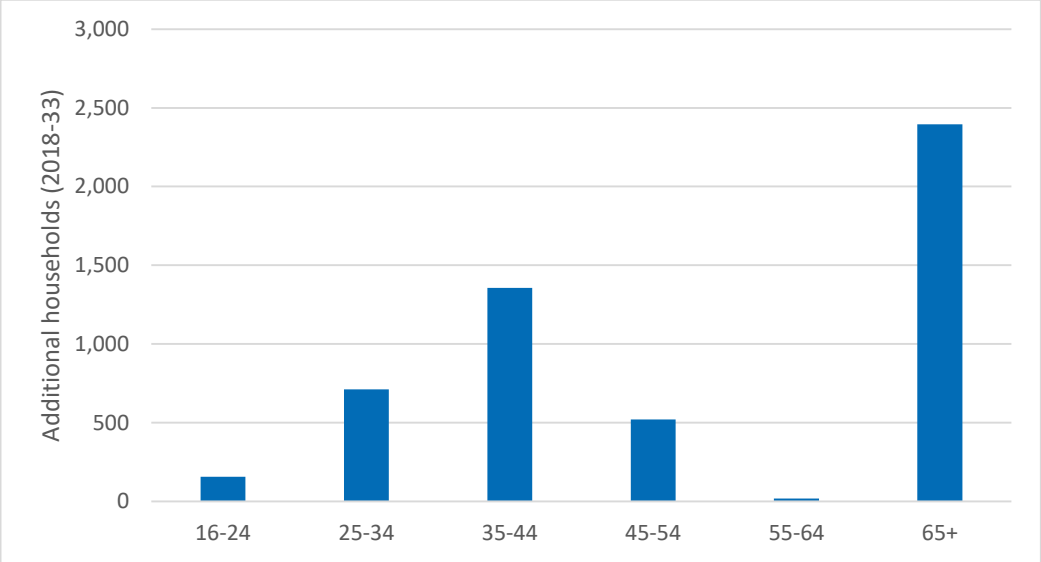
Source: ONS; Edge Analytics, 2020

Household profile

3.7 Continued change in the age structure of Castle Point can also be expected to impact upon the profile of households in the borough.

3.8 This can be explored through consideration of the age of those leading households, also known as the household reference person. The modelling suggests that the ageing trend identified above will substantially grow the number of households led by an individual aged over 65, as shown at Figure 3.2 below. Reasonably strong growth can also be expected amongst households led by a person aged 35 to 44. There is, however, expected to be considerably more limited growth amongst households led by an individual approaching retirement age (55-64) reflecting the different projected trend in this age group.

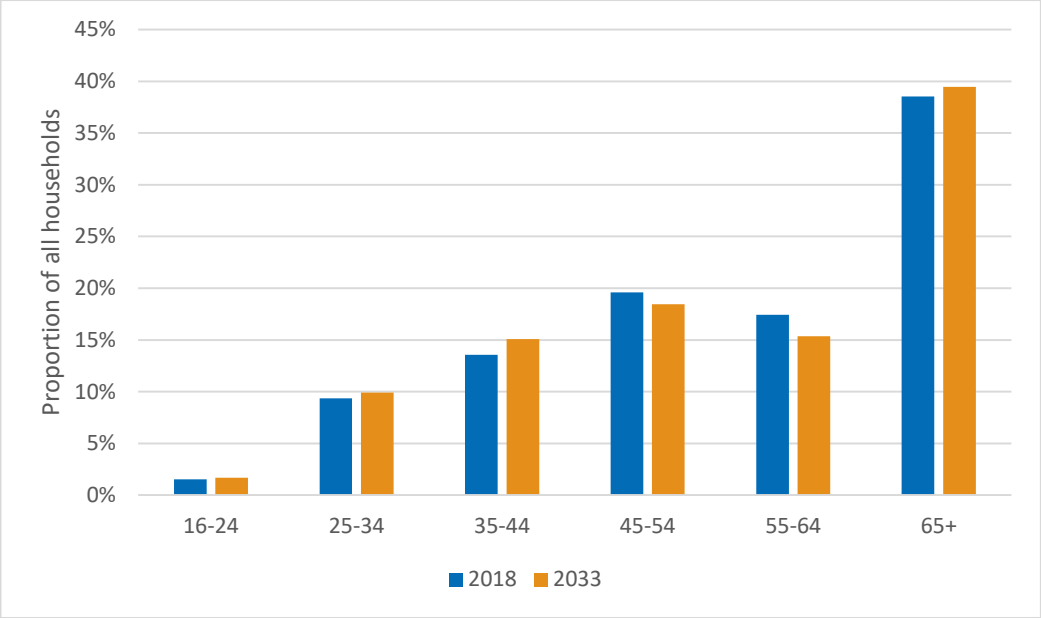
Figure 3.2: Projected Change by Age of Household Reference Person (2018-33)



Source: Edge Analytics, 2020

3.9 This change would not substantially alter the profile of households in Castle Point, in terms of the age of representatives, but would slightly increase the proportion of households led by an individual aged over 65 as shown at Figure 3.3. The proportion of households led by a person aged 25 to 44 would also be expected to rise, with those led by individuals aged 45 to 64 becoming slightly less prevalent.

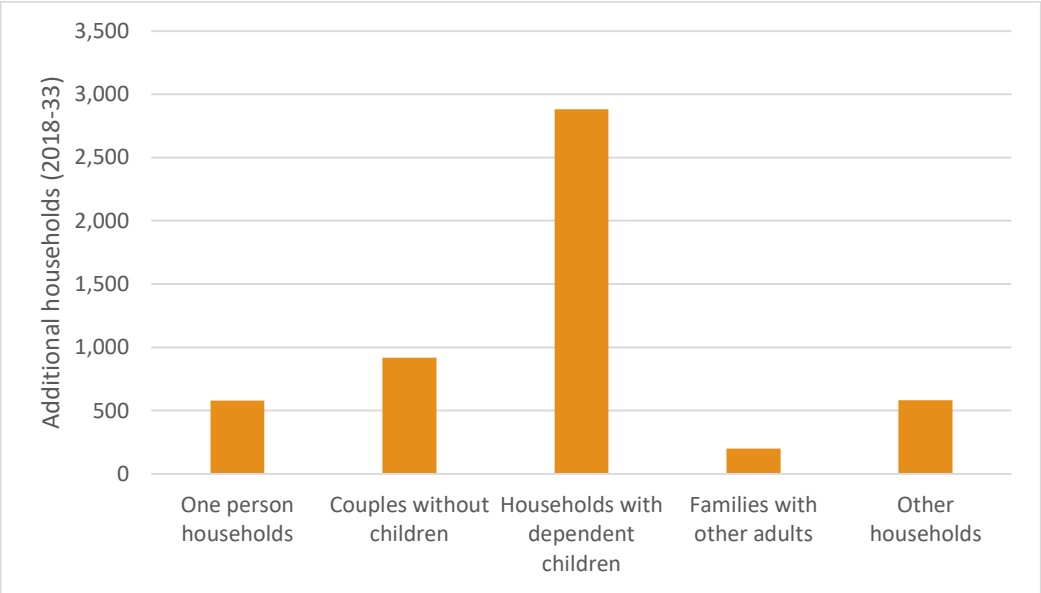
Figure 3.3: Current and Projected Household Profile by Age of Reference Person



Source: Edge Analytics, 2020

3.10 This changing age structure also has implications for the types of household that reside in Castle Point, albeit the key implied change – despite an apparently ageing trend – is actually amongst households with dependent children. Growth in the number of older households does serve to increase the estimated number of one person households as well as those containing couples without children, but this is partially offset by the projected lack of growth amongst those approaching retirement age who often form such households.

