



# Angmering – Water Lane: Quantifying the Addressable Market in Angmering

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**Client Confidential Information (CCI)**

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## Executive Summary

This report has been prepared by CACI on behalf of Rydon Homes Ltd and Gleeson Land with regard to the proposed residential development on Land North of Water Lane, Angmering.

The purpose of this report is to assess the factors that influence the housing market in Angmering to identify an optimum mix for the private dwellings for sale on the site. This report provides an up to date and accurate assessment of housing demand in the local area to support a degree of departure from the housing mix prescribed through the 'Updated Housing Needs Evidence, September 2016' which comprises the Council's Strategic Housing Market Assessment for the District. This document is referred to as 'SHMA 2016' in this report.

The starting point for the assessment has been the consideration of 'mover demand' within an identified sphere of influence. Analysis of the current population profile the site's sphere of influence and of the characteristics of the people likely to move to owner occupied dwelling within this area has been undertaken. Using Acorn, the UK's leading geodemographic segmentation of residential neighbourhoods, CACI has profiled the socio-economic groups that characterise local movers in order to understand their housing needs.

The top 5 groups by volume are "Lavish Lifestyle/Executive Wealth", "Mature Money", "Career Climbers", "Successful Suburbs" and "Steady Neighbourhoods". Collectively these account for 51% of all local movers in the sphere of influence. Of these groups, only "Career Climbers" are considered to fall outside of the core target audience for the development on Land North of Water Lane.

An additional, but slightly smaller group by volume, "Starting Out", has also been identified as a core target. "Starting Out" households share many of the same housing needs as the other groups outlined, albeit at an earlier life stage (this group is typified by pre-family couples).

The target groups outlined above (with the exception of "Career Climbers") all share a common tendency towards larger unit sizes. Whilst "Career Climbers" tend to demand smaller dwellings they are more likely than most to live in highly urban environments and in apartments. The development is therefore unlikely to appeal to their lifestyle and life stage needs.

Within the other four groups no more than 4% of households live in 1 bedroom dwellings, all groups tend towards 3 bedroom over 2 bedroom units and all groups have a significantly higher likelihood than average of living in 4+ bedroom dwellings. Each demographic group's housing needs are outlined in the main body of this report; specifically within Table 3.

In conclusion, to achieve an optimal mix of private dwellings on the site that meets the requirements of the local housing market, of the 366 private dwellings our clients are required to increase the number of 3-bed and 4-bed homes and decrease the number of 1 and 2-bed homes. This will be a departure from the District-wide private housing mix prescribed in the SHMA 2016. The proposed housing mix and SHMA 2016 District-wide mix are set out in Table 1 below.

Table 1: Comparison of Dwelling Provision between proposal, CACI's Demand and SHMA 2016

| Dwelling Size (bedrooms) | Reserved Matters Private Dwellings (%) | CACI calculated Mover Demand within sphere of influence (%) | SHMA 2016 (%) [as set out in figure 10] |
|--------------------------|----------------------------------------|-------------------------------------------------------------|-----------------------------------------|
| 1                        | 0                                      | 12.6%                                                       | 9.3%                                    |
| 2                        | 95 (26%)                               | 67.7%                                                       | 41.4%                                   |
| 3                        | 188 (51%)                              |                                                             | 36.9%                                   |
| 4+                       | 83 (23%)                               | 19.8%                                                       | 12.4%                                   |

Note: CACI's mover demand model combines 2 and 3 bedroom dwelling demand

## 1. Introduction

Outline consent was granted 27th August 2019, with the following description of development (extract from Decision Notice A/40/18/OUT),

*'Outline application with some matters reserved for the development of up to 525 residential dwellings (Class C3), 3 ha (gross) of employment land (Class B1), public open space, play areas, access, associated infrastructure and landscaping.'*

The outline application was determined in the context of the Adopted Arun Local Plan 2011-2031 (ALP) and the Made Angmering Neighbourhood Plan 2014-2029 (ANP), which remain part of the current Development Plan for Arun and will therefore be the first consideration for the reserved matters application, until such time they are replaced.

The outline consent was granted with standard time limiting planning conditions for applying for reserved matters approval and commencement of development. Condition 4 of the outline consent requires development to be implemented in accordance with land-use and building height parameter plans, which are understood to be subject to review by our client as a result of more detailed environmental analysis and design discussion with the Planning Department.

The outline planning consent was accompanied by a Section 106 legal agreement, which does not specify a dwelling mix for market or affordable dwellings. Schedule 2, Paragraph 1 of the agreement secures the provision of not less than 30% (158) of the total dwellings on site as affordable housing, in accordance with Policy AH SP2 of the ALP. Schedule 2 is supplemented by paragraph 2.1.4 which requires an Affordable Housing Master Plan that states that no less than 75% (118) of the housing units will be provided as rented accommodation, and 25% (40) shall be provided as intermediate units, also in accordance with Policy AH SP2.

The proposed optimum mix the subject of this report relates exclusively to the mix of private dwellings and does not significantly depart from the requirement of Policy AH SP2 of the Adopted Local Plan for 30% affordable housing provision on sites of over 11 dwellings, subject to viability.

The following affordable housing mix is stated in the policy wording:

|           |          |
|-----------|----------|
| 1-bedroom | 35 - 40% |
| 2-bedroom | 35 - 40% |
| 3-bedroom | 15 - 20% |
| 4-bedroom | 5 - 10%  |

A minor change to the above affordable mix (not tenure) is proposed, which we note has been accepted by the District Housing Manager through pre-application correspondence.

### 1.1. Project Scope

Rydon Homes Ltd and Gleeson Land are seeking reserved matters approval to develop the Land North of Water Lane, that will deliver 525 homes, 366 of these will be for market sale across a mixture of unit types and sizes.

