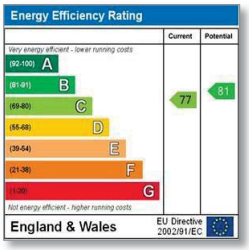
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OPDC
OLD OAK AND PARK ROYAL DEVELOPMENT CORPORATION

Old Oak and Park Royal Development Corporation Strategic Housing Market Assessment Update





Report of Findings

November 2016







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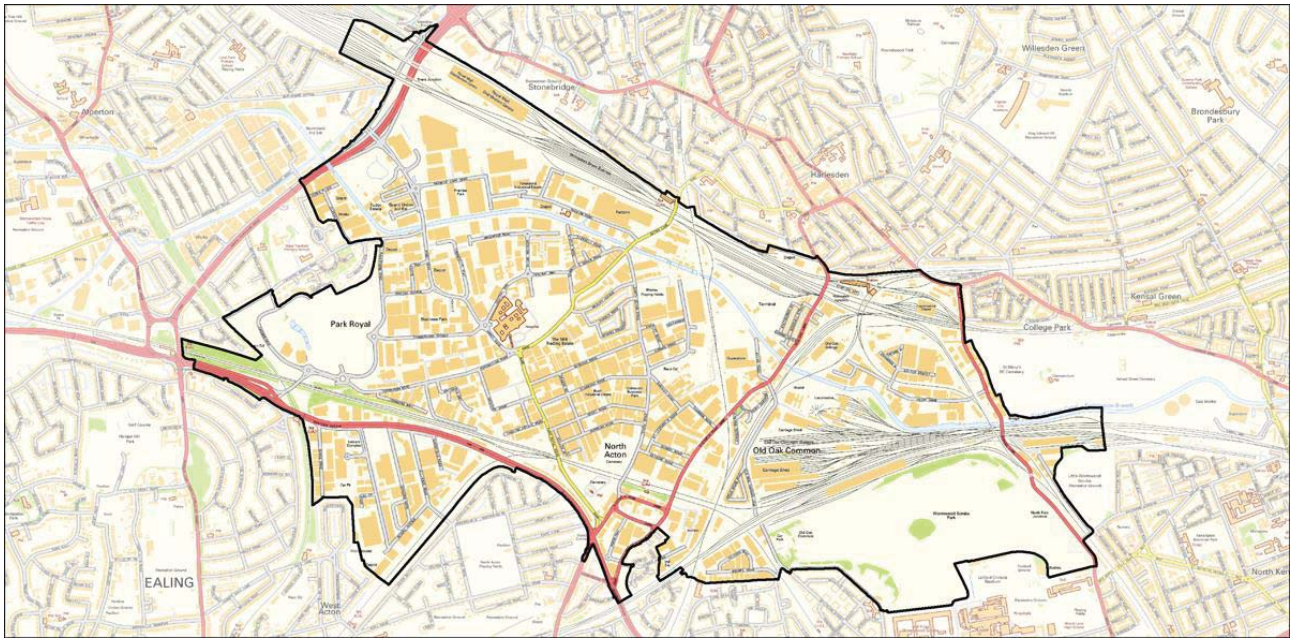
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Executive Summary

1. Old Oak and Park Royal Development Corporation (OPDC) is a new Mayoral Development Corporation in West London (established April 2015). ODPC is the planning authority responsible for those parts of the London Boroughs of Brent, Ealing and Hammersmith and Fulham which form the area where HS2 and Crossrail meet.

2. The area is seeking to deliver 25,500 new homes and 65,000 new jobs over a 20 year period (2017-37).

Map of Old Oak and Park Royal Development Corporation Area



3. Opinion Research Services (ORS) was commissioned by the Old Oak and Park Royal Development Corporation (OPDC) to prepare a Strategic Housing Market Assessment (SHMA) for the area, and establish the Objectively Assessed Need (OAN) for housing in the area. The OAN for housing will help inform the planning policies for the period 2017-37.

Methodology

4. The first key objective of this SHMA was to identify and define the functional housing market area(s) (HMA) that included OPDC. ODPC is a relatively small area spatially and which sits within a larger housing market; it was important to understand how this is defined in order to have a spatial basis within which OAN can be assessed.

5. The second key objective of this SHMA was to establish the collective OAN for housing (both market and affordable) in the HMA; in this case, the HMA included the London Boroughs of Brent, Ealing, and Hammersmith and Fulham. The OAN methodology used modelled secondary data to derive outputs.

6. Critically, the OAN also considered current evidence from population and household forecasts and set these within the context of wider Market Signals. From this, the SHMA has derived an Objectively Assessed housing Need to inform ODPC's housing and planning policies.

7. This Executive Summary, therefore, summarises the key challenges facing the Housing Market Area and highlights the housing needed to meet them.

Key Challenges

Housing Delivery

8. The National Planning Policy Framework paragraph 47 aims to 'To boost significantly the supply of housing'. Nationally, new housing delivery has fallen substantially in recent years relative to demand.

9. While ODPC has significant ambitions to deliver new homes, current constraints acting upon the development supply chain make this a challenge. There will be a need to support the agents of housing delivery if wider strategy goals are to be achieved.

Welfare Reform

10. Benefit reforms pose a considerable risk to many low income households in the HMA, renting in both the private and public housing sectors. The combination of various reforms make affordability a key issue when considering the type of homes to deliver that are affordable to households who may aspire to live in the ODPC area. These will need to be taken into account when the final mix of homes for ODPC is concluded.

Housing Market Area

11. The identification of Housing Market Areas (HMAs) is the first relevant building block in the evidence for identifying objectively assessed housing needs. HMAs are defined as reflecting *"the key functional linkages between places where people live and work"*. HMAs as defined do not align to individual local authority areas; they can be larger or smaller than a single local authority. In the case of ODPC it is appropriate to consider the area as part of the wider HMA's within which the area sits.

12. On the basis of the evidence, we would conclude that:

- Greater London can be considered as a single large housing market area which contains many smaller overlapping housing market areas within it.
- Migration and travel to work flows do not identify any distinct housing market areas in London.
- House price represents a means of identifying separate housing market areas in London. The Valuation Office Agency has worked with house price and rent nationally to identify Broad Rental Market Areas (BRMAs) which determined Local Housing Allowance levels.
- BRMAs represent the most practical and pragmatic approach to identifying housing market areas in London. The 13 BRMAs in London will allow small groups of London boroughs to plan together.
- ODPC falls in the Inner West London BRMA, which contains the majority of Ealing and Hammersmith and Fulham, and parts of Hounslow and Brent.
- While only 0.3% of Brent's population falls in the Inner West London BRMA, this area covers the OPDC.

- **On this basis we have concluded that the most appropriate route to explore the needs of OPDC is by analysing the combined area of Brent. Ealing and Hammersmith and Fulham who are the three authorities OPDC is derived from.**
- The HMA analysis should not be seen as prescriptive on other authorities who may wish to identify their housing market areas by other means.

Population and Household Growth

13. A key input into the modelling of housing need is the rate of household growth. Guidance states:

> *Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.*
>
> *Planning Policy Guidance (CLG, March 2014), para 015*

14. While CLG household projections are a useful starting point, there is a need to test these further to ensure that they are a robust basis for modelling need. These have been analysed and household figures derived to input into the assessment of housing need.

Market Signals

15. Current guidance states that market signals should be taken into account when considering assessed housing need:

> *The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.*
>
> *Planning Policy Guidance (CLG, March 2014), para 019*
>
> *A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections … Plan makers should set this adjustment at a level that is reasonable*
>
> *Planning Policy Guidance (CLG, March 2014), para 020*

16. Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

17. Given the relative market signal indicators, and the trends they identify for the area under consideration, and the views of the Inspectorate and the Greater London SHMA to would seem reasonable to:

18. **Consider an uplift of 20% as reasonable for Brent, Ealing, and Hammersmith and Fulham** as the area experiences housing market pressures which are in line with other most highly pressurised markets in London. This figure is in line with that chosen for Brent by ORS in a separate study. A 20% uplift has been applied to the OAN.

Objectively Assessed Housing Need

19. The SHMA identifies the Full Objective Assessed Need for Housing across the ODPC Authorities to be 98,955 dwellings over the 20-year Plan period 2017-37, equivalent to an average of 4,948 dwellings per year (based upon the GLA 2015 round long-term trend migration projections). This includes the Objectively Assessed Need for Affordable Housing of 44,400 dwellings over the same period, equivalent to an average of 2,210 dwellings per year and the 20% uplift.

Full Objectively Assessed Need for Housing across Brent, Ealing, and Hammersmith and Fulham 2017-37

	GLA 2014 Round Long-term trends (based on 12 years migration trends)	
	Total 2017-37	Annual 2017-37
Brent, Ealing, and Hammersmith and Fulham	98,955	4,948

20. However, it should be noted that the planned supply for OPDC (25,500 homes 2017-37) will make a significant contribution in meeting not just the needs of Brent, Ealing, and Hammersmith and Fulham, but also the wider needs of West London.

21. Based on a modelled gradual decline in the amount of under-occupation in the affordable housing sector, excluding the potential impact of increased right to buy sales from Registered Providers and without any direct consideration of the impact of Starter Homes being considered as affordable housing, as set out in the Housing and Planning Act 2016, the figures show a significant need for family sized housing to be provided as part of any market housing mix. The high need for larger affordable housing units is driven by a need to address overcrowding for those in need of affordable housing.

Full Objectively Assessed Need for Housing; Size and Tenure Mix across Brent, Ealing, and Hammersmith and Fulham for Long-term trend Migration 2017-37 (Note: Figure may not sum due to rounding)

	Brent, Ealing, and Hammersmith and Fulham
MARKET HOUSING	
1 bedroom	7,300
2 bedrooms	12,400
3 bedrooms	29,100
4 bedrooms	6,300
5+ bedrooms	-500
Total Market Housing	**54,600**
AFFORDABLE HOUSING	
1 bedroom	9,500
2 bedrooms	12,400
3 bedrooms	15,500
4 bedrooms	5,200
5+ bedrooms	1,800
Total Affordable Housing	**44,400**
TOTAL	**99,000**

Affordable Housing

22. A large majority of households who require affordable housing can only afford social housing if they receive housing benefit, others could afford social housing without benefit, but would need housing benefit

support to afford housing at London Living Rents or Affordable Rent levels. While London Living Rents are below Affordable Rents, the vast majority of households who require affordable housing will still not be able to afford to meet the costs of London Living Rents, though a lower rent will reduce the housing benefit payments necessary to these households.

Affordability of Social and London Living Rent (Source: ORS Housing Model. Note: figures may not sum due to rounding and figures marked – are less than 100 dwellings)

Dwellings	Affordable housing for rent			Intermediate housing need e.g. LCHO	TOTAL
	Can't afford social rent without support	Able to afford social rent, but unable to support London Living Rent	Able to afford "London Living Rents" but unable to afford "Affordable rents"	Able to afford "Affordable rents"	
Brent, Ealing, and Hammersmith and Fulham					
1 bedroom	8,000	800	100	600	9,500
2 bedrooms	8,200	2,300	800	1,100	12,400
3 bedrooms	9,400	3,600	1,500	1,000	15,500
4 bedrooms	3,300	1,000	600	300	5,200
5+ bedrooms	1,200	300	200	100	1,800
Total	**30,100**	**8,000**	**3,200**	**3,100**	**44,400**

Private Rented Sector

23. One of the most significant housing changes in the past decade, in London and in England, has been the rise in the relative size of the private rented sector and the decline in owner occupation.

24. One particular startling statistic from the 2015 round GLA households projections is that the number of single person households aged 16-24 years in Brent, Ealing and Hammersmith and Fulham is projected to fall from 1,042 households in 2017 to 279 households in 2037, while single persons aged 25-34 years are projected to fall from 7,127 households in 2017 to 2,735 households in 2037.

25. This sharp projected decline in young single persons in the area follows recent trends where the increasing pressures for social housing and rising private rents have seen fewer young households living on their own and more living in HMO type accommodation.

26. Given that the Brent, Ealing and Hammersmith and Fulham area is projected to see a sharp decline in single young person's then the household projections would envisage little role for Private Rented dwellings. However, a policy led response to address the increasing lack of housing for younger people in these areas may be an opportunity for ODPC to consider.

27. At the same time, the PRS is an important tenure that has grown since 1991 to house a significant proportion of other households.

People wishing to self-build

28. Overall, the evidence suggests limited demand for self-build. However, this may under-estimate actual demand. Therefore, ODPC may wish adopt the Self-Build and Custom Housebuilding Act requirement to keep a register of interest in Self-Build.

Older People

29. Based on the growth in population aged 75+ identified across the population projection scenarios, the table below identifies the potential additional requirement for new specialist housing (using the Housing LIN Older People Resource Pack 2012) across the HMAs. As can be seen, there is a significant need for Leasehold Schemes for the Elderly (LSE) schemes.

Additional Modelled Demand for Older Person Housing (Source: Housing LIN Toolkit)

		Brent, Ealing, and Hammersmith and Fulham
Population aged 75+		
2017		45,400
2037		77,800
Change 2017-37		**32,400**
Additional Modelled Demand for Older Person Housing		
Traditional sheltered		1,900
Extra care	Owned	1,000
	Rented	500
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	300
	Rented	300
Dementia		200
Leasehold Schemes for the Elderly (LSE)		3,900
TOTAL		**8,100**
Percentage of Overall OAN		*6.3%*

Households with Specific Needs

30. Building regulations Approved Document M (2015) introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

31. Overall, in terms of the need for adapted or wheelchair adapted dwellings for households with specific needs, the evidence supports:

- the need for **90% of dwellings to meet Category 2 requirements**, providing that this does not compromise viability.
- the need for **10% of market housing and 10% of affordable housing to meet Category 3 requirements**.

Students

32. There are no universities or other colleges of higher education in the ODPC area, although there are some in the wider HMAs.

33. In establishing the OAN for ODPC, students were included in the trend-based analysis; therefore the needs of student households are counted as part of the overall OAN. The household projections assume that the number of any students living in communal establishments (including university halls of residence and student housing provided by private sector providers) remains constant over the Plan period. **On this basis, it will be necessary to consider how the supply of any *additional* student bedspaces will be counted within the overall housing supply.**

Conclusion

34. As a Mayoral Development Corporation ODPC has an exciting opportunity to contribute to an enhanced future London housing supply. Indeed, London, faces continuing international competition to retain its current status, and a significant and present challenge is to meet the housing needs of its future population. ODPC can play an important role and support the City in this aim.

35. There are also major readjustments in the London housing market, particularly for lower income households. London has seen fundamental tenure adjustment from the growth in the Private Rent Sector and there are the continuing challenges of new housing delivery, responding to the needs of those who are homeless and a rapidly changing population profile.

36. Overall, therefore, ODPC should continue its co-ordinated approach towards the varied housing challenges faced to ensure future success.

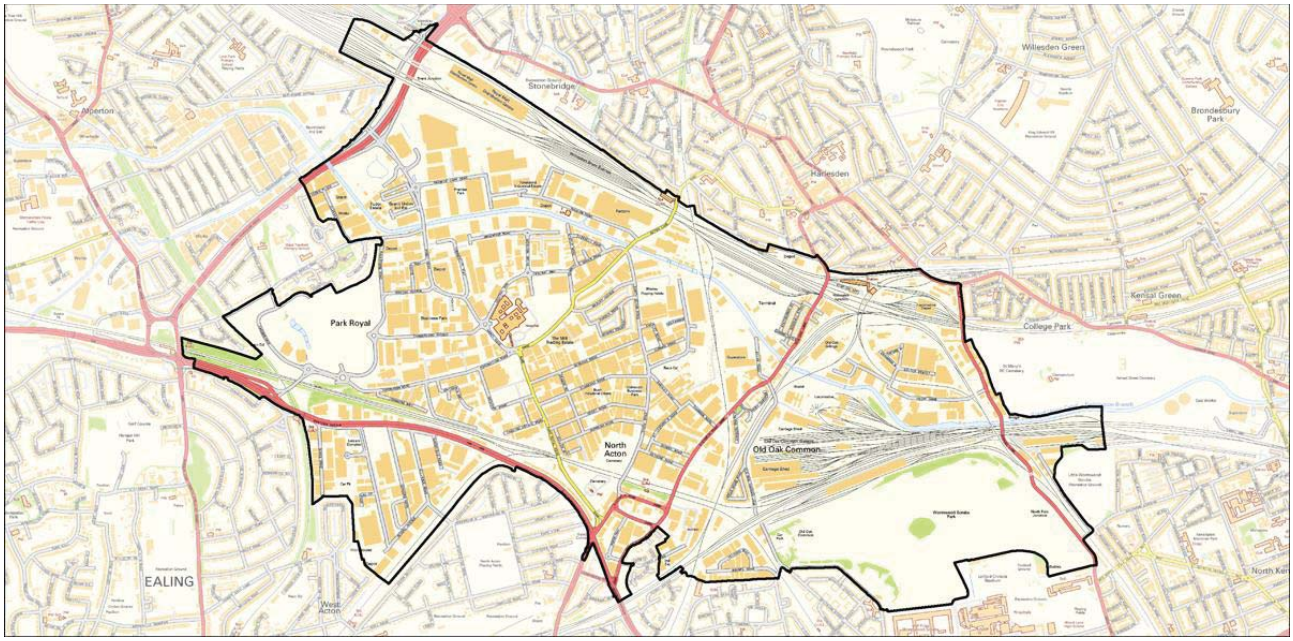
1. Introducing the Study

Background to the project and wider policy context

1.1 Opinion Research Services (ORS) was commissioned by the Old Oak and Park Royal Development Corporation (OPDC) to prepare a Strategic Housing Market Assessment (SHMA) for the area.

1.2 OPDC is a new planning authority in West London which is a Mayoral Development Corporation established in April 2015 and which is now responsible for the planning duties of parts of the London Boroughs of Brent, Ealing and Hammersmith and Fulham. The area covered by OPDC is shown in the map below.

Figure 1: Map of Old Oak and Park Royal Development Corporation



1.3 ODPC is sited where HS2 and Crossrail meet and was launched as a Mayoral Development Corporation in January 2015 to undertake the strategic planning so as to "use this opportunity to create a thriving new area in the city". It was granted planning powers in March 2015 and also takes some of its powers from the GLA Act 2005 and the 2016 Housing and Planning Act. As a local planning authority, ODPC is responsible for preparing and maintaining a Local Plan. It works in partnership with: the Mayor of London; the GLA; Transport for London (TfL); central government; local residents; local organisations, businesses, landowners, developers and regeneration agencies, and; the boroughs of Brent, Ealing and Hammersmith and Fulham. OPDC has the objectives of:

- *"transforming one of London's most inaccessible areas into a well-connected, world-class transport interchange*
- *providing new housing and commercial development, surrounded by sustainable and thriving neighbourhoods and valued amenity space*
- *protecting and improving Wormwood Scrubs".*

1.4 ODPC is predominately comprised of two industrial areas which are experiencing regeneration. The area is seeking to deliver 25,500 new homes and 65,000 new jobs over a 20 year period. From a technical point of view, OPDC represents a challenging SHMA because at the time of the 2011 Census there were approximately 7,000 residents in the area and 2,800 households. **Therefore, it is clear ODPC's 25,500 new homes are not just to meet local housing needs (which amount to around 1,200 homes to 2037), but can be seen as meeting a wider strategic need for West London.**

1.5 For this study, ORS have chosen to assess the wider market and affordable needs for the authorities from which OPDC is comprised, namely the London Boroughs of Brent, Ealing and Hammersmith and Fulham. We have undertaken this as a joint exercise, so we have assessed the three boroughs as a combined area, rather than as three individual areas, to ensure that this study is not seen as seeking to commit any of the three boroughs to a housing needs figures of their own. This study then compares the projected land supply of the three boroughs collectively with their needs to assess their shortfall, which OPDC can be seen to play a role in meeting. The study should be seen as being an SHMA for OPDC which highlights the strategic role the area is projected to play in meeting West London's needs.

1.6 The advantage of this approach is that all of the existing population of OPDC are included in the study area, but it also includes a much larger demographic base for West London. Therefore the assessed market and affordable housing needs for OPDC are based upon its role in meeting the wider/strategic needs of West London. The approach adopted allows for a relatively standard SHMA to be implemented on behalf of OPDC without the need to rely on its existing population base for demographic projections.

1.7 The study adheres to the requirements of the National Planning Policy Framework published in 2012 and Planning Practice Guidance (March 2014). The methodology also had regard to emerging good practice and outcomes from Examinations, as well as the Technical Advice Note about Objectively Assessed Need and Housing Targets Second Edition that was published by the Planning Advisory Service (PAS) in July 2015.

1.8 The purpose of the study is to support the planning authority in objectively assessing and evidencing the need for housing (both market and affordable) across Brent, Ealing, and Hammersmith and Fulham for the 20-year period 2017-37, and provide other evidence to inform local policies, plans and decision making.

Government Policy

1.9 The National Planning Policy Framework (NPPF) contains a presumption in favour of sustainable development, and states that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the housing market area. While Regional Spatial Strategies are now revoked outside of London, the London Plan has not been revoked. However, within the context of the London Plan, a responsibility for establishing the level of future housing provision required rests with the local planning authority.

> *At the heart of the National Planning Policy Framework is a **presumption in favour of sustainable development**, which should be seen as a golden thread running through both plan-making and decision-taking.*
>
> *Local planning authorities should positively seek opportunities to meet the development needs of their area.*

> *Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*
>
> **National Planning Policy Framework (NPPF), paragraph 14**

> *To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework.*
>
> **National Planning Policy Framework (NPPF), paragraph 47**

1.10 Given this context, Strategic Housing Market Assessments (SHMAs) primarily inform the production of the Local Plan (which sets out the spatial policy for a local area). Their key objective is to provide the robust and strategic evidence base required to establish the full Objectively Assessed Need (OAN) for housing in the Housing Market Area (HMA) and provide information on the appropriate mix of housing and range of tenures needed. They do not set a 'housing target' for the planning authority.

> *Local planning authorities should have a clear understanding of housing needs in their area.*
>
> *They should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:*
>
> - *meets household and population projections, taking account of migration and demographic change;*
> - *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
> - *caters for housing demand and the scale of housing supply necessary to meet this demand;*
>
> **National Planning Policy Framework (NPPF), paragraph 159**

1.11 Modelling future housing need requires a consideration of the housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and population over the full planning period can be delivered.

1.12 Planning Practice Guidance (PPG) on the assessment of housing and economic development needs was published in March 2014 and has been updated in March 2015. Previous SHMA Guidance (2007) and related documents were rescinded at that time, so the approach taken in preparation of this report is focused on meeting the requirements of PPG. In addition, it reflects emerging good practice and the PAS OAN technical advice note1.

