
Eastleigh Borough Council

**Mixed and Balanced
Communities**

Final report

May 2019

Three Dragons



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EXECUTIVE SUMMARY

1. Ensuring that development supports strong and vibrant communities is supported by national and local policy. This includes planning for different dwelling types, sizes and tenures in order to meet different needs. National and local policy refers to making efficient use of land, and local policy takes this further by requiring a minimum of 40 dph (net).
2. Local policy includes some specific requirements for new housing, such as 35% affordable housing; a mix of dwelling types including provision for first time buyers, down sizers and those seeking lower cost housing; avoiding 'excessive concentrations' of the same house size/type; 75% market and 65% of affordable dwellings should be two- or three-bedroom properties; the need to provide older persons housing, custom and self-build, and market rental housing; and accessibility standards.
3. Housing completions in Eastleigh were 1,162 dwellings in 2018/19, continuing a year-by-year increase in annual delivery since 2014/15. The average annual delivery of new homes has been just over 500 per annum 2001/2 to 2017/18. Eastleigh is showing a more consistent increase in housebuilding levels than neighbouring authorities and house prices have continued to rise in the borough. Eastleigh house prices are similar to Fareham and Test Valley; are generally above prices in Portsmouth, Southampton and Gosport; but below New Forest and Winchester.
4. The current housing stock in Eastleigh is predominantly houses and bungalows with three bedrooms the most common size. However, recent provision has increased the delivery of one- and two-bedroom units.
5. Within the borough, the Horton Heath area is predominantly detached and semi-detached houses, with a minority of low-rise flatted development. The density is informally estimated to be 30 dph or less. Horton Heath households are typically families with dependent children. There are fewer older households than the Borough average, especially people over 65 living alone. It can be argued that currently Horton Heath is not representative of the borough's population and that there is a link between the type of dwellings in Horton Heath and the type of occupiers.

Dwelling Types and Sizes

6. Owner occupied housing is more likely to be larger than affordable housing, with 70% of market dwellings being 3 and 4 bedroom homes. The need for larger family housing and smaller affordable units has implications for development density and layout.
7. In the last three years, detached and semi-detached houses have made up over three quarters of all sales in Eastleigh and this is a greater proportion than neighbouring authorities. The shift to a strong family sales market, has been partly driven by the character of the large-scale housing schemes recently completed and/or currently underway. Those further back in the pipeline are showing similar characteristics.
8. The government Help to Buy scheme (with a price cap of £250,000¹) is said to have had a significant impact on the market, bolstered prices for smaller dwellings (particularly two bed but also some three bed houses). Demand for flats is said to be concentrated in key urban locations, such as the centre of Eastleigh and near the railway station but less so in suburban areas.

¹ For the Help to Buy ISA

9. The identified trends and experience suggest a dwelling mix for market and affordable general housing that reflects the 2017 local needs assessment for affordable housing. If the Help to Buy cap of £250,000 changes (or the scheme ends) it is likely that the dwelling mix may need to be reviewed.

Suggested optimum mix

Type	All	Market	Affordable
1 bed flat	6%	0%	18%
2+ bed flat	9%	5%	16%
2 bed house	28%	25%	33%
<i>All 1 and 2 bed dwellings</i>	<i>43%</i>	<i>30%</i>	<i>67%</i>
3 bed house	41%	50%	24%
4+ bed house	16%	20%	9%

10. Increasing the density of development at Horton Heath to the 40dph target in the draft Local Plan will provide more efficient use of land but may create a tension with the prevailing character. There may also be a tension between 40dph and the range of development standards taken in combination.

Affordable housing

11. Recent delivery levels suggest that the current policy of providing 35% is achievable. Where viability concerns are raised on specific sites, the council takes a flexible approach to the mix of affordable tenures and this is usually sufficient to address the concerns.
12. The principle of ‘pepper potting’ affordable housing in groups of around 10-15 is generally accepted. However, there can be layout issues in integrating affordable housing in market led developments with the former predominately as 1 and 2 bed (flatted) units and the latter as larger family homes.

Specialist Housing

13. In order to meet the needs of an aging population it is clear that there will need to be increased specialist accommodation. If it is decided that it is important that older persons housing is provided at Horton Heath then this will need to be set out as a requirement in the masterplan or other policy document as it is not clear that the market will deliver it.
14. There is limited evidence for large scale custom and self-build at Horton Heath or elsewhere in Eastleigh and the policy requirement in the draft Local Plan is not strong. However, custom and self-build is a way of increasing delivery and demand may be revealed if a supply is provided. Some planning authorities have quantified targets and policy requirements, and this can help to catalyse supply. There is also limited evidence suggesting demand for private rented accommodation in suburban locations (such as Horton Heath).

Conclusions

15. The past pattern of delivery and the research undertaken as part of this study suggests that the market will not necessarily deliver housing for mixed and balanced communities and therefore there needs to be a clear statement of requirements regarding mix and specialist accommodation.

16. This study has reconfirmed that the borough (away from Eastleigh town centre) is essentially a family market although an increase to c40 dph should be achievable, provided there is a modest shift towards more smaller units (1 and 2 bed) and a reduction in the larger units (4 and 5 bedroom) compared with historic patterns of delivery.
17. Some of the other requirements needed in addition to general housing to deliver mixed and balanced communities (e.g. housing for older persons) may not necessarily be the most viable form of development and therefore there may be site value implications. However, where the Council is the land owner, it may trade off some potential reduction in land value for other priorities.
18. The draft local plan density target raises some challenges in relation to the range of development standards in combination (e.g. parking, public and private open space, NDSS), but it does not necessarily stand in the way of achieving mixed and balanced communities as providing more smaller dwellings will make it easier to increase density. However, it is likely that updated design guidance (replacing the Quality Places SPD and/or masterplanning for sites such as Horton Heath) will be required to ensure that the higher density development meets the quality sought in Eastleigh. We believe it will be important for the guidance to deal in detail with the way smaller affordable housing units are interspersed with market housing. The principle of including the affordable housing in small groups (10-15 dwellings) is well established and largely uncontroversial but does require careful design from the outset, and early dialogue between applicant and the Council.
19. NDSS is not universally welcomed by the development industry although many housebuilders are already building to this standard including some of the national volume housebuilders. It will be important to ensure that when NDSS standards are adopted, they are applied to all sites in the borough.
20. There has been some discussion about providing bungalows as part of the mix of housing. There is clearly some demand for both market and affordable units, although not all housebuilders are interested in providing them. Bungalows do not fit well with higher density development although they may assist in delivering the mixed and balanced communities. It is recommended that a limited number are included as part of the development at Horton Heath and it may be that they are located where there are landscape constraints.
21. Horton Heath (as other developments across the borough) provides a clear opportunity for the Council to realise its ambitions for intervening in housing delivery and increasing the range of housing products being developed, especially for lower income households and especially products for households, who can afford more than Affordable Rent but cannot meet full market costs. Ensuring the range includes intermediate rent and sale homes (and offers an easy route between the two) meets a spread of local housing needs and the research for this study has confirmed the value of the Council's approach and flexibility. The one caveat here is the on-going need to monitor new initiatives closely to ensure actual take-up meets expected demand and to include 'exit strategies' when trying new schemes so that rapid tenure switches can be achieved if a new product is less successful than expected.
22. One objective of the Council in intervening in the housing market is to speed up delivery. The Council can also assist this in other ways including through its planning function and as land owner, ensuring that large-scale developments are split up, to allow other housebuilders to deliver to their part of the market. This can also help with the overall scheme viability.

1 Introduction

Overview for the study

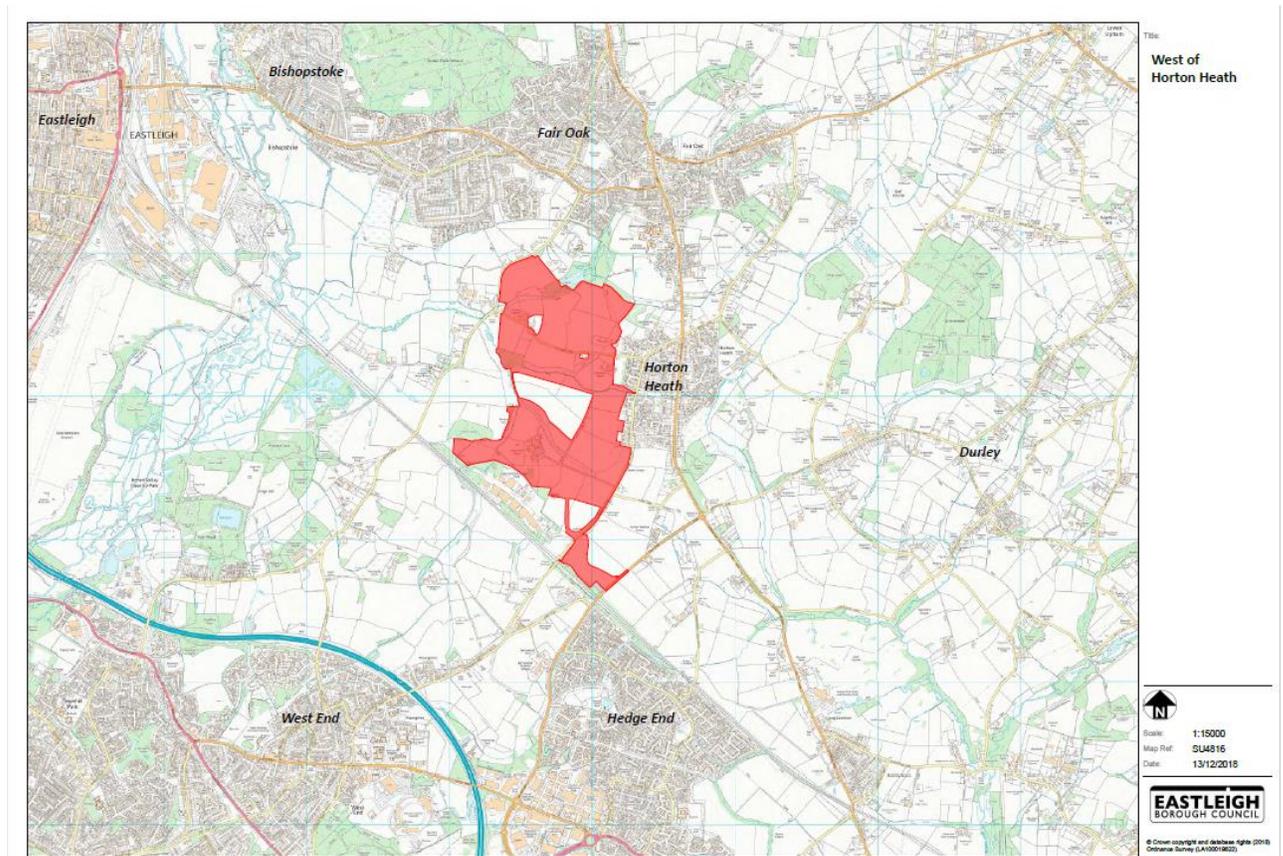
- 1.1 Eastleigh Borough Council has a clear corporate objective to diversify housing delivery, to strengthen housing quality and to achieve a faster pace of new build. These aspirations are reflected in the draft Local Plan, which was submitted by the Council for examination in October 2019.
- 1.2 Three Dragons was commissioned by the Council, as part of the LGA Housing Advisor Programme, to help shape the Council's approach to providing mixed and balanced communities, providing more detail to underpin the broad principles set out in the draft Local Plan. The research undertaken has covered a number of issues affecting housing development including:
 - Development density;
 - Detailed development management policies covering e.g. private amenity space, overlooking- and how these interact with the overall approach to development density;
 - Space standards – specifically whether the council adopt national space standards?
 - Environmental standards – focusing on the water consumption policy in the draft Local Plan and high energy efficiency standards e.g. Passivhaus?
 - Affordable housing – with a draft Local Plan target of 35% (65% social/Affordable Rent and 35% shared ownership);
 - Potential for use of design guides/codes;
 - Older person housing – the type and amount of specialist accommodation for older people;
 - Private rent – potential scale of the market in Eastleigh;
 - Custom and Self Build (CSB) – what role can/should CSB housing play?
- 1.3 The relevant draft Local Plan policies are discussed in the next chapter of the report.

Horton Heath

- 1.4 The research has specific reference to the proposed development at Horton Heath, although it can be used to inform the planning for other large-scale development in the Borough.
- 1.5 It is planned that at least 1,800 homes will be built at Horton Heath, on land in the ownership of Eastleigh Borough Council to the west and south of the current settlement. Part of the site (c.150 ha) already has outline consent for 1,400 dwellings and 6ha of employment land, although it is likely that this will be replaced by a new application based on the current masterplanning exercise being undertaken on behalf of the Council. This masterplanning exercise may increase the number of dwellings that the site may provide.
- 1.6 There are significant infrastructure requirements at Horton Heath, including a link road, education (although the secondary school originally proposed for this location is now to be provided elsewhere) and other community facilities. The development at Horton Heath is assisted by successful bids to the Local Authority Accelerated Construction Fund (LAAC).

- 1.7 Ownership of the land at Horton Heath gives the Council control over the form of development and the mechanisms used to deliver the housing. In addition, the Council has been working with VIVID and Radian Housing Associations and Fareham BC to establish a partnership to actively enter the housing market and facilitate the development of sites through a Special Purpose Vehicle called Aspect Building Communities Ltd. This venture has delivered housing on a number of sites in the Borough, although none on the scale of Horton Heath. The combination of the landownership and the special purpose vehicle provides the Council with the opportunity shape the form of development in line with policy objectives and to undertake delivery itself, potentially in combination with other house builders.

Figure 1.1 Horton Heath



Study Process

- 1.8 The research undertaken to produce this report includes:
- Review of the strategic context, including national guidance and local policies;
 - Review of the housing delivery statistics for Eastleigh and a 'family' of seven comparator authorities – Gosport, Fareham, Portsmouth, Southampton, Test Valley, New Forest, Winchester;
 - Review of the dwelling mix on recent sites in and around Eastleigh;

- Consultation with Eastleigh Borough Council Officers as well as nine house builders (local and national businesses) and housing associations and five estate agents. All those interviewed were selected because they are active in the Eastleigh area and are knowledgeable about the local housing market;
- Consultation with Basingstoke and Deane Borough Council about the emerging arrangements for delivering housing on the Manydown strategic site.

2 Policy Context

Introduction

2.1 This chapter reviews the main policies and guidance that can affect how housing is provided in future developments in the council area. The key context documents include:

- National Planning Policy Framework
- National Planning Practice Guidance
- Eastleigh Draft Local Plan
- Eastleigh Quality Places SPD

2.2 There is also a Eastleigh Housing Mix SPD, which is reviewed in section 5.

National Planning Policy Framework

2.3 The National Planning Policy Framework (NPPF) was revised in 2018 with further updates to February 2019. Relevant sections include:

- Para 8b) As part of the planning system’s three overarching objectives – “...support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities’ health, social and cultural well-being”.
- Para 59 makes the link between meeting the needs of people with specific housing requirements and boosting supply – it is important that “...the needs of groups with specific housing requirements are addressed...”
- In relation to housing need Para 61 states that “the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but 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)”
- Para 64 expects that “...at least 10% of the homes to be available for affordable home ownership...” except where the site is solely build to rent, specialist housing, custom/self-build or affordable housing.
- Para 68 encourages the sub-division of large sites to speed up delivery.
- Para 71 supports “...the development of entry-level exception sites, suitable for first time buyers (or those looking to rent their first home)...”.
- In relation to larger scale development, Para 72c) states that plans should “set clear expectations for the quality of the development and how this can be maintained (such as by following Garden City principles), and ensure that a variety of homes to meet the needs of different groups in the community will be provided”.

- In relation to achieving healthy, inclusive and safe places, Para 91 requires that places promote social interaction “for example through mixed-use developments, strong neighbourhood centres, street layouts that allow for easy pedestrian and cycle connections within and between neighbourhoods, and active street frontages”, and that they are safe and accessible (“clear and legible pedestrian routes, and high quality public space”), and that they enable and support healthy lifestyles (“safe and accessible green infrastructure, sports facilities, local shops, access to healthier food, allotments and layouts that encourage walking and cycling”).
- Para 94 emphasises the important of school provision and Para 96 states that “Access to a network of high quality open spaces and opportunities for sport and physical activity is important for the health and well-being of communities.”
- In relation to the density of development, Para 122 requires the use of land is efficient and takes into account “...the identified need for different types of housing...”, local market conditions, and “the desirability of maintaining an area’s prevailing character and setting...”. Para 123 states that where there is a shortage of land, then policies should avoid homes being built at low densities and that “It may be appropriate to set out a range of densities that reflect the accessibility and potential of different areas, rather than one broad density range”.
- Paras 124-132 set out the priorities for achieving well-designed places. These include clarity about design expectations, consultation and engagement with local communities, and the use of design guides and SPDs – “However their level of detail and degree of prescription should be tailored to the circumstances in each place, and should allow a suitable degree of variety where this would be justified.” Local authorities “should ensure that they have access to, and make appropriate use of, tools and processes for assessing and improving the design of development. These include workshops to engage the local community, design advice and review arrangements, and assessment frameworks such as Building for Life”, and the use of design review panels.

