

**HEREFORDSHIRE LOCAL PLAN CORE STRATEGY EXAMINATION**

**FURTHER COMMENT ON 2012 HOUSEHOLD PROJECTIONS**

The NPPG confirms that 2012 based household projections published on 27<sup>th</sup> February 2015 represent the most up to date estimate of future household growth (ID 2a-016-20150227) which is the starting point for objectively assessing housing needs (OAHN). However it should be acknowledged that household projections are only projections of past trends and not forecasts as such these projections reflect past influences on household formation. Housing shortages over the last two decades and poor housing affordability have restricted the ability of many young people to form independent households. Therefore such projections under-estimate future requirements by building into future housing provision the adverse impacts on household formation of past undersupply and very weak economic and market conditions between 2008 and 2012.

The Council's latest paper shows household growth from 2012 based household projections plus 3.8% vacancy / second home rate equals 14,200 dwellings over the plan period representing a downward impact of circa 3% on the SHMA figures. It is agreed that the Council should apply an upward adjustment for market signals, affordable housing needs and economic growth. The Council's latest paper suggests a figure of 16,200 dwellings after such adjustments. Therefore the Council contends that the Core Strategy housing requirement target of 16,500 dwelling between 2011 – 2031 meets OAHN, supports economic growth and delivers much needed affordable housing as well as providing greater flexibility to response to rapidly changing circumstances.

However the question remains whether or not the quantum of the upward adjustment proposed by the Council is sufficient to significantly boost housing supply as required by the NPPF. The Council's proposed uplift is only 2,300 dwellings (115 dwellings per annum) above the demographic projection starting point representing an increase of only 16%. Recently in the Eastleigh Local Plan Inspector's Preliminary Conclusions on Housing Need 10% uplift was proposed as a cautious approach to modest pressures on market signals whilst the Uttlesford Local Plan Inspector's Conclusions found an overall increase of 10% was appropriate to achieve the objective of improving affordability. As it could be argued that 10% uplift should be applied for market signals plus 10% uplift for affordable housing needs the Council's approach seems overly restrained. Even if 10% uplift for market signals and affordable housing needs combined together was deemed acceptable then only 880 dwellings (44 dwellings per annum) are contributing to economic growth which over time may constrain the actual economic growth sought.

In conclusion the 2012 based household projections have no significant impact upon this fundamental question about the OAHN undertaken by the Council.

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