East Hampshire Housing & Economic Development Needs Assessment

Final Report

Iceni Projects Limited on behalf of

East Hampshire District Council

March 2026

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Contents

1. Introduction

1.1 Iceni Projects has been commissioned by East Hampshire District Council (EHDC) to prepare an updated Housing and Economic Development Needs Assessment (HEDNA) to support the preparation of the Regulation 19 version of the Council's Local Plan. The HEDNA updates the 2022 report which Iceni prepared for the Council.

Scope of the HEDNA

1.2 The HEDNA assesses development needs for the plan area over the proposed plan period which runs from 2025 – 2043. The Plan area includes those parts of East Hampshire District which fall outside of the South Downs National Park (discussed as the Local Plan Area or Plan Area throughout this report).

1.3 The HEDNA brief includes the following core elements:

- Review housing market and functional economic market geographies;
- Provide an assessment of overall housing need including a figure for the plan area to inform the East Hampshire Local Plan;
- Provide updated evidence on the mix of housing needed, and the requirements for specific types of homes and particular groups within the community;
- Assess affordable housing need, using the approach set out in Government's Planning Practice Guidance, and provide advice on the tenure and size mix of affordable homes needed;
- Provide updated evidence on the housing needs of older people, including the needs for M4(2) and M4(3) homes;
- Provide an updated assessment of the need for employment premises and land for office, industrial and storage and distribution uses;

- Provide an updated review of employment land supply in the District;
- Draw the need and supply of employment land together to make recommendations on the amount (or range) of employment land and floorspace which should be provided for in the emerging Local Plan.

Functional Geographies

1.4 East Hampshire is a rural district which contains a number of market towns. The evidence indicates that different parts of the District look in different directions. The Southern Parishes and the Petersfield[1] see strong functional relationships with other parts of South Hampshire. There are equally significant functional relationships between the North West of the district and Basingstoke, and to a lesser extent to Farnham and Aldershot; and from the north-east of the District to Haslemere, Farnham and Guildford. The pattern of relationships broadly aligns with existing Travel to Work Area definitions which therefore provide a strong basis for understanding housing market and functional economic geographies. Larger employment centres outside of the District – including around Portsmouth and Basingstoke – and its accessibility to London influence the District's economic geography. A detailed analysis of economic geographies and the impacts of changing working patterns is included in **Appendix A1**.

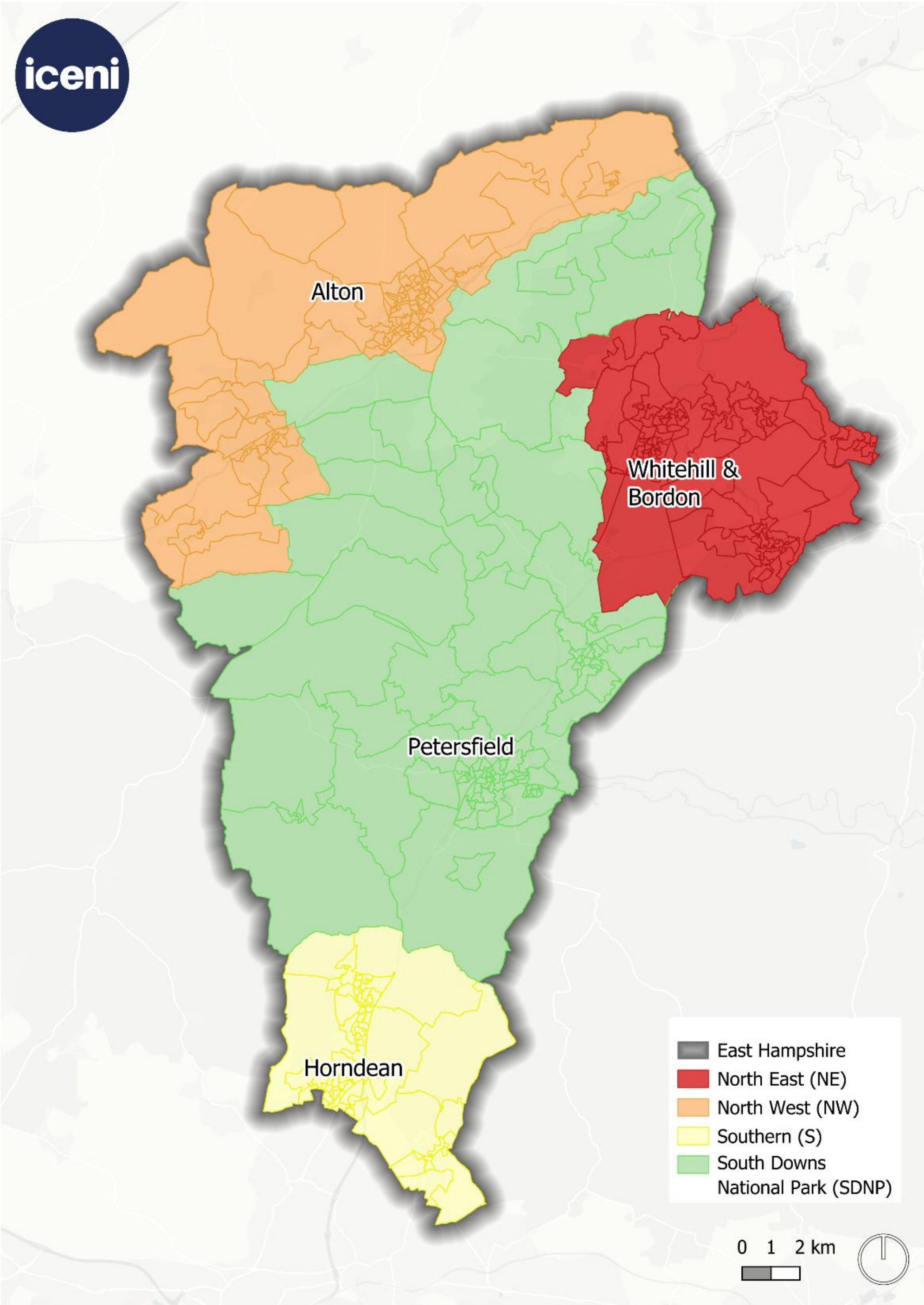
Sub-Areas

1.5 This report adopts a consistent geography of sub-areas within East Hampshire District to previous iterations of the HEDNA to enable comparison and to allow segmentation of the development needs of the plan area. The sub-area boundaries have been defined using Parish areas, with a best fit to 2021 Census output areas then derived which

[1] To note, Petersfield is not located in the local plan area.

feeds into analysis in this report. The four sub-areas are shown in the plan below.

Figure 1-1: East Hampshire Sub-Area Geography



Source: Iceni Projects

1.6 The 'plan area' for the purposes of the emerging East Hampshire Local Plan comprises the three sub-areas which fall outside of the South Downs National Park which are North East, North West and South. The Souths Downs National Park Authority is the planning authority for areas within the National Park.

Report Status and Structure

1.7 The remainder of the report is structured to address:

Part A: Housing Needs Evidence

- Section 2: Housing Offer and Market Dynamics
- Section 3: Overall Housing Need
- Section 4: Affordable Housing Need
- Section 5: Older Persons Need and those with Disabilities
- Section 6: Mix of Homes Needed
- Section 7: Housing Market Segments
- Section 8: Housing Needs of Specific Groups

Part B: Economic Dynamics & Employment Land Needs

- Section 9: East Hampshire Economy
- Section 10: Commercial Market Assessment
- Section 11: Business Survey Findings
- Section 12: Employment Land Requirements
- Section 13: Employment Supply/Demand Balance

Part C: Conclusions and Recommendations

- Section 14: Conclusions and Recommendations.

2. Housing Offer & Market Dynamics

2.1 In this section we move on to profile the current housing offer – including the profile of housing and recent housing delivery. We then move on to consider housing market dynamics in the District, including a review of house prices, sales and private rental trends. As the existing housing stock will continue to constitute the majority of the housing stock in 2043, it is important to understand this to inform considerations of the future mix of housing needed.

Housing Offer

2.2 Iceni has drawn on a combination of Census data as well as more recent housing delivery trends to provide an overview of the housing offer in the District. This information is used to inform analysis around the size of homes required as well as specific analysis of the private rented sector and specific groups.

Housing Stock

2.3 As set out in the table below, the rate of dwelling growth within East Hampshire is at 11.8% over the last decade. Whilst this is slightly above regional and national averages, this is set in a context in which the Government considers that there has been a sustained under-delivery of housing at a regional and national level.

Table 2-1: Dwelling Stock Growth, 2014-24

Location	2014	2024	Change	% Change
East Hampshire	50,114	56,040	5,926	11.8%
South East	3,763,838	4,148,547	384,709	10.2%
England	23,389,956	25,617,413	2,227,457	9.5%

Source: MCHLG Live Table 100

2.4 Yearly housing stock estimates are not available below the local authority level. However, Census data can be used to provide an estimate of how housing development has been spread between the subareas within the District. Between 2011-2021, the Census shows housing growth in plan-area subareas (13.4%) are more than twice the rate of that in the South Downs National Park (6.4%). As a result, while the plan-area subareas made up around 71% of the overall housing stock in 2011, they accounted for around 84% of housing growth between 2011-2021. This reflects the landscape-based constraints to growth in the National Park.

2.5 Of the plan-area subareas, the North-West saw the most development in both absolute and relative terms. This was followed by the Southern sub-area, with the North-East sub-area seeing slightly weaker growth. However, housing growth in all of these subareas was substantially higher than South Downs National Park.

Table 2-2: Dwelling Stock, by sub-area (2011 to 2021)

Location	2011	2021	Change	% Change
North West	12,362	14,342	1,980	16.0%
North East	14,083	15,636	1,553	11.0%
Southern	8,558	9,730	1,172	13.7%
Plan-area subareas (subtotal)	*35,003*	*39,708*	*4,705*	*13.4%*
South Downs National Park	14,096	15,005	909	6.4%
East Hampshire (Total)	49,099	54,713	5,614	11.4%

Source: ONS Census 2011, 2021

2.6 As of October 2024, there are a total of 1,347 vacant dwellings in East Hampshire making up around 2.4% of total housing stock.[2] This is

[2] MHCLG Dwelling Stock Statistics

slightly below vacancy rates seen overall across the South East (2.6%) and England (2.8%). Typically, 2.5-3.0% vacancies are needed to support the turnover and repair of properties in a functioning market.

2.7 Of all the vacant dwellings, 402 dwellings have been vacant long-term, equating to 0.7% of total housing stock. Again, this is slightly below the rates seen regionally (0.9%) and nationally (1.0%). Long-term vacancies are defined as properties liable for council tax that have been empty for more than six months.

2.8 EHDC adopted an Empty Homes Strategy in 2020 with the objective of reducing the number of vacant properties and bringing empty homes back onto use. As part of this strategy, the Council introduced a Council Tax Empty Home Premium to incentivise re-occupation. This premium currently applies as a 100% surcharge in addition to the standard council tax charge for dwellings that have been unoccupied and unfurnished for between two and five years and a 200% premium for dwellings that have remained unoccupied for more than five years. From April 2026, this premium will apply to homes that have been empty for one year or more.

Tenure

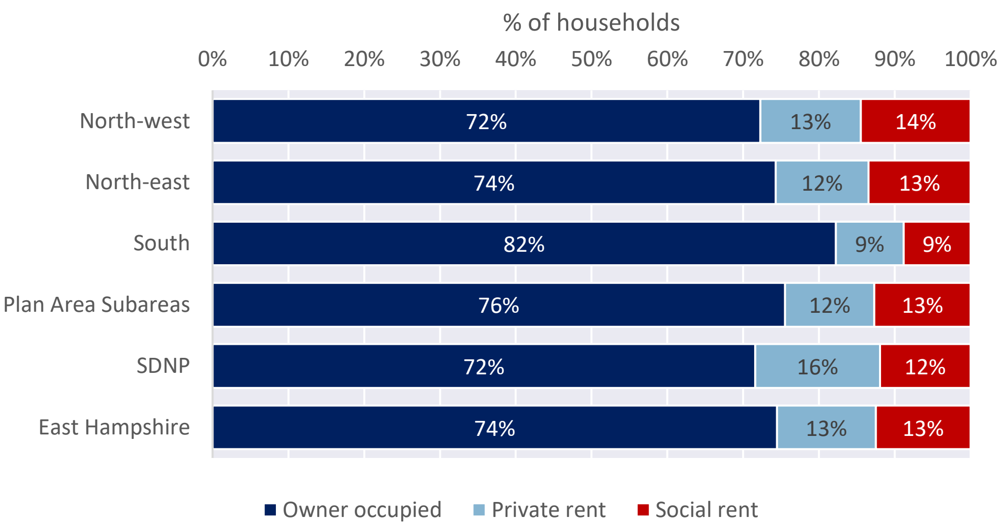
2.9 As shown in the figure below, East Hampshire's tenure profile is heavily focused towards home ownership, with a much higher proportion of homes owner-occupied (74%) than across the South East (67%) and England as a whole (62%). As a result, East Hampshire's private rented sector and social rented sectors are comparatively smaller.

Figure 2-1 Housing by Tenure, 2021

Source: ONS Census, 2021

2.10 The North-West, North-East and South Downs National Park sub-areas have similar tenure profiles, with 72% - 74% of housing owner-occupied. The Southern sub-area has a much higher rate of home-ownership (82%), with commensurately smaller privately and socially rented stocks. 76% of homes are owner-occupied in the plan area.

Figure 2-2 Housing by Tenure in sub-areas - 2021



Source: ONS Census, 2021

2.11 Housing tenure patterns changed less in East Hampshire between 2011-2021 than the regional and national averages. East Hampshire saw small declines in the proportion of households which are owner occupied (-0.4%) or privately rented (-0.1%), while the proportion of housing in the socially rented sector increased by 0.5%. This is in contrast to the regional and national pattern, which saw socially rented housing become less common over time, and the proportion of homes privately rented increase substantially.

Figure 2-3 Change in housing composition by tenure, 2011-2021

Source: ONS Census, 2021

<u>Profile of Social Housing Stock</u>

2.12 The Regulator of Social Housing provides a summary overview of social rented units by type for local authorities in England. Currently in East Hampshire, there are 29 private registered providers (“PRP”) who own properties. Overall there are 7,800 affordable homes in East Hampshire. As a proportion of all social housing stock, 4.0% is owned by small RPs (i.e. owning less than 1,000 units) and 96.0% is owned by large PRPs (i.e. owning 1,000+ units). There are no local-authority owned homes. The breakdown of social housing by tenure type is similar to that across the South-East, with over three quarters of stock is of general needs rented homes.

Table 2-3: Stock owned and managed by the Council and Registered Providers – East Hampshire

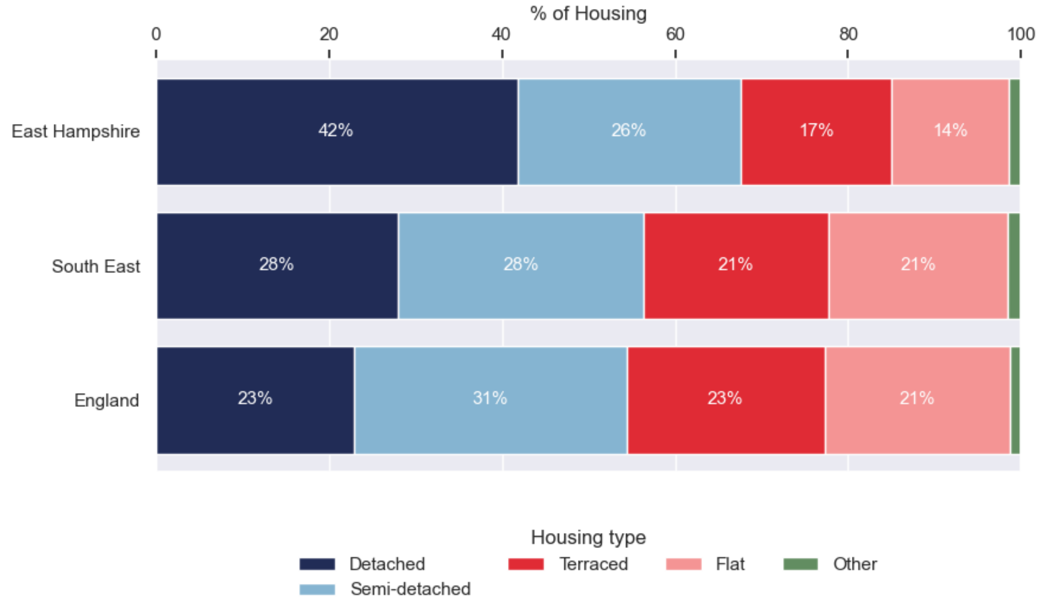
	East Hampshire		South-East	
	Number	%	Number	%
General needs rented	6,061	78%	481,384	78%
Supported/ older person's housing	902	12%	68,264	11%
Low-cost home ownership	845	10%	64,435	10%
Total	7,808	100%	614,083	100%

Source: RSH Geographical Look-Up Tool 2024-25

Housing Types and Sizes

2.13 The dwelling profile for East Hampshire is characterised by a predominance of larger housing types, with detached homes the most common (42% of the stock), at nearly double the national rate (23%). Detached and semi-detached homes together make up two-thirds of the housing stock district-wide. Conversely, there is a lower proportion of flats and terraced homes, which together make up 31% of the stock, compared to 44% across the South East and 22% across England. The incidence of these smaller house types tends to be higher in urban areas.

Figure 2-4 Housing composition by type, 2021



Source: ONS Census, 2021

2.14 In line with the housing type composition, East Hampshire has a high proportion of family-sized 3+ bed homes, at 69% compared to 62% regionally and 61% nationally. This is driven by East Hampshire's particularly high proportion of 4+ bed homes (33%). In comparison to the regional and national rate, East Hampshire's proportion of one and two-bedroom properties are both lower.

Figure 2-5 Housing composition by number of bedrooms, 2021

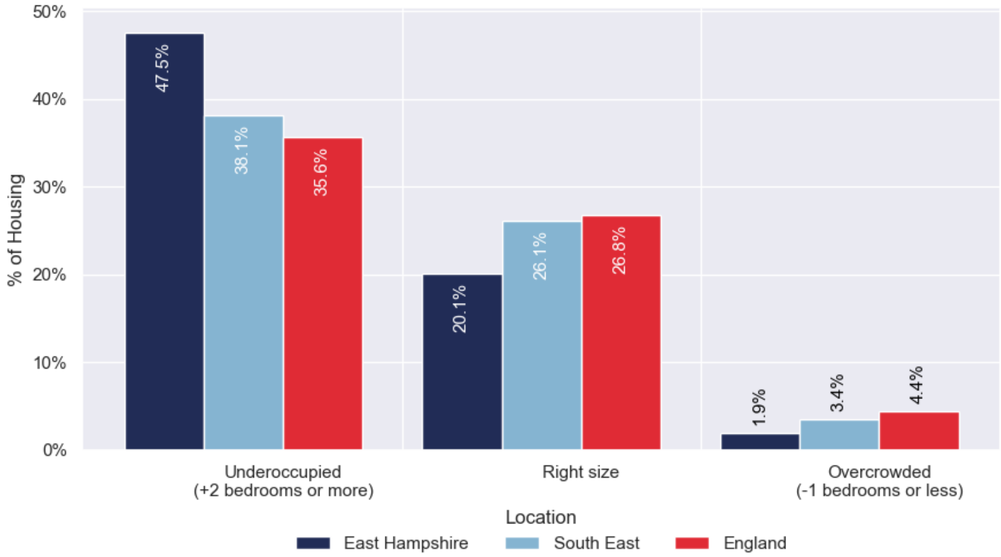
Source: ONS Census, 2021

2.15 Overall, the East Hampshire's housing offer is characterised by a high home ownership and a stronger representation of larger homes. Whilst this is not unusual for districts with a larger rural geography, it does contribute to affordability pressures in the District.

Occupancy

2.16 East Hampshire has a high proportion of underoccupied homes (47.5%) when compared to the regional (38.1%) and national (35.6%) rates. This reflects the relatively large housing stock profile in particular, as well as local demographics and the tenure profile. There is a low rate of overcrowded homes in East Hampshire (1.9%), substantially below that seen across the South East (3.4%) and England as a whole (4.4%).

Figure 2-6: Housing occupancy



Source: ONS Census, 2021

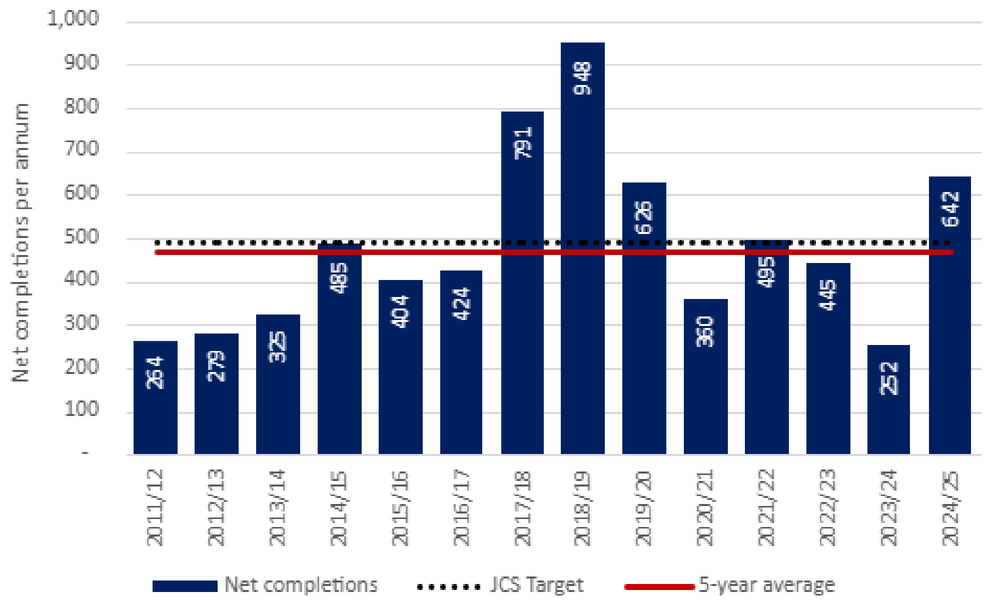
2.17 A more detailed discussion of housing occupancy and under-occupancy by tenure is provided in Chapter 6. Analysis presented there shows under-occupancy (by two bedrooms or more) to be particularly prevalent in owner occupied housing at 89%, compared to 59% in privately rented housing and 33% in socially rented housing. By contrast, 7.0% of socially rented housing is overcrowded, compared to 3.1% of private rentals and only 0.8% of owner-occupied housing.

Housing Supply Trends

2.18 Iceni has examined housing completions data for East Hampshire dating back to the beginning of the current plan period in 2011. This is shown in the figure below (for the part of the district outside of the SDNP), with housing delivery compared to the housing target under the East Hampshire District Local Plan: Joint Core Strategy ("JCS"). As set out in the Council's Authority Monitoring Report (2023/2024) and following a Memorandum of Understanding with the SDNPA, the agreed requirement for the area of the District outside of the National Park is 8,366 dwellings (492 dpa) over the 2011-28 plan period. The chart below assesses housing delivery within the plan area against this within the plan area.

2.19 As set out in Chapter 3 of this report, recent changes to the Standard Method mean that objectively assessed housing need in the District is now substantially higher than the JCS housing target shown below.

Figure 2-7: Housing Delivery in East Hampshire Plan Area



Source: East Hampshire District Council AMR data

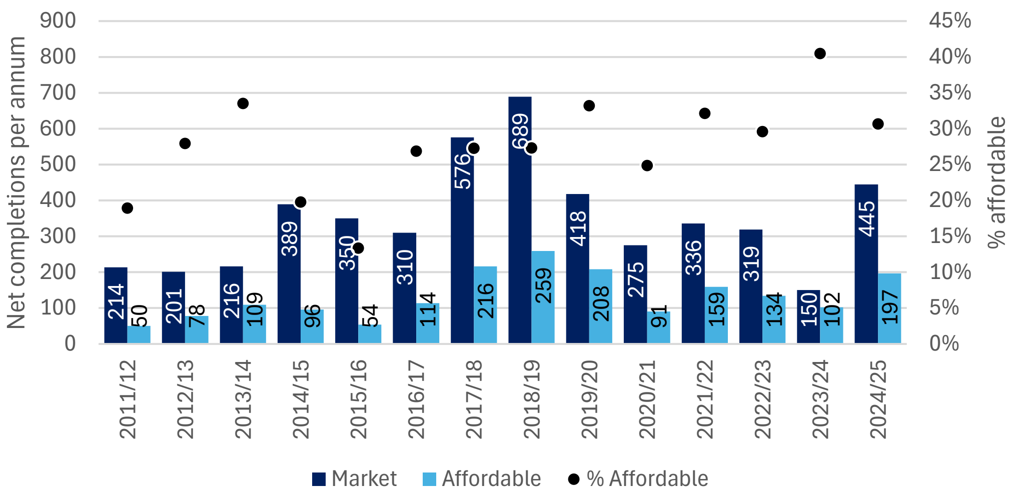
2.20 Housing delivery rates trended upwards from 2011 with strong delivery recorded in 2018, 2019 and 2020. Housing delivery has however since fallen, with levels seen in 2023/24 below those seen across the plan period. However, relatively high completion levels have been seen in 2024/25 – the most recent monitoring year. Of all years shown, housing delivery reached housing delivery targets in five of the years shown (2017/18, 2018/19, 2019/20, 2021/2 and 2024/25).

2.21 Over the JCS plan period to date (2011-25), a total of 6,740 dwellings have been delivered (equivalent to 481 dpa) against a requirement for 6,886 dwellings. Housing delivery has therefore aligned very closely with the level of housing provision which has been planned for, with delivery equating to 98.4% of the cumulative policy requirement. The analysis highlights how past housing completions are influenced by past planning policies in these terms.

2.22 The figure below breaks completions down into market and affordable dwellings. While affordable and market completions have both declined since 2018, affordable completions appear to have declined less from their 2018/19 peak.

2.23 The JCS seeks the provision of 40% affordable housing on market-led sites, or 35% in Whitehill and Bordon (subject to viability). The requirement for affordable housing relates specifically to sites which constitute major development. However, across the period since 2011/12 only 26.9% of net housing additions have been affordable. This percentage has varied somewhat year to year, with a rate above 35% only seen in 2023/24. This will reflect the influence of delivery on small sites (which do not contribute to affordable housing), the influence of viability factors on what level of affordable housing can be supported on individual schemes, and types of development which do not contribute to affordable housing – such as prior approvals.

Figure 2-8: Housing Completions split by Market and Affordable (East Hampshire Plan Area)



Source: East Hampshire District Council AMR Data

2.24 Affordable housing completions have averaged 139 homes per year over a 5 year period in the plan area; and 143 completions over a 10 year period. In Section 4 we include some further analysis of affordable housing delivery – this uses the District geography and includes potential supply through acquisitions of affordable homes.

Key Findings – Housing Offer

- High home ownership**:** 74% at the District level and 76% in the plan area. Limited change in tenure profile 2011-21. A stock of 7,800 affordable homes
- An overall housing offer focused on larger property types - detached and semi-detached account for ⅔ of stock; with ⅓ 4+ bed. Limited provision of smaller 1- and 2-bed homes, which whilst not unusual for rural districts, contributes to affordability pressures.
- Housing delivery trends which have averaged 482 dpa over the JCS plan period to date, broadly in line with the plan requirement – highlighting the influence of planning policies on past delivery. There is an evident significant challenge to increase housing supply by over 70% to meet the standard method figures for the plan area.

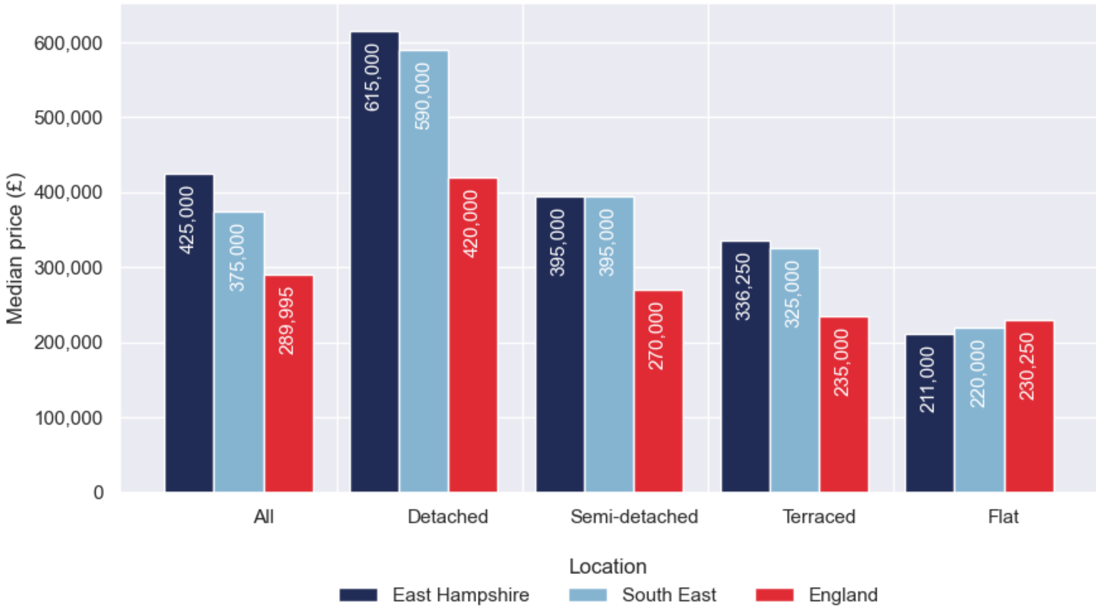
Housing Market Dynamics

Sales Market Dynamics

2.25 The median value of house sales in East Hampshire in the year ending September 2024 was £425,000. This was 13% (£50,000) above the South East average and 47% (£135,005) above the national average.

2.26 As shown in the figure below, prices for every housing type are higher in East Hampshire than the South East average, and substantially above the national average. However, East Hampshire's high median price overall also reflects the high proportion of detached homes in the district (which command the highest prices). The value of semi-detached homes is aligned with the regional average; with detached sales 4% above the regional average and terraced values 3% above. The lower values for flats relative to the wider South East point towards lower relative demand.

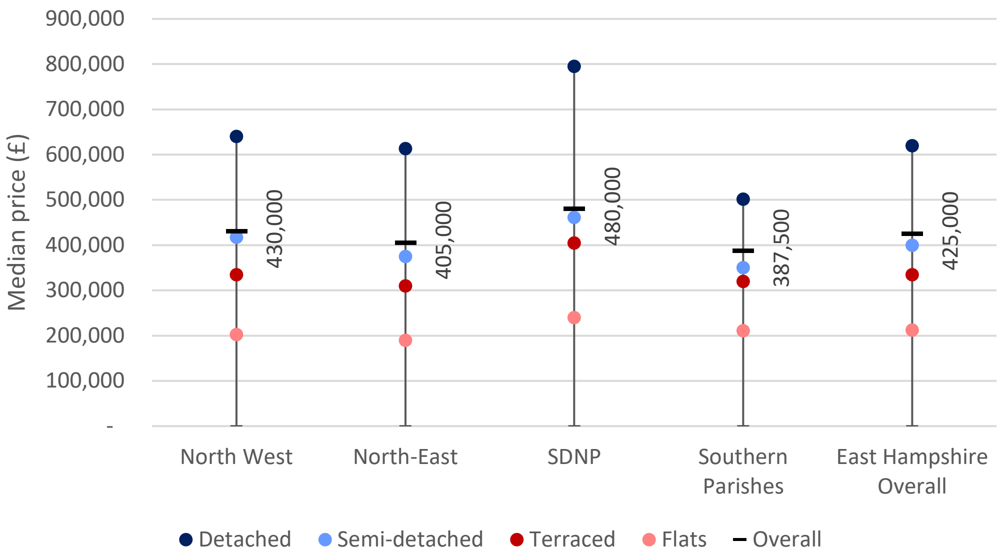
Figure 2-9: Median house prices (year ending September 2024)



Source: ONS Median House Price for Administrative Geographies (HPSSA Dataset 9)

2.27 The SDNP has the highest property prices overall at a sub-area level, as well as the highest house prices across every housing type, demonstrating that there is a price premium associated with living in the designated landscape. In the plan area, prices are highest in the North West, followed by the North East; and lowest in the Southern Parishes – as the figure below shows. Price differences are greatest for detached homes, which have a particularly high median price in the SDNP (£795,000).

Figure 2-10: Median house prices, by sub-area (2024)

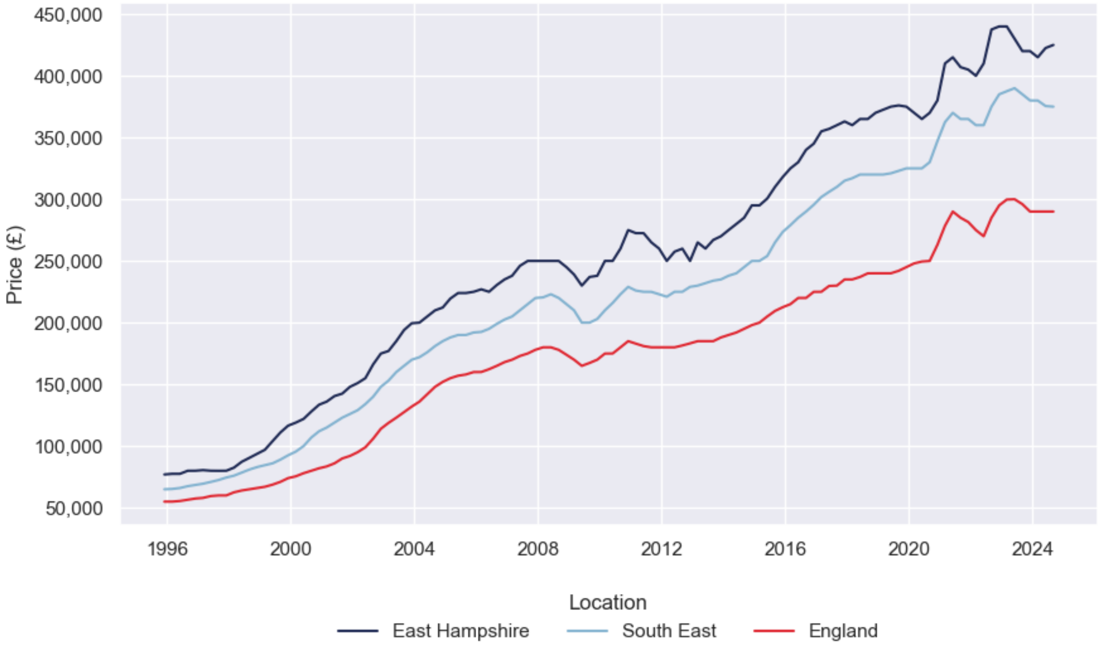


Source: HM Land Registry, 2025

2.28 The figure below shows growth in median house prices since 1996. Prices in East Hampshire have remained consistently above the regional and national averages throughout the period, while following the trends seen in the South East and England.

2.29 Over the nearly three-decade period, house prices have increased significantly. There have been periods of slower growth, with some small corrections after the 2008 financial crisis and in recent data. Recent price movements have been affected by high interest rates, rising inflation and broader macroeconomic uncertainty. However, the long-run growth trend indicates strong demand pressures in East Hampshire. House price growth relative to earnings is considered later in this section.

Figure 2-11: Median house prices (1996 – 2024)



Source: ONS Median House Price for Administrative Geographies (HPSSA Dataset 9)

2.30 Over the last year, prices have grown in East Hampshire, but declined across the South East and England overall. The local market has thus outperformed wider geographies.

2.31 Over the medium and longer term, East Hampshire has seen overall growth in house prices, but at a slightly slower rate than regionally and nationally.

2.32 Throughout the period, East Hampshire's median house prices were at higher values when compared to the regional and national rates. Higher absolute changes and values can result in lower percentage price growth as the percentage change is smaller proportionally than in the lower-priced areas.

Table 2-4: Median house price change over time

	1 year (2023-2024)	5 year (2019-2024)		10 year (2014-2024)		
	CAGR	Change	CAGR	Change	CAGR	Change
East Hampshire	1.2%	£5,000	2.4%	£49,000	4.1%	£140,000
South-east	-2.6%	-£10,000	3.0%	£52,000	4.4%	£130,000
England	-2.0%	-£6,000	3.7%	£47,995	4.1%	£94,995

Source: Iceni analysis of ONS *Median house prices for administrative geographies*

2.33 If house prices are adjusted for inflation using the Consumer Price Inflation (CPI), house prices in East Hampshire have fallen in real terms over the last year (-1.38%) and last five years (average of -1.87% per year). This is in large part driven by recent high inflation and weaker relative demand. However, prices have grown in real terms over a longer-term 10-year period (1.08% per year on average).

2.34 Over the last year, there has been variability in property price performance between different sub-areas, influenced in part by the lower quantum of sales, but with stronger performance evidence in the northern parts of the District. However, over the last five years all sub-areas have seen growth of between 2.2% - 2.7% per annum.

2.35 Over a longer 10-year period there is more variation in market performance, with the highest rates of growth achieved in the North West (4.2% per annum), followed by the North East and SDNP (3.8% per annum) and lower rates of growth in the Southern Parishes (3.1% per annum). The evidence points to stronger relative demand in the northern parts of the plan area.

Figure 2-12 Median house price growth rate in sub-areas (compound annual growth rate)

CAGR	1 year (2023-2024)	5 year (2019-2024)	10 year (2014-2024)
North East	6.6%	2.7%	3.8%
North West	7.5%	2.2%	4.2%
SDNP	-9.9%	2.2%	3.8%
Southern	-1.9%	2.8%	3.1%
East Hampshire	1.2%	2.4%	4.1%

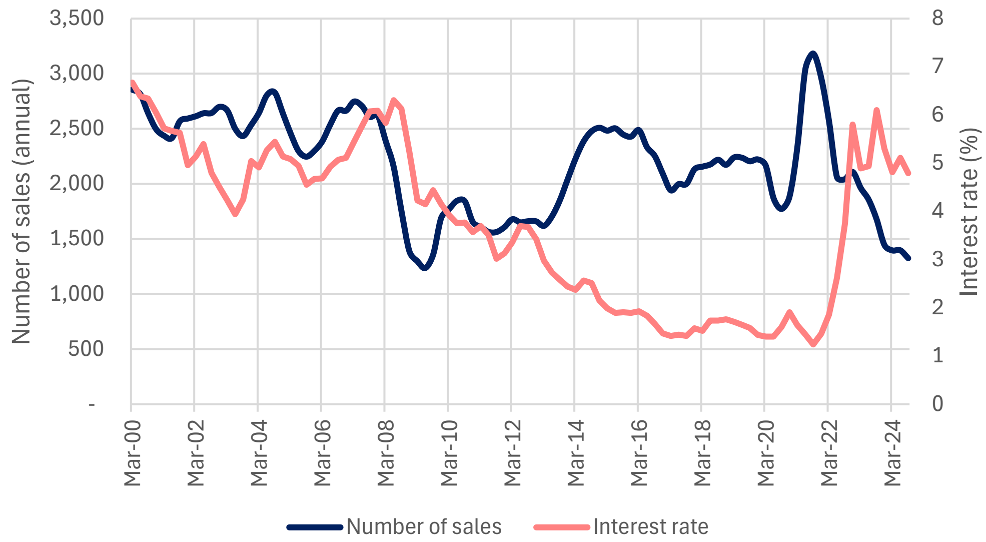
Source: Iceni analysis of HM Land Registry Price Paid Data

2.36 The number of residential property sales provides an indication of the relative buoyancy of the market and evidence on the 'effective demand' for market housing. Data is set out in the figure below for the last twenty-five years in East Hampshire.

2.37 Sales volumes typically averaged around 2,500 per year pre 2008 and then fell dramatically as a result of the post-2008 economic downturn. They picked up from 2013 onwards, but there has been a substantial amount of volatility in the data and average sales volumes have largely remained below their pre-2008 position. Growth in the transactional costs of moving (including Stamp Duty costs) are an influence on this.

2.38 Sales peaked at over 3,000 per year in mid-2021 following COVID-19, supported by the 'Stamp Duty Holiday' and households' re-evaluating their living circumstances. However, they have since fallen substantially and are now sitting at their lowest level since 2008. This speaks to a very weak housing market (and effective demand for homes for sale) at the present time.

Figure 2-13: Number of residential sales (East Hampshire) and household mortgage interest rates



Note: The household mortgage rate shown is an average for banks and building societies for a 2-year fixed rate loan on a 75% loan to value ratio

Source: Iceni analysis of ONS Residential property sales for administrative geographies and Bank of England *Quoted Household Interest Rates*

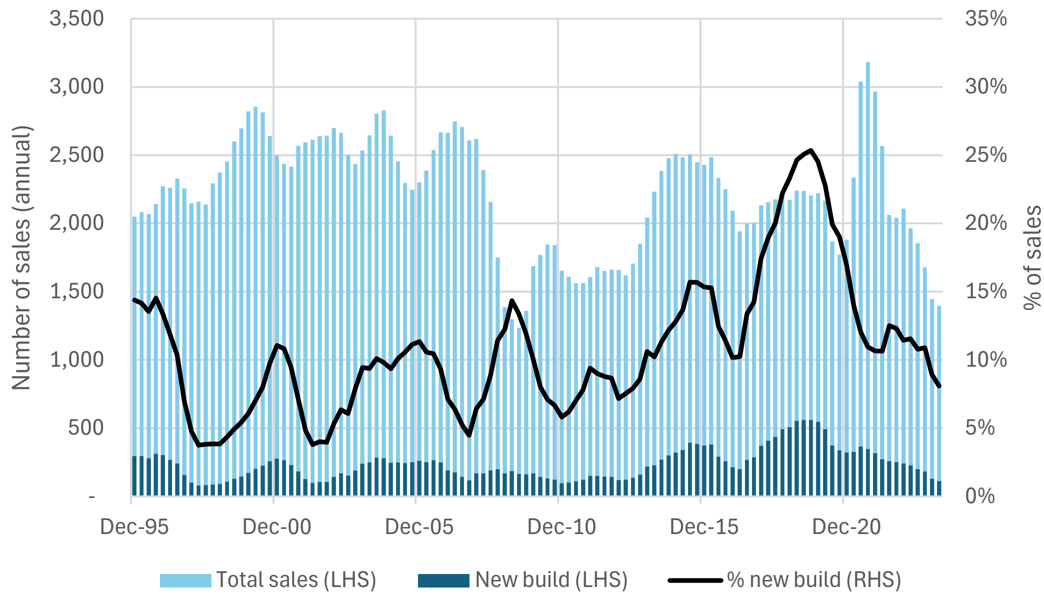
2.39 Recent low sales volumes reflect macroeconomic instability and affordability pressures; and a context of higher interest rates (with the Bank of England base rate sitting at 4.0% at the time of writing) which impact directly on the affordability of mortgage finance and on market sentiment and effective demand, as the graph above shows. Over the longer term sales volumes have also been inhibited by a variety of other factors including restricted access to finance, a growing older population which typically moves less, and affordability pressures restricting sales to first home buyers.

2.40 The following figure compares the overall sales volume with the volume of new build sales across East Hampshire District. New build sales peaked at around 500 per year in 2019. The later peak in overall sales post-COVID did not carry through to new builds. As a result, the proportion of residential sales made up by new builds peaked at around 25% (a very high level) in 2019 were supported by the Government's

Help-to-Buy scheme[3], but has since declined to around 10% which is typical of the longer term market dynamics of East Hampshire (and more broadly).

2.41 For comparison, new build sales have generally made up 10 – 15% of sales across England as a whole over the last thirty years. However, authorities experiencing rapid housing stock growth enabled by local planning and high demand can sustain new builds to make up 20-30% of sales over a number of years.

Figure 2-14: Percentage of total homes which are new build properties, 2011 to 2024 – East Hampshire



Source: Iceni analysis of ONS Residential property sales for administrative geographies

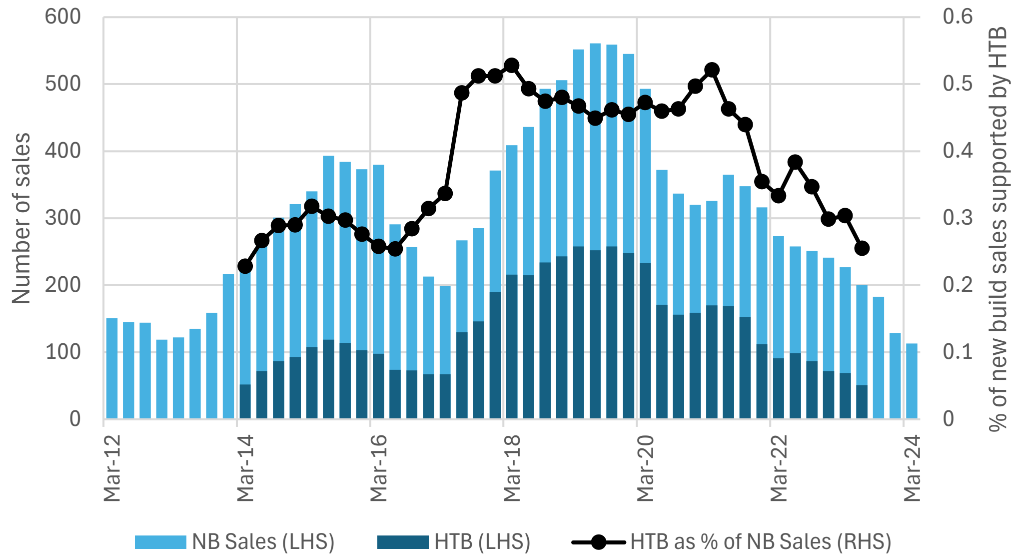
2.42 New build sales volumes in recent years have been influenced by the Help-to-Buy (HTB) Equity Loan Scheme, a Government scheme to help first-time buyers purchase a property. It is now closed in England, ending in March 2023. Buyers were required to put down a minimum cash deposit of 5% of the property value. Additionally, a main mortgage provider must cover at least 75% of the purchase price. The

[3] This saw new-builds out-perform other areas of the market

Government assisted by offering a loan of up to 20% of the property's value, making it easier for purchasers to buy a new build home. The equity loan period lasts until the property is sold, the mortgage is paid off or for a maximum of 25 years, whichever happens first.

2.43 The following figure charts the role of HTB in supporting new build sales. At its peak, HTB loans supported around 50% of new build sales in the District, before the scheme was restricted and then wound down. Peak levels of HTB-supported sales coincided with a period during which new build sales volumes grew dramatically. Since the scheme ended in England, the proportion of new-build sales has declined to 16% of sales.

Figure 2-15: % New-Build Sales supported by HTB in East Hampshire



Source: MHCLG HTB Equity Loan Statistics

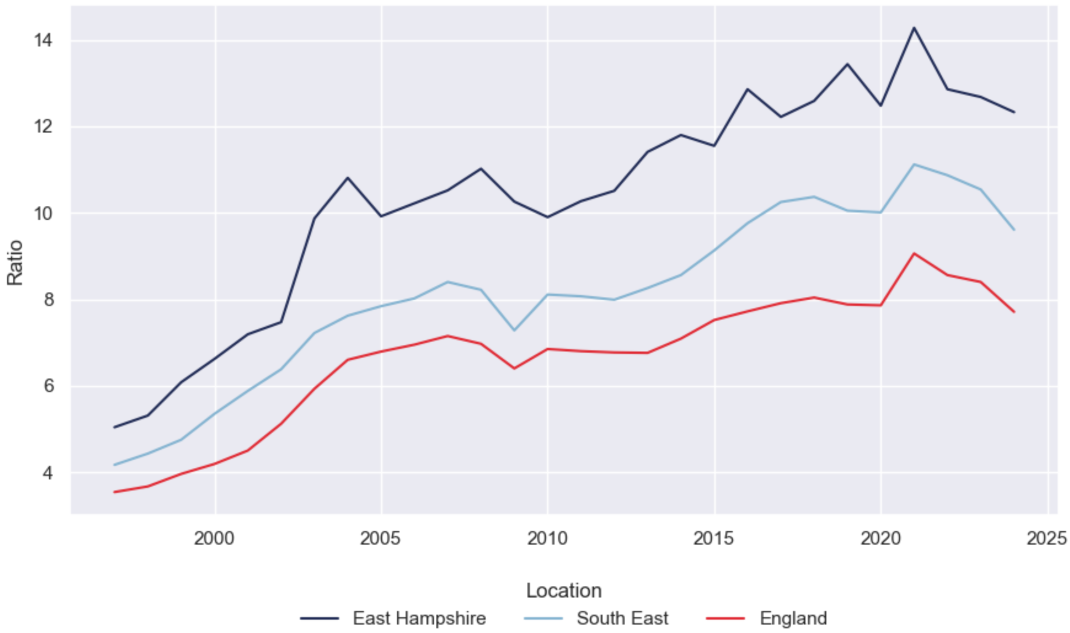
Affordability

2.44 We next consider the median house price to income ratio for those working in East Hampshire. East Hampshire's five-year average workplace affordability ratio over the 2020-2024 period sat at 12.93, substantially above the regional average (10.43) and national average (8.32) and pointing to stronger relative affordability pressures.

2.45 As shown in the figure below, affordability in East Hampshire has substantially worsened over the last 25 years, with the affordability ratio peaking at 14.28 in 2021 and consistently worse than the averages for the South East and England. While the affordability ratio has decreased slightly in recent years, it remains very high and above the values seen before 2016. The District's ratio has fallen from a peak of 14.3 in 2021 to 12.3 in 2024.

2.46 As a result, while affordability pressures on this measure appear to have eased slightly, they remain acute relative to the earnings of local workers. In reality, whilst the ratio has fallen since 2020, higher interest rates mean that the affordability of market housing has not substantively improved.

Figure 2-16: Median workplace-based affordability ratio



Source: ONS House price to workplace-based earnings ratio

2.47 The lower quartile house price to income ratio provides information on affordability pressures for younger workers and first-time buyers. East Hampshire lower quartile (LQ) ratio is very similar to the median ratio (13.05 vs 12.95). By contrast, residence-based affordability ratios are lower, reflecting that the typical wages of residents are higher than those in local jobs (this is discussed in Chapter 9). This reflects the economic geography of East Hampshire and surrounds (discussed in Chapter 9 and Appendix A), with many higher income earners living in East Hampshire but commuting elsewhere to jobs in larger economic centres.

Table 2-5: Affordability ratio values for East Hampshire

Type	Measure	2024	5-year average
Workplace-based	LQ	12.05	13.05
	Median	12.33	12.93
Residence-based	LQ	10.77	11.34
	Median	10.08	11.24

Source: ONS House price to workplace-based earnings ratio, House price to residence-based earnings ratio

Private Rental Market

2.48 Overall, average rents in East Hampshire are below the regional and national averages suggesting that the rental market is less strong than that for sales. The differential is largest for one bedroom homes, for which there is typically higher demand in larger urban areas and less demand in more rural districts like East Hampshire. However and in contrast, rents for three-bedroom homes in East Hampshire are above the England-wide average, and close to the South-East average, suggesting a high level of local demand relative to supply for 3-bed homes.

Table 2-6: Average private rents by number of bedrooms (April 2025)

Location	One bed	Two bed	Three bed	Four or more bed	Overall
England	£1,137	£1,269	£1,411	£2,076	£1,390
South East	£952	£1,223	£1,490	£2,151	£1,373
East Hampshire	£876	£1,152	£1,450	£1,961	£1,233

Source: ONS Price Index for Private Rents

2.49 The table sets out the average rents across the main towns in East Hampshire. Of all areas shown, Liphook shows the highest rents, followed by Bordon.

Table 2-7: Average rents across the main towns (across all types)

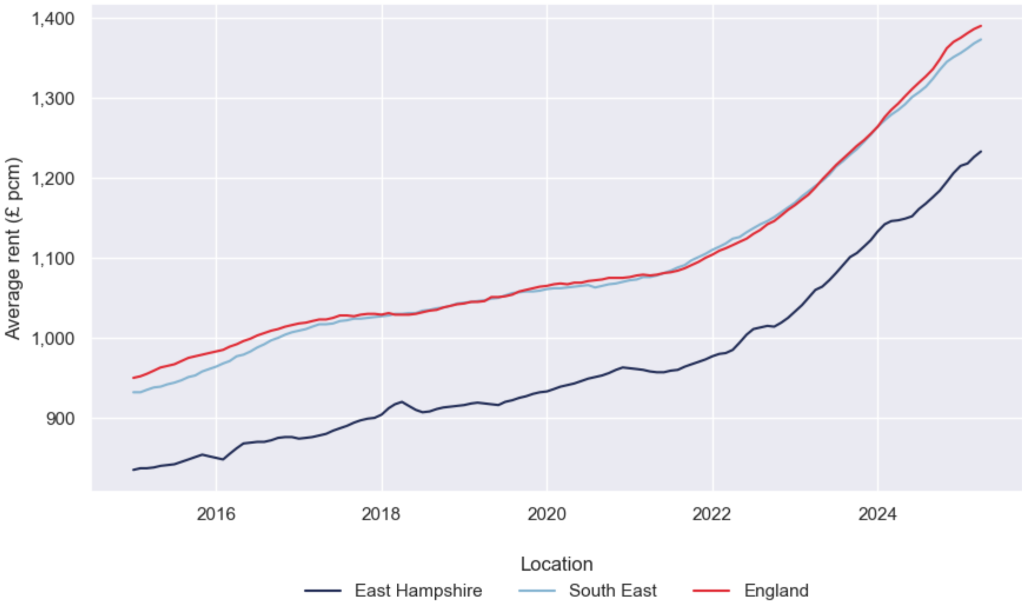
Location	Average Rent (monthly)
Alton	£1,620
Petersfield[4]	£1,561
Bordon	£1,646
Horndean/Clanfield	£1,256
Liphook	£2,448

Source: Rentals search engine (home.co.uk).

2.50 Average rents have risen steadily across East Hampshire, as well as the South East and England more broadly, from 2015 to 2025. The similarity in trends between different areas highlights the influence of macro-economic factors on rental demand. In particular, the strong growth in rents seen since 2022 is notable.

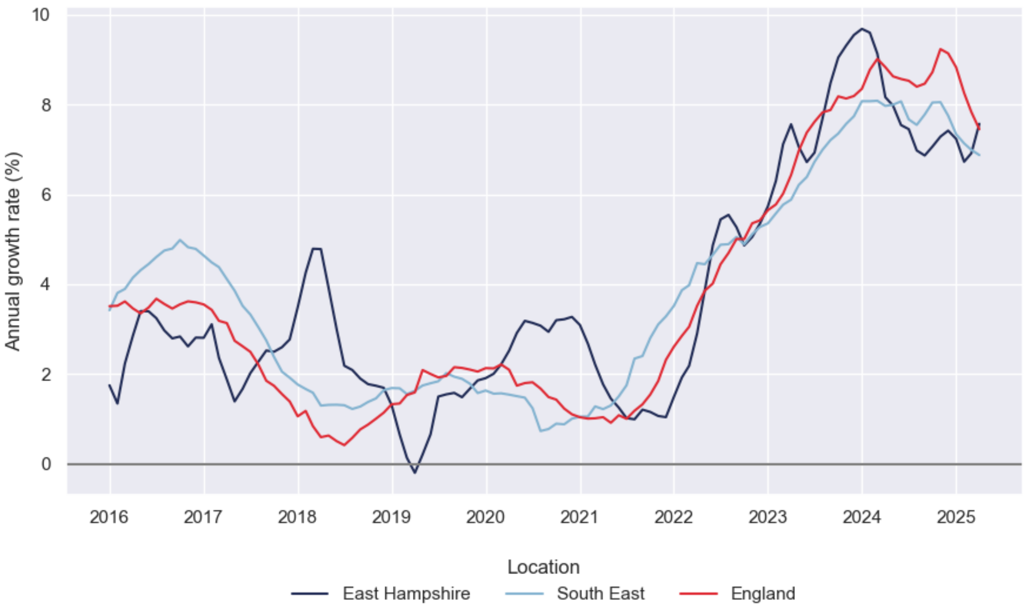
2.51 Average rents in East Hampshire increased steadily from £835 PCM in January 2015 to £973 PCM at the end of 2021. Since then they have spiked sharply to £1,233 in April 2025, an increase of £260 or 27% in less than three and a half years. During this period, the annual rate of increase in rents peaked at nearly 10% at the start of 2024. While it has since decreased somewhat, it remains very high, placing substantial pressure on rental housing affordability.

Figure 2-17: Average private rental price for housing



Source: ONS Price Index for Private Rents

Figure 2-18: Growth rate in average private rent for housing



Source: ONS Price Index for Private Rents

2.52 The recent strong growth in rents is influenced by a combination of a weak sales market and barriers to home ownership (including higher interest rates and the large deposit requirements); together with a lack of growth in rental supply. This supply/demand imbalance is feeding through to homeless presentations to the Council, which are considered later in this report.

Agent Engagement

2.53 We have undertaken engagement with local letting and sales agents to gather market insights. The findings from this engagement provide useful context on current market activity and demand trends at the time of writing in Autumn 2025. To note, information may reflect agents' individual perspectives rather than objective market data but still offers useful qualitative understanding of current market conditions.

<u>Alton</u>

2.54 An agent from Bourne Estate Agents who covers the lettings market primarily between Alton and Bordon reported stock availability is lower than usual. Rent levels remain broadly consistent, though there are signs of slight downward pressure. Two-bedroom houses are the most sought-after property type to rent, while there is a notable shortage of three- and four-bedroom homes.

2.55 Most tenants are moving from other rental properties rather than entering the market for the first time. The agent reported that the upcoming Renters Reform Act has not had any noticeable effect on the local market, but some landlords are selling due to mortgage costs with higher interest rates which have eroded their margins. Demand for Build-to-Rent schemes remains strong due to the ongoing shortage of available rental homes.

2.56 Working from home trends have had limited influence on current rental demand patterns, because tenants have little choice given restricted supply. However, there has been renewed interest in properties with good transport links as commuting becomes more common again, particularly in rural locations between Bordon and Alton. In addition, older persons' housing continues to show mixed performance, with many retirement units now being rented by families after owners have struggled to sell them under minimum age restrictions.

2.57 An agent discussing local housing sales activity in the Alton area noted that the market currently covers all segments of buyers, though activity has slowed due to seasonal factors such as the pre-Christmas period and wider economic uncertainty.

2.58 Two- and three-bedroom homes remain the most popular types of properties in the sales market, appealing to first and second time buyers, with most sales typically occurring within the £300,000 to £500,000 range.

2.59 Sales activity has eased compared with the pandemic period and values are continuing to edge downward. In Alton, demand remains diverse owing to the town's mainline train connection to London Waterloo, attracting both local movers and London-based buyers. Across the area, two- and three-bedroom properties remain the most consistently undersupplied type.

2.60 The wider economic changes are having a significant effect on buyer confidence, as many households remain uncertain about financial stability. The shift toward homeworking has also influenced requirements, with buyers increasingly seeking space for offices or studies.

2.61 The older persons' housing market continues to be stable overall, though demand tends to fluctuate in waves, often constrained by age restrictions within retirement developments.

<u>Bordon</u>

2.62 Agents report a relatively balanced sales market in the Bordon area, with sustained interest from both first-time buyers and families. Many transactions involve local moves though there is still a mix of incoming buyers. Smaller homes such as one- and two-bedroom properties are currently performing well, while family houses with three or four bedrooms also attract steady demand.

2.63 Homeworking continues to shape preferences as many purchasers look for space for a study or home office.

Liphook

2.64 A discussion with an agent from Homes Estate Agents in Liphook regarding local sales activity and buyer trends noted the buyer profile as primarily young professionals and families, attracted by the mainline rail connection to London and the area's relative affordability. The strong reputation of local schools also draws younger families in their late 20s to 40s. While there is a broad demographic mix overall, most buyers are either moving locally or relocating from outside the area.

2.65 The market sees both upsizing and downsizing activity, with many residents looking to stay within Liphook, maintaining a healthy balance across different buyer types. The most common property transactions involve three- to four-bedroom homes, forming the middle-market segment.

2.66 Homeworking has influenced buyer preferences, with more households now seeking larger homes to create workspace, particularly shifting interest from two-bedroom to three-bedroom properties. Commuting demand remains a key market factor, as hybrid working patterns mean buyers often seek homes with good access to transport links, especially as some employers revert to requiring office attendance for most of the week.

2.67 In terms of older person' housing, the demand remains steady. Extra-care and supported living properties are generally slower moving, though there is increased interest in schemes offering independent living with additional on-site services, reflecting both cost considerations and a desire for autonomy among older residents.

Horndean

2.68 Housing market activity in the local area is a broad mix of available properties, with a particularly high number of bungalows that appeal strongly to retirees. The surrounding countryside and proximity to the A3 also help attract buyers who work in London but prefer living in a more rural environment.

2.69 Most transactions involve local movers, although it is noted an increase in interest from buyers relocating from outside the area, often linked to greater homeworking flexibility. There is however, a notable shortage of properties suitable for first-time buyers, highlighting the limited supply at the more affordable end of the market. House prices have generally fallen over the past year, reflecting wider economic conditions and national market trends.

Key Findings – Housing Market Dynamics

- The District has a median house price of £425,000 which is £50,000 (13%) above the South East average, influenced in part by the profile of stock and sales which are focused towards larger, more expensive homes. Values are higher in the north of the District, and the National Park.

- Housing market conditions have progressively weakened over the last 4 years, with values stagnating (and falling in real terms) and sales dropping dramatically in a context of higher interest rates and weak economic performance. At the time of writing, sales are at their lowest level since the credit crunch in 2008. However the housing market is cyclical and market conditions are thus likely to change over the plan period.

- Affordability pressures are significant in the District, with the median house price over 12 times the average earnings of those working in the District. Whilst the ratio has eased over the recent years, higher interest rates have not seen this translate directly into improved market demand for homes. A longer-term improvement in housing affordability is however a key national policy ambition which underpins national policies regarding the scale of future housing provision. This is considered in the next section.

3. Overall Housing Need

3.1 In this section we turn to address overall housing need and seek to advise on a calculation of housing need which is specific to the plan area for the purposes of taking forward the new Local Plan.

Standard Method

3.2 The Government, through revisions to the NPPF in December 2024, has revised the standard method. Its ambitions in doing so are to increase housing delivery, delivering 1.5 million homes across England over the next 5 years with growth in all areas of the country.

3.3 The NPPF specifies that the Standard Method should be used to calculate the local housing need, and that plans should aim to provide a sufficient supply of housing to meet this need where this is consistent with achieving sustainable development.

