

Tenterden Growth Options Study

Ashford Local Plan Examination

Wates Developments

March 2018

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1.0 Introduction

- 1.2 This report has been prepared by Lichfields on behalf of Wates Developments (“Wates”) in relation to the Ashford Local Plan examination, specifically to support Wates’ response to Issue 3 which relates to the spatial strategy. It presents an assessment of Tenterden and growth options (in terms of housing) over the plan period, along with the potential outcomes.
- 1.3 Ashford Borough Council describes Tenterden in its emerging Local Plan as a “*principal rural service centre*”. The town benefits from a number of shops and services including two supermarkets, local schools (including a sixth form), a leisure centre, a high street with national and local retailers and a range of restaurants and pubs. Despite this, the emerging Local Plan does not make any further allocations for major new development in Tenterden, with development coming primarily from the Southern Extension, which was allocated in the Tenterden and Rural Sites SPD adopted in 2010.

2.0 Context

Population Change

- 2.2 Tenterden is the second largest settlement in Ashford District, comprising just over 8,000 residents as of 2016. Tenterden currently represents 6.4% of Ashford District’s population, however this share has been declining; over the last 15 years, the population of Tenterden has barely changed, meanwhile the District has seen population growth of 21%. In 2002 Tenterden represented 7.7% of the District’s population, significantly more than the 6.4% currently.

Table 2.1 Population of Ashford District, Ashford and Tenterden, 2016

	2016 Population	As % of District
Ashford (District)	126,151	~
Ashford (town)	75,451	57%
Tenterden	8,035	6.4%

Source: ONS 2016 Mid-Year Population Estimates

- 2.3 The age profile of Tenterden is very different to Ashford District, as shown in Table 2.1. In Tenterden, there is a significantly higher proportion of people age 45-64 and 65+ than Ashford, and fewer 0-17 and 18-44 year olds. This age structure is also reflected in household composition; in Tenterden 37% of households are 65+ (single or couple) compared to 22% District-wide. Families in Tenterden represent 31% of households, compared to almost 40% District-wide.

Table 2.2 Age Structure - Ashford District and Tenterden - 2016

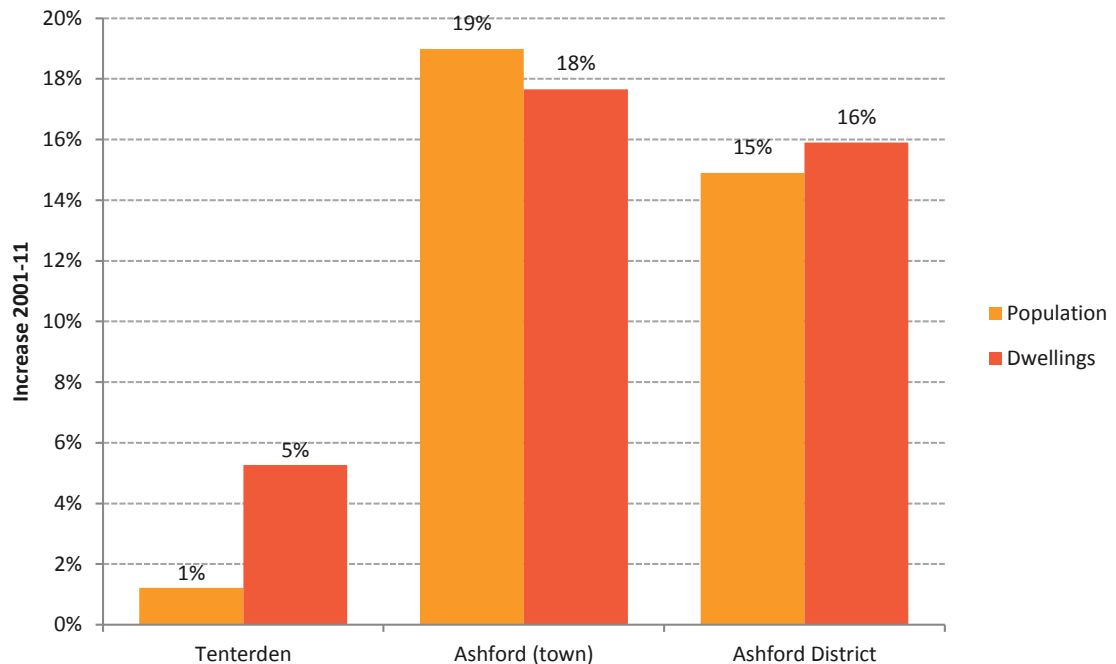
	Ashford	Tenterden
0-17	23.0%	16.9%
18-44	31.3%	20.7%
45-64	26.7%	28.3%
65+	19.1%	34.1%