2.4 The NPPF includes the revised definition of affordable housing, which extends to include various low cost home ownership tenures.

Planning Practice Guidance

2.5 Planning Practice Guidance (PPG) provides detail supporting the NPPF. This is subject to periodic amendment with more substantive changes in 2018 in line with changes to the NPPF.

2.6 Relevant sections include:

- “If a need is identified, authorities should include a plan policy setting out their approach to promoting and accommodating build to rent. This should recognise the circumstances and

locations where build to rent developments will be encouraged...² PPG notes that affordable housing on build to rent schemes (BtR) should be through affordable private rent³, and that BtR should be subject to the same space standards as other development⁴.

- In relation to design, “Local planning authorities should secure design quality through the policies adopted in their local plans”⁵ with the need to “evaluate and understand the defining characteristics of the area”. PPG also advocates the use of clear and easy to follow design policies and processes and the use of expert advice from appropriately skilled in house staff or consultants⁶. Design is able to address issues relating to local character, safety and connectivity, greenspaces, crime and security, access and inclusion, use of natural resources and cohesive neighbourhoods⁷. PPG notes that “Standard solutions rarely create a distinctive identity or make best use of a particular site. The use of local materials, building methods and details can be an important factor in enhancing local distinctiveness”⁸. In addition, “Interesting and safe neighbourhoods often have a mix of uses which involves different people using the same parts of a building or place at different times of the day” and “Neighbourhoods should also cater for a range of demographic groups especially families and older people.”⁹ PPG makes the link between design and uses/tenures “A well designed place supports mixed uses and tenures - A good mix of uses and tenures is often important to making a place economically and socially successful”¹⁰; and that good masterplanning should be used to set out development parameters whilst providing enough flexibility to adapt to changing circumstances¹¹. Local Authorities are recommended to use a Design Review process¹² and design codes (which can vary in the level of prescription and can be formally adopted) linked to adopted masterplans¹³.
- PPG states that part of providing housing to meet different needs can include bungalows for older people¹⁴.
- “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”¹⁵
- “Local planning authorities should work in a positive and proactive way with landowners and developers to secure a supply of land suitable for Starter Homes exception sites to deliver

² Paragraph: 001 Reference ID: 60-001-20180913

³ Paragraph: 002 Reference ID: 60-002-20180913

⁴ Paragraph: 011 Reference ID: 60-011-20180913

⁵ Paragraph: 003 Reference ID: 26-003-20140306

⁶ Paragraph: 005 Reference ID: 26-005-20140306

⁷ Paragraph: 006 Reference ID: 26-006-20140306

⁸ Paragraph: 007 Reference ID: 26-007-20140306

⁹ Paragraph: 014 Reference ID: 26-014-20140306

¹⁰ Paragraph: 017 Reference ID: 26-017-20140306

¹¹ Paragraph: 032 Reference ID: 26-032-20140306

¹² Paragraph: 035 Reference ID: 26-035-20140306

¹³ Paragraph: 036 Reference ID: 26-036-20140306

¹⁴ Paragraph: 017 Reference ID: 2a-017-20190220

¹⁵ Paragraph: 009 Reference ID: 56-009-20150327

housing for young first-time buyers in their area.”¹⁶ The government has published exemplar designs for Starter Homes.

Eastleigh Draft Local Plan 2018

2.7 The draft local plan has been submitted to government and policies cover development in the Borough to 2036:

- One of the Council’s three strategic policies used as the basis of the Plan includes “A prosperous place: increased provision and a more diverse mix of housing...”
- The Plan notes 2011 Census data showing that the most common dwelling type is detached houses and bungalows (over one third of all properties according to the 2011 census) with three bedroom houses the most prevalent type in the Borough; and that only 35% of the housing stock was made up of one and two bedroom dwellings. Since 2011 however, 47% of market dwellings and 69% of affordable dwellings built were either two bedrooms or less.
- 14,580 dwellings are required to meet needs 2016-36. This includes affordable housing (165 net new dwellings pa), housing for older people, and family housing as well as flats.
- Development principles include that “All new development should result in the creation of high quality, well-designed sustainable communities providing for a range of housing and other needs...”
- Land west of Horton Heath currently benefits from two extant planning permissions for residential-led development, reference O/14/75735 and O/16/79354 which permit, inter alia, the construction of up to 1400 houses across the two sites and a new link road from Bubb Lane through to Allington Lane. The draft Local Plan allocates land for a further 950 dwellings on land West of Horton Heath as well as some small-scale employment land.
- There is a set of requirements for the proposed Strategic Growth Option (SGO) covering new communities north of Bishopstoke and north and east of Fair Oak. These include:
 - The requirement to plan for large enough areas to contribute to place making, with distinct character areas
 - Effective use of land to maximise new homes but including landscape buffers, and with higher densities near district and local centres, medium densities across much of the rest of development and lower densities in areas of additional landscape sensitivity
 - The inclusion of a mix of housing types including affordable housing and housing for older persons, in line with policies DM26 and DM30
 - The inclusion of district centres, to serve the existing and new residents, plus employment land

¹⁶ Paragraph: 001 Reference ID: 55-001-20150318

- Serviced land for schools, and healthcare infrastructure
- Contribution to the strategic link road
- Provision of green infrastructure
- Compliance with a new North of Bishopstoke and Fair Oak SPD which is being prepared by the Council and will include an overarching master plan
- Sustainable drainage

2.8 The new local plan includes policies on:

- **Density** – DM23 requires a minimum of 40dph net (unless site constraints justify a lower density), with a mix of dwelling types and sizes. Supporting text suggests the largest market housing need is for 3 bed houses (both EBC ORS 2017 and PUSH 2015 SHMA); plus support for Custom and Self Build and for market rental housing.
- **Mix of housing** - DM26 requires that development contributes to the mix of housing in the Housing Market Area, including provision for first time buyers, down sizers and those seeking lower cost housing – whilst avoiding ‘excessive concentrations’ of the same house size/type. Supporting text states that 75% of all market sector, and 65% of all affordable sector, dwellings should be two or three bedroom properties, which can be attractive to both older people looking to downsize and families. New development should reflect the identified needs as set out in a Housing Market Assessment or in the Council’s Housing Strategy
- **Older persons housing** – DM27 encourages provision of older persons housing and supporting text requires it on larger allocations. Supporting text suggests that moving to a bungalow, apartment providing level access or specialist accommodation may be better than providing support in existing homes
- **Affordable homes** – DM30 requires 35% affordable housing for 11 or more dwellings with tenure split, size and type informed by the latest need evidence (currently likely to be required as 65% rent and 35% shared ownership)
- **Accessibility** – DM31 requires 80% of all dwellings meet Part M4(2) and for 40 plus dwellings 7% of market dwellings and 8% of affordable dwellings should be to Part M4(3)
- **Space Standards** – DM32 requires new housing to meet the Nationally Described Space Standards (NDSS)
- **Open space standards** – DM35 requires 1.4ha of open space per 1,000 population, plus country parks
- **Drainage** – DM3, DM5 and DM6 require use of SuDS
- **Parking** – DM14 requires the provision of off highway parking in line with the Existing Parking Standards SPD (2 spaces per dwelling except three spaces for dwelling for 4+ bedrooms)

Eastleigh Quality Places SPD 2011

- 2.9 This document provides detailed guidance in support of the existing Local Plan Policy 59.BE and was produced by the Council's Design Team. This includes:
- P10 - The overuse of standard house types will not be acceptable.
 - P29 – Private amenity space. For flats, private amenity space of 3 sq m per unit or 2 sq m per bedroom (whichever is the greater) will be required. For houses, the minimum for private amenity space of at least 60% of the floor space will be required. This minimum may be reduced in urban areas when the dwelling is near public open space but will need to increase where the local context requires.
 - P51 - The use of building design to meet people's changing circumstances (in this case Lifetime Homes)
 - P51 - Reference to CABI's 'What Home Buyers Want' (2005) report, stating that people would prefer more living space with fewer, but larger bedrooms; kitchens that are large enough for a table for meals as a family; and multi-functional rooms.
 - P52 – Flexible rooms to allow different uses such as homeworking

Summary

- 2.10 Ensuring that development supports strong and vibrant communities is supported by national and local policy. This includes planning for different dwelling types, sizes and tenures in order to meet different needs; as well as a variety of measures to provide healthy, inclusive and safe places.
- 2.11 National and local policy refers to making efficient use of land, and local policy takes this further by requiring a minimum of 40 dph (net) except where there are local constraints. National policy suggests a range of densities that reflect the accessibility and potential of different areas, rather than one broad density range.
- 2.12 National policy suggests the use of design guides and SPDs to ensure quality, although the level of detail and degree of prescription should be tailored to local circumstances. Planning authorities are encouraged to use a design review process and design 'standard solutions' are not recommended.
- 2.13 Provision of build to rent is recognised in local and national policy, although subject to identifying need.
- 2.14 National policy states that part of providing housing to meet different needs can include bungalows for older people. In addition, it says policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for nominating a person to live in that dwelling, and there is some tension between this national policy and the draft local plan policy that requires wheelchair housing for a proportion of open market housing.
- 2.15 Local policy includes some specific requirements for new housing:
- 40dph net

- 35% affordable housing
- A mix of dwelling types including provision for first time buyers, down sizers and those seeking lower cost housing – whilst avoiding ‘excessive concentrations’ of the same house size/type. The largest market housing need is for 3 bed houses and that 75% of all market sector, and 65% of all affordable sector, dwellings should be two- or three-bedroom properties
- Providing older persons housing, custom and self-build, and market rental housing is supported. Bungalows/apartments and specialist accommodation are suggested for new older persons housing
- 80% of all dwellings meet Part M4(2) and for 40 plus dwellings 7% of market dwellings and 8% of affordable dwellings should be to Part M4(3)
- All dwellings should meet NDSS
- Other development standards include open space (1.4ha/1,000 population plus country parks), SuDS, and minimum parking requirements)
- In terms of design, the overuse of standard house types will not be acceptable and reference to people preferring more living space with fewer, but larger bedrooms; kitchens that are large enough for a table for meals as a family; and multi-functional rooms

3 Housing Market

Introduction

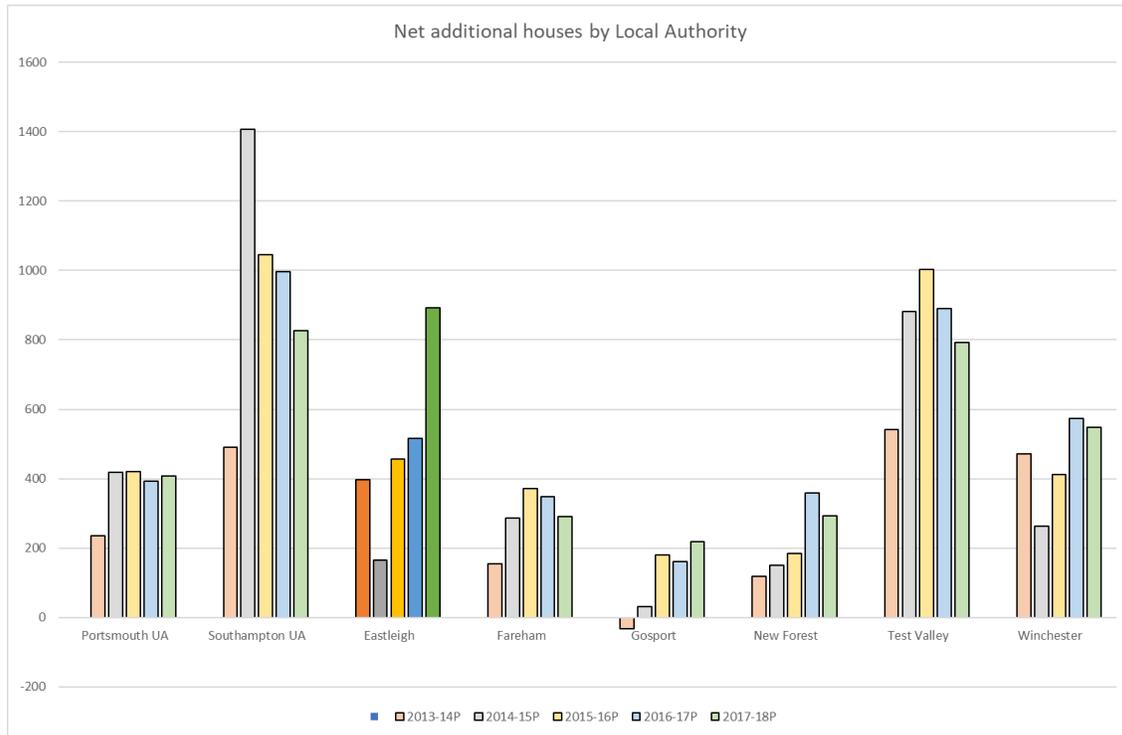
- 3.1 This chapter provides a brief overview on housebuilding trends in recent years and describes how the housing market in Eastleigh has performed; in its own right and in comparison with neighbouring areas.

Housing Delivery

- 3.2 Housing completions in Eastleigh were 1,162 dwellings in 2018/19¹⁷, continuing a year-by-year increase in annual delivery since 2014/15. The average annual delivery of new homes has been just over 500 per annum 2001/2 to 2017/18. Prior to 2017/18, the last time over 800 dwellings were completed was 2006/7. The chart below sets out completion rates for the last five years and compares these with the family of seven neighbouring authorities. While housebuilding is generally higher than it was five years ago across all the authorities depicted, there is no set pattern year on year. If anything, Eastleigh is showing a more consistent increase in housebuilding levels than the comparators.

¹⁷Eastleigh Borough Council, MHCLG Table 122

Figure 3.1 Housing Delivery in Eastleigh and Neighbouring Authorities

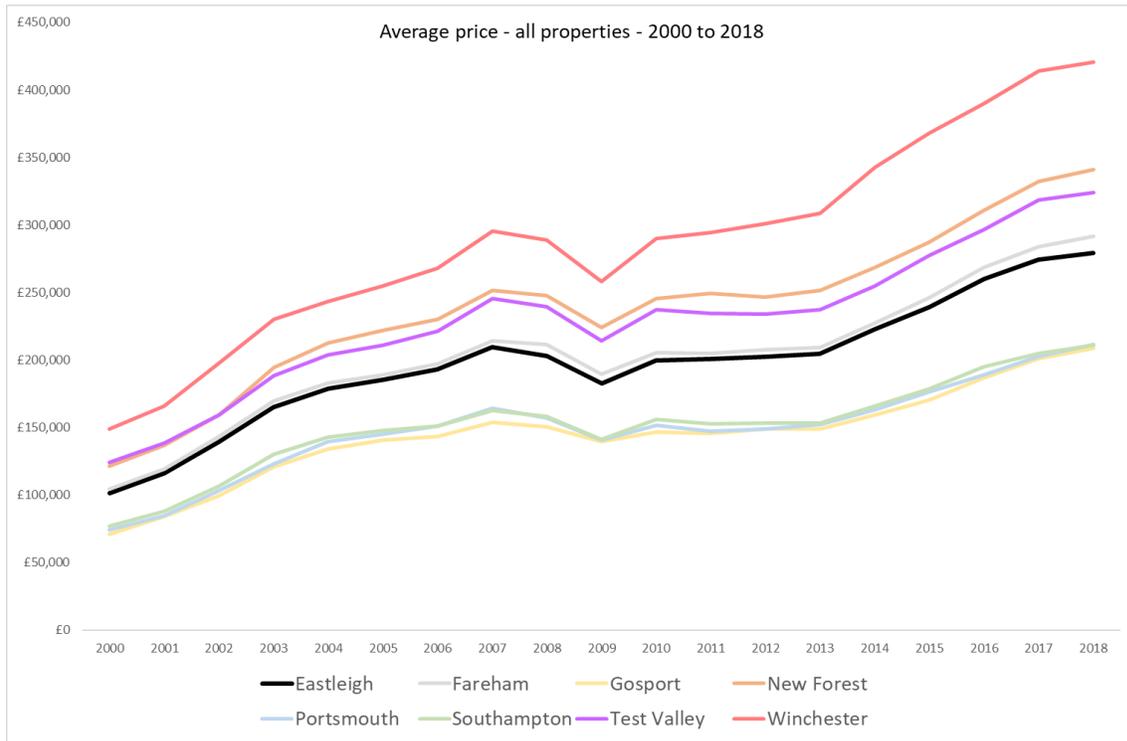


Market trends

3.3 Following the financial crisis of the late 2000s, and consistent with national trends, house prices have risen year by year in the borough. Since 2013 the rate of increase has accelerated. Feedback from the development industry and estate agents interviewed as part of this study described the market as being, “*price-led*”¹⁸ but that uncertainty over Brexit has meant that the market has, “*slowed but not stalled*” with some uncertainty about how the market will react to the outcome to Brexit.

