

Examination Statement

Land West of Selsfield Road Ardingly (Draft Allocation SA25)



Appendix 4.0 Demographic and Housing Needs Statement, Ardingly – prepared by Chilmark Consulting

Mid Sussex District Site Allocations Development Plan Examination

Demographic and Housing Needs Statement, Ardingly

For and on behalf of: Charterhouse Strategic Land

May 2021

Introduction

1. Chilmark Consulting Ltd (CCL) are instructed by and Charterhouse Strategic Land (CSL) with respect to housing needs and market signals matters in Mid Sussex District and for Ardingly Parish.
2. CSL have an interest in the residential development of Land West of Selsfield Road, Ardingly (5.1 hectares in size) (the 'Site'). The Regulation 19 submission draft Mid Sussex Site Allocations Development Plan Document (SA DPD) proposes allocation of the Site for **70** dwellings (allocation reference **SA25**). It forms the only proposed residential development site in Ardingly.
3. CCL has been prepared a review of key demographic, housing demand and supply information for Mid Sussex District and for Ardingly, including:
 - household / population demographics – overall change and compositional change;
 - market signals – prices, sales volumes and rental values;
 - affordability of market housing – including change over time;
 - evidence of over or under-occupation of existing housing; and
 - housing supply and completions in the plan period from 2014 (total and mix / tenure).
4. This Statement sets out a summary of CCL's work and findings to assist the Mid SA DPD Examination Inspector. A copy of the full report is available should the Inspector wish to receive it upon request.

5. The Statement should be read in conjunction with other representations and statements submitted to the SA DPD Examination on behalf of Charterhouse Strategic Land as appropriate.

Existing Housing Requirements and Needs

Mid Sussex District

6. There is a significant and sustained existing need for market and affordable housing identified in Mid Sussex.
7. The Mid Sussex District Plan (MSDP) Policy DP4 sets a total **minimum** housing provision figure of **16,390** homes in the 2014 – 2031 period with a stepped delivery trajectory of **876** dpa in the period 2014/15 – 2023/24 rising to **1,090** dpa from 2024/25 to 2030/31.
8. The MSDP was adopted on the basis of achieving between **258** and **331** new affordable dwellings per annum (based on various SHMA and HEDNA analyses and the findings of the MSDP Examination Inspector).
9. The Mid Sussex Common Housing Register (for those seeking social housing in the District) has averaged **1,285** households needing social housing since 2014, with the latest published figure being **1,164** households in 2018/19; a significant number of households in need.

Ardingly Parish

10. MSDP Policy DP4 distributes the total minimum housing requirement to various groups of settlements. Ardingly is in Settlement Category 3 and, together with 12 other settlements, is expected to help deliver 2,200 dwellings in total over the Plan's lifetime, of which there was a residual requirement for 311 dwellings from 2017 onwards (accounting for completions and commitments).
11. MSDP Policy DP6 sets out for Ardingly that there is a total minimum housing requirement of 73 new dwellings over the plan period (of which 44 were stated to

be completed / committed as at April 2017) leaving a residual minimum requirement for 29 dwellings from 2017 onwards.

12. SA DPD draft Policy SA10 identifies an updated minimum residual housing requirement of **371** dwellings for the Category 3 settlements, of which **238** are to be allocated through the SA DPD. Policy SA10 still leaves a shortfall of **133** dwellings for Category 3 settlements. The remainder are to be delivered by windfall developments and via the development management process.
13. The 'made' Ardingly Neighbourhood Plan (March 2015) references a Housing Strategy Background Document, Ardingly Parish Council (November 2013) and primary Housing Needs Survey carried out by Action in Rural Sussex in spring 2012.
14. The Survey and supporting evidence identified 19 households in housing need at that time, of which 15 wished to live in the Parish as a preference. The evidence base also identified a preference to rent from a Housing Association or to have shared-ownership accommodation.
15. The Housing Strategy recommended that Ardingly Neighbourhood Plan make provision for 8 affordable dwellings to contribute to local housing need.
16. The Housing Strategy Background Document and the Housing Needs Survey have not been updated or reviewed since their preparation and publication in 2013. The local housing needs evidence (for market and affordable housing) is therefore considered to be out-of-date and It is concluded that these documents can no longer be considered as relevant evidence base information for the future planning and delivery of housing in Ardingly.

Future Housing Needs

17. There is an acute and worsening picture in terms of the characteristics and dynamics of the housing market and particularly the need for housing when considering Mid Sussex District as a whole and Ardingly in particular.