Source: ONS Mid-Year Estimates

- 2.4 Historically, Tenterden has seen a significantly slower rate of growth than Ashford District. Between the 2001 and 2011 Censuses, the number of homes increased by just over 5% in Tenterden, and the population increased by just over 1%, as shown in Figure 2.1. Across Ashford District, there was a 16% increase in homes and a 15% increase in population. District-wide

growth is largely driven by Ashford town itself (which saw population growth of almost 20%); given Ashford town's former status as a growth area, it might be expected that growth in Tenterden would not be of a similar scale. However, for the second largest settlement in the District the historic level of growth would appear somewhat low, particularly given Tenterden represents the main settlement in the south of the District.

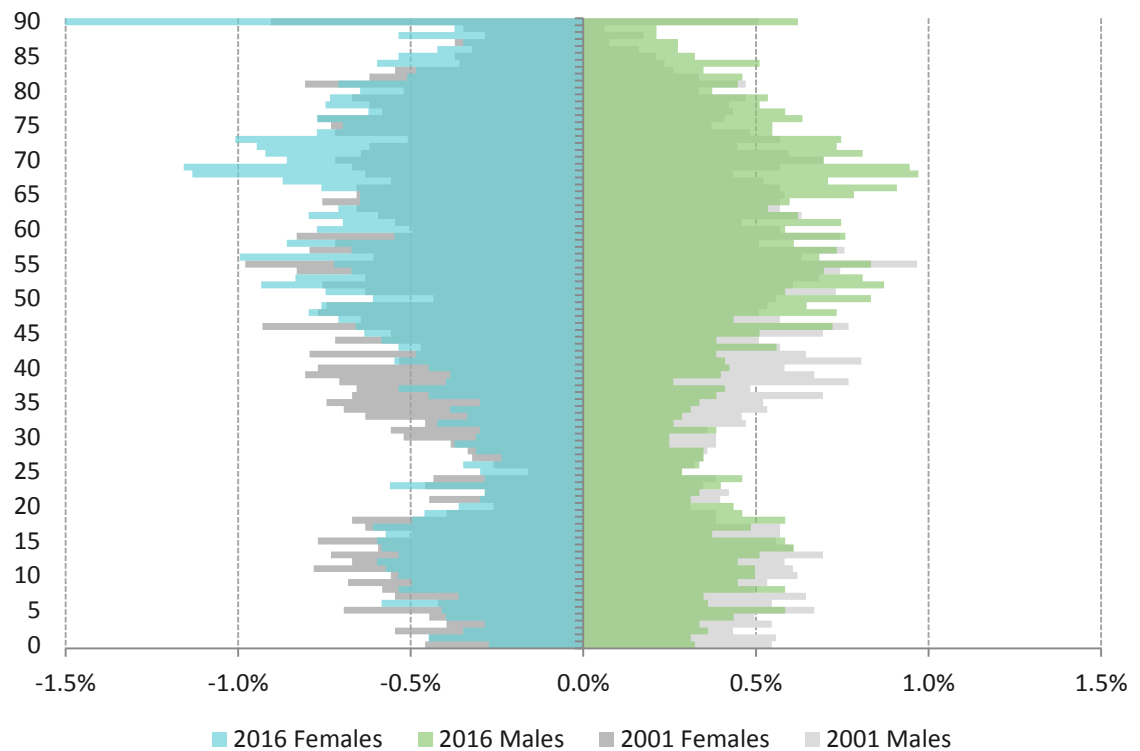
Figure 2.1 Increase in population and dwellings in Tenterden, Ashford (town) and Ashford District 2001-11



Source: Census 2001/11

- 2.5 This lack of growth has inevitably led to the significant ageing in Tenterden as new households are unable to move into the area, leading to a lower proportion of families and higher proportion of older households. As shown in Figure 2.2 and Table 2.3 since 2002 there has been a significant decline in younger age groups (particularly the younger working age group, 18-44, which saw a decline from 26.9% to 20.7%). Older age groups saw the greatest increase, particularly in those age 65-75 (as can be seen in Figure 2.2). A continuation of these trends would see the town age further, and this could affect the vitality and viability of local shops and services given the likely decline in local spending.