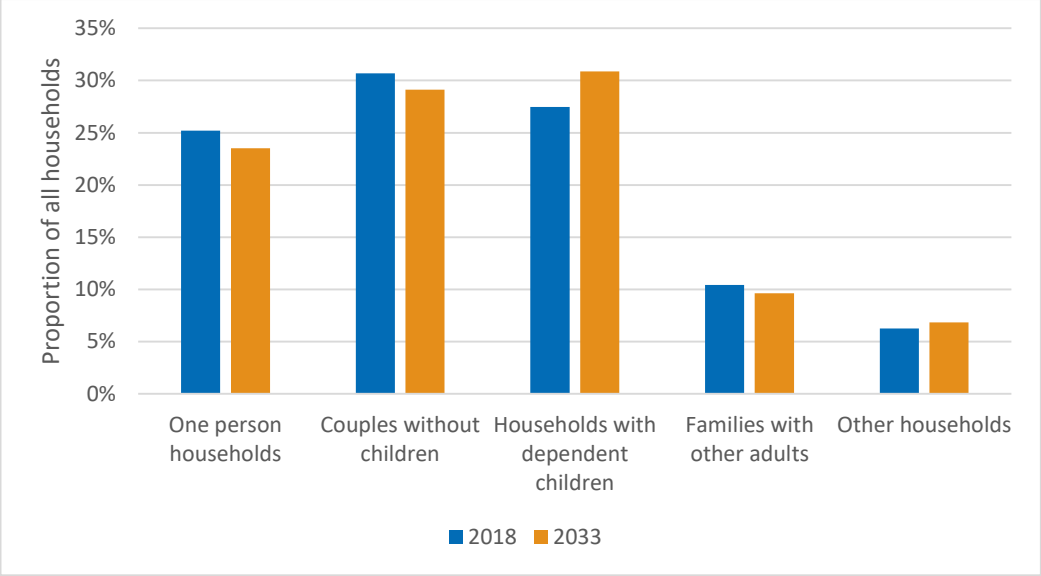
Figure 3.4: Projected Change by Household Type (2018-33)



Source: Edge Analytics, 2020

3.11 This change would again slightly alter the household profile of Castle Point during the plan period, growing the representation of households with dependent children and to a lesser extent "other households" containing unrelated adults. The remaining household groups would be expected to become slightly less prominent in such a scenario.

Figure 3.5: Current and Projected Household Profile by Type



Source: Edge Analytics, 2020

Summary

3.12 This section has introduced demographic modelling produced to estimate how the population and household profile of Castle Point could change if the local housing need calculated by the Council were met in full over the emerging plan period (2018-33).

3.13 The modelling suggests – through use of official demographic datasets – that the provision of 352 dwellings per annum could grow the population by circa 8,270 people by 2033, or 9%. The population would likely continue to age in this scenario, further increasing the proportion of residents aged 65 and over, but there is implied to remain the capacity to also attract and retain younger people aged 30 to 44 thus growing the size and representation of this cohort.

3.14 These trends would likely grow the number of households led by an individual aged over 65, with reasonably strong growth also projected amongst households led by a person aged 35 to 44. This contributes towards the projection suggesting that more than half of additional households will contain dependent children, growing the representation of this group over the plan period. A projected reduction in the number approaching retirement age softens the impact of the ageing trend on the household profile, but this trend does continue to drive some of the projected growth in couple and single person households.

4. Size and Type of Housing Needed

4.1 The different types of households that could form in Castle Point, based on the modelling introduced in the previous section, naturally have varying requirements in terms of housing. The NPPF requires this '*range*' of housing needs to be assessed and reflected in planning policies[21].

4.2 The PPG provides some guidance on approaches that can be taken when identifying the need for different types of housing, but does not prescribe a single approach that must be followed.

4.3 Within this context, evidence from the 2011 Census continues to provide an incomparably comprehensive and local insight into the housing choices of different household types in Castle Point. It allows modelling of the size and type of housing that could be needed to accommodate projected change in the household profile, comparable to that presented in section 5 of the last SHMA addendum.

4.4 Such modelling again assumes that evidenced local tendencies are maintained throughout the plan period, with no attempt made to estimate how market factors – such as changes to house prices, incomes and household preferences – will impact upon households' propensity to occupy housing of different sizes. This approach continues to be considered reasonable, as it ensures that the analysis is grounded in a robust evidence-based position on household choices. It is, however, recognised that existing choices will naturally reflect the profile of stock available in Castle Point.

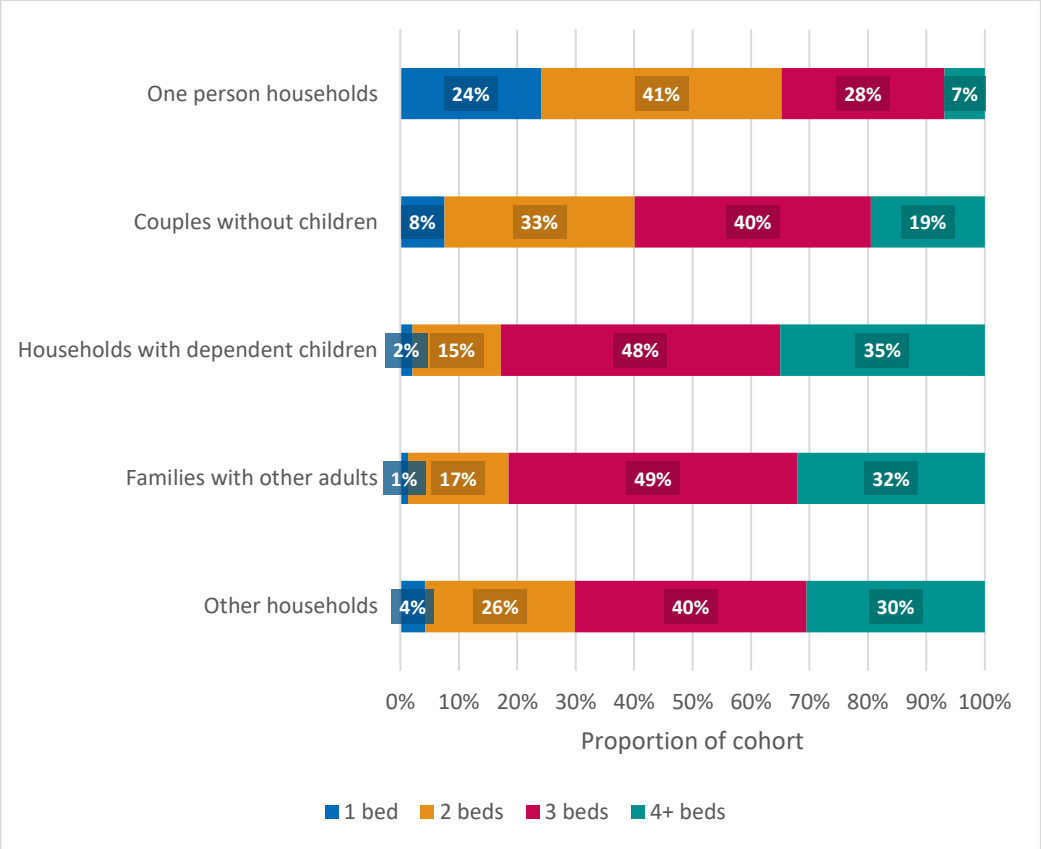
Understanding local occupancy trends

4.5 Table 5.1 of the last addendum report summarised Census data on the tendency of different household types to occupy different sizes of housing, within each authority including Castle Point.

4.6 This data was necessarily aggregated to three broad household typologies. While a similar process is still required to align with the household types introduced earlier in this report, a slightly more granular position for five household categories can now be provided. This is summarised at Figure 4.1.

[21] MHCLG (2019) National Planning Policy Framework, paragraphs 8(b) and 61

Figure 4.1: Property Size by Household Type in Castle Point (2011)



Source: Census 2011

4.7 It is clear that one person households in Castle Point display the greatest tendency to occupy smaller properties, as broadly observed in the addendum, albeit over one in three (35%) do still live in larger homes containing at least three bedrooms.

4.8 The tendency to occupy smaller properties does markedly fall amongst other household groups, with only 17% of those with dependent children living in a property with up to two bedrooms for example. Nearly half of these households had three bedrooms, and over one third had at least four bedrooms. A very similar profile is seen amongst families living with other adults, who can be non-dependent children or older relatives for example.