1 Objectively Assessed Need and Housing Targets Second Edition (PAS, July 2015)

1.13 The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes to provide affordable property for first time buyers. The Act defines a Starter Home as a new dwelling, only available for purchase by qualifying first-time buyers, which is to be sold at a discount of at least 20% of the market value and for less than the price cap (of £450,000 in Greater London), and is subject to restrictions on sale or letting. The Act includes clauses stating that local authorities will have a general duty to promote the supply of Starter Homes through planning. This proposed duty to promote the supply of Starter Homes alongside other statements from Government ministers suggesting that Starter Homes will be considered as 'affordable housing' has led to speculation that the promotion of Starter Homes will restrict the supply of affordable housing for rent for reasons such as a preference among developers to develop Starter Home property for sale rather than affordable housing for rent.

The London Housing Strategy 2014

1.14 The London Housing Strategy references the 2013 London SHMA estimated need of 48,840 homes per year between 2014/15 and 2034/352. The updated SHLAA used for the Strategy "finds firm evidence of capacity for 42,000 new homes a year between 2015 and 2025". The SHLAA uses this evidence of capacity to propose minimum housing delivery targets for the boroughs. Of the 48,840 homes per year assessed need in the SHMA, the strategy sets targets of 48% to be market housing, 20% intermediate and 32% social rent.

1.15 The Mayor of London submitted written evidence at the committee stage for the Housing and Planning Bill (HPB 28)(Now the Housing and Planning Act 2016). The Mayor stated his support for Starter Homes, but warned that they needed to work alongside rather than displace shared ownership properties such as "First Steps", which *"offers part-buy, part-rent homes to working households, including key workers such as teachers and police officers, who would not be prioritised for traditional affordable housing but would struggle to buy on the open market"*. He also stated his support for councils selling high value homes with the proviso that; *"any money raised in London should be reinvested within London to fund new housing where it is most needed. Overall, there needs to be a net increase in new affordable housing in the capital resulting from the sale of high value council homes, with at least a 2-for-1 replacement commitment required to help address the severe shortage of homes in the capital."*

London Specific SHMAs

1.16 The Strategic Planning Authority for London is the Greater London Authority. The GLA have produced a London SHMA (2013) covering the whole of Greater London which has been used to underwrite the evidence base for the Further Alterations to the London Plan (FALP) 2014.

1.17 The Report on the Examination in Public into the Further Alterations to the London Plan was published in November 2014. Issue 2 of the report was:

> ***Given that the FALP sets out the objectively assessed housing need for London should London Boroughs be required to undertake their own assessments?***

1.18 In response to this question the inspector concluded that this was not necessary. From paragraph 18 onwards he concluded that:

> *"The NPPF at paragraph 47 requires local planning authorities to, amongst other things, 'use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs*

[2] http://www.london.gov.uk/sites/default/files/Draft%20London%20Housing%20Strategy%20April%202014_0.pdf

for market and affordable housing in the housing market area'. The guidance in the NPPF regarding plan making is silent with regard to how responsibilities should be divided in a two tier system as exists uniquely in London. The London Plan is part of the development plan for London and, in my view, it must be right that read together with the development plan documents produced by London Boroughs, the development plan should be consistent with national policy.

However, in a two tier system there should be no need for each part of the development plan to include the full range of policies necessary to accord with all parts of the NPPF or PPG, provided that together they do (as far as is necessary) and are consistent with national policy. The PPG advises that there should be no need to reiterate policies that are already set out in the NPPF in Local Plans. It seems to me that the same principle should apply to a spatial development strategy. Further, to avoid unnecessary duplication and potential confusion, there should be no need for a local plan in London to reiterate policies set out in the FALP.

Section 334 of the GLA Act requires the Mayor to prepare a spatial development strategy. That plan must include a statement formulating the Mayor's strategy for spatial development for the use of land in Greater London. Housing need, supply and distribution are undisputedly strategic matters in London. I conclude below that the Mayor's estimate of objectively assessed housing need in London is justified by the evidence submitted to the EiP. Further, although I have reservations, I also consider that the FALP's strategy with regard to supply and distribution can be supported in the short term.

Once adopted, statute will require the local plans produced by London Boroughs to be in general conformity with the FALP. That includes conforming with a strategy which seeks to meet London's needs on brownfield land within the existing built up area. The SHLAA identifies most of the existing capacity and, effectively, through the SHLAA, the FALP has determined the extent to which individual Boroughs can contribute to meeting the strategic need for housing across London. Within the confines of the FALP's strategy there is little scope to do more.

I acknowledge that the NPPF requires each local planning authority to identify its own objectively assessed housing need. However, in my view, it is the role of the spatial development strategy to determine the overall level of need for London and to guide the distribution of new housing to meet that need. The Mayor points to the acceptance by previous EiP Panels that London constitutes a single housing market area with sub markets which span Borough boundaries. The Mayor also points to the findings of the High Court, following a challenge to the Revised Early Minor Alterations to the London Plan, within which in his (undisputed) opinion, the Court accepted that although local variations exist, this did not compromise the view that London constitutes a single housing market area.

Other than some fine tuning regarding local need relating to the size and type of property and tenure, there is no need, in my view, for each London Borough to duplicate the work done by the GLA and produce their own individual assessment of overall need. IRC1 recommends that the FALP is changed to reflect this approach by removing references to London Boroughs needing to identify objectively assessed need with regard to the quantum of new housing in their areas".

1.19 In a position which lead to some initial confusion, the wording of this letter has been accepted by the Mayor of London, however no polices in the FALP were changed as a result of it. The GLA's position was clarified in May 2015 in their Draft Interim Housing Supplementary Planning Guidance. At paragraph 3.19 the documents lists how the London planning authorities should proceed in assessing their housing needs.

- Consider housing market area geographies that extend beyond single borough boundaries
- Consider different demographic scenarios, ideally using GLA household projections for consistency
- Make allowance for backlog need and other factors that increase the number of homes required.
- Take account of market signals
- Consider how the economy and jobs growth will influence housing need.
- Take into account wider needs.
- Specific needs.

1.20 This SHMA meets the CLG national guidance (NPPF) and the GLA's Draft Interim Housing Supplementary Planning Guidance, paragraph 3.19.

Developing the Strategic Housing Market Assessment

1.21 The objective of the SHMA study was to give ODPC an objectively assessed and evidence based assessment of development needs for housing (both market and affordable) and to ensure that this was compliant with the requirements of the National Planning Policy Framework and Guidance. As noted earlier this has been undertaken at the level of the three boroughs which cover the OPDC area to ensure a sufficiently large demographic base and that the strategic role of OPDC was properly considered.

1.22 The methodology used was based on the analysis and modelling of secondary data. Overall, the methodology sought to:

- Consider the housing market area
- Establish the need for housing (both market and affordable)
- Take market signals into account.

Overview of the SHMA

1.23 The first key objective of this SHMA was to identify and define the functional housing market area(s) (HMA) which included OPDC.

1.24 The second key objective of this SHMA was to establish the collective OAN for housing (both market and affordable) in the London Borough of Brent, Ealing, and Hammersmith and Fulham ensuring that this was fully compliant with the requirements of the NPPF and PPG and mindful of good practice. The OAN for housing will help inform the planning policies for the period 2017-37. We would note that the household projections for the areas are based at 2013 and therefore it is also necessary to consider the supply of dwellings from 2013-17 to ensure any under-delivery in this period is also considered.

1.25 The SHMA methodology was based on secondary data, and the SHMA sought to:

- Provide evidence of the need and demand for housing based on demographic projections;
- Consider market signals about the balance between demand for and supply of dwellings;
- Establish the Objectively Assessed Need for housing over the period 2017-37;
- Identify the appropriate balance between market and affordable housing; and
- Address the needs for all types of housing, including the private rented sector, people wishing to build their own home, family housing, housing for older people and households with specific needs.

1.26 This report considers the key outputs from the SHMA – namely establishing the Housing Market Area and establishing the Full Objectively Assessed Need for housing in Brent, Ealing, and Hammersmith and Fulham (including the overall balance between market and affordable housing) over the 20-year period 2017-37. It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies. The SHMA does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a sound policy framework.

1.27 In addition, the implications of the Housing and Planning Act (2016) are still not fully understood but key points are noted where they are relevant to the report.

2. Defining the Housing Market Area

An evidence base to identify functional housing markets

Functional Housing Market Areas

2.1 The definition of a functional housing market area is well-established as being "...the geographical area in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay" (Maclennan et al, 1998)3.

Planning Practice Guidance

2.2 Planning Practice Guidance (PPG)[4] on the Assessment of Housing and Economic Development Needs (March 2014) reflects this existing concept, confirming that the underlying principles for defining housing markets are concerned with the functional areas in which people both live and work:

> ***What is a housing market area?***
>
> *A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case the housing market areas overlap.*
>
> *The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.*
>
> **Planning Practice Guidance 2014, paragraph 10**

2.3 Therefore, PPG requires an understanding of the housing market area and says this can be defined using three different sources of information:

- House prices and rates of change in house prices
- Household migration and search patterns
- Contextual data (e.g. travel to work area boundaries, retail and school catchment areas)

2.4 These sources are consistent with those identified in the CLG advice note *'Identifying sub-regional housing market areas'* published in 2007[5].

[3] Local Housing Systems Analysis: Best Practice Guide. Edinburgh: Scottish Homes
[4] http://planningguidance.planningportal.gov.uk/blog/guidance/housing-and-economic-development-needs-assessments/
[5] Identifying sub−regional housing market areas (CLG, March 2007); paragraph 1.6

Geography of Housing Market Areas (NHPAU/CURDS)

2.5 CLG also published a report on the 'Geography of Housing Market Areas' in 2010[6] which was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University. This study explored a range of potential methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated. The report also proposed three overlapping tiers of geography for housing markets:

- Tier 1: framework housing market areas defined by long distance commuting flows and the long-term spatial framework with which housing markets operate;
- Tier 2: local housing market areas defined by migration patterns that determine the limits of short-term spatial house price arbitrage;
- Tier 3: sub-markets defined in terms of neighbourhoods or house type price premiums.

2.6 The report recognised that migration patterns and commuting flows were the most relevant information sources for identifying the upper tier housing market areas, with house prices only becoming relevant at a more local level and when establishing housing sub-markets. The report also outlined that no one single approach (nor one single data source) will provide a definitive solution to identifying local housing markets; but by using a range of available data, judgements on appropriate geography can be made.

2.7 Advice recently published in the PAS OAN technical advice note also suggests that the main indicators will be migration and commuting (paragraph 5.4).

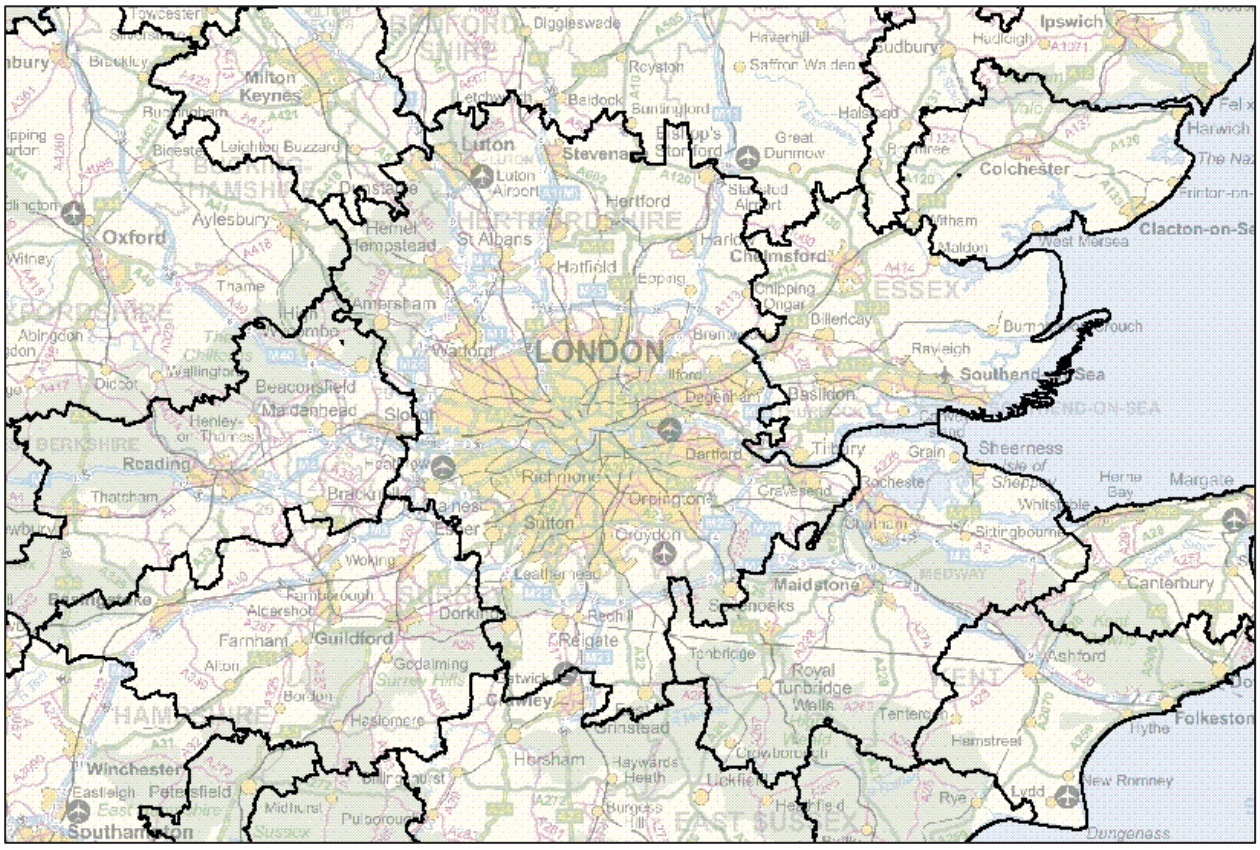
> *"The PPG provides a long list of possible indicators, comprising house prices, migration and search patterns and contextual data including travel-to-work areas, retail and school catchments. In practice, the main indicators used are migration and commuting. With regard to migration, the PPG explains that areas that form an HMA will be reasonably self-contained, so that…*
>
> *A relatively high proportion of household moves (typically 70%) are contained [within the area]. This excludes long-distance moves (e.g. those due to a change of lifestyle or retirement, reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs and schools)."*

2.8 The PAS OAN technical advice note also suggests that analysis reported in the CLG report "Geography of Housing Market Areas" (CLG, November 2010) should provide a starting point for drawing HMAs (Figure 2). It is apparent that this study identifies a single housing market across London and beyond. Consequently, this is not useful in defining functional HMAs for the boroughs.

2.9 Nevertheless, it is important to note that whilst the 'starting point' CLG study (2010) was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University, the analysis of migration and commuting was based on data from the 2001 Census.

[6] Geography of Housing Market Areas (CLG, November 2010); paragraph 1.6

Figure 2: NHPAU Study - PAS OAN technical advice note 'Starting Point



Travel to Work Areas

2.10 Housing market areas reflect "*the key functional linkages between places where people* live *and work*" and therefore it is important to consider travel to work patterns within the identified area alongside the migration patterns:

> *Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).*
>
> **Planning Practice Guidance 2014, paragraph 11**

2.11 One of the PPG suggested data sources is the Office for National Statistics travel to work areas (TTWAs). Figure 3 shows the latest ONS TTWAs. These were published in 2015 and they are based on the origin-destination data from the 2011 Census.

2.12 London is represented by a single TTWA. Consequently, TTWAs are not useful in defining functional HMAs for London boroughs.

Figure 3: ONS Travel To Work Areas (Source: ONS 2015)



Housing Markets in London

2.13 As noted above, Housing Market Areas reflect "*the key functional linkages between* places *where people live and work*" and therefore it is important to consider travel to work patterns within the identified area alongside the migration patterns.

2.14 The identification of housing markets in London is not a new area of study. As previously noted, the ONS identified London as a single Travel to Work Area and the CURDS analysis identified a single housing market area for London that extended beyond the city's administrative boundary.

2.15 The Greater London Authority has published Strategic Housing Market Assessments in 2008 and 2014 which both treat London as a single housing market area. The 2014 Greater London SHMA notes at Table 5;

> *"While the London housing market is accepted to cross the regional boundary, practical considerations including data availability and the precise identification of the market area (see chapter 2)* ***favour limiting the study to the Greater London area,*** *in line with previous such studies and with common practice both within London and in neighbouring areas".*

2.16 The identification of a single London wide housing market has been further supported by a recent High Court judgement. Nine London Boroughs sought to challenge the Mayor of London's policy in relation to Affordable Rent in March 2014. The claimants case was summarised in paragraph 9 of the judgement in that:

> *"The Claimants submit that the Defendant has failed to have proper regard to the requirements of the NPPF. Indeed, he has mis-interpreted the NPPF when he claims that rent caps would undermine the deliverability of affordable housing, contrary to the objective of the NPPF.* ***He was also mistaken in treating London as a single housing market.*** *Each Borough had to assess its own needs, and develop its own targets and policies to meet them."*

2.17 In relation to the issue of a single housing market in London the judgement concluded at paragraphs 39-41 that:

> *"Turning to the next issue, I accept the Defendant's submission that he was entitled to conclude, in the exercise of his planning judgment that* ***London represented a single housing market.***
>
> *The term "housing market area" appears in the NPPF, but is not defined. That a "housing market area" within the meaning of the NPPF does not necessarily equate to LPA administrative boundaries is plain from paragraph 159:*
>
> > *"159. Local planning authorities should have a clear understanding of housing needs in their area. They should: prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. [...]"*
>
> *The view that London should be regarded as a single housing market is not new. As the reasons supporting MD1268 noted at paragraph 7.22:*
>
> > *"[...] since at least the establishment of the GLA, London has always been regarded as a single market for strategic planning purposes. Both the London Plan and the Mayor's Housing Strategy are based on this accepted approach."*
>
> » However, paragraph 43 of the judgement states
>
> *The Draft Replacement London Plan, Report of Panel, March 2011 stated at 3.28:*
>
> > *"As it was not disputed that London is a single Strategic Housing Market Area with complex sub-markets that spread across Borough boundaries and has constrained land supply the use of which has to be optimised, we agree with the Mayor that it is not only appropriate but necessary to include Borough provision targets."*

2.18 The view that London contains many housing market areas within it is further supported by the 2014 Greater London SHMA which notes at paragraph 1.13:

> *"It is important to note that this SHMA, like the 2004 HRS and the 2008 SHMA before it, looks at housing requirements at the regional London level only, and does not provide any estimates of requirements at the local level. London boroughs remain responsible for assessing their own requirements, within the policy context set by the NPPF and the London Plan. Given the fact that housing market areas in London frequently extend across local borough boundaries, many boroughs have chosen to work in partnership to assess housing requirements on a sub-regional basis."*

2.19 Given this context, we can conclude that OPDC forms part of the Greater London Housing Market Area (GLHMA); the GLHMA (a "Tier 1" HMA that is defined by commuting and migration patterns) needs to ensure a balance of jobs and workers. The Greater London Authority has prepared an SHMA for the GLHMA to inform the London Plan, and it is this study that must consider the need to balance jobs and housing at the London-wide level.

2.20 In the light of the above, there is a need to consider how housing market area geography might be considered at a level below London, in order to develop a pragmatic solution for practical planning purposes and the local assessment of housing need. In this way, it allows for practical planning by small groups of boroughs, working together, within the framework of an overarching GLHMA.

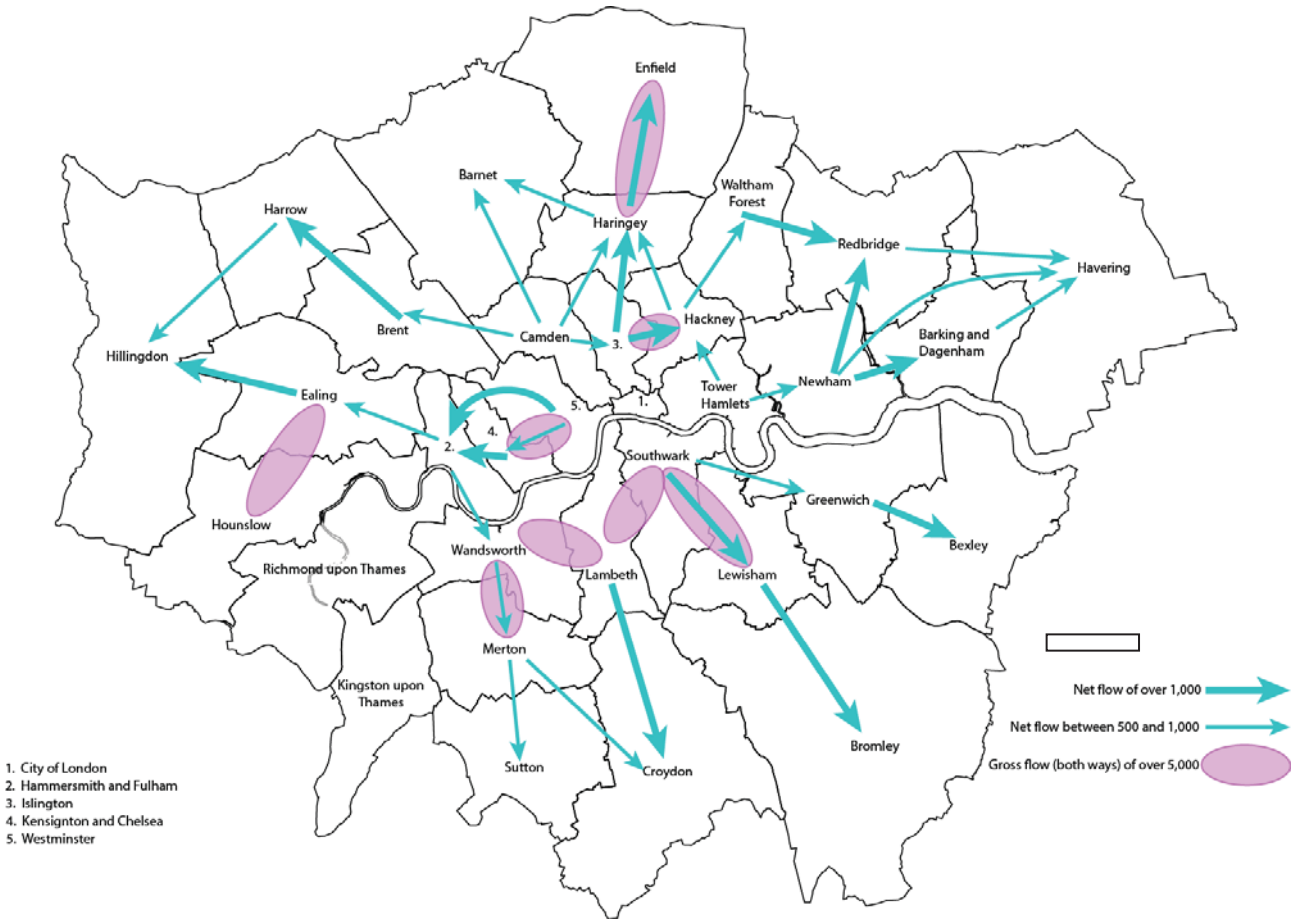
2.21 This SHMA, therefore, is based on a lower-tier HMA that will help the LPA plan housing at a more local level. In determining the number of homes needed at the planning authority level, the SHMA will need to be consistent with the London Plan and the projected population/households will need to be consistent with GLA figures. By doing so, this lower-tier HMA will, therefore, contribute to balancing jobs and workers across the Greater London HMA, consistent with the London Plan.