Figure 2.2 Change in age structure in Tenterden – 2002-16



Source: Lichfields based on ONS

Table 2.3 Change in Age Structure of Tenterden - 2002-16

	2002	2016	Change (percentage points)
0-17	20.7%	16.9%	-3.9%
18-44	26.9%	20.7%	-6.2%
45-64	26.7%	28.3%	1.6%
65+	25.6%	34.1%	8.5%

Source: ONS Mid-Year Estimates

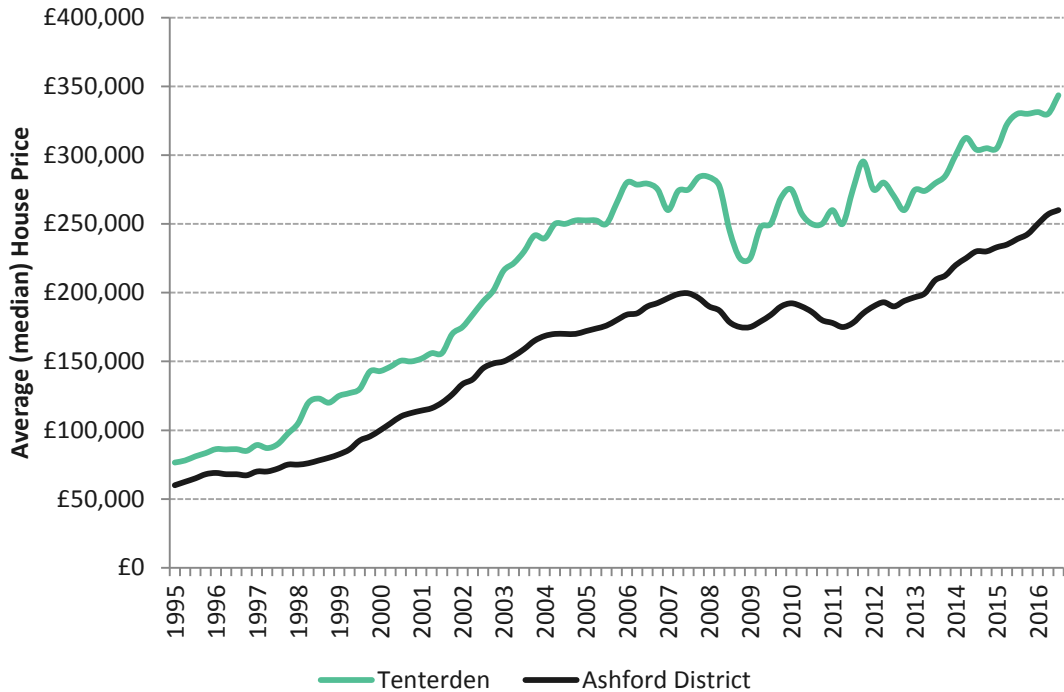
House prices

- 2.6 Average house prices in Tenterden¹ as at June 2017 are £343,500; at the same time, average house prices across Ashford District were £260,000, meaning house prices in Tenterden are c.30% above the District average currently (this has been the case historically, as shown in Figure 2.3).
- 2.7 Since the low of £225,000 seen in 2009, house prices in Tenterden have since been on an upward trend and have increased by 53%. Ashford District has similarly seen a steady increase in average house prices since the low of £175,000 in 2009 (and 2012), and prices have since risen 49% to £260,000.
- 2.8 The most recent affordability figures for Ashford District (2016) show the lower quartile (entry level) house prices are 9.1 times resident-based earnings and 9.9 times workplace-based

¹ Refers to MSOA Ashford 013 which is a best fit for Tenterden based on ONS House Price data.

earnings. This suggests that there is a degree of out-commuting from Ashford District to better paid jobs, and those working at jobs in the District have less purchasing power.