Considering subsequent change since 2011

4.9 The above is inevitably a snapshot of local household choices at a point in time, when the Census was undertaken over nine years ago in 2011. While there is no more recent local data offering the same level of insight, national surveys can provide an indication of changes that may have emerged in the intervening period.

4.10 It is important to recognise that any such changes will inevitably reflect to some extent the supply of housing made available, which is becoming smaller when considered at the national level. National research has found that homes built from 2010 onwards

had 2.95 bedrooms on average, compared to 3.32 in the previous decade[22]. The English Housing Survey has similarly found that homes built since 2005 were more likely to have one or particularly two bedrooms, than those completed before this point[23]. This is undoubtedly influenced by the growing prevalence of flats, which accounted for 44% of the new dwellings captured in the survey but only 18% of older homes.

4.11 While the vast majority of these properties are likely to have been occupied by households, they should not be assumed to have satisfied housing needs in all cases. Overcrowding – a sign that a property is not large enough for its occupier – has notably become more common in this time and now stands at its highest rate since at least 1995, according to the English Housing Survey, particularly amongst households living in the private and social rented sectors[24]. Circa one in four overcrowded households are explicitly dissatisfied with their home, with lone parents, renters, young people and certain ethnic groups also seeing relatively high levels of dissatisfaction[25].

4.12 Caution should therefore be exercised before assuming that the increasingly small properties developed in England are necessarily meeting households' needs, or fundamentally changing requirements or preferences in terms of property size. This is a particularly important distinction to make outside of city centres, where residents are generally more willing to make a '*space sacrifice*' for '*a short phase of their lives*'[26]. The analysis in section 3 clearly shows that Castle Point is not characterised by an offer of flats, nor smaller properties in general, further cautioning against a broad assumption that such properties will be increasingly chosen by households in future.

Size of housing needed to accommodate projected change

4.13 The profile of household growth estimated in section 3 can be expected to drive demand for different sizes of housing in Castle Point over the plan period, based on the varying tendencies shown earlier at Figure 4.1. By proportionately reflecting the existing tendencies of different household types, an illustrative profile of the size of housing that could be required by additional households forming in the borough can be established, as summarised at Table 4.1 overleaf. This relates to all additional households projected to form and is not broken down by tenure.

[22] LABC Warranty (September 2019) What is the average house size in the UK? New data

[23] House of Commons Library (March 2020) Tackling the under-supply of housing in England, p21. Circa 10% of old dwellings (pre-2005) had one bedroom, rising to 14% in new dwellings (2005+); circa 27% of old dwellings had two bedrooms, rising to 40% in new dwellings

[24] MHCLG (January 2020) English Housing Survey 2018 to 2019, Annex Table 1.21

[25] MHCLG (July 2019) English Housing Survey data on attitudes and satisfaction, FA5401: satisfaction with accommodation

[26] Centre for Cities (2005) Faulty Towers? City Centre Housing Markets in the UK, p5; Centre for Cities (2015) Urban Demographics: why people live where they do, p10

Table 4.1: Implied Size of Housing Required in Castle Point (2018-33)

	1 bed	2 beds	3 beds	4+ beds
Households	6%	22%	43%	29%

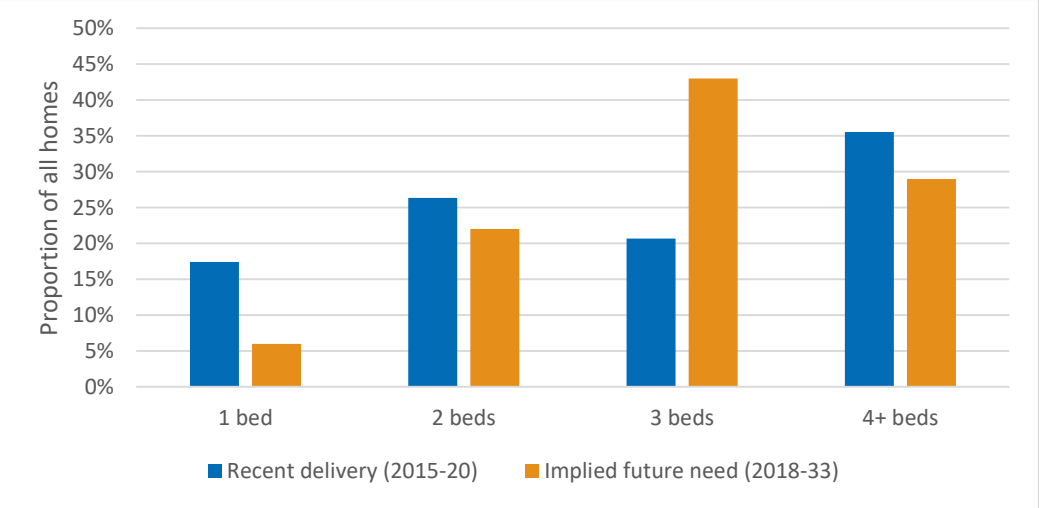
Source: Turley; Edge Analytics; Census 2011

4.14 This analysis suggests that additional households would most likely require three bedrooms, such that there is an implied need for 43% of homes to be of this size. This is followed by larger properties with at least four bedrooms (29%) and two bedroom properties (22%). Substantially fewer households (6%) would be expected to require only one bedroom, based on current local trends that are admittedly influenced by the stock of housing currently available.

4.15 When considered in the context of the last addendum, and the comparable exercise summarised at its Table 5.3, this profile is oriented slightly more towards larger properties. This is driven both by the more granular approach taken in this report, and the level of growth now expected – based on the latest available demographic evidence – amongst households with children who currently show the strongest tendency towards occupying larger homes[27].

4.16 The split of unit sizes now implied to be needed does depart to some extent from the recent trends in delivery, shown earlier at Figure 2.3. It is particularly notable that only 21% of new homes completed in the past five years have contained three bedrooms, which is markedly lower than the 43% of households estimated to need a property of this size. One bedroom properties, in contrast, are implied to be sought by only 6% of households but have accounted for 17% of recently completed homes.

Figure 4.2: Comparing Implied Future Need with Recent Delivery



Source: Turley analysis; Castle Point Borough Council

[27] The addendum did not explicitly report on the projected number of additional households with children, preventing a direct comparison with the up-to-date modelling presented in this report

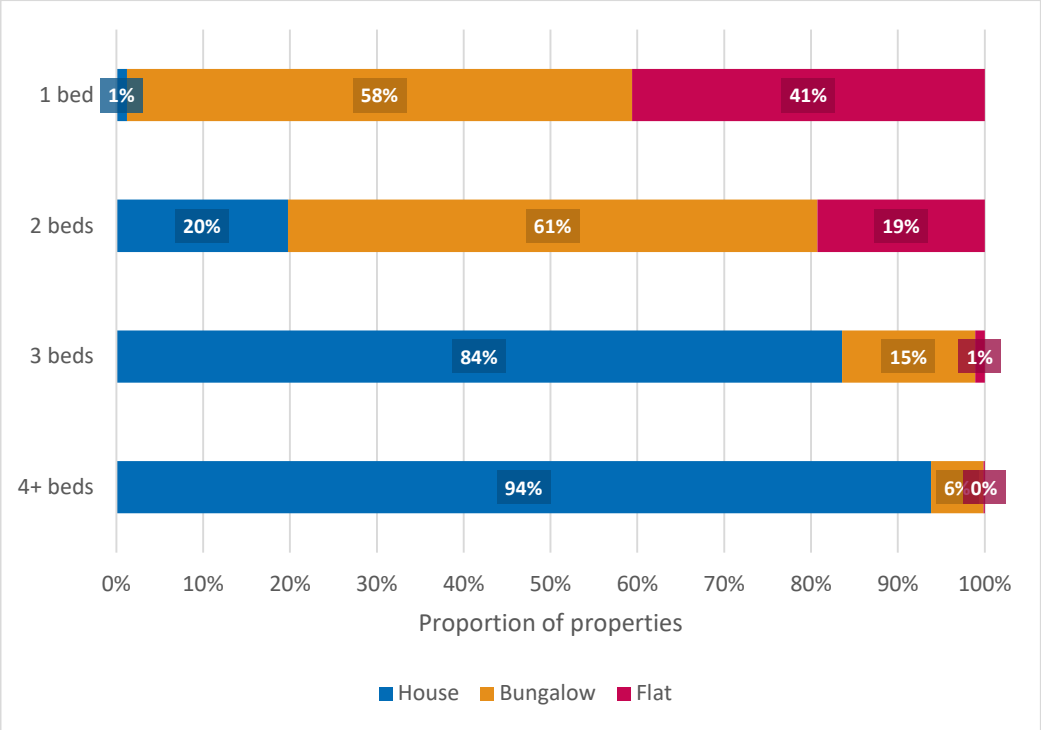
4.17 While possible to speculate on the various factors causing this implied divergence, it must be recognised in doing so that past delivery is an imperfect barometer of future need in Castle Point, especially where it is recognised as capturing a period that is considerably shorter than will be covered by the Local Plan. The delivery profile analysed in section 2 and referenced here follows the provision of only 672 homes over five years, which equates to an average of 134 dwellings per annum – less than half of the need for 352 dwellings per annum calculated by the Council. Increasing past delivery is therefore a prerequisite if the Council is to meet its housing needs, and this may require a particular boost to the rate at which certain property sizes have been delivered in the recent past. The rising cost of mid-sized housing identified in section 2 suggests for example that there may have been a particular shortage of three bedroom properties in recent years relative to market demand, thus warning against a simplistic interpretation of the recent delivery trend. This reaffirms the validity of using the modelling outputs to monitor the longer-term planned boosting of housing supply in Castle Point.