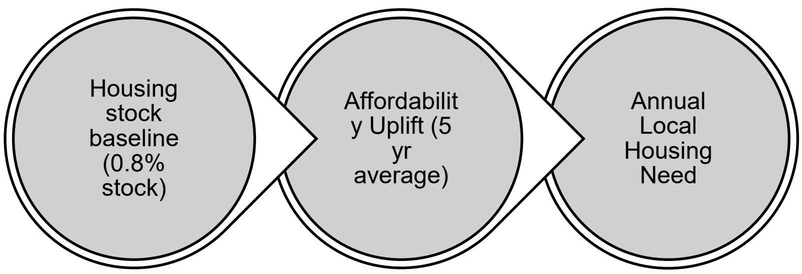
3.4 The Government's Summer 2024 consultation highlighted concerns with the increasing vintage of the 2014-based household projections around which the standard method was designed – arguing that the dataset is now over 10 years old and no longer fit-for-purpose; whilst highlighting the volatility of household projections and issues where projections can be artificially low in some areas as demographic trends are constrained by available housing supply.

3.5 The consultation therefore put forward a revised standard method with a view to providing stability and certainty to all stakeholders, whilst supporting the Government's ambition to deliver 1.5 million homes and achieving a distribution of homes across the country which balanced the need for higher supply in some of the least affordable areas of the country.

3.6 It proposed to do so through use of a baseline (Step 1) set at a percentage of existing housing stock levels (reflecting the relative size of areas and in so doing to a) reinforce development in existing urban areas where there is existing infrastructure and b) to support some rebalancing of the national distribution to better reflect growth ambitions in the Midlands and North). A stronger affordability multiplier was then proposed (Step 2) to reflect price pressures and market signals and direct homes to where Government considers they are most needed.

3.7 Government has taken this forward, introducing a revised standard method alongside revisions to the NPPF in December 2024. The PPG sets out the revised standard method in the section on Housing and Economic Development Needs Assessments. Para 2a-006 therein sets out the methodology, which takes a baseline of 0.8% of existing housing stock in the area (Step 1); to which an affordability adjustment is then applied (Step 2) which is calculated by taking the average affordability ratio figure over the 5 more recent years for which data is available, and applying a 0.95% increase for each 1% of which the averaged affordability ratio is above 5. The diagram below summarises the approach.

Figure 3-1: Overview of the Revised Standard Method



3.8 Compared to the previous standard method the 0.8% pa stock baseline removes the use of demographic projections (which can be volatile and are influenced by past housing supply policies) and provides a baseline level of provision across all areas which is not dissimilar to the 0.89% annual increase in housing stock nationally over the last 10 years. The benchmark affordability ratio position of 5 is consistent with the ONS use of this level as a broad indicator of affordability. With an affordability uplift applied to the stock baseline, the revised standard method supports provision of around 370,000 homes nationally which Government consider should be targeted to improve housing affordability over time. The method overall is therefore driven by national policy considerations.

Revised Standard Method Calculation for East Hampshire District

3.9 It is a relatively straight forward exercise to calculate the local housing need using the standard method for the entire East Hampshire District (including both the local plan area and national park). We undertake this calculation first, before considering the position for the plan area.

Step 1: Housing Stock Baseline

3.10 The stock baseline is expected to be drawn from the MHCLG Live Table 125. The PPG in Para 2a-005 directs that 'the most recent data published at the time should be used.' The latest data on the housing stock position is for 2024. The stock baseline is calculated as 0.8% of existing stock.

Step 2: Affordability Adjustment

3.11 The affordability adjustment is then to be applied, based on the average median (workplace-based) house price to income ratio over the last 5 years, which at the current time is for 2019-24. The following formula is then used to calculate the affordability uplift:

$$Adjustment\ factor = \left(\frac{five\ year\ average\ affordability\ ratio - 5}{5}\right) x\ 0.95 + 1$$

3.12 The final stage is to then multiply the housing stock baseline by the affordability adjustment factor.

3.13 The results of the revised standard method calculation using the latest published affordability data and housing stock data for East Hampshire is shown in the table below. This shows a need for 1,124 dpa for the District-wide geography.

Table 3-1: East Hampshire District Standard Method Calculation

Housing Stock, 2024	56,040
0.8% Stock Baseline	448
Average Median Affordability Ratio, 2020-24	12.93
Affordability Uplift	251%
Local Housing Need (dpa)	1,124

3.14 The standard method figures change when new affordability and stock data is released (typically annually in the Spring), and the Council will need to consider and take account of further data releases until the point of submission of the Local Plan Review at which point the figures are ‘fixed’ for a period of two years.

3.15 The Revised Standard Method result is a substantial uplift on the previous standard method. The previous May 2022 East Hampshire HEDNA showed a housing need for 632 dpa calculated using the previous standard method. Demographic analysis in the May 2022 HEDNA found that the previous Standard Method would indicate a higher rate of population growth than 2014-based projections used in the standard method at the time.

3.16 Previously the NPPF provided scope to deviate from the standard method in assessing housing need in exceptional circumstances, enabling a ‘justified alternative approach’ to be advanced which reflects current and future demographic trends and market signals. However, the revisions to the NPPF in December 2024 have removed this scope in all cases, apart from those related to data availability and to the boundaries of planning authorities – i.e. in cases such as East Hampshire where there is a mismatch between local authority boundaries and planning authority boundaries given that part of the District falls within the South Downs National Park.. The 'plan area' for the local plan comprises those parts of the District which fall outside of the National Park.

Deriving Housing Need for the Plan Area

Planning Practice Guidance

3.17 While the December 2024 NPPF is clear that the Standard Method provides a mandatory starting point for developing housing provision policies in local plans, the *Housing and Economic Needs Assessment* PPG[5] specifies that an alternative approach may be used if strategic policy-making authorities do not align with local authority boundaries. Given that part of the East Hampshire District lies within the South Downs National Park, this exception applies to East Hampshire for the purpose of assessing the housing need for the plan area to be taken forward for East Hampshire District Council's Local Plan. The South Downs National Park Authority is the planning authority for those parts of the District which fall within the National Park.

3.18 In cases where an alternative approach is allowed, the PPG provides guidance as to what should be considered when determining a local method for identifying housing need, and sets out:

> *"In doing so authorities should take into consideration the best available evidence on the amount of existing housing stock within their planning authority boundary, local house prices, earnings and housing affordability. In the absence of other robust affordability data, authorities should consider the implications of using the median*

[5] Paragraph 2a-014-20241212

workplace-based affordability ratio for the relevant wider local authority area(s).

For local authorities whose boundaries cross National Parks or Broads Authority areas, the proportion of the local authority area that falls within and outside the National Park or Broads Authority area should also be considered – for example where only a minimal proportion of the existing housing stock of a local authority falls within the National Park or Broads Authority area it may be appropriate to continue to use the local housing need figure derived by the standard method for the local authority area."

Legal Advice

3.19 The Council has received legal advice in March 2025 from a planning barrister, Paul Brown KC, regarding the calculation of housing need in the context of the December 2024 changes to the NPPF and PPG, and of the SDNP occupying over half of the district. This advice holds that:

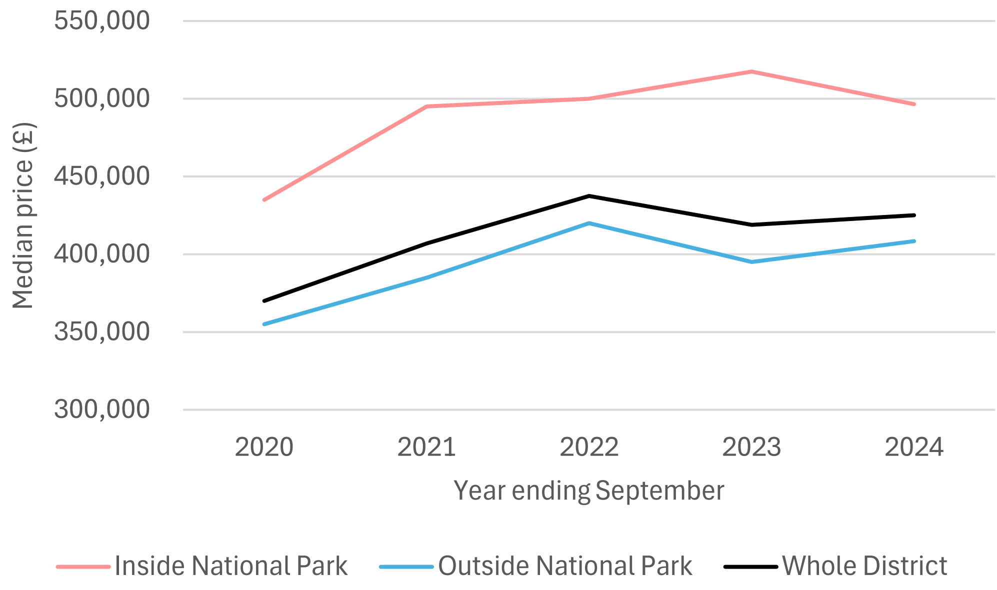
- EHDC is entitled to depart from the standard method in disaggregating the overall district housing need into the local plan area and the SDNP;
- A disaggregation based on the proportion of housing stock inside and outside of the SDNP would be supported by the PPG and defensible at examination;
- An approach based on the proportion of the district's land area inside and outside of the SDNP is advised against, as it would have little relationship to the number of people living in each area;
- The PPG would also allow an approach based on local affordability ratios (i.e. for the local plan and SDNP portions of the district), but this would need to be supported by robust evidence and discussed and agreed with neighbouring authorities, in particular with the SDNP Authority who would ideally adopt the same approach.

Affordability data

3.20 As directed by the PPG, local affordability data has been considered in determining East Hampshire's potential housing need.

3.21 As HM Land Registry releases transaction level data in the *Price Paid* dataset, it is possible to produce robust medians for the portions of East Hampshire inside and outside of the national park. This is displayed in the figure below for the last five years of available data, shown for periods running to end of September each year, consistent with the time periods used for district-level median affordability ratios published by ONS and used in the standard method. This shows that median house prices within the park area (those parts of the District which fall within the National Park) are notably higher - generally by around £100,000 - than those in the plan area (outside of the National Park).

Figure 3-2: East Hampshire median housing prices inside and outside of South Downs National Park



Source: Iceni analysis of HM Land Registry *Price Paid Data*

3.22 The best available data to profile household incomes inside and outside of the SDNP is produced by the ONS at MSOA level. This data is shown in the table below, sorted from highest to lowest household income.

Table 3-2: Household income data for MSOAs in East Hampshire

MSOA	2020 mean total annual income (£)		% of domestic addresses within SDNP (2025)
	Value	Confidence interval	
East Hampshire 001	67,900	23,000	17%
East Hampshire 007	66,700	23,700	13%
East Hampshire 011	59,600	19,800	100%
East Hampshire 004	58,400	20,000	0%
East Hampshire 009	57,500	18,900	1%
East Hampshire 017	57,100	19,100	0%
East Hampshire 008	56,800	18,900	20%
East Hampshire 013	56,400	19,400	5%
East Hampshire 003	55,800	18,800	0%
East Hampshire 010	54,700	18,200	100%
East Hampshire 006	53,300	17,600	0%
East Hampshire 014	52,800	18,000	1%
East Hampshire 016	51,300	17,300	2%
East Hampshire 012	46,700	16,000	100%
East Hampshire 002	42,200	15,000	0%

Source: ONS BRES

3.23 There are however several difficulties in using this data:

- MSOAs do not align to SDNP boundaries, with several MSOAs having 15 – 20% of addresses within the SDNP. While a best fit method could be used to generate estimates of inside vs outside SDNP results, this would be approximate only;
- The most recently released version of this dataset (shown above) dates from 2023 and provides income results for 2020, five years ago at the time of writing. It is unclear when or if this data will be updated and it is evidently not that up-to-date;
- The confidence intervals for each MSOA are relatively large, meaning that the average incomes are relatively uncertain;
- This data shows resident household incomes rather than workplace earnings, which is used in calculation of district affordability ratios. Several assumptions would need to be made to approximate workplace earnings based on household incomes.

3.24 Nonetheless, there is not a clear differentiation in incomes inside and outside of the SDNP, with MSOAs lying within the SDNP both at the top and bottom of the income distribution.

3.25 Overall however, the evidence does not point to good quality income data which can be used to robustly derive alternative estimates of affordability for the plan area and the Park area within East Hampshire District.

AECOM Study (2025)

3.26 The various potential approaches for apportioning housing need have been considered in a report[6] by AECOM for the South Downs National Park Authority, Chichester, East Hampshire, Lewes and Winchester Councils. Each of the councils within the national park area was also involved in the development of this study.

3.27 The AECOM study considers two potential scenarios for apportioning need:

- Apportioning each district's standard method housing need into the areas inside and outside the SDNP based on the proportion of homes inside and outside the SDNP (the method endorsed in East Hampshire's legal advice). This method suggests a housing need for East Hampshire's local plan area of 828 dpa, and for the East Hampshire portion of the SDNP of 296 dpa.

- Developing bespoke affordability ratio estimates for the areas inside and outside the SDNP within each district, and then using these with the standard method formula. This suggests a housing need for East Hampshire's local plan area of 782 dpa.

3.28 AECOM consider the first method – of apportioning the need based on the relative stock position - to be more robust due to limitations in data availability for calculating bespoke affordability ratio, and uncertainty

[6] AECOM, October 2025. Applying the Standard Method to the South Downs National Park Area and overlapping Local Authorities.

around when the data inputs will be updated in the future (as discussed above).

3.29 The apportionment of the total Standard Method housing need according to AECOM's first method is illustrated in the table below. This generates an annual need for 828 dwellings, which equates to 14,904 dwellings in the plan area over the 2025-43 plan period.

Table 3-3: East Hampshire Plan Area Standard Method Calculation

A: District-wide Local Housing Need (Calculated from Standard Method)	1,124
B: % of dwellings outside of SDNP (Calculated using Ordnance Survey Building Count)	73.7%
C: Plan-area housing need (C = A x B)	828

South Downs HEDNA Addendum (2025)

3.30 The AECOM report discussed above provides a top-down assessment of housing need within the SDNP – i.e. starting from need for entire districts and then apportioning it between areas within the SDNP and outside the SDNP. It responds to the revised standard method set out by Government in December 2024.

3.31 The South Downs HEDNA Addendum, prepared by Iceni for the South Downs National Park Authority (SDNPA), provides an alternative 'bottom up' assessment of housing need for the Park to inform setting a housing requirement within the National Park's Local Plan based on a set of principles agreed between the ten English National Park Authorities and the Broads Authority. It models the level of housing provision needed to support population growth of 200 persons per annum across the Park and concludes that this would require housing provision of 323 dpa (with 91 dpa of this in East Hampshire based on the proportion of the Park-wide housing stock in the District).

3.32 This assessment was developed to help inform policy judgements on the housing requirement in the Park, and does not consider the question of how much of the District's standard method housing need arises from within the Park area.

Discussion

3.33 Given the current status of the Standard Method as essentially mandatory for use in assessing housing need, a calculation of housing need in East Hampshire's local plan area should start from the entire district's Standard Method need. To derive a local need consideration then needs to turn to distribution approach between the local plan area and the SDNP.

3.34 As noted in the Council's legal advice and analysed in the AECOM study, there appear to be two potential options for deriving local housing need: using the housing stock breakdown and/or deriving bespoke affordability ratios.

3.35 As set out above, and in AECOM's study, there are multiple difficulties in using the data available to robustly derive local affordability ratios and it is unclear what data will be available in the future. As a result, there would be serious questions around the robustness of using this approach.

3.36 A further and important difficulty in attempting to use bespoke affordability ratios to derive local housing need is that the results for the portions of the district inside and outside of the SDNP will not sum to the district total housing need given by the Standard Method. This creates practical challenges for plan-making where issues of unmet need are relevant and there is a need for discussion and alignment of approaches across local authority boundaries.

3.37 For practical purposes, **we therefore consider that the sensible, most pragmatic and robust approach is to apportion housing need based on local housing stock distribution**. In line with AECOM's findings, this would generate a housing need for the East Hampshire local plan area of 828 dpa.

3.38 Given that median house prices within the SDNP are much higher than outside of it, and that there does not appear to be a dramatic difference in incomes, it is likely that the portion of East Hampshire outside of the SDNP would have a lower affordability ratio than the portion inside the SDNP. As a result, using bespoke affordability ratios would likely generate a lower housing need result for the East Hampshire local plan area. Nonetheless, this may not necessarily make a difference to East Hampshire's ultimate housing requirement, as East Hampshire District Council in developing its Local Plan for the plan area, would equally need to consider how it might assist in meeting any unmet need arising from the SDNP portion of the district, where this is consistent with achieving sustainable development.

3.39 More broadly, it is important to have a **consistent approach to apportioning housing need** for duty to co-operate purposes. This consideration would also support the apportionment of the District-wide housing need based on the housing stock split as set out in the AECOM study, which was produced with the co-operation of the SDNP Authority and all local authorities within which the SDNP lies.

Unmet Needs

3.40 The analysis above has considered the objectively assessed need for housing in the East Hampshire plan area, consistent with the NPPF and PPG. However, the housing requirement set in East Hampshire's local plan will also be influenced by a range of wider evidence. This includes unmet needs from neighbouring areas, which are required to be met (where this is consistent with sustainable development) under paragraphs 11(b) and 27(b) of the NPPF.

3.41 In particular there are likely to be unmet needs from the South Hampshire urban area and the South Downs National Park Authority and East Hampshire District Council will need to consider through the preparation of its Local Plan whether (and the extent to which) it can sustainable contribute to addressing these.

3.42 In their October 2025 Housing Background Paper, Portsmouth City Council notes recent joint work with Gosport Borough Council and Havant Borough Council which has identified an unmet housing need across the three authorities of 18,347 homes. EHDC has received a request to contribute to this housing supply shortfall.

3.43 There may also be unmet needs from the South Downs National Park Authority which East Hampshire may be requested to meet a portion of. The emerging Plan (which is due to progress to Regulation 19 consultation in Spring 2026) envisages housing provision of 323 dpa across the Park area; which falls substantially below the standard method housing need for the Park area within the AECOM evidence.

3.44 It will be a matter for EHDC to test through the plan-making process whether (and as appropriate what portion of) this unmet need, and any other relevant unmet needs, can be sustainably met within the East Hampshire local plan area. The potential unmet needs associated with local authorities and South Downs National Park should both be considered in deriving the housing requirement in preparing the local plan.

Demographic Implications of the Standard Method

3.45 A demographic model has been developed to look at the potential implications of delivery of 1,124 dwellings per annum in the 2025-43 period. This considers the levels of migration likely to be needed to fill homes and also the possibility of seeing higher levels of household formation in younger age groups (where there is evidence of a historical constraint in formation). The key assumptions in the modelling are:

- Taking the 2022-based subnational population projections (SNPP) as a start point – this includes data on birth and death rates as well as migration;
- Updating this projection to take account of mid-year population data to 2024 (looking at more recent data about births, deaths and migration);
- Rolling this revised projection forward by a year to get to a base as of 2025;
- Data about the communal population and household formation is taken from the 2021 Census with the formation rates for the population aged Under 45 assumed to return to the levels seen in 2001 – this age group having seen a decline in household representation when compared with 2001;
- It is assumed that around 3% of new stock will be vacant at any time (to allow for movement within the stock). This means that for 1,124 dpa it is assumed there would be household growth of approximately 1,091 per annum; and
- The modelling then flexes migration estimates so there is a sufficient population to fill the additional homes (i.e. population required to generate 1,091 additional households per annum over an 18-year period).

3.46 The District's population is projected to increase by 34,600 people over the 2025-43 period in the resultant projection, with this increase being particularly strong in the 16-64 age group, although the highest proportionate change is projected in the 65 and over age group (40% of the growth is projected to be in age groups 65 and over, with this group increasing by 42%). There is also projected to be an increase in the number of children. The two tables below show projected changes by age: the first table shows broad age bands and the second is in 5-year bands.

Table 3-4: Projected population change 2025 to 2043 by broad age bands – East Hampshire District

	2025	2043	Change in population	% change
Under 16	22,428	24,862	2,434	10.9%
16-64	76,295	94,814	18,519	24.3%
65 and over	32,527	46,211	13,684	42.1%
Total	*131,250*	*165,887*	*34,637*	*26.4%*

Source: Iceni analysis

Table 3-5: Projected population change 2025 to 2043 by 5-year age bands – East Hampshire District

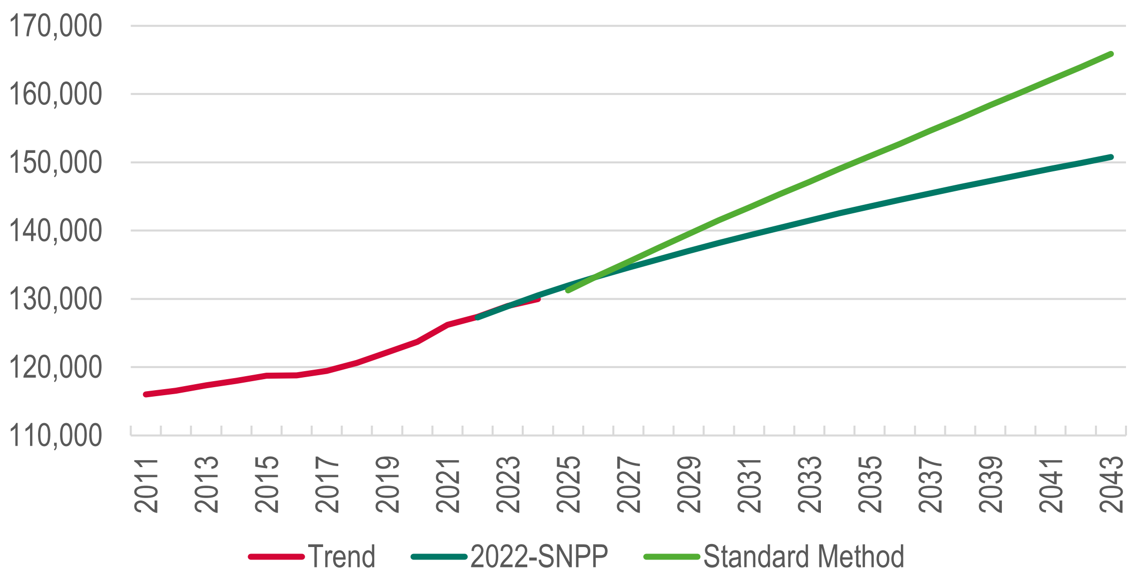
	2025	2043	Change in population	% change
0-4	5,754	7,435	1,681	29.2%
5-9	7,050	7,748	699	9.9%
10-14	7,960	8,029	69	0.9%
15-19	7,372	7,629	257	3.5%
20-24	5,049	6,443	1,394	27.6%
25-29	6,004	8,342	2,338	38.9%
30-34	7,115	9,652	2,536	35.6%
35-39	7,978	10,490	2,512	31.5%
40-44	7,936	10,374	2,439	30.7%
45-49	8,110	11,238	3,128	38.6%
50-54	9,089	11,636	2,547	28.0%
55-59	9,692	10,723	1,031	10.6%
60-64	9,615	9,938	323	3.4%
65-69	8,351	9,110	759	9.1%
70-74	6,984	9,856	2,872	41.1%
75-79	7,343	9,582	2,239	30.5%
80-84	4,957	8,069	3,111	62.8%
85 & over	4,892	9,595	4,703	96.1%
Total	*131,250*	*165,887*	*34,637*	*26.4%*

Source: Iceni analysis

3.47 Below are a series of charts showing past trends and projected population growth and key components of change for each projection linking to the Standard Method. For comparison, data has also been provided from the 2022-based SNPP. The first figure looks at overall population growth, before considering natural change and net migration.

3.48 The analysis suggests the population of East Hampshire could rise to 165,900 by 2043, up from an estimated 131,300 in 2025 – which represents a 26.4% increase, or 1.4% per annum. For comparison, between 2011 and 2024 the population increased by an average of around 0.9% per annum (1.3% over the past 5-years) and so housing provision in line with the Standard Method would be projected to provide a higher level of population growth than recent past trends.

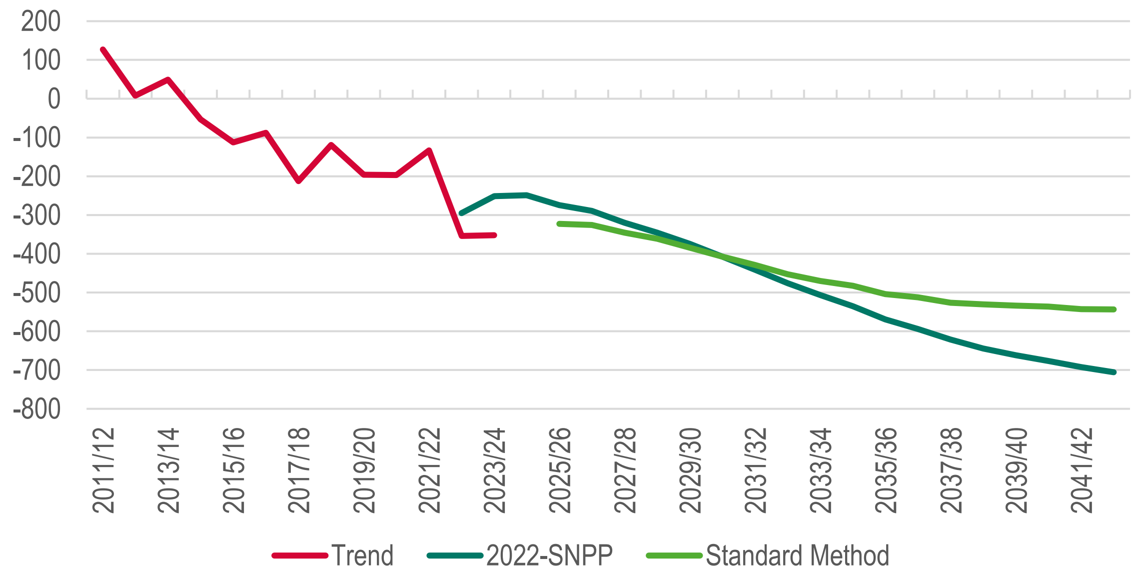
Figure 3-3: Past trends and projected population – East Hampshire



Source: ONS and Iceni analysis

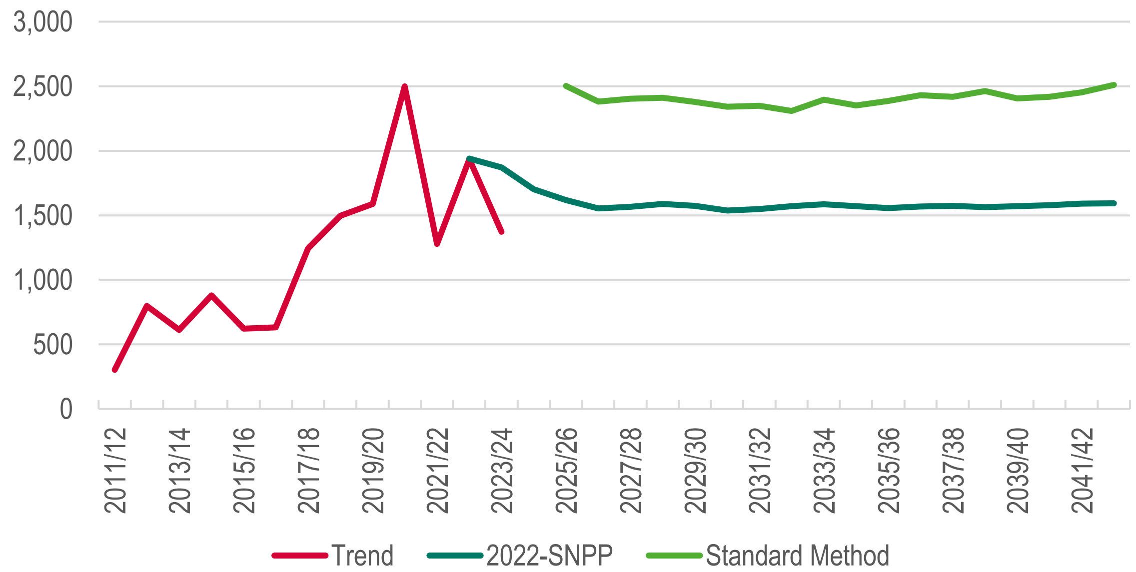
3.49 The figures below show projected natural change and net migration under the scenarios. Focussing on net migration, the analysis suggests with delivery linked to the Standard Method net migration would average around 2,400 per annum over the 2025-43 period – this is higher than seen in any year in the past trend data looking back to 2011, apart from 2020/21.

Figure 3-4: Past trends and projected natural change – East Hampshire



Source: ONS and Iceni analysis

Figure 3-5: Past trends and projected net migration – East Hampshire



Source: ONS and Iceni analysis

3.50 The above demographic growth is however contingent on housing provision in line with the standard method across the District being capable of being sustainably delivered. Given that a substantial proportion of the District falls within the National Park, it may be that some unmet need from the Park area could arise. East Hampshire

District Council will need to consider if it can sustainably accommodate any unmet need (and what scale of contribution can be sustainably accommodated) in bringing evidence together through the plan-making process.

Standard Method Projection for Local Plan Area

3.51 As well as developing a projection for the whole of the District, a similar exercise has been carried out just focusing on the Local Plan area – i.e. that part of East Hampshire outside of the National Park. This is based on a housing need of 828 dwellings per annum based on calculations undertaken by AECOM.

3.52 The method used is broadly the same as for the District as a whole (as described above) with adjustments made to the base position using data for the Local Plan Area area (based on a best-fit Output Areas (OAs). This in particular provides a localised age structure which is then used as a starting point for projections.

3.53 The table below shows a comparison between the age structure estimated for 2022 for the Local Plan A rea, the district and the National Park area of the district. This data has been based on 2022 mid-year population estimates (which were the latest available at small area level at the time of analysis). The key message from this analysis is the slightly older age structure in the Park when compared with the Local Plan Area, although differences are arguably not substantial.

Table 3-6: Estimated population profile (2022) – summary age bands

	Local Plan Area		National Park		District	
	Population	% of population	Population	% of population	Population	% of population
Under 16	16,369	17.5%	5,698	16.8%	22,067	17.3%
16-64	55,448	59.4%	19,485	57.4%	74,933	58.9%
65+	21,538	23.1%	8,747	25.8%	30,285	23.8%
All Ages	93,355	100.0%	33,930	100.0%	127,285	100.0%

Source: ONS

3.54 The resultant projection developed for the plan area shows a projected population increase of 25,300 people over the 2025-43 period (a 26% increase) with changes by age structure being broadly similar to the District-wide projection. The two tables below show projected changes by age -the first table shows broad age bands and the second is in 5-year bands.

Table 3-7: Projected population change 2025 to 2043 by broad age bands – East Hampshire Local Plan Area

	2025	2043	Change in population	% change
Under 16	16,718	18,542	1,824	10.9%
16-64	57,054	70,869	13,815	24.2%
65 and over	23,193	32,889	9,696	41.8%
Total	*96,964*	*122,300*	*25,336*	*26.1%*

Source: Iceni analysis

Table 3-8: Projected population change 2025 to 2043 by 5-year age bands – East Hampshire Local Plan Area

	2025	2043	Change in population	% change
0-4	4,461	5,743	1,282	28.7%
5-9	5,308	5,817	509	9.6%
10-14	5,812	5,856	45	0.8%
15-19	5,187	5,369	182	3.5%
20-24	3,993	5,079	1,085	27.2%
25-29	4,803	6,628	1,824	38.0%
30-34	5,633	7,602	1,968	34.9%
35-39	6,123	8,023	1,901	31.0%
40-44	5,904	7,697	1,793	30.4%
45-49	5,873	8,119	2,246	38.2%
50-54	6,624	8,472	1,848	27.9%
55-59	7,080	7,815	735	10.4%
60-64	6,971	7,191	221	3.2%
65-69	5,964	6,497	533	8.9%
70-74	5,044	7,112	2,068	41.0%
75-79	5,214	6,800	1,587	30.4%
80-84	3,542	5,757	2,215	62.6%
85 & over	3,430	6,723	3,293	96.0%
Total	*96,964*	*122,300*	*25,336*	*26.1%*

Source: Iceni analysis

Relationship Between Housing and Economic Growth

3.55 The analysis to follow considers the relationship between housing and economic growth; seeking to understand what level of jobs might be supported by changes to the local labour supply (which will be influenced by population change). The analysis is mainly District-wide, but with some data provided for the Local Plan Area.

3.56 To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:

- Estimate changes to the economically active population (this provides an estimate of the change in labour-supply);
- Overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment; and
- Bringing together this information will provide an estimate of the potential job growth supported by the population projections.

Growth in Resident Labour Supply

3.57 The approach taken in this report is to derive a series of age and sex specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach, with data being drawn in this instance from the Office for Budget Responsibility's (OBR's) March 2025 Economic and Fiscal Outlook. The OBR data shows changes in economic participation by age over time, with changes from this being applied to 2021 Census data on economic participation (by age) for East Hampshire.

3.58 The OBR forecasting approach uses a cohort-based model to take provide an initial baseline for how population participation rates could evolve over time and data on historical changes to economic participation from the ONS Labour Force Survey. It additionally takes account of changes in State Pension Age which may result in the timings of workforce exits as people leave the labour force changing relative to historical behaviour; but models that the impacts of this will be greater for those cohorts which are further from retirement as the changes are implemented. The result is a forecast for the participation rate which sits midway between a modelling assumption of no state pension age changes; and a full impact of state pension age changes on participation.

3.59 OBR then applies a number of sense checks in drawing conclusions including considering trends in inactivity (including long-term sickness) which mean for instance that its implied changes to participation rates for those aged 50-64 remain below its pre-pandemic forecasts. However, OBR also considers the potential for higher numbers of women in the workforce linked to falling birth rates and policy measures to support childcare provision.

3.60 The table below shows the resultant assumptions on changes to economic participation by age for the District. The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes to pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

Table 3-9: Projected changes to economic activity rates (2025 and 2043) – East Hampshire District

	2025	2043	Change
16-19	35.2%	35.4%	0.2%
20-24	84.9%	86.0%	1.0%
25-29	88.3%	87.8%	-0.5%
30-34	94.4%	90.6%	-3.8%
35-39	89.8%	89.7%	-0.1%
40-44	88.5%	89.3%	0.8%
45-49	89.5%	93.4%	3.8%
50-54	90.6%	90.3%	-0.4%
55-59	81.6%	82.9%	1.3%
60-64	66.3%	72.1%	5.8%
65-69	34.6%	47.6%	13.0%
70-74	13.8%	21.2%	7.4%
75+	4.6%	5.7%	1.1%

Source: Based on OBR and Census (2021) data

3.61 Working through an analysis of age and sex specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the area – this is set out in the table below and shows the increase in the economically active population is projected to be up to 20,100 (a 30% increase) across the District.

Table 3-10: Estimated change to the economically active population (2025-43) – East Hampshire

	Economically active (2025)	Economically active (2043)	Total change in economically active	% change
OBR EAR	66,471	86,568	20,097	30.2%

Source: Iceni Analysis

Linking Changes in Resident Labour Supply to Job Growth

3.62 The analysis above has set out potential scenarios for the change in the number of people who are economically active. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

Commuting Patterns

3.63 The table below shows summary data about commuting to and from East Hampshire from the 2011 and 2021 Census. Data from both sources is used as the 2011 data is quite old, but the 2021 data could be influenced by the COVID-19 pandemic.

3.64 Overall, from both sources the data shows a level of net out-commuting (around 21% more people) living in the area who are working (regardless of where they work) than who work in the area (a lower figure of 6% in 2021). This is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

3.65 When comparing the two sources it is worth reflecting on a large increase in the number of home workers (or those of no fixed workplace) in 2021 compared with 2011. In 2011, a total of 14,200 people were recorded as home workers or with no fixed workplace; in 2021 this figure had increased by more than double (to 32,500). As the country has moved away from the pandemic, it is likely that this figure will have since fallen, with possible implications on commuting dynamics.

Table 3-11: Commuting Patterns – East Hampshire

	2011	2021
Live and Work in District	19,022	13,285
Home Workers or No Fixed Workplace	14,243	32,548
In Commute	15,505	12,521
Out Commute	25,712	15,894
Total Working in LA	48,770	58,354
Total Living in LA and Working Anywhere	58,977	61,727
Commuting Ratio	1.209	1.058

Source: Census 2011, 2021

3.66 The analysis below looks at both sets of Census data with a further sensitivity of a balanced (1:1) commuting ratio (i.e. the increase in the number of people working in the area is equal to the number of people living in the area who are working).

Double Jobbing

3.67 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) for the past 5-years (for which data exists) suggests across East Hampshire that typically about 7.2% of workers have a second job. It has therefore been assumed that around 7.2% of people will have more than one job moving forward – this means the number of jobs supported by the workforce will be around 7.2% higher than workforce growth. It has been assumed in the analysis that the level of double jobbing will remain constant over time.

Unemployment

3.68 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. The latest model-based unemployment data from the Annual Population Survey (for July 2024-June 2025) puts unemployment at around 3.1% which is a level below the national average of 4.1%. On the basis of this data, it is considered there is unlikely to be any significant latent labour supply and so no further adjustment is made to the data to take account of unemployment.

Jobs Supported by Growth in the Resident Labour Force

3.69 The table below shows how many additional jobs could potentially be supported by population growth under the different projection scenarios.

It is estimated that between 17,900 and 21,700 additional jobs could be supported depending on the assumptions made about commuting and economic activity if housing provision in line with the standard method was achieved across the District – all figures for the 2025-43 period.

Table 3-12: Jobs supported by demographic projections (2025-43) – East Hampshire

	Total change in economically active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
2021 commuting	20,097	21,657	20,473
2011 commuting	20,097	21,657	17,909
1:1 commuting	20,097	21,657	21,657

Source: Iceni analysis

Data for the Plan Area

3.70 As well as looking at changes in the economically active population and the number of jobs supported for the whole District a similar analysis has been undertaken linked to the projections for the plan area. For this the same District-wide assumptions about economic activity, commuting and double jobbing have been used with the table below showing between 13,200 and 16,000 jobs could be supported by changes to the economically active population based on a Standard Method figure of 828 dwellings per annum (2025-43).

Table 3-13: Jobs supported by demographic projections (2025-43) – East Hampshire Local Plan Area

	Total change in economic-ally active	Allowance for double jobbing	Allowance for net commuting (= jobs supported)
2021 commuting	14,859	16,012	15,137
2011 commuting	14,859	16,012	13,241
1:1 commuting	14,859	16,012	16,012

Source: Iceni analysis

3.71 Iceni note that whilst there is an ambition from the Council to seek to reduce out-commuting from the District, and that higher housing provision will support additional population growth in consumer-related sectors (such as health, education, retail and leisure etc.), the above labour supply analysis points to a potential volume of jobs supported which sits significantly above trend-based labour demand forecasts.

3.72 The commuting dynamics seen in the District are however influenced by its geography – which is more of a rural area sitting between a number of larger economic centres (including Portsmouth, Winchester, Guildford, Basingstoke and the Blackwater Valley) which are better connected to the strategic road network.

Overall Housing Need: Key Implications

The Government's overall standard method defines a need for 1124 dwellings per annum (dpa) across East Hampshire District. To derive a figure for the plan area, this is split between this and the area within the South Downs National Park based on the ratio of housing stock between them. This generates a need for 828 dpa for the plan area.

The analysis concludes that this is the most appropriate, pragmatic and robust approach to derive a housing need figure for the plan area, ensuring that the assessment of housing need can be aligned with other areas – in particular with that of the National Park Authority – and readily updated. We find that there is not a robust basis on which disaggregate relative differences in affordability.

The evidence indicates that housing provision in line with the standard method for the plan area will support population growth of around 25,300 persons over the plan period 2025-43, representing 26% growth.

It is for the local plan to test whether this level of housing provision can be sustainably accommodated, and the potential to contribute to meeting unmet need from neighbouring areas. It will need to do through bringing together evidence and testing options through the Integrated Impact Assessment (IIA) process.

4. Affordable Housing Need

4.1 This section provides an assessment of the need for affordable housing in East Hampshire. The analysis follows the methodology set out in Planning Practice Guidance (Sections 2a-018 to 2a-024) and looks at the need from households unable to buy OR rent housing; and also from households able to afford to rent privately but not buy (although such households do not really have a need for affordable housing as they can afford the market). The analysis covers both the Planning Authority area and the National Park.

Overview of Method

4.2 In summary, the methodology looks at a series of stages as set out below:

- Current affordable housing need (annualised so as to meet the current need over a period of time);
- Projected newly forming households in need;
- Existing households falling into need; and
- Supply of affordable housing from existing stock

4.3 The first three bullet points above are added together to identify a gross need, from which the supply is subtracted to identify a net annual need for additional affordable housing. Examples of different affordable housing products are outlined in the box below.

4.4 It is noted that affordable housing is defined in the December 2024 NPPF (Annex 2), as are a number of affordable housing types. The outline of affordable housing products in the box below is consistent with these definitions.

Affordable Housing Definitions

Social Rented Homes – are homes owned by local authorities or private registered providers for which rents are determined by the national rent regime (through which a formula rent is determined by the relative value and size of a property and relative local income levels). They are low cost rented homes.

Affordable Rented Homes – are let by local authorities or private registered providers to households who are eligible for social housing. Affordable rents are set at no more than 80% of the local market rent (including service charges).

Rent-to-Buy – where homes are offered, typically by housing associations, to working households at an intermediate rent which does not exceed 80% of the local market rent (including service charges) for a fixed period after which the household has the change to buy the home.

Shared Ownership – a form of low cost market housing where residents own a share of their home, on which they typically pay a mortgage; with a registered provider owning the remainder, on which they pay a subsidised rent.

Discounted Market Sale – a home which is sold at a discount of at least 20% below local market value to eligible households; with provisions in place to ensure that housing remains at a discount for future households (or the subsidy is recycled).

First Homes – a form of discounted market sale whereby an eligible First-time Buyer can buy a home at a discount of at least 30% of market value. Councils are able to set the discounts and local eligibility criteria out in policies.

Assessing Affordability

4.5 An important first part of the affordable needs modelling is to establish the entry-level costs of housing to buy and rent. The affordable housing needs assessment compares prices and rents with the incomes of households to establish what proportion of households can meet their needs in the market, and what proportion require support and are thus defined as having an 'affordable housing need'. For the purposes of establishing affordable housing need, the analysis focuses on overall housing costs (for all dwelling types and sizes).

4.6 The table below shows estimated current prices to both buy and privately rent a lower quartile home in the District (excluding newbuild sales when looking at house prices). Across all dwelling sizes the analysis points to a lower quartile price of £315,000 and a private rent of £1,250 per month.

Table 4-1: Estimated lower quartile cost of housing to buy (existing dwellings) and privately rent (by size) – East Hampshire

	To buy	Privately rent
1-bedroom	£165,000	£900
2-bedrooms	£235,000	£1,250
3-bedrooms	£350,000	£1,750
4-bedrooms	£495,000	£2,100
All dwellings	£315,000	£1,250

Source: Land Registry and Internet Price Search

4.7 The table below shows how prices and rents vary by location. The analysis shows some variation in prices and rents with these estimated to be highest in the National Park and lowest in the North East.

Table 4-2: Lower Quartile Prices and Market Rents, by sub-area

	Lower quartile price (existing dwellings)	Lower Quartile rent, pcm
North East	£290,000	£1,175
North West	£310,000	£1,225
Southern Parishes	£325,000	£1,250
SDNP	£350,000	£1,325
Average	£315,000	£1,250

Source: Land Registry and Internet Price Search

4.8 Next it is important to understand local income levels as these (along with the price/rent data) will determine levels of affordability (i.e. the ability of a household to afford to buy or rent housing in the market without the need for some sort of subsidy). Data about total household income has been based on ONS modelled income estimates, with additional data from the English Housing Survey (EHS) being used to provide information about the distribution of incomes. Data has also been drawn from the Annual Survey of Hours and Earnings (ASHE) to consider changes since the ONS data was published.

4.9 Overall, the average (mean) household income across East Hampshire is estimated to be around £67,300, with a median income of £57,900; the lower quartile income of all households is estimated to be £33,900. There are only modest differences between areas with the range of median incomes going from £55,400 in the Southern Parishes, up to £59,900 in the North West sub-area.

Table 4-3: Estimated average (median) household income

	Median income	As a % of District average
North East	£58,500	101%
North West	£59,900	103%
Southern Parishes	£55,400	96%
SDNP	£57,200	99%
TOTAL	£57,900	-

Source: Iceni analysis

4.10 To assess affordability, two different measures are used; firstly to consider what income levels are likely to be needed to access private rented housing and secondly to consider what income level is needed to access owner occupation. This analysis therefore brings together the data on household incomes with the estimated incomes required to access private sector housing. For the purposes of analysis, the following assumptions are used:

- Rental affordability – a household should spend no more than 35% of their income on rent; and
- Mortgage affordability – assume a household has a 10% deposit and can secure a mortgage for four and a half times (4.5×) their income.

Need for Affordable Housing

4.11 The sections below work through the various stages of analysis to estimate the need for affordable housing in the District and sub-areas. Final figures are provided as an annual need (including an allowance to deal with current need). As per 2a-024 of the PPG, this figure can then be compared with likely delivery of affordable housing.

Current Need

4.12 In line with PPG paragraph 2a-020, the current need for affordable housing has been based on considering the likely number of households with one or more housing problems (housing suitability). The table below sets out estimates of the number of households within each category. This shows an estimated 2,400 households as living in 'unsuitable housing'. Around 260 of those in 'unsuitable housing' (across the District) currently have no accommodation (homeless or concealed households).

Table 4-4: Estimated number of households living in unsuitable housing (or without housing)

	Concealed and homeless households	Households in over-crowded housing	Existing affordable housing tenants in need	Households from other tenures in need	TOTAL
North East	100	329	45	273	748
North West	73	281	45	261	660
Southern Parishes	38	132	19	160	348
SDNP	50	221	38	306	616
TOTAL	261	963	147	1,000	2,371

Source: Iceni analysis

4.13 In taking this estimate forward, the data modelling next estimates the need by tenure and considers affordability. It is estimated that around 55% of those households identified above are unlikely to be able to afford market housing to buy – therefore an estimated current need from around 1,300 households. From this estimate, households living in affordable housing are excluded (as these households would release a dwelling on moving and so no net need for affordable housing will arise) and the total current need is estimated to be 764 households.

4.14 For the purposes of analysis, it is assumed that the Council would seek to meet this need over a period of time. Given that this report typically looks at needs in the period from 2025 to 2043, the need is annualised by dividing by 18 (to give an annual need for around 42 dwellings). This does not mean that some households would be expected to wait 18-years for housing as the need will be dynamic, with households leaving the current need as they are housed but with other households developing a need over time.

4.15 The table below shows this data for sub-areas – this is split between those unable to rent OR buy and those able to rent but NOT buy. Given the pricing of housing in the District, this analysis shows a more modest need for those able to rent but not buy and in all cases the number unable to rent OR buy is notably higher.

Table 4-5: Estimated current affordable housing need by affordability

	Number in need (excluding those in AH)	Annualised		
		TOTAL	Unable to rent OR buy	Able to rent but NOT buy
North East	235	13	10	3
North West	196	11	8	3
Southern Parishes	108	6	5	1
SDNP	225	13	9	3
TOTAL	764	42	32	10

Source: Iceni analysis

Projected Housing Need

4.16 Projected need is split between newly forming households who are unable to afford market housing and existing households falling intro need. For newly-forming households a link is made to demographic modelling with an affordability test also being applied.

4.17 Overall it is estimated that around 988 new households would form each year and over two-fifths will be unable to afford buy market housing; this equates a total of 618 newly forming households will have a need per annum on average – the majority are households unable to rent OR buy.

Table 4-6: Estimated Need for Affordable Housing from Newly Forming Households (per annum)

	Number of new households	% unable to afford to buy	Annual newly forming households unable to afford to buy	Unable to rent OR buy (per annum)	Able to rent but NOT buy (per annum)
North East	317	57.6%	183	119	64
North West	263	59.9%	158	101	56
Southern Parishes	171	66.8%	114	75	40
SDNP	237	69.1%	163	107	57
TOTAL	988	62.6%	618	402	216

Source: Projection Modelling/Affordability Analysis

4.18 The second element of newly arising need is existing households falling into need. To assess this, information about households entering the social/affordable rented sector housing has been used to represent the flow of households onto the Housing Register over this period. Following the analysis through suggests a need arising from 83 existing households each year – again most are households unable to buy OR rent.

Table 4-7: Estimated Need for affordable housing from Existing Households Falling into Need (per annum)

	Total Additional Need	Unable to rent OR buy	Able to rent but NOT buy
North East	21	17	5
North West	22	17	5
Southern Parishes	11	8	2
SDNP	30	24	6
TOTAL	83	65	18

Source: Iceni analysis

Supply of Affordable Housing Through Relets/Resales

4.19 The future supply of affordable housing through relets is the flow of affordable housing arising from the existing stock that is available to meet future need. This focusses on the annual supply of social/affordable rent relets. Information from CoRe and LAHS has been used to establish past patterns of social housing turnover. Data for three-years has been used (2021-22 to 2023-24).

4.20 The figures are for general needs lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock. On the basis of past trend data is has been estimated that 150 units of social/affordable rented housing are likely to become available each year moving forward.

Table 4-8: Analysis of Past Social/Affordable Rented Housing Supply, 2021/22 – 2023/24 (average per annum) – East Hampshire

	Total Lettings	% as Non-New Build	Lettings in Existing Stock	% Non-Transfers	Lettings to New Tenants
2021/22	344	79.9%	275	56.4%	155
2022/23	335	84.2%	282	65.7%	185
2023/24	222	76.6%	170	65.3%	111
Average	300	80.7%	242	62.0%	150

Source: CoRe/LAHS

4.21 It is also possible to consider if there is any supply of affordable home ownership products from the existing stock of housing. One source is likely to be resales of low-cost home ownership products with data from the Regulator of Social Housing showing a total stock in 2024 of 787 properties. If these homes were to turnover at a rate of around 6% (which is roughly the turnover of owner-occupied housing (those with a mortgage) as evidenced through the English Housing Survey) then they would be expected to generate around 47 resales each year. These properties would be available for these households and can be included as the potential supply. The total estimated supply is therefore 198 units per annum (150+47). The table below shows the estimated supply of affordable housing from relets/resales in each sub-area.

Table 4-9: Estimated supply of affordable housing from relets/resales of existing stock by sub-area (per annum)

	Social/affordable rented	LCHO	TOTAL
North East	46	15	61
North West	46	15	61
Southern Parishes	19	8	27
SDNP	39	9	49
TOTAL	150	47	198

Source: CoRe/LAHS/Census 2021

4.22 In the affordable home ownership sector there is arguably an additional (and significant) source of supply from resale market homes below a lower quartile price. Data from Land Registry shows around 1,540 resales of homes in the year to March 2025; therefore 385 homes were sold at or below the lower quartile price and could potentially make a contribution to meeting the needs of those in the 'gap' between renting and buying. However, a supply from this source has not been included in the analysis below but is considered when drawing conclusions.

4.23 The PPG model also includes the bringing back of vacant homes into use and the pipeline of affordable housing as part of the supply calculation. These have however not been included within the modelling in this report. Firstly, there is no evidence of any substantial stock of vacant homes (over and above a level that might be expected to allow movement in the stock). Secondly, with the pipeline supply, it is not considered appropriate to include this as to net off new housing would be to fail to show the full extent of the need, although in monitoring it will be important to net off these dwellings as they are completed.

Net Need for Affordable Housing

4.24 The table below shows the overall calculation of affordable housing need. The analysis shows that there is a need for 546 dwellings per annum across the District – an affordable need is seen in all sub-areas.

The affordable housing need for the plan area is 389 affordable homes per year.

4.25 The net need is calculated as follows:

Net need = Current Need (Allowance for)
+ Need from newly forming households
+ Existing households falling into need
- Supply of affordable housing

Table 4-10: Estimated Need for Affordable Housing (per annum)

	Current need	Newly forming house-holds	Existing house-holds falling into need	Total Gross Need	Relet/ resale supply	Net Need
North East	13	183	21	217	61	156
North West	11	158	22	190	61	129
Southern Parishes	6	114	11	131	27	104
SDNP	13	163	30	206	49	157
District Total	42	618	83	744	198	546
Plan Area Total	30	455	54	538	149	389

Source: Iceni analysis

4.26 This can additionally be split between households unable to afford to BUY or rent and those able to rent but not buy. For this analysis it is assumed the LCHO supply would be meeting the needs of the latter group, although in reality there will be a crossover between categories. For example, it is likely in some cases that the cost of shared ownership will have an outgoing below that for privately renting and could meet some of the need from households unable to buy or rent – the issue of access to deposits would still be a consideration.

4.27 The table below shows the affordable need figure split between the two categories. Across the whole District the analysis shows around 64% of households as being unable to buy OR rent with little variation across areas.

Table 4-11: Estimated Need for Affordable Housing (per annum) – split between different affordability groups

	Unable to buy OR rent	Able to rent but not buy	TOTAL	% unable to buy OR rent
North East	100	56	156	64%
North West	81	49	129	62%
Southern Parishes	69	35	104	66%
SDNP	100	57	157	64%
District Total	349	197	546	64%
Plan Area Total	250	140	389	64%

Source: Iceni analysis

4.28 These figures can also be standardised based on the size of each location (in this case linked to the number of households shown in the 2021 Census). This shows little variation, figures being slightly lower in the North West and highest in the National Park.

Table 4-12: Standardised level of affordable housing need

	Net Need	Estimated households (2021)	Net need per 1,000 households
North East	156	14,990	10.4
North West	129	13,870	9.3
Southern Parishes	104	9,485	10.9
SDNP	157	14,354	11.0
District Total	546	52,699	10.4
Plan Area Total	389	38,345	10.1

Source: Iceni analysis

Affordable Need and Overall Housing Need

4.29 The PPG[7] recognises that the need for different types of housing (in this case for affordable housing) may exceed, or be proportionally higher than the overall housing need figure calculated using the standard method. It explains that this reflects different methodologies, and this means that the figures are not directly comparable. At its simplest level, the overall housing need relates to the net growth in the housing stock, whereas the affordable housing need reflects in part a tenure imbalance within the existing housing stock (and indeed could partly be met through acquisitions to provide additional affordable homes).

4.30 The PPG on the one hand sets out that local authorities may consider increasing planned housing numbers where this can help to meet the identified affordable need. Specifically, the wording of the PPG (housing and economic needs) Ref ID 2a-024-20190220 states:

> *"The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes."*

[7] Reference ID: 67-001-20190722

4.31 However the PPG on the *housing needs of different groups*[8] equally indicates that there are wider considerations, including the viability issues, to take into account. It sets out that:

"Strategic policy-making authorities will need to consider the extent to which the identified needs of specific groups can be addressed in the area, taking into account:

- *The overall level of need identified using the standard method (and whether the evidence suggests that a higher level of need ought to be considered);*
- *The extent to which the overall housing need can be translated into a housing requirement figure for the plan period; and*
- *The anticipated deliverability of different forms of provision, having regard to viability.* "

4.32 The PPG is thus clear that the deliverability of different levels of affordable housing, which will be influenced by the plan's viability evidence, is a relevant factor in considering the extent to which the affordable housing needs can be met.

4.33 Comparing the affordable housing need identified in the plan area (389 homes a year) against the standard method figure of 828 dpa points to the affordable housing need equates to 47% of the need. This is lightly to be higher than the level of affordable housing provision which can be met through developer contributions alone.

4.34 Alongside the Council's viability evidence, it is important to recognise that the relationship between affordable housing need and overall housing need is complex with the calculations derived from separate models which are not directly comparable. The affordable modelling for instance contains a category in the projection of 'existing households falling into need'; these households already have accommodation and hence if they were to move to alternative accommodation, they would

[8] Reference ID: 67-001-20190722

release a dwelling for use by another household – there is, therefore, no net additional need arising.

4.35 Furthermore, part of this need (140 dpa) relates to an affordable need is a need from households able to rent in the market (but not buy). Technically, these households can afford market housing (to rent) and historically would not have been considered as having a need in assessments such as this – until recently only households unable to buy OR rent would be considered as having a need for affordable housing.

4.36 It should be noted that the need estimate is on a per annum basis and should not be multiplied by the plan period to get a total need. Essentially, the estimates are for the number of households who would be expected to have a need in any given year (i.e. needing to spend more than 30% of income on housing). In reality, some (possibly many) households would see their circumstances change over time such that they would 'fall out of need' and this is not accounted for in the analysis. One example would be a newly forming household with an income level that means they spend more than 30% of income on housing, as the household's income rises they would potentially pass the affordability test and therefore not have an affordable need. Additionally, there is the likelihood when looking over the longer-term that a newly-forming household will become an existing household in need and would be counted twice if trying to multiply the figures out for a whole plan period.

The Role of the Private Rented Sector (PRS)

4.37 The discussion above has already noted that the need for affordable housing does not generally lead to a need to increase overall provision (with the exception of potentially providing housing for concealed households although this should be picked up as part of an affordability uplift).

4.38 It is also important to consider how affordable need works in practice and the housing available to those who are unable to access market housing without Housing Benefit. The evidence clearly indicates that the Private Rented Sector (PRS) in providing housing for households who require financial support in meeting their housing needs should be recognised.

4.39 Whilst the Private Rented Sector (PRS) does not fall within the types of affordable housing set out in the NPPF (other than affordable private rent which is a specific tenure separate from the main 'full market' PRS), it has evidently been playing a role in meeting the needs of households who require financial support in meeting their housing need. Government recognises this and indeed legislated through the 2011 Localism Act to allow Councils to discharge their "homelessness duty" through providing an offer of a suitable property in the PRS.

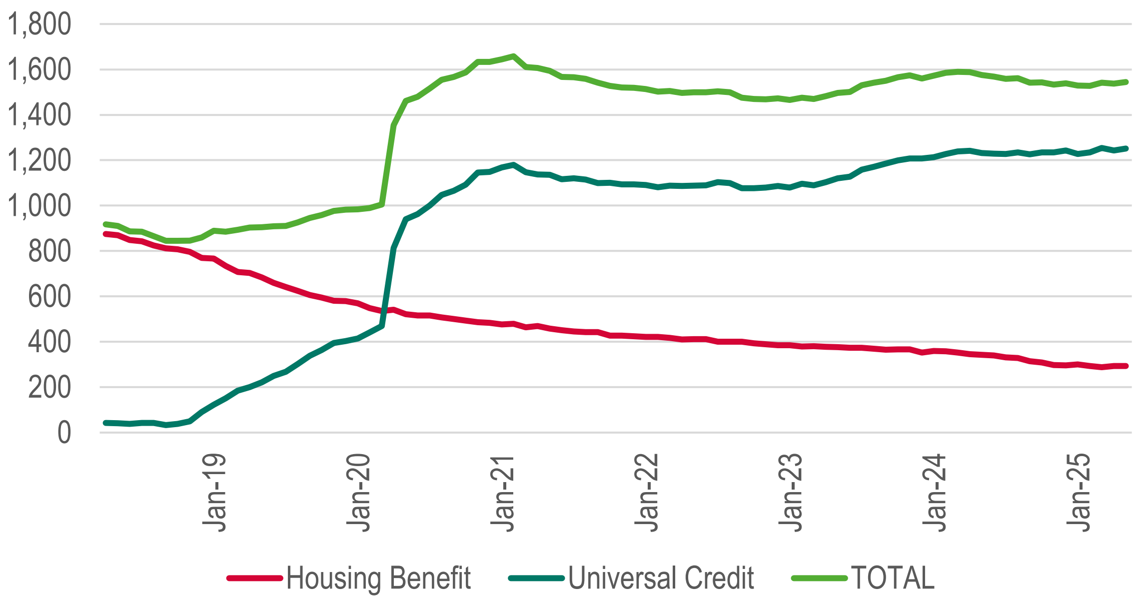
4.40 Data from the Department of Work and Pensions (DWP) has been used to look at the number of Housing Benefit supported private rented homes. As of May 2025, it is estimated that there were 1,545 benefit claimants in the Private Rented Sector in East Hampshire. From this, it is clear that the PRS contributes to the wider delivery of 'affordable homes' with the support of benefit claims.

4.41 Whilst the PRS is providing housing for some households, there are however significant risks associated with future reliance on the sector to meet an affordable housing need. The last couple of years have seen rents increase whilst Local Housing Allowance (LHA) levels have remained static. In the Autumn Statement 2023, the then Government increased the LHA rent to the 30th percentile of market rents (although this is based on existing rents and not rents likely to be payable by those moving home). Moving forward, the Renters Reform Act (2025) may also have some impact in restricting future supply of PRS properties to those in need; emphasising the need to support delivery of genuinely affordable homes.

4.42 The figure below shows the trend in the number of claimants in the District. This shows there has been an increase since March 2020, which is likely to be related to the Covid-19 pandemic. However, even the more historical data shows a notable number of households claiming benefit support for their housing in the private sector (typically around 900-1,000 households).

4.43 The data about the number of claimants does not indicate how many new lettings are made each year in the PRS. However, data from the English Housing Survey (EHS) over the past three years indicates that nationally around 7% of private sector tenants are new to the sector each year. If this figure is applied to the number of households claiming HB/UC then this would imply around 110 new benefit supported lettings in the sector each year.

Figure 4-1: Number of Housing Benefit/Universal Credit claimants in the PRS



Source: Department of Work and Pensions

4.44 Whilst we would not recommend including PRS supply as part of the modelling, not least as it is uncertain whether the availability of homes will remain at this level as well as concerns about the security of tenure, it is the case that the sector does provide housing and again the overall analysis does not point to the need to increase overall provision.

4.45 Whilst housing delivery through the Local Plan can be expected to secure additional affordable housing it needs to be noted that delivery of affordable housing through planning obligations is an important, but not the only means, of delivering affordable housing; and the Council should also work with housing providers to secure funding to support enhanced affordable housing delivery on some sites and through use of its own land assets.

Finding

4.46 Overall, it is difficult and not appropriate to directly link the need for affordable housing to the overall housing need. Delivery of housing provision in line with the standard method can be expected to support a substantial boost to the delivery of market and affordable housing in the District. The evidence overall does not provide a convincing case that higher housing provision to support affordable housing delivery is warranted. However the Council will need to consider in preparing its Local Plan the ability to contribute to meeting unmet needs; and one of the benefits of doing so will be to help support additional affordable housing delivery.

4.47 Regardless of the discussion above, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue across the District. It does, however, need to be stressed that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.

