

# Arborfield & Barkham Neighbourhood Plan 2019-2036



## Annex XI Housing Needs Analysis March 2019

**A plan for the community by the community**

# Arborfield & Barkham Neighbourhood Plan

## Housing Needs Analysis

### Introduction

The Housing Needs Analysis aims to identify the overall housing requirement for the parishes of Arborfield and Barkham by 2036. Additionally it will provide guidance on the types of housing required by different age groups of the resident population.

The analysis will also examine the scope for accommodating housing for incomers from within the local region and from further afield.

A significant background factor is that the parishes are already committed to significant new housing with the build out of the SDL on the former Arborfield Garrison site. In total this will provide an additional 3,500 housing units, of which 1,800 will be in Barkham. Additionally approximately 50 houses have been started or approved in the two parishes since the Core Strategy was adopted in 2010.

### Methodology

Based on Localities toolkit.

Primary data source is 2011 census

Data analysis

- Step 1 Establish a baseline for the population of the two parishes.
- Step 2 Compare with national, regional and local age distribution.
- Step 3 Project forward 25 years, i.e. 2011 to 2036, including demographic adjustments to include replacement population for 0-25 year cohort and projected death rates.
- Step 4 Adjust to correct age profile imbalances. This adjustment will absorb growth to cover economic growth, migration and market pricing.
- Step 5 Convert population to household units.
- Step 6 Assess housing requirements by age group.

Additional data sources

- SHLAA (Strategic Housing Land Availability Assessment WBC 31 March 2016)
- WBC Housing Need Register
- Market prices based on property website

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## Step 1 Establish a baseline for the population of the two parishes

For this purpose, the 2011 census has been used.

**Figure 1 Population of Arborfield and Barkham by age group**

Age Group	Arborfield	Barkham	Total	Age group %
0 – 4	238	210	448	6.9%
5 – 9	223	240	463	7.2%
10 – 14	214	258	472	7.3%
15 – 19	182	319	501	7.8%
20 – 24	112	274	386	6.0%
25 – 29	188	178	366	5.7%
30 – 34	238	208	446	6.9%
35 – 39	253	268	521	8.1%
40 – 44	268	313	581	9.0%
45 – 49	223	330	553	8.6%
50 – 54	174	241	415	6.4%
55 – 59	139	192	331	5.1%
60 – 64	138	180	318	4.9%
65 – 69	92	156	248	3.8%
70 – 74	68	96	164	2.5%
75 – 79	65	80	145	2.2%
80 – 84	30	32	62	1.0%
85 – 89	9	21	30	0.5%
90 and over	6	7	13	0.2%
Total	2,860	3,603	6,463	100.0%

Barkham has the larger population of the two parishes. A distortion is that in 2011, Barkham contained 308 residents in communal living, compared with 63 in Arborfield: these would primarily have been military personnel living in barracks accommodation. In the last few years this number will have been reduced due to the closure of the military premises concerned.

The largest groups are 35-39 (8.1%), 40-44 (9.0%) and 45-49 (8.6%). This reflects the fact that most new housing in recent years has been characterised by larger family homes with 3 or more bedrooms which currently would sell at £500,000 or more.