Mid Sussex District

18. For Mid Sussex District, CCL's analysis found:
- a) the population of Mid Sussex has grown consistently since 2011 with a 7.7% increase, or 10,800 to a 2019 total of 151,000 according to the ONS mid-year population estimates. There are an estimated 61,983 households in the District area representing a growth of some 8% since 2011;
 - b) the older population (aged 65+ years) has increased in this time, from 18.3% to 20.5% representing a continued growth in the aging population. The share of the working age population (aged 16-64 years) has fallen from 62.4% in 2011 to 59.8% in 2019;
 - c) Mid Sussex has a higher level of detached dwelling stock than the South East region and England as a whole, but lower levels of terraced housing and flatted stock;
 - d) Mid Sussex has significantly higher levels of owner occupied stock than the South East and England and lower levels of Social and private rented properties;
 - e) Mid Sussex has consistently demonstrated higher sales prices than England and the wider South East over the long term. Since 2011 median house prices have increased by 50% (from £249,500 in 2011 to £375,000 in 2020);
 - f) average rental values in 2020 were higher in Mid Sussex District than either the South East or England as a whole;
 - g) the affordability ratio (measured as median house prices against median annual earnings of an individual) in Mid Sussex has increased by 48.5% since 2002 (to the current position of 10.2:1), which is 29.6% higher than the England ratio of 7.8:1.

Ardingly

19. For Ardingly, CCL's analysis found:
- a) the population of Ardingly grew between 2011 and 2019 from 1,940 to 2,046. Population peaked in 2017 at 2080 people and has not yet recovered to this level;
 - b) the slower population growth and more recent fall, for Ardingly is set in the context of sustained population growth across Mid Sussex District as a whole. The decline in the population of Ardingly since 2017 is against the prevailing District trend;
 - c) the Ardingly area has experienced continued ageing of the population. In Ardingly 16.8% of the population are aged 65+ years (which has increased from 14.7% in 2011) combined with fewer people in the younger, economically active 30s and 40s age cohorts (there were 94 less people this age in 2019 in Ardingly compared to 2017);
 - d) the local housing stock in Ardingly is skewed towards larger, detached and semi-detached and more expensive properties. It exhibits a narrow range of choice for those seeking a property serving to exclude households and individuals who need smaller and inevitably less expensive housing;
 - e) there are clear signs of under-occupation of the predominantly detached / semi-detached stock in Ardingly which reflects a failure of the existing housing stock to meet or reflect or align with evident local household needs;
 - f) Ardingly shows relatively little movement in housing stock sales or rentals and do not have available stock of the right size and type for existing households;
 - g) there is a significant housing affordability challenge. This is greater within Ardingly than the very high levels acknowledged across Mid Sussex District. Available data at the geography within which Ardingly sits (MSOA6) shows affordability ratios present an even greater challenge for newly forming households within Ardingly;

- h) levels of (un)affordability both historically and currently serve to highlight the acute restrictions for many households to access market housing and more over the particularly high levels of un-affordability for the predominant detached housing stock (which is not usually entry-level market housing stock) in Ardingly;
- i) although there has been a limited population recovery from 2018/19 the age structure of the Parish appears linked to the combination of high residential sales prices, a skewed and narrow housing stock with more, larger, detached and semi-detached dwellings, significant under occupation of housing and a lack of new available stock to support population retention and growth;
- j) these characteristics are significant in scale and their impact. It is concerning to see these trends for Ardingly and it is important to consider the impact this sort of change will be bringing in terms of the sustainability and viability of a range of local services and facilities if they continue or accelerate;
- k) an alternative, 'policy off' pro-rata population share estimate of local housing need for Ardingly has been considered. This identifies a need for some **186** dwellings minimum in the Parish for the plan period.

Supply of Housing

- 20. The supply of housing in Ardingly and Mid Sussex District is important to understand as it reflects the ability of those existing and future households seeking a home to secure an appropriate dwelling in Ardingly Parish.

Mid Sussex District

- 21. For Mid Sussex District, CCL's analysis found:
 - a) at the Mid Sussex District level, total housing completions from 2014/15 – 2019/20 (measured against the District Plan's initial target of 876 dpa) demonstrates a continued annual shortfall. The cumulative under-delivery was **-339** dwellings as at March 2020 (and with recent housing delivery challenges due to Covid-19, it is unlikely that the Plan target would be met in

2020/21). Put simply, the District has failed to deliver sufficient housing to meet its own target (noting that the Plan's annualised target is set to increase further to 1,090 dpa from 2023/24 onwards);