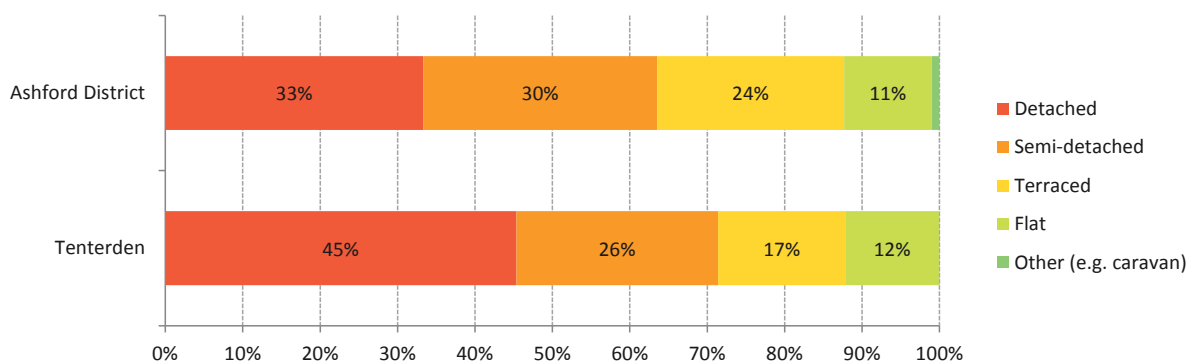
Figure 2.3 Average (Median) House Prices - 1996-2017 - Tenterden and Ashford District



Source: ONS HPSSA

2.9 Homes in Tenterden are typically larger than the District average, as shown in Figure 2.4 and it is possible that this mix of housing is contributing to Tenterden having higher than average house prices.

Figure 2.4 Dwelling Profile (type) - 2011 - Ashford District and Tenterden



Source: Census 2011

2.10 To assess whether this is the case, Table 2.4 shows the average price of different types of homes in Tenterden and Ashford District. It shows that across all types of dwelling, Tenterden is consistently more expensive than Ashford District, although the degree of this varies. The largest homes (detached) are 12% more expensive in Tenterden than the District average, at £439,000. The difference is smaller for semi-detached dwellings, which are only 3% (or c.£10,000) more expensive in Tenterden. Terraced housing in Tenterden attracts a premium of

25%, with an average price of just under £277,000 compared to £222,000 across Ashford District, and Tenterden is the second² most expensive part of the District for terraced housing. The most significant difference is in the cost of flats, which are 78% (equivalent to almost £110,000) more expensive in Tenterden, and the town is the most expensive area in Ashford District in which to buy a flat by a significant margin³.

Table 2.4 (Median) House Prices by Type (2017) - Tenterden and Ashford

	All	Detached	Semi	Terraced	Flat
Tenterden	£343,500	£439,000	£268,000	£276,750	£246,250
Ashford District	£260,000	£392,995	£259,950	£222,000	£138,000
Difference	+32%	+12%	+3%	+25%	+78%

Source: Lichfields based on ONS HPSSA

Summary

- 2.11 The population of Tenterden currently stands at just over 8,000, and there has been relatively little population and housing growth over the last 10-15 years, despite the town being the second largest settlement in Ashford District. This lack of growth has led to ageing; the town has a much older age profile and higher proportion of older households than the District. The demand for housing is such that all types of housing attract a premium in Tenterden, particularly flats and terraced housing. The relative premium on large house is less, although this still represents a c.£10,000-£48,000 premium compared to the District averages. It is therefore evident that in addition to meeting future needs arising from demographic change (migration, household formation), housing provision in Tenterden is justified on the basis of demand-side factors (i.e. market signals, including house prices and affordability).

3.0 Assessment of growth options

- 3.2 A number of scenarios led by the degree of housing provided in Tenterden have been assessed, ranging from 0 to 1,200 dwellings. Demographic-led scenarios (which assess need based on natural change and migration) have not been presented; this is because the current age profile of the town (which is significantly older than the District average) means that there would not be any need for further housing based solely on the population churn in the town. This is a result of the lack of historic growth in the town, and should not be interpreted as an indication that no further housing is needed.

Scenarios assessed

- 3.3 In total 5 scenarios have been assessed. These are:
- 1 **Zero housing** – this scenario demonstrates the impact on population change were there to be no housing provided in Tenterden over the plan period;
 - 2 **Current allocations** – this scenario takes into account allocated development in Tenterden, amounting to 625 dwellings over the plan period (although all of this development is expected to be completed by 2024);

² Behind MSOA Ashford 002, which covers the northern rural part of the District (Pluckley, Charing and Challock)

³ The next most expensive MSOA for flats in Ashford District is the MSOA Ashford 010 where flats are £165,500. This MSOA covers the south-east of the District and the settlements of Bonnington, Brabourne Lees and Brook.