Type of housing needed to accommodate projected change

4.18 The type of property that may be required to provide homes of the necessary size can also be estimated, drawing upon the VOA data introduced in section 2 of this report. This confirms, as of 2019, the proportion of dwellings of each size in Castle Point that are flats, bungalows and houses, which is illustrated at Figure 4.3[28]. This indicates that most one and two bedroom properties in the borough are bungalows, with houses then accounting for the vast majority of homes containing three or more bedrooms.

[28] "Other" and unknown property types cannot be included in this exercise, on the basis that the number of bedrooms in such properties are not recorded by the VOA

Figure 4.3: Type of Housing by Number of Bedrooms (2019)



Source: VOA, 2019

4.19 Based on this profile, meeting the need for different property sizes implied by Table 4.1 could require around two thirds (68%) of additional homes in Castle Point to be houses. A further 25% of homes could need to be bungalows, with a more limited need for flats (7%). This is, however, again sensitive to the existing stock profile, where bungalows in particular are notably more prominent than seen on average across a wider area.

Table 4.2: Implied Type of Housing Required in Castle Point (2018-33)

	Houses	Bungalows	Flats
Households	68%	25%	7%

Source: Turley; Edge Analytics; VOA; Census 2011

4.20 The prevailing need for houses correlates with the recent profile of delivery, which has seen houses account for 61% of all new homes provided in Castle Point over the past five years as introduced at the earlier Figure 2.1. The implied future role of flats and bungalows, however, is broadly the opposite to that which has been recorded in recent years, with flats having accounted for over four times as many new homes in proportionate terms (32%) and bungalows considerably fewer (3%).

4.21 This is a natural limitation of any approach linked to the existing housing stock of Castle Point, which is extremely orientated towards bungalows (Figure 2.5). It is assumed for the purposes of the modelling that a component of the need for smaller properties must be met by bungalows, based on the existing stock profile and therefore the

propensity of households to occupy this form of housing, but this is not necessarily the case as smaller homes can be reasonably offered in other forms. This could serve to overcome the challenges often faced in developing bungalows, described as follows in a Select Committee Inquiry into housing for older people given their popularity amongst this cohort:

"In London and the south-east, where land prices are so high and space is at such a premium, to suggest we can build enough bungalows for all the old people who want them – it is not going to happen. Planning rules would not allow you to have that sort of footprint. That is why trying to capture what it means to live in a bungalow, in terms of some outside space, all one area, open plan, easily accessible, in alternative village-type designs or apartment-type designs, is the way forward"[29]

4.22 In this context, the Council in interpreting the evidence could justifiably amalgamate the implied need for properties other than houses, to provide for greater flexibility between flats and bungalows where they can still be evidenced as meeting the needs of households. Such an approach would appear more reflective of and respond more positively to recent trends in the local market.

Interpreting the evidence

4.23 In interpreting the estimates made in this section, they must be acknowledged to provide only an illustrative modelling of available evidence, which can be used as a guide to be reflected in policy and for the strategic monitoring of future development.

4.24 While this evidence provides a valuable indication of the broad mix of housing which may be required in Castle Point, it is recommended that policies are not overly prescriptive in expecting all sites to precisely align with the illustrative mix presented in this section. The mix of housing provided on individual sites will need to respond to and be influenced by the changing demands and needs of the market, and take account of local market evidence, local context and viability considerations.

Summary

4.25 The different types of households that could form in Castle Point, based on the modelling introduced in the previous section, naturally have varying requirements in terms of housing. Residents living alone often, though do not always, live in smaller homes for example, while households with dependent children tend to occupy larger properties. While these local trends were recorded through an increasingly dated snapshot taken in 2011, this remains incomparably comprehensive and there is no national evidence of a fundamental or willing shift in household preferences in the intervening period.

4.26 Where these local occupancy trends continue, the additional households projected to form in Castle Point would most likely require a home with three bedrooms, albeit a split between this unit size, larger properties and those with two bedrooms can be seen (43/29/22% respectively). Substantially fewer households (6%) would be expected

[29] Claudia Wood of Demos, quoted in the second report of session 2017-19 for the Communities and Local Government Committee on "Housing for older people", February 2018, paragraph 106

to require only one bedroom. Delivering such unit sizes could require around two thirds (68%) of additional homes to be houses, based on the existing stock profile, with a further 25% being bungalows and the remainder (7%) being flats. This represents only illustrative modelling, however, which can be used for guidance and monitoring purposes but should not be prescribed as an explicit requirement for all sites given the need to respond to changing market demands, local context and viability factors.

4.27 While the proportionate need for houses can be observed to closely align with the recent trend, which has seen houses account for 61% of the new homes provided in Castle Point over the past five years, there is elsewhere a degree of divergence from this recent trend. Flats have accounted for a much larger share of all new homes (32%) than implied to be needed by the modelling going forwards, at the expense of bungalows (3%). This appears to be caused to some extent by a modelling approach that is linked to the existing housing stock in the borough, where bungalows dominate. In interpreting this modelling, and responding to changes in the local market, the Council could justifiably expect flats to meet at least some of the implied need for bungalows, where they are recognised to offer similar benefits to certain age groups in particular – such as single-storey living – with a more efficient use of land. Such an approach could also lead to a more balanced stock profile than currently exists, where this was deemed desirable by the Council.

4.28 The implied need for different unit sizes also differs from the recent trend, with half as many three bedroom properties having been provided than now needed in proportionate terms but *more* with one or at least four bedrooms. Such a basic comparison must however appreciate the Council's evidence of a need to more than double this rate of delivery, meaning that the historic split between unit sizes may be skewed by the relatively low number of completions and thus may not continue where wider housing supply is successfully boosted.

5. Housing Needs of Older People

5.1 Section 8 of the SHMA considered the housing needs of older people as a distinct group in the population, and this was updated in section 5 of the addendum to align with its updated modelling. The availability of further modelling allows a further update to this analysis, to maintain consistency.

5.2 Since the addendum was prepared, the Government has notably reiterated the importance of suitably accommodating a growing elderly population, responding to an inquiry on the issue by highlighting its '*endeavour…to ensure that our planning and housing policies positively reflect the requirements of older people*'[30]. Reference was made in this context to its '*strengthened*' NPPF and the ongoing preparation of new guidance on housing for older people, eventually published in June 2019. This updated guidance offers practical advice to the Council and clearly describes '*the need to provide housing for older people*' as '*critical*'[31].

