

## Ringwood Neighbourhood Plan – Housing Background Paper – November 2022

This document summarises the evidence collected by the Housing Working Group of the Ringwood Neighbourhood Plan team. It highlights the local housing challenges and provides the background to the policy recommendations.

The lack of smaller, more affordable dwellings – particularly for “starter” homes - is well recognised in the New Forest area, and forms the policy recommendation in NFDC Local Plan Part 1 Policy HOU1 (page 5)<sup>H1</sup> for a much greater proportion of smaller homes to be provided by developers. Furthermore, this recommendation includes making “Provision of smaller homes designed for private rent in appropriate locations, as private rented homes play an important role in meeting needs for lower cost market housing for lower income residents who are unlikely to qualify for affordable housing and are unable to purchase a home.

As a first step the working group conducted a Housing Survey<sup>H2</sup> on-line in 2021. There were 279 respondents. Of the households that responded, over 1/3 had members looking to buy or rent a house in Ringwood in the next few years, and over 80% of these had local connections. 50% of those looking to buy were looking to pay £350K or less.

From the respondents’ experience, Ringwood is lacking starter homes (1-2 bed), mid-priced 2-3 beds and council / housing association dwellings. There was a split view on supporting a small development of social/affordable housing on a Green Belt site (42.2% for 46.2% against).

The need for smaller, 1-2 bedroom properties by the majority of applicants on the NFDC Housing Register for subsidised housing is also very evident – 80% in one typical list<sup>H3</sup>.

A subsequent survey<sup>H4</sup> conducted with a selection of Ringwood Estate Agents showed that 2 or 3 bedroom houses were the most in demand, with the level of demand increasing as the price lowers. Until recently around 70% of properties would have been sold to local people but this has now reduced to around 50% pointing to the potential for locals to be less well positioned to buy. Those with particular connections to Ringwood in need of an affordable home here appear to have a financial disadvantage compared with the other towns in the New Forest District. An examination of the ONS average incomes across the District<sup>H5</sup> and the Land Registry data on average prices paid in 2021 for dwellings<sup>H6</sup> indicates that the house price to income ratio required to purchase in Ringwood is second highest.

The Ringwood Housing Needs Assessment (HNA)<sup>H7</sup> commissioned by the team also reports that the median (50% cheapest) and lower quartile (25% cheapest) average prices in Ringwood are currently £328,500 and £265,000 respectively. The median price in 2020 was £86,500 higher than in 2011 (35.7% growth), and the equivalent increase for the lower quartile was £89,750 (51.2% growth). This means that even to afford one of the least expensive homes in Ringwood, a prospective buyer would need to find a very large additional deposit or have their existing property to sell. The price of entry-level housing has risen faster than that of housing generally, presenting a potentially immense challenge for those with lower incomes or without equity in an existing home who wish to buy locally

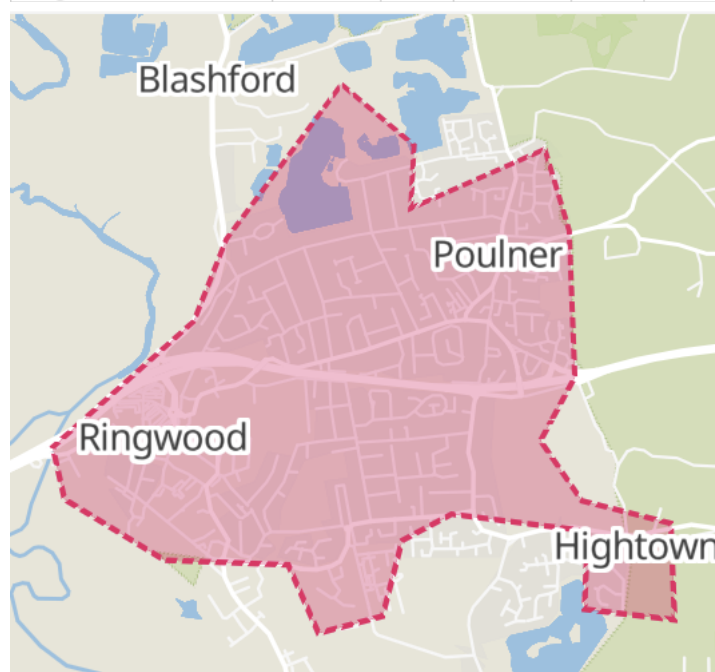
There is a relatively large group of households in Ringwood who may be able to afford to rent privately but cannot afford home ownership. They are typically earning between around £35,000 per year (at which point entry-level rents become affordable) and £69,000 (at which point entry-level market sale homes become affordable). This ‘can rent, can’t buy’ cohort may benefit from the range of affordable home ownership products such as First Homes and shared ownership.