Migration Patterns

2.22 One of the ways to define a Housing Market Area is to consider an area "*where most of those changing house without changing employment choose to stay*". Unfortunately, no data is available that relates migration with changes in employment circumstances, but given that most working people will live relatively close to their job, it is reasonable to assume that those migrants moving longer distances will tend to also change their place of work.

2.23 Figure 4 shows migration flows within London. This shows a complex pattern of moves from Central London to outer London boroughs, with a clear movement northwards and westwards.

Figure 4: Migration between London Boroughs (Source: Census 2011)



2.24 Planning Practice Guidance on the Assessment of housing and economic development needs (Paragraph 11) states:

> *"Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. Analysis of migration flow patterns can help to identify these relationships and the extent to which people move house within an area. The findings can identify the areas within which a relatively high proportion of household moves (typically 70 per cent) are contained. This excludes long distance moves (e.g. those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools'".*

2.25 It is evident from the above analysis that OPDC cannot be considered to be housing market area on its own because its existing population is so small; migrants come and go from other areas, particularly neighbouring boroughs. The inter-borough migration between boroughs such as Camden, Kensington and Chelsea, Hammersmith and Fulham and Brent suggests that some combination with component and neighbouring boroughs will meet the definition of a housing market area; although this is inconclusive as such moves often reflect the London-wide aspects of the housing market rather than a local housing market area.

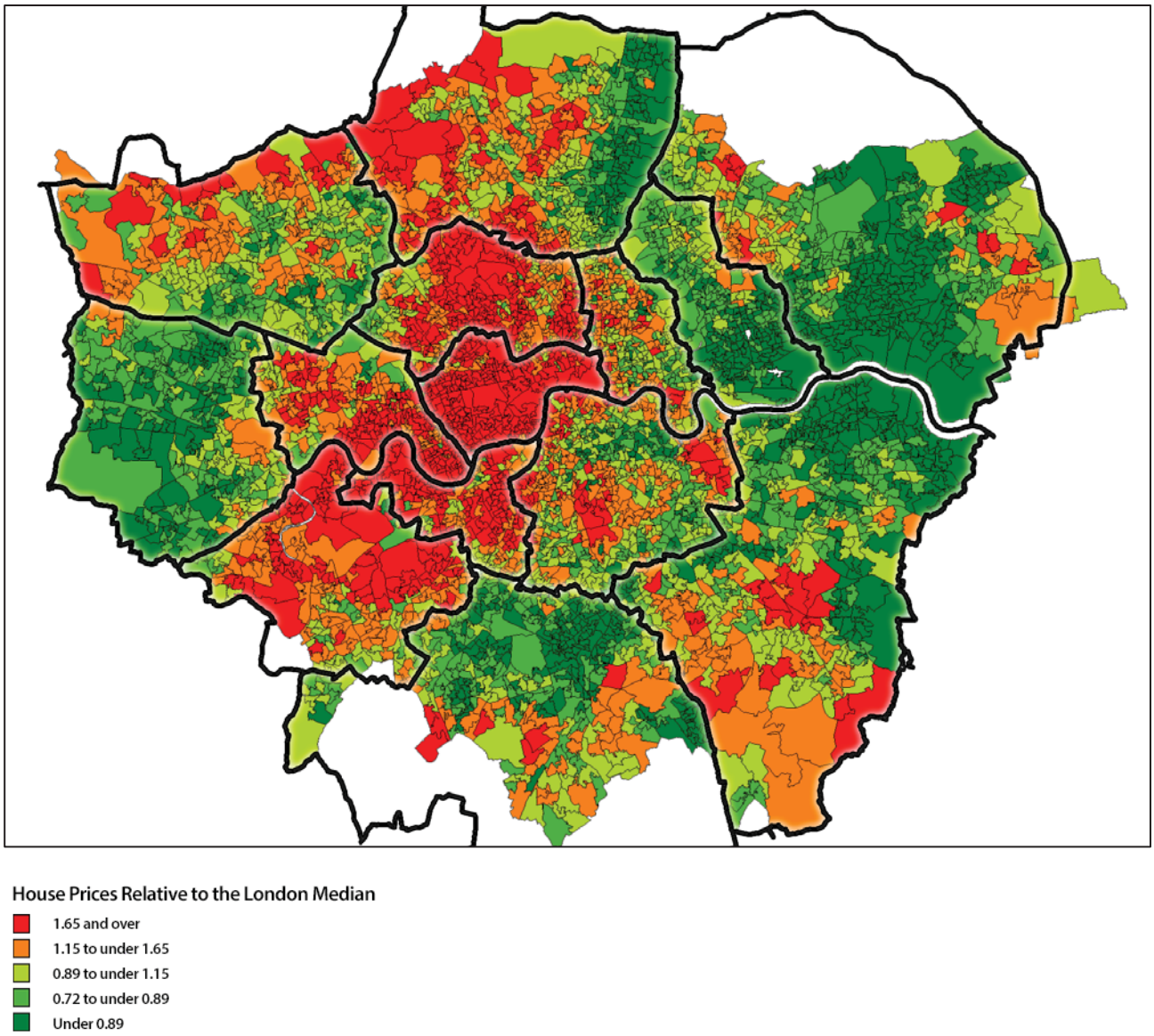
House Prices and Valuation Office Agency Broad Rental Market Areas

2.26 The Broad Rental Market Area (BRMA) is the geographical area used by the Valuation Office Agency (VOA) to determine the Local Housing Allowance (LHA), the allowance paid to Housing Benefit applicants in the

private rented sector. The BRMA area takes into account local house prices and rents, and is based on where a person could reasonably be expected to live taking into account access to facilities and services for the purposes of health, education, recreation, personal banking and shopping. When determining BRMAs the Rent Officer takes account of the distance of travel, by public and private transport, to and from these facilities and services. The boundaries of a BRMA do not have to match the boundaries of a local authority and BRMAs will often fall across more than one local authority area.

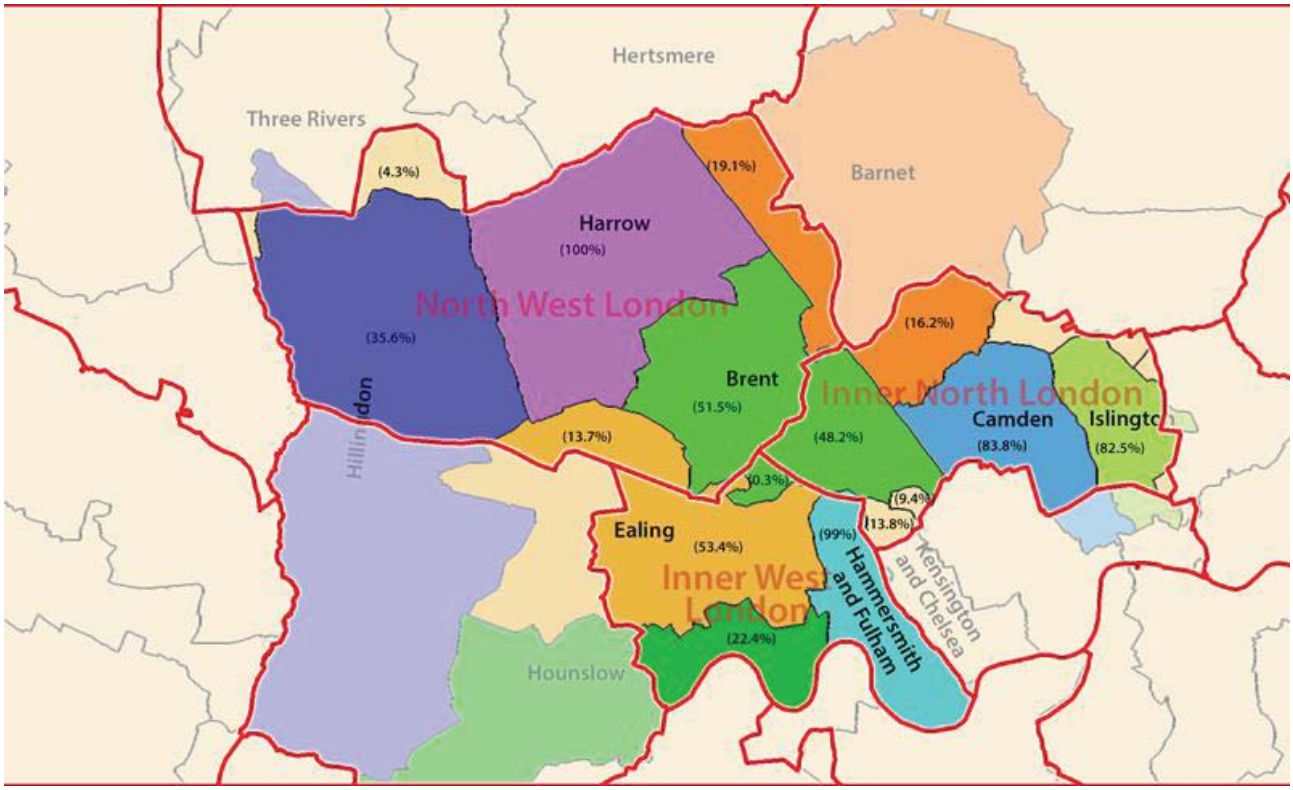
2.27 Figure 5 shows a relatively high degree of alignment between the BRMAs and house prices for London. Clearly there are areas of higher and lower prices around which it would be possible to form a series of housing market areas in London based on this measure, and the BRMA geography provides a useful framework for considering lower-tier housing market areas in London.

Figure 5: House Prices in London by Broad Rental Market Area (Source: Land Registry 2014)



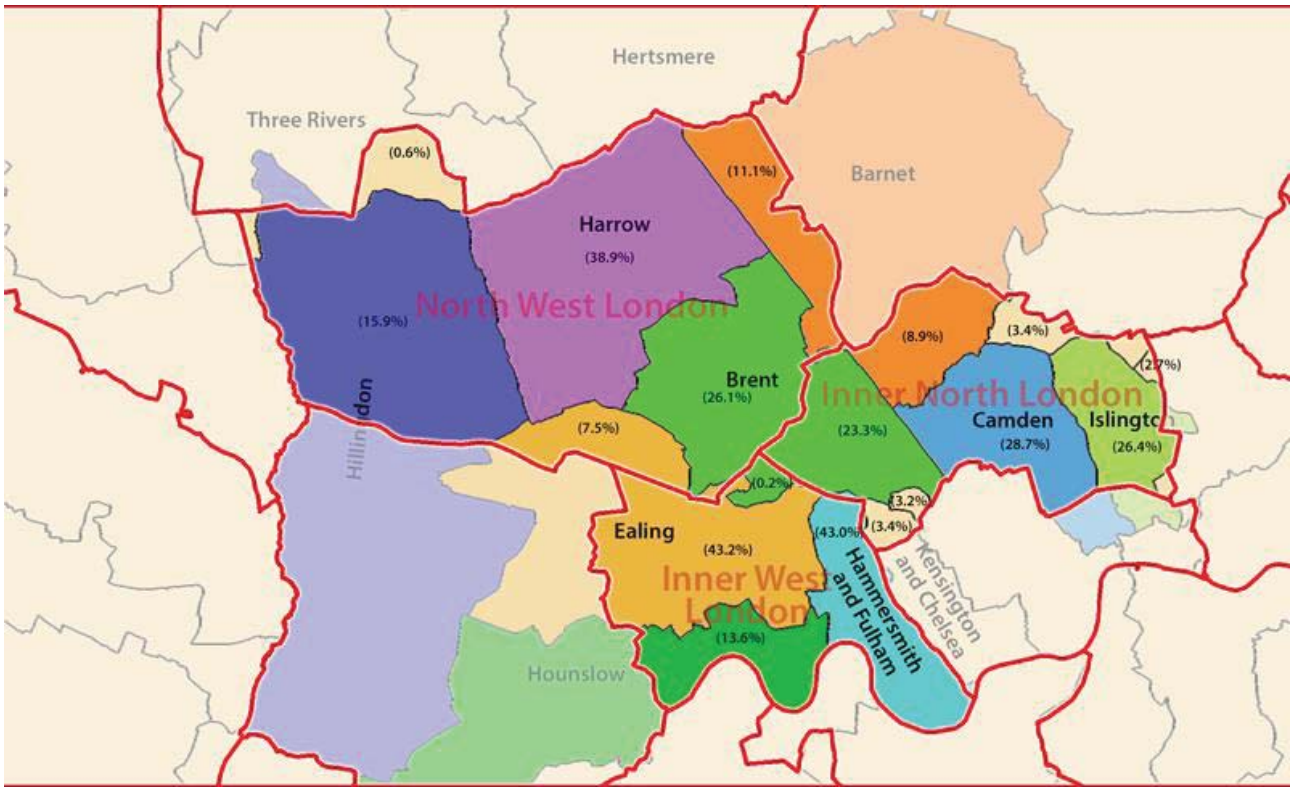
2.28 Figure 6 shows the London Boroughs of Ealing and Hammersmith and Fulham predominantly fall in to the Inner West London BRMA. While only the remaining 0.3% of Brent's population falls within the Inner West London BRMA, this is an important area for industrial and residential development as it is part of the OPDC area. Therefore, OPDC falls almost entirely in to the Inner West London BRMA.

Figure 6: North West London and Inner North London Broad Rental Market Areas



2.29 Figure 7 shows that Hammersmith and Fulham and Ealing comprise over 86% of the Inner West London BRMA. Again, while Brent only contributes 0.2% of the population to the Inner West London BRMA, this is part of the OPDC and therefore we consider it appropriate to analyse data for Brent as well as Hammersmith and Fulham and Ealing.

Figure 7: North West London and Inner North London Broad Rental Market Areas



2.30 For planning purposes and the operation of the NPPF it is sensible for housing market areas to be relatively small to allow local authorities to work together as cohesive units. Therefore, ORS considers that the national Government-defined BRMAs based on house prices and rents form a sensible basis for deriving housing market areas in London where migration and travel to work patterns do not identify any distinct sub-markets.

2.31 We would stress that there are many ways of analysing housing sub-markets. The SHMA conclusion does not prevent other options being explored. However, for OPDC this SHMA notes that it is predominantly part of the Inner West London BRMA which also includes the relevant part of Brent. On this basis we consider that it is appropriate to consider that parts of Brent, Ealing and Hammersmith and Fulham all comprise parts of OPDC and therefore we have concluded that the most effective method to project the future demographics of OPDC is to analyse these three boroughs in a combined manner.

Administrative Boundaries and Housing Market Areas

2.32 The NPPF recognises that housing market areas may cross administrative boundaries, and PPG emphasises that housing market areas reflect functional linkages between places where people live and work. The previous 2007 CLG advice note[7] also established that functional housing market areas should not be constrained by administrative boundaries, nevertheless it suggested the need for a "best fit" approximation to local authority areas for developing evidence and policy (paragraph 9):

> *"The extent of sub-regional functional housing market areas identified will vary and many will in practice cut across local authority administrative boundaries. For these reasons, regions and local authorities will want to consider, for the purposes of developing evidence bases and policy, using a pragmatic approach that groups local authority administrative areas together as an approximation for functional sub-regional housing market areas."*

2.33 This "best fit" approximation has also been commended by the PAS OAN technical advice note, which suggests (paragraph 5.21):

> *"It is best if HMAs, as defined for the purpose of needs assessments, do not straddle local authority boundaries. For areas smaller than local authorities data availability is poor and analysis is becomes impossibly complex. There may also be 'cliff edge' effects at the HMA boundary, for example development allowed on one side of a road but not the other."*

2.34 This means there is a need for balance in methodological approach:

2.35 On the one hand, it is important that the process of **analysis and identification of the functional housing market areas should not be constrained by local authority boundaries**. This allows the full extent of each functional housing market to be properly understood and ensures that all of the constituent local planning authorities can work together under the duty to cooperate, as set out in Guidance (PPG, paragraph 10).

2.36 On the other hand, and as suggested by the recent PAS OAN technical advice note (and the previous CLG advice note), it is also necessary to identify a "best fit" for each functional housing market area that is based on local planning authority boundaries. This "best fit" area provides an appropriate basis for analysing evidence and drafting policy, and would normally represent the group of authorities that would take responsibility for undertaking a Strategic Housing Market Assessment (SHMA).

[7] Identifying sub-regional housing market areas (CLG, March 2007)

2.37 In summary, therefore, the approach to defining housing market areas needs to balance robust analysis with pragmatic administrative requirements. Therefore, whilst we have established the most up-to-date functional housing markets for OPDC, it is now necessary to consider the most appropriate working arrangements for establishing the evidence base that the NPPF requires.

Conclusions

2.38 On the basis of the evidence, we would conclude that:

- Greater London can be considered as a single large housing market area which contains many smaller overlapping housing market areas within it.
- Migration and travel to work flows do not identify any distinct housing market areas in London.
- House price represents a means of identifying separate housing market areas in London. The VOA has worked with house price and rent nationally to identify BRMAs which determined LHA levels.
- BRMAs represent the most practical and pragmatic approach to identifying housing market areas in London. The 13 BRMAs in London will allow small groups of London boroughs to plan together.
- ODPC falls in the Inner West London BRMA, which contains the majority of Ealing and Hammersmith and Fulham and parts of Hounslow and Brent.
- While only 0.3% of Brent's population falls in the Inner West London BRMA, this area covers the OPDC.
- On this basis we have concluded that the most appropriate route to explore the needs of OPDC is by analysing the combined area of Brent. Ealing and Hammersmith and Fulham who are the three authorities OPDC is derived from.
- The HMA analysis should not be seen as prescriptive on other authorities who may wish to identify their housing market areas by other means.

3. Demographic Projections

The starting point for Objectively Assessed Need

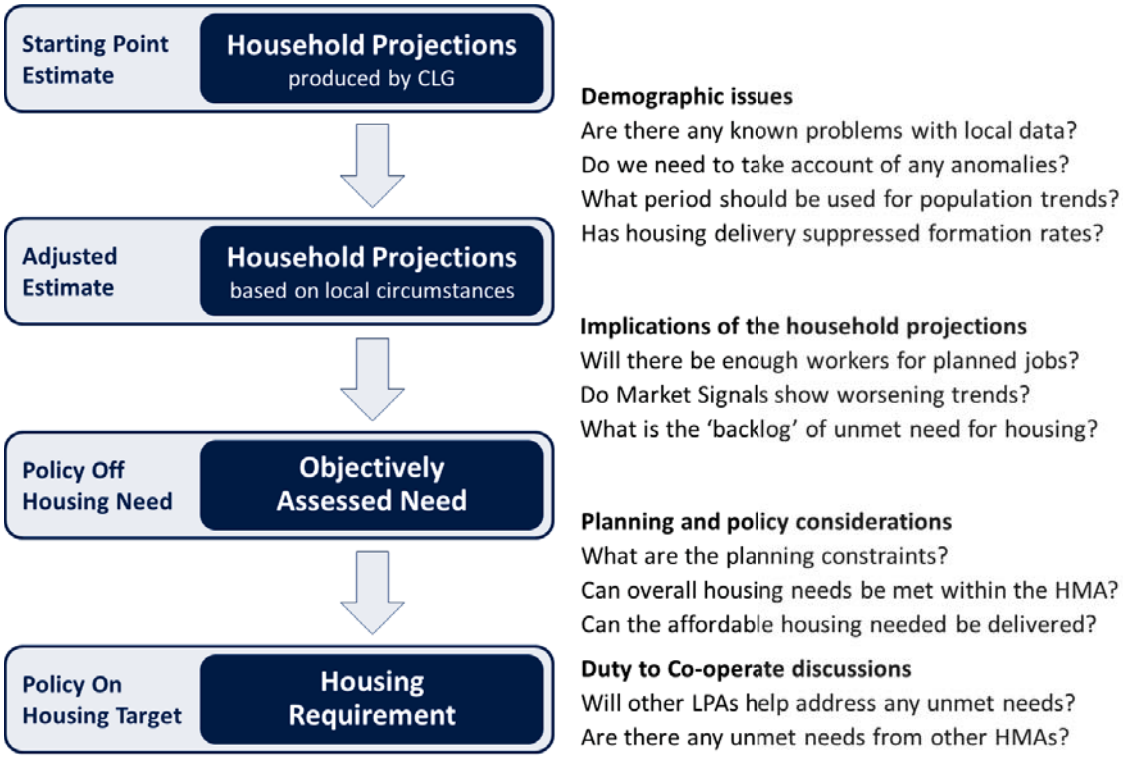
Process for Establishing Objectively Assessed Need

3.1 The Objective Assessment of Need identifies the quantity of housing needed (both market and affordable) over future plan periods. This evidence assists with the production of the Local Plan (which sets out the spatial policy for a local area).

3.2 Figure 8 sets out the process for establishing the housing number for Brent, Ealing, and Hammersmith and Fulham. It starts with a demographic process to derive housing need from a consideration of population and household projections. This chapter therefore considers the most appropriate demographic projection on which to base future housing need.

3.3 To establish the Objectively Assessed Need (OAN), external market and macro-economic constraints are applied to the demographic projections ('Market Signals') in order to ensure that an appropriate balance is achieved between the demand for and supply of dwellings. Nevertheless, it is important to recognise that the OAN does not take account of any possible constraints to future housing supply. Such factors should subsequently be considered by the local planning authorities as part of the plan-making process in order to establish the appropriate Housing Requirement and planned housing number.