5.3 Table 2.1 of this report confirmed that those aged over 65 account for a growing proportion of the Castle Point population. This follows an 18% growth in the number of such residents since 2011, as detailed below.

Table 5.1: Recent Change in the Older Population of Castle Point (2011-18)

	2011	2018	Change	% change
65 to 74	10,602	12,463	1,861	18%
75 to 84	6,297	7,585	1,288	20%
85 and over	2,358	2,686	328	14%
65 and over	**19,257**	**22,734**	**3,477**	**18%**
75 and over	8,655	10,271	1,616	19%

Source: ONS

5.4 Edge Analytics' modelling, introduced in section 3, suggests that this trend will continue over the emerging plan period where housing provision aligns with that currently planned. The following table shows that it is the eldest cohort, aged over 85, that is projected to see the strongest growth in absolute and proportionate terms, as residents gradually age. The number of residents aged 75 to 84 is implied to grow by around one quarter, but there is notably expected to be more modest growth amongst those aged 65 to 74. This likely reflects the relative size of the existing cohort that is gradually ageing.

[30] Government response to the Second Report of Session 2017-19 of the Housing, Communities and Local Government Select Committee inquiry into Housing for Older People, September 2018

[31] PPG Reference ID 63-001-20190626

Table 5.2: Projected Change in the Older Population of Castle Point (2018-33)

	2018	2033	Change	% change
65 to 74	12,463	12,802	339	3%
75 to 84	7,585	9,528	1,943	26%
85 and over	2,686	4,701	2,015	75%
65 and over	**22,734**	**27,031**	**4,297**	**19%**
75 and over	10,271	14,229	3,958	39%

Source: ONS; Edge Analytics, 2020

5.5 The updated PPG confirms that such '*projections of population and households by age group can…be used*' to identify the housing needs of older people[32].

5.6 In doing so, it is important to first recognise that Edge Analytics' modelling itself makes assumptions about the number of people living in a communal establishment[33] such as care homes rather than private households, as previously highlighted in the SHMA and its addendum. The methodology remains consistent with that applied in those reports, and in the development of official household projections, specifically assuming that:

- For all ages up to 74, the *number* of people in each age group that are not in households remains aligned with the 2011 Census value; and
- For ages 75 and over, the *proportion* of the population that are not in households remains aligned with the 2011 Census, therefore varying in absolute terms throughout the modelling period depending on the size of this population.

5.7 As a result, modelled growth in the number of people living in communal establishments is entirely attributable to an increased number of older people aged 75 and over. This implies a need for care and nursing homes.

5.8 In the modelling presented in this report, the communal population of Castle Point is projected to grow by circa 20 persons per annum over the emerging plan period, as summarised at Table 5.3. These additional older people are not assumed to live in dwellings, and are therefore **excluded from and additional to** any assessed need for dwellings, conducted using the standard method for example. No attempt has been made to consider how other forms of specialist housing, possibly in different use classes, could meet this distinct need, recognising that uncertainties exist around residents' requirements and indeed preferences[34].

[32] PPG Reference ID 63-004-20190626

[33] A communal establishment provides managed residential accommodation. It is defined to include sheltered accommodation units where fewer than half of units have their own cooking facilities, or similar accommodation where residents have their own rooms but the main meal is provided. If half or more possess their own facilities for cooking, regardless of use, all units in the whole establishment are treated as separate households

[34] It is acknowledged that housing strategies or development could accommodate those assumed to be in need of bedspaces in residential institutions (Use Class C2) in other forms of provision, in Use Class C3. Where evidenced,

Table 5.3: Projected Change in Communal Population of Castle Point (2018-33)

	Total change	Average change per annum
Communal population	295	20

Source: Edge Analytics, 2020

5.9 It is also important to consider the need for other types of specialist housing for older people, beyond the need for care homes implied by the modelling output presented above. The updated PPG encourages the use of '*online tool kits provided by the sector*', specifically referencing the Strategic Housing for Older People Analysis (SHOP@) toolkit produced by Housing LIN – and used in the SHMA and its addendum – as '*a tool for forecasting the housing and care needs of older people*'[35]. It estimates the rate at which those aged 75 and over could require different forms of specialist housing provision, and suggests that there could be demand for:

- **125 sheltered housing units** per thousand residents aged over 75;
- **20 enhanced sheltered housing units** per thousand residents aged over 75; and
- **25 extra care units** with 24/7 support per thousand residents aged over 75.

5.10 With Table 5.2 suggesting that this cohort could grow by 3,958 persons over the emerging plan period, the toolkit suggests that this could generate total demand for 45 units of specialist accommodation in Castle Point each year. Unlike the distinct need estimated above, those occupying such accommodation *are* otherwise assumed to live in private households meaning that such individuals are *included* in the assessed need for dwellings. This is consistent with the distinction drawn in the SHMA and its addendum.

Table 5.4: Projected Need for Specialist Housing in Castle Point (2018-33)

	Total additional demand	Average per annum
Sheltered housing	495	33
Enhanced sheltered housing	79	5
Extra care units with 24/7 support	99	7
Total	**673**	**45**

Source: Edge Analytics; Housing LIN; Turley analysis

this would directly elevate the overall level of housing need to include those households that are currently excluded from its underlying projection

[35] PPG Reference ID 63-004-20190626

Summary

5.11 Earlier iterations of the SHMA have considered the housing needs of older people as a distinct and growing part of the local population, and the availability of further modelling in this report allows a further update to this analysis to maintain consistency.

5.12 The latest modelling suggests that the ageing trend experienced in Castle Point will continue over the emerging plan period, with the number of residents aged 65 and over projected to increase by around 19% and still more pronounced growth anticipated amongst the eldest cohorts.

5.13 The PPG confirms that such projections can be used to identify the housing needs of older people. The projections themselves assume that there will be around 20 older residents in need of additional bedspaces in communal accommodation each year. These individuals are not assumed to live in traditional dwellings and are therefore excluded from and additional to any assessed need for dwellings.

5.14 A further demand for other forms of specialist provision – such as sheltered and extra care housing – can also be anticipated, with the application of available toolkits suggesting that circa 45 such units could be needed each year. This is *included* in the assessed need for dwellings, unlike the distinct need for communal bedspaces referenced above.

6. Other Specific Housing Needs

6.1 Beyond the housing needs of older people considered in the previous section, the availability of new modelling also allows for the updating of the SHMA's analysis on the number of disabled people that could reside in Castle Point during the plan period. This is considered in this section, alongside the reporting of an up-to-date position on other key metrics – surrounding the role of adaptations, and self-build – presented in section 8 of the SHMA.

People with support needs

6.2 The SHMA used the Census to calculate the prevalence of long-term limiting disabilities and illnesses amongst different age cohorts in Castle Point. These rates were applied to additional residents expected to live in the borough to estimate the number of individuals with support needs, at Table 8.19[36].

6.3 This broad methodology arguably remains justified by the latest guidance, which does not prescribe a fixed approach but continues to describe the Census as a source of '*information on the number of people with a long-term limiting illness*'[37]. It is therefore considered appropriate – albeit for illustrative purposes only – to repeat this approach while incorporating new modelling, introduced in section 3.

6.4 As shown at Table 6.1, the scale of growth projected in the cohort most likely to be limited in daily activities (65+) could lead almost 2,200 additional older residents to require support. Around 85% of the additional residents implied to need support are within this older group, with a smaller growth in the number of other adults requiring support and a modest growth in the number of children. This is based on the assumption that prevalence rates remain unchanged.

Table 6.1: Estimating Residents with Support Needs (2018-33)

	Projected growth over plan period	Residents limited in daily activities, 2011	Additional residents with support needs
15 and under	1,079	3%	35
16 to 64	2,891	12%	351
65 and over	4,297	51%	2,192
Total	**8,266**	**19%**	**2,578**

Source: Census 2011; Edge Analytics; Turley analysis

6.5 As confirmed earlier at Table 5.3, the modelling implicitly assumes that the housing needs of some residents requiring support will be met in communal establishments

[36] These rates capture all residents, including those residing in private households and communal establishments. Rates have been recalculated for presentational clarity, avoiding the previously inconsistent age split (60/64) for males and females

[37] PPG Reference ID 63-005-20190626

such as care homes. The allowance for only 295 *additional* residents in such settings[38] confirms, however, that the vast majority of residents with support needs are assumed to live in private dwellings.