CACI have been commissioned to undertake a feasibility study to test if demand in the area can sustain this development and to build a deeper understanding of the current housing demand in Angmering.

Understanding the demand levels for residential property as well as the affordability levels of potential buyers will inform the mix of dwelling sizes to be accommodated within the reserved matters application and provide the Council with the confidence that new housing will be delivered and occupied without delay.

### 1.2. Report Structure

This report is structured as follows in order to quantify and profile the demand for housing within Angmering and its sphere of influence over the housing market:

**Section 2:** Assessment of Housing Market Demand – this section assesses evidence not available at the time the SHMA 2016 was prepared and which is specifically focused on the current population profile within the expected addressable geography. A natural sphere of influence is identified comprising a 22 minute drivetime from the development site, within which are located 75% of movers.

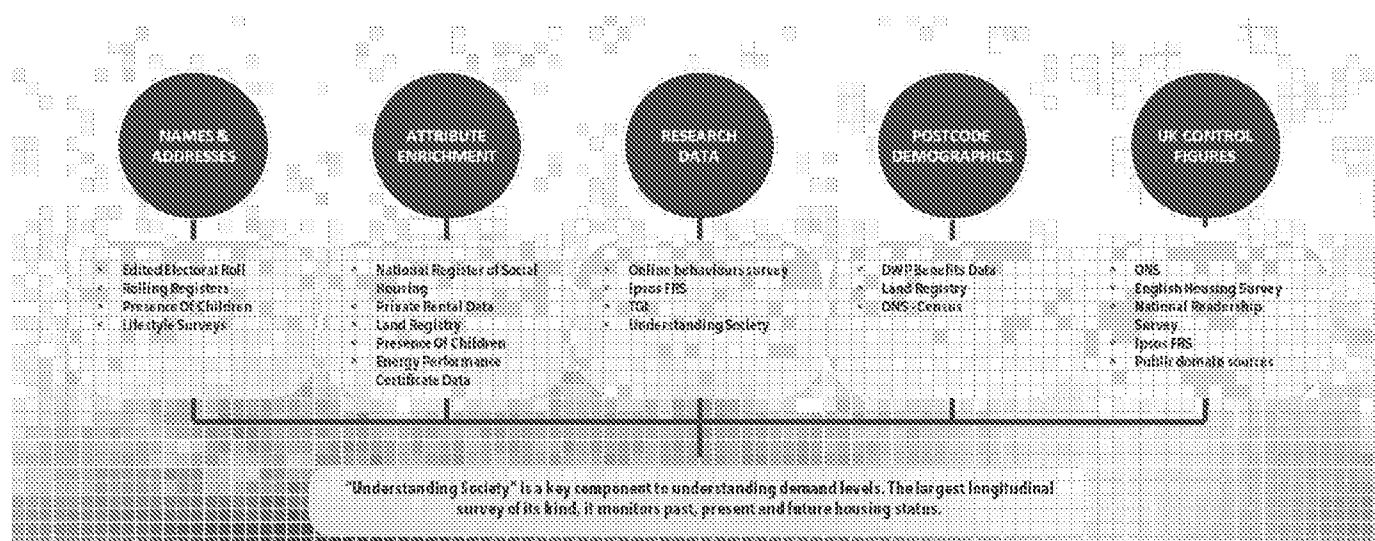
**Section 3:** Existing Housing Landscape - this section utilises data on earnings and mortgage payments within the addressable geography, where the provision of larger dwellings is an important component in meeting existing demand.

**Section 4:** Conclusion – this section summarises the characteristics of the local housing market in Angmering and how this provides a justification for the proposed housing mix and degree of departure from the SHMA 2016 District-wide target.

## 2. Assessment of Housing Market Demand

Utilising data provided through CACI's Ocean database an assessment of housing demand within a relevant population sample has been based upon a 22 minute drivetime. The Ocean database comprises of hundreds of millions of records from research surveys, open data and government data, including the largest longitudinal survey of its kind. It is a propensity model that is widely applied by the public and private sector to monitor current housing trends. The range of data fields and applications of the Ocean database is illustrated in Figure 1 below.

Figure 1: Ocean database application overview



### 2.1. Angmering Local Housing Market

In 2020 CACI undertook primary research to identify the distances moved by individuals when they move home. In this research study, 1000 individuals who had moved within the last 5 years told us their old and new residential location.

Utilising up-to-date road network information the travel distance and travel time over which the population are likely to relocate have been calculated. The application site is classified within CACI's Urban/Rural classification model as a 'mid urban location'. Figure 2 and Table 2 illustrate that 75% of movers are currently living with a 22 minute drivetime of the site. Using the full TomTom DriveTime network, this area forms the sphere of influence for the Angmering local housing market.

Figure 2: Average distance moved when moving home

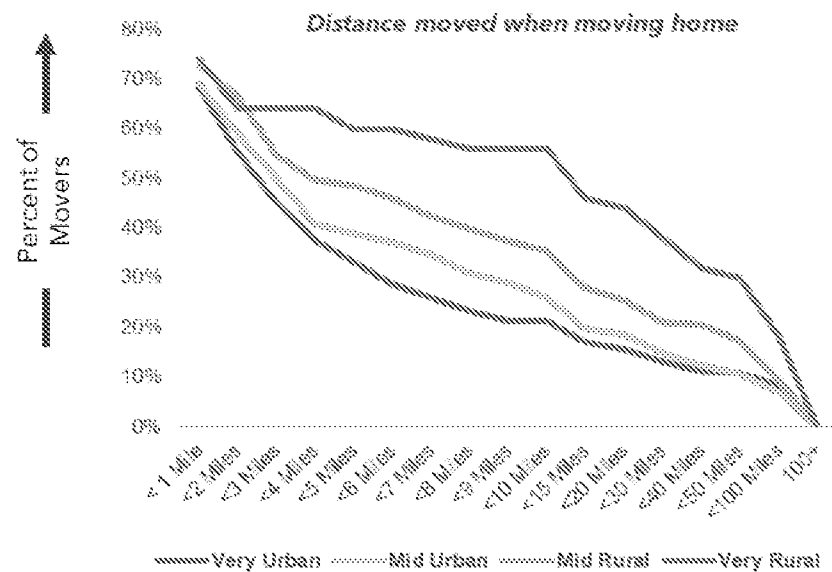


Figure 2 illustrates the distances that people move when they relocate; split by location population density.