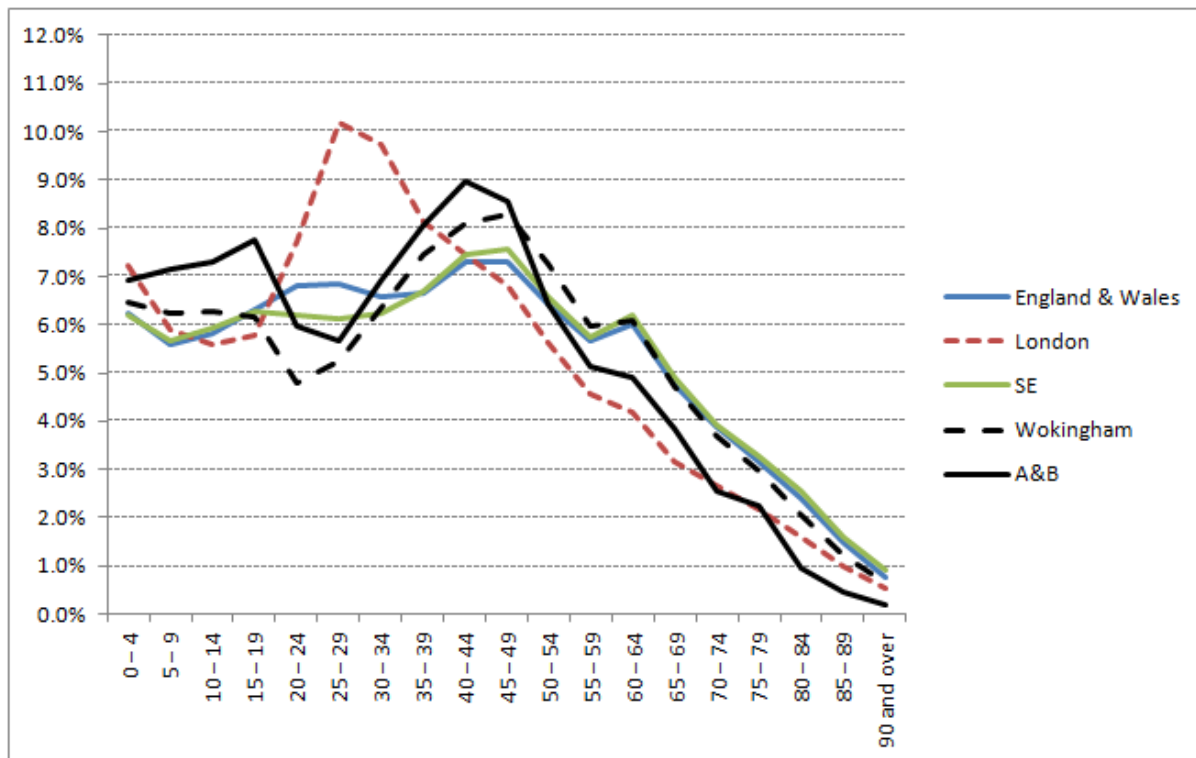
The younger age groups 20-24 (6.0%) and 25-29 (5.7%), by contrast, appear to be under represented. In part this is a natural trend as this age group moves away from home to go to university and to take new jobs elsewhere, especially in London (see figure 2 below). It is also likely to have occurred because of the lack of low cost housing in the area. The houses that have been built are outside the price range for younger buyers who would like to get on to the property ladder.

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### Step 2 Compare with national, regional and local age distribution

The age group distribution of the parishes can better be put into context by comparing with local authority, regional and national statistics, as shown in the following chart.

**Figure 2 Comparison of age distribution at national, regional and local levels**  
(% of population by age group)



**Figure 3 Summary of age distribution at national, regional and local levels**

	England & Wales	London	South East	Wokingham	Arborfield & Barkham
0-4	6.2%	7.2%	6.2%	6.5%	6.9%
5-19	17.7%	17.3%	17.9%	18.7%	22.2%
20-34	20.2%	27.6%	18.5%	16.4%	18.5%
35-49	21.3%	22.4%	21.7%	23.8%	25.6%
50-64	18.1%	14.4%	18.5%	19.3%	16.5%
65-79	11.8%	8.0%	12.1%	11.4%	8.6%
80 +	4.6%	3.1%	5.0%	4.0%	1.6%
	100.0%	100.0%	100.0%	100.0%	100.0%

Significant trends are identified as follows:

- In the age groups 0-19, Arborfield and Barkham share is significantly higher than those for the local authority (Wokingham), region (London and South East) and nationally (England and Wales).
- The 20-34 age group is under represented for the two parishes and for the local authority. The London share, in contrast surges, especially for the 25-29 and 30-34 group. As explained earlier, this is in part because life style choices with this age group often choosing to live in rented accommodation but it will also be affected by the lack of low cost housing available for purchase.

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- The shares peak in the 35-49 group for all four geographies except London. The peak is most extreme in Arborfield and Barkham.
- From 50-79, the shares fall away for all the geographies. Arborfield and Barkham are the lowest except for London.
- The 80+ age group is a remarkably small proportion in Arborfield and Barkham. This would seem to be a reflection of there having been a large influx of family groups during the 1980s and 1990s who have not yet reached the most senior age group.