Figure 8: Process for establishing the housing number for the HMA (Source: ORS based on NPPF and PPG)



Official Household Projections

3.4 Planning Practice Guidance places emphasis on the role of **CLG Household Projections** as the appropriate starting point in determining objectively assessed need. PPG was updated in February 2015 following the publication of the 2012-based Household Projections, but has yet to be updated to reflect the publication of the 2014-based Household Projections.

> *Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.*
>
> *The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics.*
>
> **Planning Practice Guidance (March 2014), ID 2a-015**

> *The 2012-2037 Household Projections were published on 27 February 2015, and are the most up-to-date estimate of future household growth.*
>
> **Planning Practice Guidance (March 2015), ID 2a-016**

3.5 Given this context, Figure 9 sets out the 2014-based and 2012-based **household** projections, together with previous household projections that CLG has produced for Brent, Ealing, and Hammersmith and Fulham. The projections have varied over time, with the most recent set of projections showing the highest projected rates of growth. Each set of household projections will be influenced by a wide range of underlying data and trend-based assumptions, and it is important to consider the range of projected growth and not simply defer to the most recent data.

Figure 9: CLG Household Projections for Brent, Ealing, and Hammersmith and Fulham (Source: CLG Household Projections)

CLG Household Projections	10-year period			25-year period		
	Period	Total Change	Annual Average	Period	Total Change	Annual Average
2014-based	2014-24	47,000	4,700	2014-39	104,700	4,190
2012-based	2012-22	41,300	4,130	2012-37	99,200	3,970
Interim 2011-based	2011-21	31,700	3,170	-	-	-
2008-based	2008-18	13,300	1,330	2008-33	44,100	1,760

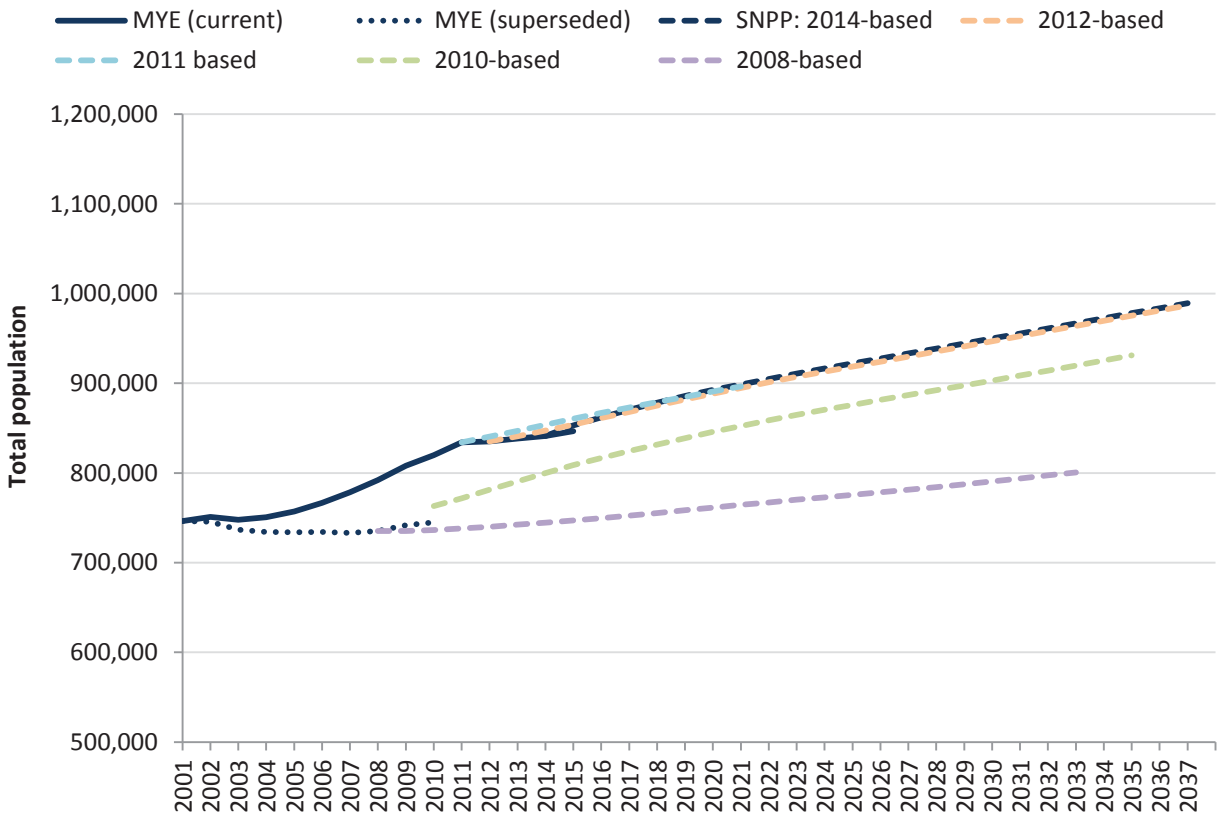
3.6 The CLG 2014-based household projections show an increase of 4,190 households each year over the 25-year period 2014-39, and a marginally higher rate (4,700 p.a.) in the initial 10-year period. These figures project forward over the normal 25-year period and supersede the 2012-based household projections (which projected a household growth of 3,970 per year from 2012-37). The differences are largely due to changes in the ONS population projections on which the CLG household projections are based; although there have also been changes to household representative rates (considered later in this chapter).

Official Population Projections

3.7 Figure 10 show the outputs from the latest (2014-based) ONS Sub National Population Projections together with the previous projections that have informed the various CLG household projections (though note that

CLG did not produce household projections based on the 2010-based SNPP). It is evident that the 2014-based projections follow a similar trajectory to the 2012-based projections.

Figure 10: ONS Mid-Year Estimates and Sub-National Population Projections for Brent, Ealing, and Hammersmith and Fulham (Source: ONS. Note: There were methodological changes to the migration assumptions between the 2008-based and subsequent SNPP. Household projections were not produced for the 2010-based SNPP)



3.8 Differences in the projected increase in population between the different projections are largely associated with the assumed migration rates, which are based on recent trends using 5-year averages – so short-term changes in migration patterns can significantly affect the projected population growth. There were also methodological changes to the migration assumptions between the 2008-based and 2010-based figures. However, it is clear that the 2008-based household projections were based on a much slower population growth than is currently projected.

Population and Household Projections based on Local Circumstances

3.9 Whilst PPG identifies CLG household projections as the starting point for establishing housing need, it also recognises the need to consider sensitivity testing this data and take account of local evidence.

> *Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates … Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence.*
>
> **Planning Practice Guidance 2014, paragraph 17**

3.10 Given that the demographic projections are trend-based, one of the most critical factors is the period over which those trends are based. The PAS OAN technical advice note considers this issue in relation to the ONS population projections (paragraphs 6.22-6.23):

> *To predict migration between local authorities within the UK that model uses a base period of five years (for international migration the period is six years and the figures are controlled to national totals). This can throw doubt on the projections, because for many areas migration varies widely over time. Over a number of years one would expect such fluctuations to cancel out, so that long-term trends become apparent. But a five-year base period does not seem enough for this, bearing in mind that the ONS projections look ahead 25 years and Local Plans 15 years or longer. This is a main reason why for many areas successive rounds of population projections show very different results.*
>
> *The base period used in the latest official projections, 2007-12, is especially problematic. The period covers all of the last recession, in which migration was severely suppressed as many households were unable to move due to falling incomes and tight credit. Therefore the official projections may underestimate future migration - so that they show too little population growth for the more prosperous parts of the country, which have been recipients of net migration in the past. If so, by the same token the projections will also overestimate population growth for areas with a history of net out-migration.*

3.11 This issue was also considered by an article by Ludi Simpson (Professor of Population Studies at the University of Manchester) and Neil MacDonald (previously Chief Executive of the National Housing and Planning Advice Unit) published in Town and Country Planning (April 2015)[8].

> *"The argument for using a five-year period rather than a longer one is that the shorter the period, the more quickly changes in trends are picked up. The counter-argument is that a shorter period is more susceptible to cyclical trends, an argument that has particular force when the five-year period in question – 2007-12 – neatly brackets the deepest and longest economic downturn for more than a generation. … A large number of local authority areas are affected by this issue. For 60% of authorities the net flow of migrants within the UK in 2007-12 was different by more than 50% from the period 2002-07. While this is comparing a boom period with a recession, it serves to indicate the impact of the choice of reference period for trend projections."*

3.12 On balance, we consider that:

- 5-year trend migration scenarios are less reliable: they have the potential to roll-forward short-term trends that are unduly high or low and therefore are unlikely to provide a robust basis for long-term planning.
- 10-12 year trend migration scenarios are more likely to capture both highs and lows and are not as dependent on trends that may be unlikely to be repeated. **Therefore, we favour using 10-12 year migration trends as the basis for our analysis.**

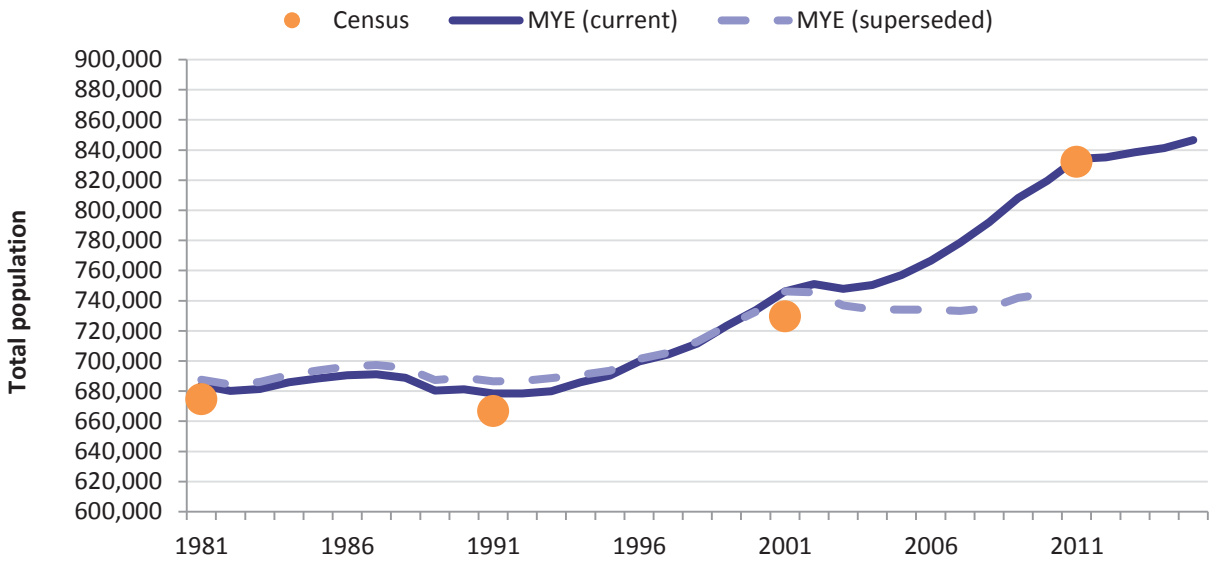
Population Trends

3.13 Figure 11 shows the current and historic mid-year population estimates and Census estimates for Brent, Ealing, and Hammersmith and Fulham since 1981. The data shows that the population was relatively stable

[8] "Making sense of the new English household projections", Town and Country Planning (April 2015)

throughout the 1980s and 1990s. However, since 2001 the combined authorities have seen a sharp growth in their population with the growth not being identified until the release of the 2011 Census.

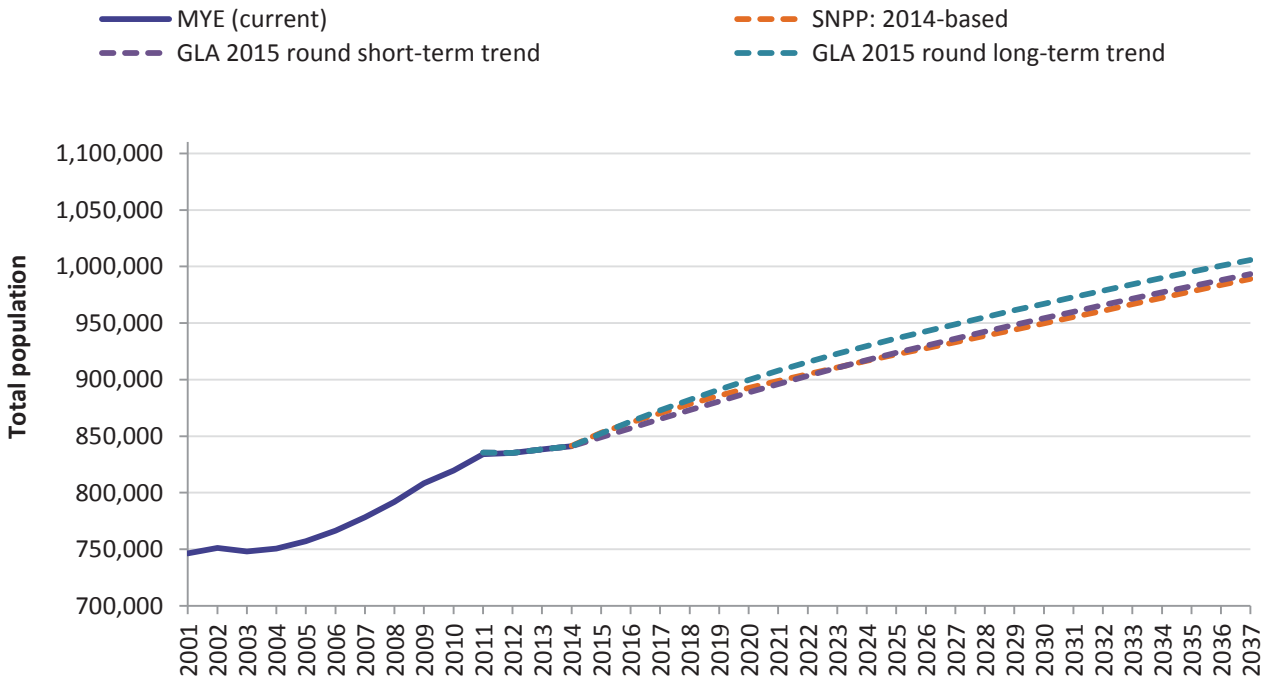
Figure 11: Brent, Ealing, and Hammersmith and Fulham official population estimates for the period 1981-2015 (Source: UK Census of Population 1981, 1991, 2001 and 2011; ONS Mid-Year Estimates, including data since superseded)



Population Projections

3.14 Having considered past population growth and its components, both the ONS and the GLA have produced population projections for London boroughs. Figure 12 shows all of the official estimates and projections for population in one chart for Brent, Ealing, and Hammersmith and Fulham. The GLA 2015 round long-term trends show a higher rate of growth than the short-term trends with an assumption of slightly higher in-migration to London and lower out-migration from London.

Figure 12: Official population estimates and projections for Brent, Ealing, and Hammersmith and Fulham for the period 2001-2037 (Source: ONS and GLA)



Establishing the Future Need and Demand for Housing

3.15 Modelling future need and demand for housing requires a consideration of the future housing market from a high-level, strategic perspective; in this way an understanding of how key drivers and long-term trends impact on the structure of households and population over the full planning period can be delivered. Further, it needs to be produced in a way that is consistent, strategic and robust.

3.16 The National Planning Policy Framework contains a presumption in favour of sustainable development, and states that Local Plans should meet objectively assessed needs for market and affordable housing based on household and population projections that take account of migration and demographic change:

> *At the heart of the National Planning Policy Framework is a **presumption in favour of sustainable development**, which should be seen as a golden thread running through both plan-making and decision-taking.*
>
> *Local planning authorities should positively seek opportunities to meet the development needs of their area.*
>
> *Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*
>
> **National Planning Policy Framework (NPPF), paragraph 14**

To boost significantly the supply of housing, local planning authorities should use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.

National Planning Policy Framework (NPPF), paragraph 47

Local planning authorities … should prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.

The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change.

National Planning Policy Framework (NPPF), paragraph 159

Official Household Projections

3.17 Planning Practice Guidance published in March 2014 places emphasis on the role of CLG Household Projections as the appropriate starting point in determining objectively assessed need. However, the Guidance does allow for the use of sensitivity testing of CLG Household projections to 'test' whether these are appropriate, allowing for alternative assumptions to be used.

3.18 In the case of London we consider it appropriate to acknowledge the role of the GLA's own household projections. As discussed above, the projections undertaken by the GLA are more specific to London than those undertaken by CLG. Therefore, they form a potentially more credible basis for planning in London than CLG's projections.

Household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.

The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics.

Planning Practice Guidance 2014, section 3

Plan makers may consider sensitivity testing, specific to their local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates. Account should also be taken of the most recent demographic evidence including the latest Office of National Statistics population estimates

Any local changes would need to be clearly explained and justified on the basis of established sources of robust evidence.

Planning Practice Guidance 2014, section 3

3.19 Given this context, Figure 13 sets out the range of household projections that CLG and GLA has produced for Brent, Ealing, and Hammersmith and Fulham for both 10 and 25 year periods. The GLA short term trend migration model uses data from 2009-2014 to project future migration, while the long-term migration scenario uses migration from 2002-2014 as the basis for its projection.

Figure 13: CLG and GLA Household Projections for Brent, Ealing, and Hammersmith and Fulham: annual average growth (Source: CLG Household Projections, GLA Household Projections)

	CLG 2014-based		GLA 2015 Round Short-term trends		GLA 2015 Round Long-term trends	
	10 years 2014-24	25 years 2014-39	10 years 2014-24	25 years 2014-39	10 years 2014-24	25 years 2014-39
Brent, Ealing, and Hammersmith and Fulham	4,704	4,187	4,753	4,275	4,695	4,026

3.20 It is clear that there is a high degree of consistency between the projections.

3.21 Across England as a whole we have taken the view that on balance, we consider that:

- 5-year trend migration scenarios are unlikely to be robust: they have the potential to roll-forward short-term trends that are unduly high or low and therefore are unlikely to provide a robust basis for long-term planning.
- 10-12-year trend migration scenarios are more likely to capture both highs and lows and are not as dependent on trends that may be unlikely to be repeated. **Therefore, we favour using 10-12 migration trends as the basis for our analysis.**

3.22 This SHMA therefore, uses the GLA long-term trend migration scenario as the basis for its central estimates. However, it is important to recognise that no one scenario will provide a definitive assessment of the future population and therefore we have sensitivity tested the figures using the short-term trend analysis from the GLA.

Household Projections and Dwellings

3.23 Using the GLA household projections, we can establish the projected number of additional households. The projected increase in households across the area is summarised in Figure 14.

3.24 Figure 14 also provides an estimate of dwelling numbers, which takes account of vacancies and second homes based on the proportion of dwellings without a usually resident household identified by the 2011 Census. This identified a rate of 3.5% for Brent, Ealing, and Hammersmith and Fulham.

Figure 14: Projected households and dwellings over the 20-year period 2017-37 annual average growth (Note: Dwelling numbers derived based on proportion of dwellings without a usually resident household in 2011 Census)

	GLA 2015 Round Short-term trends		GLA 2015 Round Long-term trends	
	Households 20 years 2017-37	Dwellings 20 years 2017-37	Households 20 years 2017-37	Dwellings 20 years 2017-37
Brent, Ealing, and Hammersmith and Fulham	4,285	4,440	3,988	4,133

3.25 While ORS consider that the GLA population and household projections utilised more local information than those produced by the ONS and CLG, we note two key points around their use.

3.26 The first issue relates to the treatment of Unattributable Population Change (UPC) in the GLA's population projections. UPC is an accountancy adjustment to reflect the difference between MYE and Census population estimates. Taking the example of Brent, the 2011 Census indicated a very much larger population than had been identified by the MYE and the ONS label this discrepancy as UPC. The scale of the UPC for Brent between 2001 and 2011 is 27,800 persons.

3.27 In their population projections, the GLA allocate the UPC to international migration. Therefore, the GLA effectively state that the population of Brent has grown faster than was previously believed by 27,800 people and that all of this was due to international migration. This extra migration is then assumed to continue in to the future giving a higher projected population growth. Therefore, an additional 2,780 persons per annum have been added to the migrant numbers for Brent for each year in the projections.

3.28 As a general rule, ORS would agree with this approach. However, the UPC for Brent is so high that the figures should be treated with caution because some of the change may be due to other factors such as an under-estimate of the 2001 population. If the 2001 population was an under-estimate then the population growth between 2001 and 2011 wouldn't have been so high.

3.29 A second point to highlight is that the GLA household projections use the household representative rates from CLG 2012 based projections. While household sizes have risen across London and in the OPDC area since 1991, the CLG household representative rates see .household sizes falling rapidly in the future. While some of this change can be attributed to an ageing population it does represent a striking reversal of recent trends and should be treated with caution.

Conclusions

3.30 PPG identifies that the "starting point estimate of overall housing need" is the CLG 2014-based household projections shown in Figure 13. For the 25-year period 2014-39, these projections show an annual increase of 4,187 households in Brent, Ealing, and Hammersmith and Fulham.

3.31 The data above shows that the principal projection (GLA long-term trends based on 12-year migration flows) identifies a lower increase of 3,988 households per annum (4,133 dwellings) over the 20-year period 2017-37, The long-term migration trends provide the most robust and reliable basis for projecting the future population, and therefore the projected household growth provides the most appropriate demographic projection on which to base the Objectively Assessed Need (OAN) for housing for the 20-year period 2017-37.

4. Affordable Housing Need

Identifying households who cannot afford market housing

Introduction

4.1 This chapter considers the need for affordable housing, taking into account homeless households, concealed households, overcrowded households and other households living in unsuitable housing that cannot afford their own home. Newly forming households are then considered. It also provides initial estimates of the size mix of affordable housing required, affordable rents, shared and low cost home ownership and households with specific needs.

4.2 Demographic projections provide the basis for identifying the Objectively Assessed Need for all types of housing, including both market housing and affordable housing.

4.3 PPG notes that affordable housing need is based on households "*who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market*" (paragraph 22) and identifies a number of different types of household which may be included:

> ***What types of households are considered in housing need?***
>
> *The types of households to be considered in housing need are:*
>
> » *Homeless households or insecure tenure (e.g. housing that is too expensive compared to disposable income)*
>
> » *Households where there is a mismatch between the housing needed and the actual dwelling (e.g. overcrowded households)*
>
> » *Households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ*
>
> » *Households that lack basic facilities (e.g. a bathroom or kitchen) and those subject to major disrepair or that are unfit for habitation*
>
> » *Households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move*
>
> **Planning Practice Guidance (March 2014), ID 2a-023**

4.4 PPG also suggests a number of data sources for assessing past trends and recording current estimates for establishing the need for affordable housing (paragraph 24):

» Local authorities will hold data on the number of homeless households, those in temporary accommodation and extent of overcrowding.