Whilst people in all location types tend to move short distances when they relocate, those in more urban locations will move shorter distances.

Table 2: Average drivetimes moved when moving home by sparsity group

| Sparsity Group | Average drivetime<br>between old and new<br>home (mins) | 75% move within:<br>(drivetime mins) |
|----------------|---------------------------------------------------------|--------------------------------------|
| Very Urban     | 16                                                      | 18                                   |
| Mid Urban      | 18                                                      | 22                                   |
| Mid Rural      | 21                                                      | 24                                   |
| Very Rural     | 32                                                      | 51                                   |

Accordingly, Table 2 demonstrates the drivetime distances that people move according to the location population density. By cutting the drivetime radius at 75% CACI is able to quantify and profile the local demand levels for each development.

Note: BN16 4 is classified as a Mid Urban location and therefore a 22 minute drivetime is selected

2.2. Demographic Profile of the Angmering Sphere of Influence

Acorn is the leading geodemographic segmentation of residential neighbourhoods in the UK. It classifies each postcode in the country into one of 18 groups that give a distinctive picture of the kinds of people who live in an area, their attitudes and how they behave. Using this powerful tool to combine geography with demographics and lifestyle information, and the places where people live with their underlying characteristics and behaviour, we can understand more about the population that the proposed development will serve.

Through this lens it is clear that there is an affluent population living within the 22 minute addressable market of the development site; 28% of the profile is made up of the most affluent Acorn category, Affluent Achievers, compared to 22% of the UK population, as demonstrated in Figure 3 and Figure 4. Comfortable Community groups are similarly highly represented.

Figure 3: Acorn profile within a 22 minute radius of the site

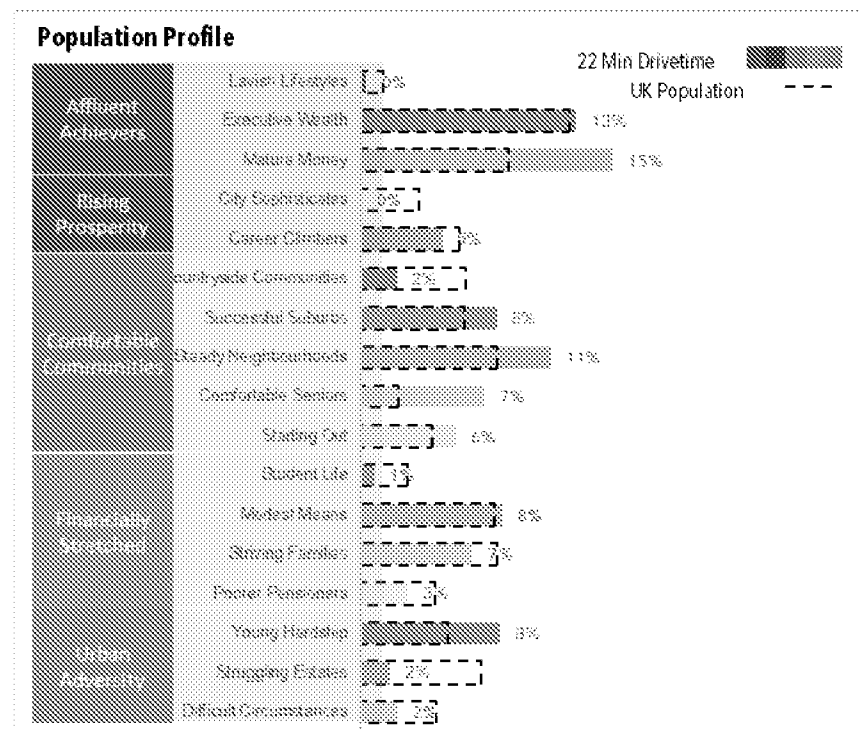
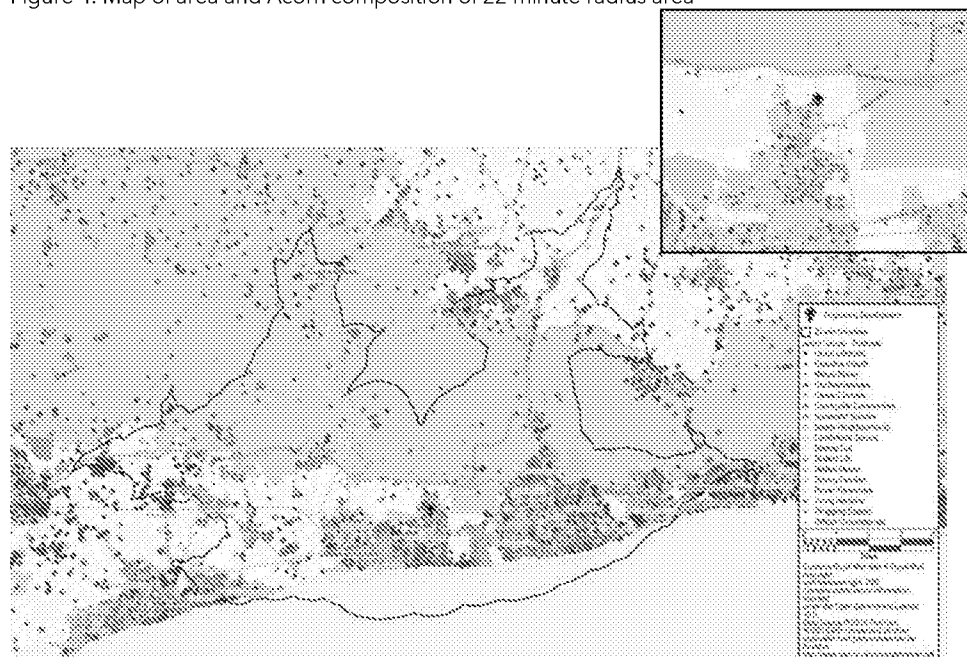