Need for Different Types of Affordable Housing

4.48 The analysis above has clearly pointed to a need for affordable housing, and particularly for households who are unable to buy OR rent in the market. There are a range of affordable housing options that could meet the need which will include rented forms of affordable housing (such as social or affordable rents) and products which might be described as intermediate housing (such as shared ownership or discounted market housing/First Homes). These are discussed in turn below.

Social and Affordable Rented Housing

4.49 The table below shows current rent levels in the District for a range of products along with relevant local housing allowance (LHA) rates. Parts of East Hampshire fall into five different Broad Rental Market Areas (BRMA) – Basingstoke, Blackwater Valley, Guildford, Portsmouth and Winchester with the range from these areas set out and used for comparative purposes. Data about average social and affordable rents has been taken from the Regulator of Social Housing (RSH) and this is compared with lower quartile market rents.

4.50 This analysis shows that social rents are lower than affordable rents and that affordable rents are well below lower quartile market rents. The LHA rates for all sizes of home are typically below lower quartile market rents for all sizes of accommodation. This does potentially mean that households seeking accommodation in many locations may struggle to secure sufficient benefits to cover their rent.

Table 4-13: Comparison of rent levels for different products – East Hampshire

	Social rent	Affordable rent (AR)	Lower quartile (LQ) market rent	LHA (range)
1-bedroom	£461	£618	£900	£693-£947
2-bedrooms	£549	£794	£1,250	£843-£1,222
3-bedrooms	£628	£940	£1,750	£997-£1,476
4-bedrooms	£687	£1,177	£2,100	£1,296-£1,973
ALL	£570	£788	£1,250	-

Source: RSH and VOA

4.51 To some extent it is easier to consider the data above in terms of the percentage one housing cost is of another and this is shown in the tables below. Focusing on 2-bedroom homes the analysis shows that social rents are significantly cheaper than market rents (and indeed affordable rents) and that affordable rents (as currently charged) represent (on average) 64% of a current lower quartile rent.

Table 4-14: Difference between rent levels for different products – East Hampshire

	Social rent as % of affordable rent	Social rent as % of LQ market rent	Affordable rent as % of LQ market rent
1-bedroom	75%	51%	69%
2-bedrooms	69%	44%	64%
3-bedrooms	67%	36%	54%
4-bedrooms	58%	33%	56%
ALL	72%	46%	63%

Source: RSH and VOA

4.52 The table below suggests that around 17% of households who cannot afford to rent privately could afford an affordable rent at 80% of market rents and a further 19% at current affordable rents. There are also an estimated 22% who can afford a social rent (but not an affordable one). A total of 41% of households would need some degree of benefit support (or spend more than 35% of income on housing) to be able to afford their housing (regardless of the tenure). This analysis points to a clear need for social rented housing.

Table 4-15: Estimated need for affordable rented housing (% of households able to afford to buy OR rent)

	% of households able to afford
Afford 80% of market rent	17%
Afford current affordable rent	19%
Afford social rent	22%
Need benefit support	41%
All unable to afford market	100%

Source: Iceni analysis

4.53 The analysis indicates that provision of around 65%-85% of rented affordable housing at social rents could be justified; albeit in setting planning policies, this will need to be considered alongside viability evidence. Higher provision at social rents will reduce the support through housing benefits required to ensure households can afford their housing costs. The lower end of the concluded range is also based on assuming new affordable rents would be provided at less than 80% of current lower quartile rents.

Intermediate Housing

4.54 As well as rented forms of affordable housing, the Council could seek to provide forms of intermediate housing with the analysis below considering the potential affordability of shared ownership and discounted market sale housing (which could include First Homes).

4.55 Generally, intermediate housing will be a newbuild product, sold at a discount (or on a part buy, part rent arrangement with shared ownership) and will therefore be based on the Open Market Value (OMV) of a new home.

Discounted Market Sale

4.56 To be affordable to a household unable to buy or rent housing, the cost to buy should be equivalent to the cost affordable to a household who can just afford private rented housing. An example is given below:

- A lower quartile 2-bedroom home is estimated to have a rent of £1,250 per month;
- If a household spends 35% of their income on housing then their income will be approximately £42,900 (£1,250/0.35*12);
- With an income of £42,900 a household could be expected to be able to afford a home costing around £214,000 (based on having a 10% deposit and a 4.5 times mortgage multiple); and
- This can be worked backwards to show a £214,000 home with a 10% deposit requires a mortgage for around £193,000. With a mortgage multiple of 4.5 this gives an income of around £42,900 (as shown above) – calculated as £193,000/4.5.

4.57 The table below therefore sets out a suggested maximum purchase price for affordable home ownership/First Homes by size. It works through first (on the left hand side) what the affordable price would be (based on a 10% deposit and a mortgage at 4.5 times' income). The right-hand side of the table then sets out what Open Market Value (OMV) this might support, based on a 30% discount.

4.58 Focussing again on 2-bedroom homes, it is suggested that an affordable price is no more than £214,000 and therefore the open market value of homes would need to be no more than £306,000 (if discounted by 30%).

Table 4-16: Affordable home ownership prices – East Hampshire

	What households able to rent but not buy could afford	Open Market Value (OMV) of Home with 30% Discount
1-bedroom	£154,000	£220,000
2-bedrooms	£214,000	£306,000
3-bedrooms	£300,000	£429,000
4-bedrooms	£360,000	£514,000

Source: Iceni analysis

4.59 It is difficult to definitively analyse the cost of newbuild homes as these will vary from site-to-site and will be dependent on a range of factors such as location, built-form and plot size. We have however looked at newbuild schemes currently advertised on Rightmove with the table below providing a general summary of existing schemes.

4.60 This analysis is interesting as it shows the median newbuild price to be above the top end of the OMV required to make homes affordable to those in the gap between buying and renting. That said, homes at the bottom end of the price range could potentially be discounted by 30% and considered as affordable. The analysis is also noteworthy for showing a very modest supply of smaller (1- and 2-bedroom) newbuild homes.

4.61 This analysis shows how important it will be to know the OMV of housing before discount to be able to determine if a product is going to be genuinely affordable in a local context – providing a discount of 30% will not automatically mean it becomes affordable housing.

Table 4-17: Estimated newbuild housing cost by size – East Hampshire

	No. of homes advertised	Range of prices	Median price
1-bedroom	8	£195,000-£300,000	£250,000
2-bedrooms	18	£250,000-£395,000	£345,000
3-bedrooms	41	£380,000-£775,000	£490,000
4-bedrooms	41	£445,000-£1,250,000	£575,000

Source: Iceni analysis

4.62 An alternative way of looking at the data is to ask what level of discount is required to make homes genuinely affordable and this is shown in the table below. The figures are based on the median newbuild prices and show the discount needed to achieve the affordable price previously calculated.

4.63 The table shows that typically a discount of around 40% would be needed to make homes affordable. Whilst it is arguably possible for discounts of this level to be provided, this would essentially be a subsidy that could potentially be spent in other ways (such as to support provision of social rented housing).

4.64 However, there may be specific circumstances where discounted market housing might be considered (e.g. to support viability or to provide a wider mix on site). In addition, it needs to be remembered the analysis in this report is based on estimated prices at a particular point in time and it is possible for housing to become more affordable relative to the existing market over time. There may also be specific schemes that are affordable relative to general costs across the area.

4.65 Overall, and on balance, it is considered the evidence does not support any significant need for First Homes (or other discounted market products) in a local context due to the cost of newbuild housing. However, there may be specific schemes where this type of housing could be supported – this would need to be dealt with on a site-by-site basis.

Table 4-18: Discount required to make affordable home ownership a 'genuinely affordable' product – East Hampshire

	Affordable price	Median newbuild	Discount required
1-bedroom	£154,000	£250,000	38%
2-bedrooms	£214,000	£345,000	38%
3-bedrooms	£300,000	£490,000	39%
4-bedrooms	£360,000	£575,000	37%

Source: Iceni analysis

Shared Ownership

4.66 The analysis below moves on to consider shared ownership, for this analysis an assessment of monthly outgoings has been undertaken with a core assumption being that the outgoings should be the same as for renting privately so as to make this tenure genuinely affordable. The analysis has looked at what the OMV would need to be for a shared ownership to be affordable with a 10%, 25% and 50% share. To work out outgoings the mortgage part is based on a 10% deposit (for the equity share) and a repayment mortgage over 25-years at 5% with a rent at 2.75% per annum on unsold equity.

4.67 The findings for this analysis are interesting and do point to the possibility of shared ownership being a more affordable tenure than discounted market housing (including First Homes).

4.68 By way of an explanation of this table (focussing on 2-bedroom homes) – if a 50% equity share scheme came forward then it is estimated the OMV could not be above £331,000 if it is to be genuinely affordable (due to the outgoings being in excess of the cost of privately renting). However, given the subsidised rents, the same level of outgoings could be expected with a 10% equity share but a much higher OMV of £483,000.

4.69 Although affordability can only be considered on a scheme by scheme basis, it is notable that we estimate a median 2-bedroom newbuild to cost around £345,000, this points to shared ownership an equity share of slightly under 50% as being genuinely affordable, although lower shares could increase the number of households able to afford. It does need to be remembered that this is all based on data from a single point in time.

Table 4-19: Estimated OMV of Shared Ownership with a 50%, 25% and 10% Equity Share by Size – East Hampshire

	50% share	25% share	10% share
1-bedroom	£238,000	£297,000	£348,000
2-bedroom	£331,000	£412,000	£483,000
3-bedroom	£463,000	£577,000	£676,000
4-bedrooms	£556,000	£692,000	£811,000

Source: Iceni analysis

4.70 Another way of looking at this data is to see what level of equity share might be needed to make shared ownership affordable and this is shown in the table below. Overall this points to shares generally in excess of 40% depending on size and location. Overall it is considered that shared ownership is likely to be a more affordable product than discounted market housing but that lower equity shares (lower than 50%) should be encouraged in any development.

Table 4-20: Estimated equity share required to make shared ownership affordable

	Maximum equity share
1-bedroom	44%
2-bedroom	45%
3-bedroom	43%
4-bedrooms	46%

Source: Iceni analysis

Shared Equity

4.71 Shared equity housing differs from shared ownership in that the purchaser acquires full title to the property, with an equity stake retained by a third party (e.g. a housing provider) rather than paying rent on an unsold share. The equity provider retains a fixed percentage interest in the property, realised on sale or redemption.

4.72 The above analysis on the level of discount needed to make discounted market sale products genuinely affordable can equally be applied to shared equity models. This means that a discount of between 35 – 40% would likely be needed to make ownership affordable to a household who can afford to rent but not buy. Higher levels of discount would increase the range of incomes able to access this housing product affordably.

4.73 While the level of discount required is comparable, shared equity differs from discount market sale in that the market discount is retained as an asset with value rather than being embedded as a permanent price reduction. This can reduce the net public subsidy required insofar as the retained equity is capable of being realised or recycled.

4.74 Stakeholder engagement indicates that shared equity products are being delivered in a limited number of cases within the District, typically involving initial purchase prices in the order of 65–75% of open market value (equivalent to discounts of c.25–35%). Where additional Council subsidy or s106 investment is available, deeper effective discounts have been achieved of up to 50% of market value.

Rent-to-Buy

4.75 A further affordable option is Rent to Buy; this is a Government scheme designed to ease the transition from renting to buying the same home. Initially (typically for five years) the newly built home will be provided at the equivalent of an affordable rent (approximately 20% below the market rate). The expectation is that the discount provided in that first five years is saved in order to put towards a deposit on the purchase of the same property. Rent to Buy can be advantageous for some households as it allows for a smaller ‘step’ to be taken on to the home ownership ladder.

4.76 At the end of the five-year period, depending on the scheme, the property is either sold as a shared ownership product or to be purchased outright as a full market property. If the occupant is not able to do either of these then the property is vacated.

4.77 In order to access this tenure, it effectively requires the same income threshold for the initial phase as a market rental property although the cost of accommodation will be that of affordable rent. The lower-than-market rent will allow the household to save for a deposit for the eventual shared ownership or market property. In considering the affordability of rent-to-buy schemes there is a direct read across to the income required to access affordable home ownership (including shared ownership). It should therefore be treated as part of the affordable home ownership products suggested by the NPPF.

Considering the Potential Policy Response

4.78 It is not possible through the housing needs assessment to set out the amount of affordable housing to be required through policy as this will largely depend on the viability of provision. We do however note the current policy position in Joint Core Strategy Policy CP13 which is a general target of 40% (35% in Whitehill and Bordon) with a tenure split to be negotiated on a site-by-site basis.

4.79 The Draft Supplementary Planning Document (SPD) of March 2025 does however note that ‘as preference, the Council will likely seek 70% of the affordable housing provision as affordable housing for rent and 30% as other affordable home ownership products’ and ‘it is also the preference for a minimum 25% of the 70% affordable housing for rent to be social rent'.

4.80 It is considered that a 40% overall target could provide a good start point for viability testing and that this report can provide further advice on the tenure split, particularly in light of the December 2024 NPPF which says (in paragraph 64) that *'planning policies should specify the type of affordable housing required (including the minimum proportion of Social Rent homes required)'.*To note, the proposed higher overall target would be subject to viability assessment as part of the plan-making process.

4.81 The profile of affordable housing delivered in the District over the last decade is shown below. Affordable housing supply has averaged 154 affordable homes a year in gross terms, with 70% being for rented stock (8% social rent, 62% affordable rent) and 30% being of intermediate housing. We would` expect that much of the 'affordable home ownership' supply has been of shared ownership homes in addition to those in the shared ownership category.

Table 4-21: Profile of Affordable Housing Delivery in East Hampshire, 2014-24

	Number	Proportion
Social Rent	119	8%
Affordable Rent	952	62%
Intermediate Rent	10	1%
Shared Ownership	290	19%
Affordable Home Ownership	172	11%
Total	1,543	100%

Source: MHCLG Live Table 1011C

4.82 Analysing the funding sources for the delivery of affordable homes in this period, we find that 59% has been delivered on a nil grant basis through S106 agreements, with the remainder delivered supported by different public funding sources or RPs' own delivery programmes.

Table 4-22: Funding Sources for Affordable Housing Delivery in East Hampshire, 2014-24

	Affordable Homes	% Total
S106 nil grant	917	59%
Homes England Grant funded	233	15%
Affordable homes guarantees	251	16%
PRP other funding	90	6%
S106 part grant	15	1%
Right-to-buy Recycled Receipts	8	1%
Other	29	2%
Total	1,543	100%

Source: MHCLG Live Table 1011C

4.83 Overall it is recommended the Council consider seeking a split between rented and intermediate housing in an 70/30 ratio. This is considered justified as those households with a need for rented products are more likely to have acute needs and fewer options in the housing market.

4.84 Whilst the main analysis in this report identified a split of 64:36 between those unable to buy OR rent and those able to rent but not buy, it was noted that these figures do not include the sizeable amount of market housing available for sale at a price below the lower quartile and which could be available for some households in the latter group.

4.85 In terms of more specific types of affordable housing, the analysis suggests between 22-61% of rented homes should be at social rents (the rest at affordable rents) with the range influenced by the extent to which households supplement their income by housing benefit. This provides clear support for the continuation of the current policy approach of seeking a minimum of 25% of rented homes at social rent levels, and suggests that this could be increased – particularly given the likely focus of the forthcoming National Affordable Homes Programme on social rented provision.

4.86 The analysis also suggests there is unlikely to be a role for discounted market housing (including First Homes) with the main focus likely to be on shared ownership or equity (and possibly rent-to-buy housing). The evidence indicates that there has been a single rent-to-buy scheme in the District in recent years, which is in Bordon, but which has performed well but there is not enough evidence to point clearly to a strong market. We would expect the focus of affordable home ownership delivery to be on shared ownership.

4.87 The following table sets out a suggested tenure split based on the evidence in this report. This would still be subject to viability and also the potential for alternative choices to be made by the Council – balancing need, viability considerations and policy priorities.

4.88 Overall, the recommendation is for an 70:30 split, with a minimum of 25% of affordable housing being at social rents; and intermediate housing focused on shared ownership and rent-to-buy; no targets are suggested for discounted market sale or First Homes. The categories used in the table below are consistent with the affordable housing definitions set out in Annex 2 of the NPPF.

Table 4-23: Suggested mix of affordable housing by tenure

Type of affordable housing	Recommended Target (subject to viability)
Rented affordable housing	70%
Of which min. social rent	*25%*
Intermediate housing (focused shared ownership/ shared equity)	30%

Source: Iceni analysis

Boosting Affordable Housing Delivery

4.89 There are clear short-term challenges associated with the delivery of affordable housing. These relate in particular to the degree to which RPs are bidding for and taking up S106 affordable housing packages. These issues are influenced by a variety of factors which include:

- A reorientation of RPs towards investment in existing social housing stock to meet decent homes standards, in particular influenced by the provisions of Awaab's Law, which came into force in October 2025, and fundamentally changes how social landlords must respond to damp, mould and other serious hazards in tenants' homes. Government reports that this has led to a 55% increase in spend by housing associations on repair and maintenance, which is clearly positive but impacts on resources available for new development.

- Higher development costs in recent years, which include both higher construction costs for new homes (which have risen notably since 2020) together with higher finance costs for development linked to interest rates. Inflation has also increased operational costs; together putting pressure on limited financial resources.

4.90 In our engagement, RPs and affordable housing developers also highlighted difficulties in obtaining planning permission for schemes due to land constraints in places like East Hampshire (with a limited pool of sites available), in some cases as a result of responses from statutory consultees.

4.91 In this context, many RPs have seen their budgets for new development activity shrink and these budgets do not go as far as they used to. RPs in this context have been prioritising direct delivery (on sites they own or control) and grant-funded schemes where they have greater control over design and financial risk. Many have contractual obligations for delivery through the National Affordable Housing Programme. These types of schemes have therefore been prioritised over taking on S106 packages on market-led housing schemes.

4.92 For some development schemes this has made it difficult to find an RP willing to take on the S106 package. Our engagement with RPs indicates that they have become less willing to take on smaller schemes, particularly in areas where they do not have an existing concentration of properties. In such cases, the resulting dispersal of stock can result in higher management costs.

4.93 Larger schemes can also present challenges. RPs are becoming increasingly selective on the schemes they will take on. In some cases the pacing of delivery driven by private housebuilding creates cashflow pressures for RPs.

4.94 A further issue is the new Shared Ownership model which is enabling occupiers to purchase a lower share, with a resultant downward impact on the capitalised values for shared ownership properties. This is also putting pressure on viability.

4.95 Fundamentally a number of these issues relate to current macro-economic conditions – including interest rates and the costs of borrowing – and in these terms, reflect a point-in-time position. There is also uncertainty at the time of writing regarding the detail of the Next National Affordable Housing Programme.

4.96 Government announced a significant increase in funding in the 2025 Spending Review with a £39 billion settlement over a 10 year period. This should help to provide some certainty, alongside the 10 year rent settlement which will allow social housing rents to rise annually at CPI + 1%. However funding availability may well see RPs continue to prioritise grant-funded schemes over S106 packages.

4.97 The Council will need to carefully consider how it addresses these issues in the short-term. Maintaining strong relationships with key RP partners will be important. It may also need to apply some short-term flexibility in either the drafting of S106 Agreements (or in the variation of them) to provide for circumstances where a traditional RP partner cannot be secured.

4.98 The Council may wish to consider how cascade mechanisms could be used to address these issues, providing for alternation of the mix of homes (by tenure or size) to support RP investment.

4.99 The use of alternative delivery models could also include delivery by for-profit RPs or discounted market sale homes (which do not require RP involvement) in circumstances where following a period of marketing an RP partner cannot be attracted to the scheme. Shared equity schemes have been used in several cases in the District, and could have a continuing role for small schemes where there is limited RP interest. Such short-term flexibility can play a role in helping to sustain affordable housing delivery.

Affordable housing need: Key findings

The assessment identifies a net annual need for 389 affordable homes within the Local Plan Area

To address the identified need, a policy target of 70% rented affordable housing and 30% intermediate housing (affordable home ownership) is recommended. This split reflects the modelled need and that those households with a need for rented products are more likely to have acute needs and fewer options in the housing market.

Within the 70% rented allocation, analysis suggests between 22-61% of rented homes should be at social rents (the rest at affordable rents) with the range influenced by the extent to which households supplement their income by housing benefit. It is recommended that a minimum of 25% be provided at social rents, in line with current policy.

The evidence suggests focusing intermediate housing on shared ownership and shared equity models. Due to high new-build property prices in the District, First Homes and other discounted market sale products are often not genuinely affordable.

Given current macroeconomic challenges—such as high construction costs and interest rates—Registered Providers (RPs) have become more selective in taking on Section 106 packages. In response Council will need to maintain strong relationships with RPs, and may need in the short term to apply flexibility in the drafting of s106 agreements where an RP cannot be secured, and consider cascade mechanisms. Shared equity schemes have been used in several cases in the District, and could have a continuing role for small schemes where there is limited RP interest.

5. Older Persons Need & those with Disabilities

5.1 This section studies the characteristics and housing needs of the older person population and the population with some form of disability. The two groups are taken together as there is a clear link between age and disability. It responds to Planning Practice Guidance on Housing for Older and Disabled People published by Government in June 2019. It includes an assessment of the need for specialist accommodation for older people and the potential requirements for housing to be built to M4(2) and M4(3) housing technical standards (accessibility and wheelchair standards).

Understanding Demographic Changes

5.2 The table below provides baseline population data about older persons in East Hampshire and compares this with other areas. The table shows the District has an older age structure to that seen regionally and nationally with 24% of the population being aged 65 and over. The proportion of people aged 75 and over is also above equivalent figures for other areas.

Table 5-1: Older Persons Population, 2024

	East Hampshire		Hampshire	South East	England
	No.	%	%	%	%
Under 65	98,282	75.6%	77.6%	80.2%	81.3%
65-74	14,981	11.5%	10.7%	9.6%	9.4%
75-84	12,005	9.2%	8.5%	7.3%	6.8%
85+	4,707	3.6%	3.3%	2.9%	2.5%
Total	129,975	100.0%	100.0%	100.0%	100.0%
Total 65+	31,693	24.4%	22.4%	19.8%	18.7%
Total 75+	16,712	12.9%	11.8%	10.2%	9.3%

Source: ONS

5.3 The table below shows the same data for sub-areas. This is based on the 2022 mid-year population estimates (MYE) and so is slightly different to the 2024 MYE as shown above. The analysis points to some variation in the proportion of older people, this being slightly higher in the National Park and Southern Parishes – the North East has the lowest proportion of people aged 65+.

Table 5-2: Older Persons Population, 2022 – sub-areas

	North East	North West	Southern Parishes	SDNP	TOTAL
Under 65	79.5%	75.8%	74.4%	74.2%	76.2%
65-74	10.2%	11.8%	12.7%	12.5%	11.7%
75-84	7.6%	8.7%	9.4%	9.4%	8.7%
85+	2.7%	3.6%	3.5%	3.8%	3.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Total 65+	20.5%	24.2%	25.6%	25.8%	23.8%
Total 75+	10.3%	12.3%	12.9%	13.3%	12.1%

Source: ONS

Projected Future Change in the Population of Older People

5.4 Population projections can next be used to provide an indication of how the number of older persons might change in the future with the table below showing that East Hampshire is projected to see a notable increase in the older person population – the projection is based on the Standard Method.

5.5 For the 2025-43 period a projected increase in the population aged 65+ of around 42% is shown – the population aged under 65 is in contrast projected to see a more modest increase (of 21%). In total population terms, the projections show an increase in the population aged 65 and over of 13,700 people. This is against a backdrop of an overall increase of 34,600 – population growth of people aged 65 and over therefore accounts for 40% of the total projected population change.

Table 5-3: Projected Change in Population of Older Persons, 2025 to 2043 – East Hampshire District

	2025	2043	Change in population	% change
Under 65	98,724	119,676	20,953	21.2%
65-74	15,335	18,965	3,631	23.7%
75-84	12,300	17,651	5,351	43.5%
85+	4,892	9,595	4,703	96.1%
Total	131,250	165,887	34,637	26.4%
Total 65+	32,527	46,211	13,684	42.1%
Total 75+	17,192	27,245	10,054	58.5%

Source: Iceni Analysis

5.6 The table below show the same projection just for the Local Plan area (based on a housing need of 828 dwellings per annum). This shows broadly the same pattern of change as the District-wide figures.

Table 5-4: Projected Change in Population of Older Persons, 2025 to 2043 – East Hampshire – Local Plan Area

	2025	2043	Change in population	% change
Under 65	73,772	89,411	15,639	21.2%
65-74	11,008	13,609	2,601	23.6%
75-84	8,755	12,557	3,802	43.4%
85+	3,430	6,723	3,293	96.0%
Total	96,964	122,300	25,336	26.1%
Total 65+	23,193	32,889	9,696	41.8%
Total 75+	12,185	19,280	7,095	58.2%

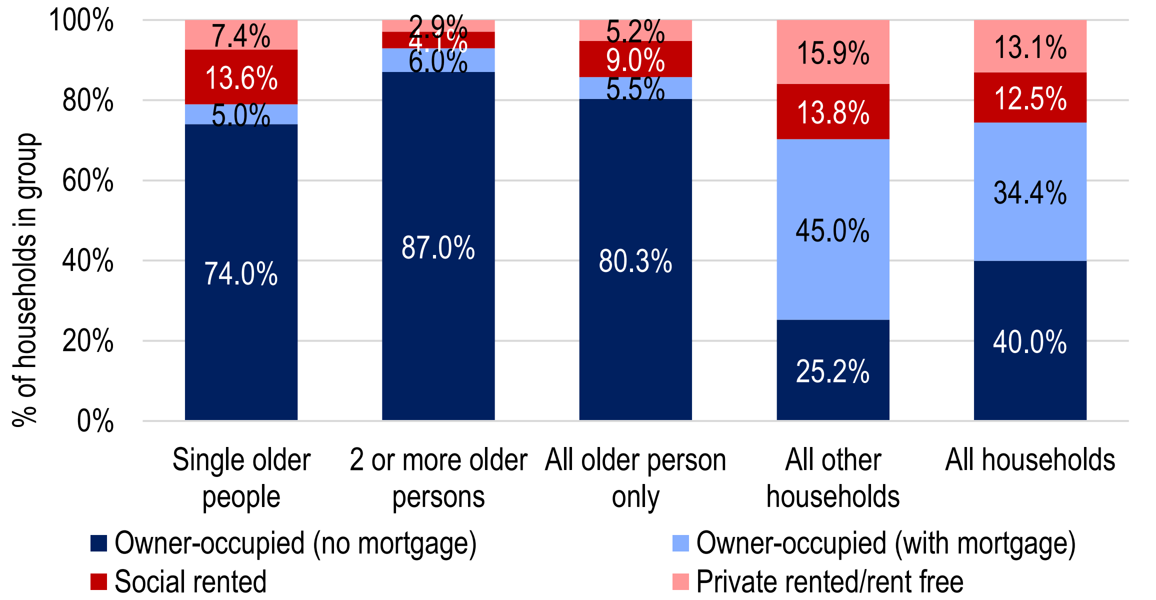
Source: Iceni Analysis

Characteristics of Older Persons' Households

5.7 The figure below shows the tenure of older person households. The data has been split between single older person households and those with two or more older people (which will largely be couples). The data shows that the majority of older persons households are owner occupiers (86% of older person households), and indeed most are owner-occupiers with no mortgage and thus may have significant equity which can be put towards the purchase of a new home. Some 9% of older persons households live in the social rented sector and the proportion of older person households living in the private rented sector is relatively low (about 5%).

5.8 There are also notable differences for different types of older person households with single older people having a lower level of owner-occupation than larger older person households – this group also has a higher proportion living in the social rented sector.

Figure 5-1: Tenure of Older Persons Households in East Hampshire, 2021



Source: 2021 Census

5.9 The table below shows the tenure of older person households by sub-area (figures are for all older person households). This shows only modest differences between areas with a range from 84% of older persons being owner-occupiers in SDNP, up to 90% in the Southern Parishes. Figures for the proportions living in social rented and private rented housing are consequently low across all locations.

Table 5-5: Tenure of Older Persons Households, 2021 – sub-areas

	Owner-occupied (no mortgage)	Owner-occupied (with mortgage)	Social rented	Private rented	TOTAL
North East	79.1%	5.9%	10.6%	4.4%	100.0%
North West	80.5%	4.2%	10.2%	5.1%	100.0%
Southern Parishes	84.7%	5.2%	6.2%	3.9%	100.0%
SDNP	78.0%	6.3%	8.5%	7.2%	100.0%
TOTAL	80.2%	5.4%	9.1%	5.3%	100.0%

Source: 2021 Census

Disabilities

5.10 The table below shows the proportion of people who are considered as disabled under the definition within the 2010 Equality Act[9], drawn from 2021 Census data, and the proportion of households where at least one person has a disability. The data suggests that some 28% of households in the District contain someone with a disability. This figure is lower than seen in a range of other areas (County, region, nationally). The figures for the population with a disability show the same pattern in comparison with other areas – some 16% of the population having a disability.

Table 5-6: Households and People with a Disability, 2021

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
East Hampshire	14,951	28.4%	19,579	15.6%
Hampshire	177,181	30.1%	229,545	16.4%
South East	1,144,083	30.0%	1,496,340	16.1%
England	7,507,887	32.0%	9,774,510	17.3%

Source: 2021 Census

5.11 The table below shows the same information for sub-areas; this shows very modest variation in the proportion of the population and households with a disability across areas – figures being slightly higher in the North West and lower in the National Park.

[9] The Census uses the same definition of disability as described in the Equality Act. This defines disability as a person with a physical or mental impairment that has a 'substantial' and 'long-term' negative effect on their ability to do normal daily activities.

Table 5-7: Households and People with a Disability, 2021 – sub-areas

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
North East	4,296	28.6%	5,551	15.3%
North West	4,006	28.9%	5,363	16.2%
Southern Parishes	2,721	28.7%	3,493	15.4%
SDNP	3,917	27.3%	5,155	15.3%
TOTAL	14,940	28.4%	19,562	15.6%

Source: 2021 Census

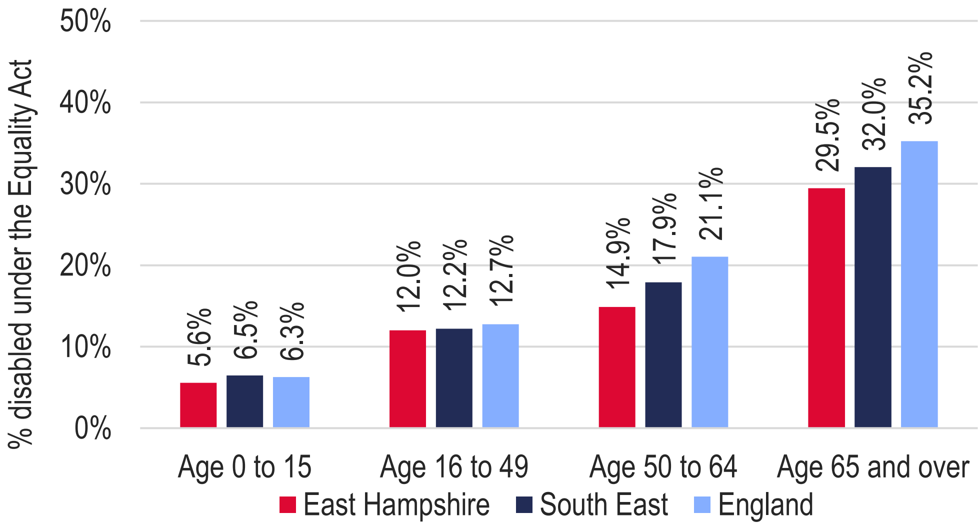
5.12 As noted, it is likely that the age profile will impact upon the numbers of people with a disability, as older people tend to be more likely to have a disability. The figure below shows the age bands of people with a disability. It is clear from this analysis that those people in the oldest age bands are more likely to have a disability. The analysis also shows lower age-specific levels of disability when compared with the national and regional position – particularly for those aged 50 and over.

Table 5-8: Population with Disability by Age

	Households Containing Someone with a Disability		Population with a Disability	
	No.	%	No.	%
North East	4,296	28.6%	5,551	15.3%
North West	4,006	28.9%	5,363	16.2%
Southern Parishes	2,721	28.7%	3,493	15.4%
SDNP	3,917	27.3%	5,155	15.3%
TOTAL	14,940	28.4%	19,562	15.6%

Source: 2021 Census

Figure 5-2: Population with Disability by Age



Source: 2021 Census

Health Related Population Projections

5.13 The incidence of a range of health conditions is an important component in understanding the potential need for care or support for a growing older population. The analysis undertaken covers both younger and older age groups and draws on prevalence rates from the PANSI (Projecting Adult Needs and Service Information) and POPPI (Projecting Older People Population Information) websites. Adjustments have been made to take account of the age specific health/disabilities previously shown.

5.14 Of particular note are the large increases in the number of older people with dementia (increasing by 69% from 2025 to 2043) and mobility problems (up 58% over the same period). Changes for younger age groups are smaller, reflecting the fact that projections are expecting older age groups to see the greatest proportional increases in population.

Table 5-9: Projected Changes to Population with a Range of Disabilities – East Hampshire District

Disability	Age Range	2025	2043	Change	% change
Dementia	65+	2,032	3,435	1,403	69.1%
Mobility problems	65+	5,201	8,229	3,028	58.2%
Autistic Spectrum Disorders	18-64	611	773	163	26.6%
	65+	255	359	104	40.9%
Learning Disabilities	15-64	1,615	1,999	384	23.8%
	65+	562	795	233	41.4%
Impaired mobility	16-64	3,917	4,587	670	17.1%

Source: POPPI/PANSI and Demographic Projections

5.15 The table below shows the same information based on the plan area projection. This shows broadly the same outputs in terms of projected increases in each category.

Table 5-10: Projected Changes to Population with a Range of Disabilities – East Hampshire – Local Plan Area

Disability	Age Range	2025	2043	Change	% change
Dementia	65+	1,443	2,436	993	68.8%
Mobility problems	65+	3,696	5,838	2,142	57.9%
Autistic Spectrum Disorders	18-64	459	580	121	26.4%
	65+	181	254	73	40.5%
Learning Disabilities	15-64	1,206	1,493	287	23.8%
	65+	401	566	165	41.1%
Impaired mobility	16-64	2,878	3,367	489	17.0%

Source: POPPI/PANSI and Demographic Projections

5.16 Invariably, there will be a combination of those with disabilities and long-term health problems that continue to live at home with family, those who choose to live independently with the possibility of incorporating adaptations into their homes and those who choose to move into supported housing.

5.17 The projected change shown in the number of people with disabilities provides clear evidence justifying delivering 'accessible and adaptable' homes as defined in Part M4(2) of Building Regulations, subject to viability and site suitability.

Need for Specialist Accommodation

5.18 Given the ageing population and higher levels of disability and health problems amongst older people, there is likely to be an increased requirement for specialist housing options moving forward. The box below shows the different types of older persons housing which are considered.

Definitions of Different Types of Older Persons' Accommodation

Age-restricted general market housing: This type of housing is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

Retirement living or sheltered housing (housing with support): This usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services but provides some support to enable residents to live independently. This can include 24-hour on-site assistance (alarm) and a warden or house manager.

Extra care housing or housing-with-care (housing with care): This usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24-hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a wellbeing centre. In some cases, these developments are known as retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

Residential care homes and nursing homes (care bedspaces): These have individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

Source: Planning Practice Guidance [63-010]

5.19 Hampshire County Council is the relevant authority with responsibility for Adult Social Care. It’s Adult Health and Social Care Strategy 2023-28outlines the significant pressures facing the authority: with a growing older persons population and increasing children and young adults with complex needs (influencing demand for services), set against budgetary and staff/workforce constraints. Against this context, HCC’s strategy seeks to prevent or reduce demand (including through the use of technology-enabled care), support people with emerging care needs to live independently in their own home for as long as possible, and thus focusing bespoke accommodation on those with the greatest needs. It seeks to develop and invest in provision of extra care and supported living as an alternative to residential care; grow the ‘shared lives’ offer where a person with support needs lives with a family at home; as well as provide reablement accommodation which helps to free up hospital beds.

5.20 HCC has prepared a range of Market Position Statements which address different needs including: physical disabilities; learning disabilities and autism; mental health; as well as different forms of accommodation – from residential and nursing care, to extra care and independent living.

5.21 The County Council's strategic approach overall seeks to manage demand for services, support people to live independently at home as far as possible, but to expand provision of extra care and supported living facilities – particularly for those with dementia and multiple/ complex conditions – as an alternative to residential care.

5.22 The need for specialist housing for older persons is typically modelled by applying prevalence rates to current and projected population changes and considering the level of existing supply.

5.23 The approach taken below considers a range of publications from Housing LIN (including that mentioned in the PPG) to derive a series of prevalence rates. The rates also take into account the health of the population in East Hampshire and levels of deprivation (which will impact on the tenure split between market and affordable housing).

5.24 The following prevalence rates, expressed as a need per 1,000 people aged 75 and over have been used in the analysis:

- Housing with support (market) – 68 units;
- Housing with support (affordable) – 42 units;
- Housing with care (market) – 29 units;
- Housing with care (affordable) – 11 units;
- Residential care – 35 bedspaces; and
- Nursing care – 40 bedspaces

5.25 It is also important to understand the supply of different types of specialist accommodation with the tables below showing various categories by sub-area. The first table is for housing with support and housing with care which are more likely to be self-contained dwellings with the second table looking at residential and nursing care bedspaces. The total figures have also been standardised on the basis of the number of units per 1,000 people aged 75 and over (in 2022).

5.26 The analysis shows a total of approaching 2,100 units of housing with support or care, which represents around 134 per 1,000 people aged 75 and over. There is some variation by sub-area with the North West seeing the highest number (784 units) and also the highest proportion per population aged 75+.

5.27 For nursing and residential care, a slightly lower level of supply is shown, with a total of around 1,200 bedspaces, the highest number and proportion per 1,000 people aged 75+ again in the North West sub-area.

Table 5-11: Current supply of housing with support and housing with care by sub-area

	Housing with support (units)		**Housing with care (units)**		**Total units**	**Popn aged 75+ (2022)**	**Units per 1,000 aged 75+**
	Market	Afford-able	Market	Afford-able			
North East	210	278	191	0	679	3,811	178
North West	406	276	102	0	784	4,121	190
Southern Parishes	94	70	69	0	233	2955	79
SDNP	160	158	56	0	374	4,505	83
District Total	870	782	418	0	2,070	15,392	134

Source: EAC

Table 5-12: Current supply of residential and nursing care bedspaces by sub-area

	Residen-tial care	Nursing care	Total	Popn aged 75+ (2022)	Supply per 1,000 aged 75+
North East	44	135	179	3,811	47
North West	168	271	439	4,121	107
Southern Parishes	106	99	205	2955	69
SDNP	160	189	349	4,505	77
TOTAL	478	694	1,172	15,392	76

Source: EAC

5.28 Taking the supply forward and using the prevalence rates suggested the tables below shows estimated needs for different types of housing linked to the population projections. The analysis is separated into the various different types and tenures although it should be recognised that there could be some overlap between categories (i.e. some households might be suited to more than one type of accommodation).

5.29 The analysis shows there is currently a sufficient supply of housing with support (e.g. sheltered/retirement housing) in the affordable sector although by 2043 an additional need is identified. Overall, by 2043, a shortfall of 1,360 units of housing with support is identified (around three-quarters in the market sector). For housing with care (e.g. extra-care) the data suggests a modest current need (mainly for affordable housing) and an overall additional need for around 670 units by 2043 (just over half (55%) as market housing).

5.30 For nursing and residential care the analysis suggests a very modest current shortfall (only for residential care). Moving through to 2043, a total need for 880 additional bedspaces is identified – 55% as residential care.

Table 5-13: Specialist Housing Need for Older Persons, 2025-43 – East Hampshire

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall/ surplus (-ve)	Addition al demand to 2043	Shortfall /surplus by 2043
Housing with support	Market	68	870	1,178	308	689	996
	Affordable	42	782	726	-56	424	368
	Total	111	1,652	1,903	251	1,113	1,364
Housing with care	Market	29	418	497	79	291	370
	Affordable	11	0	188	188	110	298
	Total	40	418	685	267	401	668
Residential & Nursing care	Residential care	35	478	609	131	356	487
	Nursing care	40	694	685	-9	401	392
	Total	75	1,172	1,294	122	757	879

Source: Iceni analysis/EAC

5.31 The table below shows the same information for the plan area. This generally shows slightly lower needs (including a current surplus of market housing with care). The lower needs are driven by the relatively higher current supply in those areas located outside of the National Park.

Table 5-14: Specialist Housing Need for Older Persons, 2025-43 – East Hampshire – Local Plan Area

		Housing demand per 1,000 75+	Current supply	Current demand	Current shortfall / surplus (-ve)	Additional demand to 2043	Shortfall /surplus by 2043
Housing with support	Market	68	710	835	125	486	611
	Affordable	42	624	514	-110	300	190
Total (housing with support)		111	1,334	1,349	15	786	801
Housing with care	Market	29	362	352	-10	205	196
	Affordable	11	0	133	133	78	211
Total (housing with care)		40	362	486	124	283	406
Residential care bedspaces		35	318	432	114	251	365
Nursing care bedspaces		40	505	486	-19	283	263
Total care home bedspaces		75	823	917	94	534	628

Source: Iceni analysis/EAC

5.32 Hampshire County Council is looking at 100% affordable housing extra care housing (ECH) schemes of 50 to 60 homes. To be eligible for places, residents need to have both an affordable need and a care need.

Older persons need – Key findings

East Hampshire has a significantly older age structure than regional and national averages, with 24.4% of the population aged 65 or over. This group is projected to grow by 42% (13,700 people) by 2043.

This growth is forecast to drive strong growth in those with dementia (69%) and mobility problems (58%), significantly increasing the need for adaptable housing and specialist care.

Within the Local Plan area there is:

- There is a current shortfall 15 housing with support units, growing to 801 units by 2043. The balance of these are in the market (rather than affordable) sector.
- There is a current shortfall of 124 housing with support units, growing to 406 units by 2043. These are split between the affordable and market sectors.
- There is a current shortfall of 114 residential care places but a surplus of 19 nursing care places. By 2043, there will be a shortfall of 365 residential care places and 263 nursing care places, amounting to 628 care home places overall.

Having regard to the scale of schemes promoted for specialist housing, the Council should consider whether it is appropriate to identify specific allocations for specialist housing or care homes or require specific levels of provision within strategic sites as part of allocation policies within the Plan.

Wheelchair User Housing

5.33 The analysis below draws on secondary data sources to estimate the number of current and future wheelchair users and to estimate the number of wheelchair accessible/adaptable dwellings that might be required in the future. Estimates of need produced in this report draw on data from the English Housing Survey (EHS) – mainly 2020/21 data. The EHS data used includes the age structure of wheelchair users, information about work needed to homes to make them 'visitable' for wheelchair users and data about wheelchair users by tenure.

5.34 The table below shows at a national level the proportion of wheelchair user households by the age of household reference person. Nationally, around 3.1% of households contain a wheelchair user – with around 1% using a wheelchair indoors. There is a clear correlation between the age of household reference person and the likelihood of there being a wheelchair user in the household.

Table 5-15: Proportion of wheelchair user households by age of household reference person – England

Age of household reference person	No household members use a wheel-chair	Uses wheel-chair all the time	Uses wheel-chair indoors only	Uses wheel-chair outdoors only	TOTAL
24 and under	99.4%	0.4%	0.0%	0.1%	100.0%
25-34	99.4%	0.1%	0.1%	0.3%	100.0%
35-49	97.9%	0.4%	0.3%	1.4%	100.0%
50-64	97.1%	0.5%	0.2%	2.2%	100.0%
65 and over	94.3%	1.3%	0.5%	4.0%	100.0%
All households	96.9%	0.6%	0.3%	2.2%	100.0%

Source: English Housing Survey (2020/21)

5.35 The prevalence rate data can be brought together with information about the household age structure and how this is likely to change moving forward – adjustments have also been made to take account of the relative health (by age) of the population. The data estimates a total of 1,200 wheelchair user households in 2025, and that this will rise to 1,650 by 2043.

Table 5-16: Estimated number of wheelchair user households (2025-43) – East Hampshire

	Preval-ence rate (% of house-holds)	House-holds 2025	House-holds 2043	Wheel-chair user house-holds (2025)	Wheel-chair user house-holds (2043)
24 and under	0.4%	580	1,217	3	5
25-34	0.4%	5,175	7,928	21	32
35-49	1.1%	12,767	17,610	146	201
50-64	1.3%	16,733	19,062	225	256
65 and over	3.9%	20,508	29,589	798	1,151
All households	-	55,762	75,405	1,192	1,645

Source: Iceni analysis

5.36 The finding of an estimated current number of wheelchair user households does not indicate how many homes might be need for this group – some households will be living in a home that is suitable for wheelchair use, whilst others may need improvements to accommodation, or a move to an alternative home. Data from the EHS shows that of the 814,000 wheelchair user households, some 200,000 live in a home that would either be problematic or not feasible to make fully 'visitable' – this is around 25% of wheelchair user households.

5.37 Applying this to the current number of wheelchair user households across the District gives a current need for 298 additional wheelchair user homes. If the projected need is also discounted to 25% of the total (on the basis that many additional wheelchair user households will already be in accommodation) then a further need for 113 homes in the 2025-43 period can be identified. Added together this leads to a need estimate of 411 wheelchair user homes – equating to 23 dwellings per annum. The table also shows estimated figures for the plan area.

Table 5-17: Estimated need for wheelchair user homes, 2025-43

	Current need	Projected need (2025-43)	Total current and future need
East Hampshire District	298	113	411
Plan Area	216	82	298

Source: Iceni Analysis

5.38 Expressed on an annual basis, the wheelchair-user need over the plan period equates to an annual need for 17 homes. This is equivalent to 2% of the plan area's local housing need figure of 828 dpa.

5.39 Furthermore, information in the EHS (for 2020/21) also provides national data about wheelchair users by tenure. This showed that, at that time, around 6.7% of social tenants were wheelchair user (including 1.8% using a wheelchair indoors/all the time), compared with 2.6% of owner-occupiers (0.8% indoors/all the time). These proportions can be expected to increase with an ageing population but do highlight the likely need for a greater proportion of social (affordable) homes to be for wheelchair users.

Table 5-18: Proportion of wheelchair user households by tenure of household reference person – England

Tenure	No household members use a wheel-chair	Uses wheel-chair all the time	Uses wheel-chair indoors only	Uses wheel-chair outdoors only	TOTAL
Owners	97.4%	0.6%	0.2%	1.8%	100.0%
Social sector	93.3%	1.3%	0.5%	4.9%	100.0%
Private renters	98.6%	0.2%	0.2%	1.0%	100.0%
All households	96.9%	0.6%	0.3%	2.2%	100.0%

Source: English Housing Survey (2020/21)

5.40 To meet the identified need, we would recommend based on the evidence that the Council seeks the delivery of 2% of market homes to M4(3) standards and 5% of affordable homes. This take account of the scale of wheelchair-user need relative to the standard method figures for the Local Plan area, together with the potential tenure profile of need.

5.41 It should be noted that local authorities only have the right to request M4(3)(B) accessible compliance from homes for which they have nomination rights. They can, however, request M4(3)(A) adaptable compliance from the wider (market) housing stock. Therefore having regard to the Building Regulations, in the market sector these homes should be delivered to M4(3)A (adaptable homes) standards. In the affordable sector, where the housing register shows an identified local need, the homes should be delivered to M4(3)B (accessible housing) standards.

5.42 As with M4(2) homes it may not be possible for some schemes to be built to these higher standards due to built-form, topography, flooding etc. Furthermore, provision of this type of property may in some cases challenge the viability of delivery given the reasonably high build out costs.

5.43 It is worth noting that the (previous) Government has reported on a consultation (Raising Accessibility Standards for New Homes[10]) on changes to the way the needs of people with disabilities and wheelchair users are planned for as a result of concerns that in the drive to achieve housing numbers, the delivery of housing that suits the needs of the households (in particular those with disabilities) is being compromised on viability grounds.

5.44 The key outcome is: '*Government is committed to raising accessibility standards for new homes. We have listened carefully to the feedback on the options set out in the consultation and the government response sets out our plans to mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes'*. This change is due to shortly be implemented though a change to building regulations.

5.45 The consultation outcome still requires a need for M4(3) dwellings to be evidenced, stating 'M4(3) (Category 3: Wheelchair user dwellings) would continue as now where there is a local planning policy in place in which a need has been identified and evidenced. Local authorities will need to continue to tailor the supply of wheelchair user dwellings to local demand'.

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[10] https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes

Wheelchair user, accessible and adaptable housing – Key findings

The growing prevalence of mobility issues provides clear evidence for requiring new homes to be built to M4(2) (accessible and adaptable) standards

There is an identified need for 298 wheelchair-user dwellings in the Local Plan Area over the plan period (roughly 17 per year).

To meet this need, it is recommended that the Council seeks 2% of market homes and 5% of affordable homes to be built to M4(3) standards. Affordable units should specifically target M4(3)(b) (wheelchair accessible) standards where a local need is identified on the housing register.

6. Mix of Homes Needed

6.1 This section considers the appropriate mix of housing across East Hampshire, with a particular focus on the sizes of homes required in different tenure groups. This section looks at a range of statistics in relation to families (generally described as households with dependent children) before moving on to look at how the number of households in different age groups are projected to change moving forward. The section mainly focuses on the District as a whole, but with additional analysis looking at the Local Plan Area and sub-areas.

Background Data

6.2 The number of families in East Hampshire (defined for the purpose of this assessment as any household which contains at least one dependent child) totalled 14,400 as of the 2021 Census, accounting for 27% of households; this proportion is very slightly lower than seen across other areas. The proportion of married couple households (with dependent children) is however higher than seen in other locations.

Table 6-1: Households with Dependent Children (2021)

	East Hampshire		Hampshire	South East	England
	No.	%	%	%	%
Married couple	9,023	17.1%	16.0%	16.3%	14.4%
Cohabiting couple	2,033	3.9%	4.3%	4.4%	4.5%
Lone parent	2,498	4.7%	5.4%	6.0%	6.9%
Other households	861	1.6%	2.0%	2.5%	2.7%
All other households	38,306	72.7%	72.3%	70.9%	71.5%
Total	52,721	100.0%	100.0%	100.0%	100.0%
Total with dependent children	14,415	27.3%	27.7%	29.1%	28.5%

Source: Census (2021)

6.3 The table below shows the same information for each of the sub-areas. There are fairly limited variations in the proportion of households with dependent children, this being highest in the North East (29% of households) and lowest in the Southern Parishes (27% of households). Overall, there is relatively little difference between areas.

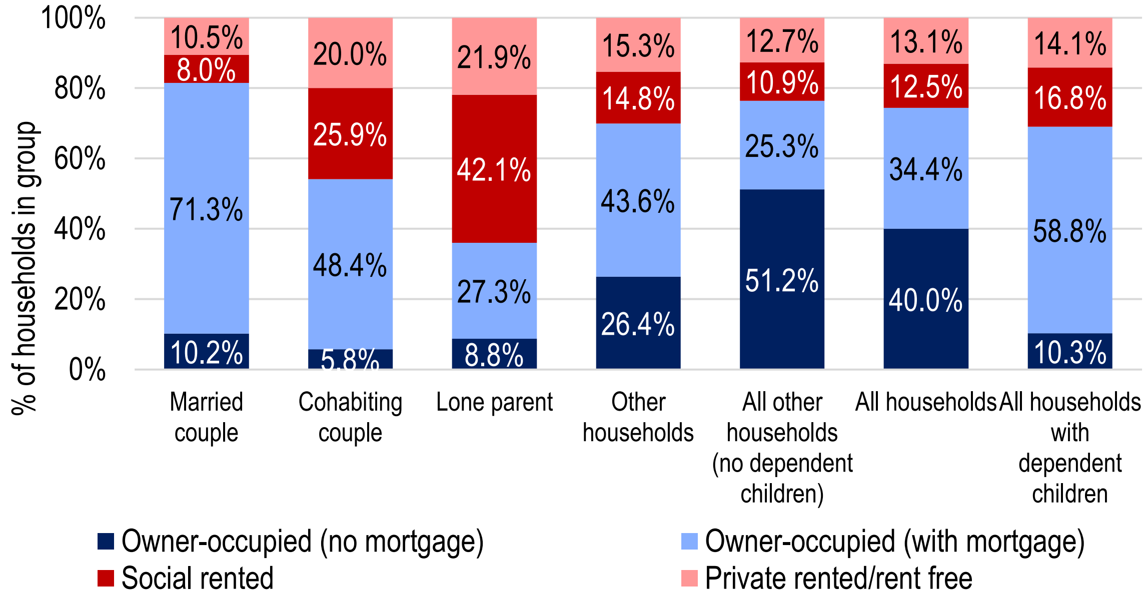
Table 6-2: Households with Dependent Children (2021) – sub-areas

	North East	North West	Southern Parishes	SDNP	TOTAL
Married couple	17.4%	16.8%	16.9%	17.3%	17.1%
Cohabiting couple	4.6%	3.5%	3.9%	3.4%	3.8%
Lone parent	4.9%	5.1%	4.2%	4.5%	4.8%
Other households	1.9%	1.7%	1.5%	1.3%	1.6%
All other households	71.1%	72.9%	73.5%	73.4%	72.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Total with dependent children	28.9%	27.1%	26.5%	26.6%	27.4%

Source: Census (2021)

6.4 The figure below shows the current tenure of households with dependent children. There are some considerable differences by household type with lone parents having a very high proportion living in the social and private rented sectors. Across the District, only 36% of lone-parent households are owner-occupiers compared with 81% of married couples with children.

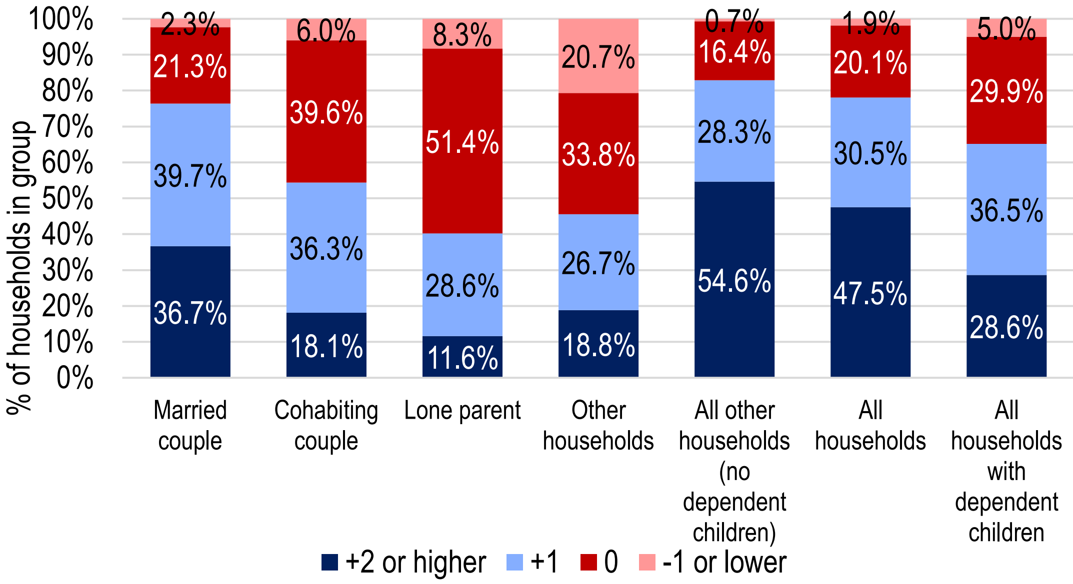
Figure 6-1: Tenure of households with dependent children (2021) – East Hampshire



Source: Census (2021)

6.5 The figure below shows levels of overcrowding and under-occupancy of households with dependent children. This shows higher levels of overcrowding (minus figure) for all household types with dependent children with 8% of all lone parents and 21% of 'other' households being overcrowded. Overall, some 5% of households with dependent children are overcrowded, compared with less than 1% of other households. Levels of under-occupancy (positive figures) are also notably lower in households with dependent children.

Figure 6-2: Occupancy rating of households with dependent children (2021) – East Hampshire



Source: Census (2021)

The Mix of Housing

6.6 A model has been developed to assess the mix of housing needed which that starts with the current profile of housing in terms of size (bedrooms) and tenure. Within the data, information is available about the age of households and the typical sizes of homes they occupy. By using demographic projections it is possible to see which age groups are expected to change in number, and by how much.

6.7 On the assumption that occupancy patterns for each age group (within each tenure) remain the same, it is therefore possible to assess the profile of housing needed is over the assessment period (taken to be 2025-43 to be consistent with other analysis in this report).

6.8 An important starting point is to understand the current balance of housing in the area – the table below profiles the sizes of homes in different tenure groups across areas. The data shows a market stock (owner-occupied) that is dominated by 3+-bedroom homes (making up 80% of the total in this tenure group, a higher proportion to that seen both nationally and across the South East). The District sees a particularly high proportion of 4+-bedroom homes. The profile of both the social and private rented sectors is broadly similar across areas. Observations about the current mix feed into conclusions about future mix later in this section.

Table 6-3: Number of Bedrooms by Tenure, 2021

		East Hampshire	South East	England
Owner-occupied	1-bedroom	3%	4%	4%
	2-bedrooms	17%	21%	21%
	3-bedrooms	38%	42%	46%
	4+-bedrooms	42%	33%	29%
	Total	100%	100%	100%
	Ave. no. beds	3.17	3.04	3.01
Social rented	1-bedroom	28%	31%	29%
	2-bedrooms	35%	35%	36%
	3-bedrooms	33%	31%	31%
	4+-bedrooms	4%	4%	4%
	Total	100%	100%	100%
	Ave. no. beds	2.12	2.08	2.10
Private rented	1-bedroom	21%	24%	21%
	2-bedrooms	37%	38%	39%
	3-bedrooms	30%	27%	29%
	4+-bedrooms	13%	12%	11%
	Total	100%	100%	100%
	Ave. no. beds	2.34	2.27	2.30

Source: Census (2021)

6.9 The table below shows the same information by sub-area. Overall, differences in stock profile (by bedrooms) and across tenures are quite slight when looking across the different locations.

Table 6-4: Number of Bedrooms by Tenure, 2021 – sub-areas

		North East	North West	Southern Parishes	SDNP
Owner-occupied	1-bedroom	3%	4%	2%	4%
	2-bedrooms	20%	17%	15%	17%
	3-bedrooms	39%	37%	39%	36%
	4+-bedrooms	38%	42%	44%	44%
	Total	100%	100%	100%	100%
	Ave. no. beds	3.10	3.16	3.24	3.20
Social rented	1-bedroom	25%	29%	30%	29%
	2-bedrooms	37%	36%	39%	31%
	3-bedrooms	34%	30%	27%	37%
	4+-bedrooms	4%	4%	4%	3%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.18	2.09	2.05	2.13
Private rented	1-bedroom	20%	23%	18%	21%
	2-bedrooms	36%	40%	36%	36%
	3-bedrooms	30%	26%	31%	31%
	4+-bedrooms	14%	11%	16%	12%
	Total	100%	100%	100%	100%
	Ave. no. beds	2.38	2.26	2.44	2.35

Source: Census (2021)

Overview of Methodology

6.10 The method to consider future housing mix looks at the ages of the Household Reference Persons and how these are projected to change over time. The sub-sections to follow describe some of the key analyses.

Understanding How Households Occupy Homes

6.11 Whilst the demographic projections provide a good indication of how the population and household structure will develop, it is not a simple task to convert the net increase in the number of households into a suggested profile for additional housing to be provided. The main reason for this is that in the market sector, households are able to buy or rent any size of property (subject to what they can afford) and therefore knowledge of the profile of households in an area does not directly transfer into the sizes of property to be provided.

6.12 The size of housing which households occupy relates more to their wealth and age than the number of people they contain. For example, there is no reason why a single person cannot buy (or choose to live in) a 4-bedroom home as long as they can afford it, and hence projecting an increase in single-person households does not automatically translate into a need for smaller units.

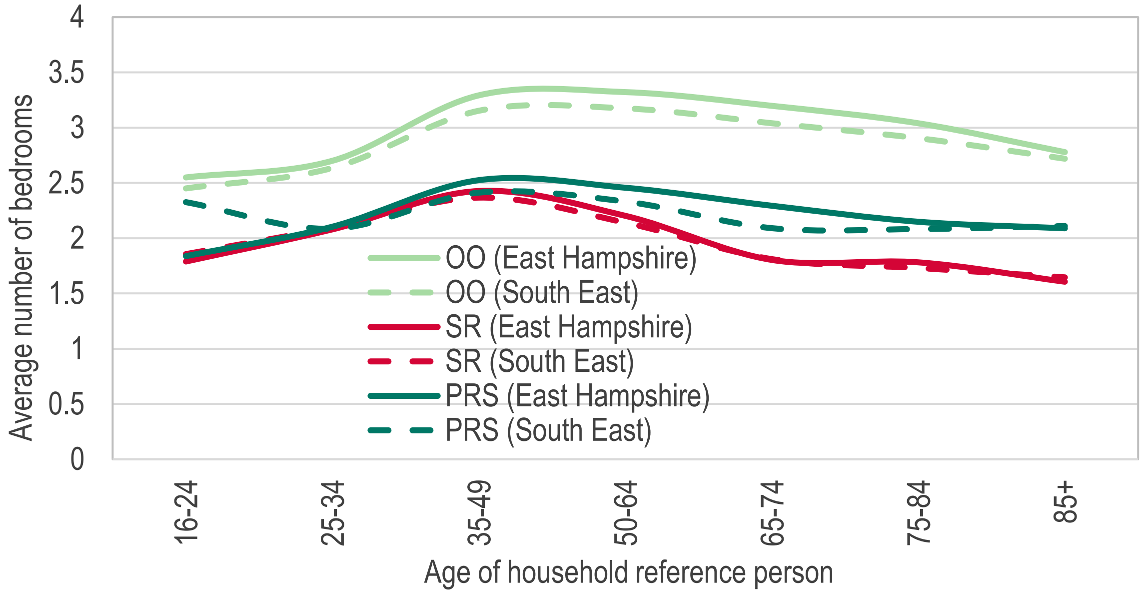
6.13 That said, issues of supply can also impact occupancy patterns, for example, it may be that a supply of additional smaller-level access homes would encourage older people to downsize but in the absence of such accommodation, these households remain living in their larger accommodation.

6.14 The issue of choice is less relevant in the affordable sector (particularly since the introduction of the social sector size criteria) where households are allocated properties which reflect the size of the household, although there will still be some level of under-occupation moving forward with regard to older person and working households who may be able to under-occupy housing (e.g. those who can afford to pay the spare room subsidy (‘bedroom tax’)).