¹⁸ i.e. that price is the dominant decision factor

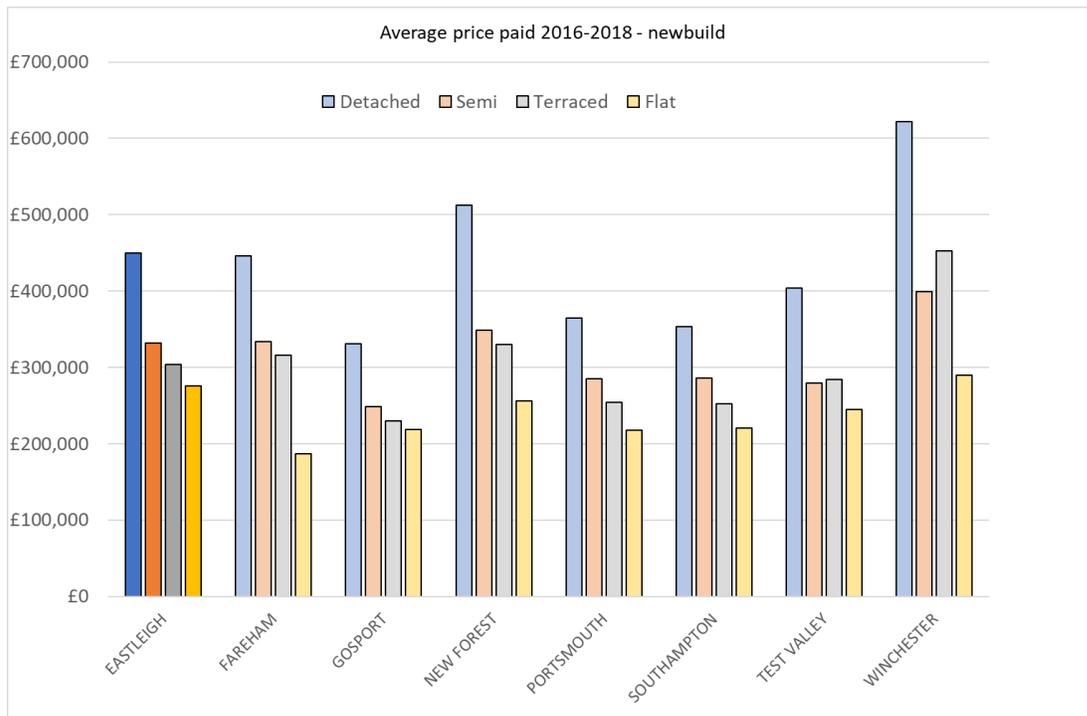
Figure 3.2 Sale House Prices (all properties)



Source Land Registry

3.4 Considering new build sale prices, in comparison with the other seven authorities in the ‘family’ group we have selected, Eastleigh house prices closely match those in Fareham and Test Valley. They are generally above prices in Portsmouth, Southampton and Gosport, but below New Forest and some way below prices in Winchester. The differential broadly holds for different house types as shown in the chart below – which uses average newbuild sale prices for 2016-2018.

Figure 3.3 Sale House Prices (new build since 2016)

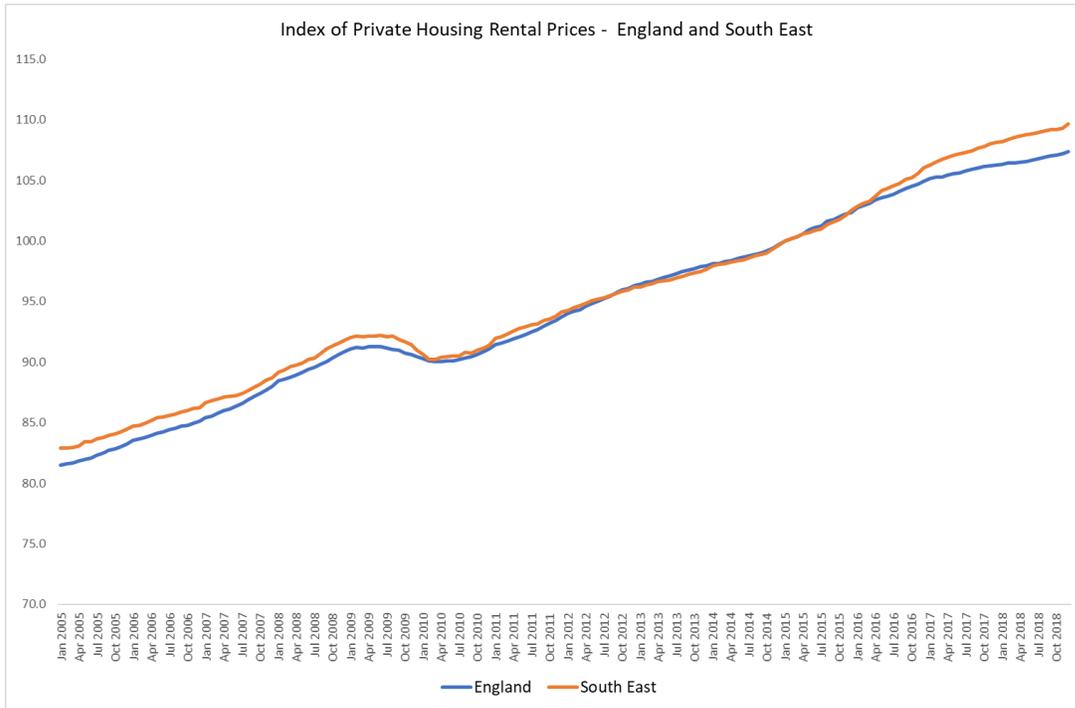


Source Land Registry

Housing for Rent

- 3.5 Nationally, private rents have increased over the long term but have remained relatively flat since 2016. A very similar pattern is found in the south east.

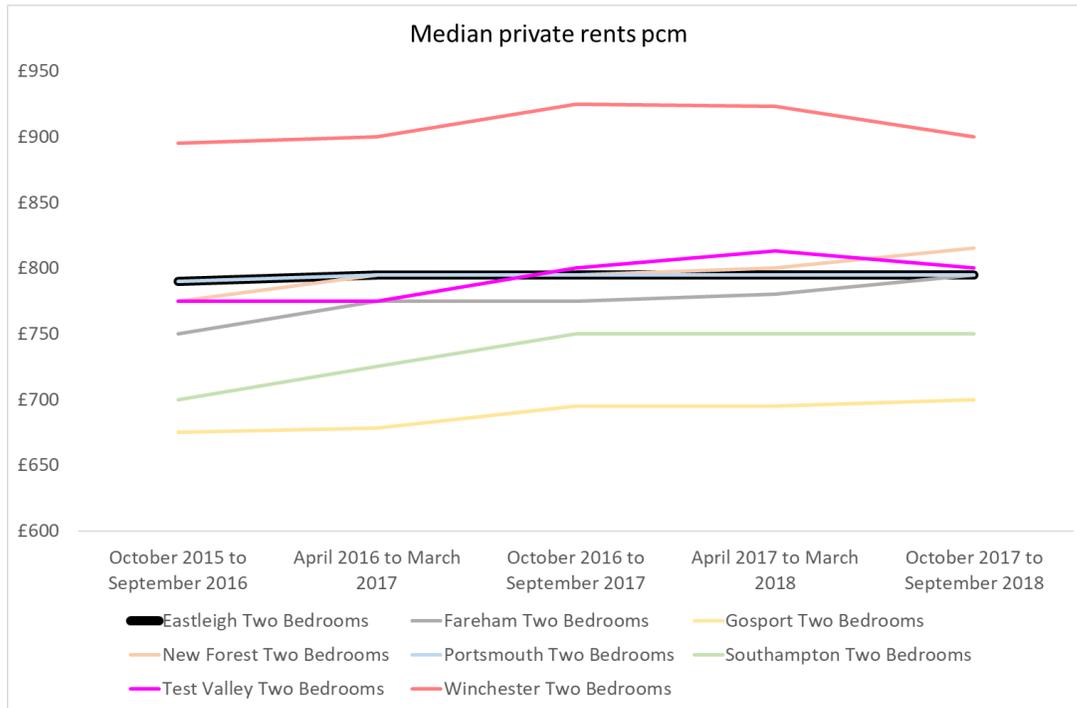
Figure 3.4 Private rents – long term trend



Source VOA

- 3.6 This trend is replicated in Eastleigh as illustrated in the chart below – using median rents for 2 bed properties as the indicator. But Eastleigh rentals are on a par or above those achieved in the comparator authorities, baring Winchester where rents are significantly more.

Figure 3.5 Median Private Rents (2 bedroom properties)



Source VOA

Summary

3.7 The Eastleigh housing market has been broadly in-step with its neighbours with strengthening delivery of new housing since the market crash of the late 2000s and an increase in market values. Importantly, there are some indications that Eastleigh is showing a more consistent increase in housebuilding levels than the comparators.

4 Horton Heath

Introduction

- 4.1 Information on the characteristics of people living in Horton Heath and the types of housing they live in is available from the Census. Horton Heath is covered by two Lower Super Output Areas (LSOAs)¹⁹ and these are used as the basis of this analysis.

Households

- 4.2 There are 1,286 households in Horton Heath, making up 2% of the Borough total. The household composition in Horton Heath is not entirely dissimilar to the Borough average although it is clear that in Horton Heath there are:

Household composition

- More families with one or two children,
- Slightly more families with three children
- Fewer older households including adults over 65 living alone

Household Type

- Fewer one-person households
 - Considerably more couples with dependent children
- 4.3 Overall, it is clear that in comparison to the Borough average, Horton Heath is an area where families with dependent children choose to live, and that there are fewer older people especially older people living alone.

¹⁹ E01022686 : Eastleigh 008F and E01022687 : Eastleigh 008G. Note that these also cover a small part of Fair Oak.

Figure 4.1 Household Composition - Age and Children

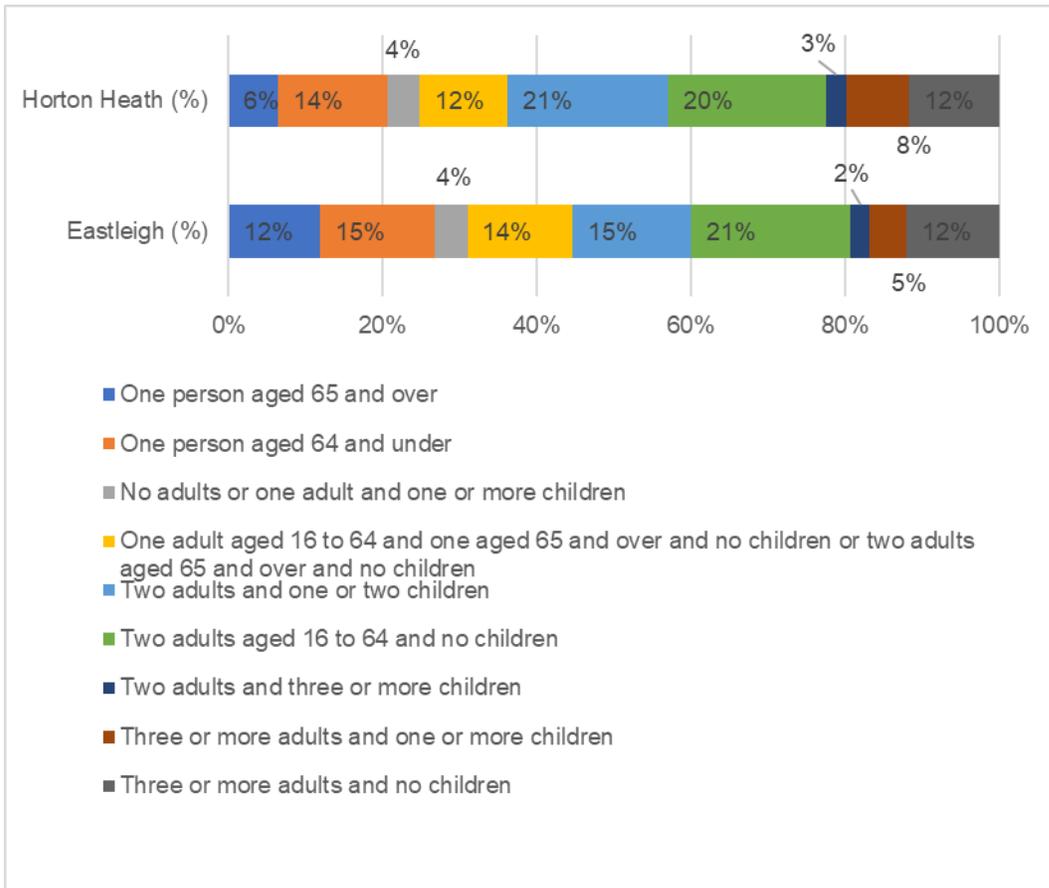
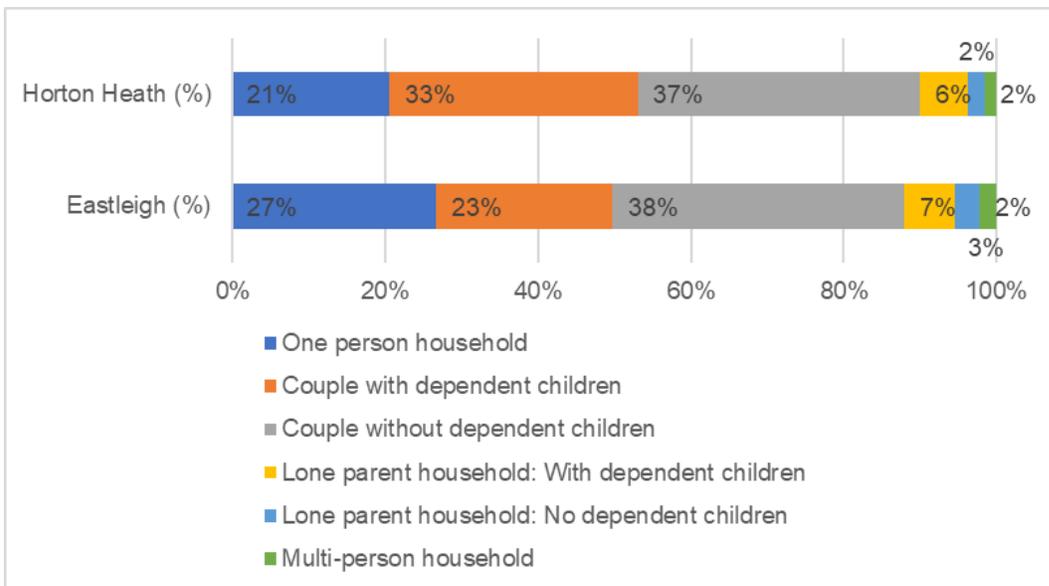


Figure 4.2 Household Type



Accommodation Type

4.4 Analysis of the accommodation type shows that:

- Compared to the Borough average there are considerably more detached houses in Horton Heath
- A relatively even split between three- and four-bedroom houses in Horton Heath compared to the concentration of three-bedroom houses across the Borough
- Proportionately almost twice as many five-bedroom houses in Horton Heath compared to the Borough average
- Fewer two-bedroom and under half the proportion of one-bedroom dwellings in Horton Heath compared to the Borough average