Households requiring adaptations

6.6 Section 8 of the SHMA contained discussion on the role of property adaptations through Disabled Facilities Grants (DFGs). Figure 8.20 confirmed the number and type of such adaptations made on an average annual basis, which in Castle Point totalled 191 in 2014/15. This has been updated based on information provided by the Council, which is presented in the below table.

6.7 It can be seen that the number of DFGs delivered annually in Castle Point over the past three years has fluctuated but generally been significantly lower than the 191 in 2014/15. In terms of the types of grants, it can be seen that bathroom alterations (having constituted 69% of DFGs in 2014/15) continue to represent the majority (64%) of the grants over the past three monitoring years.

Table 6.2: Annual Disabled Facilities Grants (2017/18 – 2019/20)

	Bathroom	Extension/ conversion/ alteration	External access	Internal access	Kitchen	Boiler	**Total**
2017/2018	47	3	11	9	0	0	**70**
2018/2019	62	6	19	11	1	1	**100**
2019/2020	35	2	10	9	0	0	**56**
Total	**144**	**11**	**40**	**29**	**1**	**1**	**226**

Source: Castle Point Borough Council, 2020

Self-builders

6.8 Section 8 of the SHMA acknowledged the Government's ambitions to increase the number of households building their own home, since reaffirmed in a Housing White Paper[39]. The SHMA specifically referenced the assent of the Self-Build and Custom Housebuilding Act 2015, which from April 2016 onwards required local authorities to maintain local registers of builders wishing to acquire suitable land to build their own home. While such registers remained absent at the time of reporting, the Council now maintains a Self-Build Register (SBR) for Castle Point, which is summarised at Table 6.3 overleaf.

[38] As specified in section 5, the modelling assumes that there is no change in the communal population aged under 75

[39] MHCLG (2017) Fixing our Broken Housing Market, p49

Table 6.3: Castle Point Self-Build Register Summary (April 2020)

	Number on SBR
Total number on register	**10**
Age of registree	
Aged under 30	5
Aged 30 - 49	3
Aged 50+	2
Max no. bedrooms required	
2 bedrooms	3
3 bedrooms	4
4+ bedrooms	3
Type of house desired	
Bungalow	4
Detached	3
Detached or Semi-detached	3

Source: Castle Point Borough Council, 2020; Turley analysis

6.9 It can be seen that there are ten registrees on Castle Point's SBR, representing only a fraction (0.03%) of the circa 37,700 households estimated to reside in the borough in 2018[40]. Half of these registrees are under the age of 30. A range of dwelling sizes and types are desired, with a notable proportion seeking to build bungalows.

6.10 Further analysis of the information included within the SRB also highlights that

- Locations where prospective self-builders were seeking land included Benfleet, Hadleigh, Thundersley and Canvey Island;
- Reasons given for wanting to self-build included:
  - Wishing to be closer to family / having personal links to the area; and
  - Ability to stipulate higher build quality and specification.
- Four of the ten registrees already lived in the borough. A further two stated that their connection to the borough was through work, with two stating that they had family or a partner connected with the borough. Two stated none of the above connections.

[40] Estimated by Edge Analytics, through application of household formation rate assumptions to the official population estimate for 2018. This modelling was produced before the release of the provisional population estimate for 2019

Summary

6.11 As with the preceding analysis of the housing needs of older people, the availability of new modelling allows for the updating of the SHMA's analysis on the number of additional disabled people that could reside in Castle Point during the plan period. This suggests, based on prevalence rates derived from the 2011 Census, that nearly 2,600 of the additional residents accommodated through the planned level of housing provision could have support needs. The modelling assumes that the vast majority of these residents will live in private dwellings, rather than communal establishments. Disabled Facilities Grants, which have averaged around 75 per annum in recent years, are therefore likely to play a continuing role in meeting the housing needs of people with disabilities subject to funding being available.

6.12 This section has also provided an updated position on the needs of self-builders, confirming that ten households – half under 30 years old – have registered their interest with the Council. This appears a relatively small need given that this represents only a fraction (0.03%) of the households estimated to live in the borough.

7. Summary and Conclusions

7.1 This report represents a further addendum to the South Essex SHMA, exclusively for Castle Point, to provide robust and up-to-date evidence on the mix of housing needed in the borough.

7.2 It has presented and built upon new demographic modelling which estimates how the population and household profile of Castle Point could change if the local housing need calculated by the Council were met in full over the emerging plan period. This recognises the evolution of national guidance since the SHMA and its first addendum were prepared, in 2015 and 2016 respectively, and the introduction of a new standard method which the Council has used to independently calculate the number of homes needed each year in Castle Point.

7.3 It is estimated that meeting this calculated need, through the planned provision of 352 dwellings per annum, could grow the population by circa 8,270 people or 9% over the chosen plan period (2018-33). The modelling suggests that the population will continue to age in such a scenario, in line with recent trends, but there is implied to remain the capacity to also attract and retain younger people aged 30 to 44 thus growing the size and representation of this cohort.

7.4 These trends would likely grow the number of households led by an individual aged over 65, with reasonably strong growth also projected amongst households led by a person aged 35 to 44. The latter dynamic contributes towards the projection suggesting that more than half of additional households could contain dependent children, growing the representation of this group over the plan period. A projected reduction in the number approaching retirement age softens the net impact of the ageing trend on the household profile, but this does continue to drive some growth in couple and single person households.

7.5 Such different household types naturally have varying requirements in terms of housing, and a continuation of the existing trends recorded in this area could particularly generate a need for homes with three bedrooms (43%), at least four bedrooms (29%) or two bedrooms (22%). This departs somewhat from the recent trend in terms of delivery, which has been oriented less towards three bedroom properties and more towards those with one bedroom or at least four bedrooms. However, it is evident that this profile is based on comparatively low levels of provision overall and in order to achieve rates of provision in line with the emerging requirement there may be a need to realise a particularly pronounced boost to the rate at which certain property sizes have been delivered in the recent past. There does appear a particular shortage of mid-sized family housing in this area, given evidence of rising house prices and rents, and this is therefore considered to support the broad split implied by the modelling.

7.6 Delivering this mix of homes could require around two thirds (68%) of additional homes to be houses, based on the existing stock profile, with the residual implied to be split between bungalows (25%) and flats (7%). These latter property types could, however, be justifiably combined by the Council when practically accounting both for

the influence of an existing housing stock that is skewed towards bungalows, and the slow rate at which such units have been delivered in recent years. The latter trend is not unique to Castle Point, as competition for land increasingly tends to discourage the provision of bungalows and demands a focus on other forms of development offering similar features.

7.7 The above estimates reflect illustrative modelling and can be used for guidance and monitoring purposes. They should not be prescribed as definitive or non-negotiable requirements for all sites given the need to respond to changing market demands, local context and viability factors. In translating this evidence into policy, it is recommended that sufficient flexibility is included to ensure that where new development contributes to meeting the identified needs over the plan period it also responds to local and up-to-date market evidence.

7.8 While this report has principally focused on the mix of housing needed in Castle Point, the availability of updated modelling linked to the Council's calculation of housing need allows other elements of the SHMA to be revisited and updated to maintain consistency. The modelling suggests for example that the number of residents aged 65 and over could increase by circa 19% over the plan period, annually generating a distinct need for around 20 bedspaces in communal establishments that is excluded from and additional to any assessed need for dwellings. Circa 45 units of other specialist older persons' accommodation, such as sheltered and extra care housing, could also be required each year albeit this is *included* in the assessed need for dwellings.

7.9 The number of people with disabilities could also be reasonably expected to increase, when applying prevalence rates derived from the 2011 Census to different age groups, and the vast majority of these residents are implicitly assumed to live in private households rather than communal establishments. Disabled Facilities Grants, of which around 75 have been recorded annually in recent years, are therefore likely to play a continuing role in meeting the housing needs of people with disabilities.