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### Step 3 Project forward 25 years, i.e. 2011 to 2036, including demographic adjustments to include replacement population for 0-25 year cohort and projected death rates.

Birth rates have been calculated on the basis of the age group 25-44 fully replacing itself. Based on the graph in Figure 2, this is probably an over estimate: a factor of less than 90% could be justified. For regional and national figures, there has been an upturn in the 0-4 age group, although this is generally assumed to reflect higher birth rates amongst immigrant group, which are not well represented in Arborfield and Barkham.

Death rates have been derived from national statistics. These are shown in the following table.

**Figure 4 Age-specific mortality rates per 1,000 population England & Wales 2014**

Age group	Males	Females
0	4.4	3.3
1-4	0.2	0.1
5-9	0.1	0.1
10-14	0.1	0.1
15-19	0.3	0.2
20-24	0.5	0.2
25-29	0.6	0.3
30-34	0.8	0.4
35-39	1.1	0.7
40-44	1.7	1.0
45-49	2.5	1.6
50-54	3.7	2.5
55-59	5.8	3.8
60-64	9.5	6.1
65-69	14.3	9.5
70-74	23.6	15.9
75-79	40.6	27.9
80-84	72.3	53.8
85-89	129.4	102.0
90+	244.4	219.3

The population projection for Arborfield and Barkham has been calculated on an annual basis from 2011 through to 2036, using single year age bands. The results (summarised in 5 year age bands) are shown in the following table.

In the base projection, inwards and outward migration are expected to compensate each other. This is a simplification as London and the South East generally have a very mobile population. However it is a reasonable judgement that the types of housing will see more or less a like for like replacement by age group.

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**Figure 5 Population projection for Arborfield and Barkham 2036**

Age group	2011 Population	Age group %	2036 Projection	Age group %	Population increase
0 – 4	448	6.9%	458	6.3%	2.2%
5 – 9	463	7.2%	435	6.0%	-6.0%
10 – 14	472	7.3%	420	5.8%	-11.1%
15 – 19	501	7.8%	420	5.8%	-16.2%
20 – 24	386	6.0%	446	6.1%	15.5%
25 – 29	366	5.7%	445	6.1%	21.6%
30 – 34	446	6.9%	459	6.3%	3.0%
35 – 39	521	8.1%	467	6.4%	-10.4%
40 – 44	581	9.0%	493	6.8%	-15.1%
45 – 49	553	8.6%	377	5.2%	-31.8%
50 – 54	415	6.4%	353	4.9%	-14.8%
55 – 59	331	5.1%	423	5.8%	27.8%
60 – 64	318	4.9%	480	6.6%	50.9%
65 – 69	248	3.8%	511	7.0%	106.2%
70 – 74	164	2.5%	452	6.2%	175.4%
75 – 79	145	2.2%	298	4.1%	105.8%
80 – 84	62	1.0%	186	2.6%	200.5%
85 – 89	30	0.5%	111	1.5%	271.2%
90 +	13	0.2%	45	0.6%	242.7%
Total	6463	100.0%	7279	100.0%	12.6%

The following trends emerge:

- All the groups from 55 upwards experience large increases, with 65-69 group doubling and groups over 80 more than tripling. The growth of these age groups results in relatively reduced share of younger age groups
- Age groups from 35 to 49 show a significant decline though in absolute terms these are actually the largest groups. This is a consequence of relatively low numbers in the 10-25 age groups in the base year.
- A decline also occurs in the group 50-54
- The shrinking of these groups results in a reduction in the groups 5-19.

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## Step 4 Adjust to correct age profile imbalances.

As just noted, the 2036 projection results in an age profile overloaded at the higher end of the population scale, with numbers in the lower groupings actually shrinking in the period 2011 to 2036. To achieve a more balanced age structure, additional growth in the age groups up to 59 has been assumed. The outcome is shown in the following summary.