- b) it is evident from the most recent Housing Land Supply Position Statement (December 2020) that there is a continued shortfall in housing delivery overall (-339 dwellings) and a five year housing land supply position of **5.37 years** at present;
- c) the lack of consistent housing delivery at or above the District Plan's target means that inevitably affordable housing provision to be delivered by the development of sites through on-site or contributions in-lieu is failing to meet the affordable housing needs range identified in the District (258 – 331 dpa). There have been an average of 153 affordable dwelling completions per year from the start of the District Plan period in 2014/15 in the District;
- d) the under-delivery of new affordable housing gives rise to a total cumulative shortfall of between **-625** and **-1,063** affordable dwellings (in the period from 2014/15 to 2019/20 depending on whether the lower or higher District affordable housing need target is used) and representing a delivery rate of **18.8%** as against the assessed District needs and the 30% policy requirement of DP31.

Ardingly

22. For Ardingly Parish, CCL's analysis found:

- a) the latest Mid Sussex District Housing Trajectory indicates a total of **45** dwellings have been completed in Ardingly since the beginning of the plan period (in 2014) with some **11** affordable homes as part of that figure;
- b) no sites in Ardingly are included in the list of 'Major' (10+ dwellings) deliverable sites set out in the most recent Housing Land Supply - Five Year Housing Land Supply Statement (December 2020) for the next five years (from April 2020); one site has permission for five dwellings; and seven 'Minor' sites' (1 –

9 dwellings) are listed as having windfall potential to deliver 11 dwellings in total in the period to 2023;

- c) the future proposed housing provision in Ardingly is for **70** dwellings (site SA25) as set out in the draft Site Allocations DPD;
- d) there would remain a shortfall of some **133** dwellings arising against the total minimum residual housing requirement for the Category 3 'Medium Sized Villages' (371 dwellings as set out in SA DPD policy SA10), compared with the housing allocations from all the Category 3 settlements (including Ardingly) in Policy SA11 (238 dwellings);
- e) there would also be a shortfall of local housing supply (market and affordable) in Ardingly in comparison with CCL's 'policy-off' pro-rata share modelled approach to housing need considered;
- f) the District Council's Sites Allocation DPD remains in draft (at Examination) at the time of writing and forms the main mechanism to positively allocate additional housing land in Ardingly that would help meet local housing needs;
- g) Securing new housing provision (in terms of quantum, mix and choice) requires sufficient sized sites to be allocated and / or consented in the various settlements (including Ardingly). In much of the District and within the Category 3 Settlements, unless sites are allocated for housing (such as through the SA DPD) then their prospects of obtaining residential planning permission (via the development management process) are restricted by the protection given to the countryside and to the various designated environmental or landscape areas including the extensive Areas of Outstanding Natural Beauty;
- h) Proposed Allocation Site SA25 has the potential to further support and contribute more homes in Ardingly (as was demonstrated at the earlier Regulation 18 stage of the SA DPD when the site was allocated for 100 dwellings) to help meet the residual gap between identified housing need requirements, existing completions / commitments and proposed supply evident in the Parish and for Category 3 Villages overall.

Conclusions

Planning Policy and Housing Requirements

23. The adopted Mid Sussex District Plan (2018) has a significant requirement to provide new housing (876 dwellings per annum minimum rising to 1,090 dpa over the Plan's lifetime).
24. The District Plan was adopted with minimum housing targets designed to help meet realistic levels of affordable housing required in the District in the period to 2031. Indeed, the Plan Inspector specifically noted that the planned housing requirement was necessary to help address levels of unaffordability prevalent in the District.
25. Critically, the provision of housing is set as a minimum figure in the District Plan which means that both market and affordable housing allocations and permissions can and are expected to exceed this level during the Plan's lifetime.
26. The various Mid Sussex SHMA and HEDNA reports that underpin both the District Plan and the determination of planning applications identify varying levels of significant market and affordable housing needs, up to the latest position set out and referred to in the adopted District Plan and the Inspector's Report (March 2018) that the affordable housing need for the District was from 258 – 331 dpa.
27. There is therefore an accepted position that there are long-standing and acute market and affordable housing needs pressures evident in the District.

Housing Needs

28. Ardingly has witnessed some recent changes to the overall population (with a low level of growth from 2011 - 2017 and a fall since the peak in 2017). There has also been significant structural change in terms of the balance of age cohorts composing the population (increased elderly age groups) and a reduction in the number of working age and economically active age groups.
29. These changes are significant in their impact and could impact on the sustainability and viability of a range of services and facilities.