- 3 **Current allocations and windfalls** – this scenario takes into account allocated development in Tenterden to 2024, and in addition assumes that 10% of the District’s windfalls will come forward in Tenterden (for the period 2022-30). This would bring total growth in Tenterden to 720 dwellings;
- 4 **c.1,000 dwellings** – this represents growth based on current allocations, windfalls and a further 250 dwellings; and
- 5 **c.1,200 dwellings** – this scale of growth would mean growth in Tenterden broadly aligns with the scale of growth across Ashford District over the plan period.

Outcomes

- 3.4 A summary of the outcomes under each scenario is shown in Table 3.1. As expected, the level of housing growth directly correlates to overall population growth and the level of migration to the town, which helps offset the natural decline (which is a result of the current population which has an old profile). All scenarios would expect to yield some growth in the number of children (age 0-17) as a result of families being able to move to the town, and this would yield a need for school spaces. A review of EduBase⁴ undertaken in March 2018 shows there is some capacity in Tenterden Infant School (ages 5-7) and in St Michael’s Primary School (ages 4-11). Capacity at Tenterden Church of England Junior School and at Homewood School and Sixth Form is limited, however development is likely to bring forward either new education provision or financial contributions to expand existing provision.
- 3.5 The younger working age group is expected to increase in line with the scale of development proposed – this group includes families and those who are most economically active, which in turn brings local spending which supports local shops and services. The significant reduction in older working age people (45-64) is a direct result of the low number of current residents who are of younger working age. As current residents of older working age grow older over the plan period (and move into the 65+ age group) there will be few people to replace them. Whilst the provision of new housing will attract younger people to the area, it will take time for these people to move into older age groups.
- 3.6 The older population is expected to increase even if no housing were provided, as a result of existing residents in the town ageing (particularly those of older working age moving into retirement). Whilst the number of older people is expected to increase even with additional development, growth in younger age groups means that this growth is offset. For example, by 2030 it is expected that, without any further housing, the average age of Tenterden residents would be c.52 years. With growth of 1,200 dwellings, although the number of 65+ residents increases more in absolute terms (by c.500 over the period), the average age would be much lower, at 45 years in 2030.

⁴ EduBase, now available at <https://get-information-schools.service.gov.uk/>

Table 3.1 Summary of outcomes

	Zero housing	Allocations (625 dwellings)	Allocations + windfalls (720 dwellings)	c.1,000 dwellings	c.1,200 dwellings
Population Change	29	1,575	1,806	2,413	2,901
Change (%)	0%	20%	22%	30%	36%
of which natural change	-676	-440	-424	-395	-379
of which net migration	705	2,015	2,231	2,808	3,280
Household Growth	0	594	684	921	1,111
Dwellings	0	625	720	970	1,170
Dwellings p.a.	0	45	51	69	84
Change in...					
0-17	94	530	584	718	819
18-44	344	980	1,089	1,385	1,628
45-64	-558	-265	-225	-120	-37
65+	149	331	358	431	490
18-64	-214	715	864	1,264	1,591