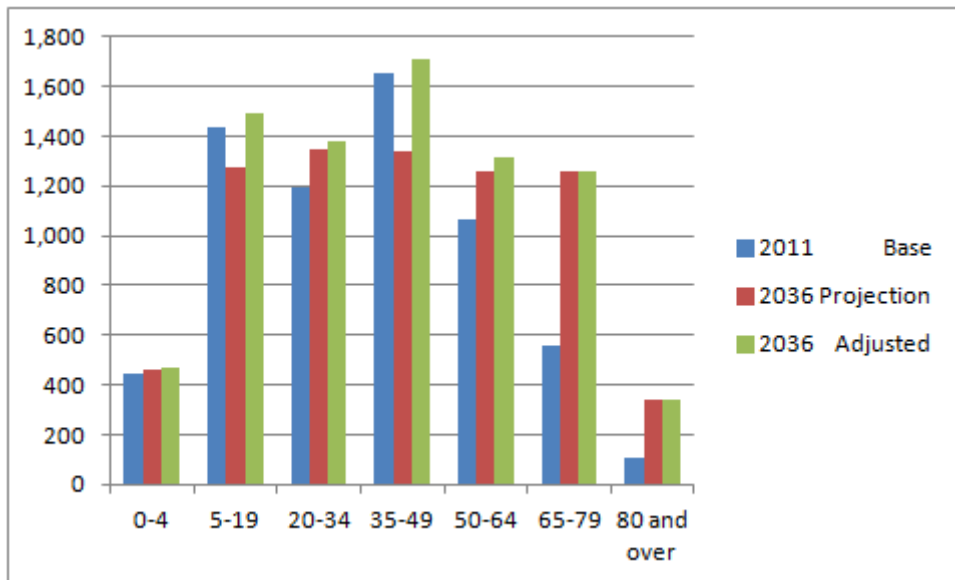
This adjustment will absorb growth to cover economic growth and migration as well creating additional low cost houses to attract younger purchasers. These adjustments amount to an additional 690 housing units.

**Figure 6 Summary of projections**

Age group	2011 Base	2011 Base %	2036 Projection	2036 Projection %	2036 Adjusted	2036 Adjusted %
0-4	448	7%	458	6%	466	6%
5-19	1436	22%	1275	18%	1493	19%
20-34	1198	19%	1350	19%	1381	17%
35-49	1655	26%	1337	18%	1707	21%
50-64	1064	16%	1256	17%	1318	17%
65-79	557	9%	1261	17%	1261	16%
80 and over	105	2%	342	5%	342	4%
	6463	100%	7279	100%	7969	100%

This is also shown graphically in the next figure.

**Figure 7 Chart of projections**



It can be seen that the share of 60+ residents falls back to 26% while the three age bands below are roughly equal. A more detailed table by age group and showing assumed growth rates is shown in the next table.



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**Figure 8 Adjusted population projection for Arborfield and Barkham 2036**

Age group	2011 Population	Age group %	2036 ad Projection	Age group %	Population increase	Population increase %
0 – 4	448	6.9%	466	5.8%	18	4.0%
5 – 9	463	7.2%	482	6.0%	19	4.0%
10 – 14	472	7.3%	491	6.2%	19	4.0%
15 – 19	501	7.8%	521	6.5%	20	4.0%
20 – 24	386	6.0%	446	5.6%	60	15.5%
25 – 29	366	5.7%	445	5.6%	79	21.6%
30 – 34	446	6.9%	491	6.2%	45	10.0%
35 – 39	521	8.1%	573	7.2%	52	10.0%
40 – 44	581	9.0%	581	7.3%	0	0.0%
45 – 49	553	8.6%	553	6.9%	0	0.0%
50 – 54	415	6.4%	415	5.2%	0	0.0%
55 – 59	331	5.1%	423	5.3%	92	27.8%
60 – 64	318	4.9%	480	6.0%	162	50.9%
65 – 69	248	3.8%	511	6.4%	263	106.2%
70 – 74	164	2.5%	452	5.7%	288	175.4%
75 – 79	145	2.2%	298	3.7%	153	105.8%
80 – 84	62	1.0%	186	2.3%	124	200.5%
85 – 89	30	0.5%	111	1.4%	81	271.2%
90 +	13	0.2%	45	0.6%	32	242.7%
Total	6463	100.0%	7969	100.0%	1506	23.3%

### Step 5 Convert population to household units.

Average household size in Arborfield and Barkham is 2.67. This is weighted by the relatively small proportion of older people, the majority of whom live either alone or in two person households.