Figure 4: Map of area and Acorn composition of 22 minute radius area



The defining characteristics of the sphere of influence which differentiate the local population from that of the UK population relate most to the 'Mature Money' group. The area is also considerably above the rest of the UK in the 'Successful Suburbs', 'Steady Neighbourhoods', 'Comfortable Seniors' and 'Young Hardship' groups.

Conversely the population within the local area has considerably fewer households falling within the 'City Sophisticates', 'Countryside Communities', 'Poorer Pensioners', 'Struggling Estates' and 'Difficult Circumstances' groups.

When compared with the wider Arun population, the development site's sphere of influence has a significantly higher proportion of households in the 'Executive Wealth', 'Career Climber' and 'Steady Neighbourhood' and 'Starting Out' groups.

Figure 5: Comparison of Site's Sphere of Influence with wider Arun District

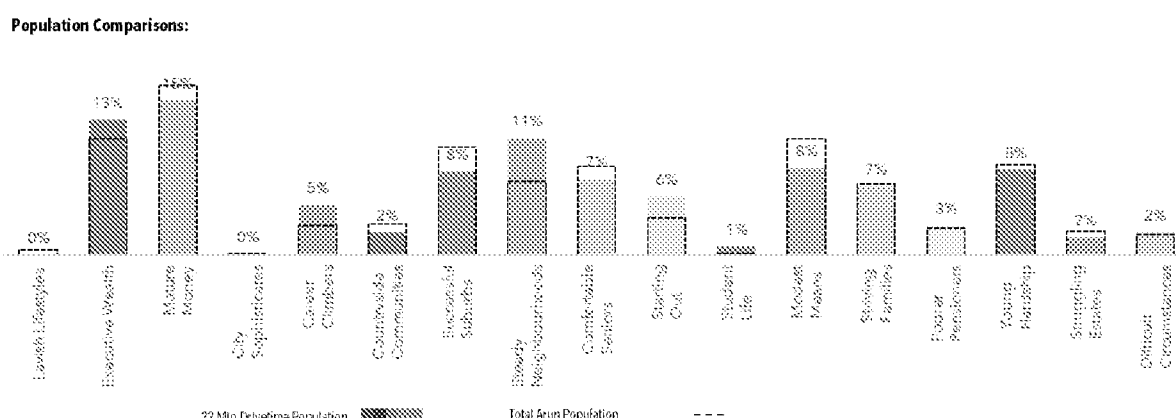


Table 3 illustrates the size of dwellings that each demographic group reside in; this is an important consideration in developing the optimal unit mix for the development North of Water Lane. Ensuring that the needs of the local audience are met requires a nuanced understanding of the groups that reside in the local area but also, as will be outlined in section 3 of this report, the demographic groups that people will move to.

Table 3: Dwelling Size by Acorn Group (UK Averages)

|         | Lavish Lifestyle | Executive Wealth | Mature Money | City Sophisticates | Career Climbers |
|---------|------------------|------------------|--------------|--------------------|-----------------|
| 1 Bed   | 3.0%             | 2.3%             | 3.4%         | 19.5%              | 12.3%           |
| 2 Beds  | 8.2%             | 9.1%             | 21.4%        | 33.1%              | 36.4%           |
| 3 Beds  | 21.6%            | 33.1%            | 50.1%        | 26.4%              | 32.0%           |
| 4+ Beds | 67.1%            | 55.5%            | 25.1%        | 21.0%              | 19.2%           |

|         | Countryside Communities | Successful Suburbs | Steady Neighbourhoods | Comfortable Seniors | Starting Out |
|---------|-------------------------|--------------------|-----------------------|---------------------|--------------|
| 1 Bed   | 3.2%                    | 2.8%               | 1.8%                  | 6.0%                | 4.1%         |
| 2 Beds  | 23.5%                   | 21.8%              | 13.7%                 | 41.3%               | 32.2%        |
| 3 Beds  | 51.2%                   | 50.7%              | 66.5%                 | 43.5%               | 49.5%        |
| 4+ Beds | 22.0%                   | 24.7%              | 18.0%                 | 9.1%                | 14.1%        |

|         | Student Life | Modest Means | Steady Families | Poorer Pensioners | Young Hardship | Struggling Estates | Difficult Circumstances |
|---------|--------------|--------------|-----------------|-------------------|----------------|--------------------|-------------------------|
| 1 Bed   | 22.7%        | 4.5%         | 4.9%            | 26.1%             | 12.7%          | 7.1%               | 22.4%                   |
| 2 Beds  | 33.5%        | 32.7%        | 23.7%           | 36.2%             | 46.4%          | 30.2%              | 44.7%                   |
| 3 Beds  | 20.4%        | 53.2%        | 63.6%           | 34.0%             | 33.8%          | 53.8%              | 28.5%                   |
| 4+ Beds | 23.4%        | 9.6%         | 7.8%            | 3.7%              | 7.2%           | 8.9%               | 4.3%                    |

Demand for 1 bedroom accommodation is typically low across all 3 Affluent Achiever groups and for 4 of the 5 Countryside Community groups; even so some instances of smaller dwellings do exist. This is both a function of Acorn being defined at post-code level (postcodes often include a mix of unit types) but also of the variance within these groups’ needs. For example, affluent “Executive Wealth” households are one of the most likely to own second home (e.g. a city apartment to work from during the week) and whilst “Starting Out” households are typified by young couples often beginning to have children, 17% of them are Single Person households at that same life stage.