7.10 Finally, the report has acknowledged that the Council now maintains a register of those in need of self-build plots within the borough, as foreseen in the SHMA. Analysis of this dataset shows that ten households – half under 30 years old – have registered their interest. This clearly represents only a fraction (0.03%) of all households living in Castle Point and at this point in time would appear to represent only a very modest feature of need in the local housing market.

Appendix 1: Demographic Modelling Assumptions

Castle Point

Data Inputs & Assumptions

May 2020

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Acknowledgements

Demographic statistics used in this report have been derived from data from the Office for National Statistics licensed under the Open Government Licence v.3.0.

Contents

1 POPGROUP Methodology

1.1 Evidence is often challenged on the basis of the appropriateness of the methodology that has been employed to develop growth forecasts. The use of a recognised forecasting product which incorporates an industry-standard methodology (a cohort component model) removes this obstacle and enables a focus on assumptions and output, rather than methods.

1.2 Demographic forecasts have been developed using the POPGROUP suite of products. POPGROUP is a family of demographic models that enables forecasts to be derived for population, households and the labour force, for areas and social groups. The main POPGROUP model (Figure 1) is a cohort component model, which enables the development of population forecasts based on births, deaths and migration inputs and assumptions.

1.3 The Derived Forecast (DF) model (Figure 2) sits alongside the population model, providing a headship rate model for household projections and an economic activity rate model for labour-force projections.

1.4 For further information on POPGROUP, please refer to the Edge Analytics website: http://www.edgeanalytics.co.uk/.

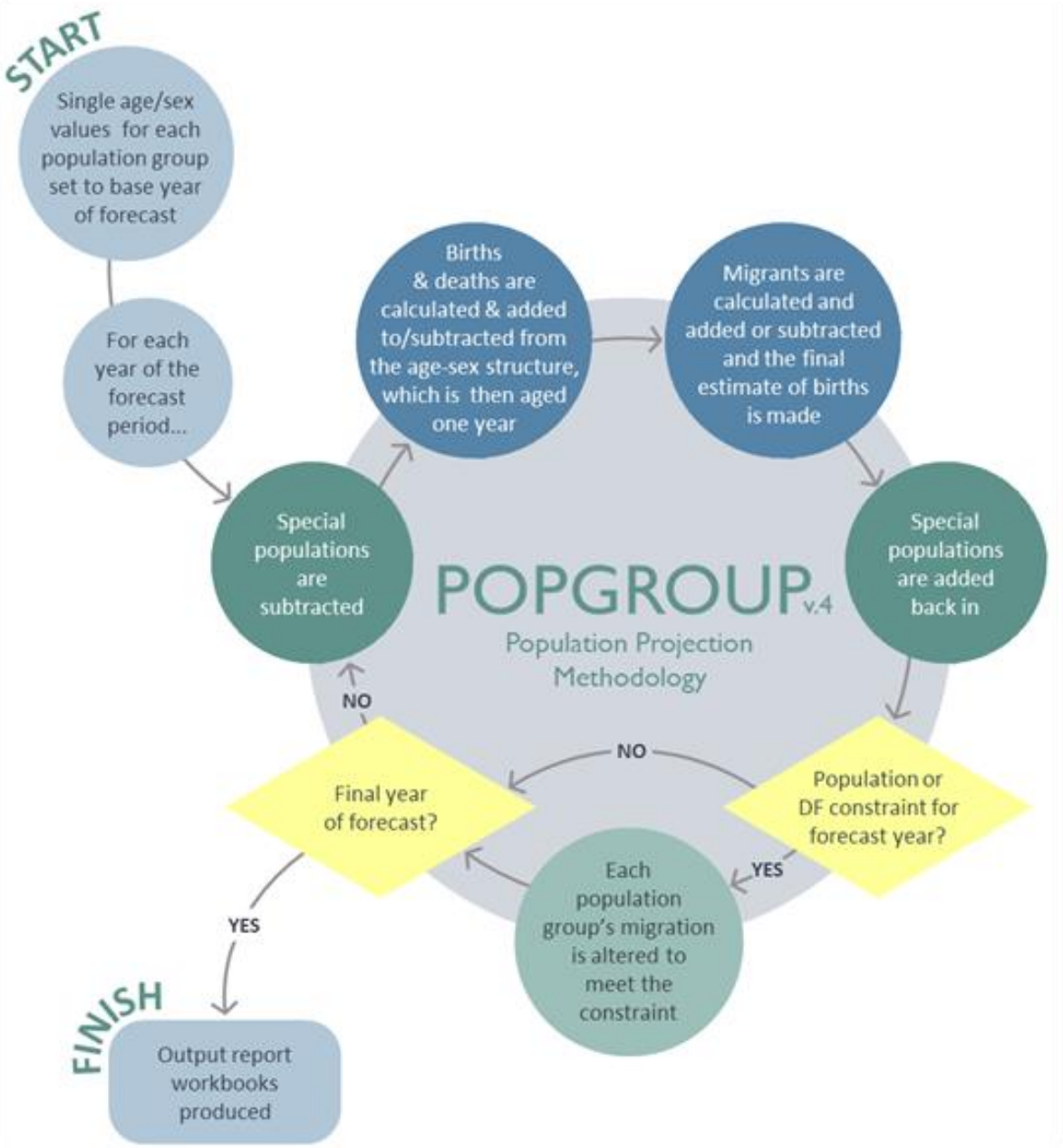
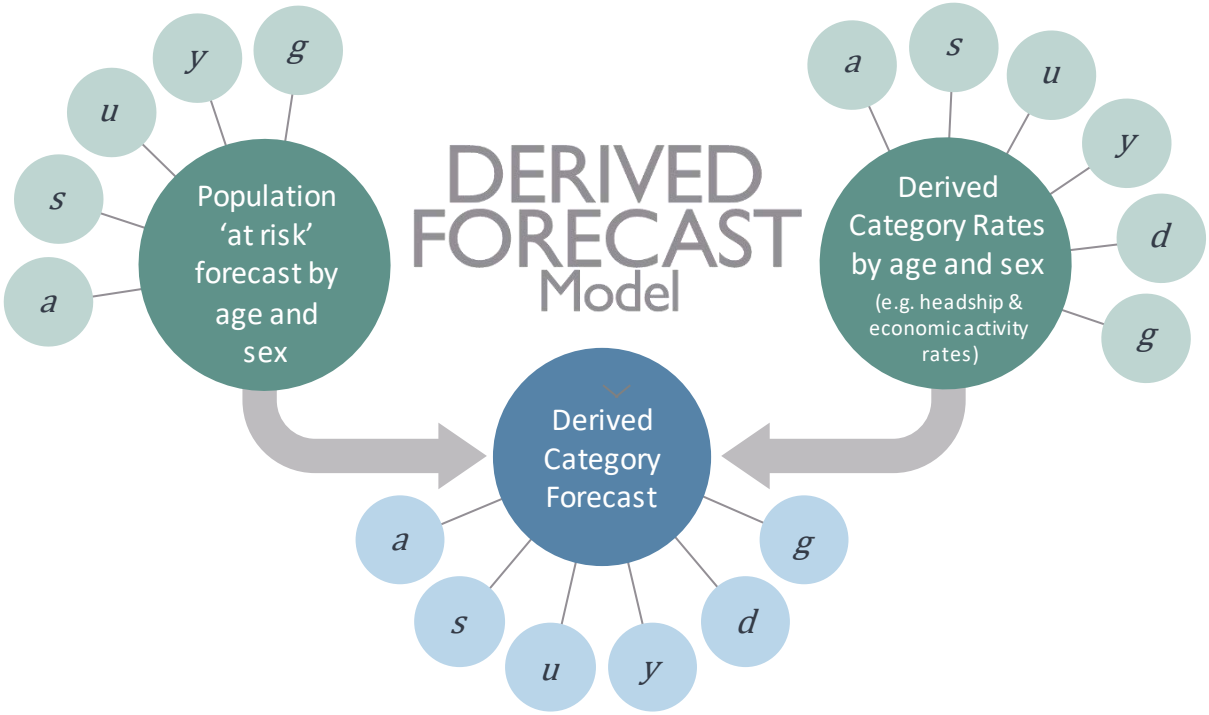


Figure 1: POPGROUP population projection methodology



$$D_{a,s,u,y,d,g} = \frac{P_{a,s,u,y,g} \; R_{a,s,u,y,d,g}}{100}$$

D	Derived Category Forecast	y	Year
P	Population 'at risk' Forecast	d	Derived category
R	Derived Category Rates	g	Group (usually an area, but can be an ethnic group or social group)
a	Age-group		
s	Sex		
u	Sub-population		

Figure 2: Derived Forecast (DF) methodology

2 Data Inputs & Assumptions

Introduction

2.1 Edge Analytics has configured a demographic scenario for Castle Point, using POPGROUP v4 and the Derived Forecast model. The POPGROUP suite of demographic models draws data from a number of sources, building a historical picture of population, households, fertility, mortality and migration on which to base its scenario forecasts.