The national average is 2.51. This reflects a higher proportion of older people.

Based on the adjusted projection for 2036, household size in Arborfield and Barkham is projected to drop to 2.43.

**Figure 9 Average household size**

	Average Household size	Notes
England & Wales 2011	2.51	Based on census data
Arborfield & Barkham 2011	2.63	Adjusted to take account of communal living
Arborfield & Barkham 2036	2.43	Revised to account for increased proportion of older people living alone or as couples.

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## Step 6 Assess housing requirements by age group.

Housing requirements have been calculated by applying average size of household by age group to the population projection.

**Figure 10 Housing Requirement by Age Group**

Age group	2011 Base	2036 Adjusted	Population increase	Population increase %	Household size	Housing units reqd
0-4	448	466	18	4%	NA	0
5-19	1436	1493	57	4%	NA	0
20-34	1198	1381	183	15%	1.75	105
35-49	1655	1707	52	3%	2.40	22
50-64	1064	1318	254	24%	2.40	106
65-79	557	1261	704	126%	1.50	470
80 and over	105	342	237	226%	1.20	198
Total	6463	7969	1506	23%	2.51	899

The additional housing units required in Arborfield and Barkham is 899. This is a half of the 1,800 already committed up to 2036 in the SDL. This means that any additional housing is being justified on an influx of people from elsewhere, whether from neighbouring authorities, London or further afield.

On the face of it, the greatest requirement is for houses for the 60+ age group. However it can be expected that the majority of this group will remain in family houses that they acquired in earlier years. Some of these houses could be released, but only if suitable accommodation is provided to permit downsizing. Besides space, the requirements of this group will include lower maintenance properties and premises adapted to allow easy movement in the event of disability. Specialist housing such as sheltered accommodation and high dependency units will also be necessary for the anticipated increase in the 80+ age group.

There has to be a focus on smaller starter homes so that the 20-39 age group can more easily settle in the parishes.

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## Government Consultation

In September 2017, the Department for Communities and Local Government initiated a consultation entitled 'Planning for the right homes in the right place'. This contained a proposed formula to assess housing need for neighbourhood plans.

The proposed formula is simply to take the population of the neighbourhood planning area and calculate what percentage it is of the overall population in the local planning authority area. The housing need figure in the neighbourhood planning area would then be that percentage of the local planning authority's housing need.

Applying this formula for Arborfield and Barkham produces the following result:

**Figure 11 Projection based on DCLG formula**

Populations	2011	2036
Wokingham (WBC)	154,380	182,000
Arborfield and Barkham (A&B)	6,463	7,969
A&B proportion of WBC	4.2%	
Wokingham annual housing need	876	
A&B annual housing need	36.67	
A&B projected housing 2011-2016		917

The projection on 917 is slightly higher than the NPSG projection of 899, but it is roughly half of the Core Strategy commitment of 1,800.

## Types of housing

Over the plan period it is likely that some age groups may have additional housing needs which could include specialist forms of housing or housing which is capable of adaptation.

The Residents' Survey (carried out by the NPSG in Arborfield and Barkham in late 2016) supports these suggestions:

- i. There was strong support overall for the plan to include a policy for first time buyers (78%).
- ii. There was very strong support for the plan to include a policy to provide homes which meet 'lifetime' homes standards (91%).

Lifetime homes are intended to allow people to remain in their existing homes as they become old and frail or if they become disabled earlier in life. The essential requirements are easy access for wheel chairs and can easily facilitate single floor living. Key features include graded approach from parking areas, doors openings and turning space to allow passage by wheel chairs, a downstairs room which could become a bedroom and a downstairs toilet large enough to accommodate a shower. Full Lifetime Homes criteria refer to

<http://www.lifetimehomes.org.uk/pages/revised-design-criteria.html>

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## MOD Housing

It should be noted that housing numbers in the two parishes include about 400 MOD houses, of which approximately 140 are vacant. The remaining occupants are likely to be moved to other MOD accommodation outside the area. Ultimately these houses will be returned to the housing market for civilian occupation, this is likely to be well before 2036. (The MOD housing numbers quoted was assessed on the basis the number of houses that had not changed hands in the since 1999, using an analysis of Rightmove. The number of vacant properties was assessed by comparing the electoral rolls with the Royal Mail database.)