6.15 The approach used is to interrogate information derived in the projections about the number of household reference persons (HRPs) in each age group and apply this to the profile of housing within these groups (data being drawn from the 2021 Census).

6.16 The figure below shows an estimate of how the average number of bedrooms varies by different ages of HRP and broad tenure group for East Hampshire and the South East region. In all sectors, the average size of accommodation rises over time to typically reach a peak around the age of 50. After peaking, the average dwelling size decreases slightly – as typically some households downsize as they get older. The analysis also shows East Hampshire as having slightly larger dwelling sizes across all age and tenure groups in the owner-occupied sector, and a broadly similar profile for social and private rented housing.

Figure 6-3: Average Bedrooms by Age and Tenure in East Hampshire and the region



Source: Census (2021)

6.17 The analysis uses the existing occupancy patterns at a local and regional level as a starting point for analysis and applies these to the projected changes in Household Reference Person by age discussed below. The analysis has been used to derive outputs for three broad categories. These are:

- **Market Housing** – which is taken to follow the occupancy profiles in the market sector (i.e. owner-occupiers and the private rented sector);

- **Affordable Home Ownership** – which is taken to follow the occupancy profile in the private rented sector (this is seen as reasonable as the Government's desired growth in home ownership looks to be largely driven by a wish to see households move out of private renting); and

- **Rented Affordable Housing** – which is taken to follow the occupancy profile in the social rented sector. The affordable sector in the analysis to follow would include social and affordable rented housing.

Changes to Households by Age

6.18 The table below presents the projected change in households by age of household reference person under the Standard Method. This shows growth as being expected in all age groups and in particular older age groups (notably 85+), although some high growth is also projected in younger age groups, in part due to an assumption that household formation could improve over time (and from a low base in the Under 25 age group).

Table 6-5: Projected Change in Household by Age of HRP in East Hampshire

	2025	2043	Change in Households	% Change
Under 25	580	1,217	637	109.8%
25-34	5,175	7,928	2,753	53.2%
35-49	12,767	17,610	4,843	37.9%
50-64	16,733	19,062	2,329	13.9%
65-74	8,737	10,824	2,087	23.9%
75-84	8,266	11,915	3,649	44.1%
85+	3,504	6,850	3,346	95.5%
TOTAL	55,762	75,405	19,643	35.2%

Source: Iceni Analysis

Modelled Outputs

6.19 By following the methodology set out above and drawing on the sources shown, a series of outputs have been derived to consider the likely size requirement of housing within each of the three broad tenures at a local authority level. The analysis is based on considering both local and regional occupancy patterns. The data linking to local occupancy will to some extent reflect the role and function of the local area, whilst the regional data will help to establish any particular gaps (or relative surpluses) of different sizes/tenures of homes when considered in a wider context.

6.20 The table below shows the modelled outputs of need by dwelling size in the three broad tenures. Market housing focusses on 3+-bedroom homes, affordable home ownership on 2- and 3-bedroom accommodation and rented affordable housing showing a slightly smaller profile again.

Table 6-6: Initial Modelled Mix of Housing by Size and Tenure – East Hampshire

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	9%	26%	38%	28%
Affordable home ownership	24%	38%	27%	11%
Affordable housing (rented)	31%	36%	29%	4%

Source: Housing Market Model

Rightsizing

6.21 The analysis above sets out the potential need for housing if occupancy patterns remain the same as they were in 2021 (with differences from the current stock profile being driven by demographic change). It is however worth also considering that the 2021 profile will have included households who are overcrowded (and therefore need a larger home than they actually live in) and also those who under-occupy (have more bedrooms than they need).

6.22 There is a case to seek for new stock to more closely match actual size requirements. Whilst it would not be reasonable to expect to remove all under-occupancy (particularly in the market sector) it is the case that in seeking to make the most efficient use of land it would be prudent to look to reduce this over time. Further analysis has been undertaken to take account of overcrowding and under-occupancy (by tenure).

6.23 The table below shows a cross-tabulation of a household's occupancy rating and the number of bedrooms in their home (for owner-occupiers). This shows a high number of households with at least 2 spare bedrooms who are living in homes with 3 or more bedrooms. There are also a number of overcrowded households. In the owner-occupied sector in 2021, there were 34,900 households with some degree of under-occupation and around 300 overcrowded households – some 89% of all owner-occupiers have some degree of under-occupancy.

Table 6-7: Cross-tabulation of occupancy rating and number of bedrooms (owner-occupied sector) – East Hampshire

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	9,161	13,881	23,042
+1 spare bedrooms	0	5,517	4,229	2,108	11,854
0 "Right sized"	1,316	1,152	1,311	248	4,027
-1 too few bedrooms	47	118	93	45	303
TOTAL	1,363	6,787	14,794	16,282	39,226

Source: Census (2021)

6.24 For completeness the tables below show the same information for the social and private rented sectors. In both cases there are more under-occupying households than overcrowded, but differences are less marked than seen for owner-occupied housing.

Table 6-8: Cross-tabulation of occupancy rating and number of bedrooms (social rented sector) – East Hampshire

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	475	66	541
+1 spare bedrooms	0	897	660	93	1,650
0 “Right sized”	1,751	1,243	884	79	3,957
-1 too few bedrooms	103	195	149	15	462
TOTAL	1,854	2,335	2,168	253	6,610

Source: Census (2021)

Table 6-9: Cross-tabulation of occupancy rating and number of bedrooms (private rented sector) – East Hampshire

Occupancy rating	Number of bedrooms				
	1-bed	2-bed	3-bed	4+-bed	TOTAL
+2 spare bedrooms	0	0	856	608	1,464
+1 spare bedrooms	0	1,622	776	201	2,599
0 “Right sized”	1,362	819	375	55	2,611
-1 too few bedrooms	73	99	32	10	214
TOTAL	1,435	2,540	2,039	874	6,888

Source: Census (2021)

6.25 In using this data in the modelling an adjustment is made to move some of those who would have been picked up in the modelling as under-occupying into smaller accommodation. Where there is under-occupation by 2 or more bedrooms, the adjustment takes 25% of this group and assigns to a ‘+1’ occupancy. This does need to be recognised as an assumption, but can be seen to be reasonable as they do retain some (considerable) degree of under-occupation (which is likely) but does also seek to model a better match between household needs and the size of their home. For overcrowded households a move in the other direction is made, in this case households are moved up as many bedrooms as is needed to resolve the problems (this is applied for all overcrowded households).

6.26 The adjustments for under-occupation and overcrowding lead to the suggested mix as set out in the following tables. It can be seen that this tends to suggest a very slightly different profile of homes as being needed (compared to the initial modelling) including an increase in the need for 4+-bedroom homes in the rented affordable housing sector due to levels of overcrowding and a reduction in the 4+-bedroom market need due to high levels of under-occupancy.

Table 6-10: Modelled Mix of Housing by Size and Tenure – East Hampshire

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	8%	32%	39%	21%
Affordable home ownership	22%	41%	27%	10%
Affordable housing (rented)	30%	36%	29%	6%

Source: Housing Market Model

6.27 Across the District, the analysis points to approaching a third of the social/affordable housing need being for 1-bedroom homes and it is of interest to see how much of this is due to older person households. In the future household sizes are projected to drop whilst the population of older people will increase. Older person households (as shown earlier) are more likely to occupy smaller dwellings. The impacts of older people have on demand for smaller stock is outlined in the table below.

6.28 This indeed identifies a slightly larger profile of homes needed for households where the household reference person is aged Under 65, with a concentration of 1-bedroom homes for older people. This information can be used to inform the mix required for housing for older people (e.g. age restricted), although it does need to be noted that not all older people would be expected to live in homes solely for older people.

6.29 The 2, 3, and 4+-bedroom categories have been merged for the purposes of older persons as we would not generally expect many (if any) households in this category to need (or indeed be able to be allocated) more than 2-bedrooms in the rented affordable housing sector.

Table 6-11: Modelled Mix of Housing by Size and Age – affordable housing (rented) – East Hampshire

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Under 65	21%	39%	33%	7%
65 and over	49%	51%		
All affordable housing (rented)	30%	36%	29%	6%

Source: Housing Market Model

6.30 A further analysis of the need for rented affordable housing is to compare the need with the supply (turnover) of different sizes of accommodation. This links back to estimates of need in the previous section (an annual need for 349 dwellings per annum from households unable to buy OR rent) with additional data from CoRe about the sizes of homes let over the past three years.

6.31 This analysis is quite clear in showing the very low supply of larger homes relative to the need for 4+-bedroom accommodation in particular, where it is estimated the supply is only around 15% of the need arising each year, whereas for 1- and 2-bedroom homes over a third of the need can be met.

Table 6-12: Need for rented affordable housing by number of bedrooms – East Hampshire

	Gross Annual Need	Gross Annual Supply	Net Annual Need	As a % of total net annual need	Supply as % of gross need
1-bedroom	161	58	104	29.7%	35.9%
2-bedrooms	193	67	126	36.0%	34.7%
3-bedrooms	123	22	100	28.8%	18.1%
4+-bedrooms	23	3	19	5.5%	14.7%
Total	499	150	349	100.0%	30.1%

Source: Iceni analysis

Analysis of Mix of Homes Needed in the Plan Area

6.32 In addition to the District-wide analysis we can re-run the figures linking specifically to the projection for the plan area which assumed delivery of 828 dwellings per annum. This again makes adjustments for overcrowding and under-occupation with the outputs set out in the table below. As can be seen this analysis shows a virtually identical profile as the District-wide analysis.

Table 6-13: Modelled Mix of Housing by Size and Tenure – East Hampshire Local Plan Area

	1-bedroom	2-bedrooms	3-bedrooms	4+-bedrooms
Market	8%	32%	39%	21%
Affordable home ownership	22%	41%	27%	10%
Affordable housing (rented)	29%	36%	29%	6%

Source: Housing Market Model

6.33 The modelling supports the market commentary and agent engagement which identified that the strongest relative demand is for 2- and 3-bed market homes.

Indicative Targets for Different Sizes of Property by Tenure

6.34 The analysis below provides some indicative targets for different sizes of home (by tenure). The conclusions take account of a range of factors, including the modelled outputs and an understanding of the stock profile and levels of under-occupancy and overcrowding.

6.35 The analysis (for rented affordable housing) also draws on data from the local authority Housing Register with regards to the profile of need as well as taking a broader view of issues such as the flexibility of homes to accommodate changes to households (e.g. the lack of flexibility offered by a 1-bedroom home for a couple looking to start a family). The Housing Register data below shows a pattern of need focussed on 1-bedroom homes, but with approaching a quarter needing 3+-bedroom accommodation.

Table 6-14: Size of Social/Affordable Rented Housing Needed – Housing Register Information (March 2024)

	Number of households	% of households
1-bedroom	854	50.4%
2-bedrooms	465	27.5%
3-bedrooms	286	16.9%
4+-bedrooms	88	5.2%
TOTAL	1,693	100.0%

Source: LAHS

Social/Affordable Rented

6.36 Bringing together the above, a number of factors are recognised. This includes recognising that it is unlikely that all affordable housing needs will be met and that it is likely that households with a need for larger homes will have greater priority (as they are more likely to contain children). Our conclusions also recognise the inflexibility of 1-bed homes and issues which can arise from concentrations of smaller properties in management terms. The following mix of social/affordable rented housing is therefore suggested:

- 1-bedroom: 15-20%
- 2-bedrooms: 30-40%
- 3-bedrooms: 30-40%
- 4+-bedrooms: 10-15%

6.37 If a development is to include housing specifically for older people (e.g. forms of age-restricted housing) then a broad split between 1- and 2-bedroom homes is recommended. The inclusion of some 2-bedroom homes is considered sensible with the aim to promote the opportunity for older person households to downsize – a 2-bed offering being more likely to encourage this than 1-bed homes. Also, whilst technically most older person households will only have a 'need' for a 1-bed home, a larger property remains affordable as most older person households are not impacted by the bedroom tax/spare room subsidy.

6.38 It should be noted that the above recommendations are to a considerable degree based on projecting the need forward to 2043 and will vary over time. It may be at a point in time the case that Housing Register data identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement. Local needs evidence specific to the location of the site may also be relevant alongside the findings herein.

Affordable Home Ownership

6.39 In the affordable home ownership sector a profile of housing that more closely matches the outputs of the modelling is suggested. It is considered that the provision of affordable home ownership should be more explicitly focused on delivering smaller family housing for younger households and childless couples. The conclusions also take account of the earlier observation that it may be difficult to make homes genuinely affordable for AHO due to newbuild prices. Based on this analysis, it is suggested that the following mix of affordable home ownership would be appropriate:

- 1-bedroom: 15-20%
- 2-bedrooms: 45-50%
- 3-bedrooms: 25-30%
- 4+-bedrooms: 5-10%

6.40 We would expect the focus of shared-ownership provision to be on 2- and 3-bed houses, with a limited demand for 1-bed properties because of their inflexibility; and with demand for larger 4+ bed properties limited by affordability considerations.

Market Housing

6.41 Finally, in the market sector, a balance of dwellings is suggested that takes account of both the demand for homes and the changing demographic profile (as well as observations about the current mix when compared with other locations and also the potential to slightly reduce levels of under-occupancy).

6.42 We have also had regard to the potential for rightsizing but also recognise that in the market sector there is limited ability to control what households purchase. This sees a slightly larger recommended profile compared with other tenure groups.

- 1-bedroom: 5-10%

- 2-bedrooms: 30-35%
- 3-bedrooms: 35-40%
- 4+-bedrooms: 20-25%

6.43 The analysis suggests a focus on 2- and 3-bed homes which is consistent with the market engagement undertaken with local agents and provides opportunities for downsizing.

6.44 The suggested figures can be used as a monitoring tool to ensure that future delivery is not unbalanced when compared with the likely requirements as driven by demographic change in the area. The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and the Council could expect justification for a housing mix on such sites which significantly differs from that modelled herein. Site location and area character are also relevant considerations as to what the appropriate mix of market housing on individual development sites.

Smaller-area Housing Mix

6.45 The analysis above has largely focussed on overall District-wide (and plan area) needs with conclusions at the strategic level. It should however be recognised that there will be variations in the need within the area due to the different role and function of a location and the specific characteristics of local households (which can also vary over time). This report does not seek to model smaller-area housing mix although data is available that can help inform specific local issues (including data about household composition, current housing mix and overcrowding/under-occupation). Below are some points for consideration when looking at needs in any specific location:

- Whilst there are differences in the stock profile in different locations this should not necessarily be seen as indicating particular surpluses or shortfalls of particular types and sizes of homes;

- As well as looking at the stock, an understanding of the role and function of areas is important. For example, areas traditionally favoured by family households might be expected to provide a greater proportion of larger homes;

- That said, some areas will have very few small/cheaper stocks and so consideration needs to be given to diversifying the stock; and

- The location/quality of sites will also have an impact on the mix of housing. For example, brownfield sites in urban locations may be more suited to flatted development (as well as recognising the point above about role and function) whereas a more suburban/rural site may be more appropriate for family housing. Other considerations (such as proximity to public transport) may impact on a reasonable mix at a local level.

6.46 Generally data in this report does not suggest and substantial differences between areas (e.g. in terms of housing offer or the profile of the population/households),therefore it is suggested the Council should broadly seek the same mix of housing in all locations as a starting point in policy; but would be flexible to a different mix where specific local characteristics suggest (such as site characteristics and location). Additionally, in the affordable sector it may be the case that Housing Register data for a smaller area identifies a shortage of housing of a particular size/type which could lead to the mix of housing being altered from the overall suggested requirement.

6.47 Whilst we have concluded that the same broad mix is appropriate across areas, this does not apply to the National Park. Essentially the modelling assumes a Standard Method of 1,124 dwellings per annum in the District of which 828 are in the Local Plan Area (therefore 296 in the National Park). In reality, delivery in the Park is likely to be significantly lower than this and would likely drive a very different demographic profile (and therefore mix of housing needed). Although not modelled in this report, we would expect lower housing delivery to typically drive a need for (proportionately) more smaller homes across all tenures.

Family Households and the Mix of Homes – Summary

Analysis of the future mix of housing required takes account of demographic change, including potential changes to the number of family households and the ageing of the population. The proportion of households with dependent children in East Hampshire is about average with around 27% of all households containing dependent children in 2021. There are notable differences between different types of households, with married couples (with dependent children) seeing a high level of owner-occupation, whereas as lone parents are particularly likely to live in social and private rented accommodation.

There are a range of factors which will influence demand for different sizes of homes, including demographic changes; future growth in real earnings and households' ability to save; economic performance and housing affordability. The analysis linked to future demographic change concludes that the following represents an appropriate mix of affordable and market homes, this takes account of both household changes and the ageing of the population as well as seeking to make more efficient use of new stock by not projecting forward the high levels of under-occupancy (which is notable in the market sector).

In all sectors the analysis points to a particular need for 2- and 3-bedroom accommodation, with varying proportions of 1- and 4+-bedroom homes. For rented affordable housing there is a clear need for a range of different sizes of homes, including 35% to have at least 3-bedrooms of which 10% should have at least 4-bedrooms. Our recommended mix is set out below.

The strategic conclusions in the affordable sector recognise the role which delivery of larger family homes can play in releasing a supply of smaller properties for other households. Also recognised is the limited flexibility which 1-bedroom properties offer to changing household circumstances, which feed through into higher turnover and management issues. The conclusions also take account of the current mix of housing by tenure and also the size requirements shown on the Housing Register.

Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered. Larger schemes should be expected to broadly align with the housing mix set out.

Table 6-15: Suggested size mix of housing by tenure – East Hampshire

	Market	Affordable home ownership	Rented affordable housing
1-bedroom	5-10%	15-20%	15-20%
2-bedrooms	30-35%	45-50%	30-40%
3-bedrooms	35-40%	25-30%	30-40%
4+-bedrooms	20-25%	5-10%	10-15%

Source: Iceni analysis

7. Housing Market Segments

7.1 This section considers other market segments including Build to Rent, self-build and custom housebuilding and rural/entry-level exception sites. These market segments are a separate source of supply to conventional house building – meeting the changing needs of specific groups such as those who wish to build their own home, live in the private rented sector or live rurally together with the wider community.

Build to Rent and Private Rental Sector

Policy Context

7.2 The Government's 2017 Housing White Paper sought to attract investment into large-scale, purpose-built housing for market rent (Build to Rent) to boost supply, raise standards and provide more stable rented accommodation for families as ownership became less accessible.

7.3 The 2024 NPPF reinforces the role of the private rented sector, requiring policies to consider the needs of renters separately from affordable housing. It defines Build to Rent (BTR) as purpose-built housing, typically 100% rented, forming part of wider multi-tenure developments, built with the intention of being let rather than sold.

7.4 According to the Government's *Build to Rent Guide for Local Authorities* (2015), key benefits include:

- Supporting local authorities in meeting demand for private rented housing and broadening tenant choice.
- Promoting longer tenancies and high occupancy due to its income-focused model.
- Increasing supply on large, phased sites alongside build-for-sale and affordable housing.

- Delivering well-designed, high-quality homes.

7.5 This Build to Rent Guide provides a helpful overview of the role that Build to Rent is intended to play in the housing market, offering opportunities for those who wish to rent privately (i.e. young professionals) and for those on lower incomes who are unable to afford their own home.

7.6 The Savills UK Build to Rent update[i] sets out that despite ongoing macroeconomic uncertainties; property investment fundamentals remain solid. The report outlines that the outlook for the UK property investment is stronger in 2024 than 2023, though political and interest rate factors remain influential. The BTR market investment hit a record of £5 billion in 2024, surpassing the previous £4.8 billion in 2022. Market insight shows a rapidly growing sector backed by both domestic and overseas institutional investment.

Tenant Profile

7.7 According to the Build-to-Rent report[ii] prepared by Savills for the British Property Federation (BPF), the total BTR sector pipeline in the UK now stands at over 293,096 homes, including completed homes, those under construction and those in various stages of planning. Of these, 254,310 (87%) are Multifamily units and 38,785 (13%) are Single Family homes. Between Q2 2024 and Q2 2025, the sector grew by 7% in London and 4% in regional BTR markets. Multi-family schemes are typically flatted; whereas single family provision envisages suburban housing delivered for BTR.

7.8 The "Who lives in Build-To-Rent?" report[iii], published by the BPF outlines that BTR tenants broadly mirror the wider Private Rental Sector (PRS) in terms of demographics, income, age and household types, countering assumptions that BTR only serves a narrow group.

7.9 A substantial portion of BTR renters earn between £26,000 and £50,000, with lower-income renters and key workers well represented, especially in 'single family' housing, which caters more to lower earners and families. The age profile of BTR renters is mostly under 35, with a dominant 25-34 age band. To note, there has been an increase in the proportion of 35-44 year olds living in BTR, increasing by 3% over the last year.

7.10 The proportion of renters living in BTR are more likely to be couples or sharers (53%), a significantly higher rate when compared to the proportion of families (9%). To note, the percentage of families used in the study sample was significantly lower than the PRS, mainly a result of the higher percentage of flatted developments rather than houses. .

7.11 Further research from Savills[iv] notes that nationally the Private Rented Sector is experiencing changes as a proportion of landlords exit the market due to regulatory pressures or reduced profitability, with evidence pointing to supply falling. They report that nationally that there are 5.4 homes sold for every home bought by landlords in 2024, compared with a 1:1 ratio in 2021. The implication of this is that **there is a key potential role for BTR in helping to maintain rental supply.**

7.12 The Renters' Rights Bill and energy efficiency regulations (EPC requirements) also add uncertainty and compliance costs that affect landlord decisions. If supply is not increasing, the likelihood is that recent strong rental growth will be maintained. Tenant affordability remains under pressure, with a small proportion of rental listings affordable for households on housing benefits; and challenges in this area can feed through to homelessness pressures on the Council itself. In these terms, there is an important role for institutional investors delivering BTR homes to meet demand for rental property.

Size of the Sector in East Hampshire

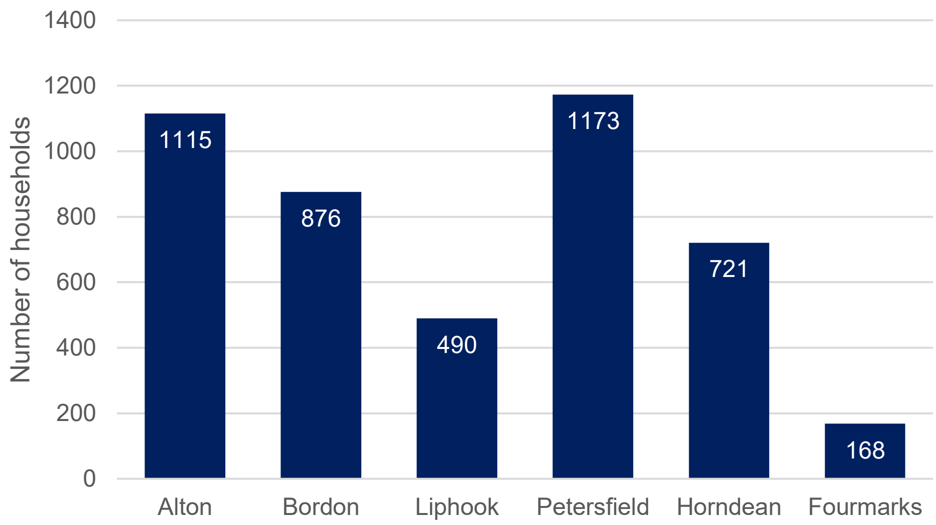
7.13 As set out in Chapter 2 of this report, 13% of the housing stock in East Hampshire is private rented at the time of the 2021 Census, lower than the regional (19%) and national (21%) rate. A local rental stock is however characteristic of more rural districts. While smaller than in comparator areas, the private rental sector nonetheless plays a key role in the local housing market.

7.14 Between 2011 and 2021, the private renting sector in East Hampshire showed a 0.1% decrease, contrary to the regional and national rates, which increased at 1.7% and 2.4%, respectively.

7.15 The 2021 Census data shows 15% of the resident population aged 65 years and over privately rent homes, while 9% are of people within the social rented sector.

7.16 The figure below sets out the number of renters within the main locations across East Hampshire. As shown, Petersfield has the highest proportion of private renters with a total of 1,115 households in the PRS (17% of total households). The lowest proportion is seen in Four Marks with a total of 168 households part of the PRS, equating to 8% of total households.

Figure 7-1 Number of households in the PRS within the main towns



Source: 2021 Census

7.17 The table below shows the household composition of those within the private rental sector.

Table 7-1 Household Composition of Private Renters in East Hampshire

Composition	East Hampshire		South East	England
	No.	%	%	%
One Person Aged 66 and over	7,245	14%	28%	30%
One Person Aged under 66	6,665	13%	15%	17%
Couple Aged 66 and over	6,869	13%	10%	9%
Couple No Children	7,175	14%	11%	10%
Couple Dependent Children	9,023	17%	16%	14%
Couple Non-Dep. Children	3,373	6%	6%	6%
Lone Parent Dep. Children	2,498	5%	7%	6%
Lone Parent Non-Dep Children	1,764	3%	4%	4%
Other: including full-time students	1,505	3%	4%	4%
Other Households	2,366	4%	7%	7%
Total Households	5,517	100%	100%	100%

Source: Census 2021

7.18 The analysis shows that the largest household group are couples with dependent children, accounting for 17% of all households. The proportion of couples living with or without dependent children make up over two thirds (69%) of all households, notably above the regional (65%) and national comparatives (63%). This is followed by single person households aged 66 and over, accounting for 14% of all households.

BTR Schemes in the District

7.19 There is one BTR scheme in the District at the moment, in the Whitehill & Bordon area, which is currently progressing with development. The development is a key contribution to the ongoing regeneration of the former Prince Phillip Barracks.

7.20 The previous two phases of the site have been successful. In the next phase, Packaged Living will deliver 176 Build to Rent homes as part of the wider Phase 3 development being taken forwards by Taylor Wimpley. To date, 55 homes have been handed over, with a further 41 scheduled for completion and handover around December 2025.

7.21 The development overall will consist of 2, 3 and 4-bed suburban houses which will provide over 160,000 sq.ft of family housing. The masterplan is family-focused, providing new schools, shops, restaurants, medical facilities and an arts and cultural centre. It includes extensive green space, such as a 54-acre woodland and new employment areas with potential for up to 3,000 jobs.

7.22 For the reasons outlined above, there is a strong case for seeking to support further growth in this sector.

Role of BTR in Supporting Housing Delivery

7.23 In the context of the District's geography, we consider that the greatest potential for BTR development will be in the provision of single-family housing. It can play a particular role in supporting the delivery on larger strategic sites where BTR can help to diversify the range of households which are able to access homes and can contribute to market absorption. On such schemes, we would expect affordable housing to be determined in the usual way.

7.24 If applications for multi-family build-to-rent schemes come forward as flatted schemes in more urban settings, the Council may need to consider how affordable housing is delivered. The Planning Practice Guidance on *Build to Rent* envisages single ownership and management control of such schemes (i.e. there is a single build to rent landlord for the whole scheme), with affordable housing provided as 'affordable private rent.' However, the current evidence does not point to a strong market for such development in the District.

Build to Rent and Private Rental Sector – Key Findings

The PRS accounts for 13% of the housing stock in East Hampshire, which is lower than regional (19%) and national (21%) averages. It was essentially static from 2011-2021 (a -0.1% decrease), in contrast to the rest of the Country.

However, the PRS is under pressure from landlords exiting the market, meaning there is a potential role of built to rent in supporting rental supply.

There is one BTR scheme in the District currently, located in the Whitehill & Bordon area providing built to rent suburban houses.

In the context of East Hampshire's geography, the greatest potential for BTR lies in single-family housing on large strategic sites. This can help diversify the range of households able to access a site and support faster market absorption.

Self- and Custom-Build

7.25 As of 1st April 2016, and in line with the 2015 Act and the Right to Build, relevant authorities in England are required to have established and publicised a self-build and custom housebuilding register which records those seeking to acquire serviced plots of land in the authority's area in order to build their own self-build and custom houses.

7.26 Since the last HEDNA was produced, there have been an additional four Base Periods as well as changes made to the legal framework of Self and Custom Build housing made via amendments to the 2015 Self and Custom Housebuilding Act by the 2023 Levelling Up and Regeneration Act (LURA).

7.27 The East Hampshire Self-Build and Custom Housebuilding Register was introduced for 1st April 2016 and there has now been eight full base periods up to 31st October 2023. As of October 2023, the Self and Custom Build Register lists 71 individuals, most seeking detached houses (58 applicants) of 3–4 bedrooms. Primarily located in Alton, Selborne and Beech. Nearly all wish to pursue individual self-build projects rather than group or community-led schemes.

7.28 The majority of applicants wish to build detached houses, with smaller numbers seeking detached bungalows or undecided on type. A high proportion intend to create three or four-bedroom homes, while none are seeking one-bedroom dwellings.

7.29 The Council reviewed its register in April 2020 to ensure it was current and GDPR compliant by asking all applicants to re-register and provide proof of eligibility. Many did not respond or provide evidence, suggesting they were either no longer seeking a plot or did not meet the statutory criteria.

7.30 The table below sets out a base period breakdown of those individuals who have expressed demand for serviced plots of land in East Hampshire. As shown, there have been a total of 924 entries in total but only 223 permissions granted, resulting in a cumulative shortfall of 701. Cumulative permissions represent 24% of total entries.

Table 7-2 Serviced Plot Demand by Base Period in East Hampshire

	Entries	Permissions
Base Period 1 (16 August 2015 - 30th October 2016)	172	0
Base Period 2 (31st October 2016 - 30th October 2017)	215	0
Base Period 3 (31st October 2017 - 30th October 2018)	99	0
Base Period 4 (31st October 2018 - 30th October 2019)	99	93
Base Period 5 (31st October 2019 - 30th October 2020)	71	21
Base Period 6 (31st October 2020 - 30th October 2021)	45	19
Base Period 7 (31st October 2021 - 30th October 2022)	45	23
Base Period 8 (31st October 2022 - 30th October 2023)	107	61
Base Period 9 (31st October 2023 - 30th October 2024)	71	6
Total	**924**	**223**

Source: Council Self and Custom Build Register/ Right-to-Build Register Monitoring

7.31 In East Hampshire's emerging Local Plan, Policy DM16 sets out support for self-build and custom housebuilding within settlements. The policy helps diversify the housing stock by enabling varied and flexible housing options that reflect the specific needs and preferences of the individuals on the register. This approach supports tailoring homes to local demand and contributes to a sustainable housing mix.

7.32 The policy supports diversification of stock by supporting smaller-scale builders, facilitating housing growth and increasing the variety of housing options, including affordable housing.

Broader Demand Evidence

7.33 The previous HEDNA considered how the Council could seek to increase the number of planning permissions which are suitable for self-build and custom housebuilding, supporting the sector.

7.34 It cited the PPG, which is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward.

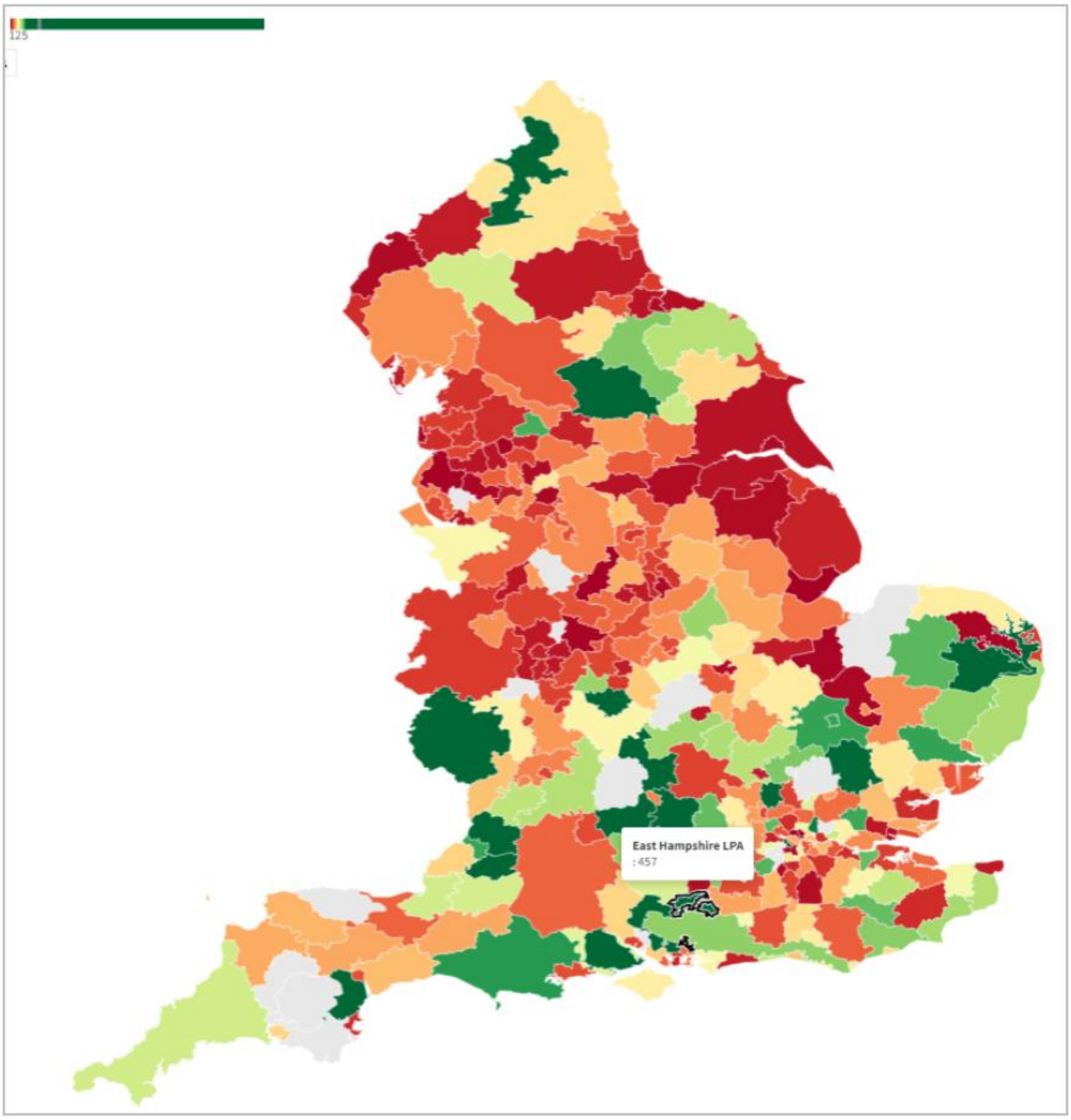
7.35 The recent NaCSBA 2024/25 Custom & Self Build Market Report mentions the improvements to the Right to Build via the Levelling Up and Regeneration Act 2023. The report notes that the Right to Build legislation is given weight in only about a quarter of cases and appeals tend to fail even then. Success rate for appeals on 1-2 unit sites is 13%, rising to 62% for large developments.

7.36 From June to September 2024, an average of 46 self-build appeals were decided per month, up from 28 per month in 2019. Attitudes toward custom build are particularly positive among younger age groups but there is a widespread need for education about the process.

7.37 As noted in the report, making the right to build work as intended, diversifying large sites and accelerating small site delivery are sector priorities.

7.38 We can draw on NaCSBA data to better understand the level of demand for serviced plots in East Hampshire in relative terms. The association has recently published analysis with supporting maps and commentary titled “Mapping the Right to Build” in 2019. This includes an output on the demand for serviced plots as a proportion of total population relative to all other local authorities across England. One of the key maps within the report highlights the areas of strongest demand and this is shown in the figure below.

Figure 7-2 Overall Demand for Self-Build Plots per 100,000 of Population, 2019 Registers



Source: NaCSBA “Mapping the Right to Build”, 2020

7.39 The map reflects register data from local authorities across the country with East Hampshire clearly highlighted. The map demonstrates that East Hampshire had significant levels of demand per 100,000 of the population at the time the data was gathered. The data which sits behind the map states that there is demand from 457 persons per 100,000 in East Hampshire which places the District in the top 10 authorities in England. However, following a review in April 2020, relative demand has now fallen to around 107 persons per 100,000.

7.40 Several measures can be used to increase the custom and self-build stock :

- supporting Neighbourhood Planning groups where they choose to include self-build and custom-build housing policies in their plans;
- working with Homes England to unlock land and sites in wider public ownership to deliver self-build and custom-build housing;
- when engaging with developers and landowners who own sites that are suitable for housing, encouraging them to consider self-build and custom housebuilding and facilitating access to those on the register where the landowner is interested; and
- working with local partners, such as Housing Associations and third sector groups, to custom build affordable housing for groups in acute housing need such as disabled people.

7.41 Under the Levelling Up and Regeneration Bill, it is now harder to count CIL-exempt sites towards supply. Monitoring should therefore be strengthened by tracking CIL Self-Build exemption forms and recording permissions granted through the development management process.

Self and Custom Build – Key Findings

Self-build and custom housebuilding is a growing sector of the housing market, and one which has potential to contribute to housing delivery.

Council’s self-build register currently contains 71 individuals, most seeking detached houses of 3-4 bedrooms, primarily located in Alton, Selborne and Beech, and nearly all wishing to pursue individual self-build rather than community-led schemes.

Since the introduction of the Council's self-build register, there have been a total of 924 individuals entered, although only 233 plots permitted.

The Self-Build and Custom Housebuilding PPG sets out how authorities can increase the number of planning permissions which are suitable for self-build and custom housebuilding and support the sector. The PPG is clear that authorities should consider how local planning policies may address identified requirements for self and custom housebuilding to ensure enough serviced plots with suitable permission come forward and can focus on playing a key role in facilitating relationships to bring land forward.

The East Hampshire Core Strategy adopted in June 2014 is silent on self-build and custom build housing in policy terms; however, the Council has drafted a specific policy under Policy DM8 in the draft Local Plan which supports self and custom build development subject to any significant adverse impact on local character. The policy also requires sites of 20 homes or more to provide for 5% of all housing as serviced plots.

Iceni considers that this draft policy is suitable and responds to the requirements of Planning Practice Guidance. As a general principle, the Council should support the submission and delivery of selfbuild and custom housebuilding sites, where opportunities for land arise and where such schemes are consistent with other planning policies.

Rural Exceptions Schemes

7.42 The Framework at Annex 2 defines rural exception sites as: "small sites used for affordable housing in perpetuity where sites would not normally be used for housing".

7.43 Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents of the parish or have an existing family or employment connection to the parish. A proportion of market homes may be allowed on the site at the local planning authority's discretion, for example where "essential to enable the delivery of affordable units without grant funding" which is similar to the new First Home exception site policy.

7.44 The purpose of rural exception site development is to recognise that more rural communities need new housing to help maintain their vitality and also to assist residents to find accommodation that meets their changing needs.

7.45 For younger individuals and households this includes offering genuine opportunities to secure affordable housing in the area where they have grown up. Rural exception housing therefore offers a policy and financial mechanism by which the choice and mix of accommodation available to younger age groups can help support access to appropriate housing. Rural exception sites do also offer opportunities for the ageing population; with the ability to provide for individuals wishing to downsize amongst other avenues.

7.46 Rural exception sites have the advantage of giving people with a local connection and where there is an identified *local* housing need a priority in the affordable housing allocation process. Homes are offered first and foremost to households in the parish within which it is located. The development and occupancy of rural exception sites is controlled through a S106 legal agreement. This agreement ensures that the dwellings on the exception site are affordable in perpetuity and have occupancy clauses.

7.47 The affordable housing provided on rural exception sites should only be used to meet a clearly identified *local* housing need and a community will need to demonstrate through a local housing needs survey that there is a localised need. The results of the survey should demonstrate that there are people living in the parish/village who are in housing need and are unable to compete in the general housing market (to rent or buy) due to the low level of their income.

7.48 In contrast on First Home exception sites there is no requirement for an applicant to demonstrate a *local* need to the parish. What is required is evidence that there is an unmet need for First Homes at the local authority level.

7.49 In terms of delivering exception sites, these can be brought forward by a range of associations but are typically led by Parish Councils or community-led housing groups such as Community Land Trusts ("CLTs") which provide affordable homes for local people in need, for rent or shared ownership, through the acquisition of land which is held as a community asset in perpetuity.

7.50 Over the period 2005-2020, East Hampshire District Council was a member of the Hampshire Alliance for Rural Affordable Housing ("HARAH") which had a core aim of increasing the supply of affordable housing in rural villages of Hampshire. The partnership ended on 31st March 2020 following its role in supporting the delivery of over 500 homes across rural Hampshire; however, work started by HARAH has since continued as part of the Hampshire Homes Hub, which is funded in part by Government, with a role to help communities bring forward housing schemes.

7.51 The Hub offers services such as carrying out Housing Need Surveys on behalf of Parish Councils and Neighbourhood Development Plan groups; working with Parish Councils to find suitable sites for small affordable housing schemes and also work with landowners who have offered land for rural exception site housing. This service identifies the local need for all types of housing in the area for the next few years, providing vital evidence to support local needs.

7.52 In planning policy terms, the East Hampshire District Council Emerging Local Plan sets out, under Policy H4, details regarding rural exception sites. The policy allows for a means of providing affordable housing to meet identified local needs, sometimes supplemented by a limited amount of market housing to support delivery. As set out in the policy, up to 30% of market housing can be included if required for scheme viability.

7.53 There is an identified local need as indicated by the most recent Hampshire Home Choice and as agreed by the Local Planning Authority. Development should not exceed the identified local need, be adjacent to and well related to the village and its facilities, be proportionate in size to the settlement and enhance the rural community.

7.54 The policy also allows for the provision of a small amount of market housing if the settlement has a settlement boundary policy and market provision should not exceed 30% of all housing proposed. The Council had a similar policy in the previous East Hampshire Local Plan (adopted 2014).

Rural Exception Sites – Key Findings

The Framework (paragraph 76) directs that local planning authorities should support opportunities to bring forward rural exception sites that will provide affordable housing to meet identified local needs and also to consider whether some market housing on such sites would help facilitate this.

Council's Emerging Local Plan Policy H4 allows for rural exception sites as a means of providing affordable housing to meet identified local needs, sometimes supplemented by a limited amount of market housing to support delivery (up to 30% if required for viability).

In addition to policy support, the Council also has a history of supporting organisations such as HARAH and now the Hampshire

Homes Hub which aim to increase the supply of affordable housing in rural villages of Hampshire by offering support and guidance.

Looking forward, the Council should continue to highlight and strongly promote the benefits of exception sites to encourage housing opportunity for younger households and family households connected to rural areas.

The Council could also explore the opportunity to deliver joint self-build and affordable housing schemes on rural exception sites through its existing links with the Hampshire Homes Hub.

8. Housing Needs of Specific Groups

Homeless Households and those in Temporary Accommodation

8.1 The Council has a duty under Part VII of the Housing Act (as amended by the Homelessness Act 2002) to ensure that homeless applicants owed a full housing duty are provided with suitable accommodation. The Council is committed to supported homeless individuals including in developing personal housing plans tailored to individuals circumstances. Temporary accommodation will be provided whilst the council will work to find a longer-term solution.

8.2 Council's current strategy to prevent homelessness is the *East Hampshire Homelessness and Rough Sleeping Strategy 2019-2024*. There is a draft update to this strategy (the *Draft Homelessness and Rough Sleeping Strategy 2025-30)*.

8.3 The Strategy provides a useful starting point for understanding the main issues around homelessness in the District and the current position with the Housing Service offer. In setting the scene, the Strategy recognises that the District population is ageing, property values are increasing along with land values, housing affordability has continued to decline and there has a decreasing ability to secure accommodation private rented sector due to high rents.

8.4 The Strategy goes on to state that the Council is a non-stock holding authority as the housing stock was transferred under LSVT to East Hampshire Housing Association, who later merged to form Radian. As a result, the Council has to work closely with registered social landlords who manage stock within the District. The Council's Housing Service is responsible for housing options and advice provisions as well as ensuring the adequate provision of housing development within the district through its housing enabling and housing strategy roles.

8.5 The Strategy incorporates an Action Plan to tackle the main concerns and challenges in the District which are grouped under four main priority areas with specific targets, as follows:

- To ensure all our customers are provided with appropriate advice, assistance and support to enable them to address their housing needs and to lead independent lives – emphasis to be on early intervention, building on existing services and continually improving service delivery;

- Consider more sustainable housing solutions for those facing homelessness and on the Housing Register -with the emphasis on reducing the use of B&B, placement outside the area, and taking the opportunity to be more creative and innovative;

- Prevent and Relieve homelessness by working in partnership with statutory and voluntary sector agencies to identify the threat of homelessness at the earliest opportunity, and work together to ensure appropriate support services are accessible; and

- To understand the needs and requirements of those rough sleeping and sofa surfing in the district and provide sustainable solutions.

8.6 The Council's draft strategy identifies updated priorities, including:

- Prevention first – preventing homelessness including through supporting households, family and friends and continuing multi-agency work

- Maximising use of available housing to reduce time spentin in emergency accommodation

- Supporting rough sleepers including ensuring effective intervention occurs and considering innovative solutions working with all partners

- Providing high-quality advice through investing in staff training, maintaining development partnership, exploring options for self-service capabilities and utilising all data sources

8.7 As of August 2025, Hampshire Home Choice data reveal that a total of 1,640 households in East Hampshire are registered on the waiting list.

8.8 Homeless households are prioritised within the housing need assessment, typically falling into Band 1 (Emergency) or Band 2 (High

Need), depending on the severity of their circumstances and legal status under homelessness legislation.

8.9 For East Hampshire, there are 11 Band 1 households across all bedroom requirements, a smaller proportion of the total register. Many more households with significant housing insecurity are situated in Band 2, accounted for by 241 registrations, who may be facing less immediate but still substantial threats to their housing stability, often including those in temporary accommodation awaiting a settled offer.

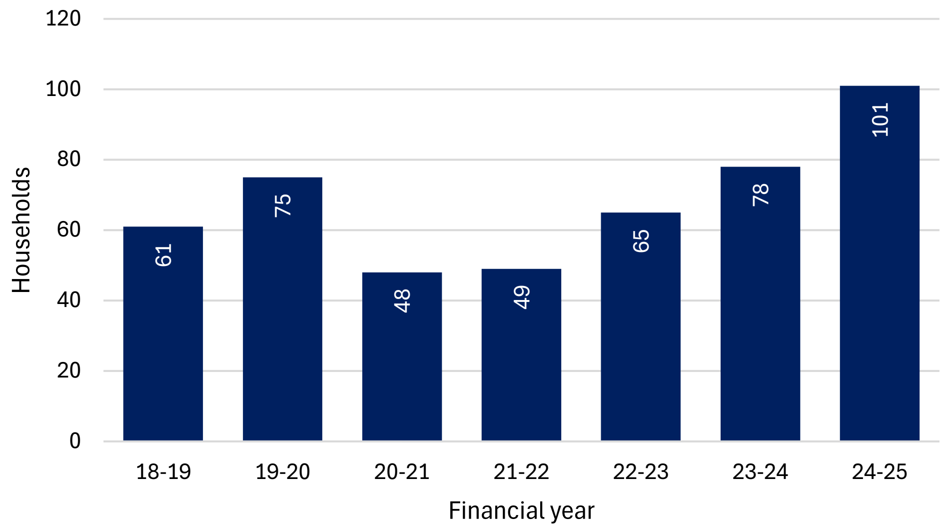
8.10 There are 429 transfer applicants on the register, indicating movement within the social housing stock, including households currently in temporary accommodation. Band 1 temporary accommodation cases among transfer applicants remain low. Among residents aged 55 and over, three individuals are listed in Band 1. The overlap between those aged 55+ and transfer applicants is minimal.

8.11 Waiting times for social housing in East Hampshire are long, especially for lower priority applicants and larger properties. Higher priority (Band 2) applicants can expect waits from 8 months (2 bed flat) up to over 6 years (4+ bed). Lower priority (Band 3) applicants face 2.5 to 4.5 year waits even for smaller home. Properties for age 55+ have waits of just over a year for Band 2 and a little longer for Band 3.

8.12 In order to better understand the position of those most in need and provide a longer-term view, Iceni has analysed Homelessness Case Level Collection (H-CLIC) data available up to June 2025, which is gathered by MHCLG directly from local authorities.

8.13 The figure below shows how the number of those accepted as being homeless and in priority need changed in the District over the period from 2018 to 2025. There has been some variability in numbers between different years. However, there appears to have a consistent increase from 2021-22 onwards, with a peak of 101 reached in 2024025.

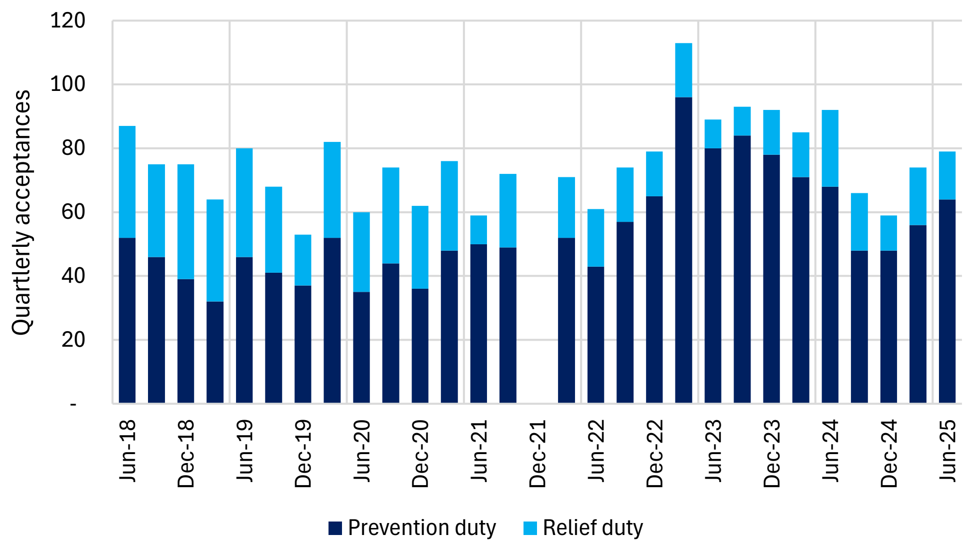
Figure 8-1 Homeless Households in Priority Need, 2018 to 2025



Source: MHCLG, 2025

8.14 As shown in the figure below, there has been some quarter to quarter variation in the number of households accepted for a homeless duty, although data from 2018 until 2021 shows generally between 60 and 80 per quarter. Acceptances were much higher from the March 2023 quarter until the June 2024 quarter, but have since dropped. The Prevention Duty cases consistently made up the majority, peaking at 80 in 2023 and 68 in 2024.

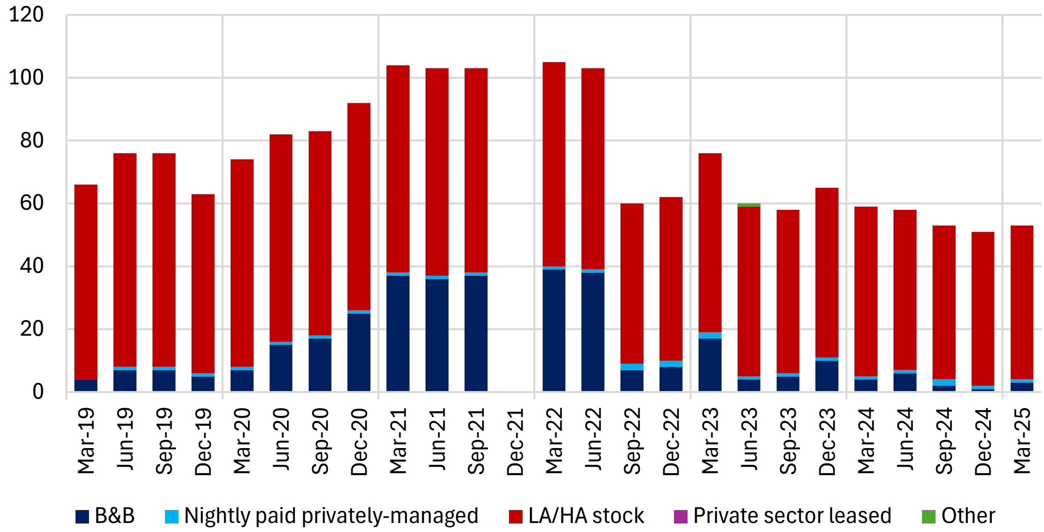
Figure 8-2 Homeless Households owed a Duty



Source: MHCLG, 2025

8.15 The figure below provides an overview of TA trends since the introduction of the Homelessness Reduction Act. The figures show an overall decline in numbers over time for East Hampshire, with expensive B&B accommodation largely eliminated and the vast majority of households now housed in LA/HA stock.

Figure 8-3 Households living in Temporary Accommodation



Source: MHCLG, 2025

8.16 The Council supports the Hampshire Making Safe Scheme, which aims to assist victims of domestic abuse with options and information to remain safe in their homes. It is also noted that the Council works proactively with Stop Domestic Abuse ("SDA"), the service commissioned by Hampshire County Council to provide domestic abuse services in the District.

8.17 The Council's Strategy and Action Plan also includes actions to address rough sleeping in the District, whilst there are not huge numbers recorded, the Council is very aware of many people 'sofa surfing', moving on continuously.

Homeless Households with Support Needs

8.18 There are a range of households who present themselves as homeless or at risk of homelessness in the District with varying support needs which have a direct relationship with the requirement for suitable supported housing. Household groups with support needs include:

- Households with alcohol and drug dependencies (i.e. those which are maintaining independence)
- Households subject to Domestic Abuse
- Households with mental health problems who need support
- Offenders and people at risk of offending; and
- Young people leaving care (i.e. young people leaving local authority care who have been looked after for a continuous period of at least 13 weeks).

8.19 There is a strong overlap between those presenting as homeless and individuals with drug, alcohol or other support needs, allowing detailed analysis of the specific support needs reported during homelessness relief or prevention cases.

8.20 The table below sets out the most prevalent support needs of households owed a duty in the district, taking an average across the last three year’s worth of data.

Table 8-1: Households owed a duty: Support Needs (Average 2021-2025)

Support Need	No of Households (p.a.)	% of Owed Duty (p.a.)
Mental health problems	9	8%
Experienced Domestic Abuse	7	6%
Physical ill health and disability	6	5%
Drug or Alcohol dependency	5	5%

Source: H-CLIC data

8.21 Through its Homelessness Strategy and Action Plan, the Council aims to create an accessible ‘front door for everyone’ and improve residents’ lives. The new Local Plan will support this by delivering the homes and jobs the area needs, including affordable and sheltered housing.

8.22 If adopted, the emerging Local Plan will require 40% affordable housing on sites of 10 or more homes. The identified need justifies this requirement and with support for RPs and nomination arrangements via Hampshire Home Choice, the Council has a strong framework to expand affordable housing delivery.

8.23 When assessing social housing needs, Housing Services should identify applicants with ongoing support needs and refer them to appropriate agencies. Inter-agency communication is essential to deliver a holistic service, as recognised in the Council’s Strategy and Action Plan.

8.24 Alongside monitoring the Strategy and Action Plan, the Council should work with the County Council to identify opportunities on available public land for suitable housing.

Homeless Households and Those in Temporary Accommodation – Key Findings

As of August 2025, there are 1,640 households on the housing register. While homeless households are given high priority (Bands 1 and 2), waiting times for settled accommodation remain severe, ranging from eight months for small flats to over six years for larger family homes.

A significant portion of households owed a homelessness duty have complex support requirements, most notably mental health problems (8%), experiences of domestic abuse (6%), and physical disabilities (5%).

Priority homelessness cases have increased from 2021-22 onwards, and reaching a peak of 101 in 2024/25.

Use of temporary accommodation has been decreasing in recent years, and almost all households in temporary accommodation in East Hampshire are housing in LA/HA stock rather than expensive B&B or nightly paid accommodation.

As a non-stock holding authority, the Council relies on Registered Providers to deliver permanent solutions. The emerging Local Plan's requirement for 40% affordable housing on major sites is the primary mechanism for generating the settled supply needed to reduce reliance on temporary placements. The Council's Strategy and Action Plan also includes actions to address rough sleeping in the District.

Students

8.25 The NPPF requires that the housing needs of students be assessed and reflected in planning policies. However, East Hampshire does not have any higher education institutions within its boundaries.

8.26 The 2021 Census data showed that there are 21,017 students in East Hampshire. Between 2011 and 2021, the number of students living in the district declined by 551 or -2.6%.

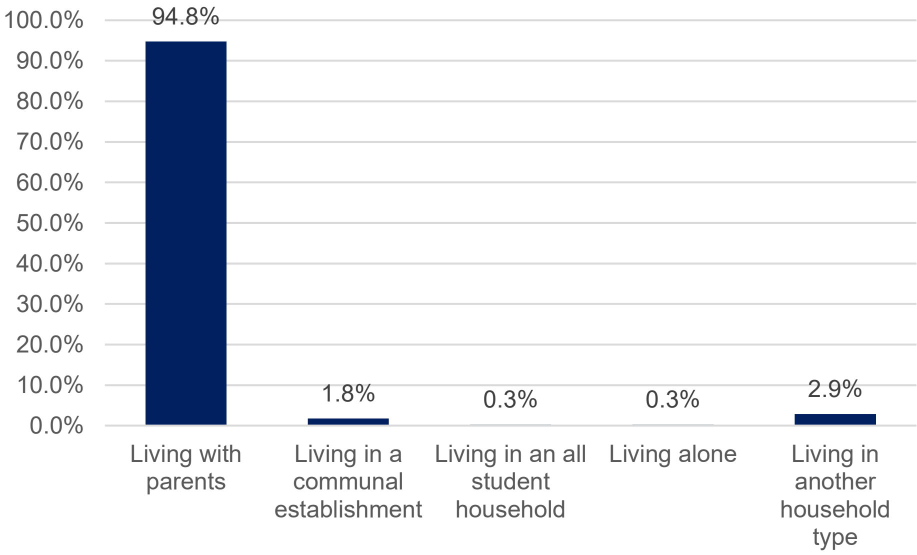
Table 8-2: Change in Full-Time students aged 18 years and over, 2011 to 2021

	2011	2021	% Change
East Hampshire	21,568	21,017	-2.6%

Source: Census 2011 and 2021

8.27 The vast majority of students living in the District live with their parents, therefore living at home and commuting to college or university. A very small proportion (0.3%, 58 people) of students live in student households or living in another household type (2.9%, 607 people).

Figure 8-4: Accommodation status of students, aged 18 and over



Source: 2021 Census

8.28 Iceni has considered the change in the structure of student accommodation between the 2011 and 2021 Census points in East Hampshire. As shown in the table below, there has been a decrease across all types of student accommodation in the district.

Table 8-3: Changes in students* by different accommodation types, 2011-2021

	2011	2021	Net Change, 2011-2021
Living with parents	20,174	19,924	-250
Living in a communal establishment	533	374	-159
Living in a student household	95	58	-37
Student living alone	76	54	-22
Other household types	690	607	-83

Source: Census 2011, 2021. *To note, students will include those enrolled in A-level or further education courses, as well as students in higher education.

8.29 Overall, the evidence points to modest numbers of students living in East Hampshire and our analysis does not suggest a need for policy intervention or that any purpose-built student housing provision is necessary over the plan period.

Key findings – Students

There are no higher education establishments in East Hampshire District. According to 2021 Census data, the vast majority of students over 18 are either living with parents – and therefore most likely commuting to higher and further education establishments outside of the District – or living with a partner.

As a result of the modest number of students in the District and the accommodation status of these students, our analysis does not suggest a need for a policy intervention or that any purpose built student housing provision is necessary over the plan period.

Service Families

8.30 Annex 2 of the NPPF identifies Military Personnel as Essential Key Workers. This influences their eligibility for affordable housing. Given their income profiles, the needs of serviced families will already be captured within existing affordable housing needs analysis (as set out in Section 4 herein) rather than being additional to this.

8.31 The Armed Forces Covenant (May 2011) was published by the Ministry of Defence ("MOD") and describes a moral obligation that the Government and the Nation owe to those who serve or have served in the Armed Forces and to their families. With respect to housing, the Covenant states:

> *"In addressing the accommodation requirements of Service personnel, the MOD seeks to promote choice, recognising the benefits of stability and home ownership amongst members of the Armed Forces where this is practicable and compatible with Service requirements, and also that their needs alter as they progress through Service and ultimately return to civilian life. Where Serving personnel are entitled to publicly provided accommodation, it should be of good quality, affordable, and suitably located."*

8.32 Service personnel should have priority status in applying for Government-sponsored affordable housing schemes, and Service leavers should retain this status for a period after discharge. Personnel may have access to tailored Armed Forces housing schemes or financial arrangements, depending on their circumstances, to help them in purchasing their own property. Those injured in Service should also have preferential access to appropriate housing schemes, as well as assistance with necessary adaptations to private housing or Service accommodation whilst serving."

8.33 Members of the Armed Forces Community should have the same access to social housing and other housing schemes as any other citizen and not be disadvantaged in that respect by the requirement for mobility whilst in Service. Government has acted to implement various measures aimed at strengthening the position of ex-military personnel when seeking to access housing and support.

8.34 From 2012, Government revised national guidance to include measures to: set new "priority need" categories to assist homeless ex-service personnel in accordance with the Housing Act 1996; change the rules on local connection to ensure that barriers are removed in accessing social housing; and include ex-military personnel (veterans) as a priority category in terms of eligibility for certain low-cost home ownership initiatives. These are reflected in the Hampshire Home Choice Allocations Framework which guides the allocation of social housing in the District. It exempts armed forces personnel and veterans from local connection criteria; and gives additional priority to those with an urgent housing need.

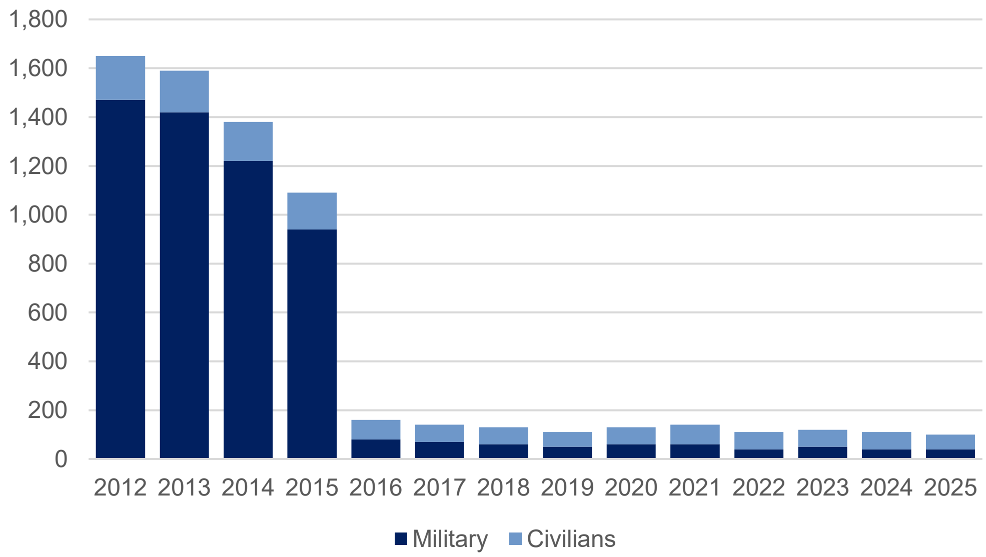
8.35 There has therefore been a national emphasis and obligation to support ex-service personnel in terms of their housing and the rehabilitation care needed to honour the implementation of the Armed Forces Covenant. There are a number of housing schemes that are available to the Service and Ex-Service community under the HomeBuy umbrella. In addition, the MOD Referral Scheme aims to provide low-cost, rented accommodation for service personnel on leaving the Services.