Figure 4.3 Household Type

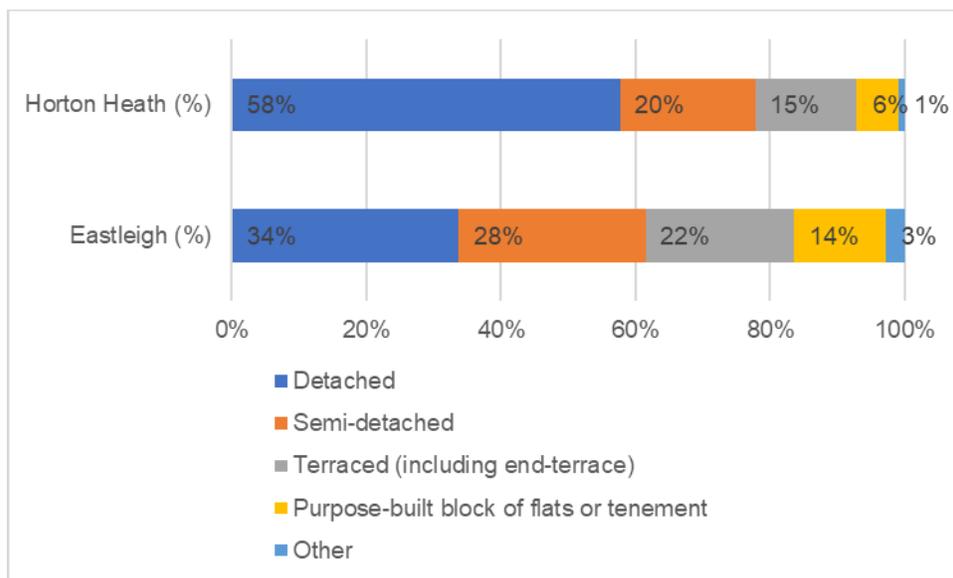
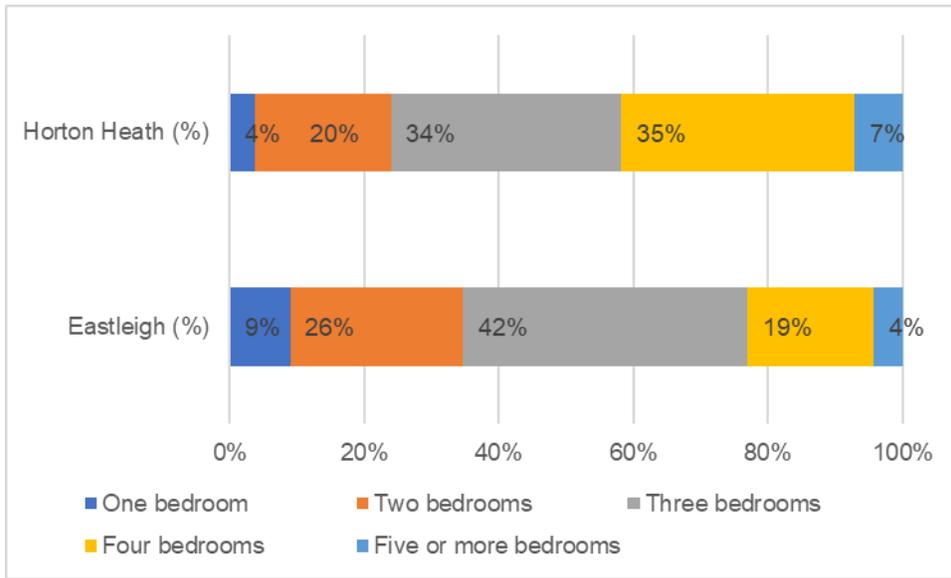


Figure 4.4 Number of Bedrooms



- 4.5 The street scene in Horton Heath illustrates the statistics relating to dwelling types. The environment is a relatively spacious setting for predominantly detached and semi-detached postwar housing, including some infill new development of the same broad type.

Figure 4.5 Horton Heath





Source Google Streetview

- 4.6 While Horton Heath is an established residential location, there are few facilities in the locality. Currently there is a community centre, a pub and a garage/grocery store. Residents have to travel to Fair Oak or elsewhere for facilities such as schools, sports facilities and other retail and food and beverage businesses.

Conclusion

- 4.7 The Census data clearly shows that Horton Heath is a location for larger detached family housing occupied by families with dependent children. There are fewer older households, especially people over 65 living alone. Horton Heath is not fully representative of the borough's population.
- 4.8 The Planning Practice Guidance discussed earlier in this report requires that new development maintains an area's prevailing character and setting. If the Council wishes to maintain the character of the area then it seems clear that providing more, larger family housing will do so. However, it does seem clear that there are currently groups of people (particularly older people and people without children who are underrepresented in Horton Heath) and if the Council wishes to plan for housing to meet these people's needs it could consider more smaller units and a range of single storey/apartments and specialist older persons housing.

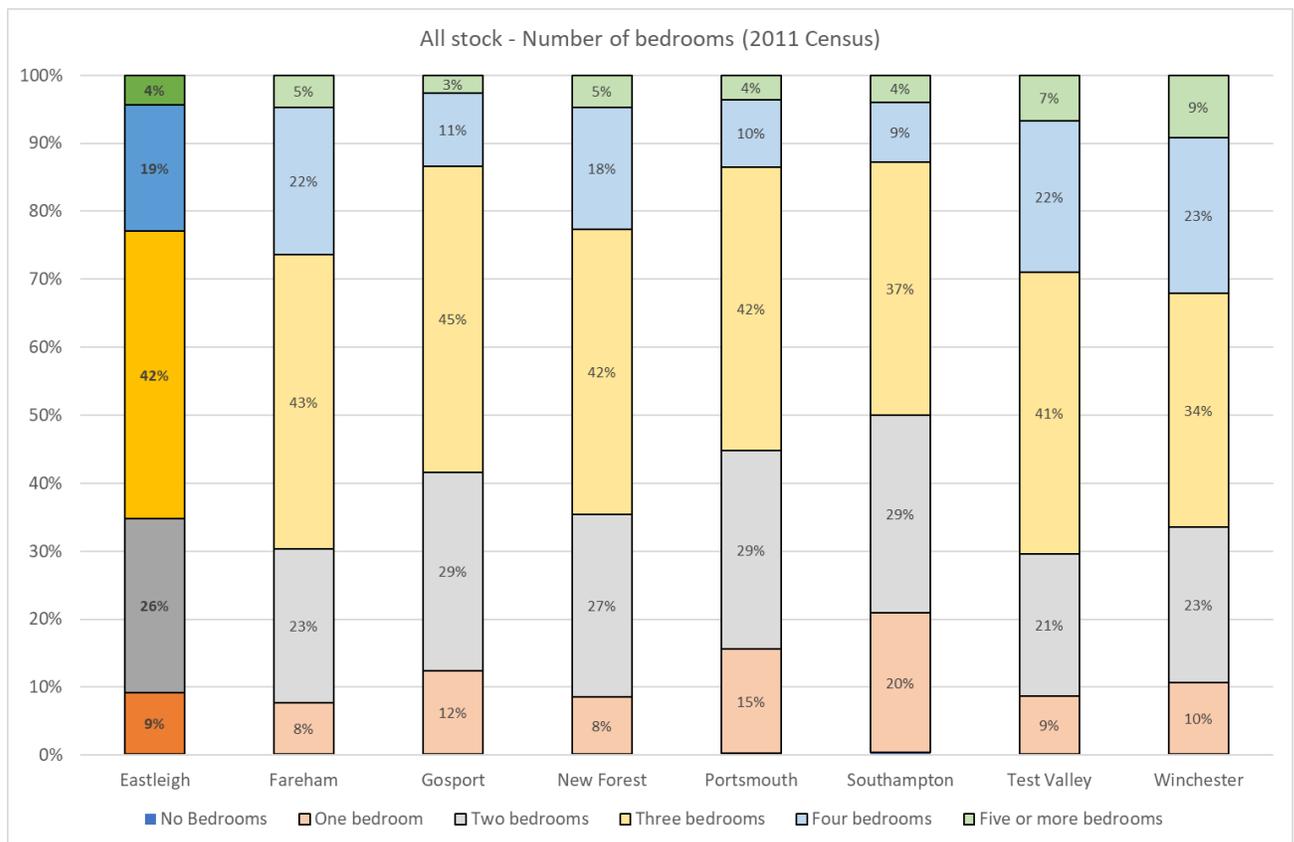
5 Dwelling Types and Sizes

Stock profile

Stock at 2011

5.1 The most up to date information about the stock of dwellings in Eastleigh is from the 2011 Census. Although this is somewhat dated now, it highlights that the dwelling stock in Eastleigh is weighted towards smaller 2 and 3 bed dwellings (68% of total occupied dwellings at the 2011 Census), which is consistent with the ‘family’ of neighbouring authorities. As expected the urban centres (Portsmouth and Southampton) have a higher proportion of smaller dwellings.

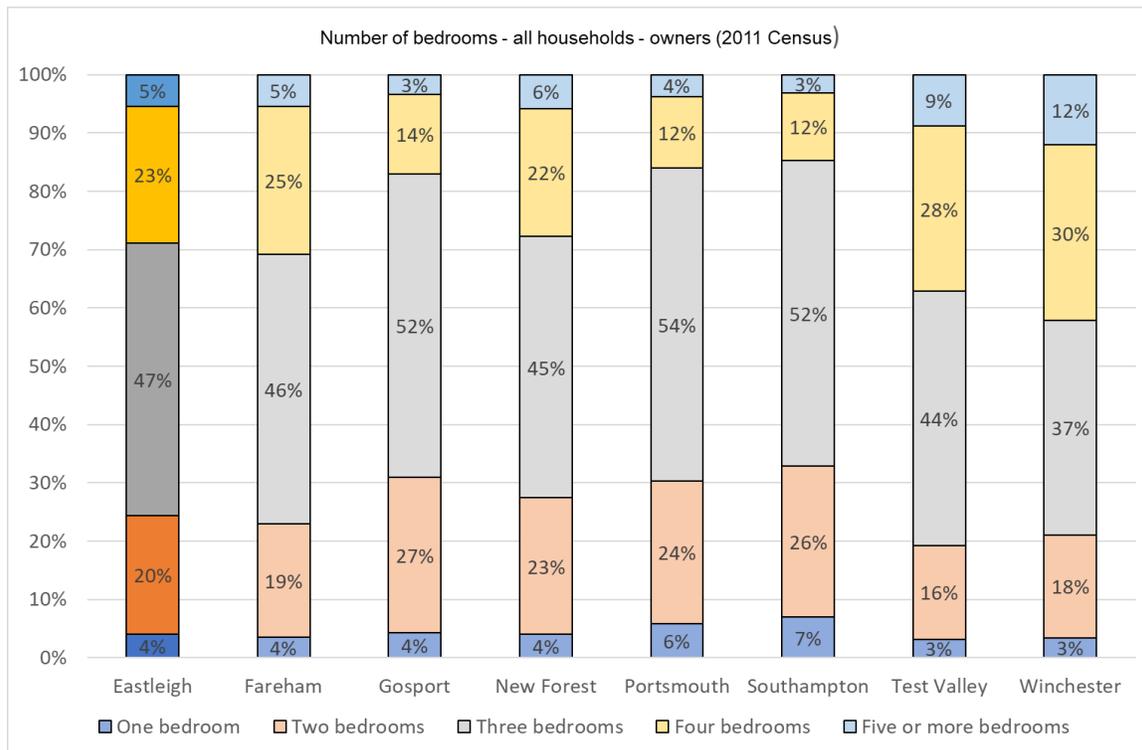
Figure 5.1 Existing stock (market & affordable) dwelling sizes by District



Source 2011 Census

5.2 The picture is slightly different when owner occupied housing is considered on its own.

Figure 5.2 Existing stock (owned outright or with a mortgage) dwelling sizes by District



5.3 There are fewer one bedroom dwellings in the Eastleigh owner occupied stock and more larger (family homes) – with 70% of all owner occupied housing being 3 and 4 bedroom homes. Fareham and New Forest have a very similar dwelling mix, Winchester and Test Valley have a higher proportion of family homes (3+ bedrooms) and Gosport, Portsmouth and Southampton have more smaller units.

Required dwelling mix

5.4 In 2003 the council published Supplementary Planning Guidance (SPD) that provided a preferred dwelling mix, in support of policy 79.H of the then second deposit local plan. The SPD has not been replaced.

5.5 The SPD sought the following dwelling mix:

- Up to 2 bedrooms 35%
- 3 bedrooms 50%
- 4 or more bedrooms 15%

5.6 Whilst this SPD is now outdated, it has helped shape what was built by the development industry post 2011 (although the pattern of actual delivery did not match the SPD).

- 5.7 An independent update on the dwelling mix required to meet housing needs in the borough was provided by ORS in 2017²⁰, in support of the draft Local Plan. The dwelling mix (across affordable and market housing) identified in 2017 is compared with the 2003 SPD in the table below.

Table 5.1 Dwelling mix required – 2003 SPD compared with 2017 Analysis

Type	2003 SPD	2017		
		All	Market	Affordable
1 bed flat		7%	2%	18%
2+ bed flat		9%	6%	15%
2 bed house		14%	6%	33%
<i>All 1 and 2 bed dwellings</i>	35%	29%	14%	67%
3 bed house	50%	52%	63%	24%
4+ bed house	15%	19%	23%	9%

2017 percentages do not add to 100% because of rounding errors

- 5.8 Both in 2003 and 2017, the emphasis is on family, 3 and 4 bed housing but there is move towards more larger (4 bed) houses in 2017 and a reduced proportion of 1 and 2 bed dwellings. The 2017 analysis gives a very different mix for market and affordable housing. The former has 14% 1 and 2 bed dwellings and the latter, 67%. The need for larger family housing and smaller affordable units has implications for development density and layout which we explore later in the report.

Recent housebuilding

- 5.9 The Eastleigh Housing Implementation Plan 2018 assessed dwelling types being built in the borough between 2011 and 2016.

²⁰ Assessment of Affordable Housing and Other Housing Types, Report of Findings, Opinion Research Services, July 2017

Table 5.2 Net Housing Completions by size and type – 2011 to 2016

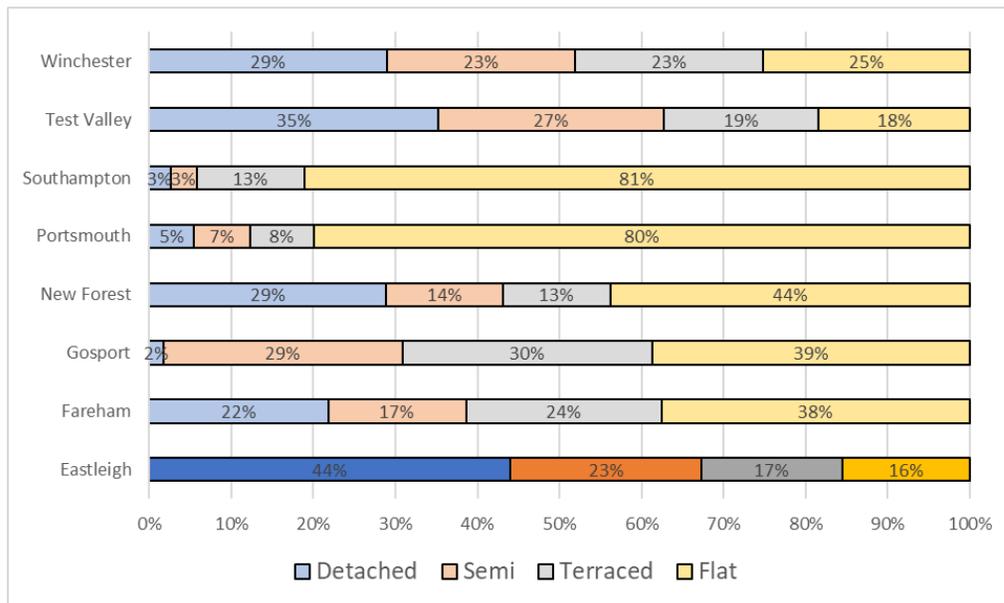
Type	Net change % (Gains less losses)
1 bed flat	7%
2 bed flat	27%
<i>Sub-total Flats</i>	<i>34%</i>
3+ bed flat	0%
1 bed house	-4%
2 bed house	17%
3 bed house	36%
4+ bed house	17%
<i>Sub-total house</i>	<i>67%</i>
Older persons/care	9%
Other	-10%
Total	100%

Source Eastleigh Housing Implementation Plan 2018

%s are rounded and therefore may not add to 100%

- 5.10 The Implementation Plan indicates that comparing future requirement and past delivery shows over-provision of flats (2-bed flats in particular) and under-provision of houses (3-bed houses in particular). The Plan comments that the consented future supply as of April 2016 suggests that the over provision of flats and under-provision of houses is moderating, although there is a particular undersupply of 3 bed houses and to a lesser extent, 4 bed houses.
- 5.11 Our own analysis of new house sales 2016 to 2018 confirms this picture and shows Eastleigh housebuilding to have shifted firmly towards a family market. Eastleigh has moved out of step with its comparators.