2.2 Using historical data evidence for 2001–2018, in conjunction with information from the Office for National Statistics (ONS) latest sub-national population projections (SNPPs) and Ministry of Housing, Communities and Local Governments (MHCLG) household projections, a series of assumptions have been derived which drive the scenario forecasts.

Scenario Definition

2.3 Edge Analytics has developed a **dwelling-led** scenario for Castle Point, taking account of the latest demographic evidence. Scenario outcomes have been presented over a 2018–2040 period.

2.4 Under this **dwelling-led** scenario, historical mid-year population estimates are provided to 2018 and the annual dwelling growth targets have been applied as follows:

- **Dwelling-led (ONS18_R**) – From 2018/19 onwards, an annual dwelling constraint of +352 has been applied to the Castle Point district up to 2040. Assumptions related to fertility, mortality and the profile of migrants are derived from the 2018-based SNPP. A sensitivity has been applied to household headship rates (see paragraph 2.23).

Dwelling-led Scenarios

2.5 Under a 'dwelling-led' scenario, population growth is determined by the annual change in dwellings using key assumptions on household representative rates, communal population statistics and a dwelling vacancy rate.

Population, Births & Deaths

Population

2.6 Historical population statistics are provided by the ONS mid-year population estimates (MYEs) for Castle Point[1] (2001-2018).

Births & Fertility

2.7 Historical mid-year to mid-year counts of births by sex have been sourced from the ONS MYEs for the 2001/02-2017/18 period.

2.8 From 2018/19, an age specific fertility rate (ASFR) schedule derived from the ONS 2018-based SNPP is included in the POPGROUP model assumptions. In combination with the 'population-at-risk' (i.e. all women between the ages of 15–49), the area-specific ASFR and future fertility rate assumptions provide the basis for the calculation of births in each year of the forecast period (i.e. from 2019 onwards).

Deaths & Mortality

2.9 Historical mid-year to mid-year counts of deaths by 5-year age group and sex have been sourced from the ONS MYEs for the 2001/02–2017/18 period.

2.10 From 2018/19, an age-specific mortality rate (ASMR) schedule derived from the ONS 2018-based SNPP is included in the POPGROUP model assumptions. In combination with the 'population-at-risk' (i.e. the whole population), the area-specific ASMR and future mortality rate assumptions provide the basis for the calculation of deaths in each year of the forecast period (i.e. from 2019 onwards).

Migration

Internal Migration

2.11 Historical mid-year to mid-year estimates of the internal in-and out-migration by 5-year age group and sex have been sourced from the 'components of population change' that underpin the ONS MYEs. These internal migration flows are estimated using data from the Patient Register (PR), the National Health Service Central Register (NHSCR) and the Higher Education Statistics Agency (HESA).

2.12 Under a **Dwelling-led** scenario, historical counts of migrants are used from 2001/02 to 2017/18. From the start of the forecast period, the scenarios calculate their own internal migration assumptions to ensure an appropriate balance between the population and the targeted change in dwellings defined in each year of the forecast period. A higher level of net internal migration will occur if there is insufficient population and households to meets the forecast change in dwellings.

[1] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland

2.13 The profile of internal migrants is defined by an age specific migration rate (ASMigR) schedule, derived from the ONS 2018-based SNPP.

International Migration

2.14 Historical mid-year to mid-year counts of immigration and emigration by 5-year age group and sex have been sourced from the 'components of population change' files that underpin the ONS MYEs. Any 'adjustments' made to the MYEs to account for asylum cases are included in the international migration balance.

2.15 Historical counts of international in and out-migrants are used from 2001/02 to 2017/18. From 2018/19, international migration counts are taken from the ONS 2018-based or SNPP. An ASMigR schedule of rates from the ONS 2018-based SNPP is used to distribute future counts by single year of age.

Households & Dwellings

2.16 The 2011 Census defines a household as:

> *"one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area."*

2.17 In POPGROUP, a dwelling is defined as a unit of accommodation which can either be occupied by one household or vacant.

2.18 Under a **Dwelling-led** scenario, the population growth outcomes of each dwelling constraint have been estimated through the application of household representative statistics (also known as household headship statistics), communal population statistics and a dwelling vacancy rate.

2.19 In all other scenarios, the household and dwelling implications of each population growth trajectory are estimated in the same way. These assumptions have been sourced from the 2011 Census and MHCLG's 2014-based household projection model.

Household Headship Rates

2.20 A household headship rate (or household representative rate) is defined as the "probability of anyone in a particular demographic group being classified as being a household representative"[2]

2.21 The household headship rates used in the POPGROUP modelling for Castle Point have been taken from the MHCLG 2014-based household projection model, which is underpinned by the ONS 2014-based SNPP. The MHCLG household projections are derived through the application of projected headship

[2] Household Projections 2014-based: Methodological Report. Ministry of Housing, Communities & Local Government (July 2016). https://www.gov.uk/government/statistics/2014-based-household-projections-methodology

rates to a projection of the private household population. The methodology used by MHCLG in its household projection models consists of two distinct stages:

- **Stage One** produces the national and local authority projections for the total number of households by sex, age-group and relationship-status group over the projection period.
- **Stage Two** provides the detailed 'household-type' projection by age-group, controlled to the previous Stage One totals.

2.22 Under each scenario, Stage Two headship rates have been applied by age-group, sex and 'household type' (Table 1).

Table 1: MHCLG Stage Two headship rate classification household type classification

MHCLG Category	Description
One person male	One person households: Male
One person female	One person: Female
Couple no child	One family and no others: Couple households: No dependent children
Cple+adlts no child	A couple and one or more other adults: No dependent children
One child	Households with one dependent child
Two children	Households with two dependent children
Three+ children	Households with three or more dependent children
Other households	Other households with two or more adults

2.23 Under the **Dwelling-led (ONS18_R)** scenario, the following sensitivity to household headship rates have been applied:

- **HH-14 Return:** Between 2020 and 2030, the MHCLG 2014-based headship rates in the 25–34 age group return to their 2001 values. From 2030 onward, the headship rates projected to increase after 2030 continue their original rate of growth; the headship rates projected to fall after 2030 have been fixed at their returned level for the remainder of the forecast period. No adjustments have been made to other age groups.

Communal Population Statistics

2.24 Household projections in POPGROUP exclude the population 'not-in-households' (i.e. the communal/institutional population). These data are drawn from the MHCLG 2014-based household projections, which use statistics from the 2011 Census. Examples of communal establishments include prisons, residential care homes, student halls of residence and certain armed forces accommodation.

2.25 For ages 0–74, the number of people in each age group not-in-households is fixed throughout the forecast period. For ages 75–85+, the proportion of the population not-in-households is recorded. Therefore, the population not-in-households for ages 75–85+ varies across the forecast period depending on the size of the population.

Vacancy Rate

2.26 The relationship between households and dwellings is modelled using a 'vacancy rate'. A dwelling vacancy rate of 2.3% has been applied and fixed throughout the forecast period[3].

[3] This vacancy rate was specified by Turley.

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