8.36 At a local level, East Hampshire District Council has its own Armed Forces Community Covenant for East Hampshire and Bordon Garrison, published in June 2013 and re-signed in 2022. The Community Covenant is a voluntary statement of mutual support between the District Council and its local Armed Forces Community. In terms of how the Council intends to uphold the Convent, the Council has said that it will:

- encourage local communities and the Armed Forces community to support each other;
- nurture public understanding and promote awareness of issues affecting the Armed Forces community;
- recognise and remember the sacrifices made by the Armed Forces community; and
- encourage activities which help to integrate the Armed Forces community into local life.

8.37 East Hampshire had a significant military presence linked to Bordon Garrison Barracks, which closed in December 2015. MOD data shows only 140 military and civilian personnel remained by April 2021, reflecting a sharp decline between 2012 and 2015 prior to the closure. According to data from the MOD, there were 120 military and civilian personnel in East Hampshire on April 2022. The most recent MOD data on April 2025 shows 100 military and civilian personnel stationed in East Hampshire, as shown in Figure 8-5 below.

Figure 8-5 Military and Civilian Personnel, East Hampshire (2012-2025)



Source: MOD, 2025

8.38 The profile of service personnel in the district thus now shows relatively low overall numbers.

8.39 In terms of veterans, our analysis of Census data in East Hampshire shows that there were 249 residents who had previously served in any UK armed forces living in the district in 2021. This represented 0.2% of the usual resident population aged 16 and over at the time the Census was carried out.

Key findings - Service Families

There is a modest population of both service personnel and veterans in the District. It is important that both serving personnel and veterans are supported in accessing affordable housing. There are no specific implications for the emerging Local Plan, but it will be important that housing allocations policies continue to support access for service families and veterans to affordable housing.

Caravans and Mobile Homes

8.40 The Gypsy and Traveller Accommodation Assessment (GTAA) for East Hampshire and the South Downs National Park Authority (SDNPA), finalized in July 2024, provides an assessment of current and future accommodation needs for Gypsies, Travellers, and Travelling Showpeople across the plan period to 2044 and in line with relevant planning policy and legislation.

8.41 The assessment identifies a need from 2025-2043 within the East Hampshire Plan Area for:

- 32 pitches for Gypsy and Traveller households that meet the 2023 PPTS planning definition
- Up to 30 pitches for undetermined Gypsy and Traveller households that may meet the planning definition

- 2 pitches for Gypsy and Traveller households who did not meet the planning definition.

8.42 In general terms, it is the Government's intention that the need for those households who do not fall within the *Planning Policy for Traveller Sites* planning definition should be met as part of general housing policies.

8.43 Notwithstanding the above, the Council holds data on all existing caravan sites in the District which are licensed Caravan and Mobile home sites. In total, there are a total of 646 caravans.

8.44 The 2021 Census shows there to be 450 dwellings (recorded as 'household spaces') in East Hampshire that comprised 'caravans or other mobile or temporary structures'. The table below shows the spatial distribution of these and it is clear that there are concentrations in the National Park.

8.45 Around 78% of these dwellings are recorded in the Census as being occupied – a 22% vacancy rate; the relatively high vacancy rate is likely to be due to properties where households are not permitted to be resident for 12-months of the year, those that are holiday homes, or due to accommodation for temporary agricultural / horticultural workers. Vacancy rates do not vary substantially across areas. It should be noted that Census data does not separate out houseboats and caravans.

8.46 Generally, households living in caravans/houseboats are smaller than households in bricks and mortar accommodation. The average household size in caravans/houseboats (as of the 2021 Census) is 1.82 people, compared with a District average (for all dwelling types) of 2.35. This is likely to reflect both the size of homes and the age and household structures of residents (this point is returned to later in this section).

Table 8-4: Number of caravans or other mobile or temporary structures (2021)

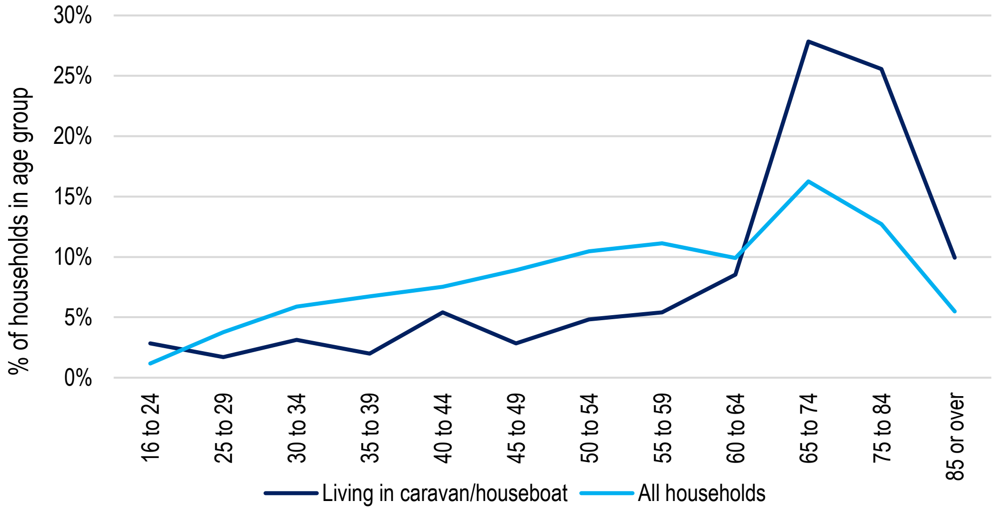
	Number of household spaces	% of total	Number of occupied household spaces	% of occupied
North East	199	44.4%	141	39.8%
North West	26	5.8%	20	5.6%
Southern parishes	44	9.8%	41	11.6%
SDNP	179	40.0%	152	42.9%
TOTAL	448	100.0%	354	100.0%

Source: Census 2021

8.47 To project the potential need/demand for caravans and houseboats, the analysis has returned to Census data. A custom table identifies the age profile of households living in caravans and other temporary structures; this can be used along with demographic projections to look at how demand might change moving forward.

8.48 The figure below shows the age of the household reference person (HRP) living in a caravan/houseboat compared with the age profile of all HRPs in East Hampshire. This identifies a clear increase in the number of people in caravans/houseboats starting at about age 60, which would suggest that some homes are 'age restricted'.

Figure 8-6 Age of household reference person living in caravan / houseboat – East Hampshire



Source: MOD, 2025

8.49 Drawing on this and the number of those living in a caravan or mobile home as a proportion of all HRPs by age range, we can then link this data to the demographic projections. In doing so, it is possible to determine how the demand for such accommodation might change in the future.

8.50 The methodology used is similar to that when looking at the mix of housing. Firstly, the projected growth by age of household is analysed, and then the propensity for any age group to live in a caravan/temporary structure is applied to the projected change. This then gives the change in the number of households living in such accommodation assuming that occupancy patterns do not change. The analysis below shows a potential need over the 18-year period to 2045 of 155 additional dwellings (9 per annum).

Table 8-5: Projected Change in Caravan/Mobile Home Households by Age of HRP, 2025-43

Age range	Household change (2025-43)	% of caravan / mobile home HRPs as a % of HRPs by age range (2021)	Projected change in caravan / mobile home households
16-24	637	1.62%	10
25-29	1,242	0.30%	4
30-34	1,511	0.35%	5
35-39	1,522	0.20%	3
40-44	1,512	0.48%	7
45-49	1,809	0.21%	4
50-54	1,461	0.31%	4
55-59	655	0.32%	2
60-64	213	0.57%	1
65-74	2,087	1.14%	24
75-84	3,649	1.34%	49
85 +	3,346	1.21%	40
Total	19,643	-	155

Source: Census 2021 and demographic projections

Key findings – Caravans/Mobile homes

The East Hampshire Gypsy and Traveller Accommodation Assessment ("GTAA") provides an overview of households in the District that do not meet the planning definition of a Traveller. The GTAA concludes that there is a need for 2 pitches for households that do not meet the definition.

Notwithstanding this, the Council holds data on all existing caravan sites in the District which are licensed Caravan and Mobile Home sites. In total, there are a total of 646 caravans. It is also the case that at the point of the 2021 Census, there were 450 homes (recorded as ‘household spaces) in East Hampshire that comprised ‘caravans or other mobile or temporary structures’.

To project the potential need/demand for caravans and houseboats, the analysis has returned to Census data and has linked the existing demographic profile of caravan and mobile home households by age of HRP in East Hampshire with the demographic projections detailed in this report. On this basis of the method set out in this report, it is expected that the demand for such accommodation could increase by 155 households over the period 2025-43 which is equivalent to 9 per annum.

Looked After Children

8.51 A Written Ministerial Statement by the Minster of State for Housing and Planning on 23rd May 2023 has made clear that Local Planning Authority’s should determine whether it is appropriate for studies such as this to consider the accommodation needs of children in need of social services care (children in care). It advises that Local Planning Authority’s should give due weight to and be supportive of applications for accommodation for looked after children in their area that reflect local needs; and that local/ unitary and upper tier authorities should work with commissioners to assess local need.

8.52 The ‘sufficiency duty’ under the Children’s Act (1989) requires local authorities to take steps to secure, as far as reasonably practical, sufficient accommodation within the Authority’s area boundaries to meet the needs of children that the local authority is looking after and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation. The authority in these terms is Hampshire County Council (HCC).

8.53 HCC approved a Children’s Services Sufficiency Duty Strategy in March 2023. The duty of ‘sufficiency’ requires local authorities and Children’s

Trust partners to ensure that, through direct provision or commissioned services, a range of placements sufficient to meet the needs of all children in care are available locally or that there is a plan in place to move towards that position.

8.54 In addition, local authorities have a duty to accommodate homeless young people aged 16-17 and care leavers aged 18-20; and these are considerations in the allocation of social housing.

8.55 There is a strategic focus on seeking to avoid children being taken into care. Of looked after children, many (including most aged under 11) are accommodated in foster homes. Children's home provision is needed in particular for those with more complex needs.

8.56 HCC's Sufficiency Strategy outlines that the population of looked after children (CLA) has remained stable as a percentage of population since 2018. However it identifies a need for increased provision moving forward to accommodate both demographic growth; to accommodate unaccompanied asylum seeker children; and to increase the proportion of children which HCC is able to accommodate within (rather than outside of) Hampshire. Its forecasts of needs to 2027 (on a county-wide basis) are shown below.

Table 8-6 Need for Children's Homes Spaces, Hampshire (2021-2027)

	2021	2026/7	Change
Children's Home Places: Hampshire County Council In-House	22	32	10
Children's Home Places: Commissioned	157	209	52
Post-16 Placements	196	217	21
Total	375	458	83

Source: Hampshire County Council Sufficiency Strategy

8.57 Need is managed by HCC on a County-wide basis; and therefore there is not specific data for East Hampshire District.

8.58 Children's homes are not typically large, with normally between 1-4 children in a home as well as provision for staff to sleep and a number of communal rooms. They should typically include outdoor space within a garden and ideally provision for staff parking. Houses on through roads in suburban environments are thus particularly suitable.

8.59 Additional provision does not necessarily need to be new-build but will often involve conversion of existing C3 properties. Children's homes would typically fall within a C2 use class. It should be noted that homes will need to include both bedrooms for children and for carers (so that for instance a 4-bed house could be for 3 children). There is a need for homes of varying sizes.

8.60 Homes will typically provide 3-4 bedrooms, but there is also a need for smaller homes for those with more complex needs, which might accommodate a single child but require homes with 2-3 beds (including to accommodate staff).

8.61 Barriers to delivery including the need for certainty associated with conversion of properties to secure approval from Ofsted for new provision; and objections from surrounding residents in some instances. The evidence of need herein is a relevant planning consideration.

Key findings - Children's Homes

Need for children's home spaces is managed on a County-wide basis, and there is no specific data for East Hampshire. An additional need of 83 spaces is forecast between 2021-2027 across Hampshire.

Iceni do not consider that there is a need for specific adjustments to the emerging policies to reflect the needs of looked after children. Draft Policy H5: Specialist Housing is supportive of specialist and supported housing on sites within settlement boundaries, and in the countryside where the site is well-located and there is a proven local need. The need identified herein is a material consideration for relevant planning applications alongside the Written Ministerial Statement.

9. East Hampshire's Economy

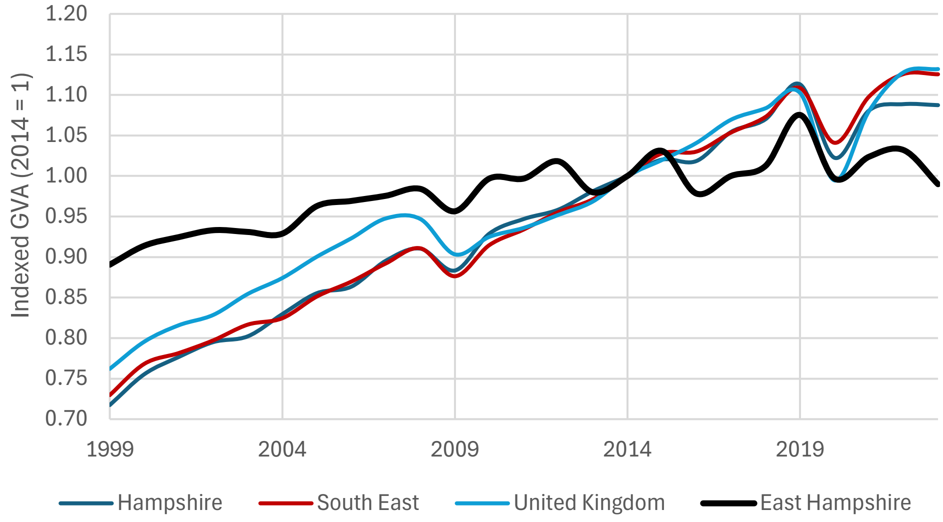
9.1 This section considers the profile of the East Hampshire's £2.8 billion economy which in 2024 employed around 53,100 people. The District's economy accounted for around 5.4% of GVA and 4.3% of employment across Hampshire.

East Hampshire's Economy

9.2 The District's economy has historically grown more slowly than other parts of Hampshire. Gross Value Added ("GVA") is a measure of the value of goods and services produced in an economy. Over the 2014-24 decade, GVA in East Hampshire was essentially static, shrinking by 0.3%, although there is substantial year to year volatility in the data. As shown in the figure below, GVA has been largely static since 2010, before which it grew slowly (although more slowly than comparator areas).

9.3 By comparison, between 2014-2024 GVA increased by 10.1% in Hampshire (1.0% per annum), 14.6% (1.4% per annum) across the South East and 14.4% (1.4% per annum) across the United Kingdom. The longer-term trend, as the figure below shows, is also of comparatively weaker performance.

Figure 9-1 East Hampshires GVA Growth compared to comparators

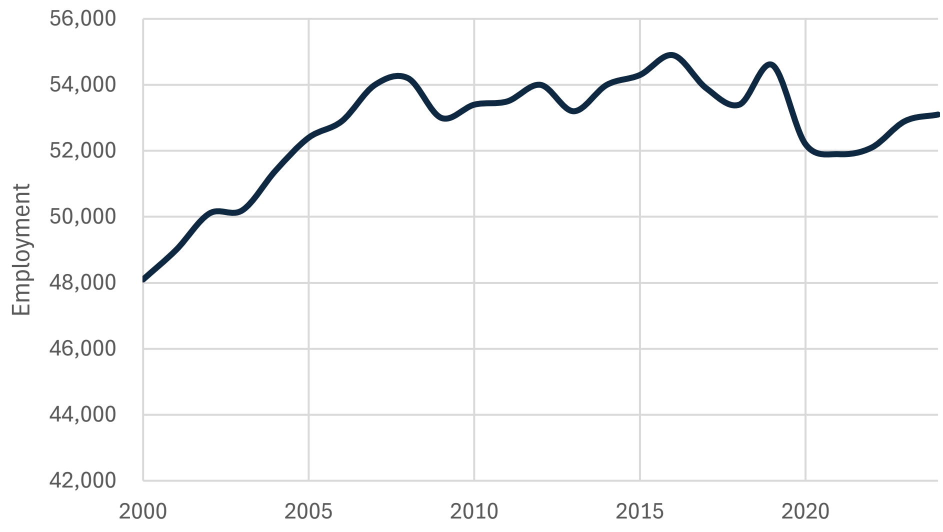


Source: Iceni analysis of 2025 Experian Forecasts

Total employment

9.4 The weak recent performance in GVA is also borne out in data on total employment, as shown in the figure below. Employment in East Hampshire was relatively static between around 2007 and 2019, varying between 53,000 – 55,000. It decreased to around 52,000 following COVID-19, and as of 2024 is sitting at 53,100. This means there has been essentially no employment growth in net terms since the mid 2000s, and total employment is now below the peak of 54,900 reached in 2016.

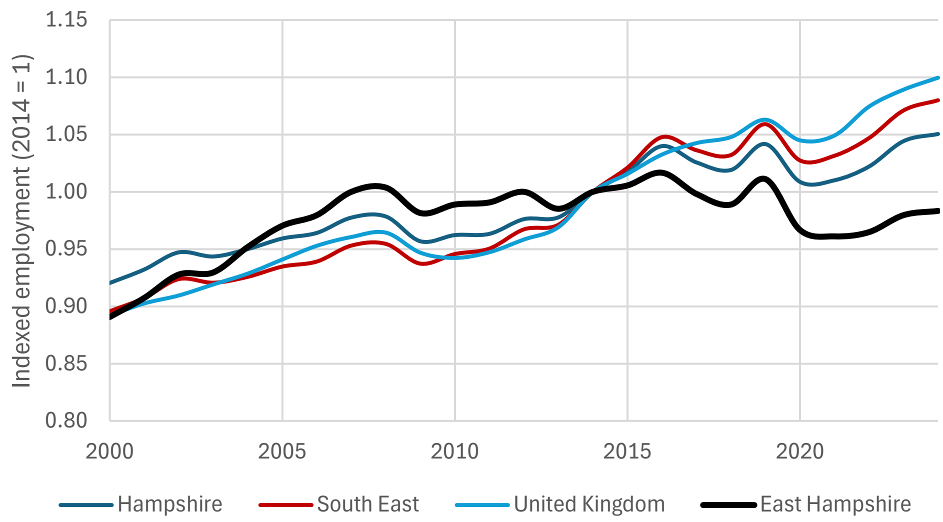
Figure 9-2 Total employment in East Hampshire



Source: Experian Forecasts 2025

9.5 By comparison, over the last ten years (i.e. 2014-2024) employment has grown at an average rate of 0.5%, 0.8% and 1.0% per annum in Hampshire, the South East and the United Kingdom respectively. This is illustrated in the figure below, which shows how employment trends in East Hampshire have diverged from these comparator areas.

Figure 9-3 Employment trend in East Hampshire and comparators

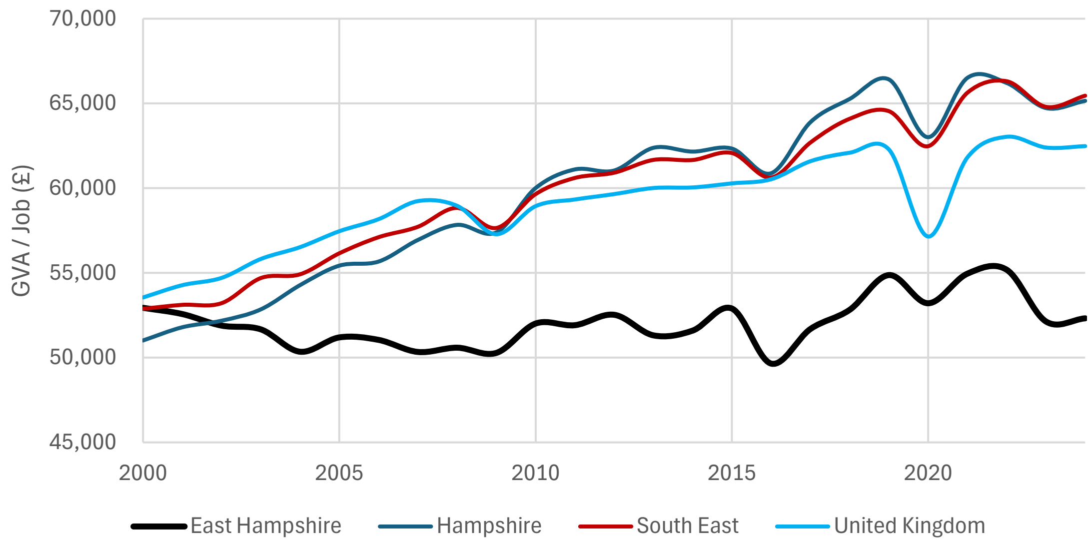


Source: Iceni analysis of Experian Forecasts 2025

Productivity

9.6 By combining data on GVA and employment, it is possible to estimate the productivity of East Hampshire's economy. Our analysis shows GVA of around £52,300 per employee. This is well below the figure for Hampshire (£65,200), the South East (£65,500) and England as a whole (£62,500). As shown in the figure below, while East Hampshire's economic productivity was roughly in line with the regional and national averages in 2000, it has been largely static in East Hampshire, while productivity has increased elsewhere.

Figure 9-4 Productivity trend in East Hampshire and comparators



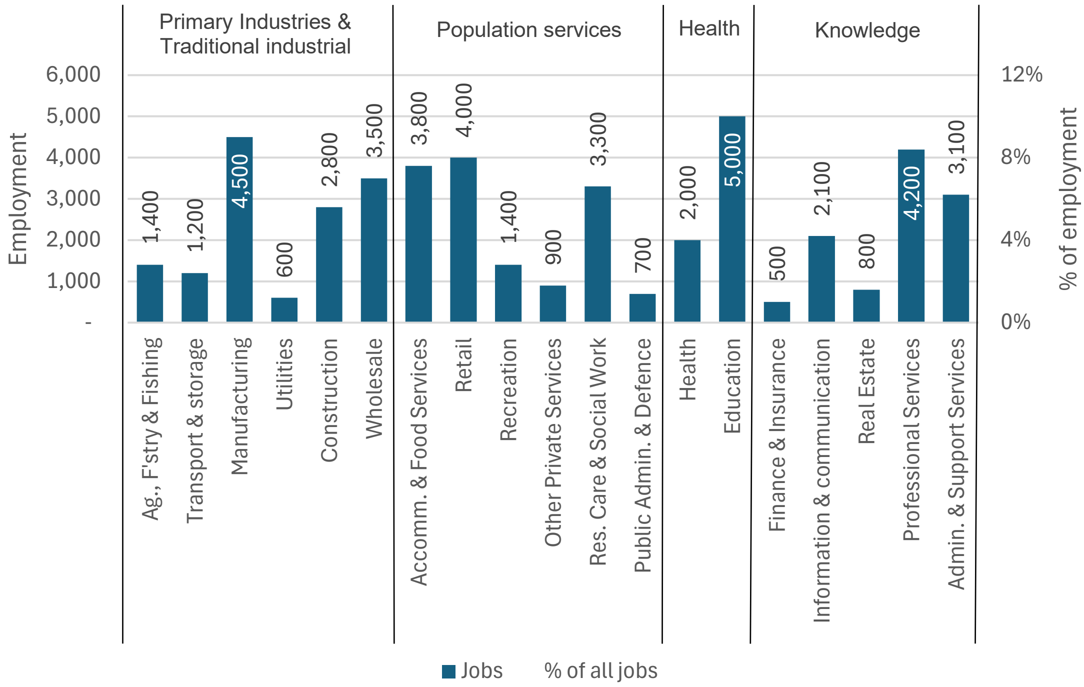
Source: Iceni analysis of Experian Forecasts 2025

9.7 Brought together, the evidence points to a local economy which is stagnating: it hasn't been growing in size or in terms of employment; and relative productivity performance has been slipping.

Sectoral Structure

9.8 The District has a broad-based economic structure with jobs spread across a variety of sectors including in industrial, population serving, health and education and knowledge-intensive categories. The largest sectors in terms of total employment are education (5,000 jobs - almost all in primary, secondary and SEND schools), manufacturing (4,500 jobs) and professional services (4,200 jobs).

Figure 9-5 Employment by sector in East Hampshire - 2024



Source: ONS BRES

9.9 While overall employment has been relatively static over time, there is a more mixed picture of employment growth by subsector. Between 2015-2024 (the time period over which consistent data is available), there has been a small shift from population-related services activities to industrial and knowledge-based employment. More specifically:

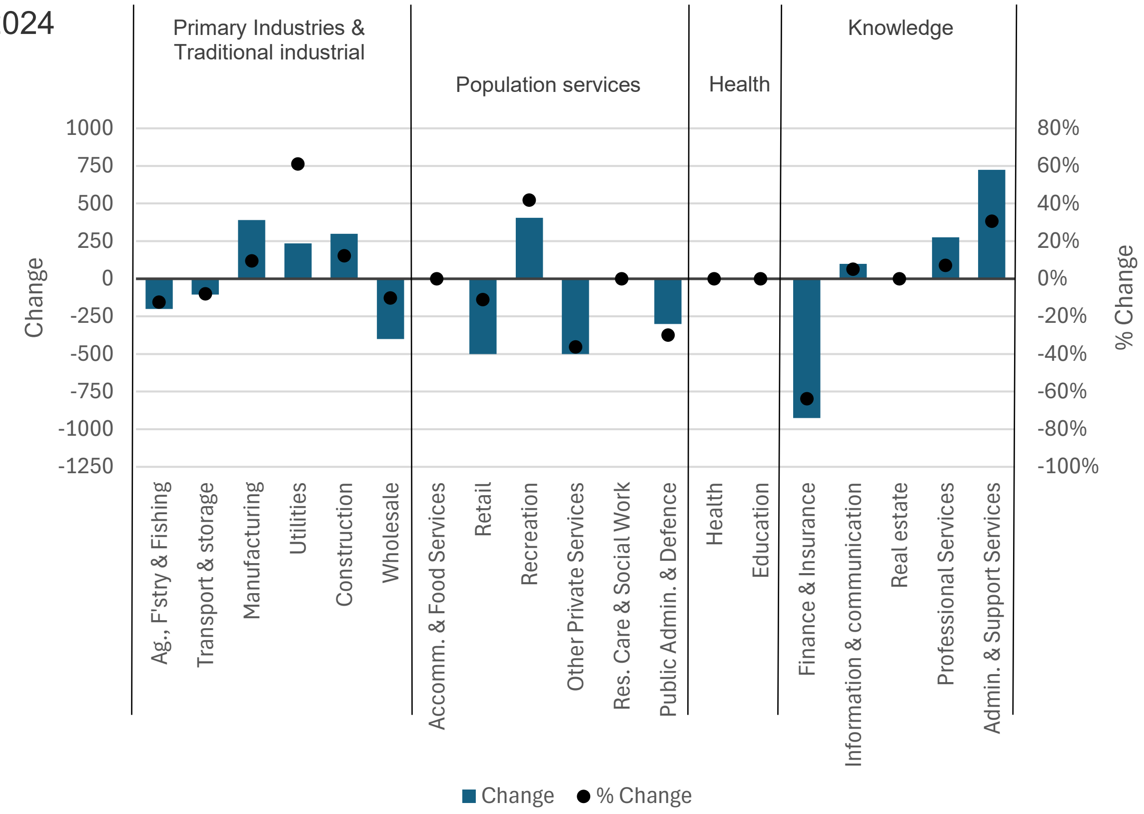
- There has been modest growth in most knowledge intensive sectors and strong growth in administrative and support services (+725 jobs), however employment in finance and insurance has dropped sharply (-925 jobs) due to the closure of the Allianz office in Liphook.

- In traditional industrial sectors, manufacturing employment has grown (+390 jobs) as has construction, while wholesale has shrunk (-400 jobs), and transport and storage has contracted slightly (-105 jobs).

- Employment in health and education has remained largely steady. These sectors have however seen significant growth across wider geographies.

- Employment in population service sectors has shrunk overall (-895 jobs), led by drops in retail (-500 jobs) and other private services (-500 jobs), however employment in recreation has grown (405 jobs).

Figure 9-6 Employment change by sector in East Hampshire – 2015 - 2024



Source: ONS BRES

9.10 The relative representation of sectors in the local economy can be considered using a location quotients (LQ) analysis. A LQ value of 1.0 indicates that a sector makes up the same proportion of employment as in the broader economy (in this case the South East), while a lower LQ indicates relative under-representation of a sector in the District and a higher LQ indicates specialisation. The figure below shows LQs, overlaid with recent growth rates.

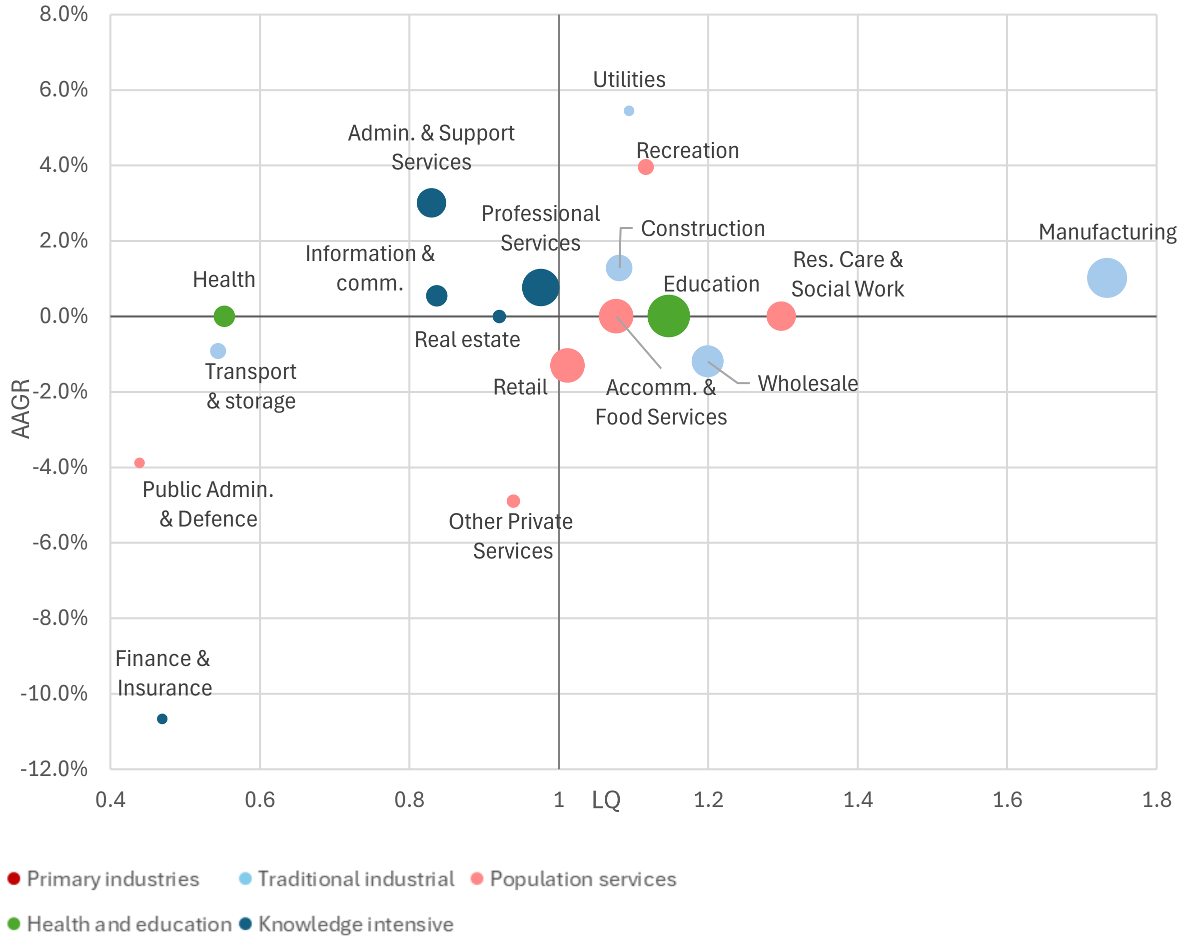
9.11 In relative terms, population serving sectors are mostly over-represented in the local economy, although of these only recreation has experienced recent growth. Manufacturing is strongly over-represented and has been growing. Knowledge intensive sectors are slightly under-represented, but apart from finance have been growing in recent years. Agriculture is not shown in the figure below but has a very high LQ value (2.3), indicating it is substantially over-represented in the local economy. This is typical of more rural districts.

9.12 Overall, this analysis paints a picture of a relatively broad-based economy with a focus on local population services and manufacturing, and a slight lack of knowledge-intensive sectors which are more commonly concentrated in larger towns and urban areas.

9.13 Going forward, continued growth in knowledge-intensive sectors could lead to increases in overall employment, but there may be risks from further large losses of local jobs (as occurred in the finance and insurance sector), or in a further decline in services-based employment.

9.14 Higher population growth, driving by stronger housing delivery, could however support growth in key population-driven sectors – such as health, education, retail, recreation, and residential care; as well as in construction.

Figure 9-7 East Hampshire's employment location quotient vs South East (2024) and average annual employment growth rate 2014-2024 (AAGR)



The size of each point reflects the total number of jobs in each sector

Source: Iceni analysis of ONS BRES

9.15 The strength of the manufacturing sector in the District is notable, and we would note the recent positive growth in employment within it. This is a sector however in which future employment trends can be expected to be influenced by productivity improvements, such that whilst we may see growth in GVA, employment may not continue to grow (or may be modest).

9.16 Manufacturing employment stood at around 4,500 in the District in 2024. The main sub-sectors in manufacturing in East Hampshire are shown below and illustrate a variety of manufacturing activity taking place in the District, with the strongest focus on chemicals and chemical products. In recent years, employment has grown in a range of subsectors, but shrunk in fabricated metal products and electrical equipment. As growth has been much stronger in chemicals and chemical products than other sectors, it has gone from 17% to 28% of all manufacturing employment in the District. While chemical manufacturing is thus becoming more dominant, there remain a variety of manufacturing sectors present.

9.17 The District's manufacturing base is relatively broad, is small-business focused and spread across a number of different areas, rather than being concentrated in specific sectors.

Table 9-1: Employment key manufacturing sub-sectors in East Hampshire

Subsector	2015	2024	Change
Chemicals and chemical products	700	1,250	550
Machinery and equipment n.e.c.	250	500	250
Rubber and plastic products	450	450	-
Fabricated metal products	600	250	-350
Computer, electronic and optical products	200	250	50
Electrical equipment	450	250	-200
Other transport equipment	100	250	150
Other manufacturing	200	250	50
Other	1,150	1,040	-110

Source: ONS BRES

Business Base

9.18 The ONS records around 6,370 enterprises in East Hampshire in 2025. The business base is focused on small businesses, with micro-businesses (i.e. those with less than 10 employees) making up 90.4% of all enterprises, slightly above the levels seen in Hampshire and the South East (88.0% and 89.6% respectively). There are around 75 enterprises across sectors which employ over 50 people, of which 5 have employment of 250 or more.

Table 9-2 Business base by size, 2025

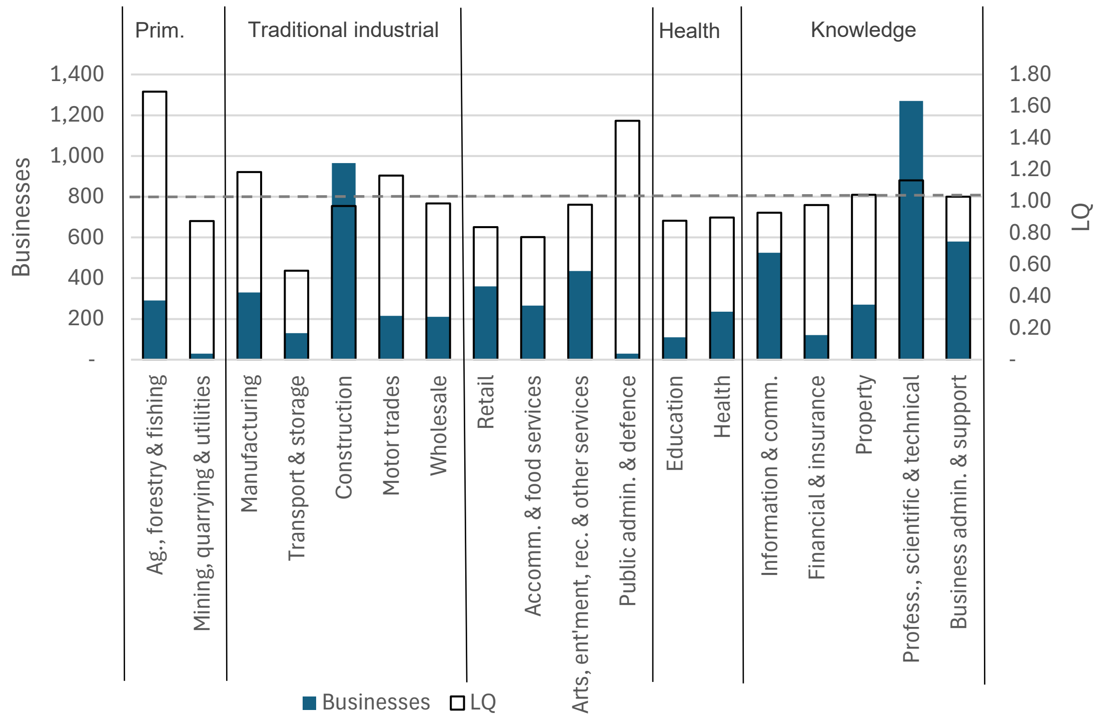
Business size	# of businesses	% of businesses		
	East Hampshire	East Hampshire	Hampshire	South East
Micro (0-9)	5,750	90.4%	88.0%	89.6%
Small (10 – 49)	535	8.4%	9.9%	8.4%
Medium-sized (50 – 249)	70	1.1%	1.7%	1.6%
Large (250+)	5	0.1%	0.4%	0.4%
Total	6,370	100.0%	100.0%	100.0%

Source: Iceni analysis of ONS *UK Business Counts*

9.19 The structure of the business base by sector is shown below, overlayed with location quotients to compare this composition to the South East to understand particular local specialisms in the District. The largest numbers of businesses are in the professional, scientific and technical services sector (1,270) followed by the construction sector (965), and then information and communications (525).

9.20 However, considering the sectoral composition against the South East, there is a particularly high concentration of businesses in agriculture, forestry and fishing (LQ of 1.7). There are also above average representations of businesses in the motor trades; public administration and defence; manufacturing; and professional, scientific and technical services sectors. The latter stands out as having both a significant volume of businesses, and high relative business representation.

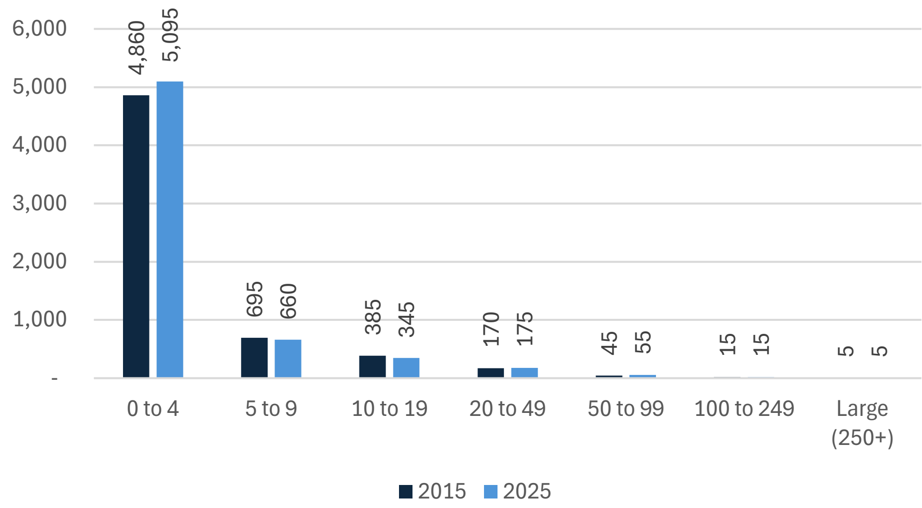
Figure 9-8 Businesses by sector in East Hampshire and LQ vs South East (2025)



Source: Iceni analysis of ONS *UK Business Counts*

9.21 As the chart below shows, the last 10 years has seen an increase in micro businesses with less than 5 employees. There has also been a small amount of growth in the 20-49 employees and 50-99 employees bands, although the size of growth is lower.

Figure 9-9 Change in businesses by size – East Hampshire



Source: UK Business Counts

Labour Market

Working age population

9.22 In contrast to the district's static levels of local employment, East Hampshire's working-age population has grown by around 4,500 or 6.3% over the last ten years. This was only slightly lower than rates of growth seen across England and the South-East, and above those seen in Hampshire as a whole.

Table 9-3 Working age population (16-64) – East Hampshire and comparators

	2014	2024	Change	% Change
East Hampshire	71,391	75,878	4,487	6.3%
Hampshire	829,438	867,211	37,773	4.6%
South-east	5,569,698	5,947,376	377,678	6.8%
England	34,610,320	36,870,761	2,260,441	6.5%

Source: Iceni analysis of ONS *Population Estimates*

Economic participation

9.23 Economic participation rates in East Hampshire are generally strong, with economic participation levels exceeding the South East average (which itself is above that nationally), and not far below typical pre-COVID levels of 83-84%. East Hampshire's unemployment rate also is relatively low.

Table 9-4: Economic participation and unemployment rate (3-year averages)

	% of population 16-64 who are economically active	Unemployment rate
East Hampshire	82.7%	3.0%
Hampshire	82.3%	
South East	81.3%	3.3%
England	78.8%	3.8%

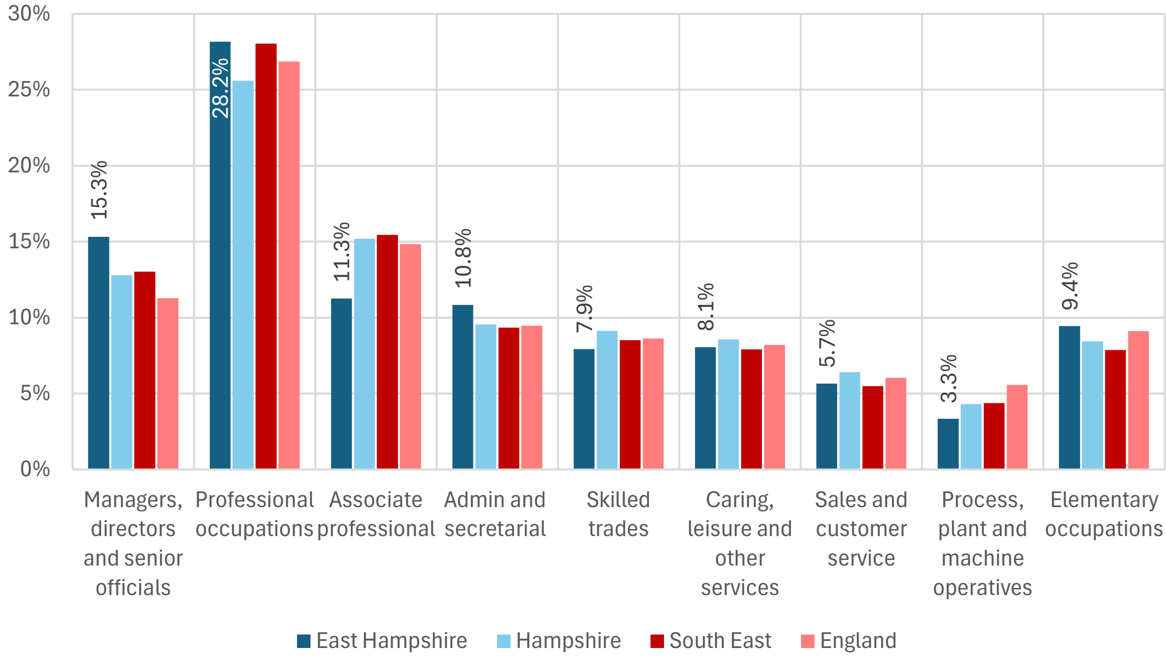
Note: Comparable unemployment data not available for Hampshire

Source: ONS Annual Population Survey, ONS Model-based estimates or unemployment

Occupation and skills profile

9.24 The occupational profile of residents, shown below, highlights a strong representation on managers, directors, senior officials; and professionals – which are typically higher paid and skilled. There is also above-average representation in admin and secretarial and in elementary occupations.

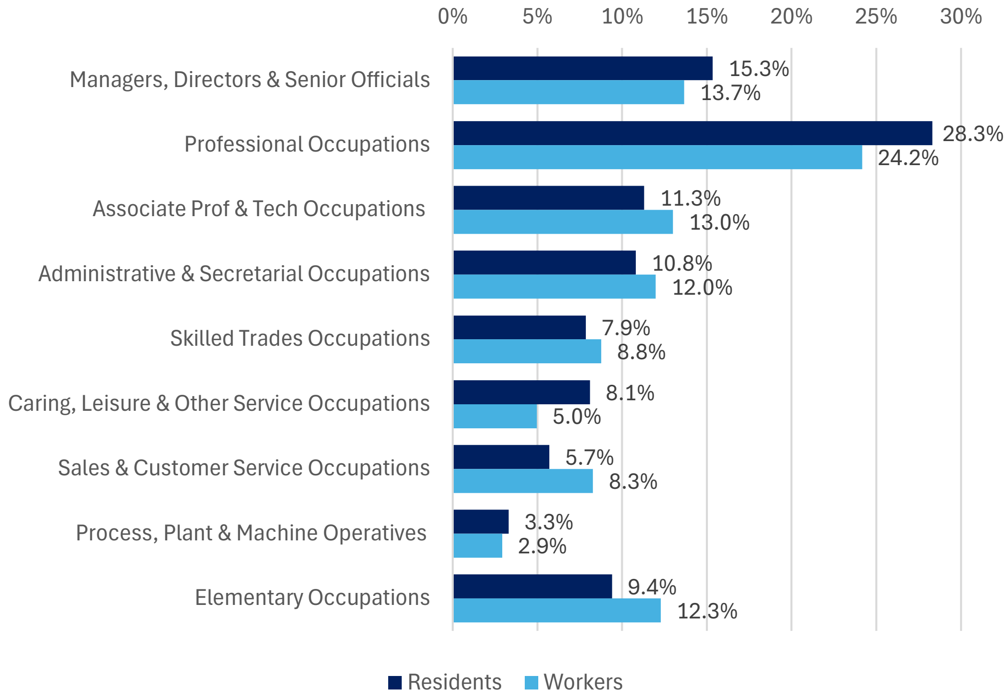
Figure 9-10 Occupation profile of economically active residents



Source: ONS Annual Population Survey (3-year average – Sep 2022 – Jun 2025 quarters)

9.25 The following figure compares this profile for East Hampshire's residents with that for those who work within East Hampshire. There is a lower proportion of people in managers, directors, senior officials and professional occupations working in East Hampshire than living in East Hampshire, indicating that people in these more senior occupations are commuting from East Hampshire to elsewhere. Similarly, compared to residents, East Hampshire's workers are more likely to be in elementary occupations, sales and customer service occupations, skilled trades, administrative, secretarial or associate professional occupations.

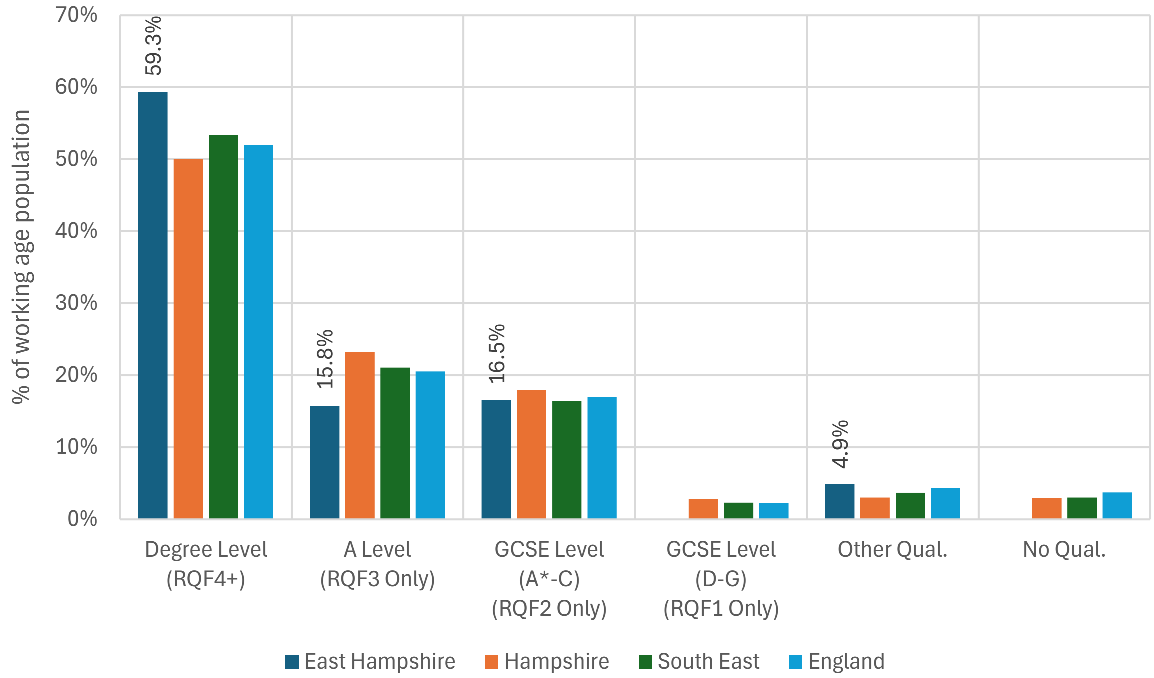
Figure 9-11 Occupation profiles of economically active residents and workers of East Hampshire



Source: ONS Annual Population Survey (3-year average – Sep 2022 – Jun 2025 quarters)

9.26 The District has a relatively strong qualifications profile, with nearly 60% of economically active working age residents having degree level qualifications, well above the already strong regional average.

Figure 9-12 Qualification levels of working-age economically active residents



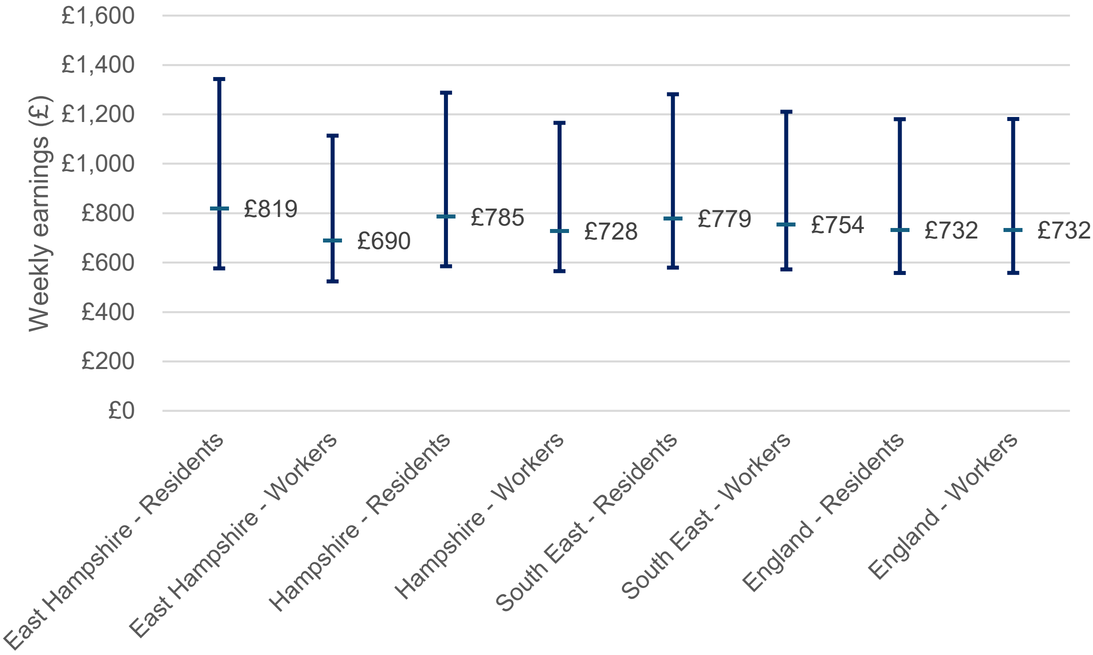
Source: ONS Annual Population Survey (3-year average – Sep 2022 – Jun 2025 quarters)

Note data for proportion with RQF1 only or with no qualification in East Hampshire not available

Earnings

9.27 Residents of East Hampshire have relatively high earnings compared to those seen in comparator areas. This is illustrated by the figure below, which shows the median, upper and lower quartile resident and worker incomes for each location. Resident earnings in East Hampshire are also much higher than those for workers (+19%) within East Hampshire (medians of £819 vs £690 per week). This indicates that more higher paid residents of the District commute from the district to better paid jobs elsewhere, likely in London as well as nearby urban areas like Guildford and Basingstoke.

Figure 9-13 Gross weekly earnings (FTE) - East Hampshire and comparators (2024)



Source: ONS Annual Survey of Hours and Earnings

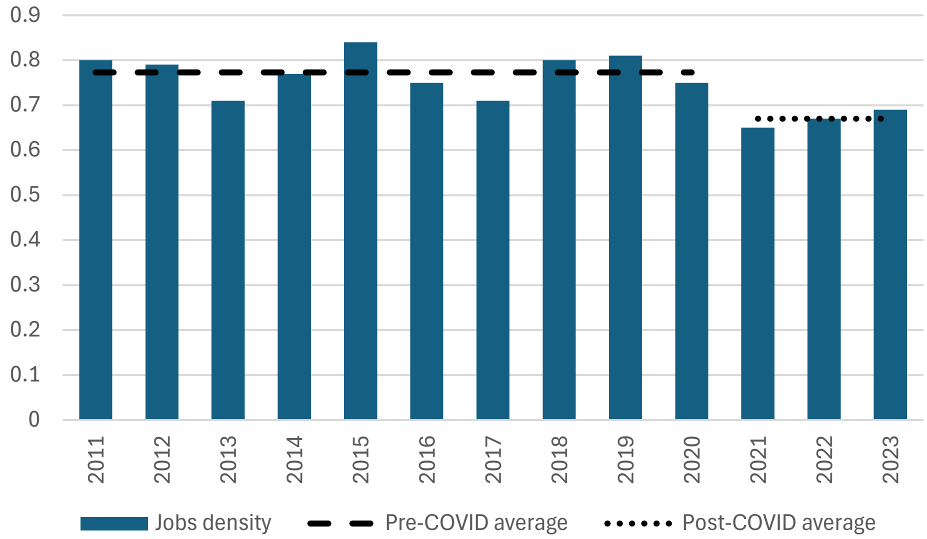
Jobs density

9.28 Job density is defined as the ratio of workplace-based jobs to the resident working-age population within an area. It provides an indicator of the balance between local employment opportunities and the labour supply. A jobs density of 1 would indicate one job per working age person, while a jobs density below one indicates less jobs than working age people.

9.29 Historical data show's East Hampshire's job density sitting consistently below one, indicating a potential undersupply of jobs relative to residents. This is consistent with data above showing outward commuting from the District in higher-paid jobs.

9.30 While there is a relatively high degree in year to year in ONS jobs density data for East Hampshire (noting that it is partly derived from surveys and so some variability is to be expected in a small economy). Nonetheless, there appears to have been a drop in total jobs estimated, and so in jobs density, from pre-COVID to post-COVID, with the post-COVID average now sitting at 0.67.

Figure 9-14 Jobs density – East Hampshire



Source: ONS Jobs Density

Commuting data

9.31 Multiple strands of analysis above have pointed to out-commuting from East Hampshire, particularly for higher paid or more highly skilled occupations. Commuting data from the Census allows direct analysis of commuting from East Hampshire.

9.32 The 2021 Census provides the most recent data on commuting. It records 28,995 commutes from East Hampshire, compared to 25,806 commutes to the district and 13,285 commutes within the district. However, as the 2021 Census took place during a nation-wide lockdown, levels of home working were elevated and fewer people commuted, particularly in professional office-based jobs. This is discussed in more detail in Appendix A and Chapter 3.

9.33 The ONS provide Census commuting data broken down by the approximated social grade of each household. Social grade is a socio-economic classification based on social and financial situation.

9.34 The table below breaks down the East Hampshire resident workers (excluding home workers) by their commuting destination and household approximated social grade. This illustrates that those from households with higher social grades are much more likely to commute out of the area compared to those in households headed by someone with a lower skilled occupation.

Table 9-5 Commuting destination of East Hampshire residents by household approximated social grade

Approximated social grade (household)	East Hampshire	Elsewhere	% in East Hampshire
AB Higher and intermediate managerial/administrative/professional occupations	2,745	4,730	37%
C1 Supervisory, clerical and junior managerial/administrative/professional occupations	4,204	5,719	42%
C2 Skilled manual occupations	3,267	2,965	52%
DE Semi-skilled and unskilled manual occupations; unemployed and lowest grade occupations	1,897	1,096	63%
Does not apply	1,195	1,179	50%
Total	13,308	15,689	46%

Note: Approximate social grade is not calculated (I.e. marked as does not apply) where the household reference person is aged 65+.

Source: Iceni analysis of ONS Census 2021 Workplace origin-destination data

9.35 Commuting destinations and self-containment is considered in more detail in Appendix A, but the following table provides a summary of the top commuting destinations for workers resident in East Hampshire.

9.36 As shown in the table, there are a large number of outwards commutes to surrounding authorities on all sides of East Hampshire, as well as to London. Higher approximated social grades are particularly over-represented in commutes to London, Portsmouth and Guildford. The data suggests that professionals commute to a wide variety of surrounding locations.

Table 9-6: Top then commuting destinations for East Hampshire residents

	Destination	All commuters	Commuters from households with approximated social grade AB / C1	
		Number of commutes	Number of commutes	% of all commutes
	East Hampshire	13,308	6,949	57%
1	Waverley	3,113	1,911	67%
2	Portsmouth	1,470	1,077	78%
4	Havant	1,459	911	68%
5	Guildford	1,324	940	75%
6	Chichester	1,298	821	68%
7	Winchester	1,087	677	68%
8	London (region)	949	702	81%
9	Basingstoke and Deane	844	556	72%
10	Rushmoor	666	436	71%

Note: Cells in the final column are coloured based on their values, with the lowest values coloured red, the highest green and others yellow

Note: Approximate social grade is not calculated (I.e. marked as does not apply) where the household reference person is aged 65+.

Source: Iceni analysis of ONS Census 2021 Workplace origin-destination data

Reasons for economic underperformance

9.37 As shown in this section, East Hampshire's economy has underperformed relative to Hampshire, the South East and England as a whole, with essentially no recent growth in GVA, employment or productivity. Iceni has sought to consider the reasons for this relative under-performance. Its weaker relative performance appears to relate to a number of areas which we explore below.

9.38 Economic underperformance does not appear to stem from local demographics. Indeed, the District has generally high economic activity and low unemployment as well as a relatively educated population with a high number of professionals.

9.39 Instead, the reason for the low level of growth within East Hampshire appears to stem partly from the rural nature of the district and its geography and relationship to larger employment centres beyond the District's boundaries. As a predominantly rural district, East Hampshire does not contain large employment centres which benefit from critical mass (in terms of labour and the local market for goods and services). As a result, the local economy is focused on population services, as well as having a moderately strong manufacturing base; with out-commuting to nearby employment centres and along train lines from key towns to London. While there has been growth recently, knowledge intensive sectors remain under-represented in the local economy.

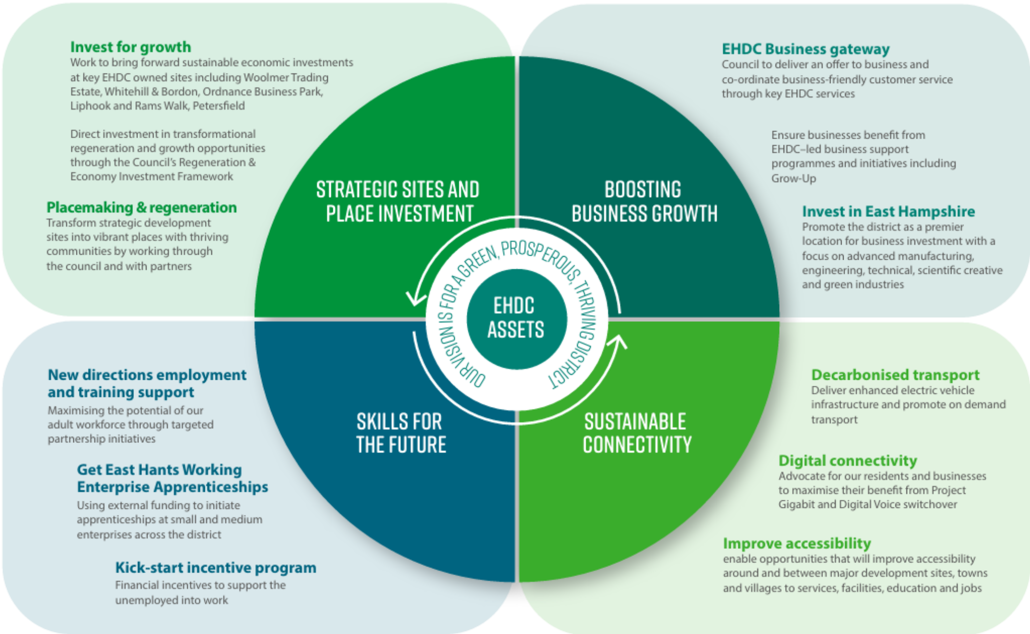
9.40 Given this, East Hampshire sees out-commuting to employment centres in surrounding areas and to London (as shown in Appendix A1). Residents have traditionally commuted out of the District to higher paid employment opportunities in these areas, as illustrated by earnings data. This is not untypical of areas with similar characteristics.