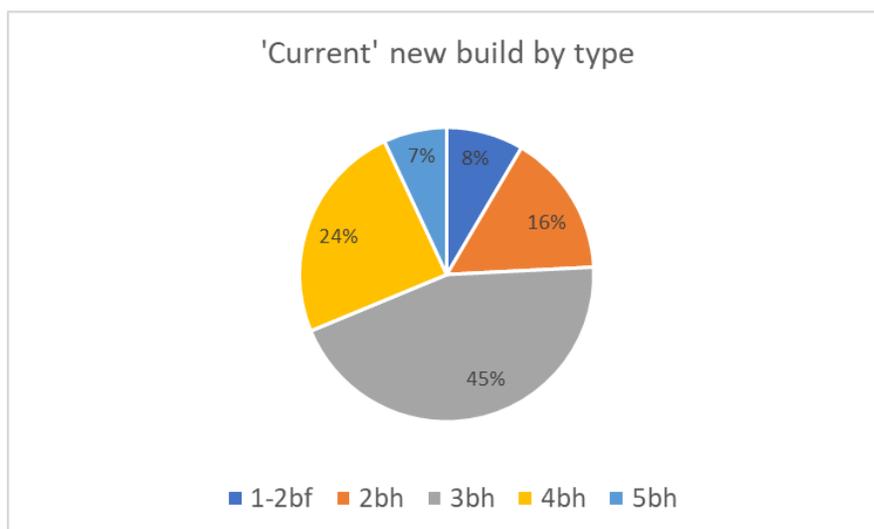
Figure 5.3 Newbuild sales 2016 to 2018, Eastleigh and comparator authorities



Source Land Registry

- 5.12 In the last three years, detached and semi-detached houses have made up over three quarters of all sales in Eastleigh. This is a greater proportion than any of the comparator authorities, even than Winchester (52%).
- 5.13 The shift to a strong family sales market, has been partly driven by the character of the large-scale housing schemes, recently completed and/or currently underway. Those further back in the pipeline are showing similar characteristics and the pattern found in Eastleigh is mirrored by that in neighbouring areas. This trend is illustrated by analysis we carried out of recent and future schemes in Eastleigh and the surrounding area, drawing on information available on-line. This is a snapshot and does not claim to be a comprehensive review but gives a clear picture of what the development industry is currently delivering in the area. The dominance of 3 and 4 bed houses is clear – 69% of the total.

Figure 5.3a Local Developments – Eastleigh area developments – ‘snapshot’ beginning 2019

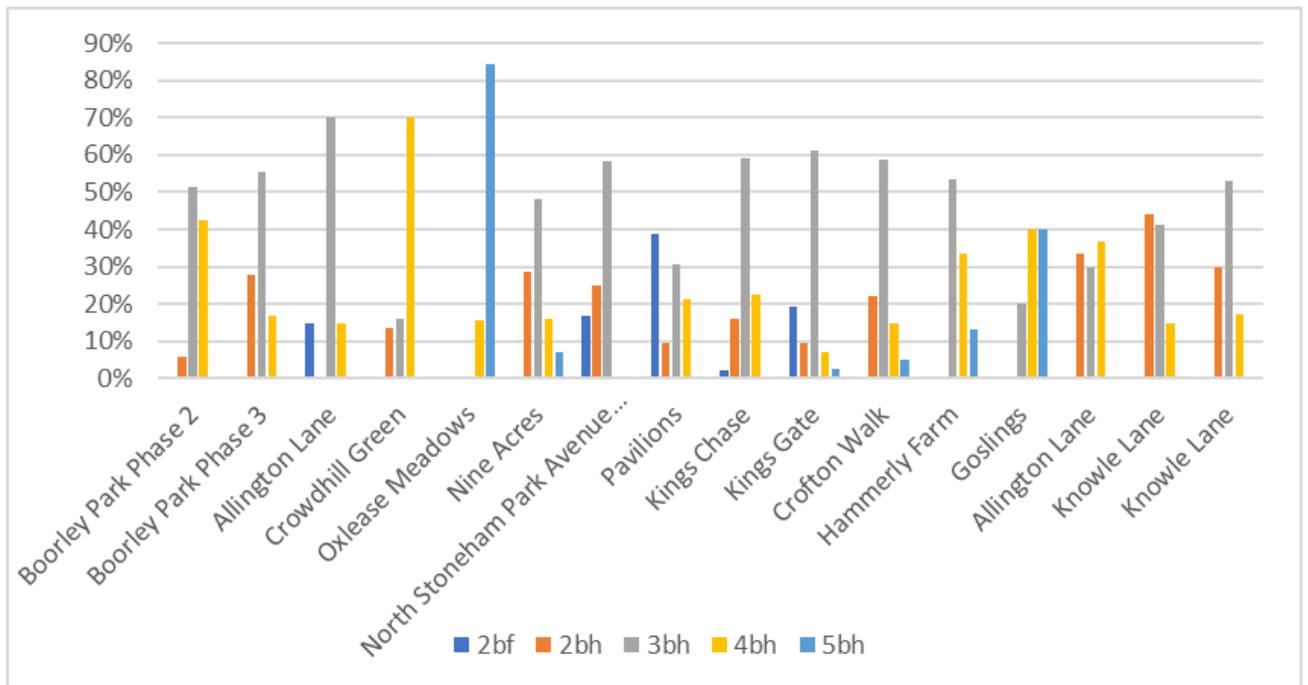


Schemes included in the above analysis

Scheme	Location
Boorley Park Phase 2	Botley
Boorley Park Phase 3	Botley
Allington Lane	
Crowdhill Green	Fair Oak
Oxlease Meadows	Romsey
Nine Acres	Bishopstoke
North Stoneham Park Avenue Park	Eastleigh
Pavilions	West End
Kings Chase	Romsey
Kings Gate	Colden Common
Crofton Walk	Fair Oak
Hammerly Farm	Horton Heath
Goslings	Bursledon
Allington Lane	Fair Oak
Knowle Lane	Fair Oak
Knowle Lane	Fair Oak

5.14 But the averages across these Eastleigh/local schemes do mask significant differences between them reflecting location, developer type, site characteristics etc.

Figure 5.4 Local Developments



5.15 Our interviews with estate agents and developers active in the area reinforces the picture that Eastleigh's is essentially a 'family housing market' but not exclusively so, with some demand for smaller homes – essentially for first time buyers. The following comments from the interviews illustrate this:

- "This is a family housing area..."
- "Mainly a family market - 3 and 4 bed..."
- "Still demand for family houses - Would prefer to see larger houses built in new areas - Eastleigh has plenty of first time buyer properties in traditional terrace areas."
- "2 bed houses are the best sellers, especially for 1st time buyers and also investors."
- "3 bed houses most popular, but also 2 beds."
- "Mix of products - 2 to 5 bed houses all do well - biggest demand is 3 and 4 beds but 2 beds recently more successful."

5.16 In comparison with some of the surrounding areas, Eastleigh is seen to offer better value for money. This is one explanation for the continuing demand from commuters, who would pay more for a comparable home nearer to employment centres such as London. As one estate agent explained:

- "Eastleigh is a commuting area but attraction of Eastleigh is not the station but rather the value for money that local housing offers."

5.17 The government's Help to Buy scheme is said to have had a significant impact on the market. It has bolstered prices for smaller dwellings but the cap on sales prices of £250,000 has acted as

a brake on this, as one housebuilder explained, “*The market emphasis for 3-beds is driven by Help to Buy*” (Housebuilder).²¹

- 5.18 Flats are not considered a mainstay of the Eastleigh market and, as the earlier analysis showed, are far less important than in Southampton-Portsmouth centres. Demand for flats in the borough is said to be concentrated in key urban locations, such as the centre of Eastleigh and near the railway station but, “*these are not 'great sellers' in suburban market*” (Housebuilder). Nevertheless, those developing flats for private rent say that, in the right location, they will be taken up very quickly.
- 5.19 There are mixed views about the demand for market flats in suburban locations, with different housebuilders reporting varied demand. A typical response is that providing smaller flatted dwellings in what is considered a family market area is not a natural choice. However, there is an acceptance that flats will need to be part of the mix in order to achieve higher densities.
- 5.20 We asked developers what they considered would be an appropriate dwelling mix for new housing in Eastleigh in the future. There was no single view and differences in approach largely reflected the type of housing in their standard portfolio. Where interviewees offered an optimum mix, again the emphasis was on family housing as these three options show:
- 30/40% - 2 bed, 40% - 3bed, 20% 4bed+, v small % 1 bed
 - 20% 2 bed, 50/55% 3bed, 25/30% 4 and 5 bed
 - Build across the range from 1 to 5 bed homes but 3 bed is most popular house type - semi and detached - suggested c 40% 3 bed houses

Plans for neighbouring strategic sites

- 5.21 As context for our analysis of dwelling mix, we considered plans for 10 strategic sites in neighbouring areas; sites allocated in local plans etc., some of which have started development but some of which are further back in the planning process. The information is drawn from the web and relies on published information available winter 2018/19 and so is sometimes incomplete and may not be fully up to date. Nevertheless, the review provides a useful picture of the types of housing likely to be provided in ‘competing’ areas over the next few years. The table below sets this out.

Table 5.3 Sample of Hampshire Strategic Sites

Scheme	Location	No dws	Start	Density Dph net	1-2 bed flats	2 bed houses	3 bed houses	4 bed houses	5 bed houses
Welborne	Fareham	6,000	-	-	<i>No info – ‘to reflect demand at time phase developed’</i>				
Newlands	Fareham	1,100	-	37	5%	25%	40%	25%	5%
N Whitely	Winchester	3,500	2018	30-50		25%	35%	35%	5%
Barton Fm ²²	Winchester	2,000	2014	-	15%	10%	23%	43%	9%

²¹ For the Help to Buy ISA

²² Mix for first phase

Scheme	Location	No dws	Start	Density Dph net	1-2 bed flats	2 bed houses	3 bed houses	4 bed houses	5 bed houses
W of Waterlooville	Winchester	3,200	2008	20-45	28%	21%	31%	20%	
Whitenap	Romsey	1300	-	-	No info				
N Totton	New Forest	900	-	-	30-40%		40-45%	20-25%	
Marchwood	New Forest	860	-	-	30-40%		40-45%	20-25%	
Somerstown	P'tsmouth	C540 ²³	-	-	41%		52% ²⁴	5%	2%
Water Frnt	Gosport	700	-	-	No info				

- 5.22 It is worth noting that in three cases (including the largest scheme – Welborne with 6,000 dwellings), no information was available about the mix of dwellings proposed for the schemes as a whole and that mixes would be agreed as each phase comes forward, depending on the demand at the time.
- 5.23 For those schemes where an overall mix is set out, there is considerable variation. Sometimes this would appear to have a straightforward explanation (e.g. Somerstown in Portsmouth, a city scheme with 41% 1 and 2 bed flats) but there are other differences between mixes which do not have a ready explanation and will be reflecting local circumstances. For example, Barton Farm has 52% 4+ bedroom dwellings in its mix but West of Waterlooville has 20%. This is an earlier scheme than the others and the emphasis on smaller dwellings may reflect this. Across the non-urban schemes generally, typically somewhere between 60% and 70% are 3+ bedroom dwellings.
- 5.24 The Barton Farm scheme was the only one of the 10 to provide information about the mix of affordable housing sought at 30% 1 and 2 bed flats, over 50% total 1 and 2 bed units, 35% 3 bed houses, 13% 4 bed houses. This reinforces the earlier evidence that affordable housing is different in terms of the mix of size of dwellings and very much more focused on smaller dwellings.
- 5.25 The review of ‘competing’ strategic sites highlights the very limited details shown about development density, with information only available for three schemes. There is considerable variation between the three and also different approaches within schemes – with higher densities achieved in some parts (we assume where facilities etc. are located) and lower densities elsewhere – which can be as low as 20 dwellings per hectare.

Suggested optimum mix

- 5.26 Our brief does not ask us to recommend a dwelling mix for future (large-scale) development in Eastleigh but we have identified a number of trends and experience elsewhere that leads us to suggest a market mix that reflects the 2017 local needs assessment for affordable housing. Our suggested mix also responds to the type of development being built and/or planned for the

²³ Mix is based on info available for Phase 2 of a three-phase scheme

²⁴ Three bed units includes a number of flats

'competing' large-scale strategic sites elsewhere. The affordable housing mix is taken from the 2017 housing needs study²⁵.

Table 5.4 Suggested optimum mix

Type	All	Market	Affordable
1 bed flat	6%	0%	18%
2+ bed flat	9%	5%	16%
2 bed house	28%	25%	33%
<i>All 1 and 2 bed dwellings</i>	<i>43%</i>	<i>30%</i>	<i>67%</i>
3 bed house	41%	50%	24%
4+ bed house	16%	20%	9%

5.27 Our mix differs to the draft Local Plan. Policy DM26 gives 75% of all market housing and 65% of all affordable housing as two or three bedroom. The comparable percentages in our suggested mix are 80% and 73%. Using NDSS sizes, this mix gives 3,600 sq m/net ha GIA which is within expected ranges.

Summary

- 5.28 The current housing stock in Eastleigh is similar to that of the 'family' of comparator neighbouring areas and is 3 and 4 bed houses. The proportion of smaller units is relatively small and in this respect, the Eastleigh stock is quite different from the more urban and flatted stock of Portsmouth and Southampton.
- 5.29 Housebuilding activity, if anything, is amplifying this pattern with detached and semi-detached houses making up over three quarters of all sales in Eastleigh in the last three years. Eastleigh is described as being very much a 'family market' by the development industry.
- 5.30 The pattern of provision of affordable housing is very different and far more heavily weighted towards smaller (1 and 2 bed) units.
- 5.31 Large-scale strategic sites in Eastleigh and the neighbouring authorities appear to be driving the 'family new build market'. But the neighbouring authorities differ in the way they plan for future housing mix in the new strategic sites – some authorities are quite prescriptive from the outset about the mix they are seeking but other authorities choose to only to set out the mix they will seek as each phase of development is brought forward.
- 5.32 We have put forward a suggested 'optimum' mix for new developments in Eastleigh which continues with a heavy emphasis on family housing but does include some smaller market units

²⁵ Assessment of Affordable Housing and Other Housing Types, Report of Findings, Opinion Research Services, July 2017

– flats or houses (15% 1 and 2 bed units). The requirement for affordable housing remains very different with a high proportion of small units.

6 Dwelling size

Policy context

- 6.1 The draft Local Plan (policy DM32) requires new housing to meet the Nationally Described Space Standards. The standards were set out by government in 2015²⁶ and are the only standards a planning authority can adopt (though its local plan) but an authority is not obliged to do so.
- 6.2 The floor area of dwellings in the Nationally Described Space Standards are given for different dwelling types and the number of bedrooms and people a dwelling is assumed to accommodate. The table which does this (Table 1) is replicated below.

Table 1 - Minimum gross internal floor areas and storage (m²)

Number of bedrooms(b)	Number of bed spaces (persons)	1 storey dwellings	2 storey dwellings	3 storey dwellings	Built-in storage
1b	1p	39 (37) *			1.0
	2p	50	58		1.5
2b	3p	61	70		2.0
	4p	70	79		
3b	4p	74	84	90	2.5
	5p	86	93	99	
	6p	95	102	108	
4b	5p	90	97	103	3.0
	6p	99	106	112	
	7p	108	115	121	
	8p	117	124	130	
5b	6p	103	110	116	3.5
	7p	112	119	125	
	8p	121	128	134	
6b	7p	116	123	129	4.0
	8p	125	132	138	

Attitudes to the standards

- 6.3 We found very mixed views amongst the development industry representatives interviewed for this study. There does seem a general acceptance that the standard for larger (3 bed plus)

²⁶ Technical housing standards – nationally described space standard Department of Communities and Local Government, March 2015 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/524531/160519_Nationally_Described_Space_Standard_Final_Web_version.pdf

dwellings are broadly acceptable – indeed many houses currently being built are significantly larger. It is the space standards for the smaller dwellings which meets greatest resistance – as these views of interviewees illustrate:

- “*Won't affect 3 bed or above but will affect 1 and 2 beds..... will increase costs without proportionate increase in values.*”
- “*Not at all keen (on the NDSS).....mainly affects 1 and two bed dwellings.*”

- 6.4 Arguments put forward against the NDSS are about the impact on viability (as the first interviewee quoted above indicated) and the effect on First Time Buyers as house prices have to increase to meet the costs (somewhat at odds with the first set of views).
- 6.5 One interviewee argued that achieving NDSS, in conjunction with other policies e.g. open space standards would work against achieving the council's objective to increase overall residential densities but this was not a view generally expressed.
- 6.6 However, a couple of housebuilders explained that they either had standard house types that met NDSS and used these in areas where local authorities had an adopted policy, or their standard house types simply met NDSS as a matter of course. These examples indicate that the introduction of NDSS is already on the agenda of the housebuilding industry and the standards are achievable. If NDSS were introduced by the council, it would be important that the standard was applied to all residential development so that those operating the policy were not disadvantaged.