» The Census also provides data on concealed households and overcrowding which can be compared with trends contained in the English Housing Survey.

» Housing registers and local authority and registered social landlord transfer lists will also provide relevant information.

4.5 The following section considers each of these sources in turn, alongside other relevant statistics and information that is available.

4.6 We would note at the outset that at the time of writing the Government are consulting on changing the definition of affordable housing to include a wider range of Low Cost Home Ownership (LCHO) products which they are not subject to 'in perpetuity' restrictions or where the subsidy is recycled for alternative affordable housing provision. This would represent a fundamental revision of the definition of affordable housing. It is also likely to require a complete revision of PPG sections relating to affordable housing as changing the definition for the supply of affordable housing will also change the nature of households who qualify for affordable housing. Therefore, while affordable housing supply may rise under the new definitions, the number of households who qualify as being in affordable housing need will also rise. Notable recent government announcements relate to the Starter Homes initiative, extending the Right to Buy to housing associations (on a voluntary basis) and paying for that through councils being expected to sell high value properties.

Past Trends and Current Estimates of the Need for Affordable Housing

Local Authority Data: Homeless Households and Temporary Accommodation

4.7 In Brent, Ealing, and Hammersmith and Fulham, there has been a downward trend in households living in temporary accommodation. There were 8,246 such households in 2006; this had reduced to 6,407 in 2016.

Figure 15: Households in temporary accommodation in Brent, Ealing, and Hammersmith and Fulham (Source: CLG P1E returns for March 2006 and March 2016)

		Brent, Ealing, and Hammersmith and Fulham			England 2016
		2006	2016	Net change 2006-16	
Households in temporary accommodation	Bed and breakfast	318	1,526	+1,208	-
	Hostels	231	219	-12	-
	Local Authority or RSL stock	382	620	+238	-
	Private sector leased (by LA or RSL)	6,940	3,346	-3,594	-
	Other (including private landlord)	375	696	+321	-
	TOTAL	**8,246**	**6,407**	**-1,839**	**-**
	Rate per 1,000 households	25.0	19.0	-6.0	3.1
Households accepted as homeless but without temporary accommodation provided		295	9	-286	-

4.8 It is evident that statutory homelessness has not become significantly worse in Brent, Ealing, and Hammersmith and Fulham over the period since 2006, but this does not necessarily mean that fewer households risk becoming homeless. Housing advice services provided by the councils limit the number of homeless presentations, through helping people threatened with homelessness find housing before they become homeless. Housing allocation policies can also avoid the need for temporary housing if permanent housing is available sooner; however many households facing homelessness are now offered private rented housing.

4.9 The Localism Act 2011, which amended the Housing Act 1996, gave Councils the power to discharge the main homelessness duty through offering a private rented sector tenancy. Prior to this change, Local

Authorities could offer private sector housing to homeless households (where they have accepted a housing duty under Part 7 of the Housing Act 1996) but the applicant was entitled to refuse it. The Localism Act 2011 means refusal is no longer possible providing the offer is suitable. While the change aims to reduce the pressures on the social housing stock, an indirect result is that there are further demands on the private rented sector as Councils seek to house homeless households.

Census Data: Concealed Households and Overcrowding

4.10 The Census provides detailed information about households and housing in the local area. This includes information about concealed families (i.e. couples or lone parents) and sharing households. These households lack the sole use of basic facilities (e.g. a bathroom or kitchen) and have to share these with their "host" household (in the case of concealed families) or with other households (for those sharing).

Concealed Families

4.11 The number of concealed families living with households in Brent, Ealing, and Hammersmith and Fulham increased from 5,659 to 10,898 over the 10-year period 2001-11, an increase of 5,239 families (93%).

Figure 16: Concealed families in Brent, Ealing, and Hammersmith and Fulham by age of family representative (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Aged under 25	691	1,073	+382
Aged 25 to 34	1,495	4,631	+3,136
Aged 35 to 44	956	1,141	+185
Aged 45 to 54	375	1,066	+691
Sub-total aged under 55	**3,517**	**7,911**	**+4,394**
Aged 55 to 64	674	899	+225
Aged 65 to 74	1,134	1,142	+8
Aged 75 or over	334	946	+612
Sub-total aged 55 or over	**2,142**	**2,987**	**+845**
All Concealed Families	**5,659**	**10,898**	**+5,239**

4.12 Although many concealed families do not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections. Concealed families with older family representatives will often be living with another family in order to receive help or support due to poor health. Concealed families with younger family representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 5,239 families over the period 2001-11, over 8-in-10 (84%) have family representatives aged under 55, with substantial growth amongst those aged under 35 in particular (in line with national trends).

Sharing Households

4.13 The number of sharing households increased from 2,892 to 4,900 over the 10-year period 2001-11 (Figure 17), an increase of 2,008 households (69%).

Figure 17: Shared Dwellings and Sharing Households in Brent, Ealing, and Hammersmith and Fulham (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Number of shared dwellings	1,099	1,180	+81
Number of household spaces in shared dwellings	3,101	5,324	+2,223
All Sharing Households	**2,892**	**4,900**	**+2,008**
Household spaces in shared dwellings with no usual residents	209	424	+215

Figure 18 shows that the number of multi-adult households living in the area increased from 35,490 to 41,620 households over the same period, an increase of 6,130 (17%). These people also have to share basic facilities, but are considered to be a single household as they also share a living room, sitting room or dining area. This includes Houses in Multiple Occupation (HMOs) with shared facilities, where for most purposes, the residents are not defined as forming a single household, as well as single people living together as a group who are defined as a single household for most purposes, and individuals with lodgers.

Figure 18: Multi-adult Households in Brent, Ealing, and Hammersmith and Fulham (Source: Census 2001 and 2011)

	2001	2011	Net change 2001-11
Owned	14,590	13,849	-741
Private rented	17,527	24,257	+6,730
Social rented	3,373	3,514	+141
All Households	**35,490**	**41,620**	**+6,130**

4.14 The growth in multi-adult households was focused particularly in the private rented sector, with an increase in single persons choosing to live with friends together with others living in HMOs. This growth accounts for 6,730 households (an increase from 17,527 to 24,257 households over the period) and this represents more than the total increase in multi-adult households living in the area due to the number of multi-adult households in owner occupation falling.

4.15 Nevertheless, shared facilities is a characteristic of HMOs and many people living in this type of housing will only be able to afford shared accommodation (either with or without housing benefit support). Extending the Local Housing Allowance (LHA) Shared Accommodation Rate (SAR) allowance to cover all single persons up to 35 years of age has meant that many more young people will only be able to afford shared housing, and this has further increased demand for housing such as HMOs.

4.16 There is therefore likely to be a continued (and possibly growing) role for HMOs, with more of the existing housing stock possibly being converted. Given this context, it would not be appropriate to consider households to need affordable housing only on the basis of them currently sharing facilities (although there may be other reasons why they would be considered as an affordable housing need).

Overcrowding

4.17 The Census also provides detailed information about occupancy which provides a measure of whether a household's accommodation is overcrowded or under occupied:

> *"There are two measures of occupancy rating, one based on the number of rooms in a household's accommodation, and one based on the number of bedrooms. The ages of the*

household members and their relationships to each other are used to derive the number of rooms/bedrooms they require, based on a standard formula. The number of rooms/bedrooms required is subtracted from the number of rooms/bedrooms in the household's accommodation to obtain the occupancy rating. An occupancy rating of -1 implies that a household has one fewer room/bedroom than required, whereas +1 implies that they have one more room/bedroom than the standard requirement."

4.18 When considering the number of rooms required, the ONS use the following approach to calculate the room requirement:

- A one person household is assumed to require three rooms (two common rooms and a bedroom); and
- Where there are two or more residents it is assumed that they require a minimum of two common rooms plus one bedroom for:
  - each couple (as determined by the relationship question)
  - each lone parent
  - any other person aged 16 or over
  - each pair aged 10 to 15 of the same sex
  - each pair formed from any other person aged 10 to 15 with a child aged under 10 of the same sex
  - each pair of children aged under 10 remaining
  - each remaining person (either aged 10 to 15 or under 10).

4.19 For Brent, Ealing, and Hammersmith and Fulham, overcrowding increased from 65,559 to 84,227 households (an increase of 18,668) over the 10-year period 2001-11 (Figure 19). The percentage of overcrowded households has also increased from 22.3% to 26.7%. When considered by tenure, overcrowding has reduced by 2,671 households in the owner occupied sector, increased by 1,978 households in the social rented sector with the largest growth in the private rented sector where the number has increased from 21,791 to 41,152, a growth of 19,361 households over the 10-year period. The percentage of overcrowded households in the private rented sector has also had the biggest increase from 36.8% to 42.2%. Percentages for selected comparator areas (Camden and Islington, and Newham and Waltham Forest) are also shown.

Figure 19: Proportion of overcrowded households 2011 for Brent, Ealing, and Hammersmith and Fulham and change 2001-11 by tenure (Note: Overcrowded households are considered to have an occupancy rating of -1 or less. Source: UK Census of Population 2001 and 2011)

	Occupancy rating (rooms)						Occupancy rating (bedrooms)	
	2001		2011		Net change 2001-11		2011	
	N	%	N	%	N	%	N	%
Brent, Ealing, and Hammersmith and Fulham								
Owned	19,517	11.9%	16,846	11.8%	-2,671	-1%	10,665	7.4%
Private rented	21,791	36.8%	41,152	42.2%	+19,361	+15%	22,327	22.9%
Social rented	24,251	34.3%	26,229	35.4%	+1,978	+3%	13,695	18.5%
All Households	**65,559**	**22.3%**	**84,227**	**26.7%**	**+18,668**	**+20%**	**46,687**	**14.8%**
All Households								
ENGLAND	**-**	**7.1%**	**-**	**8.7%**	**-**	**+23%**	**-**	**4.6%**
Greater London	-	17.3%	-	21.7%	-	+25%	-	11.3%
Camden & Islington	-	27.5%	-	30.8%	-	+12%	-	11.2%
Newham & Waltham Forest	-	21.2%	-	29.2%	-	+37%	-	20.4%

English Housing Survey Data

Overcrowding

4.20 The English Housing Survey (EHS) does not provide information about individual local authorities, but it does provide a useful context about these indicators in terms of national trends between Census years.

4.21 The measure of overcrowding used by the EHS provides a consistent measure over time however the definition differs from both occupancy ratings provided by the Census. The EHS approach[9] is based on a "bedroom standard" which assumes that adolescents aged 10-20 of the same sex will share a bedroom, and only those aged 21 or over are assumed to require a separate bedroom (whereas the approach used by the ONS for the Census assumes a separate room for those aged 16 or over):

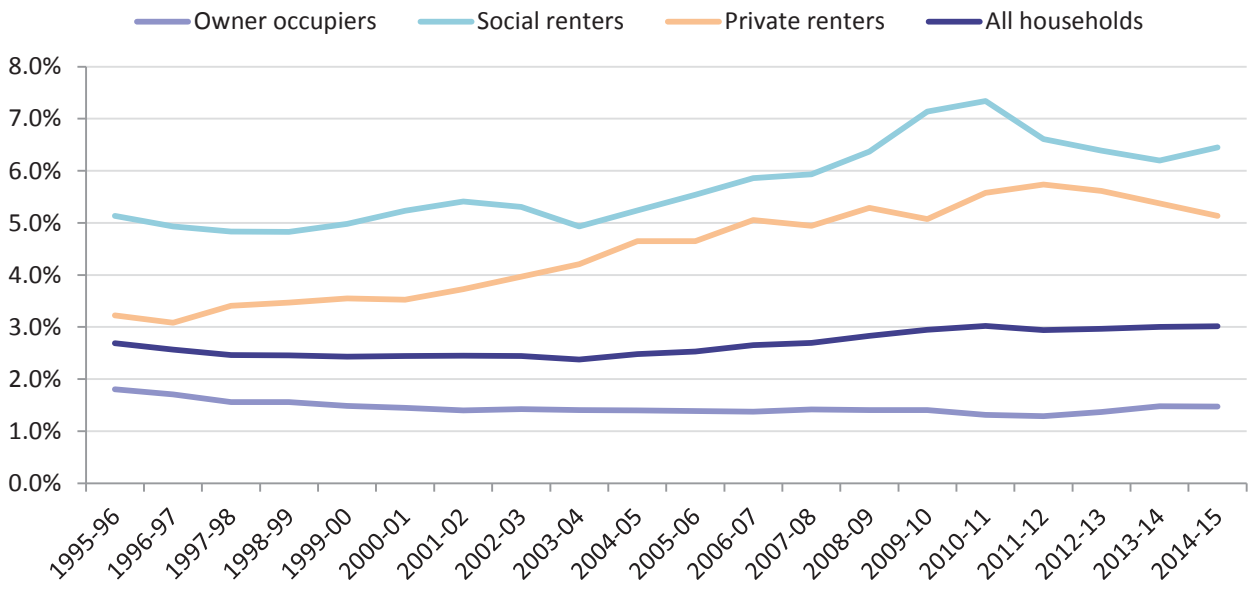
[9] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284648/English_Housing_Survey_Headline_Report_2012-13.pdf

"The 'bedroom standard' is used as an indicator of occupation density. A standard number of bedrooms is calculated for each household in accordance with its age/sex/marital status composition and the relationship of the members to one another. A separate bedroom is allowed for each married or cohabiting couple, any other person aged 21 or over, each pair of adolescents aged 10-20 of the same sex, and each pair of children under 10. Any unpaired person aged 10-20 is notionally paired, if possible, with a child under 10 of the same sex, or, if that is not possible, he or she is counted as requiring a separate bedroom, as is any unpaired child under 10.

"Households are said to be overcrowded if they have fewer bedrooms available than the notional number needed. Households are said to be under-occupying if they have two or more bedrooms more than the notional needed."

4.22 Nationally, overcrowding rates increased for households in both social and private rented housing, although the proportion of overcrowded households has declined in both sectors since 2011. Overcrowding rates for owner occupiers have remained relatively stable since 1995.

Figure 20: Trend in overcrowding rates for England by tenure (Note: Based on three-year moving average, up to and including the labelled date. Source: Survey of English Housing 1995-96 to 2007-08; English Housing Survey 2008-09 onwards)



4.23 Whilst the EHS definition of overcrowding is more stringent than the Census, the measurement closer reflects the definition of statutory overcrowding that was set out by Part X of the Housing Act 1985 and is consistent with statutory Guidance10 that was issued by CLG in 2012 to which authorities must have regard when exercising their functions under Part 6 of the 1996 Housing Act (as amended).

4.24 This Guidance, "*Allocation of accommodation: Guidance for local housing authorities in England*", recommends that authorities should use the bedroom standard when assessing whether or not households are overcrowded for the purposes of assessing housing need:

"4.8 The Secretary of State takes the view that the bedroom standard is an appropriate measure of overcrowding for allocation purposes, and recommends that all housing authorities should adopt this as a minimum. The bedroom standard allocates a separate bedroom to each:

[10] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/5918/2171391.pdf

– married or cohabiting couple
– adult aged 21 years or more
– pair of adolescents aged 10-20 years of the same sex
– pair of children aged under 10 years regardless of sex"

4.25 The bedroom standard therefore provides the most appropriate basis for assessing overcrowding. By considering the Census and EHS data for England, together with the Census data for Brent, Ealing, and Hammersmith and Fulham, we can estimate overcrowding using the bedroom standard. Figure 21 sets out this calculation based on the Census occupancy rating for both rooms and bedrooms. Based on the bedroom standard, it is estimated that 5,684 owner occupied, 7,051 private rented and 9,099 social rented households were overcrowded in Brent, Ealing, and Hammersmith and Fulham in 2015. Student households have been excluded from this calculation given that their needs are assumed to be transient.

Figure 21: Estimate of the number of overcrowded households in Brent, Ealing, and Hammersmith and Fulham by tenure based on the bedroom standard (Source: EHS; UK Census of Population 2011)

	Owned		Private Rented		Social Rented	
ENGLAND						
EHS bedroom standard 2011 Percentage of households overcrowded [A]	1.3%		5.6%		7.3%	
Census occupancy rating Percentage of households overcrowded [B]	*Bedrooms* 2.3%	*Rooms* 3.3%	*Bedrooms* 8.8%	*Rooms* 20.2%	*Bedrooms* 8.9%	*Rooms* 16.9%
Proportion of these overcrowded households based on bedroom standard [C = A ÷ B]	57%	40%	64%	28%	83%	43%
BRENT, EALING, AND HAMMERSMITH AND FULHAM						
Census occupancy rating Number of overcrowded households [D]	*Bedrooms* 10,665	*Rooms* 16,846	*Bedrooms* 22,327	*Rooms* 41,152	*Bedrooms* 13,695	*Rooms* 26,229
Full-time student households [E]	2,572	3,088	10,648	13,106	1,474	1,729
Overcrowded households (excluding students) [F = D - E]	8,093	13,758	11,679	28,046	12,221	24,500
Estimate of overcrowded households based on the bedroom standard [G = C × F]	**4,613**	**5,503**	**7,475**	**7,853**	**10,143**	**10,535**
Estimate of overcrowded households in 2011 based on the bedroom standard (average)	**5,058**		**7,664**		**10,339**	
EHS bedroom standard Change in overcrowding from 2011 to 2015	+12%		-8%		-12%	
Estimate of overcrowded households in 2015 based on the bedroom standard	**5,684**		**7,051**		**9,099**	

Housing Condition and Disrepair

4.26 The EHS also provides useful information about housing disrepair. The EHS headline report for 2013-14 identifies that private rented sector dwellings had the highest rate of disrepair: 7% compared with 4% of owner occupied dwellings and 3% of social sector dwellings.

4.27 The Decent Homes Standard provides a broad measure of housing condition. It was intended to be a minimum standard that all housing should meet and that to do so should be easy and affordable. It was determined that in order to meet the standard a dwelling must achieve all of the following:

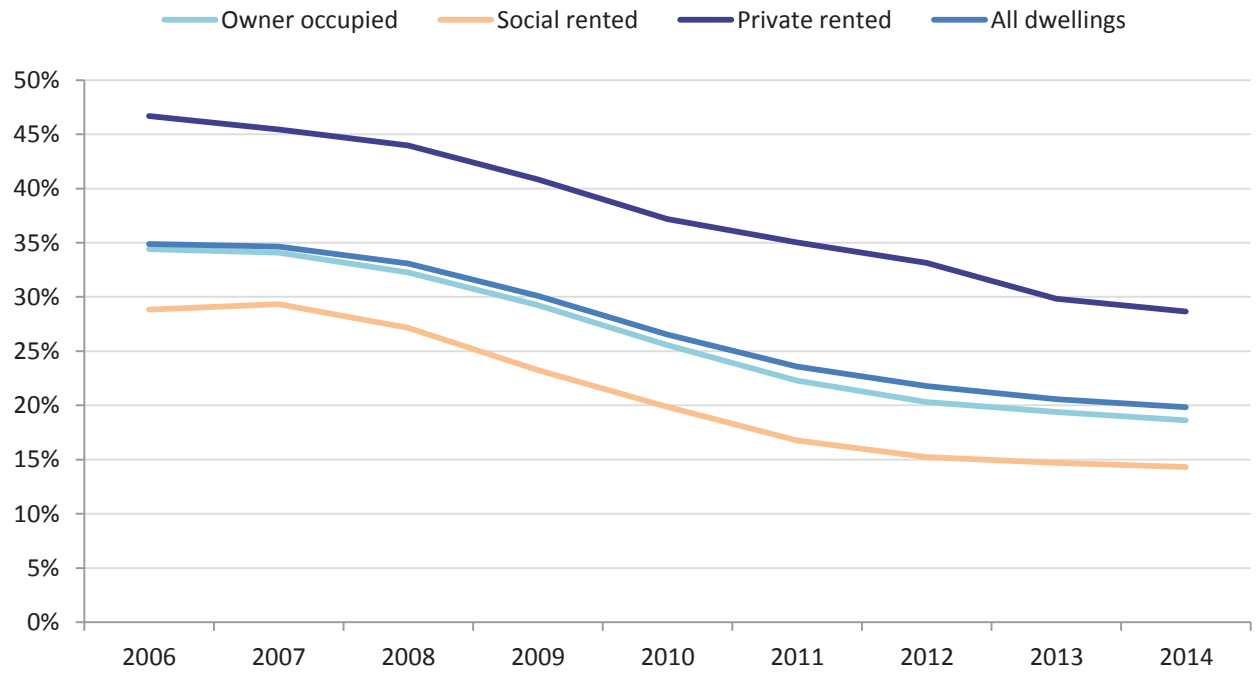
- Be above the legal minimum standard for housing (currently the Housing Health and Safety Rating System, HHSRS); and
- Be in a reasonable state of repair; and

- Have reasonably modern facilities (such as kitchens and bathrooms) and services; and
- Provide a reasonable degree of thermal comfort (effective insulation and efficient heating).

4.28 If a dwelling fails any one of these criteria, it is considered to be "non-decent". A detailed definition of the criteria and their sub-categories are described in the ODPM guidance: "A Decent Home – The definition and guidance for implementation" June 2006.

4.29 Figure 22 shows the national trends in non-decent homes by tenure. It is evident that conditions have improved year-on-year (in particular due to energy efficiency initiatives), however whilst social rented properties are more likely to comply with the standard, almost a third of the private rented sector (33.1%) remains currently non-decent. This is a trend that tends to be evident at a local level in most areas where there are concentrations of private rented housing, and there remains a need to improve the quality of housing provided for households living in the private rented sector.

Figure 22: Trend in non-decent homes in England by tenure (Source: English House Condition Survey 2006 to 2007; English Housing Survey 2008 onwards)



Housing Register Data

4.30 The local authority housing register and transfer lists are managed through a Choice based letting system Households apply for a move via the scheme and 'bid' for homes along with applicants from various sources, including homeless households, housing register and transfer applicants.