### 3. Existing Housing Landscape

#### 3.1. Overview of Mover Market

Figures 6 and 7 showcase the levels of home movement within the site’s sphere of influence, and what types of moves these are. There are 29,992 likely movers per year within a 22 minute drivetime of the development, of which 52% are likely to move into owner occupied accommodation, highlighting the role that the proposed development will play in facilitating private sales in Angmering.

Figure 6: Heat-map showing the density of people within a 22 minute drivetime who are likely to move in the next year

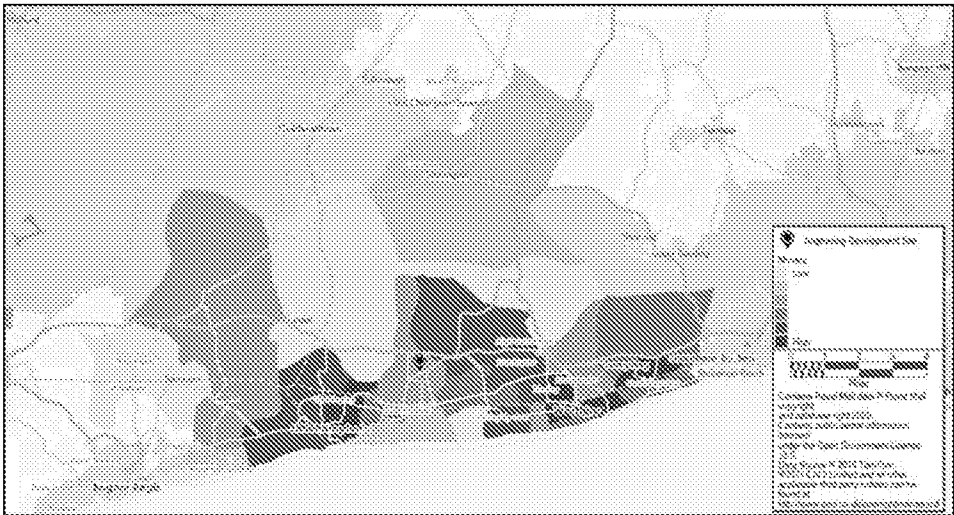


Figure 7: Chart showing number of movers by tenure type

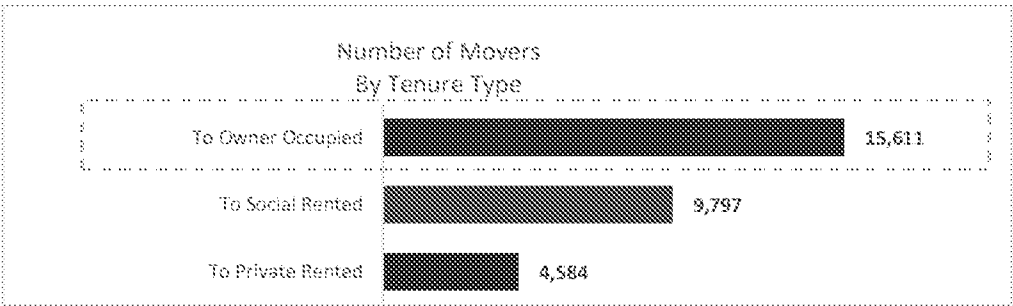


Figure 8 showcases where the 15,611 movers that are likely to move to an owner occupied property currently live. Within the addressable market, 68% movers likely to move to 2/3 bed accommodation, and 20% likely to move to 4+ bedrooms (these populations are outlined in figure 9).

The identified demand from owner occupier house movers is consistent with the existing housing stock within Angmering. This demonstrates continuation of the current trend for a higher proportion of larger dwellings compared to the District-wide averages identified within the SHMA 2016.

Figure 8: Heat map showing number of individuals within a 22 minute drivetime who are likely to move to owner occupied properties in the next year

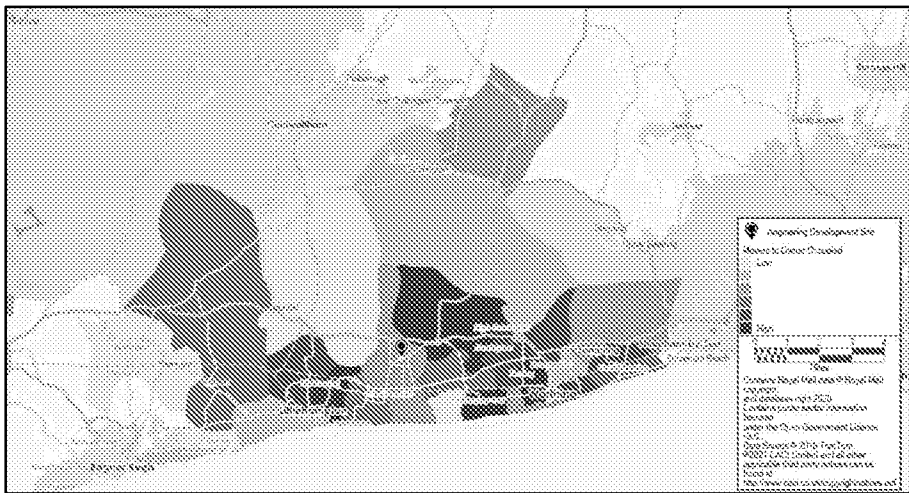
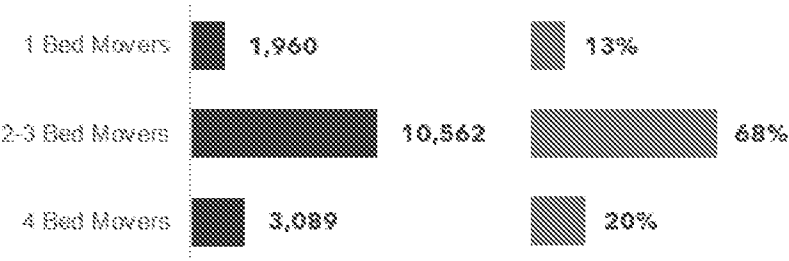