Source: Lichfields using POPGROUP

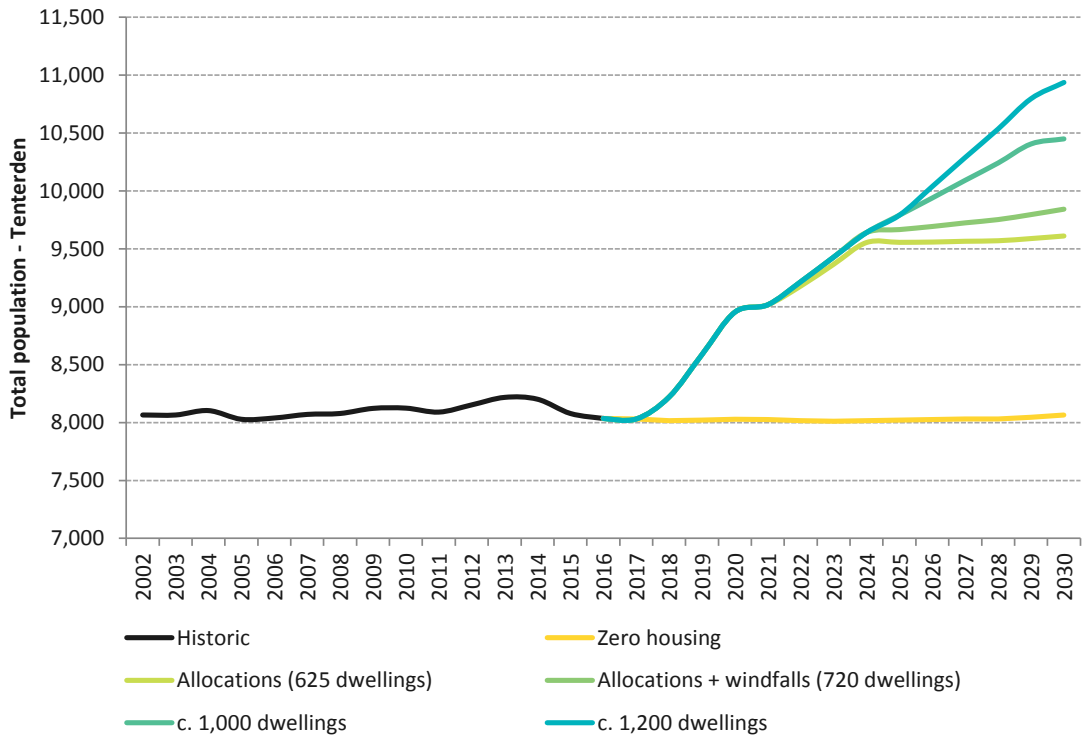
- 3.7 The outcomes in terms of overall population growth are shown in Figure 3.1, and a summary of growth by each of the broad age groups is shown in Figure 3.2. The scale of growth in the future directly correlates to the level of housing growth, with current allocations indicating the population will be c.9,500 by 2030, however the population could be as high as 11,000 based on 1,200 dwellings. In the context of historic change in Tenterden (with the population being broadly stable over the last 15 years), population growth of the scale shown in Figure 3.1 might appear significant for the town. However, as shown in Section 2.0 (and in Table 3.2), the population of Ashford District has historically been growing, and as a result Tenterden's comparative size (i.e. as a % of the total population in the District) has been declining.
- 3.8 Based on current allocations, Tenterden's share would increase slightly from its current level, from 6.4% in 2016 to 6.6% by 2030, however this is still far short of where Tenterden was just 14 years ago in 2002 (at 7.7%), as shown in Table 3.2. Even at 1,200 dwellings, with growth to around 11,000 people by 2030 Tenterden would only just be returning to its share as of 2002 (7.5% compared to 7.7%). On this basis whilst growth of this scale might appear significant (and out of line with past trends), it would not result in Tenterden becoming unusually large in the District-wide context when compared to where the town was 15 years ago. It is also notable that even at a level of 1,200 dwellings, the rate of housing growth in Tenterden would not exceed to the rate of growth across Ashford District as a whole.

Table 3.2 Historic and Projected Population of Tenterden as a share of Ashford District

	Historic	Current	Future (2030)				
	2002	2016	Zero housing	Allocations	Allocations + windfalls	c.1,000 dwellings	c.1,200 dwellings
Tenterden Population	8,065	8,035	8,064	9,610	9,841	10,448	10,936
Ashford Population	104,377	126,151	145,330*	145,330	145,330	145,330	145,330
Tenterden Share	7.7%	6.4%	5.5%	6.6%	6.8%	7.2%	7.5%