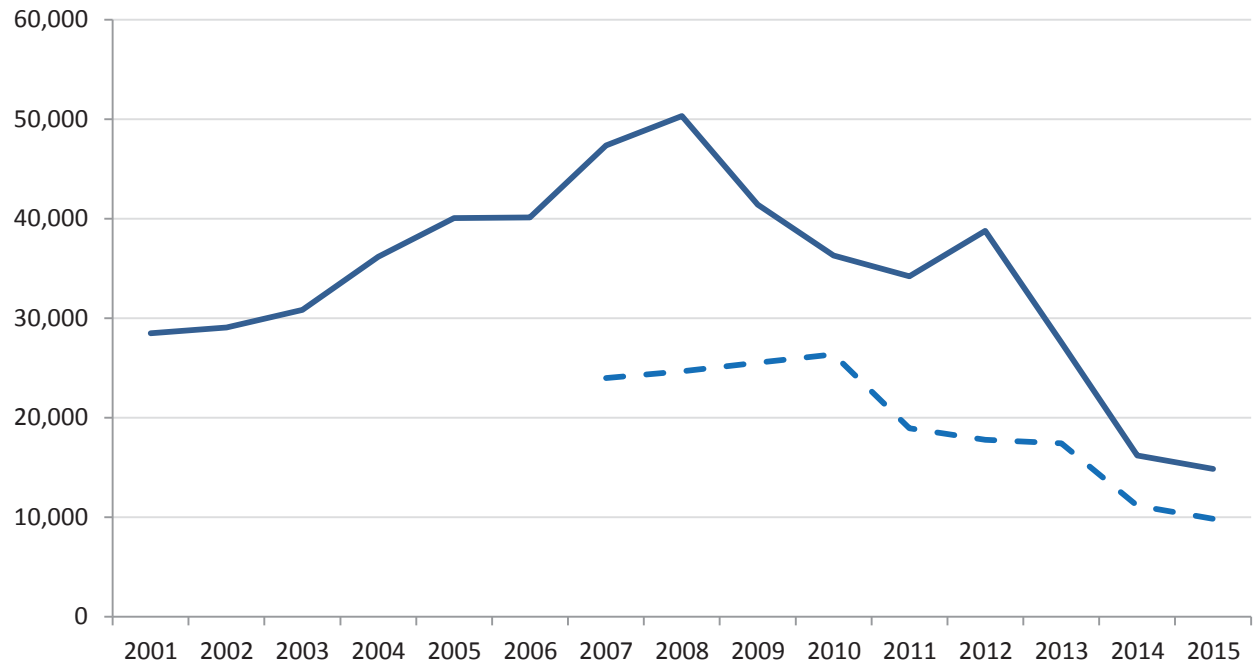
4.31 Figure 23 shows the trend in households on the housing registers over the period since 2001:

4.32 Overall, the trends show that the number of households registering for affordable housing between 2001 and 2008, but have fallen sharply since 2012. The criteria for joining the housing registers in all areas have recently changed as a result of policy changes following the Localism Act. Only people with a local connection now qualify for the housing register, and people with adequate financial resources (including owner occupiers) are no longer included – so the trends discussed above have to be understood in this context and number on the registers are falling.

4.33 Figure 23 also show the number recorded in a reasonable preference category since 2007. Reasonable preference categories are defined in the Housing Act 1996, which requires "reasonable preference" for housing to be given to people who are:

- Legally homeless;
- Living in unsatisfactory housing (as defined by the Housing Act 2004);
- Need to move on medical/welfare grounds; or
- Need to move to a particular area to avoid hardship.

Figure 23: Number of households on Brent, Ealing, and Hammersmith and Fulham housing registers 2001-15 (Note: Solid line shows total number of households; dotted line shows number of households in a reasonable preference category. Source: LAHS and HSSA returns to CLG)



4.34 Figure 24 provides further detailed information for 2014 and 2015. We would note that some of the detailed data was not reported and we have taken assumptions based on the information available in lieu of this, as explained further in the Figure title below. The number of households in reasonable preference categories has also been subject to variation from year-to-year, although these have not always followed the trends in the overall number of households on the register. The number of households with a reasonable preference in 2015 was 9,857. The number of households on the register dropped considerably between 2013 and 2015 from 27,561 to 14,862. These changes are most likely due to changing allocation policies. For these reasons, the details do not sum to the "Total households in a reasonable preference category".

Figure 24: Number of households on the local authority housing register at 1st April 2014 and 2015 (Source: LAHS returns to CLG. Note: Totals may not sum; the detailed data for the 2014 information below was unavailable for Hammersmith & Fulham Local Authority therefore we have estimated the figures for Brent, Ealing, and Hammersmith and Fulham using the Brent and Ealing Local Authority data. In addition the detailed data for some of the 2015 information for Brent Local Authority data was unavailable and where this occurred we used the 2014 data in lieu) –

	Brent, Ealing and Hammersmith and Fulham	
	2014	2015
Total households on the housing waiting list	16,211	14,862
Total households in a reasonable preference category	**11,174**	**9,857**
People currently living in temporary accommodation who have been accepted as being homeless (or threatened with homelessness)	4,717	4,232
Other people who are homeless within the meaning given in Part VII of the Housing Act (1996), regardless of whether there is a statutory duty to house them	4,899	4,579
People occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions	6,898	3,349
People who need to move on medical or welfare grounds, including grounds relating to a disability	663	526
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	47	42

4.35 The number of households recorded by the housing register as "occupying insanitary or overcrowded housing or otherwise living in unsatisfactory conditions" reduced considerably from 6,898 in 2014 to 3,349 in 2015, though it is worth noting that the 6,898 was a considerable increase from 2013, the year before this (3,071). Nevertheless, we previously estimated that there were 21,834 overcrowded households in Brent, Ealing, and Hammersmith and Fulham, based on the bedroom standard (Figure 21). Therefore, there are likely to be many households who have not registered for affordable housing despite being overcrowded. This will partly reflect their affordability (for example, most owner occupiers would not qualify for rented affordable housing due to the equity in their current home) whilst others may only be temporarily overcrowded and will have sufficient space available once a concealed family is able to leave and establish an independent household.

4.36 When considering the types of household to be considered in housing need, the PPG also identified "households containing people with social or physical impairment or other specific needs living in unsuitable dwellings (e.g. accessed via steps) which cannot be made suitable in-situ" and "households containing people with particular social needs (e.g. escaping harassment) which cannot be resolved except through a move". It is only through the housing register that we are able to establish current estimates of need for these types of household, and not all would necessarily be counted within a reasonable preference category. Nevertheless, there were 526 people registered "who need to move on medical or welfare grounds, including grounds relating to a disability" and 42 households "who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)".

Households Unable to Afford their Housing Costs

4.37 The PPG emphasises in a number of paragraphs that affordable housing need should only include those households that are unable to afford their housing costs:

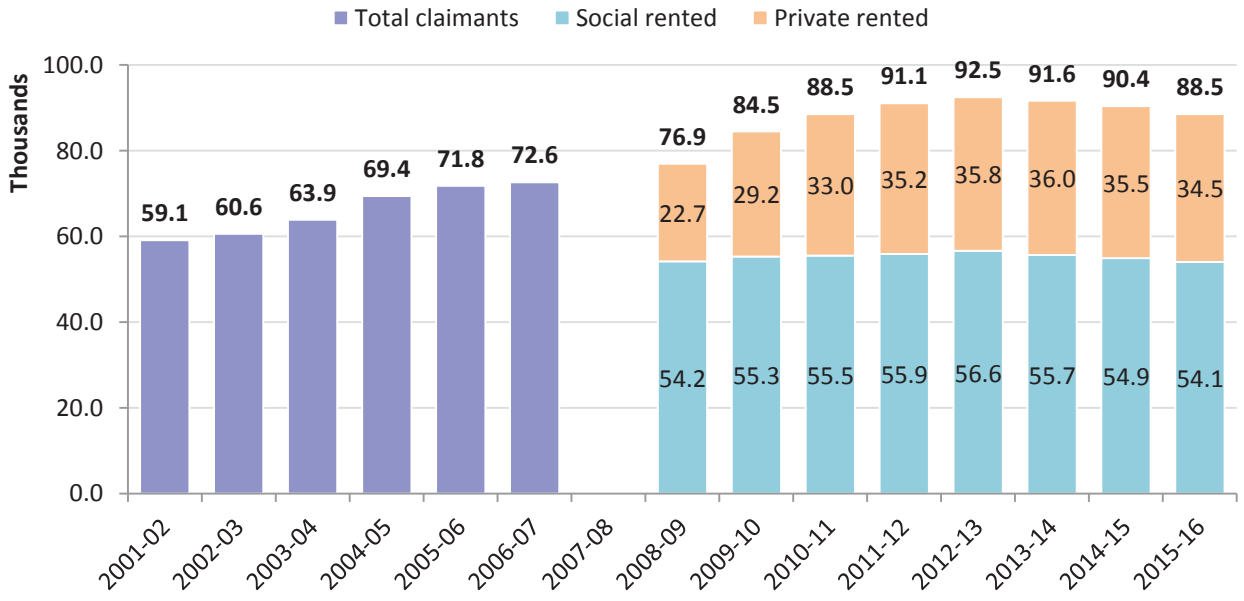
> *Plan makers … will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market* **(ID 2a-022, emphasis added)**
>
> *Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of … those that cannot afford their own homes. Care should be taken to avoid double-counting … and to include only those households who cannot afford to access suitable housing in the market* **(ID 2a-024, emphasis added)**
>
> *Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area* **(ID 2a-025, emphasis added)**
>
> **Planning Practice Guidance (March 2014)**

4.38 Housing benefit data from the Department for Work and Pensions (DWP) provides reliable, consistent and detailed information about the number of families that are unable to afford their housing costs in each local authority area. Data was published annually from 2001-02 to 2006-07 which identified the total number of claimants in receipt of housing benefit, and more detailed information has been available since 2008-09 which includes more detailed information about claimants and the tenure of their home.

Housing Benefit Claimants in Brent, Ealing, and Hammersmith and Fulham

4.39 Figure 25 shows the trend in the number of housing benefit claimants in Brent, Ealing, and Hammersmith and Fulham.

Figure 25: Number of claimants in receipt of housing benefit in Brent, Ealing, and Hammersmith and Fulham by tenure (Source: DWP)



4.40 The number of housing benefit claimants in Brent, Ealing, and Hammersmith and Fulham increased from 59,115 to 72,600 over the period 2001-02 to 2006-07, equivalent to an average annual growth of around 2,700 families. The number of claimants reached 92,463 in 2012-13, therefore a faster growth of around 3,300 families each year on average over the period from 2006-07. The largest growth was experienced between 2008-09 and 2009-10 when the number of claimants increased by about 7,600 families.

4.41 Considering the information on tenure, it is evident that the number of claimants in social rented housing increased from around 54,200 to 56,600 over the period 2008-09 to 2012-13 – an increase of 2,400 families (4%); however over the same period the number of claimants in private rented housing increased from 22,700 to 35,800 families – an increase of 13,100 families (58%).

4.42 This increase in housing benefit claimants, in particular those living in private rented housing, coincides with the increased peaks in the housing registers. Indeed, it is likely that many households applying for housing benefit would have also registered their interest in affordable housing. Nevertheless, many of them will have secured appropriate housing in the private rented sector which housing benefit enabled them to afford; so not all will necessarily need affordable housing, though many may prefer this type of housing if it were available.

4.43 The information published by DWP provides the detailed information needed for understanding the number of households unable to afford their housing costs. Of course, there will be other households occupying affordable housing who do not need housing benefit to pay discounted social or affordable rents but who would not be able to afford market rents. Similarly there will be others who are not claiming housing benefit support as they have stayed living with parents or other family or friends and not formed independent households. However, providing that appropriate adjustments are made to take account of these exceptions, the DWP data provides the most reliable basis for establishing the number of households unable to afford their housing costs and estimating affordable housing need.

Establishing Affordable Housing Need

4.44 In establishing the Objectively Assessed Need for affordable housing, it is necessary to draw together the full range of information that has already been considered in this report.

4.45 PPG sets out the framework for this calculation, considering both the current unmet housing need and the projected future housing need in the context of the existing affordable housing stock:

> ***How should affordable housing need be calculated?***
>
> *This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock.*
>
> **Planning Practice Guidance (March 2014), ID 2a-022**

Current Unmet Need for Affordable Housing

4.46 In terms of establishing the current unmet need for affordable housing, the PPG draws attention again to those types of households considered to be in housing need; whilst also emphasising the need to avoid double-counting and including only those households unable to afford their own housing.

> ***How should the current unmet gross need for affordable housing be calculated?***
>
> *Plan makers should establish unmet (gross) need for affordable housing by assessing past trends and recording current estimates of:*
>
> » *the number of homeless households;*
>
> » *the number of those in priority need who are currently housed in temporary accommodation;*
>
> » *the number of households in overcrowded housing;*
>
> » *the number of concealed households;*
>
> » *the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings);*
>
> » *the number of households from other tenures in need and those that cannot afford their own homes.*
>
> *Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.*
>
> **Planning Practice Guidance (March 2014), ID 2a-024**

4.47 Earlier sections of this chapter set out the past trends and current estimates for relevant households based on the data sources identified by PPG (based on the data being the most relevant available as at March 2016). Although this evidence does not provide the basis upon which to establish whether or not households can afford to access suitable housing, we believe that it is reasonable to assume that certain households will be unable to afford housing, otherwise they would have found a more suitable home.

Establishing the Current Unmet Need for Affordable Housing

4.48 Households assumed to be unable to afford housing include:

- All households that are currently **homeless**;
- All those currently housed in **temporary accommodation**; and
- People in a **reasonable preference category** on the housing register, where their needs have not already been counted.

4.49 Given this context, our analysis counts the needs of all of these households when establishing the Objectively Assessed Need for affordable housing at a base date of 2017. –

4.50 Only around 32% of households currently living in overcrowded housing (based on the bedroom standard) are registered in a reasonable preference category, which will partly reflect their affordability. It is likely that most owner occupiers would not qualify for rented affordable housing (due to the equity in their current home); but it is reasonable to assume that households living in overcrowded rented housing are unlikely to be able to afford housing, otherwise they would have found a more suitable home.

4.51 Our analysis counts the needs of all households living in overcrowded rented housing when establishing the OAN for affordable housing (which could marginally overstate the affordable housing need) but it does not count the needs of owner occupiers living in overcrowded housing (which can be offset against any previous over-counting). Unlike other low-income households, students are not eligible for welfare payments (such as housing benefit) and would not be allocated affordable housing; therefore student households are also excluded from the assessment of affordable housing need. Of course, the needs of student households are properly included within the assessment of overall housing needs.

4.52 The analysis does not count people occupying insanitary housing or otherwise living in unsatisfactory housing conditions as a need for additional affordable housing. These dwellings would be unsuitable for any household, and enabling one household to move out would simply allow another to move in – so this would not reduce the overall number of households in housing need. This housing need should be resolved by improving the existing housing stock, and the Councils have a range of statutory enforcement powers to improve housing conditions.

4.53 When considering concealed families, it is important to recognise that many do not want separate housing. Concealed families with older family representatives will often be living with another family, perhaps for cultural reasons or in order to receive help or support due to poor health. However, those with younger family representatives are more likely to experience affordability difficulties or other constraints (although not all will want to live independently).

4.54 Concealed families in a reasonable preference category on the housing register will be counted regardless of age, but our analysis also considers the additional growth of concealed families with family representatives aged under 55 (even those not registered on the housing register) and assumes that all such households are unlikely to be able to afford housing (otherwise they would have found a more suitable home).

4.55 The needs of these households are counted when establishing the OAN for affordable housing and they also add to the OAN for overall housing, as concealed families are not counted by the CLG or GLA household projections. Figure 26 sets out the assessment of current affordable housing need.

Figure 26: Assessing current unmet gross need for affordable housing for Brent, Ealing, and Hammersmith and Fulham (Source: ORS Housing Model)

	Affordable Housing		Increase in Overall Housing Need
	Gross Need	Supply	
Homeless households in priority need (see Figure 15)			
Currently in temporary accommodation in communal establishments (Bed and breakfast or Hostels)	1,745	-	1,745
Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	4,042	-	0
Currently in temporary accommodation in affordable housing (Local Authority or RSL stock)	620	620	0
Households accepted as homeless but without temporary accommodation provided	9	-	9
Concealed households (see Figure 16)			
Growth in concealed families with family representatives aged under 55	4,394	-	4,394
Overcrowding based on the bedroom standard (see Figure 21)			
Households living in overcrowded private rented housing	7,051	-	0
Households living in overcrowded social rented housing	9,099	9,099	0
Other households living in unsuitable housing that cannot afford their own home (see Figure 24)			
People who need to move on medical or welfare grounds, including grounds relating to a disability	526	56	0
People who need to move to a particular locality in the district of the authority, where failure to meet that need would cause hardship (to themselves or to others)	42	6	0
TOTAL	**27,528**	**9,781**	**6,148**

4.56 Based on a detailed analysis of the past trends and current estimates of households considered to be in housing need, our analysis has concluded that there are 27,528 households currently in affordable housing need in Brent, Ealing, and Hammersmith and Fulham who are unable to afford their own housing. This assessment is based on the criteria set out in the PPG and avoids double-counting (as far as possible).

4.57 Of these households, 9,781 currently occupy affordable housing that does not meet the households' current needs, mainly due to overcrowding. Providing suitable housing for these households will enable them to vacate their existing affordable housing, which can subsequently be allocated to another household in need of affordable housing. There is, therefore, a net need from 17,747 households (27,528 less 9,781 = 17,747) who currently need affordable housing and do not currently occupy affordable housing in Brent, Ealing, and Hammersmith and Fulham (although a higher number of new homes may be needed to resolve all of the identified overcrowding).

4.58 This number includes 6,148 households that would not be counted by the household projections because of their being homeless or concealed households. There is, therefore, a need to increase the housing need based on demographic projections to accommodate these additional households.

4.59 Providing the net additional affordable housing needed will release back into the market (mainly in the private rented sector) the dwellings occupied by a total of 11,599 households (27,528 less 9,781 + 6,148) that are currently in affordable housing need who are unable to afford their own housing.

Projected Future Affordable Housing Need

4.60 In terms of establishing future projections of affordable housing need, the PPG draws attention to new household formation (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.

> ***How should the number of newly arising households likely to be in housing need be calculated?***
>
> *Projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need. This process should identify the minimum household income required to access lower quartile (entry level) market housing (plan makers should use current cost in this process, but may wish to factor in changes in house prices and wages). It should then assess what proportion of newly-forming households will be unable to access market housing.*
>
> **Planning Practice Guidance (March 2014), ID 2a-025**

4.61 The ORS Housing Mix Model considers the need for market and affordable housing on a longer-term basis that is consistent with household projections and Objectively Assessed Need. The Model provides robust and credible evidence about the required mix of housing over the full planning period, and recognises how key housing market trends and drivers will impact on the appropriate housing mix.

4.62 The Model uses a wide range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population. A range of assumptions can be varied to enable effective sensitivity testing to be undertaken. In particular, the Model has been designed to help understand the key issues and provide insight into how different assumptions will impact on the required mix of housing over future planning periods.

4.63 The Housing Mix Model considers the future number and type of households based on the household projections alongside the existing dwelling stock. Whilst the Model considers the current unmet need for affordable housing (including the needs of homeless households, those in temporary accommodation, overcrowded households, concealed households, and established households in unsuitable dwellings or that cannot afford their own homes), it also provides a robust framework for projecting the future need for affordable housing.

Households Unable to Afford their Housing Costs

4.64 PPG identifies that "projections of affordable housing need will need to take into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need" (paragraph 25); however, the Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all types of household, and that this will also differ between age cohorts. Therefore, the appropriate proportion is determined separately for each household type and age group.

4.65 The affordability percentages in Figure 27 are calculated using data published by DWP about housing benefit claimants alongside detailed information from the 2011 Census. There are several assumptions underpinning the Model:

- Where households are claiming housing benefit, it is assumed that they cannot afford market housing; and the Model also assumes that households occupying affordable housing will continue to do so;
- Households occupying owner occupied housing and those renting privately who aren't eligible for housing benefit are assumed to be able to afford market housing; so the Model only allocates affordable housing to those established households that the Government deems eligible for housing support through the welfare system; and
- The Model separately considers the needs of concealed families and overcrowded households (both in market housing and affordable housing) which can contribute additional affordable housing need.

Figure 27: Assessing affordability for Brent, Ealing, and Hammersmith and Fulham by household type and age (Source: ORS Housing Model based on Census 2011 and DWP)

	Under 25	25-34	35-44	45-54	55-64	65+
Brent, Ealing, and Hammersmith and Fulham: Percentage unable to afford market housing						
Single person household	42%	22%	35%	45%	44%	42%
Couple family with no dependent children	43%	5%	11%	19%	17%	20%
Couple family with 1 or more dependent children	46%	49%	33%	28%	26%	42%
Lone parent family with 1 or more dependent children	99%	95%	78%	68%	58%	56%
Other household type	15%	12%	25%	35%	29%	23%

Components of Projected Household Growth

4.66 PPG identifies that the CLG household projections "*should provide the starting point estimate for overall housing need*" (paragraph 15) and that "the 2012-2037 Household Projections … are the most up-to-date estimate of future household growth" (paragraph 16). However, when considering the number of newly arising households likely to be in affordable housing need, the PPG recommends a "*gross annual estimate*" (paragraph 25) suggesting that "*the total need for affordable housing should be converted into annual flows*" (paragraph 29).

4.67 The demographic projections from the GLA developed to inform the overall Objectively Assessed Need include annual figures for household growth, and these can therefore be considered on a year-by-year basis as suggested by the Guidance; but given that elements of the modelling are fundamentally based on 5-year age cohorts, it is appropriate to annualise the data using 5-year periods.

4.68 Figure 28 shows the individual components of annual household growth over a 20 year period, with the first period containing 5 years.

Figure 28: Components of average annual household growth for Brent, Ealing, and Hammersmith and Fulham by 5-year projection period (Source: ORS Housing Model. Note; Figures may not sum due to rounding)

	Annual average for 5-year periods				Annual average 2017-37
	2017-22	2022-27	2027-32	2032-37	
New household formation	11,205	11,674	11,824	11,961	**11,666**
Household dissolution following death	3,301	3,415	3,585	3,810	**3,528**
Net household growth within Brent, Ealing, and Hammersmith and Fulham	**7,904**	**8,259**	**8,239**	**8,151**	**8,138**
Household migration in	24,480	24,896	25,255	25,533	**25,041**
Household migration out	27,684	28,897	29,769	30,426	**29,194**
Net household migration	**-3,204**	**-4,001**	**-4,515**	**-4,893**	**-4,153**
Total household growth	**4,699**	**4,258**	**3,724**	**3,258**	**3,985**

4.69 Over the initial 5-year period (2017-22) the model shows that:

- There are projected to be 11,205 new household formations each year; but this is offset against 3,301 household dissolutions following death – so there is an **average net household growth of 7,904 households** locally in Brent, Ealing, and Hammersmith and Fulham;
- There are also projected to be 24,480 households migrating to Brent, Ealing, and Hammersmith and Fulham offset against 27,684 households migrating away from the area – which yields **a decrease of 3,204 households attributable to net migration;**
- The total household growth is therefore **projected to be 4,699** (7,903.7 minus 3,204.3 = 4,699.4 to one d.p.) **households each year** over the initial 5-year period of the projection.