EHDC Economic Ambitions

9.41 The economic ambitions of EHDC are set out in the Council's *Regeneration and Economy Strategy 2024-29*. The strategy sets out EHDC's ambition to create a green, prosperous and thriving district, using the Council's own assets (land, property, people, and resources) as a key driver of regeneration and economic growth. It seeks to build on the previous 2019 "Enhance East Hants" approach, updated in light of new economic, social, and environmental conditions (post-COVID, cost-of-living pressures, and shifting funding landscapes).

9.42 The strategy is structured around four priority themes, shown in the summary diagram below.

Figure 9-15: East Hampshire Economic Strategy Vision and Priorities



Source: East Hampshire Council *Regeneration and Economy Strategy 2024-29*

9.43 Iceni note that the Council's Economy and Regeneration Strategy and Investment Framework reports issues of increased worklessness amongst workers aged over 50, significant net out-commuting and issues around the quality of jobs. There are key strengths identified in some sectors – including manufacturing/engineering and professional/scientific – but overall whilst the business base is relatively broad, there is a productivity challenge around the quality of jobs.

Stakeholder Engagement – East Hampshire's Local Economy

9.44 Iceni undertook engagement with a range of stakeholders in October-November 2025 to gather qualitative insights into the perceived strengths, weaknesses, opportunities and threats to East Hampshire's local economy. Stakeholders included the Hampshire Prosperity Partnership, local providers and occupiers of employment space and the Hampshire Chamber of Commerce.

9.45 Key findings from the engagement, together with the statistical analysis set out above have been summarised below, categorised into the themes of Strengths, Weaknesses, Opportunities and Threats.

Strengths

- **Sectoral strengths** in professional, scientific and technology, defence, advanced manufacturing and engineering, including space/aerospace.
- **Strong SME environment –** only five non-SME businesses within the district.
- **Accessibility to London via the A31 and rail –** important to businesses in terms of staff travel between London sites/clients and the distribution of goods.
- **Quality of Place** – an attractive, desirable place to live and work.
- **Proximity to local higher education institutions –** University of Portsmouth, University of Southampton, Southampton Solent University, University of Winchester and University of Surrey.

Weaknesses

- **A lack of clear identity and vision** – currently lacks a standout USP, can be perceived as an 'in-between' place in Hampshire.
- **Very few larger businesses** – anecdotally only five businesses over 250 employees.
- **Transport infrastructure –** high reliance on car usage for commuting, poor connectivity to some rural business locations – can impact employee recruitment and retention.
- **Poor car parking provision –** May reduce the appeal of certain business locations to potential occupiers.
- **Housing affordability –** Poor housing affordability, potentially limiting the labour supply pool, especially for lower-skilled/lower-paid roles.

- **Retention of younger people –** Difficult to retain graduates from local universities – linked to issues around transport. infrastructure, housing affordability and density of employment opportunities.

- **Pockets of rural deprivation –** issues of inequality.

- **Low business confidence –** leading to cautious behaviour (albeit this is not necessarily a locally-specific issue).

- **Relative size and strength of key employment centres** – weaker critical mass in key settlements compared to some larger employment centres in neighbouring authorities, e.g. Basingstoke, Farnham, Farnborough and Portsmouth. Smaller centres in East Hampshire have a more limited labour supply and existing business base – this affects the degree of local demand for employment premises.

Opportunities

- **Future Population Growth** – Potential higher housing delivery, as implied by the standard method, has the potential to significantly increase local labour supply pool and drive employment demand in some sectors; and enhance the plan area's attractiveness as a business location.

- **Development of a clear USP and vision** – East Hampshire could build on its existing strengths including having a strong business environment for SMEs and being a desirable place to live to create a compelling economic aspiration for the future.

- **Changing ways of working –** Increased flexibility in ways of working (including remote working) accelerated by the COVID-19 pandemic appears likely to remain a feature of modern work practices within professional services and other primarily office-based sectors. Potential for the quality of East Hampshire as a place to live and work to drive small business growth.

- **Re-use/re-purposing of existing assets to provide small business office space –** explored in greater depth in Chapter 10.

- **The Future Skills Centre –** potential to find a new occupier to provide training opportunities from this existing, good quality asset.

- **Broadband connectivity –** The rollout of Project Gigabit by Broadband Delivery UK has the potential to improve connectivity for residents and businesses – this may improve productivity, enable more flexible working practices and improve the business attractiveness of the upgraded areas.

- **Building on existing strengths –** Potential for further growth in sectors with existing local strengths including defence, digital & technology and advanced manufacturing – The Local Innovation Partnership Fund offers an opportunity to secure funding to support development within these areas.

Threats

- **Aging population –** skills aging out of the economy and not being replaced, which in the absence of housing growth could result in a smaller labour supply pool which could constrain economy.
- **A lack of grow-on / larger industrial spaces** – Explored further in Chapter 10. Potential to constrain economic growth and limit inward investment.
- **Viability issues –** Rental values unlikely to enable viable new build employment development – especially for office space. Funding likely to be required to enable development.
- **Competition from larger neighbouring employment centres –** Larger nearby towns with more significant and established business bases and labour supply pools competing to attract inward investment.
- **Broadband connectivity –** Challenges with broadband connectivity could limit the attractiveness of the area to inward investment, limit productivity and affect the ability for businesses to adopt flexible working practices.

Key findings – East Hampshire's Economy

East Hampshire has a £2.8 billion economy supporting approximately 53,100 jobs in 2024, representing a modest share of Hampshire's overall economic output and employment.

Over the past decade, economic performance has been weak, with GVA broadly static and employment showing no net growth. As a result, the economy has underperformed relative to Hampshire, the South East and the UK.

Productivity is comparatively low at around £52,300 per worker and has remained largely static, while comparator areas have seen continued improvement.

While the District has a relatively broad-based economy, it suffers from competition from larger economic centres around it.

Key sectors, in employment terms, are health and education (which are influenced by population growth), manufacturing and professional services as well as agriculture. The manufacturing sector has seen employment growth.

The business base is strongly focused on small businesses, with few large employers.

There is however notable out-commuting to surrounding larger employment centres, as well as to London; with 67 jobs for every 100 working-age residents. Out-commuting is particularly focused towards higher skilled and paid occupations.

Looking forwards, the growth in labour supply which will be supported by higher housing provision is a key opportunity; and there is potential to leverage other key attributes – including East Hampshire's attractiveness as a place to live and work; and its strong skills base. Key growth opportunities include:

- The potential to nurture growth of existing businesses, in particular through support to enable them to expand move-on to larger premises. This includes existing manufacturing and engineering businesses/ activities and in the digital/technology sector;

- Opportunities to leverage the stronger population growth that could arise through higher housing delivery;

- Growth opportunities associated with increased Government investment and wider growth in the defence sector, with opportunities to support and attract small and medium-sized businesses in this sector linked to the District's proximity to Aldershot and Portsmouth and the wider defence cluster in

Hampshire and niche strengths in key areas such as satellite technology as well as business' needs for secure locations.

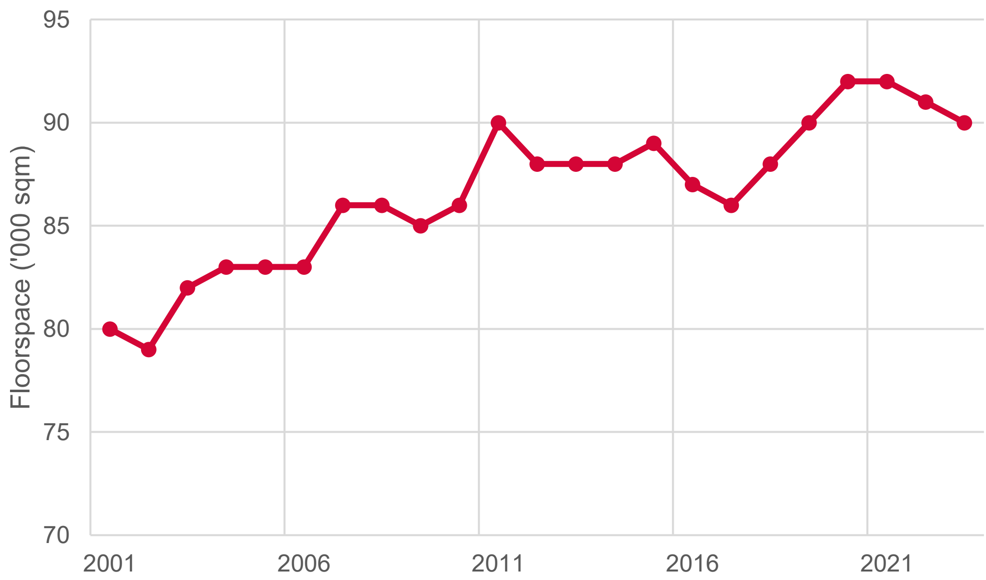
10. Commercial Market Assessment

Office Market

East Hampshire Office Stock

10.1 The Valuation Office Agency (VOA) provides information on the volume of rateable office floorspace by administrative area. As of March 2023, there was a modest 90,000 sqm of office space within East Hampshire according to VOA data. The figure below shows that the volume of office stock has fluctuated over the last two decades, however the total volume of office floorspace increased by 10,000sqm (12.5%) since 2001. Between 2017 and 2020, office floorspace increased by 2,000 sqm per annum, however the total office floorspace plateaued between 2020 and 2021, before seeing a decline from 2021 onwards. The decline in office floorspace in recent years is likely driven largely by the closure and demolition of Allianz' office in Liphook; but also reflects a broader decline in office demand relating to changing working patterns post COVID-19.

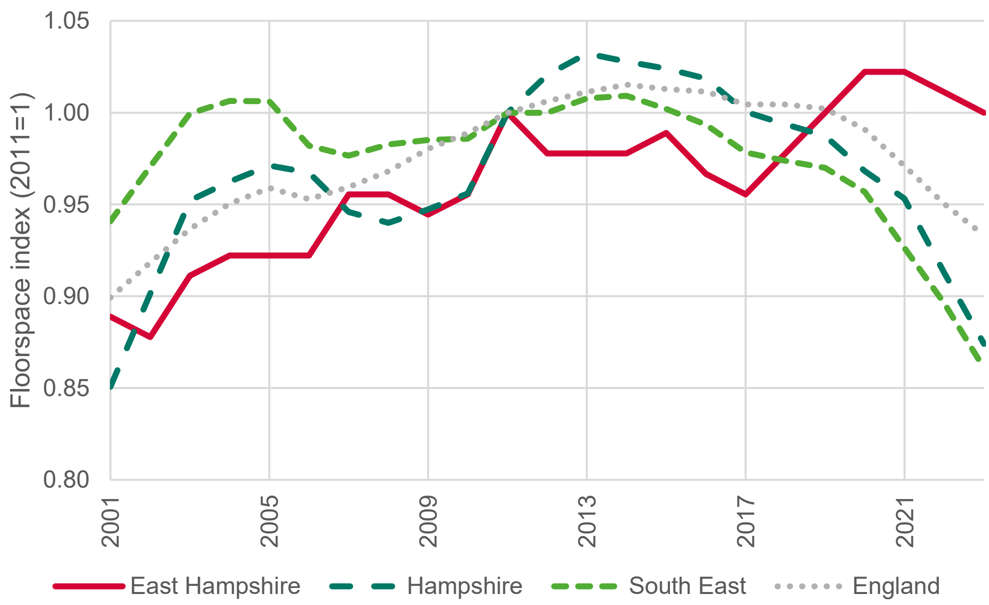
Figure 10-1 Total office stock, East Hampshire



Source: VOA Stock of properties including business floorspace

10.2 The figure below shows how the amount of office stock has changed in East Hampshire compared to Hampshire, the South East and England as a whole, with total floorspace in 2011 in each area acting as a base index. It is notable that all of the benchmark areas saw a decline in office floorspace between 2011 and 2023, whereas East Hampshire has the same amount of floorspace in 2023 as 2011 despite some fluctuation over the years. This is likely to be influenced by the Article 4 Direction which means planning approval is required for change of use of a range of existing office premises. In comparator areas, the rate of office floorspace decline increased since 2020. East Hampshire also saw a decline in floorspace since 2020, however at slower rate than comparator areas.

Figure 10-2 Indexed office floorspace stock 2001-2023



Source: VOA Stock of properties including business floorspace

10.3 The table below provides a breakdown of office stock by age based on CoStar data. 67% of office units were built before 1990 and are therefore likely to be approaching the end of their functional lifespan, with reducing attractiveness to modern occupiers. Only eight units are recorded to have been built in the last 15 years – which is testament to viability challenges associated with new-build delivery.

Table 10-1 Office stock by age, East Hampshire Plan Area, 2025

Year Built	Number of Units	% of Units
Pre 1980	51	50%
1980 – 1989	18	17%
1990 – 1999	17	17%
2000 – 2009	9	9%
2010 - 2025	8	8%
Total	103	100%

Source: Iceni analysis of CoStar, 2025.

10.4 A breakdown of office stock by size is provided in the table below. Nearly 75% of units are small units below 500 sqm. There are only four larger units above 2,000 sqm. This is unsurprising given the high concentration of SMEs and limited number of larger businesses within the District.

Table 10-2 Office stock by size, East Hampshire Plan Area, 2025

Floorspace (Sqm)	Number of Units	% of Units
0-100	21	18%
100-500	67	56%
500-2,000	27	23%
2,000+	4	3%
Total	119	100%

Source: Iceni analysis of CoStar, 2025.

East Hampshire Office Supply-Demand Balance

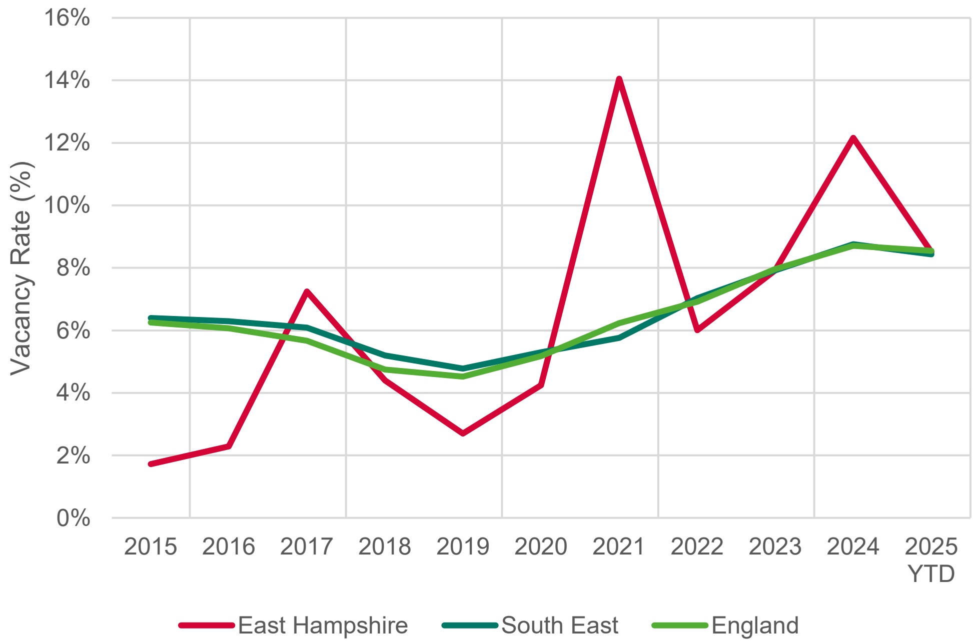
10.5 The overall supply-demand balance has been assessed by analysing headline indicators – namely vacancy rates and rents. The drivers of changing vacancy rates, demand and supply have then been assessed by looking at net absorption and net deliveries. Data has been sourced from CoStar and includes only the areas of East Hampshire outside of the South Downs National Park (i.e. the Plan Area).

10.6 The figure below shows how the vacancy rate in East Hampshire has changed over time compared to the South East and England. Currently (October 2025), the vacancy rate in East Hampshire is 8.5%, therefore lying within the 7-8% range (albeit at the higher end) which is generally considered to indicate a well-functioning market. East Hampshire's office vacancy rate is currently in line with the regional and national office vacancy rates (8.4% and 8.6% respectively).

10.7 East Hampshire's vacancy rate has shown greater volatility than the regional and national averages. The drivers behind the changeable vacancy rate are explored in further detail later in this chapter, however in part the changeability reflects the District's modest total office stock which means that even a limited number of lettings or vacancies can significantly influence the overall vacancy rate.

10.8 Although there has been some volatility in East Hampshire's office vacancy rate, it has generally followed an upward trend over the last 10 years, from a low of 1.7% in 2015 (indicative of a highly constrained market) to its current level of 8.5%.

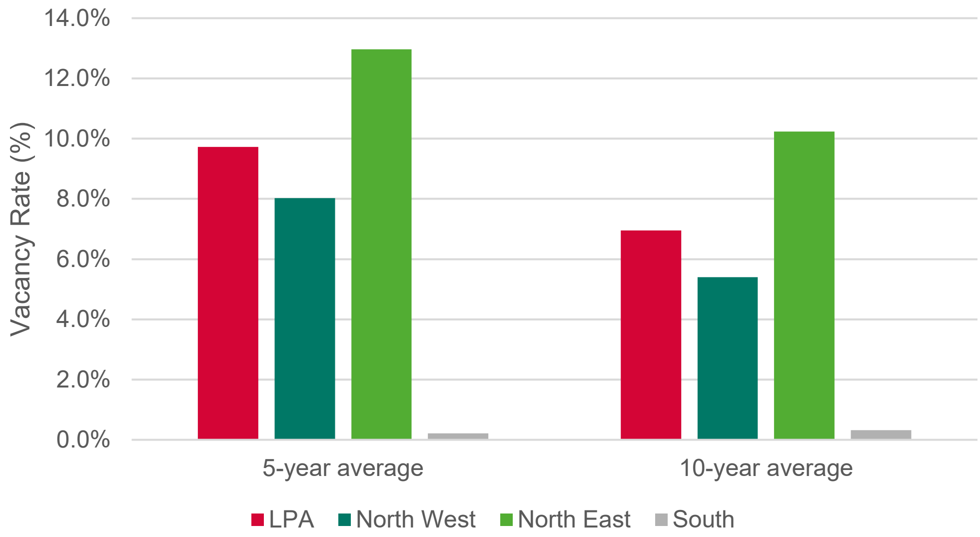
Figure 10-3 Office Vacancy Rates (%)



Source: CoStar, 2025

10.9 The chart below shows the 5-year and 10-year average vacancy rates for the Local Plan area and three sub-areas. The North-East has tended to have the highest average vacancy rate, whilst vacancy is particularly low in the South sub-area.

Figure 10-4 Office Vacancy Rates by sub-area (%)



Source: Iceni analysis of CoStar, 2025

10.10 The table below provides availability rates by property age. Availability appears to be lower in older stock. Stock built since 2021 has the highest vacancy rate, however this is largely driven by the inclusion of the pipeline extension to Oakhanger Business Park which is yet to be constructed within the CoStar data. If this were excluded, the rate would be significantly lower at approx. 3%.

Table 10-3 Availability by Stock Age – Offices

Year Built	Availability Rate (%)
Pre 1980	2.8%
1980 – 1989	0.5%
1990 – 1999	7.6%
2000 – 2009	4.5%
2010 - 2025	55.7%*

Source: Iceni analysis of CoStar, 2025.

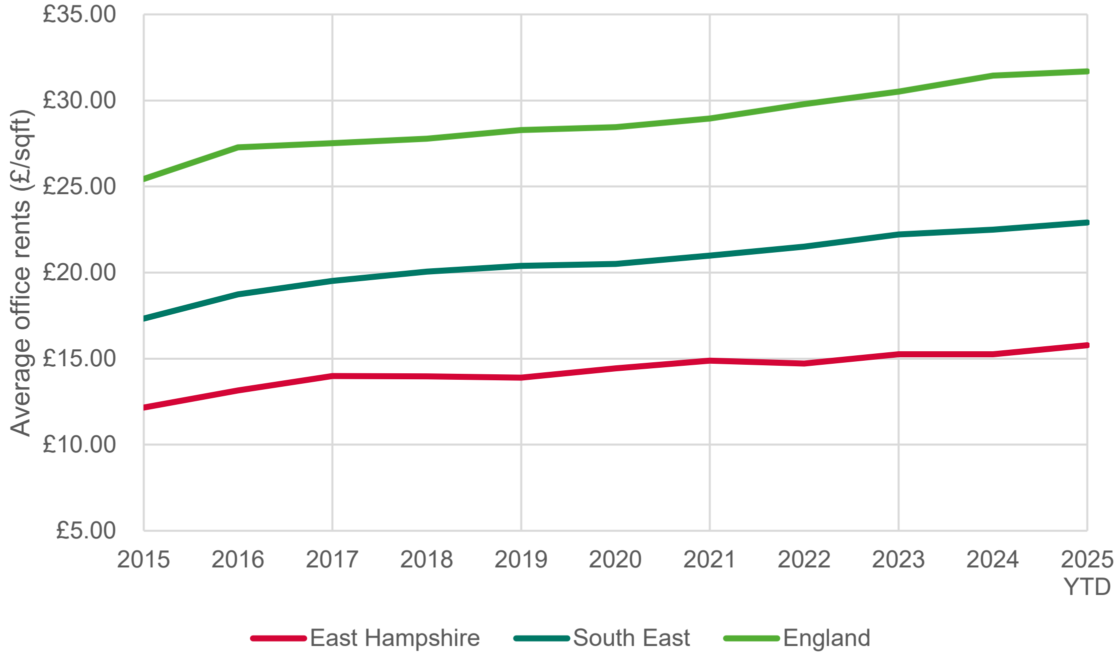
*3% when Oakhanger Business Park (yet to be constructed) is excluded

10.11 Availability differs to vacancy in that it refers to space that may not yet be physically vacant but is on the market to be leased at some point in the future. It includes new-build space which could be delivered on a ‘build to suit’ basis. In 2025 availability within East Hampshire sits at 8.9% for office space.

10.12 The Figure below shows how average office rental prices in East Hampshire have changed over time compared to the South East and England. As of October 2025, the average rental price in East Hampshire is £15.78/sqft. This is lower than the average across the South East (22.91/sqft) and considerably lower than the national average (31.69) which is driven by prime rents in cities such as London and Manchester. Rents at this level mean that new-build office development for rent will not generally be viable.

10.13 Office rents in East Hampshire have seen growth over the last 10 years, increasing by £3.62 (29.8%) between 2015 and 2025. There is no clear relationship between vacancy rates and rents, with growth in average rents despite increasing levels of vacancy over the same time period.

Figure 10-5 Average Office Rents



Source: CoStar, 2025

Net Absorption and Net Deliveries

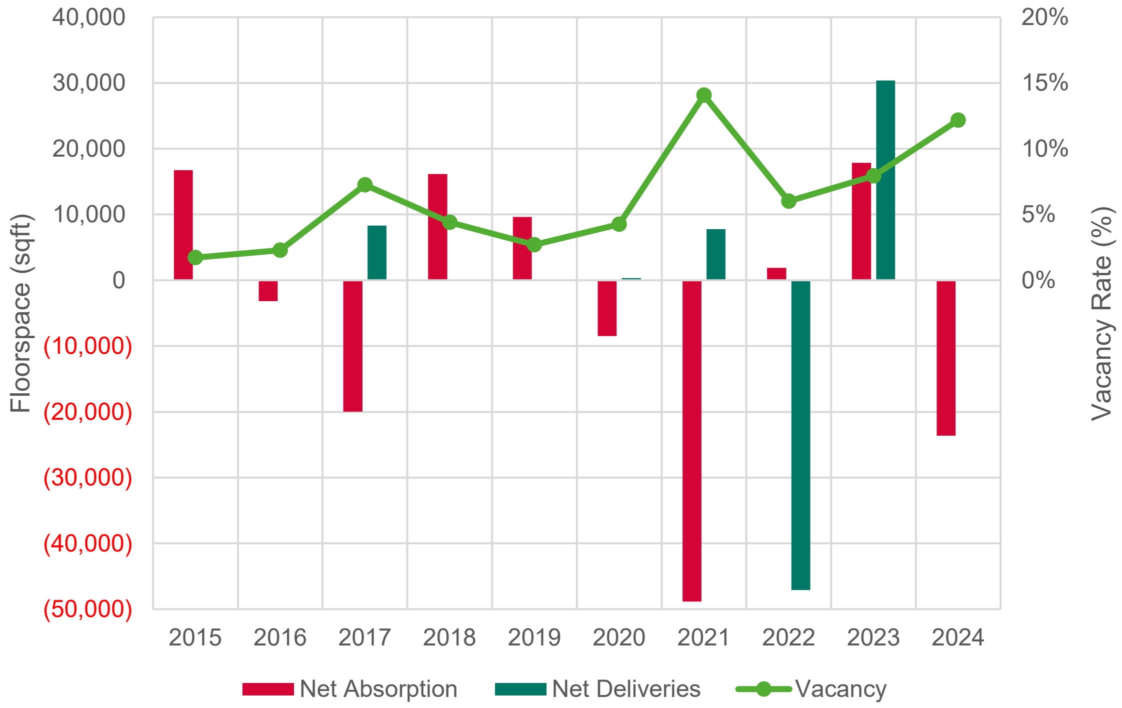
10.14 CoStar provides data on net absorption which is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move Ins – Move outs). It provides an indicator of the strength of demand. This differs from net deliveries which is the difference between floorspace delivered (i.e. constructed and brought onto the market) and demolished (or otherwise taken out of use and removed from the market).

10.15 A positive net absorption figure indicates strong demand and leads to a falling vacancy rate (unless it is outweighed by net deliveries). On the other hand, a negative net absorption figure indicates weaker demand and leads to a rising vacancy rate (unless it is outweighed by negative net deliveries).

10.16 The figure below shows net absorption, net deliveries and their resulting impact on vacancy rates in East Hampshire. It can be seen that vacancy reached a high of 14.1% in 2021, driven by significant negative net absorption. This is likely attributable to the insurer Allianz's closure of their Liphook office which subsequently moved its operations out of the district to their headquarters in Guildford. The office has since been demolished and is undergoing redevelopment into a Retirement Living scheme. This is likely to explain the negative net deliveries in 2022, of approximately the same quantum of space vacated in 2021. The demolition of this space brought the vacancy rate back down to 6.0%.

10.17 The strong net deliveries and net absorption of office floorspace in 2023 is likely to be connected to board game manufacturer Asmodee's new UK headquarters opening in Bordon.

Figure 10-6 Net absorption and net delivery of office floorspace compared to vacancy rate, East Hampshire



Source: CoStar, 2025

10.18 The table below provides 5-year and 10-year average net absorption figures by sub-area. Over the last 5- and 10-years, the overall net negative absorption at the Plan Area level is being driven by significant net negative absorption in the North West sub-area. The North East has seen a modest positive average net absorption, whilst the South has an average net absorption figure of zero over the last 5 years and a small positive net absorption of just 40 sqm over the last 10 years.

10.19 It should be noted that levels of net absorption are heavily influenced by the quantum of office stock in each sub-area.

Table 10-4 Average Annual Net absorption by Sub-area

Area / Sub-Area	5-Year Average	10-Year Average
Plan Area	**-1,100**	**-400**
North West	-1,400	-500
North East	-200	100
South	0	40

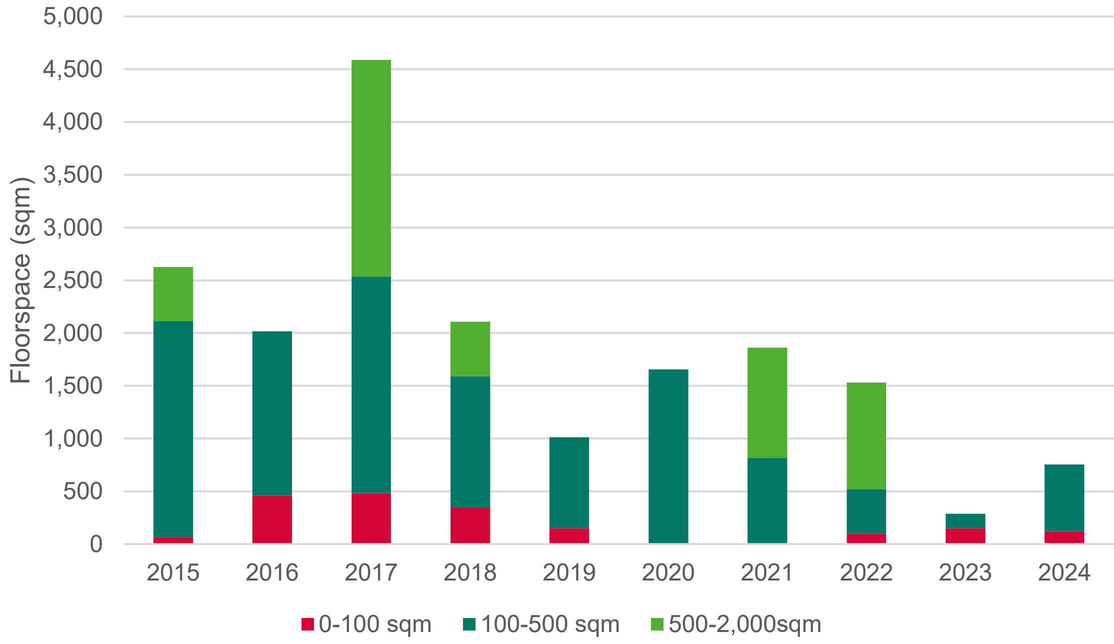
Leasing Activity

10.20 Over the past 10 years, an average of 1,840sqm of office floorspace has been leased per annum across East Hampshire. 2017 saw a peak in the quantum of floorspace leased at 4,597sqm across 21 deals.

10.21 The amount of leasing activity which has occurred in various size bands has been assessed to provide an indication of demand by size. However, it should be noted that leasing activity is constrained by the size of available stock.

10.22 The figure below shows the amount of leasing activity (sqm) by size band over the last 10 years. In terms of floorspace volume, the majority of floorspace leased over the past 10 years was in the 100-500 sqm category. This size band also saw the largest number of individual transactions, with 48 lease deals between 2015 and 2024. Whilst the 0-100 sqm category saw the lowest amount of leasing activity in terms of floorspace volume, it had a greater number of individual transactions compared to the 500-2,000 sqm category. There were no transactions greater than 2,000sqm, however there are a very limited number of properties within this size bracket across the District.

Figure 10-7 Office floorspace leased by size (East Hampshire)



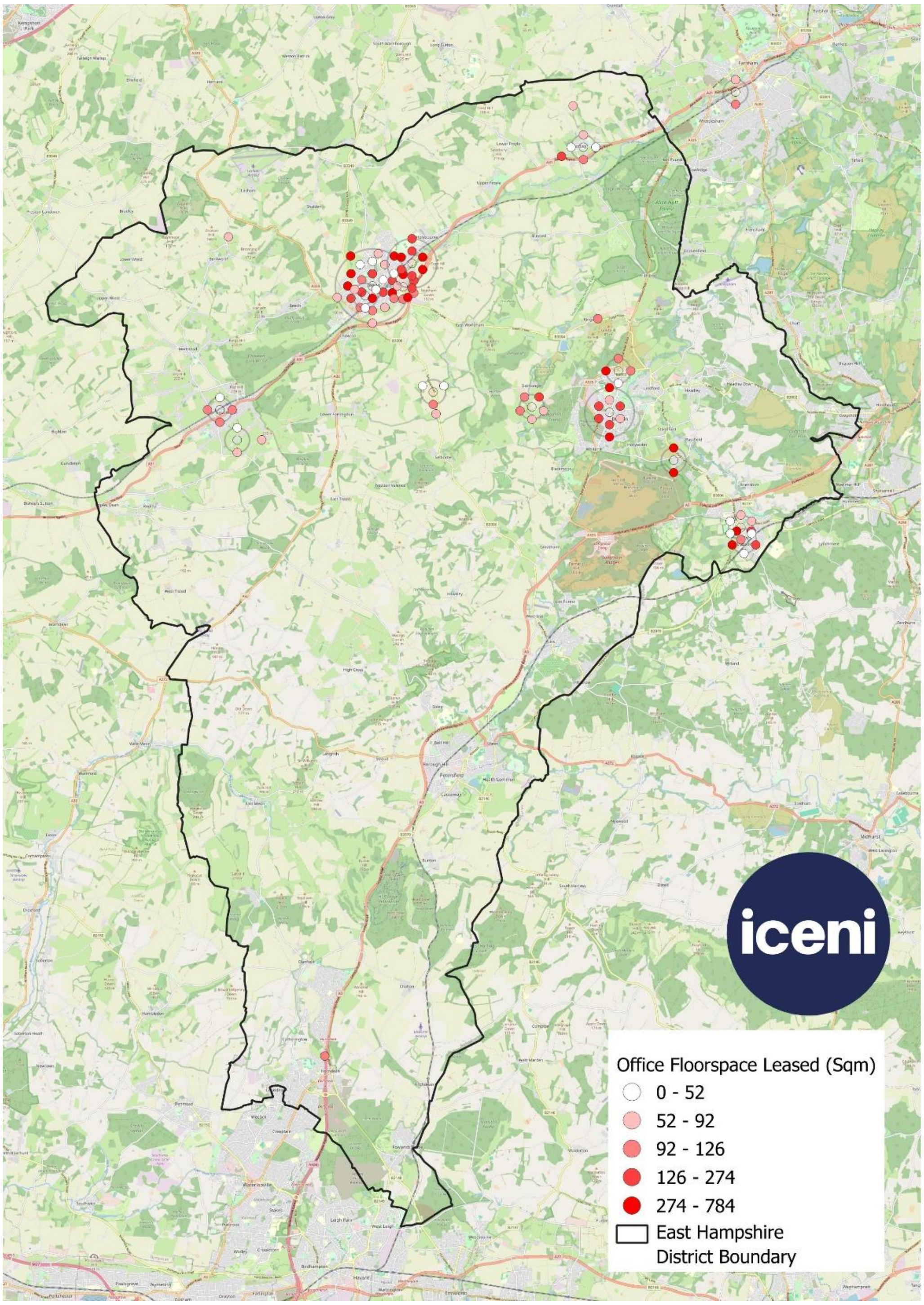
Source: CoStar, 2025

10.23 Office lease deals within the Plan Area over the last 10 years are mapped below to provide an indication of office demand by location. It should be noted that the location and quantum of lease deals is heavily influenced by the location and availability of stock across the District.

10.24 It is evident that the greatest number of deals occur within the north-east and north-west sub-areas compared to the southern sub-area which has only seen one lease deal over the time period. The greatest concentration of office lease deals is in Alton – particularly within the town centre. This is followed by Whitehill & Bordon and Liphook.

10.25 The majority of office lease deals are located within towns and villages, however there are a small number of deals recorded in more rural locations. It should be caveated that CoStar data is less reliable for smaller properties and therefore may not have full coverage of all lease transactions, especially for smaller properties which are often located rurally.

Figure 10-8 Map of office lease deals 2014-2025, East Hampshire Local Plan Area



Source: Iceni mapping of CoStar, 2025

Stakeholder Engagement – Office Market

10.26 Iceni undertook engagement with a range of stakeholders in October-November 2025 to gather qualitative insights into East Hampshire's Office Market. Stakeholders included estate agents, local providers of office space and the Hampshire Chamber of Commerce.

10.27 Agents reported very weak demand for office space across the district. This was attributed to both a limited supply of stock and the low appeal of smaller towns with poor rail connections. It was also recognised that the broader UK office market remains subdued, contributing to the local weakness.

10.28 Whilst agents reported overall weak demand for office space, landlords offered a more nuanced view, suggesting that demand varies depending on factors such as location, size, and quality of premises.

10.29 One landlord who rents out traditional office space between 100-600 sqft reported average occupancy levels of around 95%. It was suggested that this strong demand is driven by a lack of quality office stock across the district in general. This high-quality, small scale office space is said to be achieving average rents far in excess of the average East Hampshire rental values reported by CoStar.

10.30 SiGNAL Bordon similarly reported strong demand for small office units at The Shed, Bordon. This was said to be driven by the co-location of amenity within the building, flexible lease terms, good parking provision and the attractiveness of the wider location from a leisure and wellbeing perspective. Demand is also reported to be strong for co-working spaces. However, SiGNAL also emphasised the lack of demand for larger office spaces, with a trend in occupiers vacating larger premises and a preference for more flexible space.

10.31 Despite reports of strong overall demand for SME office space, not all properties experienced this, indicating that other factors influence demand. One provider of small office space in Alton reported particularly weak demand for their modern office space which is leased on an all-inclusive basis with flexible terms. It was suggested that this was perhaps a function of the site's out-of-centre location, which lacks the range of amenities typically available in the town centre.

10.32 Agents highlighted concerns regarding the viability of new build office space in East Hampshire, noting that it is not profitable to build new office space in the larger centres of Guildford or Farnborough and it is therefore even less likely to be profitable to build new space in East Hampshire.

10.33 It was suggested that there may be an opportunity to utilise existing assets to provide further space to meet the needs of SMEs/businesses looking for smaller, flexible office space across East Hampshire. One provider of office space noted that, ideally, they would convert larger offices that are currently difficult to let, into smaller units, however they are struggling to secure the funding required to do so.

10.34 Another suggestion was that there could be an opportunity in the repurposing of vacant retail space in town centres into office space – especially co-working spaces. This could play a role in improving town centre footfall, thereby supporting retail, leisure and hospitality businesses. In turn this could further improve town-centre office demand by improving the amenity offer.

Key findings – Office Market

East Hampshire has a modest office market, with a total of around 90,000 sq.m of office space across the District. Whilst the stock position has held up well – in a context of wider trends of net contraction – there are notable quality issues, with two thirds of space constructed pre-1990 and non-dated. Most space is in small units of up to 500 sq.m and occupied by local SMEs.

Net absorption has been negative in the plan area resulting in a rising vacancy rate which sits at the time of writing at 8.5% but is not excessive.

Demand for office space overall is limited, reflecting the rural nature of the district and structure of the business base; although the evidence does show that well-managed good quality and well-located schemes can perform well. There is demand for flexible and co-working space, in particular to provide for locally-based small businesses and to respond to changing working patterns, and opportunities for targeted development schemes to bring forward such provision.

Given viability challenges associated with new-build development, new office floorspace is potentially more likely to be delivered through the repurposing of space – with opportunities for instance for repurposing of retail space in town centres in the District, such as in Alton and Horndean, to provide additional space. Refurbishment of existing office facilities will also be important in maintaining a good quality of supply.

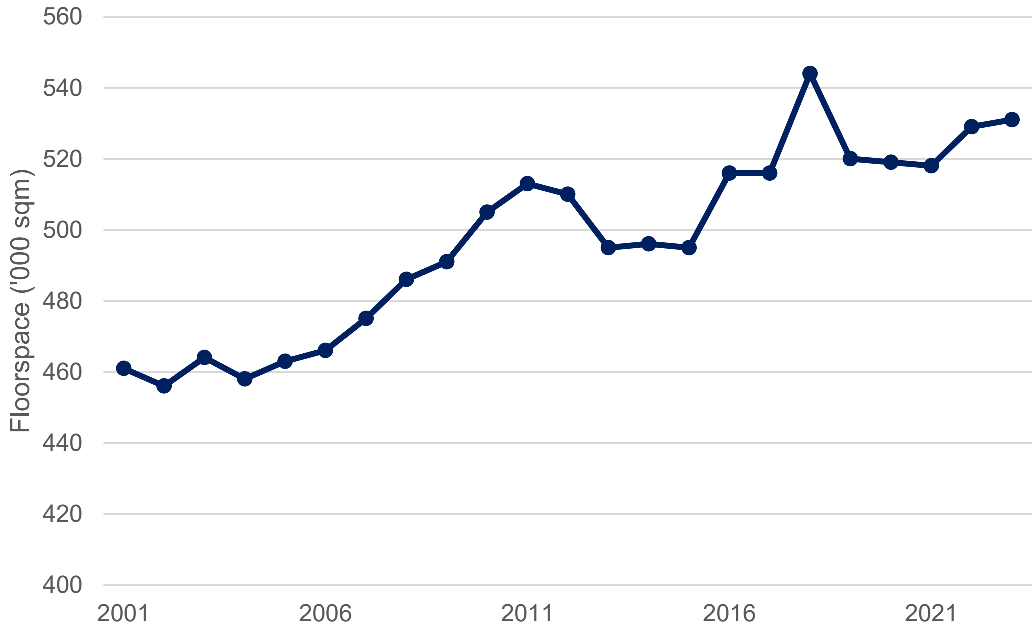
Industrial Market

Industrial Stock

10.35 Valuation Office Agency (VOA) data on industrial floorspace in East Hampshire presents year to year variability but has shown a general upward trend between 2001 and 2023. Growth was stronger between 2001-2011 than the following 10 years (2011-2021). The sharp rise and then fall in floorspace in 2018 is unlikely to represent a genuine change in floorspace stock and is more likely to result from an irregularity in data collection or classification.

10.36 Overall, there appears to have been an increase in industrial floorspace of approximately 15% from around 461,000 sqm in 2001 to around 531,000 sqm in 2023.

Figure 10-9 Total industrial stock, East Hampshire

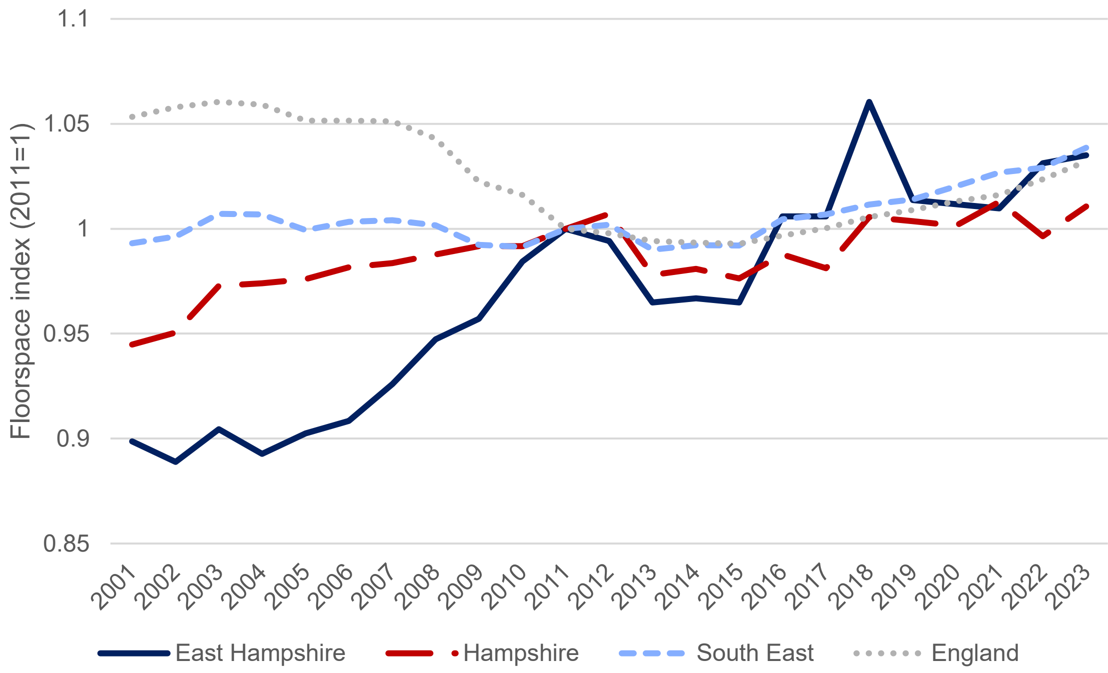


Source: VOA Stock of properties including business floorspace

10.37 The figure below compares changes in industrial stock in East Hampshire to Hampshire, the South East and England as a whole, with stock in 2011 used as a base index. Prior to 2011, trends in industrial floorspace stock varied significantly between the areas identified. Whilst stock decreased at the national level and was relatively stagnant at the regional level, East Hampshire and Hampshire saw growth in industrial floorspace between 2001 and 2011.

10.38 Since 2011, growth in East Hampshire’s industrial stock has been broadly in line with that seen across the South East and England, although there has been greater variation in the data for East Hampshire. Stock in Hampshire grew at a slightly slower rate (1.1%) than East Hampshire (3.5%) between 2011 and 2023.

Figure 10-10 Indexed industrial floorspace stock 2001-2023



Source: VOA Stock of properties including business floorspace

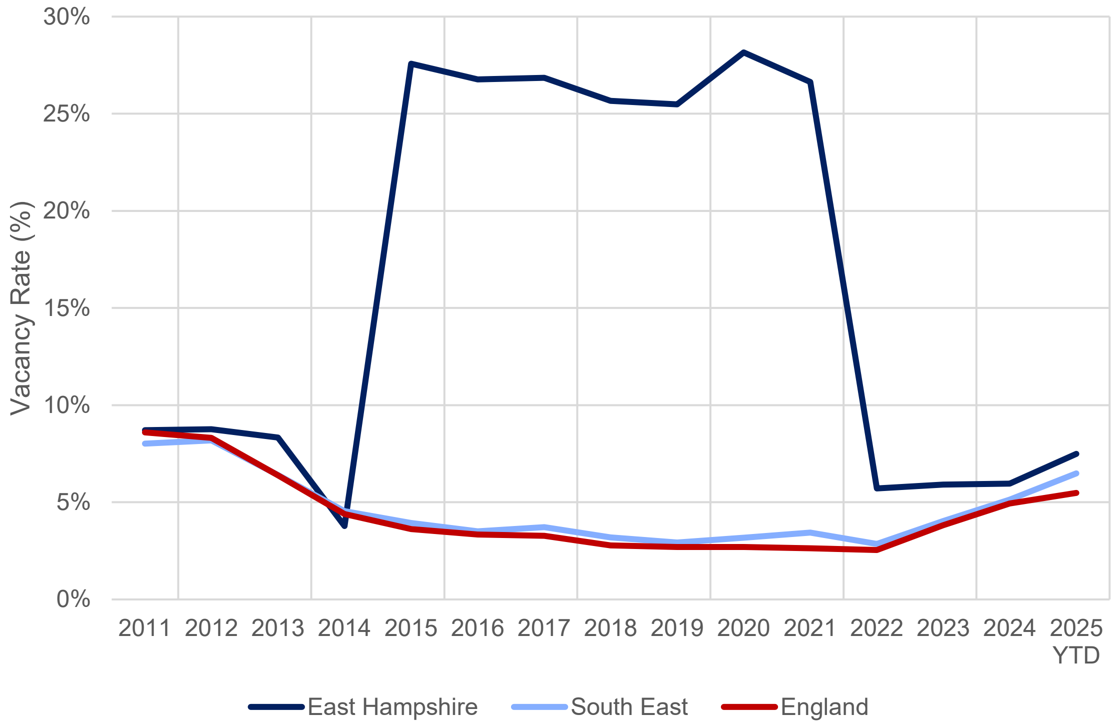
East Hampshire Industrial and Warehousing Supply Demand Balance

10.39 The overall supply-demand balance has been assessed by looking at headline indicators - namely vacancy rates and rents. The drivers of changing vacancy rates, demand and supply have then been assessed by looking at net absorption and net deliveries. Data has been sourced from CoStar and includes only the areas of East Hampshire outside of the South Downs National Park (i.e. the Plan Area).

10.40 The figure below shows how the industrial vacancy rate in East Hampshire has changed over time compared to the South East and England. East Hampshire's industrial vacancy rate is currently 7.5%, which sits within the range that is generally indicative of a well-functioning market. It is slightly higher than the regional and national averages (6.5% and 5.5% respectively).

10.41 East Hampshire's industrial vacancy rate increased substantially between 2014 and 2022, at above 25% for the seven consecutive years. This is attributable to the former Coors brewery in Alton closing in 2015, with a seven-year gap before it was demolished in 2021. This resulted in a substantial increase in the vacancy rate over this period, however as this stemmed from the vacancy of a large single-occupier site, it does not indicate that the overall industrial market was oversupplied.

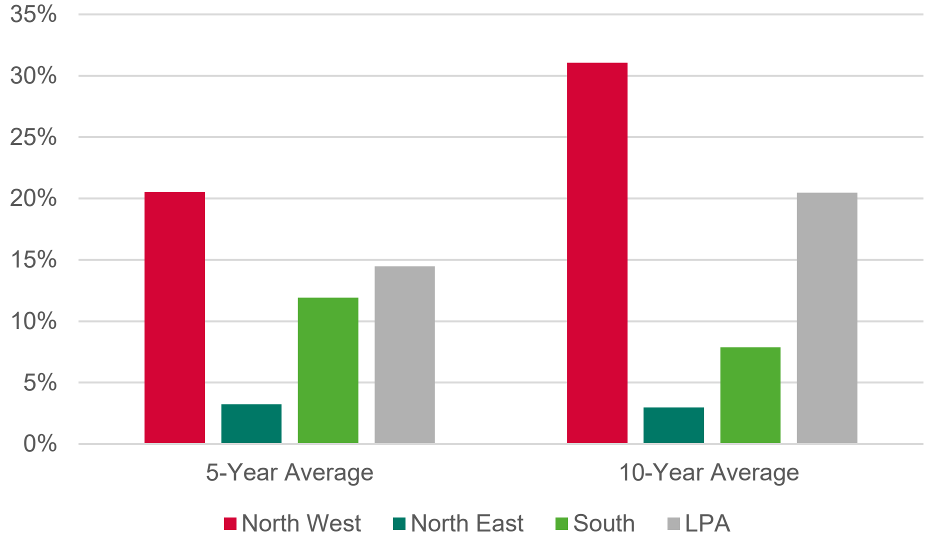
Figure 10-11 Industrial Vacancy Rates (%)



Source: CoStar, 2025

10.42 The chart below presents the 5-year and 10-year average vacancy rates by sub-area. The North West average is skewed based on the Coors Brewery vacancy as explained above. The North East has the lowest average vacancy rate over the past 5- and 10-years.

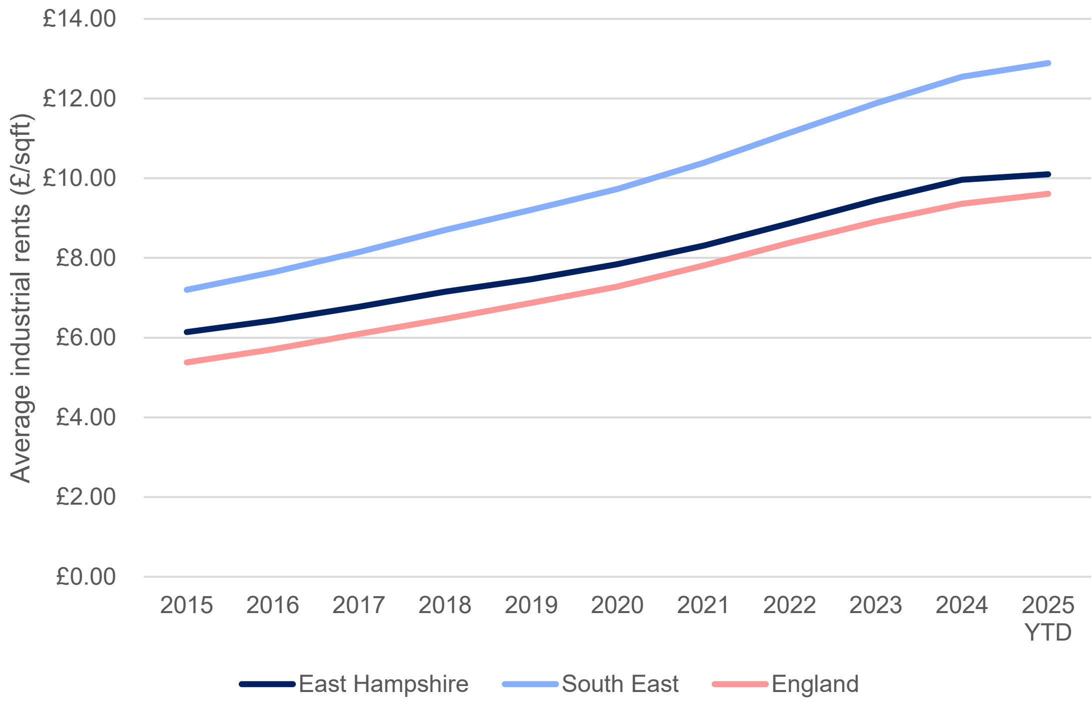
Figure 10-12 Average Vacancy Rates by Sub-area



Source: Iceni analysis of CoStar, 2025

10.43 As of October 2025, the average industrial rental price in East Hampshire is £10.10/sqft. As shown in the figure below, this is slightly higher than the national average (£9.61/sqft), but lower than the South East average (£12.89) which includes a range of prime industrial/warehousing locations including along the M4 and M23 corridors. This has been a consistent trend over the last decade, with consistent rental growth over the last decade across all areas, with some levelling off in the last year.

Figure 10-13 Average Industrial Rents



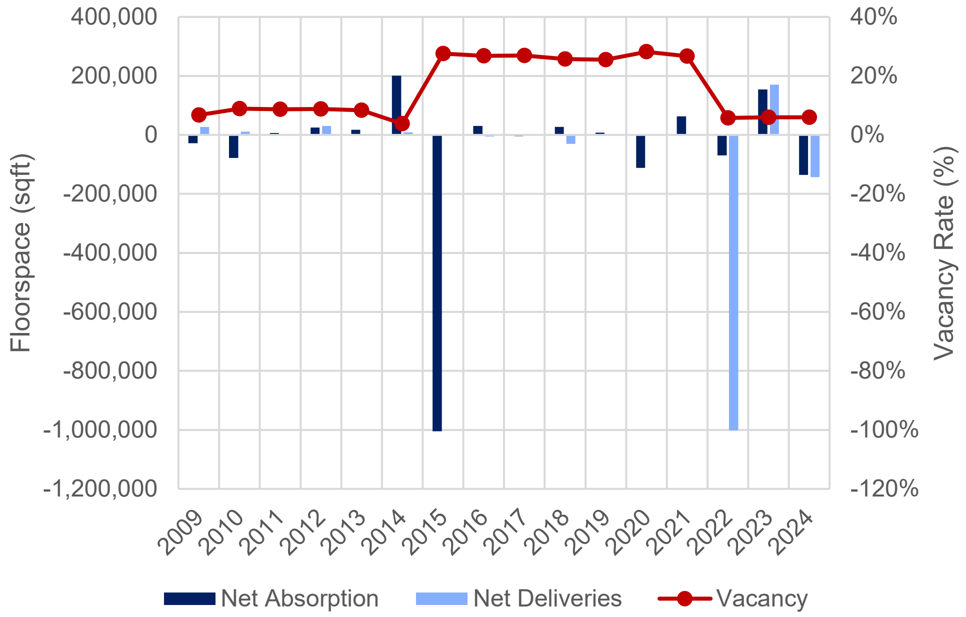
Source: CoStar, 2025

Net Absorption and Net Deliveries

10.44 The figure below shows net absorption, net deliveries and their resulting impact on vacancy rates in East Hampshire. As previously described, the significant uplift in vacancy rate between 2015 and 2021 is attributable to the closure of the Coors factory in Alton. In 2015, East Hampshire's industrial market experienced significant net negative absorption of -1,004,645 sqft, -991,911 sqft of which occurred within the North-West sub-area (inclusive of Alton). In 2022, there were net negative deliveries of approximately the same magnitude (-1,001,968 sqft) also driven by net negative absorption in the North West sub-area. This aligns with the dates of the Coor's brewery closure and subsequent demolition (-1,038,221 sqft) in Alton.

10.45 Over the past decade, net absorption has been negative in 50% of years, with an average net absorption of -4,281 sqft between 2016 and 2024 (excluding 2015 which is considered an outlier). 2023 was the only year in the last decade to see positive net deliveries of industrial floorspace, largely driven by the delivery of Hogmoor House, Asmodee's Head Office in Bordon (approx. 12,500 sqm). This was largely offset by net negative deliveries of 142,912 sqft in the following year.

Figure 10-14 Net absorption and net delivery of industrial floorspace compared to vacancy rate, East Hampshire



Source: CoStar, 2025

10.46 The table below provides 5-year average net absorption figures by sub-area. Over the past five years, average annual net absorption at the Plan Area level was -1,900 sqm. The North-East and South sub-areas saw the highest levels of net negative absorption at -1,300 sqm each. Negative net absorption means the volume of occupied industrial space has been falling.

10.47 It should be noted that levels of net absorption are heavily influenced by the quantum of office stock in each sub-area.

Table 10-5 5-Year Average Industrial Net Absorption by Sub-Area

Area / Sub-Area	5-Year Average
Plan Area	**-1,900**
North West	- 400
North East	-1,300
South	-1,300

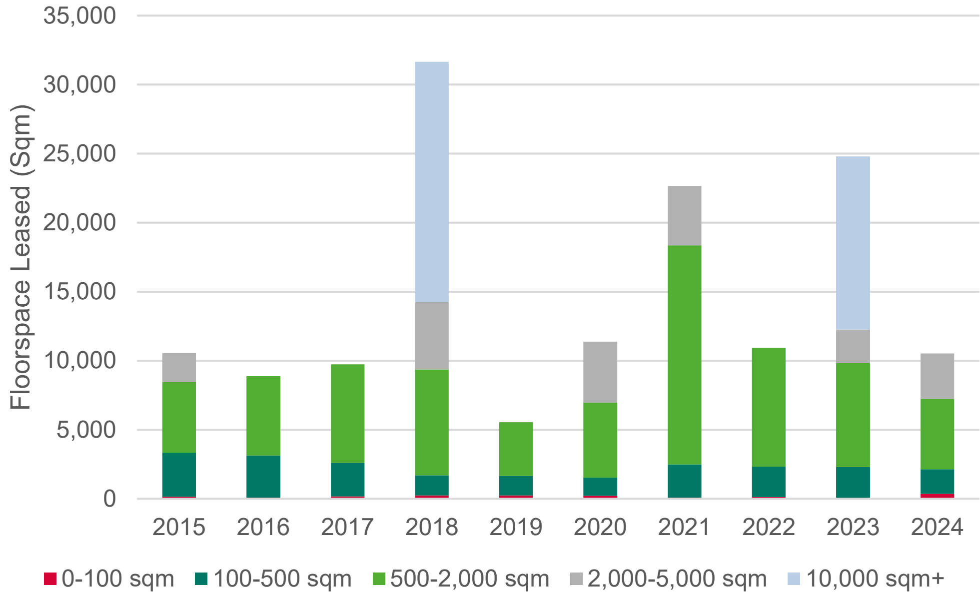
Leasing Activity

10.48 Over the past 10 years, an average of 14,670 sqm of industrial floorspace has been leased per annum across East Hampshire. 2018 saw a peak in the quantum of floorspace leased at 31,660 sqm.

10.49 The amount of leasing activity which has occurred in various size bands has been assessed to provide an indication of demand by size. However, it should be noted that leasing activity is constrained by the size of available stock.

10.50 The figure below shows the amount of leasing activity (sqm) by size band over the last 10 years. In terms of floorspace volume, the majority of floorspace leased over the past 10 years was in the 500 – 2,000 sqm category. The 100-500 size band saw the largest number of individual transactions, with 87 lease deals between 2015 and 2024. There were only two transactions greater than 10,000 sqm.

Figure 10-15 Industrial floorspace leased by size band, East Hampshire Plan Area

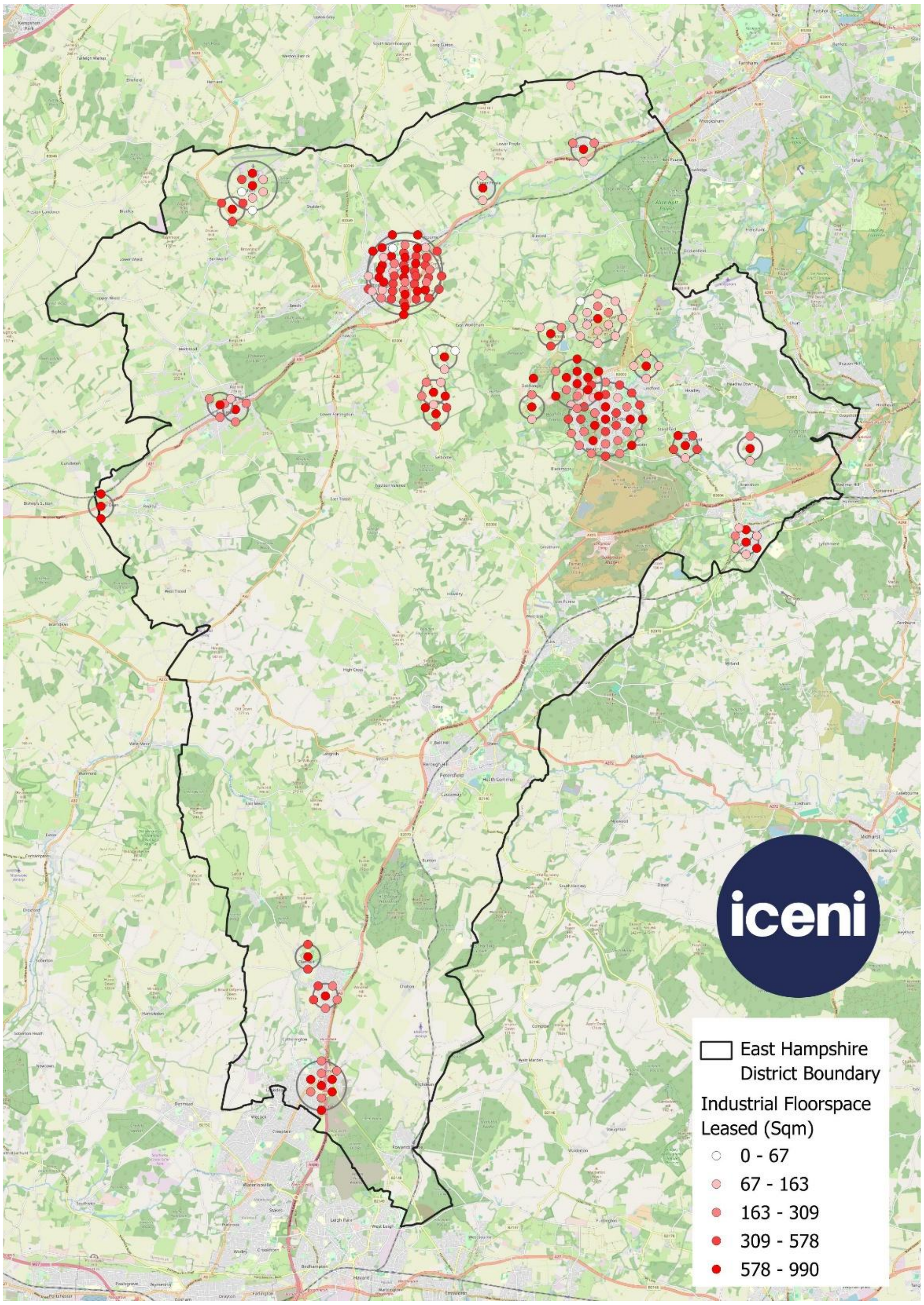


Source: Iceni analysis of CoStar, 2025

10.51 Industrial lease deals within the Plan Area over the last 10 years are mapped below to provide an indication of industrial demand by location. It should be noted that the location and quantum of lease deals is heavily influenced by the location and availability of stock across the District.