Figure 9: Total movers to owner occupied properties by bedroom type

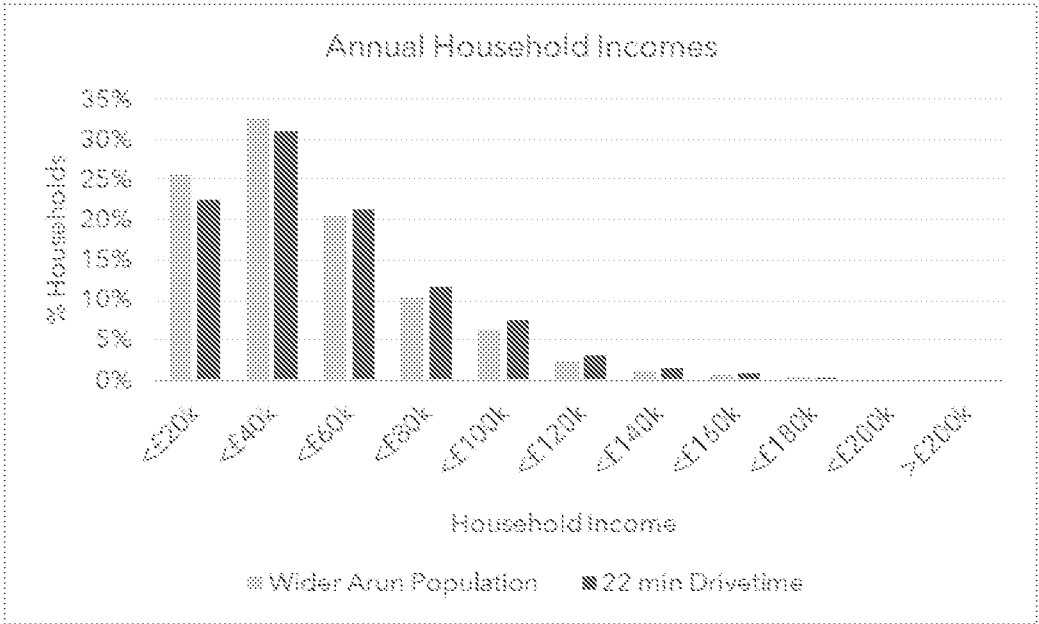


Although Figure 9 illustrates that 13% of overall Owner Occupied demand within the sphere of influence will likely move to 1 bedroom dwellings, it is important to consider the groups from whom this demand will originate and the relevance of the development North of Water Lane to their lifestyle needs. Section 3.5 will outline in detail which groups of movers are most closely aligned to the provision at Land North of Water Lane, and how 1 bedroom dwellings are unlikely to meet their needs.

3.2. The Current Earnings Profile within a 22 Minute Drivetime

As previously referenced, the population within a 22 minute drivetime of the development is an affluent one; with earnings 8% above the Arun district average, as showcased in Figure 10. This profile of higher affluence households aligns with the Acorn profiles outlined in Figure 5 and the larger dwelling sizes that they inhabit outlined in Table 3.

Figure 10: Annual income bandings as a percentage of households - 22 minute drivetime average & Arun

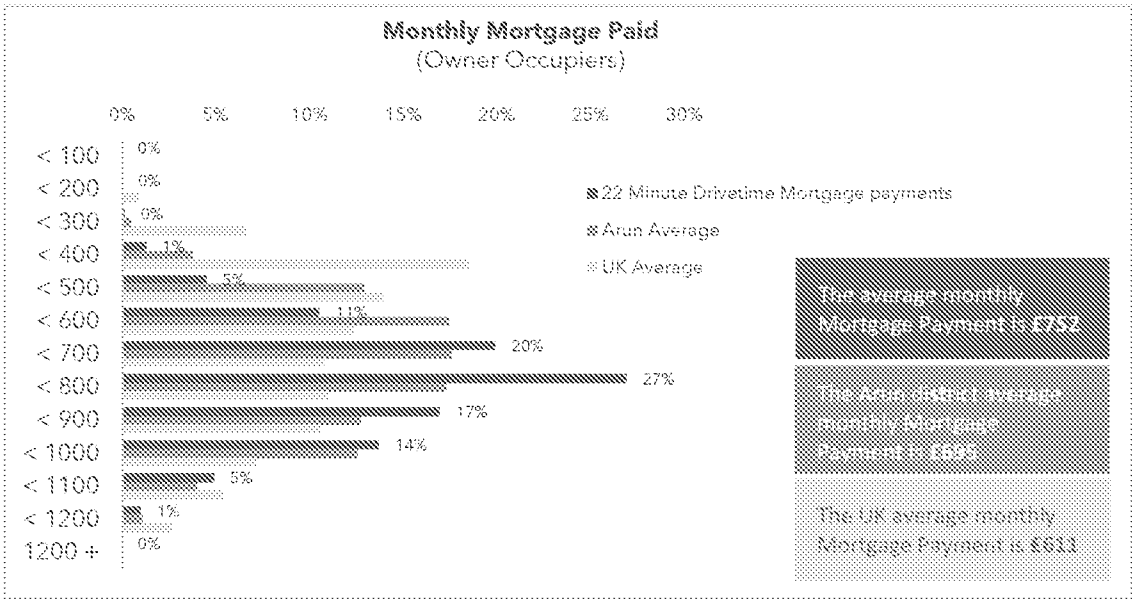


3.3. Monthly Mortgage Payments within 22 minute Drivetime

Reflective of the affluence and the fact that a greater proportion of households live in owner occupied properties within the addressable market, the average monthly mortgage payments are higher than both the Arun district and the UK averages.