Also it should be noted that 1,800 new housing units are committed in the SDL.

## Social Housing

Based on the Wokingham Borough Housing List, the number of households already resident in Arborfield and Barkham seeking social housing is very small indeed.

**Figure 12 Number of residents seeking housing in their own parish**

Parish	One bed	2 bed	3 bed	4 bed	Total
Arborfield Residents	8	8	10	2	28
Barkham Residents	3	2	0	0	5
Total	11	10	10	2	33

A total of 773 applicants are on the list for Barkham and Arborfield together with other areas of choice. This group clearly do not reflect housing need within the two parishes but reflect the wider housing need on the Borough.

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## Current Market Housing

The housing market in the Plan Area was analysed using the Zoopla.co.uk and Rightmove.co. websites. The former provides overall trends while the latter was used to search properties that were currently on the market.

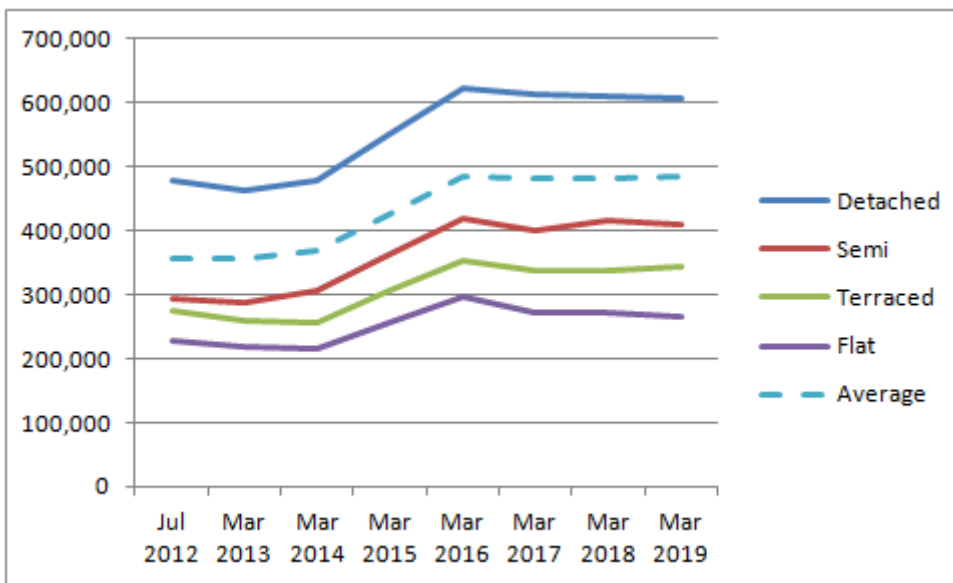
The house values provided by Zoopla are not provided by parish but by postcode. RG41, which includes most of Barkham but also covers part of Wokingham Town, is considered to be representative of local trends. (Arborfield is in RG2 which includes a large part of Reading with a very different housing mix.)

**Figure 13 Housing values in RG41**

	19/3/14	19/3/18	19/9/18	19/12/18	19/3/19
Detached	477,800	609,470	612,859	604,612	607,122
Semi	305,881	415,496	413,169	407,773	408,202
Terraced	256,240	338,528	343,782	343,213	344,148
Flat	215,281	272,480	280,158	266,154	265,382
Average	369,308	483,003	488,135	482,413	483,806