10.52 The strongest concentrations of lease deals have occurred within Alton and Whitehill & Bordon (North West and North East sub-areas).

Figure 10-16 Industrial Lease Deals, 2015-2024, East Hampshire Plan Area



Source: Iceni mapping of CoStar data, 2025

Stakeholder Engagement – Industrial Market

10.53 Iceni undertook engagement with a range of stakeholders in October-November 2025 to gather qualitative insights into East Hampshire's

Industrial Market. Stakeholders included estate agents, local providers and occupiers of industrial space, and the Hampshire Chamber of Commerce.

10.54 Agents described industrial demand as having cooled significantly in 2025 following a period of particularly strong demand. Wider economic conditions have driven weakening demand compared to recent years, however it was still reported to be strong in general.

10.55 One agent covering the Horndean market stated that there are a good mix of unit sizes and quality with no notable gaps in provision in this area. Units with a higher office content were stated to be more difficult to let.

10.56 Another agent who primarily operates in the northwest and north-east subareas of East Hampshire (including Alton and Bordon) stated that demand was fairly evenly spread spatially across these areas. Occupiers tend to prefer in-town or edge-of-town locations as opposed to rural/farm-based locations.

10.57 Two key gaps in the provision of industrial space were highlighted: a lack of high-quality stock and a lack of grow-on/larger spaces. Woolmer Trading Estate cited as an example of an industrial estate which is in decline with insufficient investment in its upkeep. It was suggested that new, high-quality development would absorb a portion of market demand, resulting in secondary stock likely to remain lettable but at lower rental values.

10.58 The second issue, concerning the lack of larger/grow-on spaces, was raised by multiple stakeholders. Agents reported that there is a shortage of industrial space above 30,000 sqft. This gap in the market was stated to have two main negative consequences. Firstly, it may act as a barrier to the growth of small local businesses who would expand into medium-sized spaces if there were suitable space available. Secondly, there are anecdotal reports of businesses leaving East Hampshire in order to expand elsewhere where there are larger premises available to meet their needs. Both of these consequences have likely acted as a constraint to the growth of the local economy.

10.59 It was stated that there would be demand in Alton and Bordon for further industrial space. Various types of industrial/warehousing space would be in demand including light industrial units, industrial/manufacturing units, open storage and warehousing space.

Key findings – Industrial market

East Hampshire's industrial stock has grown by approximately 15% since 2001 to around 531,000 sqm in 2023, with post-2011 growth broadly in line with regional and national trends, albeit with greater local volatility.

Current vacancy stands at 7.5%, slightly above regional and national averages but within the range indicative of a functioning market.

Average rents are £10.10 per sqft, above the national average but below the South East benchmark, with sustained rental growth over the past decade and some recent stabilisation.

Net absorption over the past five years has been modestly negative overall, reflecting fluctuations in occupier movements and limited new delivery, although this is influenced by the relatively small scale of the market.

Leasing activity has averaged around 14,670 sqm per annum, with strongest demand in the 500–2,000 sqm size band and activity concentrated in Alton and Whitehill & Bordon.

Stakeholder feedback indicates that, while demand has cooled in 2025 from previously strong levels, the market remains generally healthy, with particular gaps in high-quality stock and larger grow-on units above 30,000 sqft, which may be constraining business expansion and contributing to out-migration of firms.

11. Employment Land Needs

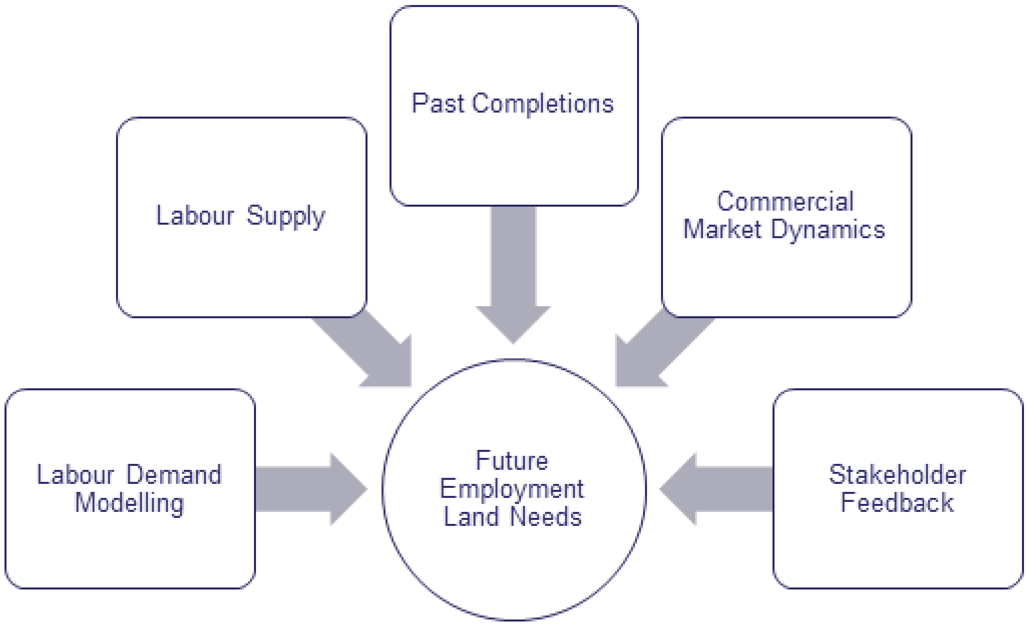
11.1 In this section we consider future needs for employment land and floorspace over the plan period 2025-43. The analysis considers the need for office, industrial and warehouse/distribution uses.

11.2 The PPG on Housing and economic needs assessment provides broad guidance on assessing future needs, and outlines in Para 2a-027 a number of different approaches:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand)
- demographically derived assessments of current and future local labour supply (labour supply techniques)
- analysis based on the past take-up of employment land and property and/or future property market requirements
- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

11.3 Iceni's approach has been to consider and triangulate different methodologies and evidence in drawing conclusions on future employment floorspace and land needs which is summarised in the Figure below.

Figure 11-1 Triangulating Different Forecasting Approaches



11.4 Different forecasting techniques have their advantages and disadvantages. Econometric forecasts take account of differences in expected economic performance moving forward relative to the past. However, a detailed model is required to relate net forecasts to use classes and estimate gross floorspace and land requirements.

11.5 For office-based sectors consideration needs to be given to the impacts of trends in home working. For industrial sectors however the relationship between floorspace needs and employment trends may be weak – influenced by productivity improvements. In contrast, past take-up is based on actual delivery of employment development; but does not take account of implications of growth in labour supply or housing growth nor any differences in economic performance relative to the past. It is also potentially influenced by past land supply and/or policies.

11.6 Ultimately an appropriate approach is therefore to utilise a range of different forecasting techniques alongside local intelligence and an understanding of the merits of different approaches in drawing conclusions. This approach of triangulating different approaches and testing findings, which Iceni adopts, is consistent with the PPG.

Labour Demand Forecasts

11.7 We consider baseline jobs forecasts from Experian and Oxford Economic (acquired in 2025 and 2023 respectively); before considering other local factors which may influence the district's economic performance. The forecast period focuses on the 2025-43 period to align with the future Local Plan period.

11.8 Whilst the Oxford Economics forecasts are more dated, they are used to inform interrogation of the more recent CE dataset.

11.9 The forecasts below are for East Hampshire district as a whole (including areas within the South Downs National Park). When floorspace needs are modelled later in the Chapter, the employment forecast is disaggregated to provide a Plan Area only forecast.

11.10 The Experian baseline forecast shows employment growth of 2,200 jobs over the 2025-43 period in East Hampshire. The Oxford Economics forecast anticipates a similar level of growth of 2,910 jobs over the 2025-43 period.

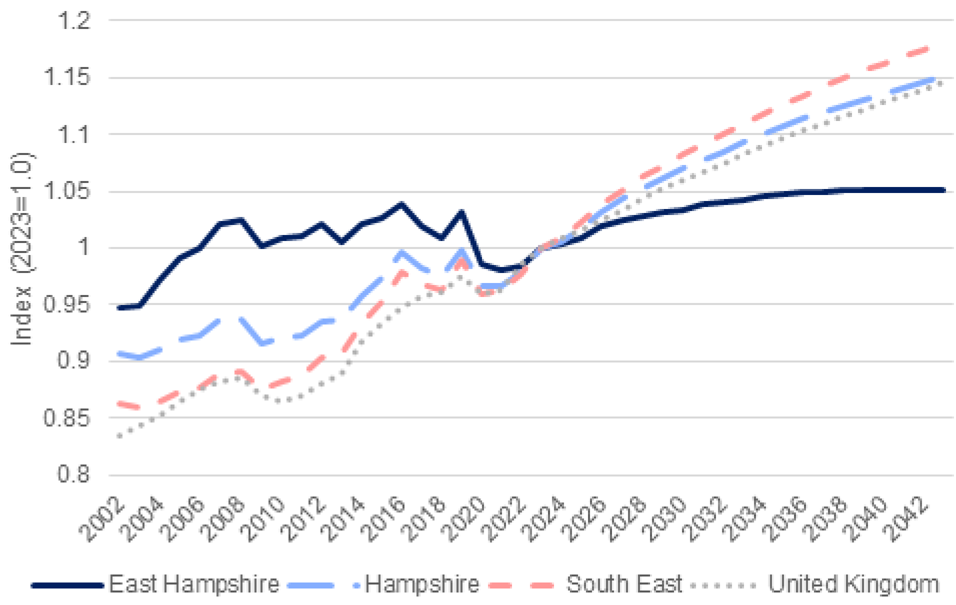
Table 11-1 Employment Growth in East Hampshire District - Baseline Forecasts

Forecast	Employment Change (jobs) (2025-43)	% Compound Annual Growth Rate (2025-43)
Experian	2,200	0.2%
Oxford Economics	2,910	0.3%

Source: Experian/Oxford Economics/Iceni

11.11 The Experian and Oxford Economics compound annual growth rates (CAGR) are also relatively similar at 0.2% and 0.3% respectively. These growth rates are below those expected across Hampshire, the South East and England (0.7%, 0.8% and 0.7% respectively). This weaker relative performance is consistent with the analysis of the District's relative historical performance.

Figure 11-2 Indexed Analysis of Relative Employment Growth Forecast (2023=1)



Source: Cambridge Econometrics/Iceni

11.12 The Figure below shows the expected change in employment by sector over the forecast period, comparing the Experian and Oxford Economics forecasts. Whilst overall employment growth across the two forecasts is relatively similar, there are a number of significant variations at the sector level. The Experian forecast expects the greatest growth to be within the Admin & support sector, with an increase in employment of 1,700 jobs. The Oxford Economics forecast also anticipates growth within this sector, however employment is forecast to grow by just 600 jobs.

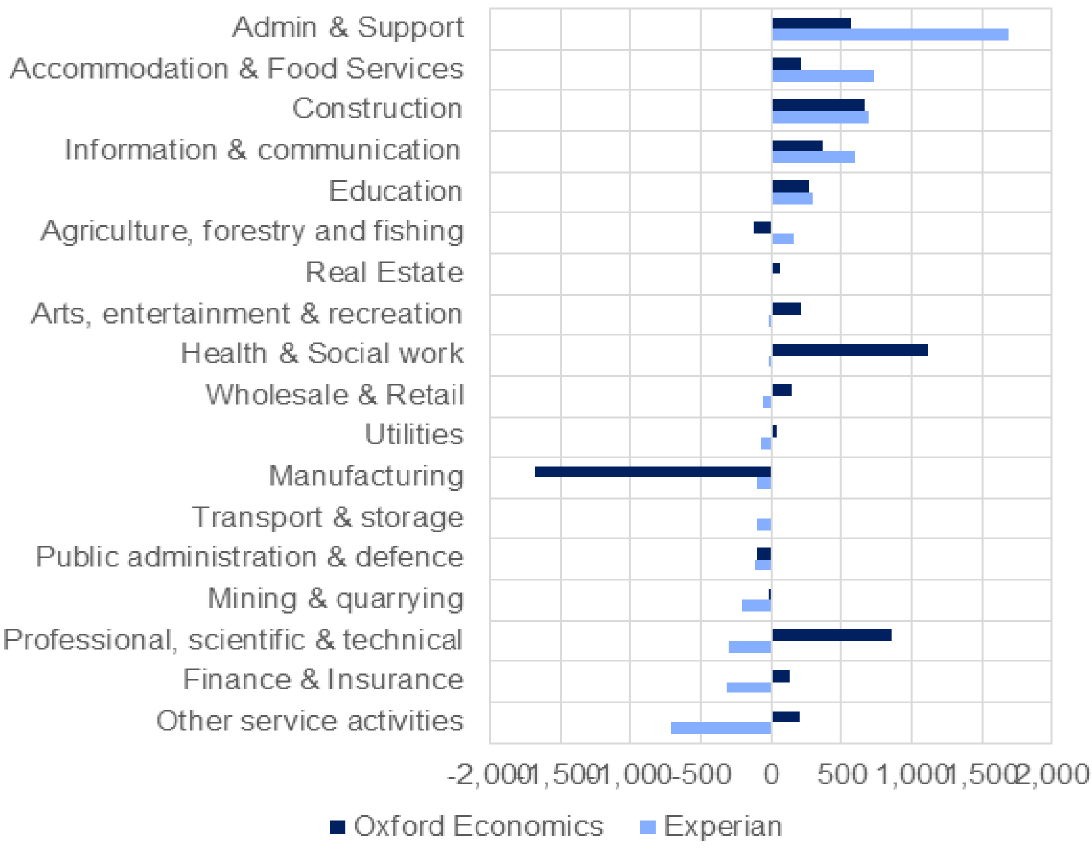
11.13 Other significant disparities between the two forecasts include:

- Health & social work – Oxford Economics expect this sector to see the greatest growth (+1,100 jobs), whilst Experian forecasts static employment.

- Professional, scientific & technical – Oxford Economics expect this sector to see the second greatest growth in employment (+900 jobs) whilst Experian forecast a decline in employment of -300.

- Manufacturing – The Oxford Economics forecast is significantly more pessimistic with regard to the Manufacturing sector, forecasting a decline in employment of -1,700 jobs compared to a decline of -100 jobs within the Experian forecast. This differential is typical of the two different models.

Figure 11-3 Forecast Employment Growth by Sector, East Hampshire, 2025-43

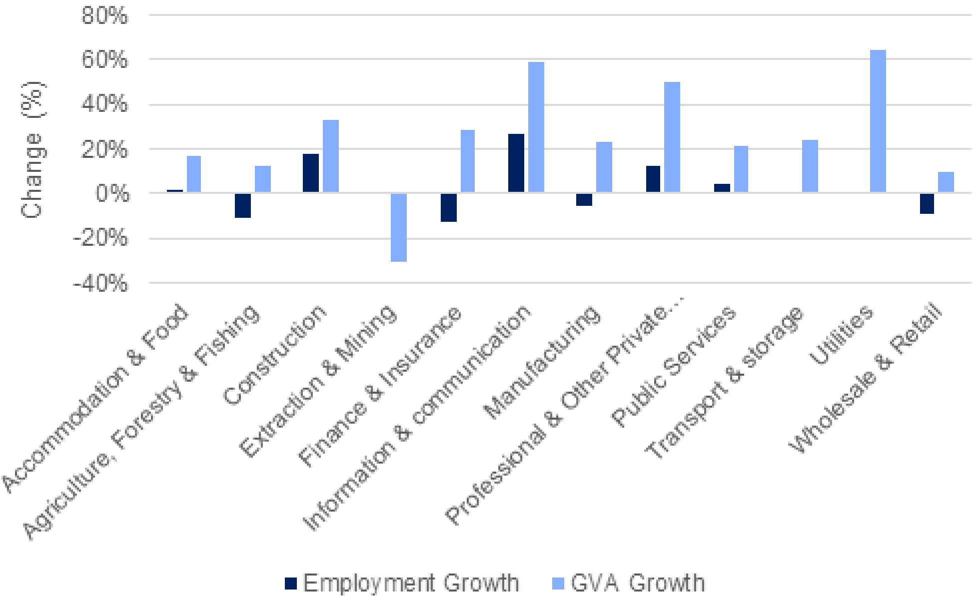


Source: Experian/Oxford Economics/Iceni

11.14 The basis of the forecasts can be better understood by comparing forecast growth in employment to growth in GVA. Across a range of sectors as shown below, stronger relative growth is forecast in GVA than employment, linked to productivity improvements.

11.15 In a number of cases including manufacturing and finance & insurance, GVA is forecast to increase (and thus the sector is growing) despite a reduction in employment. In the case of manufacturing, there is therefore likely to be a requirement for employment land despite a forecast decline in employment as a result of productivity gains.

Figure 11-4 Comparison of forecast growth in Employment and GVA, 2025-4



Source: Iceni analysis of Experian forecasts

11.16 We have taken forwards the Experian model to provide a base labour demand forecast as it provides a more positive model for growth for a number of key sectors which drive employment land requirements.

11.17 Iceni has then sought to disaggregate employment within the plan area (as against the area of the District which falls within the South Downs National Park) on the basis of an analysis of the relative share of employment by sector in each of the two geographies using BRES data. On this basis, the baseline Experian forecast would see around 1,200 jobs added to the East Hampshire local plan area between 2025-2043.

Labour Demand Model for Floorspace and Land Needs

11.18 Iceni has a standard model which considers how sectors relate to use classes which is used to estimate the proportion of employment in different broad use classes – offices, industrial and warehousing/ distribution . We attribute changes in jobs to use classes first, using BRES data to estimate the sector-specific relationship between net changes in total employment and that for Full-Time Equivalent (FTE) jobs.

Table 11-2 Distribution of Employment Growth by Use Class 2025-43 – Local plan area

	Office	R&D	Industrial	Warehouse /Distribution	Other, remote and no fixed place of work
Change in FTE jobs	560	20	-40	-120	420

Source: Iceni/Experian

11.19 The next stage in the modelling is then to apply employment densities to estimate the net change in floorspace. This is shown in the table below. The employment density assumptions used are set out. These relate to the Gross External Area ("GEA").

Table 11-3 Net Floorspace Need, Labour Demand Model, 2025-43

	Office	R&D	Industrial	Warehouse /Distribution
Total FTE jobs by Use Class	560	20	-40	-120
Employment Density (sqm. Per FTE job GEA)	14	60	38	74
Net Floorspace Need (sqm)	7,800	1,500	-1,400	-8,600

Source: Iceni

11.20 We have undertaken a sensitivity analysis for office space with greater levels of working from home. This is informed by Iceni Projects review of information published by real estate agency Savills, Remit Consulting and RICS on the occupancy of in-use office floorspace pre- and post pandemic.

11.21 The pandemic has clearly seen an increase in home-working – in particular in office-based sectors – as well as hybrid working, whereby workers spend part of the week in the office, and part at home, with the emergence of 3/2 and 2/3 working patterns. Office market trends are responding, reinforcing demand for good quality space designed to facilitate interaction and collaboration between staff; and locations which support social and leisure activities. Offices may contain specific spaces for teams/zoom calls and businesses may need to consider floorspace needs on the more popular, mid-week days.

11.22 ONS 2023 data showed that 40% of all UK working adults work from home at some point in the week with 16% solely working from home. Based on this information, Iceni has concluded that post-pandemic office occupancy is around 70% of pre-pandemic levels. Therefore, we have reduced levels of employment growth and replacement demand in the ‘Post-Pandemic Working from Home’ scenario by a 30% factor in the sensitivity analysis.

11.23 Iceni consider that there is then however a need to provide a margin to support choice and competition in the market for employment land and to allow for and reflect issues and potential delays with the delivery of employment sites whilst ensuring that economic growth is not constrained.

11.24 We have assumed a 5-year margin is provided based on past completions trends by use (using the 10-year trend). In addition, an allowance is made for the replacement of losses of employment floorspace, assuming a 50% replacement rate. This again is calculated based on past trend data. Because the land requirement for industrial and warehousing are similar, and often such uses co-locate with one another on the ground, we have grouped these categories.

11.25 The resultant estimates of gross need for employment land using the labour demand model are set out below. These adopt a plot ratio of 0.5 for offices, assuming that most office space is delivered at business park rather than town centre densities having regard to the nature of the area, market and viability considerations. A plot ratio of 0.4 is adopted for industrial uses. These assumptions are consistent to the those in the 2022 HEDNA.

11.26 The results of this initial exercise show a positive requirement for around 10,700 sq.m of office and R&D floorspace (Use E(g)(i) and (ii)) which would require around 2.1 ha of land. For industrial uses, the analysis shows a positive requirement for 6,800 sqm (1.7 ha).

Table 11-4 Gross Floorspace Need and Land Requirement, Labour Demand Model, 2025-43

	Office / R&D	Office / R&D WfH Sensitivity	Industrial	Total
Net Floorspace Need (sqm)	9,300	6,500	-10,000	-3,500
50% replacement of losses (sqm)	3,800	2,700	4,000	6,700
5-year margin on past completions – 10 year trend	2,200	2,200	16,200	18,400
Gross Floorspace Need (sqm)	15,400	11,400	10,100	21,600
Plot Ratio	0.5	0.5	0.4	
Land Requirement (ha)	3.1	2.3	2.5	4.8

Source: Iceni

Synthesis Growth Scenario

11.27 There are a number of reasons to consider an amended scenario – a Synthesis Growth Scenario - reflecting East Hampshire specific economic prospects as an alternative to the baseline forecasts. Off-the-shelf baseline forecasts largely share national and regional growth down to a local level using the relative strength of each sector locally and past performance. Where there are planned growth initiatives or inward investment opportunities these will not be reflected (particularly in as far as they may result in a different outcome from historical initiatives). There can also be distortions caused by the national/regional outlook that should not be applied uncritically to the local level.

11.28 Furthermore, the PPG sets out that demographically derived assessments of current and future local labour supply should be considered as an approach when modelling future employment land needs.

11.29 As set out in Chapter 3, the Government, through revisions to the NPPF in December 2024, has revised the standard method. The Revised Standard Method result is a substantial uplift on the previous standard method. The previous May 2022 East Hampshire HEDNA showed a housing need for 632 dpa calculated using the previous standard method. The standard method figure has now increased to 1,124 dpa.

11.30 Based on this housing target, it is estimated that between 13,200 – 16,000 jobs could be supported in the East Hampshire Local Plan Area depending on the commuting assumption. Using the mid-point of the 2011 and 2021 census commuting ratios would imply around 14,200 additional jobs in the local plan area, with some degree of continued out-commuting likely given the geography of the District.

11.31 A ‘Synthesis Growth Scenario’ has therefore been derived which aligns to the growth in labour supply arising from housing provision in line with the standard method in the plan area. . To do this, uplift at the sector level are applied to the baseline Experian forecast. Assumptions regarding the level of uplift to apply to each sector have been determined through consideration of:

- Extrapolation of past 10-year and 20-year trends at the East Hampshire level
- Extrapolation of past trends at the wider Hampshire and South East level
- Findings from stakeholder engagement and policy review regarding sectoral strengths and opportunities

- Population-driven sectors which are likely to see higher levels of growth compared to past trends given the latest revised housing targets.

11.32 Given the District's low growth baseline, a further boost to growth forecasts above this point was required to align growth levels with the labour supply implications of the Standard Method. A boost was also applied to the proportion of the District's jobs that would be provided in the local plan area.

11.33 The resulting Synthesis Growth Scenario would see growth well above what would be indicated by historical growth levels, recent economic performance, or forecast percentage growth rates across Hampshire and the South East more broadly. Given this, the Synthesis Growth Scenario should be seen as illustrating what level of employment growth (and ultimately employment land provision) would align with required housing development, rather than being a representation of likely employment growth levels given historical trends and local prospects.

11.34 The Synthesis Growth Scenario sees a change in employment across the District (including the SDNP portion of the district) of approx. 18,400 jobs over the plan period (2025-43) compared to 2,100 jobs in the Experian baseline. As per the baseline labour demand modelling, the employment forecasts are disaggregated at the next stage of modelling to determine the proportion of employment growth expected to occur within the Plan Area (as against the area of the District which falls within the South Downs National Park). As noted above, the proportion of job growth within the plan area has been increased.

11.35 This scenario would see 14,200 additional jobs added in the local plan area, aligned with the labour supply results using the mid-point of the 2011 and 2021 census commuting assumptions. This would see out-commuting moderated in proportional terms.

11.36 The table below compares forecast employment growth over the plan period at the sector level in the Experian baseline scenario and the Synthesis Growth Scenario.

Table 11-5 Forecast employment growth, Experian Baseline and Synthesis Growth Scenario, 2025-43 (Local plan area)

Sector	Experian Baseline	Synthesis Growth Scenario
Accommodation & Food Services	30	1,070
Administrative & Supportive Services	-170	910
Agriculture, Forestry & Fishing	-70	100
Air & Water Transport	0	0
Chemicals (manufacture of)	-70	640
Civil Engineering	0	30
Computer & Electronic Products (manufacture of)	0	0
Computing & Information Services	170	670
Construction of Buildings	0	440
Education	-40	1,010
Extraction & Mining	0	0
Finance	-20	130
Food, Drink & Tobacco (manufacture of)	0	90
Fuel Refining	0	0
Health	180	890
Insurance & Pensions	-40	0
Land Transport, Storage & Post	0	380
Machinery & Equipment (manufacture of)	-130	250
Media Activities	60	180
Metal Products (manufacture of)	0	140
Non-Metallic Products (manufacture of)	0	670

Sector	Experian Baseline	Synthesis Growth Scenario
Other Manufacturing	170	240
Other Private Services	0	220
Pharmaceuticals (manufacture of)	0	0
Printing and Recorded Media (manufacture of)	0	0
Professional Services	930	2,280
Public Administration & Defence	-80	350
Real Estate	180	410
Recreation	0	340
Residential Care & Social Work	260	880
Retail	60	690
Specialised Construction Activities	320	550
Telecoms	0	0
Textiles & Clothing (manufacture of)	0	0
Transport Equipment (manufacture of)	0	0
Utilities	0	270
Wholesale	-510	370
Wood & Paper (manufacture of)	0	0
Total	**1,200**	**14,200**

Source: Iceni/Experian

11.37 The table below provides a breakdown of the distribution of employment growth by use class for the Synthesis Growth Scenario.

Table 11-6 Distribution of Employment Growth by Use Class, Synthesis Growth Scenario, 2025-43

	Office	R&D	Industrial	Warehouse /Distribution	Other, remote and no fixed place of work
Change in FTE jobs	2,220	60	1,600	330	5,840

Source: Iceni/Experian

11.38 The next stage in the modelling is then to apply employment densities to estimate the net change in floorspace. This is shown in the table below.

Table 11-7 Net Floorspace Needs, Synthesis Growth Scenario, 2025-43

	Office	R&D	Industrial	Warehouse / Distribution
Total FTE jobs by Use Class	2,220	60	1,600	330
Employment Density (sqm. Per FTE job GEA)	14	60	38	74
Net Floorspace Need (sqm)	31,100	3,600	60,900	24,500

Source: Iceni/Experian

11.39 After applying replacement demand and a margin for flexibility, the results show a positive requirement for around 29,200 sqm of office and R&D floorspace (Use E(g)(i) and (ii)) which would require around 5.8 ha of land. A positive requirement is also shown for industrial floorspace (105,700 sqm) which would require around 26.4 ha of land.

Table 11-8 Gross Floorspace Need and Land Requirement, Synthesis Growth Scenario, 2025-43

	Office / R&D	Office / R&D WfH Sensitivity	Industrial	Total
Net Floorspace Need (sqm)	34,800	24,300	85,500	109,800
50% replacement of losses (sqm)	3,800	2,700	4,000	6,700
5-year margin on past completions – 10 year trend	2,200	2,200	16,200	18,400
Gross Floorspace Need (sqm)	40,800	29,200	105,700	134,900
Plot Ratio	0.5	0.5	0.4	
Land Requirement (ha)	8.2	5.8	26.4	32.3

Source: Iceni/Experian

Past Completions Trend

11.40 Historic completions, based on the Council's monitoring data, have been considered and projected forward to provide an indication of future floorspace needs. Both gross and net historic completions have been considered:

11.41 **Gross completions** (all employment land/floorspace completions, or gains) are useful as they inherently take into account all demand including replacement demand (on-site and off-site redevelopment and redeployment). However, using gross completions can overestimate demand where given some historic gross completions may have been on plots where the previous use was the same (i.e. re-development for the same use but with newer stock). Such redevelopments may continue in the future and do not need 'new' land provision.

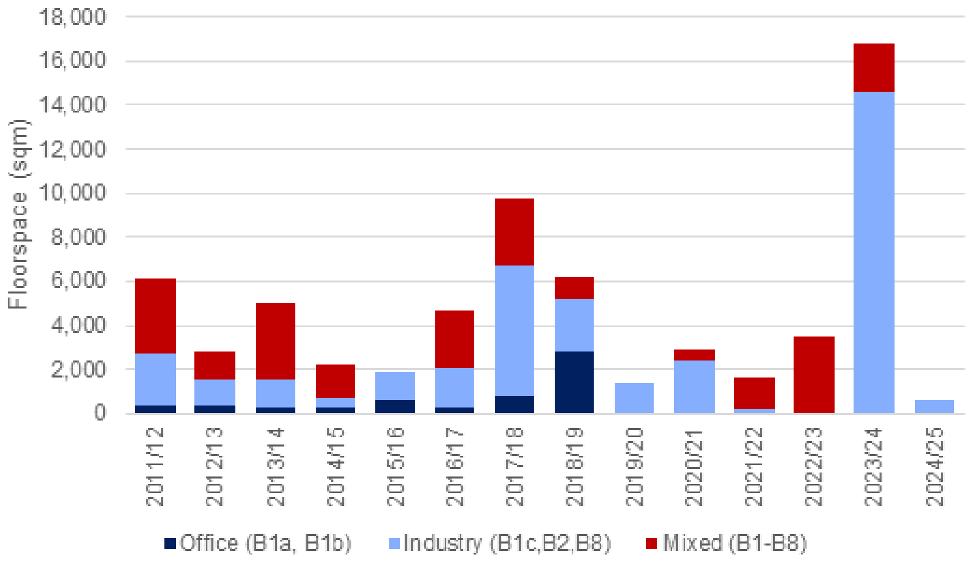
11.42 **Net completions** deduct losses from all gross completions to identify total stock change. Depending on the types of losses that have taken place, net completions change can significantly underestimate needs. Detailed data on losses is required to understand how net completions need to be augmented to take account of losses that need to be replaced – replacement demand.

Gross Completions

11.43 The chart below profiles trends in gross employment floorspace completions by type over the last 14 years in East Hampshire. Completions have generally been modest over this time period, with some annual fluctuations. Completions peaked in 2023/24 at 16,762 sqm, of which 87% was industrial floorspace. This was driven by the delivery of Hogmoor House (approx. 12,500 sqm) in Bordon which is occupied by Asmosdee as their Head Office. The second most significant year for completions was 2017/18 at 9,727 sqm.

11.44 It is notable that there have been no office completions recorded since 2019/20. This is likely to be linked to the impact of the COVID-19 pandemic on office market demand and related viability issues.

Table 11-9 Gross employment Floorspace Completions by Use (sqm)

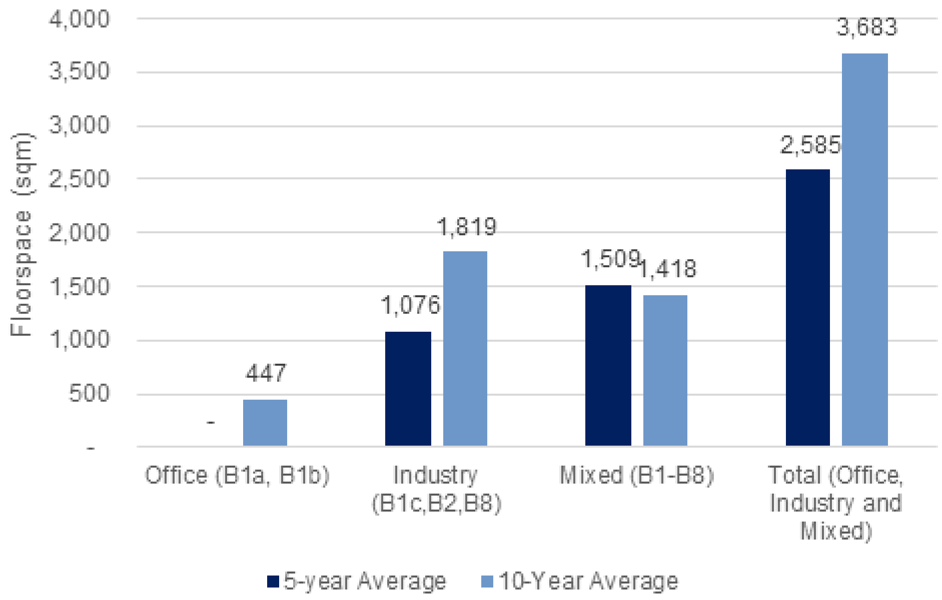


Source: EHDC Annual Monitoring Reports/Iceni

11.45 The average levels of gross completions seen over different time periods, on a per annum basis, is shown below. The delivery of Hogmoor House (134,848 sqft warehouse in Bordon) has been excluded from the 2023/24 completions data for the purposes of calculating an average. This is a single, large purpose-built development for a single occupier. Given the make-up of East Hampshire's business base which is predominantly SME-based, it seems unlikely that there will be another singular delivery of this scale over the next plan period and therefore it is treated as an outlier. If it were included, it would be likely to lead to an overestimate in industrial floorspace needs.

11.46 It can be seen that in the case of office and industrial floorspace, the 10-year average completions exceed the 5-year average completions.

Table 11-10 Average Annual Gross Floorspace Completions (sqm)



Source: EHDC Annual Monitoring Reports/Iceni

11.47 Iceni's market analysis and stakeholder engagement with Curchod & Co indicates that there have been some supply-side constraints to industrial development in recent years, within in particular some key employment land allocations not being brought forward as landowners hold out for consent for potentially higher value uses. It appears that this has had some constraining effect on employment land development in East Hampshire/ Iceni consider that the 10-year trend should be used when assessing industrial need.

11.48 For office space, there have been no completions recorded within the last 5-years and therefore the average completions over this period are also 0 sqm. It is unlikely that the office market remains suppressed to this extent in the longer-term and therefore Iceni consider that the 10-year trend should also be used for office need.

11.49 The 10-year trend projections are shown for all use classes below.

Table 11-11 Projection of Gross Employment Floorspace Needs (sqm), East Hampshire

	Projection (2025-43) based on 10-Year Trend (Sqm)
Office (B1a, B1b)	8,044
Industry (B1c, B2, B8)	32,740
Mixed (B1-B8)	25,517
Allowing for Margin for Flexibility	
Office (B1a, B1b)	10,279
Industry (B1c, B2, B8)	41,835
Mixed (B1-B8)	32,605
Total	84,718

Source: EHDC Annual Monitoring Reports/Iceni

11.50 If plot ratios are applied to these figures (as per the labour demand modelling), the analysis generates a need for 20.8 ha of employment land over the 2025-43 period.

Table 11-12 Projection of Gross Employment Land Needs (Ha), East Hampshire

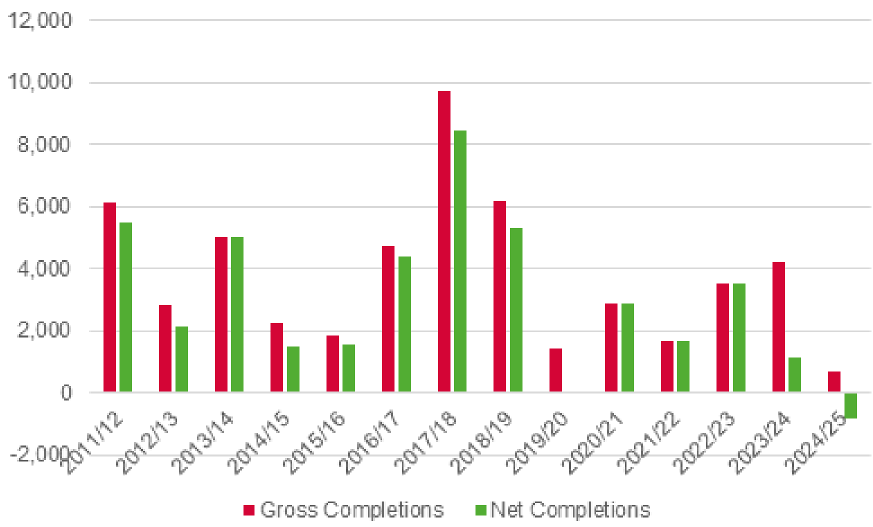
	Projection (2025-43) based on 10-Year Trend (Ha)
Office (B1a, B1b)	1.6
Industry (B1c, B2, B8)	8.2
Mixed (B1-B8)	6.4
Allowing for Margin for Flexibility	
Office (B1a, B1b)	2.1
Industry (B1c, B2, B8)	10.5
Mixed (B1-B8)	8.2
Total	20.8

Source: EHDC Annual Monitoring Reports/Iceni

Net Completions

11.51 East Hampshire District Council also monitor losses to non-employment uses. The chart below compares net and gross data. For most years, the results are similar, which indicates that the scale of gains far outweighs losses. Exceptions to this include 2019/20, 2023/24 and 2024/25 which saw significant losses, resulting in significantly greater gross completions than net. In 2024/25 losses outweighed gross completions, resulting in negative net completions.

Table 11-13 Gross and Net Completions, 2011/12-2024/25, East Hampshire Plan Area



Source: Authority monitoring data

11.52 The table below shows the average net completions between 2015/16 and 2024/25 by use.

Table 11-14 Average net completions, 2015/16-2024/25, East Hampshire Plan Area

	10-Year Average net completions 2015/16-2024/25 (sqm)
Office	24
Industrial	1,502
Mixed	1,289

Source: Iceni, Authority monitoring data

11.53 The resulting projection over the plan period (2025-2043) is shown in the table below, alongside the totals including a margin for flexibility and replacement demand, in line with the assumptions used within the labour demand modelling.

Table 11-15 Floorspace and Land Need, Net Completions Model, 2025-43

	Floorspace need 2025-43 (sqm)	Land need 2025-43 (ha)
Office	432	0.1
Industrial	27,031	6.8
Mixed	23,204	5.8
Including Margin for Flexibility & Replacement Demand		
Office	6,473	1.3
Industrial	38,979	9.7
Mixed	31,448	7.9
Total	76,901	18.9

Source: Iceni, Authority monitoring data

Past Take-Up (Net Absorption)

11.54 A third supply-based calculation looks at past take-up of space occupied (rather than land delivered), measured by net absorption using CoStar data. As explained in the Chapter 10, the net absorption is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move ins – Move outs), equating to the change in occupied space.

11.55 This differs from the net completions-based calculations in that it predicts future floorspace requirements directly based on market demand for floorspace rather than past completions of floorspace (which is only a proxy for floorspace demand).

11.56 The table below shows the average rate of take-up over the past decade since 2015 using CoStar data. This data is for the Plan Area – i.e. it only includes take-up within the area of East Hampshire District outside of the South Downs National Park (SDNP). Industrial and warehousing are grouped as CoStar does not differentiate well between the two types of floorspace and a combined forecast is likely to be more reliable.

11.57 It should be noted that the net absorption figure for 2015 has been manually adjusted to exclude the impact of the Coors Brewery closure in Alton. This significant move-out by a single-occupier was the primary driver of significant net negative absorption recorded in this year. Given that a move-out of comparable scale is unlikely to occur within the next plan period and therefore this is considered an outlier, its exclusion ensures that the projected trend is not skewed. This avoids potential underestimation of future industrial floorspace demand.

Table 11-16 Average annual net absorption of floorspace (sqm), East Hampshire

Use Class	Floorspace (sqm)
Office	-388
Industrial	-46

Source: Iceni analysis of CoStar data

11.58 The historic net absorption rates for the 2015-2024 period presented in the table above have then been projected forward to estimate employment floorspace requirements for 2025-43.

11.59 The estimated floorspace requirements below also show the employment floorspace requirements after considering a margin for flexibility (equal to 5 years' worth of gross deliveries for office, industrial and warehouse). It should be noted that an allowance for replacement demand has not been added as the net absorption-based projection would already include such deals.

11.60 The net absorption model is heavily impacted by supressed demand within the industrial market. A lack of availability in the commercial market has historically restricted leasing activity and therefore this model underestimates the future need.

Table 11-17 Employment floorspace need results – net absorption (sqm)

Use Class	Floorspace (sqm)
Office and R&D	-6,986
Industrial and Warehousing	-829
Allowing for margin for flexibility	
Office and R&D	-4,752
Industrial and Warehousing	15,354
Total (incl. margin)	10,602

Source: Iceni analysis of CoStar data

11.61 If plot ratios are applied to these figures, the analysis generates a need for 2.9 ha of employment land over the 2025-43 period.

Table 11-18 Employment land need results – net absorption (Ha)

Use Class	Land (Ha)
Office and R&D	-1.4
Industrial and Warehousing	-0.2
Allowing for margin for flexibility	
Office and R&D	-1.0
Industrial and Warehousing	3.8
Total (incl. margin)	2.9

Source: Iceni, CoStar Data

Drawing the Evidence Together

11.62 The table below summarises the total employment land need 2025-43 for each broad-use class using the various approaches discussed above. This includes a margin for flexibility and, where appropriate, replacement demand.

Table 11-19 Employment land needs summary 2025-43 (sqm) – Local plan area

Floorspace (Sqm)	Experian Baseline	Synthesis Scenario	Gross Completions	Net Completions	Net Absorption
Office & R&D	15,400	40,800	10,300	6,500	-4,800
Office & R&D WfH	11,400	29,200	10,300	6,500	-4,800
Industrial & Warehousing	10,100	105,700	74,400	70,400	15,400
Total*	**21,600**	**134,900**	**84,700**	**76,900**	**10,600**

Source: Iceni analysis – Experian/CoStar/Authority Monitoring Data

*Total includes Office & R&D Work from Home scenario for the Experian Baseline and Synthesis Growth scenarios.

Table 11-20 Employment land needs summary 2025-43 (ha) – Local plan area

Floorspace (Sqm)	Experian Baseline	Synthesis Scenario	Gross Completions	Net Completions	Net Absorption
Office & R&D	3.1	8.2	2.1	1.3	-1.0
Office & R&D WfH	2.3	5.8	2.1	1.3	-1.0
Industrial & Warehousing	2.5	26.4	18.7	17.6	3.8
Total*	**4.8**	**32.3**	**20.8**	**18.9**	**2.8**

Source: Iceni analysis – Experian/CoStar/Authority Monitoring Data

*Total includes Office & R&D Work from Home scenario for the Experian Baseline and Synthesis Growth scenarios.

11.63 Bringing the needs assessment and pipeline supply together, we can draw conclusions on what level of employment land provision to plan for.

Industrial and Warehousing – Quantum

11.64 The labour demand model shows a negative need for industrial /warehousing, and the net absorption model shows a small need of just 3.8 ha. The gross and net completions models suggest a similar level of need at around 17.6 – 18.7 ha, with the net completions figure sitting approximately at the centre of this range. The synthesis scenario suggests a significantly greater requirement of 26.4 ha.

11.65 synthesis scenario **26.4**The labour demand and trend-based scenarios are largely derived from the continuation of historic trends, which do not adequately reflect the scale of change anticipated over the plan period. In particular, they risk underestimating future requirements in the context of a significantly higher level of planned housing growth.

11.66 The scale of housing delivery proposed will support population growth and significantly increase local labour supply, which is likely to generate (and support) additional demand for employment land beyond that suggested by past trends alone. Aligning employment land provision with this level of growth is essential to provide opportunities for living and working locally, within East Hampshire, and capturing the economic benefits of additional growth.

11.67 Taking forward the synthesis scenario figure for industrial need is therefore considered to be the most appropriate and robust approach. It accords with the NPPF's requirement to prepare positively and proactively for economic growth, providing sufficient flexibility and choice to meet future needs. This approach will help to ensure that employment land supply does not act as a constraint on growth, but instead supports the delivery of a sustainable and resilient local economy.

11.68 While the market-signals based results above (gross completions, net completions and net absorptions) reflect a trend-based approach to future needs forecasting, future growth requirements will be substantially above past trends.

11.69 To reflect this, the difference between the Experian baseline and synthesis scenario labour demand results (27.4 ha of employment land need of which 23.9 ha is industrial/warehousing) can be used as an estimate of the employment land need implications of increased growth. Adding this to the net completions position for industrial/warehousing gives an adjusted land need figure for the plan period of 41.5 ha (i.e. 23.9 + 18.9 = 41.5).

11.70 **Need to plan for:** Iceni recommends that this adjusted net completions figure (**41.5 ha)** be used as an indication of future industrial and warehousing requirements.

Qualitative considerations – Industrial and Warehousing

11.71 Type of stock: There is a need for new high-quality industrial stock. There is sufficient market demand for properties of varying quality and therefore it is unlikely that this will replace existing older stock, but will broaden market choice and put downward pressure on rents for existing, older stock. Stakeholder engagement also highlighted a need for larger industrial premises/grow-on space, particularly above 30,000 sqft (approx. 2,800 sqm). A lack of larger industrial spaces for businesses to expand into will continue to act as a constraint on economic growth within the district. In some instances, the availability of larger industrial premises would enable occupiers to consolidate their operations that are currently spread across multiple sites. This would lead to improvements to operational efficiency, whilst also releasing smaller units back onto the market to meet small business needs.

11.72 Location: Historically, Alton and Bordon have seen strong demand for industrial stock, although this is in-part a function of the location and quantum of existing stock. Going forward, stakeholder feedback suggests there would be demand for industrial space in most towns across the district, including continued strong demand in Alton and Bordon. It will be important for the district to ensure that there is adequate provision of industrial space across all main towns. It is notable that Four Marks currently has limited industrial space relative to its size. Occupier demand tends to be focussed on in-town or edge-of-town locations as opposed to rural/farm-based locations and this would be preferable from a sustainability point of view.

Offices

11.73 Aside from the synthesis growth scenario, the office / R&D 'need' range is narrower than for industrial, ranging from negative (-1.0) under the net absorption trend to 5.1 ha using gross completions. Office floorspace needs are modest across the baseline and trend-based set of results.

11.74 The synthesis growth scenario result for office/R&D is somewhat higher at 8.2ha, although still substantially below the level of land need suggested for industrial/R&D).

11.75 **Need to plan for:** Iceni recommend that the synthesis scenario of **5.8 ha (29,200 sqm)** is appropriate for East Hampshire. This is the upper end of the modelled range, indicating a need higher than the trend position which uses historical data. As per industrial needs, it is deemed appropriate to recommend a needs figure above the trend-based projections given the latest housing delivery targets which, if met, will significantly increase labour supply.

Qualitative considerations - Offices

11.76 Type of space and location: Demand for office space is polarised, with weak demand for larger offices but strong demand for high quality, flexible, small-scale spaces. Demand is particularly strong in locations with a good amenity offer – whether this is in town centre locations, or via the co-location of retail/food and beverage/leisure facilities on-site.

11.77 Delivery mechanisms/viability issues: New build office development is unlikely to be viable within the district given the level of achievable rents across East Hampshire. Within the context of these viability challenges, the Council should provide support via policy to enable the conversion of existing premises to office space where there is demand. Examples may include barn conversions or the re-use of retail space within town-centres to provide small-scale office spaces to cater for local SMEs. Utilising former retail spaces as office space provides the opportunity to increase town centre footfall, thereby creating knock-on benefits to town centre retail and food and beverage businesses. The Council should also consider mechanisms via which they could support the conversion of existing larger office spaces into smaller units or flexible co-working spaces to meet the needs of SMEs. This would enable better utilisation of existing office space without the need for new build space, however this is still likely to require an element of public funding.

12. Employment Supply-Demand Balance

Pipeline Supply

12.1 There is a pipeline supply for employment development on sites with planning consent within the Plan Area for 13.4 ha. This is expected to deliver upwards of 30,900 sqm (gross). There are no outstanding losses expected and therefore the net figure is the same as the gross figure. It should be noted that where floorspace or land (ha) figures are not available, Iceni have provided estimates based on a plot ratio of 0.4.

12.2 Over three quarters (76.5%) of the pipeline floorspace is focused at Bordon, however this has been slow to be come forward relative to residential development at Whitehill and Bordon. The Council is seeking to drive forward employment development.

12.3 In contrast, there is relatively limited employment floorspace with planning consent in Alton (just 540 sqm) given the settlement size.

Table 12-1 Consented Employment Sites, East Hampshire, April 2025

Site	Application Ref	Use Class	Outstanding Floorspace (sqm)	Outstanding Losses (Sqm)	Area (Ha)
Land south of Woolmer Trading Estate, Bordon	34144/004/FUL	B1-8	7,297	0	1.7
TechForest, Former Louisburg Barracks	55369/001	B1-8	13,530	0	2.4
Land East of Horndean	55562/005	B1-8	6,800*	0	1.7
Broxhead Farm	20983/15	B1-8	2,626	0	5.8
Land at Beaver Industrial Estate	22115/039	B1C	360	0	0.06
Morris Singer Ltd, Lasham Depot	20159/019	B2	1,238	0	0.3*
Grayshott Pottery	22592/009	B8	340	0	0.1*
Stone Yard	55138/005	B8	305	0	0.1*
Barn at Hartley Business Park	60421	B8	540	0	0.1*
Land Rear of the Old Stables	21876/060	EG	2,820	0	0.7*
Sylcombe Farm	22260/021	EG/B2 / B8	1,668	0	0.4*
Land at Styne Farm	49558/007	EG/B8	202	0	0.1*
Total			37,726	0	13.4

Source: EHDC Monitoring Data/Iceni

*Ha values estimated by Iceni based on a 0.4 plot ratio.

12.4 The table below summarises the consented employment sites by use class type. The majority (85%) of consented employment floorspace is classified as mixed employment use. There are no consented office developments. It is possible that office space may be delivered as part of the mixed employment use applications, although given the local and wider market conditions it is likely that the majority of applications will come forward as industrial space.

Table 2.2 Summary of Consented Employment Sites by Use Class, East Hampshire, April 2025

Site	Floorspace (Sqm)	Area (Ha)
Office and R&D (E(g)(i), E(g)(ii)	0	0.0
Light Industrial (E(g)iii)	3,180	0.8
B2 General Industrial	1,238	0.3
B8 Storage and Distribution	1,185	0.3
Mixed	32,123	12.1
Total	37,726	13.4

Source: Iceni analysis, EHDC Monitoring Data

12.5 In addition to the pipeline supply, there are two extant allocations for employment development (Policy EMP1, EMP2) – focused in Alton. These provide 12.9 ha of development land. Iceni however understands that there are technical complexities associated with the delivery of these sites, including issues associated with topography/levels at both sites and a stream which dissects the Wilsom Road allocation. These are considered further in the Employment Land Study report but at this stage no contribution is assumed from these extant allocations to the future supply.

Table 12-2 Extant Employment Land Allocations, East Hampshire

Site	Use Class	Area (Ha)	Estimated Floorspace (Sqm)*
Land at Lynch Hill, Alton	B1-8	9.4	37,600
Wilsom Road, Alton	B1-8	3.5	14,000
Total		12.9	51,600

Source: EHDC Monitoring Data/Iceni

*Assuming 0.4 plot ratio

12.6 There are no pipeline schemes which involve losses of employment floorspace to other uses as at April 2025.

12.7 Bringing together the employment commitments, there is a **total employment land supply of 37,700 sqm (rounded) or 13.4 ha** arising from outstanding commitments**.**

Supply-Demand Balance

12.8 As set out in the previous Chapter, the evidence indicates a need for 29,200 sqm (5 (8. ha) of office floorspace and 105,700 sqm of industrial floorspace requiring up to 26.4 ha of land.

12.9 Set against a total employment land supply of 37,700 sqm or 13.4 ha as of April 2025, this equates to an overall quantitative **shortfall of 97,200 sqm or 18.8 ha.** This indicates a need for increased supply of employment space in order to meet the modelled needs in line with potential economic growth.

12.10 The qualitative considerations set out in Chapter 11 should be considered alongside the quantitative supply-demand balance.

Unmet Needs

12.11 The analysis above has considered the objectively assessed need for employment land in the East Hampshire plan area, consistent with the NPPF and PPG. However, the employment requirement set in East Hampshire's Local Plan may also need to consider unmet needs from neighbouring areas, which are required to be met (where this is consistent with sustainable development) under paragraphs 11(b) and 27(b) of the NPPF.

12.12 In particular there is the potential for unmet needs from the South Hampshire urban area which East Hampshire have been requested to consider through discussions with neighbouring authorities under the Duty-to-Cooperate. In October 2025, Gosport Borough Council, Havant Borough Council and Portsmouth City Council formally requested East

Hampshire District Council along with Winchester City Council and Fareham Borough Council to assist in meeting their unmet employment need of 19,973 sqm of new employment floorspace.

12.13 It will be a matter for EHDC to test through the plan-making process whether (and as appropriate what portion of) this unmet need, and any other relevant unmet needs, can be sustainably met within the East Hampshire local plan area. The potential unmet needs associated with other local authorities and the South Downs National Park should also be considered.

13. Conclusions & Recommendations

13.1 This HEDNA has been prepared to provide an updated evidence base on housing and economic development needs to inform the preparation of policies in the emerging East Hampshire Local Plan. The Plan covers those parts of the District which fall outside of the South Downs National Park and seeks to plan to meet development needs over a 2025-43 time period.

13.2 East Hampshire is a rural district which contains a number of market towns. The evidence indicates that different parts of the District look in different directions. The Southern Parishes see strong functional relationships with other parts of South Hampshire. There are equally significant functional relationships between Alton and Basingstoke, and to a lesser extent to Farnham and Aldershot; and from the north-east of the District to Haslemere, Farnham and Guildford. The pattern of relationships broadly aligns with existing Travel to Work Area definitions which therefore provide a strong basis for understanding housing market and functional economic geographies. Larger employment centres outside of the District – including around Portsmouth and Basingstoke – and its accessibility to London influence the District's economic geography.

Overall Housing Need

13.3 The revised standard method, introduced by the Government in December 2024, sets out an annual local housing need for 1,124 homes a year. However this applies to the District as a whole. The HEDNA has sought to consider the housing need for the plan area. Iceni find that there is not robust data available to disaggregate differences between affordability between the national park and the plan area, and in any case to do so would cause complexities for aligning housing provision across boundaries. We recommend on this basis that the sensible, most pragmatic and robust approach is to apportion housing need on the basis of the local housing stock distribution.

13.4 It will be for the SDNPA to determine the most appropriate methodology for calculating housing need within the extent of their local planning authority area.

13.5 The standard method represents a significant uplift over historical delivery in the plan area, which has averaged 482 dpa since 2011, but that was driven by (and strongly aligned to) past planning policies in the Joint Core Strategy. This generates an annual need for 828 dwellings, which equates to 14,904 dwellings in the plan area over the 2025-43 plan period.

Table 13-1: East Hampshire District Standard Method Calculation

A: District-wide Local Housing Need (Calculated from Standard Method)	1,125
% of dwellings outside of SDNP	73.7%
C: Plan-area housing need (C = A x B)	828

13.6 In addition to the plan area’s housing needs, the Council will need to consider and test through the plan-making process whether it can sustainably contribute to meeting unmet needs of other areas, such as from the South Downs National Park or other parts of South Hampshire. It is for the local plan to test whether this level of housing provision can be sustainably accommodated, and the potential to contribute to meeting unmet need from neighbouring areas. It will need to do this through bringing together evidence and testing options through the Integrated Impact Assessment (IIA) process. This aligns with the results from the AECOM study.

Affordable Housing Need

13.7 The evidence herein points to an annual need for 546 affordable homes across the District and an annual need for 389 affordable homes in the plan area. The latter splits down into a need for 250 homes a year from households unable to buy or rent – which is mainly a need for rented housing; and 140 homes a year from households who need support to buy a home (and thus need affordable rented homes).

13.8 Having regard to the relative need for different products, Iceni consider that the Council should seek a 70/30 split between rented affordable homes and affordable home ownership products through policy. We recommend a tenure profile as follows is sought through policy, subject to viability testing as part of the plan-making process:

Table 13-2: Recommended Affordable Housing Mix

Type of affordable housing	Recommended Target (subject to viability)
Rented affordable housing	70%
Of which min. social rent	*25%*
Intermediate housing (focused shared ownership/ equity)	30%

13.9 The policy should be subject to periodic review. The HEDNA however identifies potential short-term constraints to RPs taking on S106 affordable housing packages and recommends that consideration is given to including cascade mechanisms in S106 agreements which could provide flexibility to amend the affordable housing mix if an RP cannot be secured to take on the components of a scheme. This would be a short-term measure to support affordable housing delivery.

Housing Mix

13.10 The evidence indicates that East Hampshire has high levels of home ownership – 74% at the District level, and 76% in the plan area; and has seen limited change in the tenure profile over the 2011-21 period. There has been a slight growth in the proportion of affordable housing – but social housing accounts for just 12% of the District's housing stock.

13.11 Two thirds of homes in the District comprise larger detached and semi-detached homes, with 69% of the housing stock in 2021 made up of 3+ bed homes – and with those of 4 or more bedrooms accounting for a third of homes. With an average house price of £425,000, which is £50,000 (13%) above the regional average, the housing stock profile – with high home ownership and a focus on larger homes – contributes to affordability pressures in the District.

13.12 Having regard to demographic changes, data from the Council's Housing Register and the potential for rightsizing to address overcrowding and reduce under-occupancy, it recommends a strategic focus on delivery of 2- and 3-bed homes through policy. The recommended mix of homes is set out below.

Table 13-3: Suggested size mix of housing by tenure – East Hampshire

	Market	Affordable home ownership	Rented affordable housing
1-bedroom	5-10%	15-20%	15-20%
2-bedrooms	30%-35	45-50%	30-40%
3-bedrooms	35-40%	25-30%	30-40%
4+-bedrooms	20-25%	5-10%	10-15%

13.13 Additionally, in applying the mix to individual development sites, regard should be had to the nature of the site and character of the area, and to up-to-date evidence of need as well as the existing mix and turnover of properties at the local level. The Council should also monitor the mix of housing delivered. Larger schemes should be expected to broadly align with the housing mix set out.

13.14 The evidence points to the potential for build-to-rent development to contribute to housing delivery, and this will be important in maintaining a rental supply. The density of renters is however unlikely to support significant ‘multi-family’ developments, and the greatest potential is likely to be through the delivery of family housing (‘single family’ development) as part of mixed-tenure developments. There is potential for this in particular in Alton and Bordon (having regard to Figure 7.1).

Older Persons, Accessible and Adaptable Homes

13.15 The HEDNA evidence indicates that the plan area is expected to see growth of 9,700 people aged 65+ over the plan period (42%), with a 62% increase in residents with dementia and 58% increase in those with mobility problems expected. It identifies a clear need to boost the supply of specialist housing to provide a choice of good quality homes for a growing older population, specifically:

- 800homes with support, of which c. 75% are for market housing;
- 300 (rounded) housing with care units, of which c. 50% of the need is for market housing;
- 365 residential care and 628 nursing care bedspaces in net terms.

13.16 Having regard to the scale of schemes promoted for specialist housing, the Council should consider whether it is appropriate to identify specific allocations for specialist housing or care homes or require specific levels of provision within strategic sites as part of allocation policies within the Plan.

13.17 To provide a choice of homes for the growing older population, the Council should seek to ensure dwellings are delivered to M4(2) accessible and adaptable standards so they can meet households’ changing needs.

13.18 In addition the HEDNA identifies a need for c. 300 wheelchair-user dwellings in the plan area over the plan period. Having regard to the likely tenure profile of need, it recommends that 2% of market home and 5% of affordable homes are built to M4(3) standards; with the affordable homes built to M(4)(3)(b) standards where a local need is identified.

East Hampshire's Economy

13.19 The HEDNA evidence shows that East Hampshire has a £2.8 billion economy which employs around 53,100 people. However it is one which has not been growing – with both employment and GVA having been largely static over the last decade, and productivity (measured by GVA per employee) indeed falling. The evidence shows that whilst the District has a relatively broad-based economy, it suffers from competition from larger economic centres around it.

13.20 Key sectors, in employment terms, are health and education (which are influenced by population growth), manufacturing and professional services as well as agriculture. The manufacturing sector has seen employment growth. The business base is strongly focused on small businesses, with few large employers.

13.21 There is however notable out-commuting to surrounding larger employment centres, as well as to London; with 67 jobs for every 100 working-age residents. Out-commuting is particularly focused towards higher skilled and paid occupations.

13.22 Looking forwards, the growth in labour supply which will be supported by higher housing provision is a key opportunity; and there is potential to leverage other key attributes – including East Hampshire's attractiveness as a place to live and work; and its strong skills base. Key growth opportunities include:

- The potential to nurture growth of existing businesses, in particular through support to enable them to expand move-on to larger premises. This includes existing manufacturing and engineering businesses/ activities and in the digital/technology sector;

- Opportunities to leverage the stronger population growth that could arise through higher housing delivery;

- Growth opportunities associated with increased Government investment and wider growth in the defence sector, with opportunities to support and attract small and medium-sized businesses in this sector linked to the District’s proximity to Aldershot and Portsmouth and the wider defence cluster in Hampshire and niche strengths in key areas such as satellite technology as well as business’ needs for secure locations.

Commercial Property Market Conditions

Office Market

13.23 East Hampshire has a modest office market, with a total of around 90,000 sq.m of office space across the District. Whilst the stock position has held up well – in a context of wider trends of net contraction – there are notable quality issues, with two thirds of space constructed pre-1990 and non-dated. Most space is in small units of up to 500 sq.m and occupied by local SMEs.

13.24 Net absorption has been negative in the plan area resulting in a rising vacancy rate which sits at the time of writing at 8.5% but is not excessive.

13.25 Demand for office space overall is limited, reflecting the rural nature of the district and structure of the business base; although the evidence does show that well-managed good quality and well-located schemes can perform well. There is demand for flexible and co-working space, in particular to provide for locally-based small businesses and to respond to changing working patterns, and opportunities for targeted development schemes to bring forward such provision.