Figure 11 illustrates the most significant increase in monthly mortgage payments relates to the £700 to £1,100 payment bands. In the context of the population profile and housing stock within this 'Mid Urban' location the increased proportion of higher mortgage payments is consistent with a demand for larger dwellings.

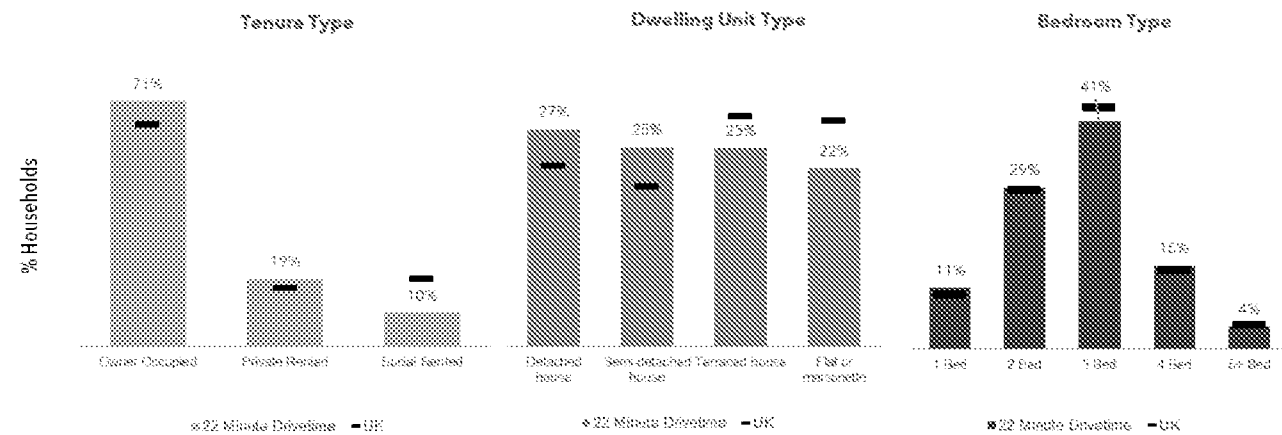
Figure 11: Monthly Mortgage Payments for Owner Occupiers



3.4. Existing Housing Landscape within 22 Minute Drivetime

Figure 12 demonstrates how the 22 minute drivetime radius compares to the UK average in terms of housing stock. The majority of residents are in owner occupied accommodation and there is a relatively even split of housing stock. Bedroom split is broadly in line with UK averages. Given the affluent profile that sits within the 22 minute drivetime compared to the UK average, there is significant headroom to add larger dwellings within this area, to accommodate for higher spending residents that are much more likely to need properties with more bedrooms.

Figure 12: Existing housing provision in the 22 minute catchment vs. UK average



Note: Figure 12 displays existing housing provision for tenure type, whereas Figure 9 displays the profile of Dwelling Sizes that movers will move to.

3.5. Mover Demographics: Mover Demand vs. Population Profile

Figure 13 demonstrates the profile of households that are likely to move, compared to the overall population of the sphere of influence. This is included to highlight the needs and lifestyles that the development North of Water Land needs to address.

The five largest mover groups by volume are ‘Lavish Lifestyle/Executive Wealth’, ‘Mature Money’, ‘Career Climbers’, ‘Successful Suburbs’ and ‘Steady Neighbourhoods’. Collectively these groups account for 51% of all mover demand within the 22 minute drivetime.

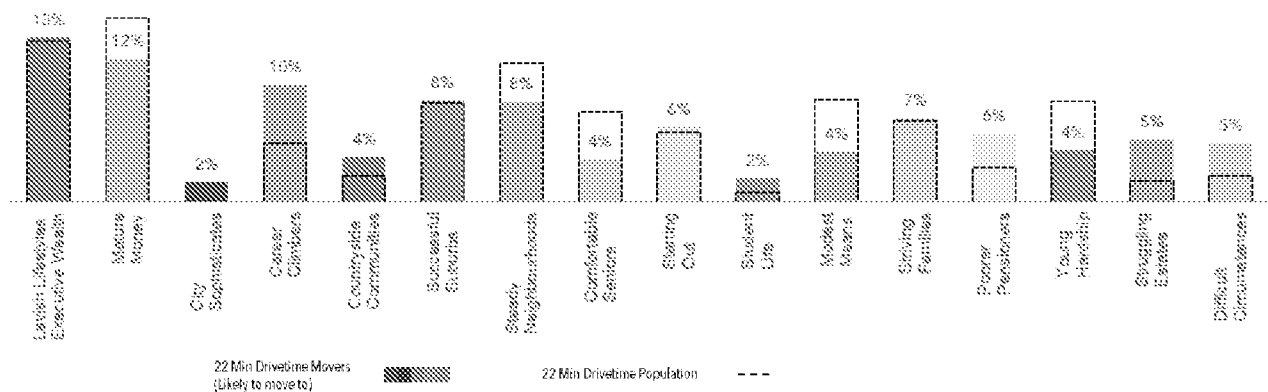
Of these 5 groups, all but ‘Career Climbers’ are considered the core target audience for the development North of Water Lane. ‘Career Climbers’ are more likely than most to live in highly urban locations and are likely to live in Flats/Apartments; it is therefore unlikely that this group will be motivated to move to the proposed development.