Summary

- 6.7 The council is moving towards adoption of the National Described Space Standards in the emerging Local Plan. This would be unlikely to raise any issues amongst the housebuilding industry with the larger homes, but there may be some resistance for smaller dwellings. However, where the standards are operated in other areas, the industry has been adjusting and continues to build.

7 Density

Introduction

- 7.1 This section discusses issues around density, and how density may relate to providing mixed and balanced communities at Horton Heath.
- 7.2 The density of development refers to the number of dwellings on a given area of land, generally expressed as dwellings per hectare (dph). This measurement can refer to *net* density (number of dwellings per net developable hectares) or *gross* density (number of dwellings across the whole site area, which can include other land uses such as parks, schools, strategic drainage schemes, community facilities etc.). For small sites that just provide housing, there may be little difference between net and gross density. Larger sites are more likely to include land areas that are not used for housing and in these cases, there will be a significant difference between net and gross density.
- 7.3 Eastleigh Borough Council defines net housing density in the following way: Net density is calculated by dividing the net developable area by the number of proposed dwelling units. Net developable area includes only those areas which will be developed for housing and directly associated uses²⁷. This will include:
- Access roads within the site;
 - Private garden space;
 - Car parking areas to serve the development;
 - Incidental green space; and
 - Children's play areas, where they are to be provided.
- 7.4 It excludes:
- Major distributor roads;
 - Schools and the sites of other community buildings;
 - Open spaces serving a wider area;
 - Significant landscape buffer strips and noise attenuation mounds;
 - The canopy spread, or potential canopy spread of trees worthy of retention;
 - Other landscape or water features worthy of retention.
- 7.5 The density of development affects the form of housing provided. Where there are more dwellings per hectare, dwelling sizes will need to become smaller and/or development will need to be higher in order to fit the additional housing onto the same land area. Where development densities are lower, there is more opportunity to provide bigger dwellings (e.g. detached family housing, bungalows etc.), as well as allowing more space for parking, gardens and public realm.

²⁷ <https://www.eastleigh.gov.uk/media/1324/chapter-5-housing.pdf>

Context

- 7.6 The review in section 2 of this report contains the government's policy position on density as set out in the NPPF., Para 122 requires the use of land is efficient and takes into account "...*the identified need for different types of housing...*", local market conditions, and "the desirability of maintaining an area's prevailing character and setting...". Para 123 states that where there is a shortage of land, then policies should avoid homes being built at low densities and that "It may be appropriate to set out a range of densities that reflect the accessibility and potential of different areas, rather than one broad density range".
- 7.7 Nationally, the average density of new development is 32 dph²⁸, with a higher density of 40 dph on previously developed land. The average density has remained broadly the same in recent years. For non-previously developed land, the density was recorded at 26 dph. The methodology behind these figures means that this is a *gross* density although this average covers large and small sites and many smaller developments will have the same net and gross site areas.
- 7.8 The review of strategic sites in Winchester, Test Valley and New Forest²⁹ showed that gross density ranges between 10 and 20 dph, with an average of 14 dph (see table 5.3). For one of the sites (Newlands) the proposed *net* density is 37dph whilst others suggest that the development will include a range of net densities between 20 dph and 50dph depending on character areas. It is not clear how the gross densities may translate into net densities but our experience with large sites suggests that net developable areas for large strategic sites will be between 40%-60%³⁰ depending on site constraints and whether strategic open space provision is on site. This suggests that net densities may be between 20dph and 33 dph for these sites on average, and our experience elsewhere suggests that around 35 dph net is not uncommon for suburban locations.

Draft Local Plan Policy Requirements

- 7.9 The Eastleigh draft local plan includes a density requirement. Policy DM23 requires a minimum of 40dph net unless site constraints justify a lower density. This policy meets the national policy requirement (NPPF para 122) that the use of land is efficient.
- 7.10 In addition to DM23, there are other draft local plan policy requirements which have the potential to affect density of development at Horton Heath. The table in Appendix A lists the policies with density implications and considers how these may relate to development at Horton Heath. This indicates that individually the development management standards are not incompatible with higher density development than the prevailing style, but in combination there may be some difficulties with achieving 40 dph (although this may differ between sites).

²⁸ MHCLG 217, Land Use Change Statistics in England: 2016-17. Note that these statistics measure the density of all residences in the hectare surrounding a newly-created residential address

²⁹ Welbourne (6,000 units), Newlands (1,100 units), North Whiteley (3,500 units), Barton Farm (2,000 units), West of Waterlooville (3,200 units), land to the north of Totton (900 units) and north of Marchwood (860 units)

³⁰ E.g. the planned extension to the Cranbrook new settlement in Devon has 3,500 dwellings with 43% net to gross including SANGS (66% excluding SANGS);

Approaches to Density

- 7.11 The Sustainable Suburbia research³¹ provides some indications about how higher density developments may be achieved, including the mix of dwellings, parking standards and the form of building.
- 7.12 The research includes references to case studies including Greenleys in Milton Keynes, which was built in the 1970s, and has a net density of 25dph, which was the current UK average for new residential developments at the time of the report. A majority of the houses are semi-detached, though some are detached, and all have garages. This is compared to Wolverton, also in Milton Keynes, which was built in the 1880s and has a net density of 52dph. It consists of terraced houses and many residents take advantage of off-street parking accessed from a rear alley. Both developments contain 3-bedroom houses of approximately 120m², off street parking and the type of construction is comparable. The report argued that densities of 50dph and upwards can be achieved by family housing with gardens, local car parking and other characteristics which can be classified as the private benefits of suburbia.
- Detached houses fulfil suburban aspirations and the report planned for these at 35 dph (3 bed detached), although with off-street parking at a lower standard than the Eastleigh SPD.
 - Townhouses with a 6m frontage were planned at 50 dph (75% 3 bed terrace and 25% 3 bed semi), again with off-street parking at a lower standard than the Eastleigh SPD
 - L-shaped houses with 6.5m frontage (combine the compactness of the terrace form with the identity of semi-detached houses) were planned at 50 dph (40% 3 bed terraced and 60% 3 bed semi), again with off-street parking at a lower standard than the Eastleigh SPD
 - The mews house type, in three or four storeys (3 bed units) were planned at 95 dph, with no off-road parking.
 - Five storey flats (27% 1-bed and 63% 2 bed) were planned at 180 dph
- 7.13 Using this approach, the study suggested that development using the following mix could achieve the 52 dph with one car parking space per unit:
- 1 bed flat 13%
 - 2 bed flat 19%
 - 3 bed flat 3%
 - 3 bed mews house 16%
 - 3 bed town house 27%
 - 4 bed semi-detached 21%
- 7.14 This report shows one approach to increasing density (and there will be other similar approaches to the same issue) but it will require a different approach to the typical pattern of

³¹ MJP Architects, 2008, sponsored by HCA <http://www.sustainable suburbia.co.uk/>

suburban development in Eastleigh, and is likely to create tensions with the required parking standards.

7.15 Separately, Eastleigh Borough Council has prepared a Density Study³² which looks at major developments locally and elsewhere. As part of the study, the term defines housing density in terms of dwellings on the net developable area, which includes the dwellings and directly associated uses such as access roads, gardens, parking to serve the development, incidental green space and children's play. The net developable area excludes major distributor roads, schools or other community buildings, open spaces serving a wider area, significant landscape buffer strips/noise attenuation mounds, retained trees canopy spread and other landscape/water features.

7.16 This study showed:

- High densities have been achieved for new development across the Borough (c.50 dph), although most of the examples reviewed were less than this and indeed well below the 40dph draft Local Plan target.
- Where densities are low, the review suggested that in many cases this was to maintain the character of the surrounding area, and this lower density development included some substantial schemes e.g. 1,156 dwellings at Stoneham Park at 33dph.
- Boorley Park was highlighted as a development of varying densities (from 15dph to 70dph), which has been made possible by the scale of the scheme (1,400 dwellings) and this has enabled different character areas to be designed, along with a wide market appeal.
- One of the sites reviewed is adjacent to the proposed development at Horton Heath (72 dwellings at Allington Road). This has a net density of 34dph.
- 40dph is considered to be an 'urban location' density in the review.
- Some of the higher density examples from elsewhere in the UK are considered particularly urban and not easily transferable to rural locations (e.g. Accordia in Cambridge).
- Higher densities are achieved by:
 - Reduced garden sizes
 - Lower parking standards (e.g. average 1.25 spaces per dwelling)
 - A tight urban grain
 - Parking within the dwelling curtilage (sometimes within the building envelope)
 - Inclusion of apartments in the mix
 - Innovative gardens over parking spaces solutions

7.17 The review of other strategic sites provides some information about density, although only for some schemes (see table 5.3 earlier in this report). This shows that achieving net densities of 40 dph on strategic sites is clearly not impossible.

³² Eastleigh Borough Council, 2019, Density Study

- 7.18 The discussion about affordable housing later in this report (see section 8) indicates that the provision of new affordable housing tends to be focussed on smaller dwelling types. This has implications for density as more smaller dwelling types in a development facilitates the achievement of higher densities. However, there are also design issues relating to the integration of smaller affordable units within a scheme of larger market dwellings.

Development industry views on density

- 7.19 Feedback from housebuilders suggests that:
- There is tension between the draft Local Plan 40dph requirement, and the three bed houses focus, especially when the national space standards (NDSS) are taken into account. Higher density will require some flats and terraces.
 - Some housebuilders argue that the inclusion of bungalows in a dwelling mix is part of high quality, but there are implications for land take and density. However, not all housebuilders include bungalows as part of a dwelling mix.
 - A large site such as Horton Heath would naturally have a variety of different character areas and these will be linked to density. Typically, there will be higher density around the local centre with smaller more contemporary dwelling types and then less dense more traditional suburban housing in peripheral locations.
 - On big development sites it is less likely that the largest house types will be provided (e.g. 5 bed houses), as these generally require premium values. However, careful masterplanning and/or site characteristics may be able to create these premium value areas.
 - There is a tension between the 40dph requirement and the Quality Places SPD, particularly on suburban sites (less so for town centre infill where development can go to 3 or 4 storeys).

Horton Heath

- 7.20 National policy requires that new development maintains an area's prevailing character and setting. The current development at Horton Heath provides a solid suburban development with predominantly detached and semi-detached houses, many on large plots (although there is a minority of low-rise flatted development). We have not attempted to measure the dph for the existing Horton Heath development but estimate it to be 30 dph or less.
- 7.21 The review in section 4 of this report shows that Horton Heath is a location for larger detached family housing occupied by families with dependent children. There is clearly a strong link between the type of dwellings in Horton Heath and the types of occupiers.
- 7.22 It is understood that there is the aspiration within the Council to achieve higher densities at Horton Heath (and elsewhere in the Borough) than traditional for Eastleigh, and this is part of the driver behind the 40dph draft Local Plan target. However, there is a recognition that there may be some tension between the higher density aspirations and the other policy requirements such as open space, dwelling space standards, amenity space, minimum parking standards, Quality Places SPD etc. when taken in combination. The Council notes that one response to increasing density is to increase the height of some development, although the Council considers that there may be local resistance to development over three storeys, particularly near

to the existing Horton Heath; and it is likely that there will need to be some lower density development as a buffer near to the listed farmhouse on the western side of the site.

- 7.23 The most obvious density options for Horton Heath are to maintain the current relatively low density or to increase density to the levels suggested in the draft Local Plan. Table 7.2 sets out the options and their characteristics.

Table 7.2 Horton Heath Density Options

Option	Efficient use of land	Prevailing character and local market	Local policy compliance (draft)	Mixed communities
1. Maintain current Horton Heath density	Current density is not obviously an inefficient use of land but does not maximise use.	Maintaining the current density will help to maintain the prevailing character and will allow the established market for this area to grow.	Will not meet the density target in the draft local plan. However, lower density may make it easier to meet the other development standards in the draft local plan (e.g. NDSS) as well as the requirements in the Quality Places SPD.	Maintaining the current density is likely to be achieved by providing the same types of dwelling as the current development. This is likely to result in the occupiers being similar in to the current community ³³ which is not fully representative of Eastleigh's population.
2. Increase density	Will increase the efficiency of land use. Part of the effect of increasing density is that larger numbers of dwellings can be accommodated, and this will reduce the pressure to find other sites in order to maintain the land supply.	An increase in density will not fit with the prevailing character, particularly if it involves taller buildings than the mainly two-storey current development. Increased density may be associated with a more contemporary presentation. It is possible that the market may take some time to adjust to the provision of smaller dwelling types ³⁴ , as occupiers for this type of property may look elsewhere, and this risk may need to be addressed by raising market awareness.	Has the potential to meet or exceed the density target in the draft local plan. However, higher density may make it more difficult to meet the other development standards in the draft local plan in combination, as well as the requirements in the Quality Places SPD.	Increasing the density is likely to provide a more diverse set of dwellings (particularly smaller dwellings) and this is likely to attract single people/couples/empty nesters/down sizers for whom the current dwellings in Horton Heath may be too big. Whilst increased density is likely to provide a more diverse set of dwellings, it is less likely to facilitate dwelling types such as bungalows although other single storey dwellings such as apartments are more likely.

³³ Section 4 in this report provides more detail about the characteristics of the current community a Horton Heath.

³⁴ There are a small number of flats listed on rightmove at the time of writing – a 2 bed apartment for £159,000 and the freehold for a block of three flats for £450,000 - and one 3 bed end terrace for £325,000

Summary

- 7.24 The draft Local Plan policy DM23 requires a minimum of 40dph net unless site constraints justify a lower density.
- 7.25 Information available from other locations suggests that 40dph is a higher density than is being planned for in strategic greenfield sites, although within large sites there will be different character areas and these will have a variety of densities.
- 7.26 National policy requires that new development maintains an area's prevailing character and setting. The current development at Horton Heath provides a solid suburban development with predominantly detached and semi-detached houses, informally estimated to be 30 dph or less.
- 7.27 Research into the density of suburban development shows that higher densities of approximately 50 dph can be achieved, although it is clear that this would have an impact on the ability to meet on-plot parking standards and in addition, the form of development would have a different character than some of the current development in Eastleigh, especially the existing housing in Horton Heath.
- 7.28 The development management policies in the draft local plan provide a set of obligations. Individually these are unlikely to preclude development at 40 dph but cumulatively they may make achieving it difficult or alternatively may result in sub-optimal development quality.
- 7.29 The analysis in this section suggests that increasing the density of development at Horton Heath to the 40dph target in the draft Local Plan will entail a compromise between efficient use of land and prevailing character, as well as a compromise between achieving the density target and the other development policy requirements.
- 7.30 Horton Heath is likely to remain a family area, but in order to provide for a more mixed and balanced community it will be necessary to provide some smaller and single-storey dwellings, and logically this will facilitate a higher development density. Therefore, it will be necessary to increase the density of development at Horton Heath in order to achieve the diverse and mixed community objective as well as the density target.
- 7.31 The extent that achieving the diverse and mixed community objective as well as the density target will compromise the achievement of the other development policies will depend on the development design. The Council may want to review the Quality Places SPD to ensure that it is compatible with higher density development and either issue a renewed version and/or set out the relevant design standard in the Horton Heath masterplan.