The current First Homes maximum house price permitted is £250,000 after the 30% minimum discount, which corresponds to £357,000 open market price. Currently these are the smaller properties available for sale in Ringwood below that price, showing that the open market price for dwellings suitable for starter homes is within the First Homes price limit.

The group noted that in the NFDC Advice note on First Homes of July 2022<sup>H8</sup>, it is stated that “the areas where First Homes exception sites can come forward are shown as a blue shade on a map, within the parishes of Breamore; Fawley; Fordingbridge; Hythe & Dibden; Marchwood; **Ringwood**; Sande Heath; and Totton & Eling.”

Analysis of the house prices from Land Registry for 2021<sup>H6</sup> shows that the area of Ringwood with the most sales of smaller affordable housing was BH24 1 (indicated on the map below). Part of this area coincides with the blue shaded area in the NFDC Advice note on first homes.

Ringwood	Detached	Sales	Semi-det	Sales	Terraced	Sales	Flat/mais	Sales	Overall average	Total sales
BH24 1	£492,113	71	£346,212	52	£297,533	30	£197,582	39	£362,368	192
BH24 2 (St Ives)	£736,317	189	£426,250	4	£273,500	7	£350,917	6	£703,344	206
BH24 3	£713,313	51	£382,079	19	£308,531	16	£143,000	4	£546,077	90
Average		311		75		53		49	£537,263	488



A survey of the recently constructed Beaumont Park estate indicated that around 10% of those interviewed had moved from elsewhere in Ringwood to the estate, implying that few properties are being purchased by Ringwood residents.

The group sought other examples of towns or parishes that had considered First Homes and affordable homes and noted that in Basingstoke<sup>H9</sup> those with a local connection are to be given priority for the first 6 weeks of such properties being available, as are those in a development in Marnhull Dorset for the first two months according to their s106 Agreement<sup>H10</sup> (See definitions “Local Needs Person” page 9). National Policy Planning guidance on First Homes<sup>H11</sup> allows for sites to include “local connection criteria”<sup>H11</sup> where there is evidence of local need.

Based on the evidence above, it is recommended that:

1. A First Homes policy is included in the the Neighbourhood Plan to address the issue of affordability to buy in Ringwood.

2. A priority period of not less than 8 weeks be given to those with a local Ringwood connection when First Homes or Affordable Homes are built in the parish.
3. Priority should be given to housing development planning applications proposed with emphasis on smaller, 1-2 bedroom dwellings. A number of small sites within the BH24 1 or 3 postcodes have been provisionally assessed as possible candidates for small homes in Ringwood, in preparation for a subsequent revision of the Neighbourhood Plan. This assessment work is contained in NPSiteAssessFeb23 Update.doc<sup>H14</sup> with NPSites Map Oct22.pdf<sup>H15</sup>

It is noted that the indicative housing target for Ringwood given by NFDC to meet the overall housing requirement of the 2020 Local Plan part 1 can be met from the current allocations<sup>H12</sup>, and therefore the small sites suggested above would represent an addition to the current NFDC target.

#### References:

- H1. NP-HOU1 extract sizes.do (NFDC Local Plan Part 1 Policy HOU1 (page 5))
- H2. NP Housing Survey Summary
- H3. NPHousingRegisterNFDC211122 (Example of NFDC Housing Register for those seeking subsidised housing in Ringwood)
- H4. NPEstateAgentSurveyHsgDemand (Ringwood Estate Agents Survey Findings)
- H5 Np-NFIncomeONS (Average Incomes New Forest)
- H6. NPNFHousePrices2021LandREg
- H7. NPFinalHNA2022 (AECOM Ringwood Neighbourhood Plan Housing Needs Assessment)
- H8. NPHFirstHomesNFDCAdviceNoteJuly\_2022
- H9. NP FirstHomesBasingstoke.pdf
- H10 NPHs106Marnhull (First Homes Marnhull s106 Agreement)
- H11 National Policy guidance First Homes - <https://www.gov.uk/guidance/first-homes>
- H12. NPHReachingNFDCHousingIndicativeTarget (NP reaching NFDC Target - correspondence Housing Team/NFDC)
- H13. Beaumont Park Survey Results
- H14. NP SiteAssessFeb23 Update – Initial assessment of possible small housing sites
- H15. NP SitesMap Oct22 – Map of possible small housing sites