13.26 Given viability challenges associated with new-build development, new office floorspace is potentially more likely to be delivered through the repurposing of space – with opportunities for instance for repurposing of retail space in town centres in the District, such as in Alton and Horndean, to provide additional space. Refurbishment of existing office facilities will also be important in maintaining a good quality of supply.

Industrial Market

13.27 The District has a stronger industrial market with 531,000 sq.m of industrial space. Industrial floorspace has grown 15% since 2001; however the shorter-term trend has seen negative net absorption with a reduction in occupied space of 1,900 sqm pa over the last 5 years. However set against this, the trend has been of rising industrial rents.

13.28 The engagement undertaken indicates quality issues – with a lack of high-quality stock; and in particular a lack of grow-on space for SME businesses, such as in units of 30,000 – 60,000 sq.ft. It points to a particular demand for such space in both Alton and Bordon.

Employment Land Needs

13.29 The HEDNA has used an approach of triangulating different forecasting approaches, the market analysis and qualitative feedback through stakeholder engagement in drawing conclusions on future needs. This approach aligns with the PPG.

Employment Land Needs

13.30 Iceni recommends that the Synthesis Growth Scenario is used as an indication of future office and industrial and warehousing requirements. This indicates a need for 29,200 sqm (5.8 ha) of office floorspace and 105,700 sqm (26.4 ha) of industrial floorspace in the plan area. It aligns to the housing need for the plan area.

13.31 The labour demand and trend-based scenarios are largely derived from the continuation of historic trends, which do not adequately reflect the potential scale of change anticipated within the local economy over the plan period; and perpetuate a scenario in which the District's economic performance has been weak. In particular, they risk underestimating future requirements in the context of a significantly higher level of planned housing growth.

13.32 The scale of housing delivery proposed will support population growth and significantly increase local labour supply, which is likely to generate additional demand for employment land beyond that suggested by past trends alone. Aligning employment land provision with this level of growth is essential to ensure that the local economy can respond effectively, maintain a balance between homes and jobs, and avoid increased out-commuting or unsustainable travel patterns.

13.33 Taking forward the synthesis scenario figure for both office and industrial need is therefore considered to be the most appropriate and robust approach. It accords with the NPPF's requirement to prepare positively and proactively for economic growth, providing sufficient flexibility and choice to meet future needs. This approach will help to ensure that employment land supply does not act as a constraint on growth, but instead supports the delivery of a sustainable and resilient local economy.

13.34 Set against the need identified, there is a total employment land supply of 37,700 sqm or 13.4 ha as of April 2025, this equates to an overall quantitative shortfall of 97,200 sqm or 18.8 ha. This indicates a need for increased supply of employment space in order to meet the modelled needs in line with potential economic growth.

13.35 The employment requirement set in East Hampshire's local plan will also need to consider unmet needs from neighbouring areas, which are required to be met (where this is consistent with sustainable development) under paragraphs 11(b) and 27(b) of the NPPF.

A1. Review of HMA & FEMA Geographies

A1.1 An Interim HEDNA was prepared in 2018 to inform the preparation of the East Hampshire Local Plan and subsequently published by the Council. Appendix A therein considered the Functional Economic and Housing Market Areas in East Hampshire (the 'HMA' and 'FEMA' geographies).

Review of Previous Research

A1.2 The HMA for East Hampshire has previously been analysed in the 2013 East Hampshire Strategic Housing Market Assessment and Local Housing Requirements Study (SHMA) and the 2018 Interim Housing and Economic Development Needs Assessment (Interim HEDNA). It was also considered in the 2022 Housing and Employment Development Needs Assessment by Iceni, but this study did not include a detailed review of the HMA and FEMA geographies as 2021 Census data was not yet available. 2011 Census data was used in the 2019 Interim HEDNA.

A1.3 The 2013 SHMA determined that East Hampshire could be considered as a single HMA for the purpose of considering housing needs, despite forming part of three previously identified and overlapping sub-regional HMAs. This conclusion was based on its level of migration self-containment (65 – 67%) albeit that Iceni would note that this falls short of the typical threshold of 70% which was previously identified in Government's Planning Practice Guidance (PPG). The PPG does not now set out any specific figure.

A1.4 The 2018 Interim HEDNA identified a range of functional relationships between East Hampshire and other areas, with no single or coherent geography for the purpose of defining a HMA or FEMA. Given this, and the position in guidance - of local authorities being the default building block for the assessment of housing need - the Interim HEDNA considered that East Hampshire should prepare local needs assessments for housing and employment for the local authority area. Other findings of the Interim HEDNA included:

- Strong migration flows with a number of adjoining local authorities with Havant and Waverley - followed by flows with Portsmouth, Winchester and Chichester.

- Key commuting relationships were with Waverley, Portsmouth and Havant, as well as with London, suggesting two primary commuting directions: east towards Waverley and south towards Havant and Portsmouth.

- Evidence showing that East Hampshire is covered by three main ONS-defined Travel to Work Areas (TTWAs): Basingstoke, Guildford & Aldershot, and Portsmouth.

- Commonalities in housing markets characteristics with adjoining areas of neighbouring authorities with particular links to other high-value authorities like Hart, Waverley, Chichester and Winchester. It found that the Southern parishes in East Hampshire had market characteristics more aligned to Havant.

A1.5 The previous evidence thus suggested that there were different parts of the District which looked in different directions.

A1.6 The 2022 HEDNA noted that the COVID-19 pandemic could have implications on HEDNA and FEMA boundaries, such as through changing working patterns, but found that the scale of these impacts was not known so continued monitoring of the position would be needed.

A1.7 Both the 2013 SHMA and the 2018 Interim HEDNA noted the need for continued engagement with other authorities reflecting wider functional relationships between East Hampshire and other areas. Engagement with the South Downs National Park Authority (SDNPA) was identified as particularly important, given that much of East Hampshire District area lies within the National Park.

Review of 2021 Census Data

A1.8 We turn next to consider the implications of the 2021 Census data on the understanding of functional inter-relationships with other areas.

Migration

A1.9 Migration flows from the 2021 Census have been analysed herein. However, it should be noted that the 2021 Census was taken during a period of partial Covid-19 lockdown which may have affected both migration flows and commuting (in particular for office-based activities).

A1.10 Gross migration flows between areas (the sum of flows in both directions) have been used to understand the relative strength of the housing market interactions between different local authorities. Gross flows are divided by the combined population size of the two authorities to understand the relative strength of links. Doing so adjusts the analysis for the variability in size between different authorities. This recognises that two larger authorities will have a larger absolute flow than smaller authorities.

A1.11 The table below shows the relationship between ten local authorities and East Hampshire in terms of three types of migration metrics – in-migration, out-migration and the population-adjusted gross flows. In each metric, the strongest relationships are with Waverley and Havant, followed by Winchester and Chichester and then Portsmouth. There are weaker relationships with a range of other authorities, including several in Hampshire (Rushmoor, Hart and Basingstoke and Deane). This is consistent with the findings of the 2019 Interim HEDNA.

A1.12 This data suggests that East Hampshire lies along a migration corridor focused on the A3. Migration flows should be understood in part in terms of the district geography: influenced for instance by the proximity of Alton and Farnham (Waverley); of Petersfield and Horndean to

Havant; of Four Marks/Medstead along to A31 to Winchester; and of Liphook and Petersfield to Chichester District.

Table A1: Top ten migration flows with East Hampshire (within a 12-month period)

	Gross migration per 1,000 population		In migration		Out migration	
1st	Waverley	5.23	Waverley	879	Havant	590
2nd	Havant	4.85	Havant	622	Waverley	449
3rd	Winchester	2.91	Chichester	377	Winchester	424
4th	Chichester	2.74	Winchester	313	Chichester	308
5th	Portsmouth	1.69	Portsmouth	288	Portsmouth	277
6th	Rushmoor	1.53	Guildford	274	Basingstoke and Deane	198
7th	Guildford	1.47	Rushmoor	225	Guildford	121
8th	Hart	1.31	Hart	186	Rushmoor	120
9th	Basingstoke and Deane	1.18	Basingstoke and Deane	170	Hart	110
10th	Surrey Heath	0.69	Wandsworth	154	Bournemouth, Christchurch and Poole	100

Source: Iceni analysis of ONS Census 2021

A1.13 Migration self-containment is the percentage of moves to or from an area originating in an area. Guidance previously suggested that a self-containment rate of 70% would be typical of an HMA . The previous guidance also suggested long-distance moves should be excluded as these would include such things as people retiring to the area or moving for university, which would typically be outside of the HMA they reside.

A1.14 While Planning Practice Guidance no longer refers to a 70% threshold, this is still a helpful indicator of housing market self-containment when analysing functional flows of people in the form of migration or commuting. The guidance continues to refer to migration self-containment in the form of “the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained)".

A1.15 We have used data from the 2021 Census to analyse migration self-containment. More recent migration data published by ONS does not allow self-containment to be analysed as it does not show flows contained within local authority boundaries. 10,866 people moved from a home in East Hampshire in the year before the 2021 Census, with 5,009 of these moving to another home in East Hampshire. This equates to an origin self-containment rate of around 46%. If long-distance moves are excluded by not considering moves to areas outside of Hampshire, Surrey and West Sussex, this rate increases to 61%.

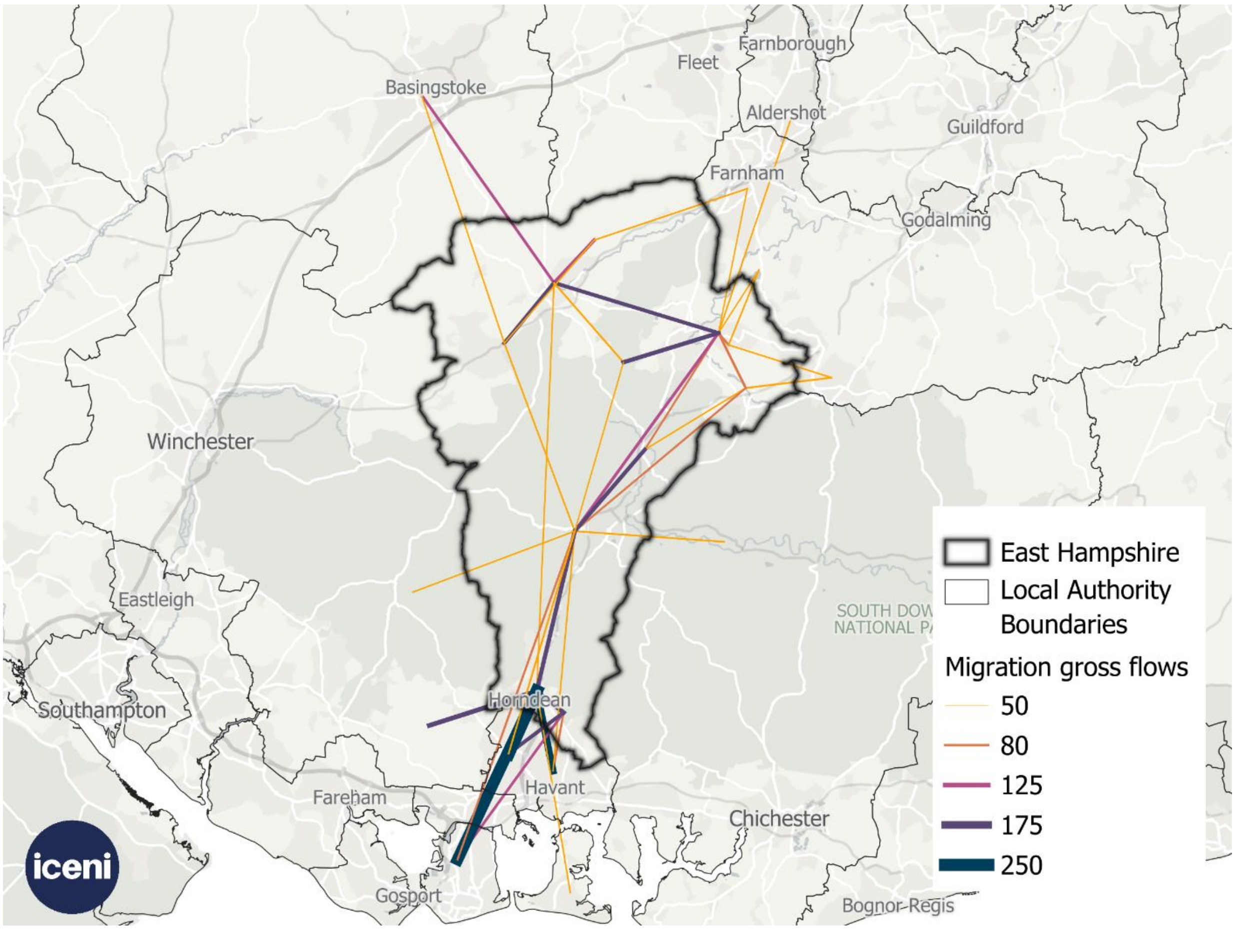
A1.16 Alternatively, 11,765 people moved to East Hampshire in the year before the 2021 Census. Of these 5,009 moved from elsewhere in East Hampshire. This equates to a destination self-containment rate of around 43%. If long-distance moves are excluded this increases to 54%.

A1.17 Against either of these measures, East Hampshire is not meeting a 70% self-containment threshold, suggesting that it does not form an HMA in its own right.

A1.18 The following figure illustrates migration flows from the 2021 Census. MSOA-level data[11] has been used for this analysis, with MSOAs grouped together where multiple MSOAs make up a single built-up area.

[11] Middle Layer Super Output Area (MSOA) is a statistical geographical area used by the ONS to report statistics. Each MSOA has a minimum population of 5,000 people and 2,000 households, with an average population of around 7,800.

Figure A1: Gross migration flows within and to/from East Hampshire (in the year leading up to the 2021 Census)



Note: Gross flows of less than 40 are not shown

Source: ONS Census 2021

A1.19 This analysis shows the largest flows in term of number of people are south towards Portsmouth and Havant, however these flows are almost entirely from the Southern parishes of East Hampshire, with relatively few people moving to or from Portsmouth and Havant from the northern parts of the district.

A1.20 There are also notable flows:

- Between Petersfield and nearby parts of the Chichester and Winchester districts;
- Between Alton and surrounds and Basingstoke;

- Between the northern part of East Hampshire, and in particular the north-western part, and Farnham, Aldershot and Haslemere; and

- Between different parts of East Hampshire.

A1.21 Overall, this analysis shows that from a migration point of view, East Hampshire lies at the intersection of several market areas. Different patterns of migration occur in different parts of East Hampshire, with the north-western, north-eastern, southern and central (i.e. Petersfield and the National Park) parts of the district having flows in different directions away from East Hampshire and into adjoining districts.

Commuting

A1.22 Commuting flows provide important evidence of the relationships between different areas. The PPG on Plan-making directs planning authorities to consider Travel to Work Areas as a source of contextual information about the spatial dynamics of the local labour market, as these will somewhat influence search patterns and location choices within the housing market.

A1.23 Census data indicated that in 2021 East Hampshire had a job self-containment ratio of 52%, meaning that 52% of jobs in the district are taken by people residing there. Conversely, it had a resident self-containment rate of 46%, meaning that 46% of working residents in East Hampshire are employed within the district. These are relatively low levels of self-containment, reflecting the location of East Hampshire close to a variety of other towns and cities. It sits as a predominantly rural areas between a number of larger urban areas.

A1.24 Note that home workers have been excluded from these statistics. Home workers made up 53% of resident workers in East Hampshire at the time of the 2021 Census, with this figure likely to have been inflated by the Covid-19 lockdown.

A1.25 As shown in the table below, the five authorities generating the most commuting into East Hampshire are Havant, Portsmouth, Winchester, Waverley and Chichester. Of these, Winchester does not feature in the top five out-commuting destinations, but this is replaced by Guildford. This is broadly consistent with the 2019 Interim HEDNA, which found the strongest connections to be with Waverley, Portsmouth and Havant.

Table A2: Top commuting flows to and from East Hampshire (2021) – excluding home workers

	In-commuting			Out-commuting		
	Authority	Commuters	% of jobs	Authority	Commuters	% of resident workforce
	East Hampshire	13,285	51.5%	East Hampshire	13,285	45.8%
1st	Havant	2,888	11.2%	Waverley	3,113	10.7%
2nd	Portsmouth	1,793	6.9%	Havant	1,461	5.0%
3rd	Winchester	1,191	4.6%	Portsmouth	1,460	5.0%
4th	Waverley	1,076	4.2%	Guildford	1,327	4.6%
5th	Chichester	823	3.2%	Chichester	1,306	4.5%

Source: ONS Census 2021

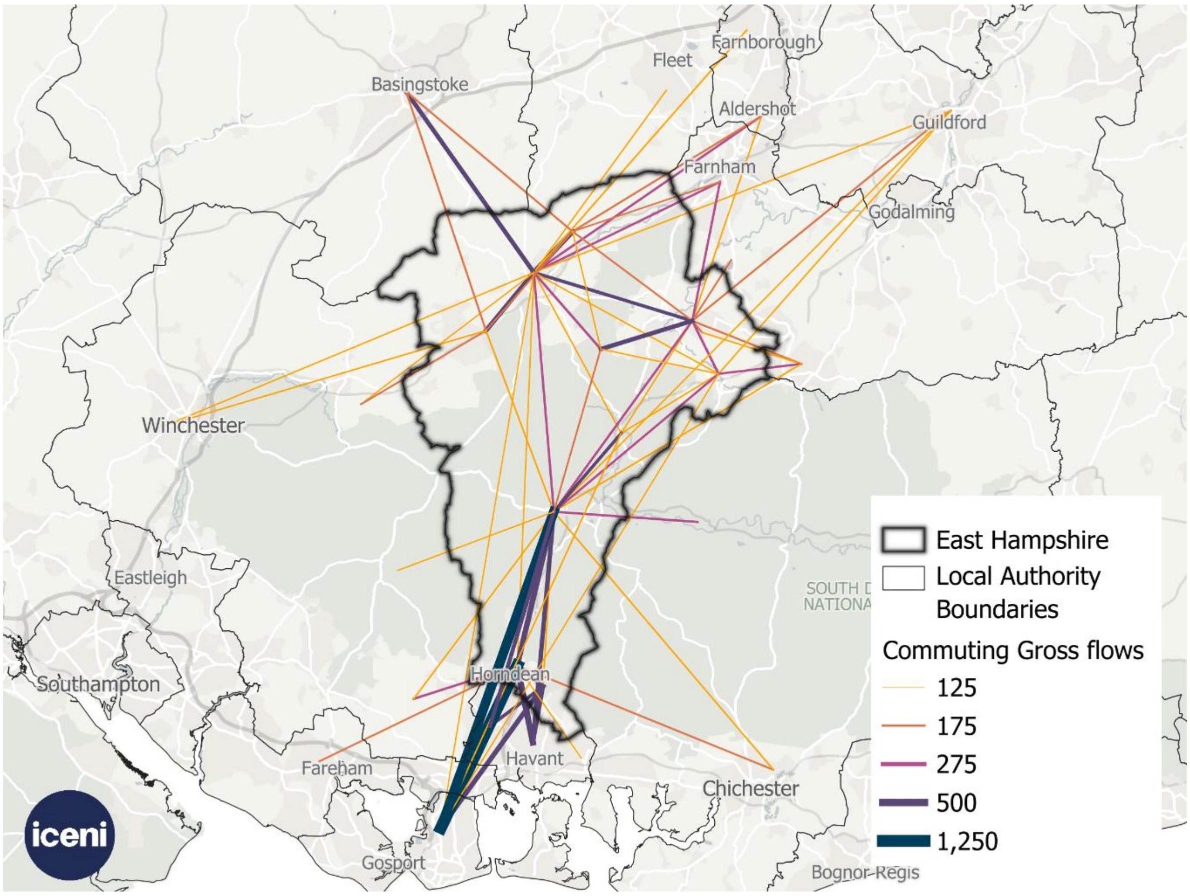
A1.26 This analysis again reflects strong functional relationships along the A3 and A31 corridors north-east into Guildford; and along the A3 south into Havant and Portsmouth, and along the A31 into Winchester.

A1.27 Trips to London made up only 2.0% of commutes originating in East Hampshire in 2021 (558 people), and 0.6% of commutes to a workplace in East Hampshire (215 people). This is substantially lower than the values recorded in 2011, with London accounting for 6.7% of commutes from East Hampshire (2,990 people), and 1.2% of commutes to a destination in East Hampshire (405 people). Given that long-distance commutes to London are more likely to be for office-based work where work from home is possible, and the 2021 census took place during a

Covid-19 lockdown, the 2021 results are likely to significantly understate the level of commuting to London.

A1.28 A finer-grained spatial picture of functional commuting relationships is provided by MSOA and built-up area level analysis, similar to that which was carried out for migration data and discussed above. The results are shown in the figure below, and illustrate the degree of commuting movement between different parts of East Hampshire, and from each part of the district to/from surrounding areas.

Figure A2: Gross commuting flows within and to/from East Hampshire



Note: Gross flows of less than 100 are not shown

Source: ONS Census 2021

A1.29 As with the migration analysis, this analysis illustrates the complex and intersecting functional relationships which cover East Hampshire, with flows in different directions from each part of the district. More specifically:

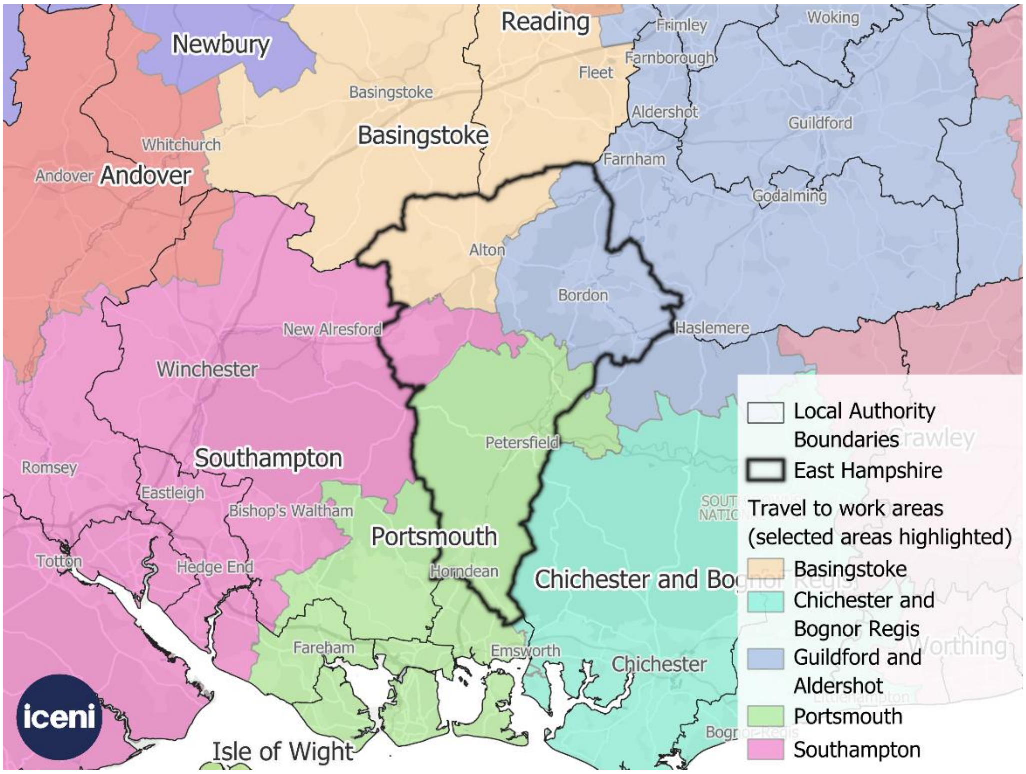
- Alton and the North-western part of the district is most strongly connected to Basingstoke, and to a lesser degree to Winchester and Fleet

- The North-eastern part of the district has the strongest connections with Farnham, Aldershot, Haslemere and Guildford

- The central (i.e. Petersfield) and southern parts of the district have particularly strong commuting flows to/from the south towards Havant and Portsmouth.

A1.30 While dated, the 2011 census provides an indication of commuting patterns without the impact of high home-working during COVID-19. Travel to work areas (TTWAs), defined by the ONS based on the 2011 Census, were considered in the 2019 Interim HEDNA and have not been updated since. The 2011 TTWAs around East Hampshire are shown in the figure below.

Figure A3: 2011 Travel to Work Areas



Source: ONS Travel to Work Areas 2011

A1.31 In line with the MSOA/built-up area analysis presented above from the 2021 census, the 2011 TTWAs split the district into four, with Petersfield and the southern parishes in the Portsmouth TTWA, Bordon in the Guildford and Aldershot TTWA, Alton in the Basingstoke TTWA and a small area in the western part of the district including part of Four Marks in the Southampton TTWA (which includes Winchester).

ONS Migration Flows Data

A1.32 Noting that the Census reflects migration in a single year only, and that it fell during a COVID-19 lockdown, broader migration data from the last five years (i.e. between 2020 and 2024) from the ONS has also been considered. This is shown in the figure below; and shows very similar patterns to those in the Census data.

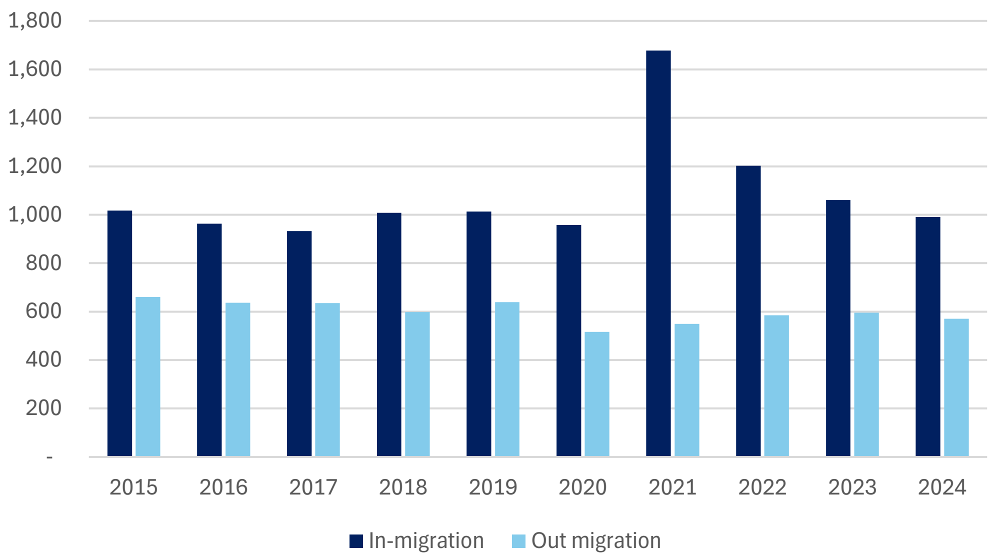
Table A3: Top ten migration flows with East Hampshire (2020 - 2024)

	Gross migration		In migration		Out migration	
1st	Waverley	6,948	Waverley	4,519	Havant	3,298
2nd	Havant	6,608	Havant	3,311	Waverley	2,429
3rd	Winchester	4,231	Chichester	2,141	Winchester	2,290
4th	Chichester	4,074	Winchester	1,940	Chichester	1,932
5th	Portsmouth	3,278	Portsmouth	1,904	Portsmouth	1,373
6th	Guildford	2,513	Guildford	1,719	Basingstoke and Deane	940
7th	Basingstoke and Deane	2,055	Rushmoor	1,265	Guildford	793
8th	Rushmoor	1,926	Hart	1,136	Rushmoor	661
9th	Hart	1,776	Basingstoke and Deane	1,115	Hart	639
10th	Wandsworth	1,116	Wandsworth	752	Bristol	525

Source: Iceni analysis of ONS OD Migration Data

A1.33 Considering these migration flows over time illustrates the short-term effects of COVID-19 on migration flows, with a dramatic spike in in-migration from London and a drop in out-migration to London (shown in the figure below). Since 2021 migration flows have been gradually returning to the pre-COVID baseline, with in-migration from London back to around 1,000 per year but out-migration to London still at around 90% of the pre-COVID baseline (571 moves in 2024 compared to 634 per annum on average from 2015-2019).

Figure A4: Migration in and out of East Hampshire to/from London



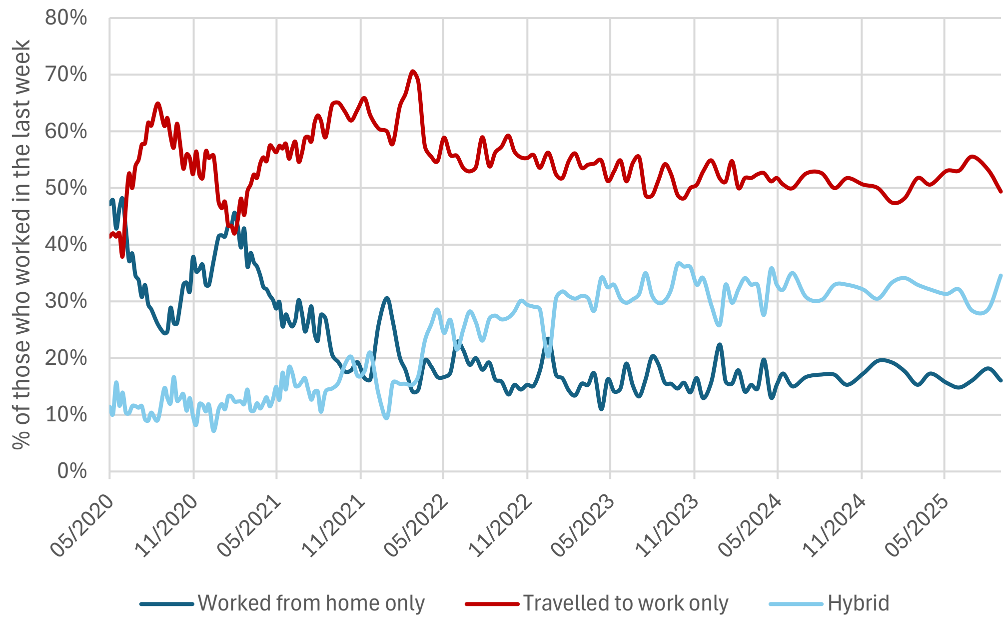
Source: Iceni analysis of ONS OD Migration data

A1.34 Flows to and from nearby authorities have changed less dramatically in recent years, with gross migration sitting close to pre-COVID baselines in most cases. There are some exceptions to this, although they are not large enough to change the overall picture which emerges from the averages presented above.

Changing Working Patterns

A1.35 Data from the ONS shows that working patterns have stabilised somewhat in the last few years, with around 50% of workers in the UK travelling to work only in a given week (i.e. not working from home at all), just under 20% working only remotely and just over 30% adopting a hybrid pattern (i.e. working from home some days and travelling to work other days). By contrast, during lockdowns, such March 2021 when the 2021 Census took place, up to 45% of workers were working only remotely.

Figure A5: Rates of home working over time – Great Britain

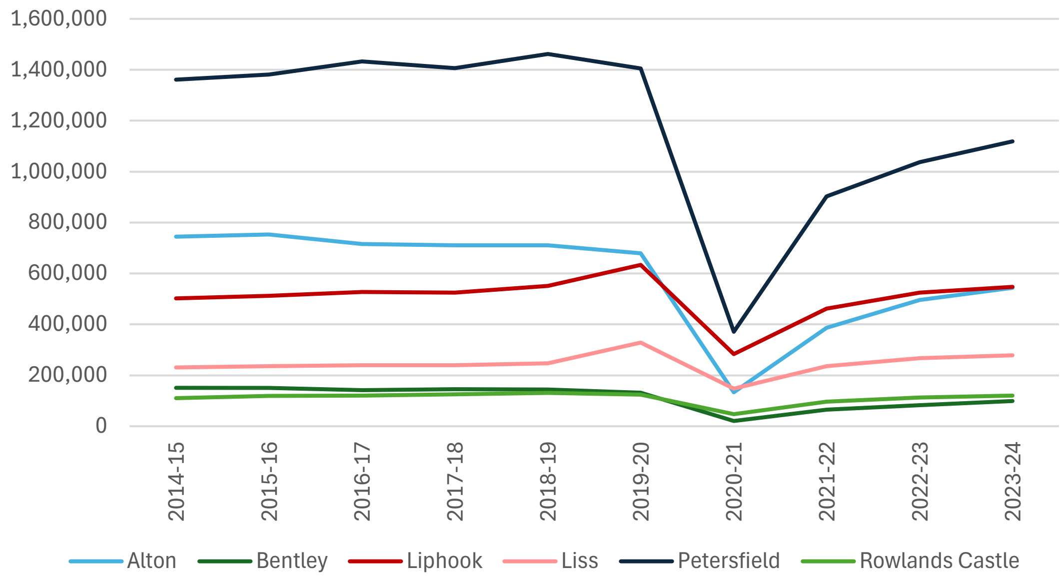


Source: Iceni analysis of ONS Public opinions and social trends, Great Britain: working arrangements

A1.36 The shifts in working patterns since 2021 mean that the 2021 census data is likely to understate the extent of labour market linkages with other areas, particularly those in which large numbers of office jobs are located. This is likely to most strongly affect data regarding commuting to larger towns and urban areas like Guildford, Portsmouth and London.

A1.37 This is reinforced by train station entry and exit data, which shows a significant drop to 2020/21, and then a partial and ongoing rebound. London Waterloo is the main origin/destination station for four of the six stations in the District (Alton, Bentley, Liphook and Petersfield) and makes up almost 40% of station entries and exits associated with these stations. The rebound in railway use is likely in part to reflect a return to commuting, at least a few days a week, to and from London.

Figure A6: Entries and exits to/from Train stations in East Hampshire



Source: Office of Rail and Road *Estimates of Station Usage,* Table 1415

Table 13-2: Entries and exits to/from Train stations in East Hampshire compared to pre-COVID average

Stations	Entries / exits 2023-24	Passengers as % of pre-COVID average	Main origin or destination
Petersfield	1,118,506	79%	London Waterloo
Liphook	547,712	105%	London Waterloo
Alton	544,058	75%	London Waterloo
Liss	278,336	117%	Liphook
Rowlands Castle	120,982	100%	Liphook
Bentley	98,966	68%	London Waterloo

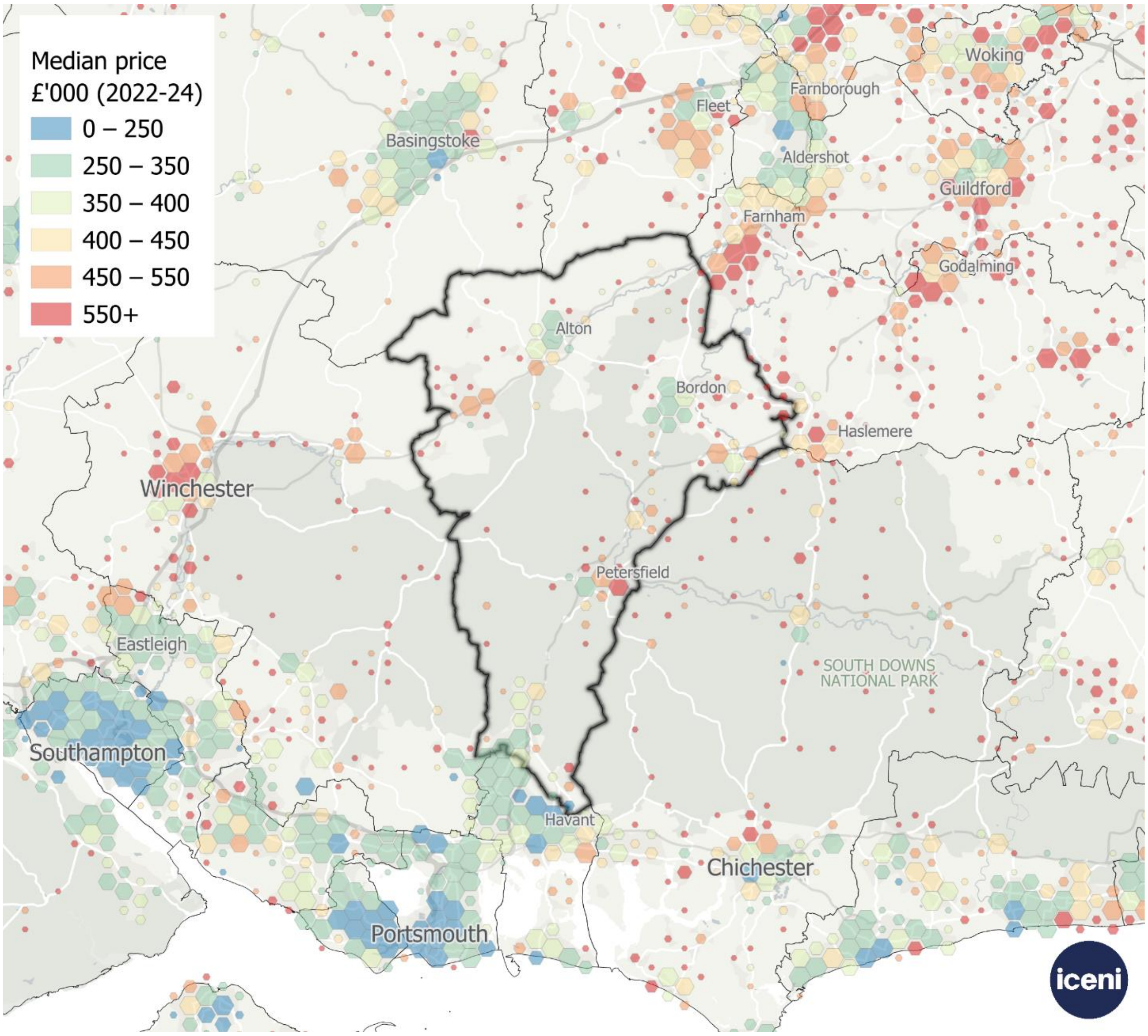
Source: Office of Rail and Road *Estimates of Station Usage,* Table 1415

House Prices

A1.38 The *Plan Making* PPG suggests that when identifying HMAs, analysis should be undertaken regarding the "*relationship between housing demand and supply across different locations using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*"

A1.39 The map below illustrates the cost of housing in different parts of East Hampshire and surrounding authorities. The hexagons on this map are scaled to show the number of sales in each area, with no hexagons shown where there are very few or no sales. It reflects sales in 2022, 2023 and 2024, with multiple years averaged to provide more data in the SDNP.

Figure A7: Median housing prices in East Hampshire and surrounds



Source: Iceni analysis of HM Land Registry *Price Paid Data*

A1.40 There is variation in house prices in East Hampshire within East Hampshire, with an evident rural/urban split which is likely to be influenced in part by differences in the mix of properties sold.

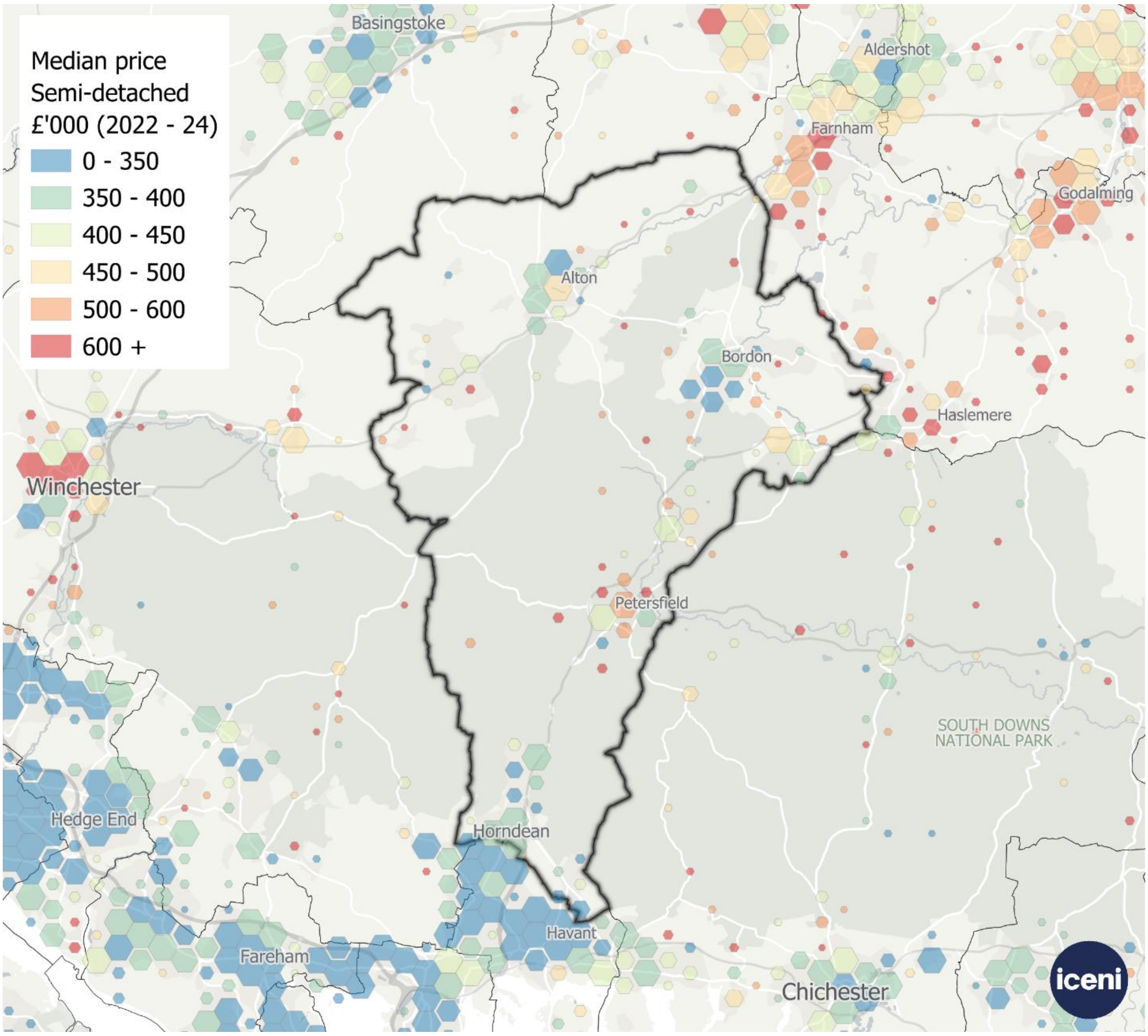
A1.41 While there are few sales in the rural parts of the District (including much of the National Park), these are generally for £550,000 or more. By contrast, the towns within the District have lower prices, with prices in Petersfield the highest, followed by Alton and then Bordon.

A1.42 The rural/urban price dynamic is also reflected in surrounding authorities, particularly those which include parts of the South Downs National Park (Winchester and Chichester), and Waverley. Prices are lower in Southampton, Portsmouth and other parts of South Hampshire, as well as in Basingstoke. By contrast, Winchester and the towns in Waverley (such as Farnham and Godalming) have notably higher prices.

A1.43 The following figure shows the median price landscape in East Hampshire and the immediate surrounds, but only including semi-detached homes. This attempts to provide a like for like comparison by controlling for variations in price between rural and urban areas caused by different in housing stock profile (with larger and detached homes more expensive than smaller homes more commonly found in towns).

A1.44 The urban/rural split in South Hampshire and the surrounding National Park area is again evident, with the highest prices recorded within the National Park and rural areas. However, price differences are also clear between different towns, with Bordon and the southern parishes of East Hampshire having the lowest prices (with those in the southern parishes similar to but slightly higher than those across the boundary in Havant). Petersfield and Liphook and to a lesser degree Alton, potentially reflecting in part their railway stations which enable commuting to London and other major towns and cities. The towns to the north-east in Waverley (closer to London) have substantially higher prices.

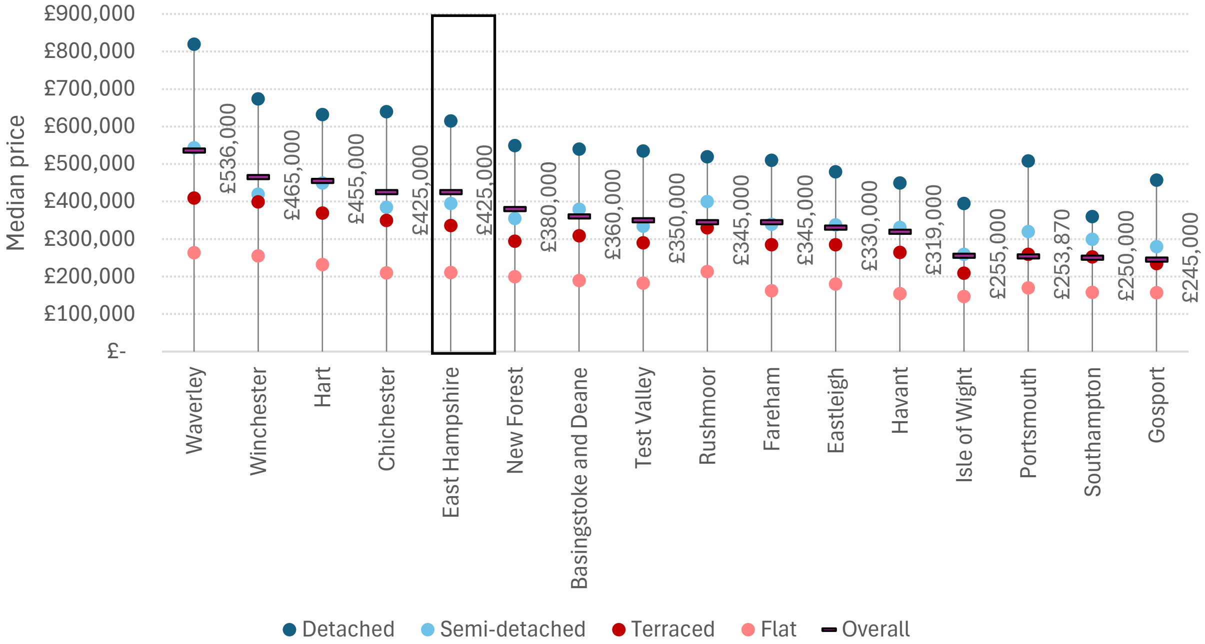
Figure A8: Median semi-detached housing prices in East Hampshire and surrounds



Source: Iceni analysis of HM Land Registry Price Paid Data

A1.45 It is also instructive to consider median prices for each authority, which are shown in the figure below for each authority in Hampshire, as well as Chichester and Waverley which border East Hampshire. East Hampshire has one of the highest median house prices in Hampshire, with only Hart and Winchester being higher.

Figure A9: Median housing prices in East Hampshire and surrounds



Source: ONS *Median house prices for administrative geographies*

A1.46 East Hampshire is similar overall median house price to Chichester, and to a lesser degree Hart and New Forest. However, the overall median will be influenced by the housing composition of each authority, with Portsmouth and Southampton for example recording low overall median prices because they contain higher proportions of smaller properties.

A1.47 Considering the median prices by housing type, and in particular median values for semi-detached and terraced homes (attempting to compare on a like-for-like basis), East Hampshire again has a similar market position to Chichester, as well as to Rushmoor and Basingstoke and Deane. The more urban authorities of South Hampshire all have lower median prices while Waverley, Winchester and Hart have higher prices.

Broader Indicators

13.36 There are a range of other indicators of economic linkages identified in planning policy guidance as relevant to the identified of the functional economic market area. These were considered in previous analyses including the 2018 Interim HEDNA. The findings are summarised below, updated as necessary where new information or data sources are available.

Transport networks

13.37 East Hampshire is broadly structured around the north-south transport corridor defined by the A3, linking to Portsmouth, Guildford and London. The Portsmouth Main Line broadly follows the same alignment, providing a rail link through Petersfield and Liphook within East Hampshire to Portsmouth and London.

13.38 The A31 also runs through the northern part of East Hampshire, joining Alton to Farnham and the Blackwater Valley and Guildford (and ultimately London) to the East, and Winchester to the South-West.

13.39 The significance of these transport corridors was visible in the functional linkages to other authorities discussed earlier in this chapter.

Retail

13.40 The retail and town centres evidence base for East Hampshire is set out the 2018 *Retail and Main Town Centres Uses Study* and the 2023 *East Hampshire Retail Leisure Study Update*. These studies find that:

- There is relatively high retention of retail convenience spending within East Hampshire, with reasonable food store provision but some leakage to large nearby food stores such as in Waterlooville, Winchester and Haslemere

- East Hampshire does not contain a centre providing a good choice of higher order comparison shops, leading to residents needing to travel outside the District to larger centres such as Guildford, Winchester, Portsmouth and Basingstoke

- There is limited access to a full range of commercial leisure and entertainment facilities within East Hampshire, meaning residents need to travel elsewhere to visit many leisure uses. Destinations include Chichester Gate, Havant Retail Park, Portsmouth, Guildford and Basingstoke. Other nearby centres such as Chichester, Guildford, Waterlooville and Winchester also offer various leisure activities

13.41 Overall, these studies point to parts of East Hampshire lying within the retail and leisure catchment of a variety of surrounding higher order centres. This highlights the lack of economic containment within the District, but also the multi-directional influence of centres in surrounding districts.

Administrative boundaries

13.42 East Hampshire lies within the county of Hampshire, which also covers the adjoining districts of Hart, Basingstoke and Deane, Winchester and Havant as well as Rushmoor, Test Valley, Gosport, Fareham, Eastleigh and New Forest. Southampton and Portsmouth are unitary authorities that lie within the boundaries of Hampshire. The South Downs National Park extends to the east and west from East Hampshire, covering part of several other authorities.

13.43 Many key service providers operate at county level, including Hampshire Constabulary, Hampshire Fire & Rescue Service, and Hampshire County Council as the education and highways. The NHS Hampshire and Isle of Wight Integrated Care Board covers most Hampshire, including East Hampshire (although not Rushmoor).

13.44 Cross-boundary working commonly occurs to the south between the Partnership for South Hampshire authorities, which include Eastleigh, Fareham, Gosport, Havant, New Forest, Portsmouth, Southampton, Test Valley and Winchester. This reflects the significance of the South Hampshire urban area to planning policy and broader governance arrangements. East Hampshire is not a member of this partnership, reflecting in part stronger functional relationships within the partnership than with East Hampshire.

13.45 Overall, administrative boundaries broadly follow county lines, including authorities to the north, west and south of East Hampshire. The southern part of East Hampshire has been recognised and included within the Urban South Hampshire geography, which has included Horndean.

Local Enterprise Partnership

13.46 From 2019, East Hampshire formed part of the Enterprise M3 Local Enterprise Partnership (LEP). This broadly covered the A3 and M3 corridors from Surrey at the boundary of London through to East Hampshire, Winchester and Test Valley.

13.47 Since April 2014, LEP core functions have been transferred to Hampshire County Council through the Hampshire Prosperity Partnership. Twelve sectors of particular importance to the Hampshire Economy are identified in the Economy and Growth Plan for Hampshire 2025: Aerospace and defence; Construction; Creative; Digital; Farming and Rural Economy; Health and care; Life sciences; Logistics; Low carbon; Marine and maritime; Professional services; and tourism. Of these, several relate to existing or emerging business clusters elsewhere in the county. As discussed in Chapter 9 of this report, East Hampshire has a high degree of specialisation in Farming and Rural Economy.

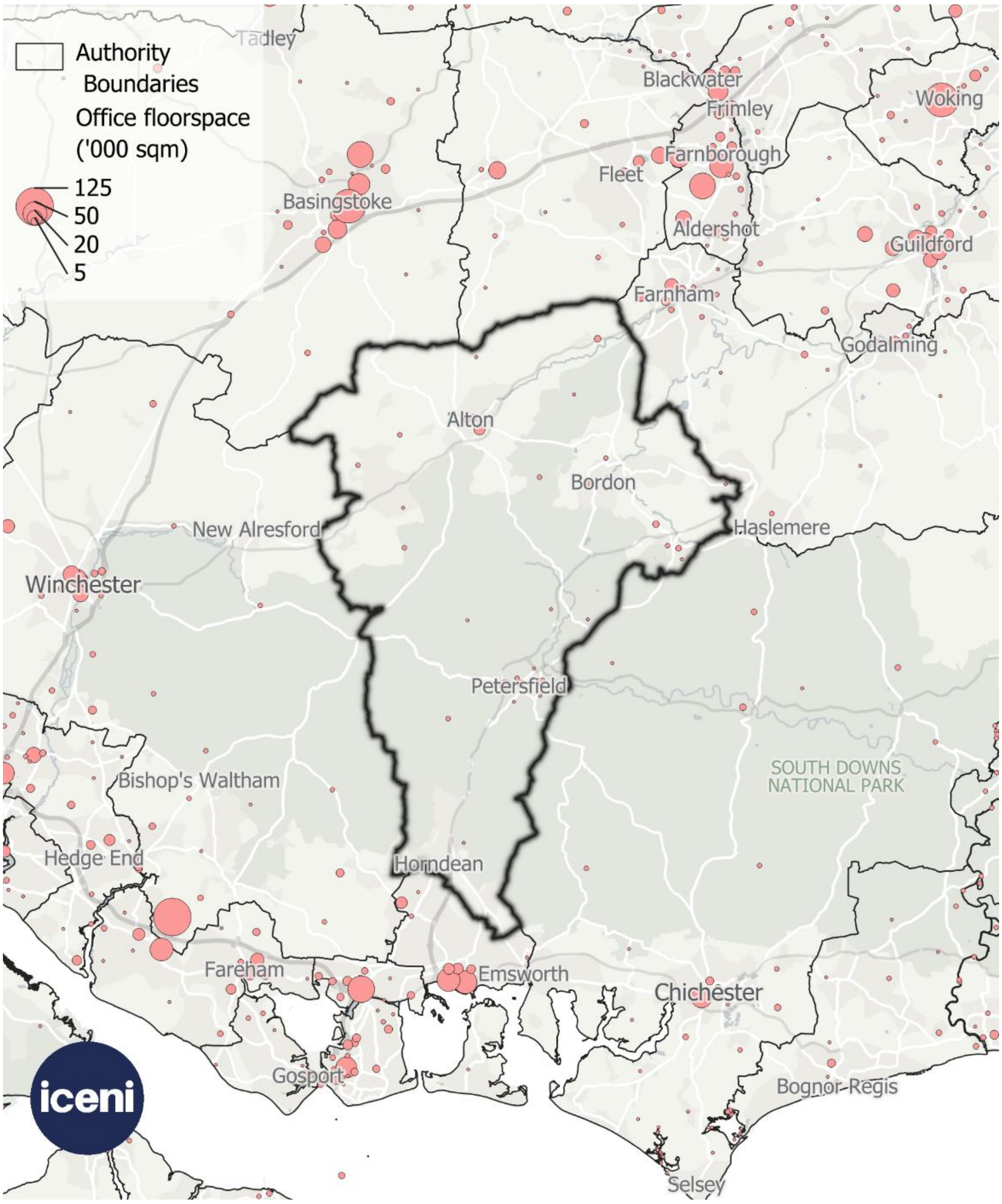
Property markets

13.48 The operation of commercial property markets can provide an indication of functional economic market areas. Market areas defined by CoStar provide a useful indication of the spatial scale of property markets. CoStar define commercial and industrial property submarkets formed of the whole East Hampshire borough, suggesting a degree of self-containment.

13.49 Further insight into property markets and office/industrial clusters can be obtained from the distribution of floorspace across East Hampshire and surrounding areas.

13.50 As shown in the figure below, East Hampshire has a very small office market compared to surrounding areas, with larger clusters of offices found in multiple directions nearby including Basingstoke, the Blackwater Valley, Guildford, Havant and Portsmouth. Given the similar proximity of many of these, East Hampshire is unlikely to be competitive for larger office occupiers. The number of nearby office clusters in other towns and cities also illustrates a multi-directional nature of influences on East Hampshire’s economy and supply chains.

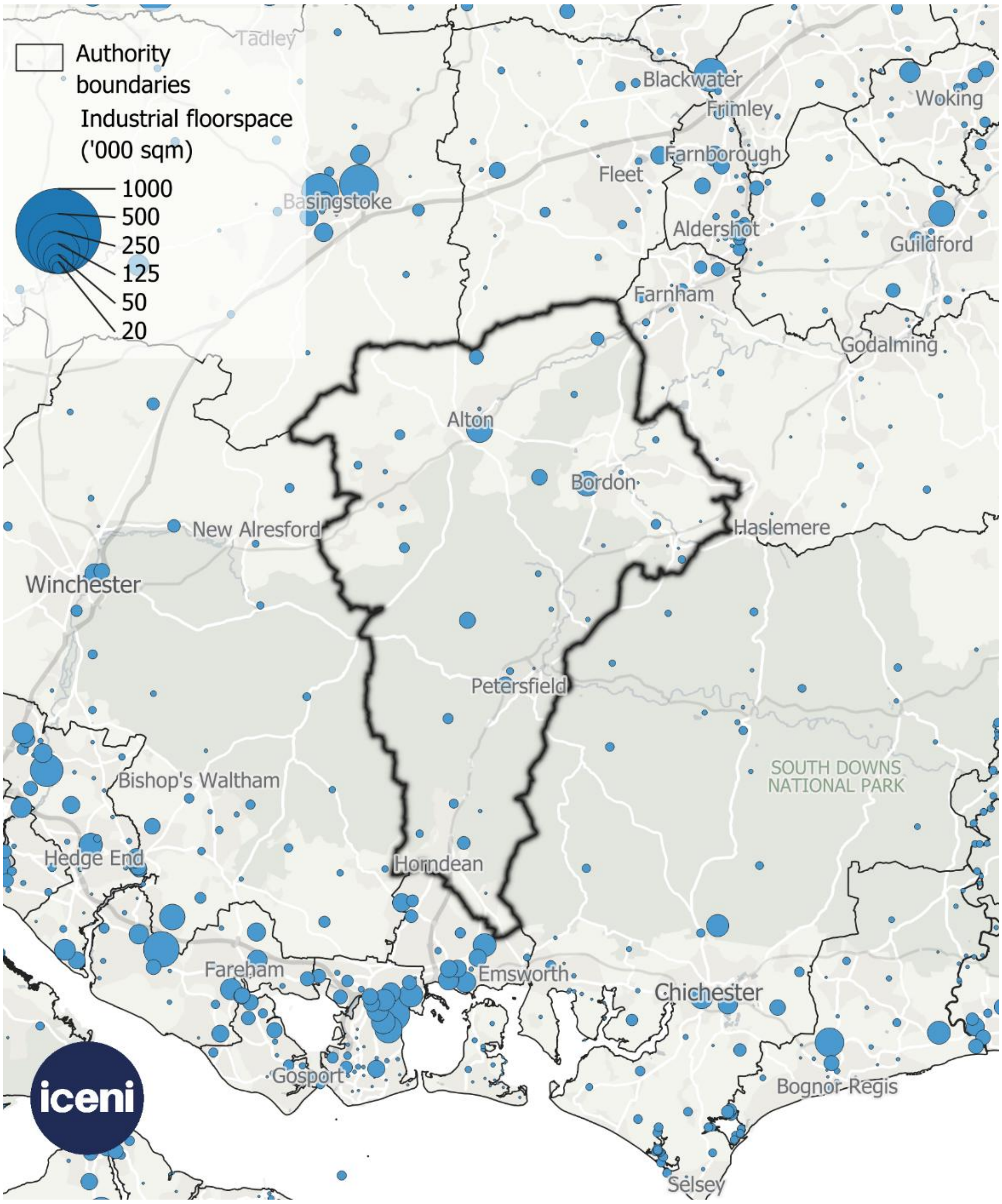
Figure A10: Office floorspace in East Hampshire and surrounds



Source: VOA *Stock of properties including business floorspace 2024*

13.51 East Hampshire has a larger amount of industrial floorspace, although still comparatively small compared to Basingstoke or the South Hampshire Urban Area. Industrial supply chains are likely to be oriented around strategic transport connections, particularly to the south towards Portsmouth and South Hampshire and to a lesser degree towards the Blackwater Valley and London.

Figure A11: Industrial floorspace in East Hampshire and surrounds



Source: VOA *Stock of properties including business floorspace 2024*

Conclusion

A1.48 The findings of this review are broadly consistent with the 2018 Interim HEDNA. Multiple strands of analysis point to East Hampshire as lying at the intersection of different HMAs and FEMAs, with functional and economic relationships in different directions from different parts of the district.

A1.49 The 2011 TTWAs identified East Hampshire as lying at the intersection of the Portsmouth, Basingstoke, Southampton and Guildford and Aldershot TTAWs. This is consistent with more recent commuting and migration data from the 2021 census, which sees:

- The southern part of the district oriented towards Portsmouth and Havant, with particularly strong migration and commuting flows
- The north-eastern part of the District oriented towards the north-east, with functional flows to and from Farnham, Haslemere and Guildford
- The north-wester part of the district having the strongest functional relationships with Basingstoke
- Multiple migration and commuting flows to and from central part of the district and Petersfield, including to other parts of the district as well as the east and west.

A1.50 At the same time, East Hampshire is relatively accessible to London, and there are moderate levels of commuting to and from London, while railway travel data shows a recovery in train journeys (many to Central London) since COVID-19.

A1.51 From a housing market point of view, there is a strong rural/urban split in values in East Hampshire, with the strongest similarities to Chichester, parts of Winchester, Rushmoor and Basingstoke and Deane. Values are notably lower in Portsmouth and the rest of the South Hampshire urban area.

A1.52 Analysis of broader indicators also shows multiple influences on East Hampshire’s economy, with:

- Strategic transport connections to the north-east as well as south,
- Multiple surrounding larger office and industrial markets,
- Retail and leisure catchments from several different surrounding higher-order centres capturing activity and expenditure from within East Hampshire

A1.53 Administrative and LEP boundaries are aligned to the County level, although established joint working arrangements in South Hampshire do not include East Hampshire, suggesting it lies outside of a natural South Hampshire functional area.

A1.54 Self-containment is relatively low in East Hampshire. While HMAs and FEMAs have been considered at the local authority level for pragmatic reasons, East Hampshire's position at the intersection of several areas of influence mean it is not possible to identify a single HMA or FEMA grouping East Hampshire with other authorities.

A1.55 As a result, it is considered to be reasonable to retain the approach of the 2019 Interim HEDNA. This is to not define a single HMA and FEMA due to the difficulty of doing so in a logical way aligned with local authority boundaries. Following this, the housing and employment need should be assessed individually for East Hampshire, while recognising the importance of connections to other authorities through duty to collaborate.

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[i] Savills, February 2025. UK Build to Rent Update – Q4 2024.
[ii] Savills, July 2025. UK Build to Rent Q2 2025.
[iii] BPF, July 2025. Who lives in Build-to-Rent?.
[iv] Savills, June 2025. Beyond Buy to Let: Where next for the UK private rented sector.