8 Affordable housing

Policy position

- 8.1 The emerging Local Plan (at Policy DM30, Delivering Affordable Housing) states that the council will seek the maximum reasonable amount of affordable housing when negotiating individual development sites. The starting point is 35% provision on sites either over 0.33ha in size or containing 11 or more dwellings - unless it can be demonstrated that this would have an adverse impact on development viability.
- 8.2 This policy in the emerging Local Plan is not radically different from that in the extant Local Plan³⁵ although the threshold for seeking affordable housing is lower (at 11 or more dwellings in the emerging Plan compared with 15) but the adopted Plan also sought some affordable housing on smaller sites. The council's policy on thresholds was affected by central government guidance published in 2016 and since May of that year, affordable housing could only be sought on development of more than 10 dwellings. The council seeks 70% of new affordable housing as Affordable Rent and 30% as shared ownership.
- 8.3 The justification for draft Policy DM30 is derived from the council's Affordable Housing Market Assessment carried out by ORS in 2017. This identified a need for about 165 dwellings per year or about 23% of the residual annualised local plan figure of 729 dwellings per year. Taking into account that a proportion of the 729 per year will be on sites of fewer than 11 dwellings / 0.33ha and so are exempt from the affordable housing requirement, the council argues that a 35% target on qualifying sites should deliver sufficient affordable housing to meet identified needs.

Recent delivery levels

- 8.4 Between 2011 and 2016, 730 affordable dwellings were completed in the borough but there were also a number of losses of existing units. The Eastleigh Housing Implementation Plan 2018 summarises the data in Table 4 as shown below.

Table 8.1: Affordable housing completions 2011-2016

Table 4: Affordable housing completions 2011-2016

Year	Gross	Loss	Net
20012/13	238	-48	190
2012/13	121	-111	10
2013/14	171	-55	116
2014/15	89	-137	-48
2015/16	111	-8	103
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Total	730	-359	371

- 8.5 The supply of affordable housing in the period 2011 to 2016 equates to an annual average of new provision of 146 dwellings and a net figure of 74 – both of which are below the annual 165

³⁵³⁵ Policy 74H – saved policies of the Eastleigh Borough Local Plan Review (2001-2011)

dwellings per year which the council estimates is needed going forward. Net affordable housing completions had increased in 2016/17 (the last year for which information is available) to 181.³⁶

- 8.6 Feedback from the development industry does not indicate that the overall level of affordable housing required is causing particular difficulties; Eastleigh's policy is seen to be less onerous and more achievable than policies of other (nearby) local authorities. The council is considered to be reasonably flexible and when viability issues are proven, the council takes a pragmatic approach and will consider altering the mix of affordable housing. It does this rather than reduce the overall percentage of affordable housing it secures.
- 8.7 Further flexibility in the range of low cost home ownership tenures that the council accepts as affordable housing would be welcomed by some in the development industry but no specific product was mentioned. Of the current products on offer, shared ownership is said to be a popular option with the focus on smaller 2 bed houses in the right location.

Affordable housing in mixed tenure schemes

- 8.8 The approach established in the Affordable Housing SPD³⁷ is to agree the mix of affordable housing on a site by site basis but that this should, "*.....generally reflect the size and characteristics of the market units, unless monitoring indicates that there is a particular housing need for a certain form of development.*" Affordable housing is to be, "*.....integrated with the provision of private housing to promote the creation of mixed and balanced communities.....On larger sites the affordable housing should be distributed in small clusters of no more than 10 – 15 dwellings throughout the site ('pepper-potting').*"
- 8.9 Eastleigh's approach to the distribution of affordable housing is now a fairly standard delivery model and is not raising significant concerns amongst developers and providers. However, there can be difficulties in accommodating smaller (often flatted) affordable units in predominately family, and hence larger, market housing. Tackling issues early in the design of the layout of a scheme and positive dialogue between planning applicant and the council were identified as necessary to overcome any potential difficulties in achieving well integrated development – as these comments from a couple of housebuilders illustrate:
- "Provision of affordable housing in a scheme has implications for the layout – affordable housing tends to be smaller units 2bedroom and the odd 1 bedroom unit often means building flats which have to be integrated into a mainly housing scheme "
 - "Affordable housing is slightly higher density - terrace and semis - Coping with this is part of the design process - with care at the start - will work."
- 8.10 The research findings highlight that affordable housing is not readily mirroring the characteristics of the market units as indicated in the SPD. This seems unlikely to change over the next few years as was set out in earlier, showing that 67% of affordable housing units would be 1 and 2 bedroom compared with 14% of market housing.
- 8.11 Given the ageing of the population, we specifically asked in the interviews about the popularity and lettable/saleable of single storey accommodation. In the affordable housing sector, this

³⁶ Eastleigh Borough Council Authority Annual Monitoring Report 2016 – 2017, March 2018

³⁷ Eastleigh Borough Council Authority Affordable Housing SPD, Adopted July 2009

need is being met through the availability of ground floor accommodation in flatted blocks. Bungalows are rarely provided and are seen as 'nice to have' but not an affordable housing priority.

Summary

- 8.12 The current policy of providing 35% on sites of over 10 dwellings is, in broad terms, being taken through to the new Local Plan. Recent delivery levels suggest that the overall percentage is achievable and is not causing significant issues for the development industry. Where viability concerns are raised on specific sites, the council takes a flexible approach to the mix of affordable tenures and this is usually sufficient to address the concerns.
- 8.13 The principle of 'pepper potting' affordable housing in groups of around 10-15 is generally accepted. However, there can be delivery issues in integrating affordable housing in market led developments with the former predominately as 1 and 2 bed (flatted) units and the latter as larger family homes. The issues are not insurmountable but require early dialogue about detailed layout solutions as plans area prepared.

9 Specialist Housing

Introduction

9.1 This section considers the issue of housing for older persons, custom & self-build (CSB) and private rent (PRS), with a focus on Horton Heath.

Older persons

9.2 The Retirement Housing Group notes that the number and proportion of older persons is forecast by ONS to increase significantly (e.g. the number of households headed by a person aged 65 or more is set to increase from the 2014 total of 2.97m to more than 4m by 2039), and the fastest increase is in the very elderly households headed by people aged 85 and over.

9.3 The increase in the number and proportion of older persons has implications for housing. While many older persons will remain in general housing, there will be a need for specialist housing:

- A desire for greater security or companionship often after losing a partner
- To reduce the cost of heating and maintaining a larger home: 59% of older home owners, 29% of private renters and 16% of social renters have 2 or more “spare” bedrooms
- When physical mobility becomes compromised and the existing home is unsuitable for adaptation
- To maintain independence or access care or support
- Mental illness linked to social isolation as a result of limited mobility, sensory impairment or living alone
- The home may become less suitable due to location and lack of access to public transport.

9.4 There is a range of retirement housing designed and managed to meet the housing and support needs of older people. Typical types include Sheltered, Assisted Living/Extra Care and Close Care. Accommodation is self-contained (unlike in care homes), restricted to people over a specified age and usually provides communal facilities and support services.

9.5 It has been estimated that the supply of specialised retirement housing needs to more than double by 2025³⁸, and much of the under-provision of housing for older persons is for *market dwellings*³⁹. This has implications for the development of older persons housing in Eastleigh.

9.6 In terms of older persons housing, the draft Local Plan notes the forecast increase in the age of the population but also that not all of the increase will require specialist housing. However, there is likely to be a need for additional wheelchairs adapted housing (an additional 750 units over the plan period). One of the ‘Prosperous Place’ issues in the draft Local Plan is housing for

³⁸ Housing our ageing population: Positive Ideas HAPPI 3 (quoting Savills and Jones Lang Lasalle), All Party Parliamentary Group on Housing and Care for Older People, June 2016

³⁹ 2011 Census, DC4201EW - Tenure by ethnic group by age - Household Reference Persons. The draft Local Plan also refers to the estimated increase of 24% in the number of people aged 65 and over living in the borough and an increase of 5% of people over 85 or over.

older persons, and this includes an increased demand for specialist housing with care and support such as sheltered accommodation and extra care housing.

- 9.7 Draft Local Plan Policy DM27 requires that new developments should increase the supply of specialist housing for older persons located in sustainable locations within the urban edge with good access to facilities and public transport. The provision of specialist accommodation, especially for older people, will be required as part of the housing mix on larger allocations where they meet an identified need, and that in some cases it is better for people to move to more appropriate housing, for example a bungalow or apartment providing level access or to specialist accommodation.
- 9.8 Draft Local Plan Policy DM31 covers accessibility standards and requires 80% of dwellings meet Part M4(2) and (for 40+ dwelling schemes) at least 2 dwellings or 7% if higher market housing and at least 1 dwelling or 8% if higher of affordable dwellings meet Part M4(3).
- 9.9 Feedback from the agents and the development industry provides a mixed picture about single story units:
- There is strong demand for good quality new bungalows although not all housebuilders will include these in their palette of dwellings. Some of the feedback suggests that bungalows are able to get a premium value although this is not sufficient to mitigate the overall impact on viability. It also seems that local housebuilders are more likely to include bungalows as part of the mix than national volume housebuilders.
 - Therefore, if bungalows are required it will be necessary for the landowner to accept that there may be a reduction in site value. There is some feedback to suggest that part of the reason older persons move from bungalows to specialist accommodation relates to feelings of isolation.
- 9.10 Feedback from the Council's Housing Enabling Officer indicates that bungalows are very popular choices for older persons in affordable housing.
- 9.11 In relation to specialist housing for older people the feedback is that there is supply at the top end of the market. However, there could be further provision of mid-market older persons' schemes of say 60 2-bed apartments with community facilities. It is likely that these would include limited additional facilities in order to keep costs manageable. In some circumstances the viability of specialist older persons housing is weaker than general market housing and therefore policy obligation may be required to guarantee provision of older persons housing.

Custom and Self Build

- 9.12 The 'Fixing our broken housing market' White Paper⁴⁰ states that the Government wants to support the growth of custom-built homes. These enable people to choose the design and layout of their home, while a developer finds the site, secures planning permission and builds the property. The White Paper argues that custom built homes are generally built more quickly and to a higher quality than other homes, and tend to use more productive, modern methods of

⁴⁰ MHCLG, 2017, Fixing our broken housing market

construction. They present a less risky business model for builders, as the house has been effectively sold before it has been built. Fewer homes are custom built in England than many other countries, but there is evidence of more demand for them including from older people⁴¹.

- 9.13 The White Paper states that the main barriers to custom built homes are access to land and finance. However, legislation now requires local authorities keep a register of those wanting to build their own home and make appropriate steps to plan for this demand and the range of mortgage providers has increased.
- 9.14 The draft Local Plan notes that as of November 2017 there were 31 individuals registered for custom and self-build (CSB) plots in Eastleigh. As of the end of 2018 this has increased to 45 people, and the requirements are typically for larger detached houses (although there are also some requirements for bungalows); and it is also clear that there is significant interest in using self-build to achieve higher environmental standards.
- 9.15 The draft Local Plan policy DM23 requires that where possible residential development should include provision for self and custom build development. However, the policy stops short of a quantitative requirement and this suggest that opportunities for custom and self-build may be limited. Other planning authorities are starting to pursue targets for CSB (e.g. Teignbridge) and this is an option for Eastleigh.
- 9.16 Feedback from estate agents suggests that there are no clear indications of the scale of interest in self-build plots. While there is some indication of demand (especially for small, one-off plots), the general lack of supply means that the demand cannot really be gauged. As there is little supply of self-build plots demand is not revealed. In relation to custom build, the estate agent feedback suggested that dwellings that demonstrate more individuality were more saleable and that this may also apply to custom build.
- 9.17 Housebuilders expressed reservations about practicalities of different teams of builders on the same site, although this is really only relevant to self-build rather than custom build. There are also concerns about design issues, with the potential for self-builds of different designs and how this may affect the general housing; as well as the view that custom and self-build may be best delivered on small sites away from major developments. However, these concerns did not reflect all the housebuilders interviewed, and other views included the view that there is strong demand for custom and self-build, and that regional builders are more used to varying designs in response to local factors/markets and would be in a good position to deliver custom build.

Private Rented Sector

- 9.18 The 'Fixing our broken housing market' White Paper⁴² states that the Government wants to encourage institutional investment in large scale housing development for private rent (PRS). This will drive up overall housing supply and increase choice and standards. PRS developments tend to be built out more quickly, adopt modern methods of construction and help regenerate local economies by attracting a skilled labour force. Based on data from the English Housing Survey, the white paper notes that the proportion of households in the private rented

⁴¹ The White Paper cited Ipsos MORI polls as well as data from *Plotsearch* and *Rightmove*

⁴² MHCLG, 2017, Fixing our broken housing market

sector with dependent children has increased from 29% in 2003-04 to 37% in 2014- 2015, and this has implications for the sort of dwellings provided as PRS as well as the types of tenancies.

- 9.19 In 2017 the government consulted on build to rent⁴³. This exercise suggested that the growth of the build to rent sector is held back by various regulatory and market failures. The 2018 changes to the NPPF included a definition of build to rent in order to simplify its treatment in the planning system and PPG states that local planning authorities should use a local housing need assessment to take into account the need for a range of housing types and tenures in their area including provisions for those who wish to rent⁴⁴. The changes to NPPF also included that affordable housing in PRS schemes should be through affordable private rent at 20% less than local market rents.
- 9.20 The draft Local Plan states that the private rented sector (PRS) plays an important and increasing role in meeting the housing needs of the population, particularly amongst the younger age groups. The rental tenures have changed from almost one quarter private rentals in 1981 to over half by 2011.
- 9.21 Eastleigh Borough Council has been delivering PRS schemes through Aspect. Aspect developments have included a variety of tenures, including market rent (Stoneham, Woodside and Hatch Farm). In response to changing views on market conditions, some of the intended tenures have changed (e.g. higher value PRS at Stoneham changed to market sale). However, two of these examples are sites with good access on the edge of urban areas (Stoneham, and Woodside), while the existing housing surrounding Hatch Farm is a suburban location.
- 9.22 Feedback from estate agents suggests that there is a good rental market in Eastleigh although this is strongest for smaller dwellings (flats and smaller houses) in central locations. There is less evidence of the PRS market for larger family dwellings. There was also limited feedback about PRS from housebuilders, and this gave a mixed picture about the likely demand for family PRS at Horton Heath. Overall, the feedback suggests that the demand for PRS is most likely to be strongest for smaller dwellings.
- 9.23 There still remains a group of households that 'miss out' from the standard tenure types and do not qualify for (or may not want) affordable housing but who cannot afford full market rent. This can be quickly illustrated by comparing Local Housing Allowance rates and average market rents – as at March 2018 where we have comparable data. The former is the maximum rent that housing benefit will support. This high level information is summarised in the table below.

⁴³ MHCLG, 2017, Planning and affordable housing for Build to Rent

⁴⁴ Paragraph: 001 Reference ID: 60-001-20180913

Table 9.1: Market rents compared with Local Housing Allowance

	Median per month private rent – Sept 2017 to 2018 ¹	LHA rent – March 2018 ²
1 bedroom	£650	£504
2 bedroom	£795	£678
3 bedroom	£975	£799

Notes

1 – Source: Valuation Office Agency

2 – Source: Valuation Office Agency – March 2018 used as ‘mid point’ for median private rent data. Eastleigh Borough Council falls within Southampton Broad Rental Market Area

- 9.24 The table demonstrates the ‘gap’ between LHA (and therefore the rent level supported by housing benefit) and full market rents. In the next chapter we describe in more detail the intermediate rent options being developed by the council through its Aspect partnership. This includes options such as the recently launched Rent to Own scheme which helps private tenants to obtain a deposit for their first home in exchange for them taking responsibility for maintenance of their property.

Summary

- 9.25 Demographics clearly show that the population is ageing, and the logical outcome is that more housing for older people will be required. While some of this demand will be within the general housing stock, there will need to be additional provision of housing particularly suited to older people – such as market flats and bungalows – as well as specialist housing. There are some viability issues associated with bungalows and specialist housing (and also flats in suburban locations) and therefore specific plans will need to be made if it is considered important to deliver housing for older people at Horton Heath. Policy suggests that the location of older persons housing is important (access to facilities and bus routes etc.) and so this will need to be considered as part of any masterplanning.
- 9.26 Custom and self-build is potentially a way to increase delivery across the borough and at Horton Heath, although the feedback suggests that much of the development industry is unconvinced and in addition the specific policy requirement in the draft Local Plan is not particularly strong. The number of people on the self-build register is gradually increasing but is still relatively small (45 by the end of 2018). However, some of the housebuilders saw opportunities for custom build, partly as providing increased responsiveness to location and market conditions. Overall, it seems that there is limited evidence for larger scale custom and self-build across the borough although more demand may be revealed if a supply is provided (e.g. serviced sites). In practical terms, there may be more opportunity in the short term for custom build.
- 9.27 PRS will continue to be an element of future housing delivery across the borough; with a continuing need to broaden the range and costs of PRS products being developed.
- 9.28 The evidence suggests that there would be demand for PRS at Horton Heath although this may be most apparent for smaller dwellings (flats and houses). However, it is possible that demand for larger market rented dwellings may be revealed if there is supply; and it may be worth undertaking a pilot with the flexibility to change tenures if there is no demand.