4.70 During the course of the full projection period, net household growth in Brent, Ealing, and Hammersmith and Fulham is projected to be higher in the early part of the projection period than in the later years. This is despite gross household formation and net in-migration being projected to increase, due to a larger number of households projected to dissolve over the projection period and higher out-migration being projected.

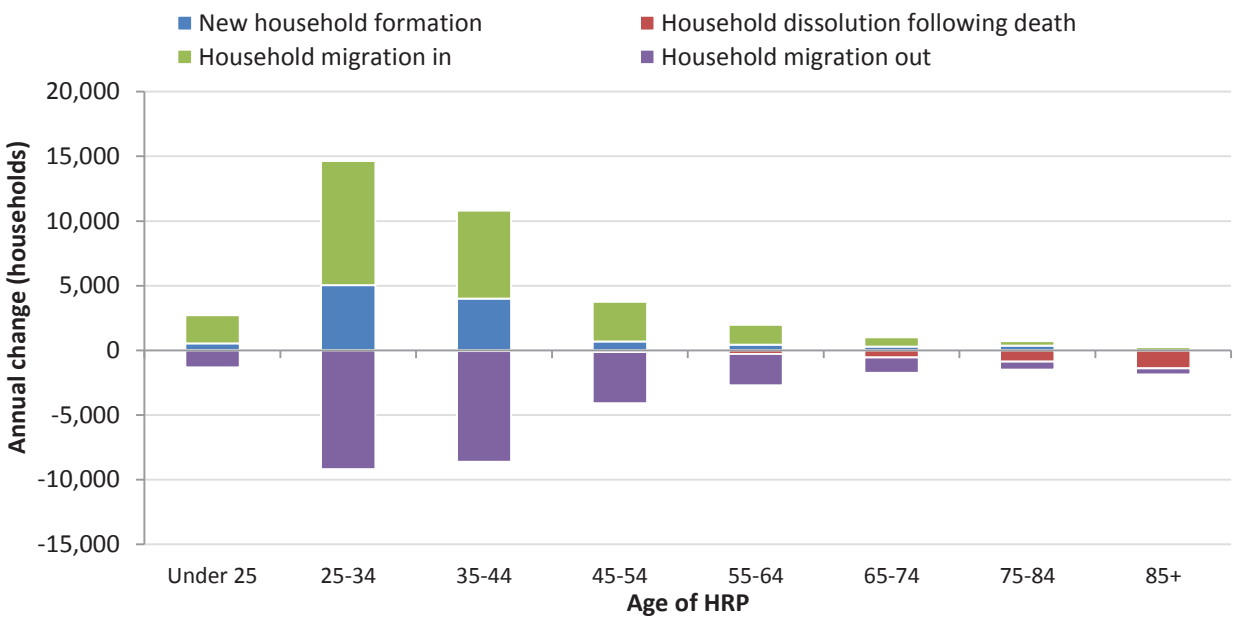
4.71 Over the 20 year period 2017-37, total household growth averages 3,985 households each year with an average annual net growth of 8,138 households within Brent, Ealing, and Hammersmith and Fulham and a net loss of 4,153 households based on migration.

Change in Household Numbers by Age Cohort

4.72 To establish the proportion of newly forming households unable to buy or rent in the market area, it is necessary to consider the characteristics of the 11,205 new households projected to form in Brent, Ealing, and Hammersmith and Fulham each year over the period 2017-22 (Figure 28) alongside the detailed information about household affordability (Figure 27).

4.73 Figure 29 shows the age structure of each of the components of household change. Note that this analysis is based on changes within each age cohort, so comparisons are based on households born in the same year and relate to their age at the end of the period. Therefore all new households are properly counted, rather than only counting the increase in the number of households in each age group.

Figure 29: Annual change in household numbers in each age cohort for Brent, Ealing, and Hammersmith and Fulham by age of HRP (Source: ORS Housing Model)



4.74 Together with information on household type, this provides a framework for the Model to establish the proportion of households who are unable to afford their housing costs.

4.75 The Model identifies that 31% of all newly forming households are unable to afford their housing costs, which represents 3,413 households each year (Figure 30). The Model shows that the same proportion of households migrating to the area are unable to afford (31%), but this represents 7,711 households moving in to the area. Some of these households will be moving to social rented housing, but many others will be renting housing in the private rented sector with housing benefit support. Together, there are 11,142 new households each year who are unable to afford their housing costs.

Figure 30: Affordability of new households for Brent, Ealing, and Hammersmith and Fulham over the initial 5-year period 2017-22 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	11,205	7,774	3,431	31%
Households migrating in to the area	24,480	16,769	7,711	31%
All new households	**35,685**	**24,543**	**11,142**	**31%**

4.76 Having established the need for affordable housing and the dwellings likely to be vacated, the PPG suggests that the total net need can be calculated by subtracting "*total available stock from total gross need*" (paragraph 29), but this over-simplifies what is a very complex system.

4.77 It is essential to recognise that some households who are unable to buy or rent in the market area when they first form may become able to afford their housing costs at a later date – for example:

- Two newly formed single person households may both be unable to afford housing, but together they might create a couple household that can afford suitable housing;
- Similarly, not all households that are unable to afford housing are allocated affordable housing;

» Some will choose to move to another housing market area and will therefore no longer require affordable housing.

4.78 In these cases, and others, the gross need will need adjusting. The Model recognises these complexities, and through considering the need for affordable housing as part of a whole market analysis, it maintains consistency with the household projections and avoids any double counting.

4.79 Considering those components of household change which reduce the number of households resident in the area, the Model identifies 3,301 households are likely to dissolve following the death of all household members. Many of these households will own their homes outright; however 33% are unable to afford market housing: most living in affordable housing.

4.80 When considering households moving away from Brent, Ealing, and Hammersmith and Fulham, the Model identifies that an average of 27,684 households will leave the area each year. Some will be leaving social rented housing, which will become available for another household needing affordable housing. Whilst others will not vacate a social rented property, those unable to afford their housing costs will have been counted in the estimate of current need for affordable housing or at the time they were a new household (either newly forming or migrating in to the area). Whilst some of these households might prefer to stay in the area if housing costs were less expensive or if more affordable housing was available, given that these households are likely to move from the HMA it is appropriate that their needs are discounted.

4.81 Figure 31 summarises the total household growth. This includes the 11,142 new households on average each year who are unable to afford their housing costs, but offsets this against the 9,937households who will either vacate existing affordable housing or who will no longer constitute a need for affordable housing in Brent, Ealing, and Hammersmith and Fulham (as they have moved to live elsewhere).

Figure 31: Components of average annual household growth for Brent, Ealing, and Hammersmith and Fulham 2017-22 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	11,205	7,774	3,431	31%
Households migrating in to the area	24,480	16,769	7,711	31%
All new households	**35,685**	**24,543**	**11,142**	**31%**
Household dissolutions following death	3,301	2,201	1,100	33%
Households migrating out of the area	27,684	18,847	8,837	32%
All households no longer present	**30,986**	**21,048**	**9,937**	**32%**
Average annual household growth 2017-22	**4,699**	**3,494**	**1,205**	**26%**

4.82 Overall, the Model projects that household growth will yield a net increase of 1,205 households on average each year (over the period 2017-22) who are unable to afford their housing, which represents 26% of the 4,699 total household growth for this period.

Projecting Future Needs of Existing Households

4.83 PPG also identifies that in addition to the needs of new households, it is also important to estimate "*the number of existing households falling into need*" (ID 2a-025), which relates to households living in Brent, Ealing, and Hammersmith and Fulham rather than those migrating in or out of the boroughs. Whilst

established households that continue to live in Brent, Ealing, and Hammersmith and Fulham will not contribute to household growth, changes in household circumstances (such as separating from a partner or the birth of a child) can lead to households who were previously able to afford housing falling into need. The needs of these households are counted by the Model, and it is estimated that an average of 2,153 established households fall into need each year in Brent, Ealing, and Hammersmith and Fulham. This represents a rate of 6.4 per 1,000 household falling in to need each year.

4.84 Finally, whilst the PPG recognises that established households' circumstances can deteriorate such that they fall into need, it is also important to recognise that established households' circumstances can improve and lift them out of need. For example:

» When two people living as single person households join together to form a couple, pooling their resources may enable them to jointly afford their housing costs (even if neither could afford separately). Figure 27 showed that 22% of single person households aged 25-34 in Brent, Ealing, and Hammersmith and Fulham could not afford housing, compared to 5% of couples of the same age.

4.85 Households also tend to be more likely to afford housing as they get older, so young households forming in the early years of the projection may be able to afford later in the projection period. Figure 27 showed that 49% of couple families with dependent children aged 25 to 34 in Brent, Ealing, and Hammersmith and Fulham could not afford housing, compared to 33% of such households aged 35 to 44.

4.86 Given this context, it is clear that we must also recognise these improved circumstances can reduce the need for affordable housing over time, as households that were previously counted no longer need financial support. The Model identifies that the circumstances of 1,848 households in Brent, Ealing, and Hammersmith and Fulham improve each year such that they become able to afford their housing costs despite previously being unable to afford. This represents a rate of 5.5 per 1,000 household climbing out of need each year.

4.87 Therefore, considering the overall changing needs of existing households, there is an average increase of 305 households (2,153 less 1,848 = -305) who need affordable housing each year.

Projecting Future Affordable Housing Need (average annual estimate)

4.88 Figure 32 provides a comprehensive summary of all of the components of household change that contribute to the projected level of affordable housing need. More detail on each is provided earlier in this Chapter.

Figure 32: Components of future affordable housing need for Brent, Ealing, and Hammersmith and Fulham 2017-22 (Source: ORS Housing Model)

	All households (annual average)	Households able to afford housing costs	Households unable to afford housing costs	% unable to afford housing costs
Newly forming households	11,205	7,774	3,431	31%
Households migrating in to the area	24,480	16,769	7,711	31%
All new households	**35,685**	**24,543**	**11,142**	**31%**
Household dissolutions following death	3,301	2,201	1,100	33%
Households migrating out of the area	27,684	18,847	8,837	32%
All households no longer present	**30,986**	**21,048**	**9,937**	**32%**
Average annual household growth 2017-22	**4,699**	**3,494**	**1,205**	**26%**
Existing households falling into need	-	-2,153	+2,153	100%
Existing households climbing out of need	-	+1,848	-1,848	0%
Change in existing households	**-**	**-305**	**305**	**-**
Average annual future need for market and affordable housing 2017-22	**4,699**	**3,189**	**1,510**	**32%**

4.89 Overall, there is a projected need from 11,142 new households who are unable to afford their housing costs (3,431 newly forming households and 7,711 households migrating to the area) each year; however, 9,937 households will either vacate existing affordable housing or will no longer need affordable housing in Brent, Ealing, and Hammersmith and Fulham (as they have moved to live elsewhere) thereby reducing the new need to a net total of 1,205 households.

4.90 Considering the needs of existing households, there are 2,153 households expected to fall into need each year (a rate of 6.4 per 1000 households) but this is offset against 1,848 households whose circumstances are projected to improve. There is, therefore, an average increase of 305 existing households that need affordable housing each year.

4.91 Based on the needs of new households and existing households, there is a projected increase of 1,510 households each year on average for the initial period 2017-22 who will need affordable housing (1,205 plus 305 =1,510).

4.92 Using the approach outlined above for the initial 5-year period of the projection, the Model also considers the need for affordable housing over the 20-year period 2017-37. The Model identifies that the number of households in need of affordable housing will be 43,858 households over the period 2017-37, equivalent to an annual average of 2,193 households per year. This represents 51.1% of the total household growth projected based on demographic trends.

Assessing the Overall Need for Affordable Housing

4.93 Figure 33 brings together the information on assessing the unmet need for affordable housing in 2016, and the future affordable housing need arising over the 20-year period 2017-37.

Figure 33: Assessing total need for market and affordable housing in Brent, Ealing, and Hammersmith and Fulham (Source: ORS Housing Model)

	Housing Need (households)		Overall Housing Need
	Market housing	Affordable housing	
Unmet need for affordable housing in 2016 (see Figure 26)			
Total unmet need for affordable housing	-	27,528	**27,528**
Supply of housing vacated	11,599	9,781	**21,380**
Overall impact of current affordable housing need	**-11,599**	**17,747**	**6,148**
Projected future housing need 2017-37			
Newly forming households	162,809	70,509	**233,318**
Household dissolutions following death	47,408	23,146	**70,553**
Net household growth within Brent, Ealing, and Hammersmith and Fulham	**115,401**	**47,364**	**162,765**
Impact of existing households falling into need	-53,985	+53,985	-
Impact of existing households climbing out of need	+46,371	-46,371	-
Impact of households migrating to/from the area	-54,203	-28,866	**-83,069**
Future need for market and affordable housing 2017-37	**53,585**	**26,111**	**79,696**
Total need for market and affordable housing			
Projected impact of affordable housing need in 2016	-11,599	17,747	**6,148**
Future need for market and affordable housing 2017-37	53,585	26,111	**79,696**
Total need for market and affordable housing	**41,986**	**43,858**	**85,844**
Average annual need for housing	2,099	2,193	**4,292**
Proportion of need for market and affordable housing	**48.91%**	**51.09%**	**100.00%**

4.94 Figure 26 estimated there to be 27,528 households in need of affordable housing in 2016. However, as 9,781 of these already occupied an affordable home, our previous conclusion was therefore a net need from 17,747 households (27,528 less 9,781= 17,747) who need affordable housing and do not currently occupy affordable housing in Brent, Ealing, and Hammersmith and Fulham.

4.95 The 20-year projection period 2017-37 then adopts the approach that was previously outlined for the initial 5-year period of the projection. The Model identifies that the number of households in need of affordable housing will increase by 26,111 households over the period 2017-37, alongside an increase of 53,585 households able to afford market housing.

4.96 Overall, there will be a need to provide additional affordable housing for 43,858 households over the period 2017-37. This is equivalent to an average of 2,193 households per year. This represents 51.1% of the demographic growth for Brent, Ealing, and Hammersmith and Fulham using long-term trend growth.

4.97 Any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.

Future Policy on Housing Benefit in the Private Rented Sector

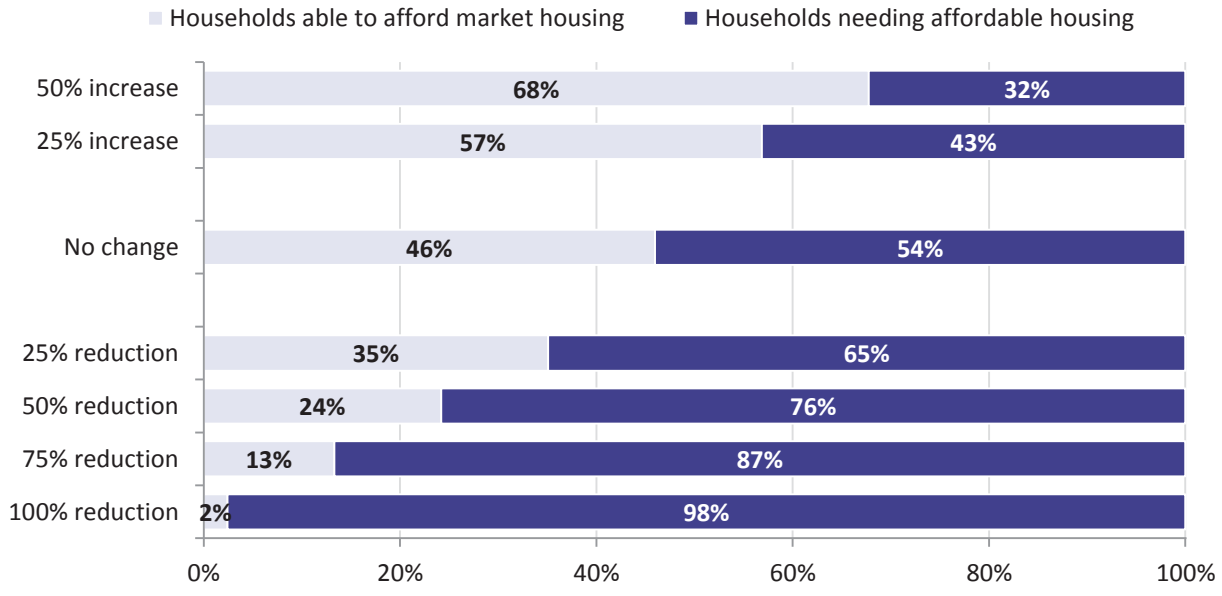
4.98 The Model also recognises the importance of housing benefit and the role of the private rented sector. The Model assumes that the level of housing benefit support provided to households living in the private rented sector will remain constant; however this is a national policy decision which is not in the control of the Councils. The Summer 2015 Budget introduced a four-year freeze to local housing allowance rates together with changes to the benefit cap, however this typically affects the amount of housing benefit paid rather than the number of households (although there were eligibility changes for those aged under 21).

4.99 It is important to note that private rented housing (with or without housing benefit) does not meet the definitions of affordable housing. However, many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. These households aren't counted towards the need for affordable housing (as housing benefit enables them to afford their housing costs), but if housing benefit support was no longer provided (or if there wasn't sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.

4.100 The model adopts a neutral position in relation to this housing benefit support, insofar as it assumes that the number of claimants in receipt of housing benefit in the private rented sector will remain constant. The model does not count any dwellings in the private rented sector as affordable housing supply; however it does assume that housing benefit will continue to help some households to afford their housing costs, and as a consequence these households will not need affordable housing.

4.101 To sensitivity test this position, Figure 34 shows the impact of reducing (or increasing) the number of households receiving housing benefit to enable them to live in the private rented sector. If households are no longer able to afford to live in private rented housing (or the supply of such housing reduces) then there is likely to be an increased demand for affordable housing, as illustrated below.

Figure 34: Theoretical impact of reducing or increasing Housing Benefit support for households living in private rented housing: Balance between households able to afford market housing and households needing affordable housing 2017-37 and associated number of affordable dwellings for Brent, Ealing, and Hammersmith and Fulham



4.102 If no households were to receive housing benefit support in the private rented sector, most (98%) of the growth in household numbers would need affordable housing.

Conclusions

4.103 Based on the household projections previously established, we have established the balance between the need for market housing and the need for affordable housing. This analysis has identified a need to increase the overall housing need by 6,148 households to take account of concealed families and homeless households that would not be captured by the household projections.

4.104 The housing mix analysis identified a need to provide additional affordable housing for 43,858 households over the 20-year period 2017-37 (an average of 2,200 per year), **representing 51.1% of the demographic growth for Brent, Ealing, and Hammersmith and Fulham** using long-term trend growth. This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but assumes that the level of housing benefit support provided to households living in the private rented sector remains constant.

4.105 Providing sufficient affordable housing for all of these households would increase the need to 98% of all dwellings, but it is important to recognise that, in this scenario, the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market and this is likely to have significant consequences which would be difficult to predict.

5. Market Signals

Considering the balance between housing need and supply

Defining Market Signals

5.1 While demographic trends are key to the assessment of OAN, it is also important to consider current Market Signals and how these may affect housing needs. PPG identifies a range of housing market signals that should be considered when determining the future housing number. Key to this is how market signals should be taken into account:

> *The housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings (Paragraph 019)*
>
> *A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections. (Paragraph 020)*
>
> **Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)**

5.2 The Market Signals include:

- Land and house prices;
- Rents and affordability;
- Rate of development; and
- Overcrowding.

5.3 Furthermore, there are other issues that should be considered, for example the macro-economic climate (PAS OAN technical advice note, para 6.13). Further, there are wider market trends and drivers to consider. A full range of market signals are considered here and their implications especially where these may indicate undersupply relative to demand and the need to deviate from household projections.

5.4 PPG and the PAS OAN technical advice note emphasise the importance of considering indicators in the context of longer-term trends and looking at rates of change as well as absolute levels – for example, house prices in the housing market may be higher or lower than the national average, however the more important consideration is whether or not they are becoming more (or less) expensive at a rate that differs from the national rates or rates in similar areas.

> *Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the housing market area; similar demographic and economic areas; and nationally. (Paragraph 020)*
>
> **Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)**

5.5 To identify areas with similar demographic and economic characteristics, we have analysed data from the ONS area classifications together with data from the CLG Index of Multiple Deprivation. The outcome of

this was that Brent, Ealing, and Hammersmith and Fulham shares similar demographic and economic characteristics with Camden & Islington and Newham & Waltham Forest. Therefore, in considering market signals, we have considered these areas as appropriate comparators and compared them against the study HMA.

House Prices and Affordability

5.6 House prices in the UK have been relatively volatile in the past 10 years. Prices increased by 8.7% in the 12 months to June 2016[11]; prices rose fastest in the East of England (14.3%), London (12.6%), and the South East (12.3%).

5.7 The average UK house price was £214,000 in June 2016 compared to the peak of the previous high of £190,000 in the three months August to October 2007, which was overtaken in 2014. Average house price trends 2006 - 2016 as demonstrated by the House Price Index (HPI) show the price divergence between London and the rest of the UK.

Figure 35: Annual house price rates of change, UK all dwellings 2004-2016 (Source: Regulated Mortgage Survey. Note: Not seasonally adjusted)

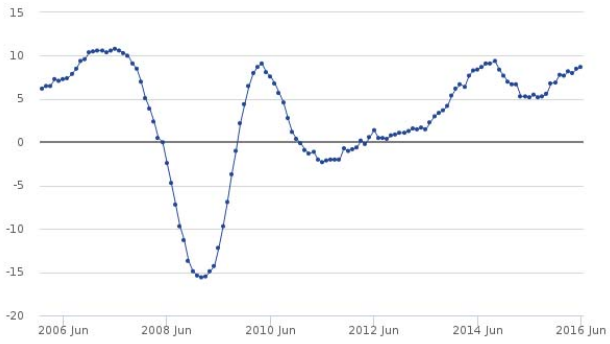
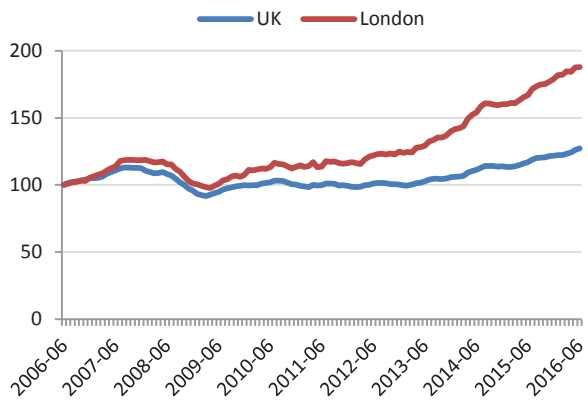


Figure 36: UK and London House Price Index 2008-2016 (Source: ONS)



5.8 The Bank of England has overall responsibility for UK monetary policy: it has been concerned about the risks posed by house prices, high levels of borrowing and any housing 'bubble' to national economic recovery. In his speech at the Mansion House in June 2014, the Governor of the Bank said:

> *"The underlying dynamic of the housing market reflects a chronic shortage of housing supply, which the Bank of England can't tackle directly. Since we are not able to build a single house, I welcome the Chancellor's announcement tonight of measures to increase housing supply.*
>
> *To be clear, the Bank does not target asset price inflation in general or house prices in particular.*
>
> *It is indebtedness that concerns us.*
>
> *This is partly because over-extended borrowers could threaten the resilience of the core of the financial system since credit to households represents the lion's share of UK banks' domestic lending.*

[11] https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/june2016

It is also because rapid growth in or high levels of mortgage debt can affect the stability of the economy as a whole."