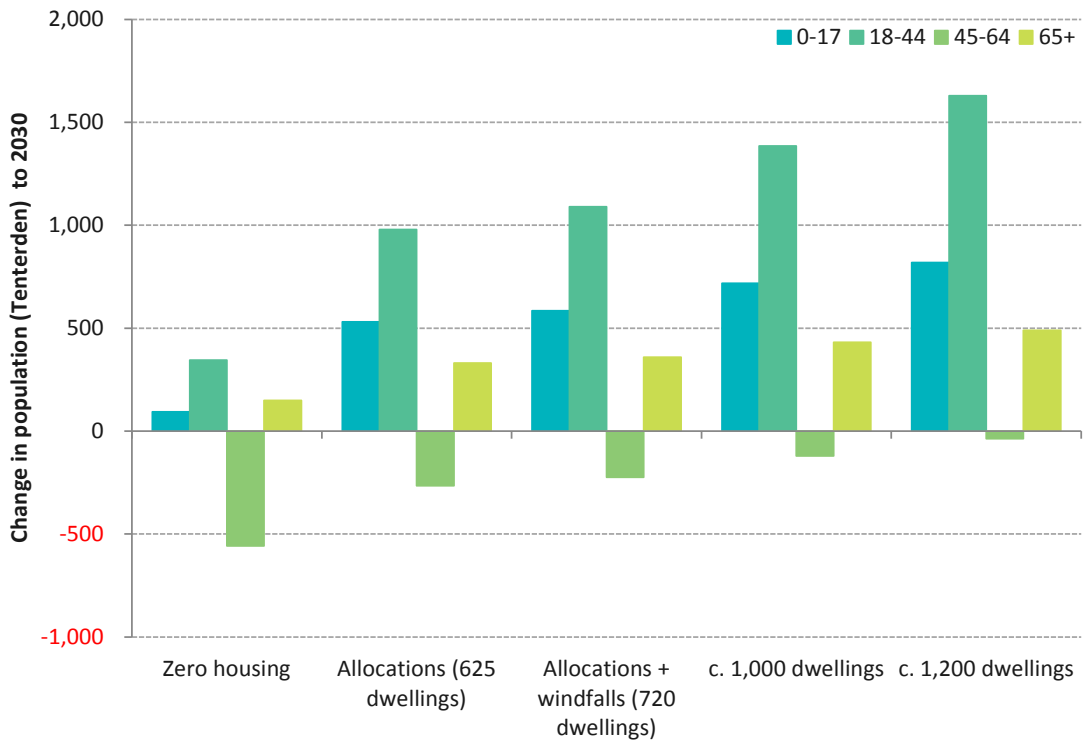
Source: Lichfields based on ONS/POPGROUP *Ashford population in 2030 based on ONS 2014-based SNPP

Figure 3.1 Summary of outcomes - total population of Tenterden



Source: ONS, Lichfields using POPGROUP

Figure 3.2 Population change by age group - Tenterden



Source: Lichfields using POPGROUP

4.0 Summary and Conclusions

- 4.1 Despite being the main service centre in the south of Ashford District, providing its residents and those of the surrounding villages with a range of shops and services, Tenterden has seen relatively low growth in recent years, despite market signals suggesting there is a strong demand for housing in the town. This low level of growth has led to significant ageing in the town, which if continued, could affect the viability of shops and services. This lack of growth has also led to a very old age profile and as a result, assessments of future need based solely on the natural churn of population in the town indicate no further housing is needed. However, this is a product of the lack of past growth (and not an indication that no housing is needed – to the contrary market signals show there is a clear demand for housing in the town).
- 4.2 As shown in Section 2.0, affordability of housing is poor in Ashford, with house prices now 9-10 times lower quartile earnings. House prices have been increasing steadily since the recession and have increased by nearly £100,000 in the last 5 years alone. House prices in Tenterden have been consistently higher than the average for Ashford, and are currently around one-third higher at just under £343,500. This cannot be attributed to the fact that Tenterden has a larger housing stock than the District overall, because the figures show that housing across all types is more expensive in Tenterden – for example, detached dwellings in Tenterden attract a 12% premium while terraced housing attracts a 25% premium. The current PPG sets out that local housing needs assessment should also take into account market signals, including indicators of affordability (ID 2a-019). These indicators demonstrate where there may be demand (over and above demographic projections) and therefore housing supply should be increased as such (the PPG states that plan-makers should apply an uplift which, on reasonable assumptions could be expected to improve affordability – ID 2a-020).
- 4.3 Taking the historic level of population in Tenterden as a benchmark (i.e. representing 7.7% of the District population 15 years age), our analysis shows that in the region of c.1,200 dwellings are needed in Tenterden over the plan period. This would result in the population of Tenterden increasing by c.3,000 over the plan period, however there has been very little growth historically in the town despite the District's population growing by c.23% in the last 15 years. This is also the only level of growth at which the number of people across all age groups (as shown in Figure 3.2) is maintained – across lower levels of growth there would be a decline in the number of older working age people (age 45-64). It is imperative that the town accommodates a sufficient scale of development to ensure that local shops and services remain viable, not least because they serve a number of settlements around Tenterden, which would have to travel further to other town centres if these services were lost.

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