10 Delivery

Introduction

- 10.1 The National Planning Policy Framework sets out the importance of housing delivery, with the requirement that plan makers should maintain a supply of specific deliverable sites sufficient to provide five years' worth of housing against their housing requirements. The delivery of new homes is a national and local issue, affecting the economy, productivity, health and well-being.
- 10.2 The importance of housing delivery in Eastleigh is set out in the draft Local Plan⁴⁵ as well as other strategy documents such as the Eastleigh Housing Corporate Strategy and the Eastleigh Housing Implementation Plan; and increased housing delivery and a more diverse mix of housing is part of Eastleigh Borough Council's three strategic priorities.
- 10.3 Delivery is also a national issue and research such as the Letwin Review⁴⁶ provides information on the issues commonly faced and potential solutions.
- 10.4 In addition to developing a strategic approach, Eastleigh Borough Council has also taken direct steps to boost delivery, through the creation of the Aspect Building Communities.

Delivery Research

- 10.5 The Letwin Review⁴⁷ investigated the gap between housing completions and the amount of land allocated or permissioned in areas of high housing demand. The conclusion of the review is that the broader the appeal of housing on large sites is to more of the separate sub-markets, the greater the sales and therefore delivery of housing.
- 10.6 The review suggests that overall delivery constraints on large sites are limited by market absorption rates, and that in turn this limited the delivery of the affordable housing cross-subsidised by these market sales. Furthermore, the absorption rates on large sites are constrained by the homogeneous products typically being constructed by the major house builders on the largest sites, as well as limited tenures. The Letwin review suggested that the market had multiple tenure tiers (market and affordable) and that delivery of one tenure would not affect the market for other tenures, and this also applied to specialist housing (older persons, custom and self-build, key worker) where this demand is also separate from other parts of the market.
- 10.7 The review also reported that the choice of a newly built home is much influenced not only by location, size, price and tenure-type, but also by architecture, interior design, garden, setting and surrounding landscape or streetscape; and that more variety in these characteristics would create more, separate markets than can be created within the uniformity of many large sites.
- 10.8 The separate Review into the Local Authority Role in Housing Supply⁴⁸ states that meeting the housing needs of the population can have positive impacts on local finances, education, health

⁴⁵ E.g. in the prosperous place issues on p13-14

⁴⁶ Letwin, 2018, Independent Review of Build Out

⁴⁷ Letwin, 2018, Independent Review of Build Out

⁴⁸ From statutory provider to Housing Delivery Enabler: Review into the local authority role in housing supply 2015 (Elphicke-House Report)

and building stronger communities, with impacts on other strategic ambitions such as growth, jobs and training opportunities.

- 10.9 The review suggests that Councils should be using assets available to them, including borrowing capacity, to ensure that they are housing their populations by investing in appropriate housing provision. Through this process Councils acting as Housing Delivery Enablers can be proactive in identifying housing need and opportunity; work with businesses and other partners to share ideas and experience – and actively use their own assets and knowledge to unlock housing opportunities and deliver more homes, to build strong and sustainable communities.
- 10.10 The establishment of Development Panels with a set of prequalified housing developers can be set up and used by a wide range of public sector bodies that may own land suitable for housing, and this should include SMEs.
- 10.11 Local feedback also confirms some of the Letwin review findings, with the need for larger sites to be split into smaller parcels so that a spread of housebuilders are able to take advantage of the development opportunities. The spread of housebuilders operating in different parts of the market will increase sales and prompt more completions. The spread of housebuilders is also more likely to result in a diverse offering (which will affect the composition of the new community) although other measures (policy, or landowner requirements) may be needed to guarantee a diverse offering.

Eastleigh Delivery Strategy

- 10.12 The Eastleigh Housing Corporate Strategy 2018 assists the Council develop action plans, agree priorities and make decisions, in order to meet its longer-term objective of increasing the provision of the right type of new homes. It notes that major housebuilders have a standard delivery model linked to the house buying market and that there are risks associated with reliance on the private sector to deliver the housing needed. The Housing Corporate Strategy states (P8) that the Council will work with others to:
- Ensure that there is a planned housing supply to meet residents' requirements
 - Encourage a mix of housing types, tenure and sizes
 - Intervene in the local housing market to accelerate delivery
- 10.13 This will include widening the tenure mix and choice of new homes, making available market rented stock with more secure tenancy, and collaborating on housing for older persons (P9). The Council's intervention will be on approximately 30% of completions, focussed on (P10):
- Sites where delivery will meet the housing needs of those not eligible for affordable homes or able to afford market homes for rent (e.g. PRS).
 - Sites where delivery would provide high quality affordable homes
 - Sites which can achieve accelerated construction e.g. high quality modular
 - Sites where delivery will provide accommodation which meets older persons needs
 - Sites where accelerated delivery would achieve other community and infrastructure objectives
 - Sites where public sector investment would provide commercial return for the Council and contribute positively to the Council's property portfolio (e.g. long-term rental income)

- Schemes where intervention would ensure efficient use of sites - maximising yields within environmental limits (appropriate densities).
- 10.14 The Housing Corporate Strategy statement of Council intervention on 30% of completions is ambitious and in part relates to the scale of delivery involving the Council on Horton Heath.
- 10.15 The Eastleigh Housing Implementation Plan 2018 provides detail into the Council's use of its assets to deliver housing, where the aim is to:
- Identify additional small sites where EBC can directly deliver an average of 100 new homes per year
 - Liaise and work with developers to un-lock any stalled sites that have been identified in the Local Plan and that have current planning approvals
 - Support the delivery of existing sites by removing barriers and acting as financier possibly through the Aspect Building Communities Ltd
 - Investment in Partnerships through joint ventures and encouraging new entrants into the industry
 - Access Central Government funding streams
 - Work with developers and RSLs to deliver more affordable housing in the Borough
- 10.16 The plan refers to the example of the development of 1,100 dwellings at South Stoneham in Eastleigh where the Council is entering into a joint venture with the developer to purchase up to around 20% of the dwellings on the site which the council will make available through a variety of discounted purchase, shared ownership and other subsidised means.

Boosting Delivery – Aspect Building Communities

- 10.17 Eastleigh Borough Council in partnership with Fareham Borough Council, Radian and Vivid has actively entered the housing market to facilitate the development of sites through a Special Purpose Vehicle called Aspect Building Communities Ltd. This venture has already delivered housing on a number of sites in the Borough. The combination of the landownership and the special purpose vehicle provides the Council with the opportunity to shape the form of development in line with policy objectives and to undertake delivery itself, potentially in combination with other house builders. The objectives of Aspect are to⁴⁹:
- Drive the delivery of the Local Plan
 - Increase housing supply for all tenure types to meet local need
 - Bring forward stalled developments
 - Provide housing accessible to those in receipt of welfare benefits
 - Boost the local economy through development
 - Develop projects aimed at reducing carbon emission and/or increasing renewable energy use

⁴⁹ Eastleigh Borough Council meeting, 24 July 2014
May 2019
Three Dragons

- Make a long-term financial return to the Council
- 10.18 Developments undertaken by Aspect are able to benefit from the Council's access to finance, as well as a broader set of development objectives and a longer-term perspective than many commercial housebuilders.
- 10.19 Projects undertaken by Aspect⁵⁰ include:
- Woodside allotments
 - Stoneham Park
- 10.20 Of the projects above, Stoneham is the largest development with approximately 1,000 dwellings, of which approximately 320 are in the first phase. Aspect developments have included a variety of tenures, including market rent (e.g. 146 units in the first phase at Stoneham, as well as rented units at Woodside and Hatch Farm). In response to changing views on market conditions, some of the intended tenures have changed (e.g. higher value PRS at Stoneham changed to market sale). Some of the Aspect developments have included delivering wider objectives, such as securing the Hamble Lane relief road and other infrastructure provision. The Woodside development has included some Passivhaus affordable housing.
- 10.21 The feedback received as part of this study suggests that the partnership is successful in delivering housing and in meeting partners' objectives. There is growing momentum towards schemes with more variety of tenure, with a spectrum of housing from social rent through to full market sale, and including intermediate rent and various forms of low cost home ownership. These forms of development support the objectives of the 2009 Affordable Housing SPD for "...the creation of mixed and balanced communities." Where different tenures are being introduced it will be important that the process includes a review and an exit route in case the particular tenure fails in that location. As discussed above, the Council has already demonstrated the ability to adapt if necessary (with a switch from some PRS to market sale at Stoneham) and planning carefully with fall back positions will reduce some aspects of development risk.

Summary

- 10.22 The link between diversity of housing (including meeting different needs) and boosting delivery is made in national policy and research. This applies to different tenures as well as different dwelling types and sizes. National policy and research also consistently points to the sub-division of large sites to speed up delivery through appealing to a broader market.
- 10.23 The Council has been intervening through JVs in the housing market to increase supply of market and affordable housing, and this includes some larger sites (e.g. 1,100 dwellings at Stoneham Park). This intervention is in recognition of the risks associated with reliance on the private sector to deliver the housing needed, and the Council's intervention is planned to be on 30% of completions. This is an ambitious target and based on the average delivery in the five years 2013/14-2017/18, it suggests that this may be approximately 146 dwellings pa.

⁵⁰ Note that EBC has also intervened through JVs or other financial assistance with other sites such as Hach Farm, Bursdon car boot site, Pembers Hill Farm.

10.24 While Aspect has undertaken a number of significant projects in the Borough, it is clear that these are not yet on a scale comparable to the planned development at Horton Heath, although Stoneham Park shows that Aspect has been able to take on large-scale development.

11 Conclusions

- 11.1 The approach to achieving mixed and balanced communities will inevitably be determined by local circumstances. Arguably Horton Heath is not currently a mixed and balanced community as it is not representative of the borough's population, and therefore measures need to be taken to address the current emphasis on large family housing.
- 11.2 The past pattern of delivery and the research undertaken as part of this study suggests that the market will not necessarily deliver housing for mixed and balanced communities and therefore there needs to be a clear statement of requirements regarding mix as well as the provision of specialist accommodation. Logically this will be through including a range of smaller units as well as specialist housing as part of new development such as housing for older people, custom and self-build and PRS. The current lack of facilities at Horton Heath can also be addressed by new development.
- 11.3 This study has reconfirmed that the borough (away from Eastleigh town centre) is essentially a family market and it cannot replicate the housing densities of, say, Southampton. However, an increase to c40 dph should be achievable, provided there is a modest shift towards more smaller units (1 and 2 bed) and a reduction in the larger units (4 and 5 bedroom) compared with historic patterns of delivery. We note that Help to Buy helps to fuel demand for dwellings within the cap of £250,000 and if this changes it is likely that the dwelling mix may need to be reviewed.
- 11.4 We have put forward a view of an optimum mix for large scale suburban development in Eastleigh, and recommend that this is tested in design terms in terms of achieving all the policy requirements of the draft Local Plan. These should include the adoption of Nationally Defined Space Standards. Although this may raise concerns amongst some housebuilders in terms of delivering their smaller units, it is clear that these standards can be met, including by the volume builders. In introducing these standards, it will be important that they are applied across all developments.
- 11.5 The identified trends and experience elsewhere (including the type of development being built and/or planned for the 'competing' large-scale strategic sites elsewhere) suggests a dwelling mix for market and affordable general housing that reflects the 2017 local needs assessment for affordable housing, and market trends. Variations of this mix would be suitable for the proposed development west of Horton Heath as well as other suburban large sites in the borough. Urban and infill sites, and small sites would likely use different dwelling mixes dependent on local circumstances.

Suggested optimum mix

Type	All	Market	Affordable
1 bed flat	6%	0%	18%
2+ bed flat	9%	5%	16%
2 bed house	28%	25%	33%
<i>All 1 and 2 bed dwellings</i>	<i>43%</i>	<i>30%</i>	<i>67%</i>
3 bed house	41%	50%	24%
4+ bed house	16%	20%	9%

- 11.6 Nevertheless, some of the other requirements needed in addition to general housing to deliver mixed and balanced communities (e.g. housing for older persons) may not necessarily be the most viable form of development and therefore there may be implications for the value that can be achieved for the land. This may be mitigated if the outcome is able to raise values in the local area. However, where the Council is the land owner such as at Horton Heath, it should be possible to trade off some potential reduction in land value for other priorities.
- 11.7 The draft local plan density target raises some challenges in relation to the range of development standards in combination (e.g. parking, public and private open space, NDSS), but it does not necessarily stand in the way of achieving mixed and balanced communities as providing more smaller dwellings will make it easier to increase density. However, it is likely that updated design guidance (replacing the Quality Places SPD and/or masterplanning for sites such as Horton Heath) will be required to ensure that the higher density development meets the quality sought in Eastleigh. We believe it will be important for the guidance to deal in detail with the way smaller affordable housing units are interspersed with market housing. The principle of including the affordable housing in small groups (10-15 dwellings) is well established and largely uncontroversial but does require careful design from the outset, and early dialogue between applicant and the Council.
- 11.8 There has been some discussion about providing bungalows as part of the mix of housing. There is clearly some demand for both market and affordable units, although not all housebuilders are interested in providing them. Bungalows do not fit well with higher density development although they may assist in delivering the mixed and balanced communities. It is recommended that a limited number are included as part of the development at Horton Heath and it may be that they are located where there are landscape constraints.
- 11.9 Horton Heath (as other developments across the borough) provides a clear opportunity for the Council to realise its ambitions for intervening in housing delivery and increasing the range of housing products being developed, especially for lower income households and especially products for households, who can afford more than Affordable Rent but cannot meet full market costs. Ensuring the range includes intermediate rent and sale homes (and offers an easy route between the two) meets a spread of local housing needs and the research for this study has confirmed the value of the Council's approach and flexibility. The one caveat here is the ongoing need to monitor new initiatives closely to ensure actual take-up meets expected demand and to include 'exit strategies' when trying new schemes so that rapid tenure switches can be achieved if a new product is less successful than expected.

- 11.10 One objective of the Council in intervening in the housing market is to speed up delivery. The Council can also assist this in other ways including through its planning function and as land owner, ensuring that large-scale developments are split up, to allow other housebuilders to deliver to their part of the market. This can also help with the overall scheme viability.

Appendix A

Draft Local Plan Requirements Affecting Density

Policy	Requirement	Density Implication for Horton Heath
DM23	Requires 40 dph	New development may be significantly (30%?) higher than existing character
DM26	75% of market and 65% of affordable housing is 3 bed	Not incompatible with 40dph although likely to have a higher proportion of terraces than existing development
DM27	Older persons housing required on larger sites, including bungalow/apartment or specialist accommodation	Apartments and apartment-based specialist accommodation will fit the density target (and may help to offset other lower density development), but providing bungalows may make the density more difficult.
DM30	35% affordable housing	No particular density implications
DM31	DM31 requires 80% of all dwellings meet Part M4(2) and for 40 plus dwellings 7% of market dwellings and 8% of affordable dwellings should be to Part M4(3)	Both Part M4(2) and Part M4(3) require slightly larger dwellings and may make delivering the density target more difficult.
DM32	New housing to meet the NDSS	The additional requirements are most likely to have an impact on smaller dwellings (1, 2 and some 3 bed dwellings) and only for some housebuilders. Most housebuilders' larger dwellings exceed the NDSS. May make delivering the density target more difficult depending on the housebuilder.
DM35	Open space standards	Most of the open space is likely to be outside the net developable area counting towards the 40dph requirement. It is possible that where some of the local play and informal open space is provided within the developable area then this may make delivering the density target more difficult
DM3, DM5 and DM6	Requirement for SuDS	Generally, SuDS can be part of the green space land within a development. However, as densities increase there will be more pressure on the options for greenspace and SuDS
DM14	Provision of off highway parking in line with the Existing Parking Standards SPD (2 spaces per dwelling except three spaces for dwelling for 4+ bedrooms)	Parking standards are not excessive, but they will require some land take. Where these standards are applied to flatted development the proportionate impact will

Policy	Requirement	Density Implication for Horton Heath
		be greater ⁵¹ although this will be mitigated by the form of development.
Residential Amenity - Quality Places SPD	<p>For flats, private amenity space of 3 sq m per unit or 2 sq m per bedroom (whichever is the greater) will be required.</p> <p>For houses, the minimum for private amenity space of at least 60% of the floor space will be required. This minimum may be reduced in urban areas when the dwelling is near public open space.</p> <p>The size will need to increase where the local context requires.</p>	Garden standards are not excessive, but they will require some land take.

⁵¹ This issue is noted in the Quality Places SPD