The remaining four groups share a number of key similarities that inform their housing needs. They are all more likely than most to live in houses rather than flats, to be Owner Occupiers rather than tenants (either private or social tenants), and they are all more likely than most to live in larger units; which is reflective of the proposed development North of Water Lane.

In addition to the four mover demographics outlined above; ‘Starting Out’ groups should also be considered part of the core audience for the development North of Water Lane. Typified as professional pre-family couples these households share a number of characteristics with those outlined above; although they are at an earlier life stage and slightly more inclined towards 2 bedroom units than the others. This group makes up 6% of the local sphere of influence.

Whilst this report pertains specifically to the Private Dwellings sales aspect of the development, it is important to also acknowledge the wider market needs and how the development as a whole meets them. Mover requirements across ‘Striving Families’, ‘Poorer Pensioners’, ‘Young Hardship’, ‘Struggling Estates’ and ‘Difficult Circumstances’ account for 23% of all demand within the sphere of influence; these are groups that will benefit most from the 30% of all dwellings that are provided as affordable within the scheme. As outlined in table 3, these are the groups from which demand for 1 bedroom units will originate; which is reflected in the Affordable Unit Mix.

Figure 13: Acorn profile of likely movers vs. 22 minute catchment population



### 3.6. Demand versus SHMA Requirements

Overall, SHMA 2016, built on 2011 census data, underplays the importance of 4+ bedrooms within Angmering's 22 minute sphere of influence; this is particularly evident when the specific groups that are most likely to engage with the development are considered. The Angmering proposed plan appropriately provides proportions of these larger units to meet local demand, as showcased in Table 4; and is particularly suited to the needs of Acorn groups 'Executive Wealth', 'Mature Money', 'Successful Suburbs' 'Steady Neighbourhood' and 'Starting Out'.

Similarly, the Reserved Matters Private Dwellings diverge from the SHMA 2016 in terms of providing more 3 bedroom dwellings than 2 bedroom dwellings. As Table 3 demonstrates, this is consistent with the needs of all of the core demographic groups for the development; who are more than 2.5 times as likely to live in 3 bedroom units than 2 bedrooms. The proportion of 2 and 3 bedroom dwellings proposed for the development North of Water Lane is therefore appropriate to the audience.

Whilst there is need in the local area for 1 bedroom units, this need does not originate from groups that are likely to engage with the private dwellings provided within the development. The demand for 1 bedroom units comes predominantly from 'Career Climbers', who are not a core target for the development, as well as "Poorer Pensioners" and "Difficult Circumstances". "Career Climbers" are not a key target for the development because they are more likely than most to live in highly urban areas and nearly twice as likely as most to live in Apartments. "Poorer Pensioner" and "Difficult Circumstance" groups will benefit from the provision of affordable housing, where there are a number of 1 bedroom units proposed.

Table 4: Comparison of Dwelling Provision between proposal, CACI's Demand and SHMA 2016

| Dwelling Size (bedrooms) | Reserved Matters Private Dwellings (%) | CACI calculated Mover Demand within sphere of influence (%) | SHMA 2016 (%) (as set out in figure 10) |
|--------------------------|----------------------------------------|-------------------------------------------------------------|-----------------------------------------|
| 1                        | 0                                      | 12.6%                                                       | 9.3%                                    |
| 2                        | 95 (26%)                               | 67.7%                                                       | 41.4%                                   |
| 3                        | 188 (51%)                              |                                                             | 36.9%                                   |
| 4+                       | 83 (23%)                               | 19.8%                                                       | 12.4%                                   |

Table 5 outlines the share of addressable movers that the proposed development will satisfy. Importantly, this illustrates that the local housing demand can more than absorb the quantity of larger units that have been proposed as the development will deliver against no more than 3% of annual local requirement for 2/3 and 4+ bedroom owner occupied dwellings.

Table 5: Share of Addressable Mover Market that Proposed development would satisfy

| Dwelling Size (bedrooms) | Reserved Matters Private Dwellings | Number of movers to Owner Occupied Dwellings within 22 Minute Drivetime | Share of demand that the proposed development will satisfy |
|--------------------------|------------------------------------|-------------------------------------------------------------------------|------------------------------------------------------------|
| 1 Bed                    | 0                                  | 1,960                                                                   | 0%                                                         |
| 2/3 Bed                  | 283                                | 10,562                                                                  | 3%                                                         |
| 4+ Bed                   | 83                                 | 3,089                                                                   | 3%                                                         |
| <b>Total</b>             | <b>366</b>                         | <b>15,611</b>                                                           | <b>2%</b>                                                  |

## 4. Conclusion

Just as the SHMA identified the need for a different mix of homes that were appropriate in 2016 for the District as a whole, CACI's research has identified the specific needs of movers within the local sphere of influence for the Land North of Water Lane (defined as a 22 minute drivetime). In quantifying the demand for Owner Occupied housing in this way, there is clear evidence that the proposed unit mix will not saturate the market; but rather address a specific housing need within the local population.

With 15,611 people expected to move to Owner Occupied properties annually, the development site serves a large mover population. This population is more affluent than the wider Arun district; and the Acorn groups 'Lavish Lifestyles/Executive Wealth', 'Mature Money', 'Successful Suburbs', 'Steady Neighbourhoods' and 'Starting Out' have all been identified as core mover groups that the development North of Water Lane will serve. The low engagement with 1 bedroom dwellings across all of these demographic groups, and their preferences towards 3 bedroom and larger dwellings, support a departure from the SHMA 2016 district-wide housing mix as outlined in Table 4.