Source Zoopla 19 March 2019

**Figure 14 House price trends in RG41**



Source Zoopla 19 March 2019

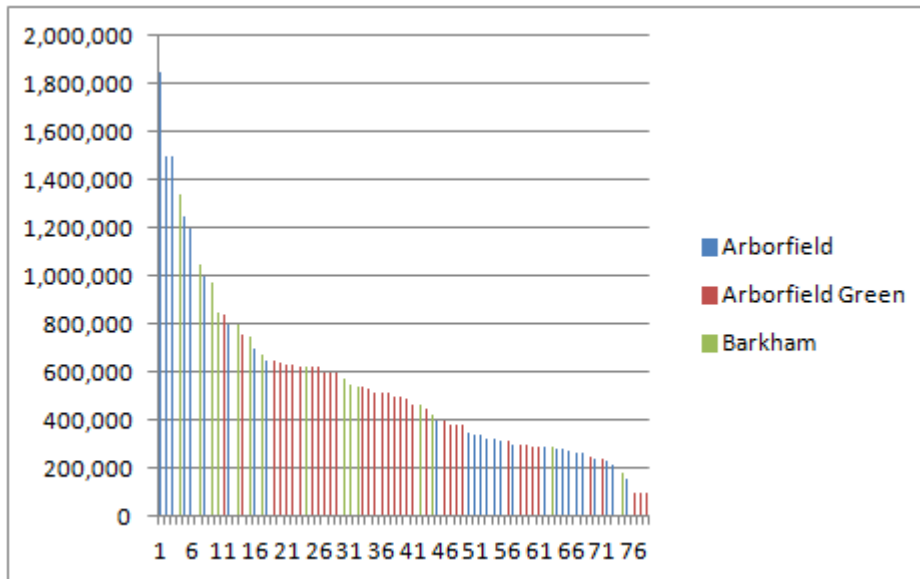
Over 5 years 2014-2019, average prices have risen by 31%. Prices peaked in 2016 and have since then remained fairly stable, seeing a decline of around 1%. It can be speculated why this pattern has emerged. Some would argue that it is a consequence of slower UK economy or Brexit. Other factors have been in play including prices reaching the limit of affordability, higher stamp duty and changes in the taxation for the buy-to-let sector. It is also quite possible that there is now over supply of the higher value detached houses preferred by builders. Given the flattening of prices, it is not surprising that some companies have been reluctant to maintain build rates, hence the lead developer at the SDL has chosen to lease out part of the site as a temporary film studio.

It will be noted that the average value is about 80% of the average for detached houses and is higher than the semi-detached category, which demonstrated the housing mix is skewed towards detached houses. Terrace houses seem to have held up best, in fact seeing a marginal increase over the last few years, while

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flats have declined by 5%. This suggests that the demand for smaller homes suited to first time buyers is relatively strong but flats are a less popular option for purchasers. Given the issues relating to tenure and management arrangements for flats, this is perhaps not surprising.

Figure 15 Houses for sale in Arborfield and Barkham 17 March 2019



Source Rightmove 11 March 2018

Using the Rightmove website it is possible to identify the two parishes. It was also possible to include new housing in Arborfield Green separately, although this does include some houses within the SDL that are actually situated just over the parish boundaries in Finchampstead.

There are houses for sale in both parishes at over £1 million. As houses in this price range take longer to sell, the distribution in figure 12 probably overstates the higher end of the price scale, however the majority of houses (67%), the main market, are in a range £250,000 to £650,000.

There are only five homes available below £250,500. There are mainly flats except for two older ex-military terraced houses and a mobile home. There are three units advertised below £100,000 which are available through a part-ownership scheme. The small numbers of low priced homes demonstrates the paucity of budget housing in the two parishes.

The rental sector comprises just five homes were that are available for rent: the most expensive priced at £1,795 pcm, the cheapest at £995 pcm. Currently this is a market led by supply (or lack of it). However this could change as a large development at Arborfield Green is nearing completion, which will provide more than 200 flats and will be managed by a larger financial institution.

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### Conclusions

**Based on the above calculations, the housing needs of Arborfield and Barkham represent an increase of 899. This is half of the 1,800 homes committed at Arborfield Green within the two parishes.**

This means that all additional housing in the two parishes has to be justified on the basis of incomers to the area, reflecting regional economic growth and migration from London and elsewhere.

Note that the above calculations do not take into account the outflow of MOD personnel and their families, which would actually reduce the baseline population figures while adding additional housing stock to the market.

The two priorities are starter homes for younger age groups and specialist housing for older people. The requirement for social housing is low.

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## Glossary

Core Strategy	WBC local plan adopted in 2010
DCLG	Department for Communities and Local Government
MOD	Ministry of Defence
NPSG	Neighbourhood Plan Steering Group
OAN	Objectively Assessed Need for housing
SDL	Special Development Location (located on site of former Arborfield Garrison)
SHLAA	Strategic Housing Land Availability Assessment (WBC 31 March 2016)
WBC	Wokingham Borough Council