30. The existing housing stock is narrowly focused with a significant pre-dominance of larger detached and semi-detached housing which is reflected in the average, upper and lower sales values evident over the period from 2011 to date. It is also instructive to note that the sales prices for the new dwellings at Standgrove Field, Ardingly are circa £750,000 or above.
31. Existing stock is characterised by high levels of under-occupation and the sales and rental values serve to demonstrate acute and worsening housing affordability; hence driving the structural change in population (i.e. new forming households are unable to easily find suitable accommodation or to afford to purchase it) resulting in the likely suppression of households from forming in Ardingly.
32. Using a simple pro rata population approach for Ardingly (with reference to the District target), the likely future housing requirement for Ardingly would be in the region of 186 dwellings for the plan period 2014 - 2031.
33. This local target is appropriate context given the local housing market sales prices and stock characteristics and the evident population change and aging dynamics in Ardingly.

Supply of Housing

34. There is evidence of a lack of consistent housing delivery at or above the District Plan's target levels. This results, inevitably in a failure to provide sufficient market and affordable housing by the development of sites to meet the housing needs.
35. There is little evidence of sufficient new market or affordable housing being delivered in Ardingly during the plan period to date (45 dwellings have been completed since the beginning of the plan period including some 11 affordable homes) and there is little confidence that there is likely to be sufficient housing in
36. There would remain a shortfall of some 133 dwellings arising against the total minimum residual housing requirement for the Category 3 'Medium Sized Villages' (371 dwellings as set out in SA DPD policy SA10), compared with the housing allocations from all the Category 3 settlements (including Ardingly) in Policy SA11 (238 dwellings).

37. The remaining shortfall would be shared amongst the 12 settlements in Category 3, but there is overall a shortfall to the minimum residual target that windfalls and the development management process are unlikely, in our view, to fully address across these settlements.
38. Such shortfall, if left to the SA DPD would not be met through positive or proactive planned provision but rather via ad hoc windfall developments of individual Neighbourhood Plan allocations. This is not sufficient to assist Ardingly given both the restrictive development management policies of the MSDP and the aged nature of the existing Neighbourhood Plan.
39. It is therefore concluded that there is insufficient housing land proposed for allocation in the SA DPD or sites with extant residential planning consents to meet housing (market and affordable) housing needs in the Category 3 Medium Sized Villages, or in Ardingly specifically in order to improve the affordability, choice and mix of housing available in the Parish.
40. SA DPD proposed allocation sites such as SA25 have the potential to contribute more homes to reduce the residual shortfall. Indeed, the earlier Regulation 18 SA DPD proposed 100 dwellings for the SA25 site so it clearly has the potential to easily deliver more housing than it is currently proposed to do.

Overall Conclusion

41. There appears to be an apparent lack of correlation between District level housing needs (from the MSDP and the SA DPD) and the mechanisms to secure adequate housing to meet needs (including a choice and mix of housing sizes, types and tenures) through deliverable housing land allocations and planning consents sufficient for places like Ardingly.
42. The District Plan and the SA DPD appear to use a settlement hierarchy and constraint-led approach to the distribution of housing growth (market and affordable) rather than using more detailed sub-district or local analysis of housing needs and supply. This is played out in the housing needs and supply evidence for Ardingly.

43. This is set in the context of the area which exhibits a constricted housing market in operation with suppressed housing supply leading to evident demographic signals that indicate an atrophy of the local communities (overall population fluctuations and an increasing number of older resident households and fewer younger working age households).
44. As noted previously, there is also not a stated methodology or guidance as to establishing or assessing local housing needs in the District Plan or in supplementary planning documents.
45. In this situation it is concluded that the best available evidence of local housing need is drawn from a combination of the available published information, as well as the additional evidence and analysis set out herein that considers housing needs for Ardingly and offer a wider, more substantive and contextualised view of those needs.
46. Ardingly is a location where the demographic, market signals and supply characteristics show an acute market and affordable housing need now and that the need will continue to arise in future. The need is not fully met by either existing permissions, the single proposed site allocation (SA25), or through planning application decisions.
47. In such circumstances it is evident that there is a clear role to support the development of new housing through an increased housing allocation for site SA25 (which can clearly be achieved on this site) in accordance with the SA DPD's policy objectives for the development of that site and through the appropriate extension of the proposed site area as shown on the draft Policies Map (Ardingly Inset).
48. It will assist in meeting the District Plan's objectives to supply new market and affordable homes to meet the community's needs and help offer a broader range

of housing choice and mix of size, types and tenures for Ardingly in accordance with Strategic Objective SO131 of the District Plan.

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¹ Mid Sussex District Plan Strategic Objective SO13 is to provide the amount and type of housing that meets the needs of all sectors of the community.