5.9 These concerns remain. The Financial Policy Committee (FPC) Financial Stability Report July 2016[12] states:

> ***"The FPC is alert to risks arising from household indebtedness**. Survey evidence on the housing market has been difficult to interpret in recent months because of the impact of the pre-announced increase in stamp duty, which boosted activity in March and has dampened activity in April and May. Nevertheless, in advance of the referendum, there was evidence that uncertainty about the outcome was contributing to a slowdown in housing activity. For example, the May RICS survey of chartered surveyors reported a sharp decline in new buyer enquiries … to their lowest level since 2008. In the period since the referendum, the average share price of the largest home construction firms has declined by 25%, compared with a 2% rise in the FTSE All-Share index"*

The FPC also states concern about the effects of rapid growth in the buy-to-let sector:

> *"The stock of buy-to-let lending grew by 12.3% in the year to 2016 Q1. Activity fell off sharply in April, such that buy-to-let mortgage lending for house purchase was 85% lower than in March."*

5.10 The risk centres on the possibility of buy-to-let investments "amplifying cycles in the housing market as a whole" which **"**could put upward pressure on household indebtedness in an upswing and have an impact on consumption and broader economic activity in a downturn."

5.11 The RICS UK Residential Market Survey[13] is updated monthly. While there are many uncertainties following the June 2016 referendum, the July 2016 Survey gives an early indication of the direction of prices in the short to medium term, and reports an increase in optimism among respondents:

> *"the net balance of those expecting prices to increase over the year ahead rising from zero to +23%. Even so, this still represents a significant softening compared to six months ago, when +66% more surveyors anticipated rising prices. For the second month running, the regional breakdown shows London and East Anglia are the only areas in which prices are expected to fall over the year ahead."*

5.12 Overall respondents to the Survey expect prices to rise over the medium term, with higher rises in London compared to the UK:

> *"London exhibits amongst the strongest projections over the medium term (three-month average), with respondents pencilling in around 4% growth, per annum, over the next five years. On the same basis, prices are expected to rise by close to 3% nationally."*

5.13 The Survey suggests that, currently, an "*acute shortage of property for sale"* could be underpinning prices.

House Prices in Brent, Ealing, and Hammersmith and Fulham

5.14 House price trends (2001-2015) are shown in Figure 37 and Figure 38 shows lower quartile house prices adjusted for the impact of inflation. Therefore, the prices reflect real changes which have occurred since 2001 when removing the impact of background inflation.

[12] http://www.bankofengland.co.uk/publications/Pages/fsr/2016/jul.aspx

[13] http://www.rics.org/uk/knowledge/market-analysis/rics-residential-market-survey/

5.15 It is clear that real house prices in Brent, Ealing, and Hammersmith and Fulham rose sharply in the period 2001-2007 (from £127,000 to £257,000 at 2013 values, a real increase of 102%); in some periods at a higher rate than London.

Figure 37: House Price Trends: Lower Quartile Prices (Source: ONS. Note: HMA figure derived using population weighted average of Local Authority data)

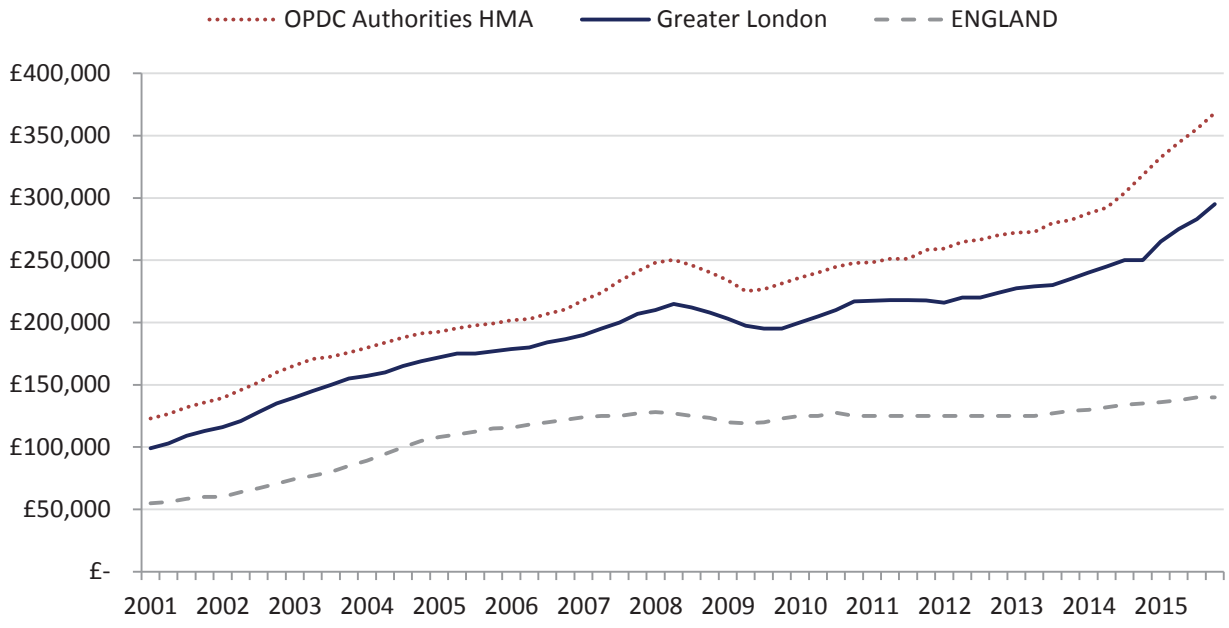
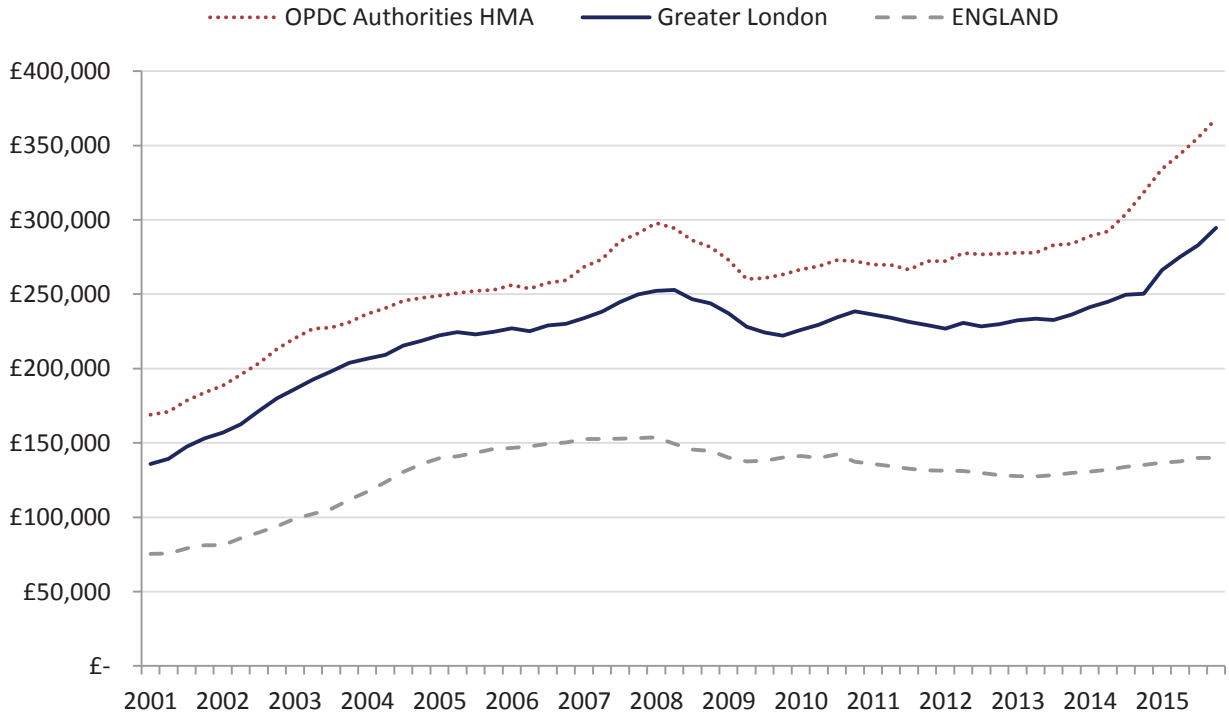
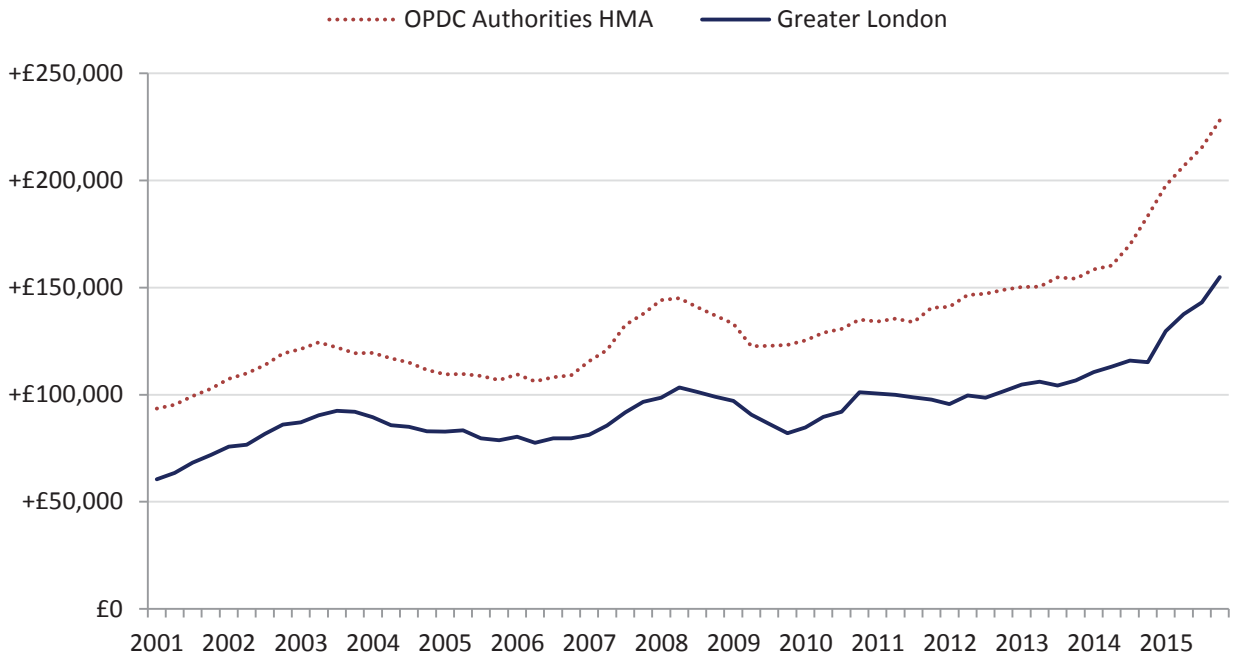


Figure 38: Real House Price Trends: Lower Quartile Prices adjusted to 2015 values using CPI (Source: ONS; Bank of England. Note: HMA figure derived using population weighted average of Local Authority data)



5.16 Figure 39 shows how real house prices in Brent, Ealing, and Hammersmith and Fulham have varied when compared with England. This shows that real house prices in the area are currently above their long-term average trends.

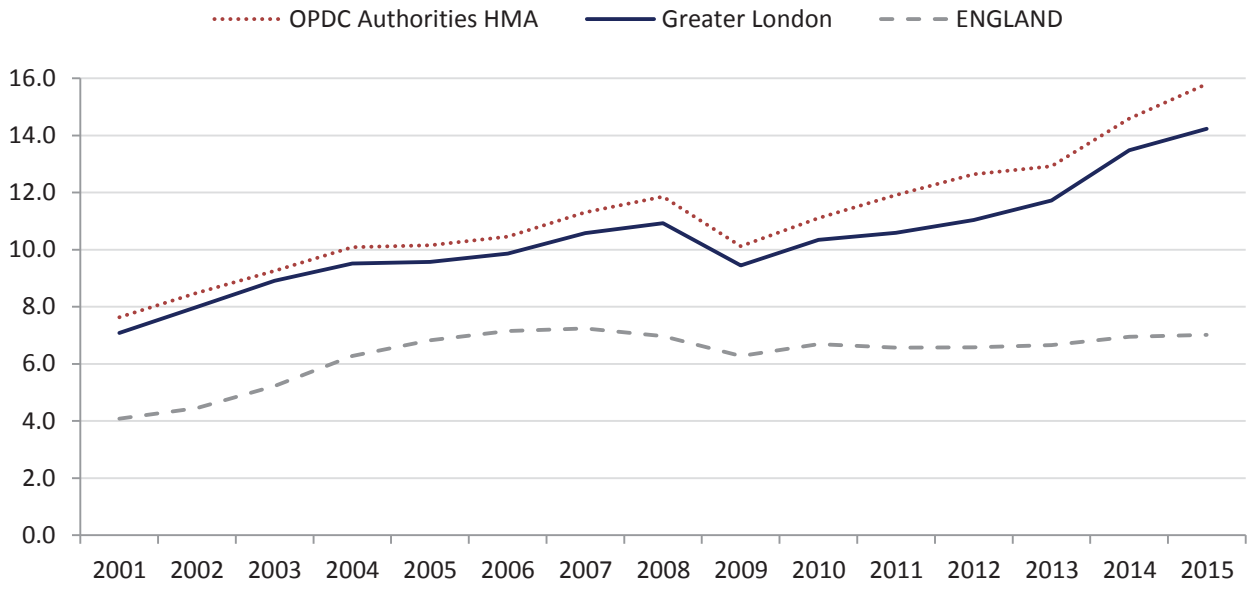
Figure 39: Real House Price Trends relative to England: Lower Quartile Prices adjusted to 2015 values using CPI (Source: ONS; Bank of England. Note: HMA figure derived using population weighted average of Local Authority data)



Affordability in Brent, Ealing, and Hammersmith and Fulham

5.17 Figure 40 below shows the ratio of lower quartile house price to lower quartile earnings in Brent, Ealing, and Hammersmith and Fulham between 2001 and 2015. This long term trend for the area shows that affordability worsened in the period 2001-08 (when there was an increase in real house prices), improved between 2008 and 2009, but has since risen back to peak levels. Of course, it is also important to remember that affordability can be influenced by supply issues (e.g. lower housing delivery levels) and demand side issues (e.g. lower availability of mortgage finance for first time buyers).

Figure 40: Ratio of Lower Quartile House Price to Lower Quartile Earnings (Source: DCLG. Note: Ratios prior to 2013 are calculated using a different source of house price data Note: HMA figure derived using population weighted average of Local Authority data)



Private Rent

5.18 The English Housing Survey (EHS) 2014-15[14] identified that 19% (4.3 million) of households were renting from a private landlord, much higher than the rate of 12% a decade earlier in 2004-05. The EHS also shows that households aged 25-34 were more likely to be renting privately (46%) than buying a home, up from 24% in 2004-05. Owner occupation in this age group dropped from 57% to 37% over the same 10 year period. Of all private renters, 23% were in London and 77% in the rest of the Country. The proportion of households in the private rented sector in London grew from 14% in 2003-04 to 30% in 2013-14, larger than the mortgagor sector (27% in 2013-14).

5.19 The growth of the Sector has been acknowledged as both a growing and long term option for meeting the nation's housing need. The Government published "*Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities*" in March 2015[15], and the Forward by the Minister stated:

> *"The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue."*

5.20 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply[16] (including the Build to Rent investment scheme[17]).

[14] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/501065/EHS_Headline_report_2014-15.pdf
[15] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf
[16] https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment

5.21 Importantly, the Government sees the PRS having an important and long term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.

5.22 Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing options for households unable to afford their housing costs in future. Nevertheless, it is essential for local authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.

Overcrowding

5.23 Overcrowding was considered in detail when establishing the need for affordable housing. PPG also identifies a series of other factors to monitor alongside overcrowding, including concealed and sharing households, homelessness and the numbers in temporary housing (paragraph 19):

> *Indicators on overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation demonstrate un-met need for housing. Longer term increase in the number of such households may be a signal to consider increasing planned housing numbers.*

5.24 These were also considered when establishing the need for affordable housing, and the overall housing number was increased to take account of the needs of homeless households and concealed families with younger family representatives who would not have been counted as part of the household projections. This adjustment has already been incorporated as a response to the identified un-met need for housing, and can be considered as part of the response to market signals.

Summary of Market Signals

5.25 As acknowledged earlier in this section, there is no single formula that can be used to consolidate the implications of this information; and furthermore the housing market signals will have been predominantly influenced by relatively recent housing market trends. Nevertheless, the indicators provide a context for considering the balance between housing need and supply.

[17] https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence

Brent, Ealing, and Hammersmith and Fulham

5.26 In terms of headline outputs, the market signals when compared to relevant comparator areas show:

Figure 41: Summary of Market Signals – Brent, Ealing, and Hammersmith and Fulham (Note: Affordability Ratios prior to 2013 are calculated using a different source of house price data)

Brent, Ealing, and Hammersmith and Fulham		OPDC HMA	Camden & Islington	Newham & Waltham Forest	Greater London	England
INDICATORS RELATING TO PRICE						
House prices						
Lower quartile house price	2014-15 price	£332,600	£433,700	£234,400	£265,000	£136,000
	Relative to England	+145%	+219%	+72%	+95%	-
	2009-10 price	£236,000	£274,200	£172,100	£200,000	£125,000
	5-year change	+41%	+58%	+36%	+33%	+9%
Rents						
Average monthly rent	2015-16 cost	£1,593	£2,127	£1,274	£1,727	£820
	Relative to England	+94%	+159%	+55%	+111%	-
	2010-11 cost	£1,226	£1,592	£894	£1,265	£694
	5-year change	+30%	+34%	+42%	+36%	+18%
Affordability						
Lower quartile house price to earnings	2015 ratio	15.8	17.0	13.1	14.2	7.0
	Relative to England	+125%	+142%	+87%	+103%	-
	2010 ratio	11.1	11.8	9.0	10.3	6.7
	5-year change	+42%	+44%	+46%	+37%	+5%
INDICATORS RELATING TO QUANTITY						
Overcrowding						
Overcrowded households	2011 proportion	26.7%	30.8%	29.2%	21.7%	8.7%
	Relative to England	+206%	+253%	+234%	+148%	-
	2001 proportion	22.3%	27.5%	21.2%	17.3%	7.1%
	10-year change	+20%	+12%	+37%	+25%	+23%
Rate of development						
Increase in stock	2001-11 change	7.6%	11.5%	8.7%	8.7%	8.3%
	Relative to England	-9%	+38%	+4%	+4%	-

5.27 On the basis of this data we can conclude:

- **House Prices:** lower quartile prices are higher than the national average, with a lower quartile price of £332,600, compared to England's £136,000 (based on 2014-15 values). The current price in Brent, Ealing, and Hammersmith and Fulham is similar lower than those in Camden and Islington, but higher than those in the east (Waltham Forest and Newham). ;
- **Rents:** for average private sector rents in 2015-16, Brent, Ealing, and Hammersmith and Fulham are above the national average. Rate of change in rents have been similar across Greater London;
- **Affordability:** (in terms of the ratio between lower quartile house prices and lower quartile earnings) is currently 'worse' in Brent, Ealing, and Hammersmith and Fulham than across

England as a whole (15.8 cf. 7.0x), but is similar to Camden and Islington, but higher than those in the east (Waltham Forest and Newham) and Greater London as a whole;

» **Overcrowding:** (in terms of Census occupancy rates) shows that 26.7% of households in the study area are overcrowded based on an objective measure, which is much higher than England (8.7%). However, the comparator areas have even higher rates of overcrowding. Also, the proportion of overcrowded households has increased over the last 10 years at a similar rate to the national average (20% cf. 23%);

» **Rate of development:** (in terms of increase in dwelling stock over the last 10 years) shows that development has increased the stock size by 7.6%, which is lower than England (8.3%). This rate for Brent, Ealing, and Hammersmith and Fulham is lower than the comparator areas. Of course, these figures will inevitably be influenced by local constraints as well as individual policies.

Conclusions on Market Signals

5.28 As previously noted, PPG suggests that "*household projections should be adjusted to reflect appropriate market signals*" where there is a "worsening trend in any of these indicators" (paragraphs 19-20). Whilst rents have increased in all areas, house prices decreased between 2008 and 2010 before recovering. Consequently, affordability as measured by lower quarter house prices to earnings remains under pressure. There are relatively higher levels of overcrowding in Brent, Ealing, and Hammersmith and Fulham, so it is appropriate to consider an uplift to the household projection when establishing OAN in response to market signals. The indicators collectively show that circumstances in Brent, Ealing, and Hammersmith and Fulham are generally similar to those across other areas of London; so any uplift must be determined in this context.

5.29 There is no definitive guidance on what level of uplift is appropriate. Nevertheless, the Inspector examining the Eastleigh Local Plan judged 10% to be reasonable given the market signals identified for that HMA:

> *"It is very difficult to judge the appropriate scale of such an uplift … Exploration of an uplift of, say, 10% would be compatible with the "modest" pressure of market signals recognised in the SHMA itself."*

5.30 The PAS Objectively Assessed Need and Housing Targets Technical Advice Note (July 2015) supports this approach as a method to estimate the uplift and says that "where the evidence suggest moderate under-provision…the projected housing need might be increased by 10%". The inspector at the Canterbury Local Plan in August 2015 stated that a 20% uplift was 'very substantial'[18].

5.31 We would also note that impact of market signals adjustments for the Greater London SHMA was an increase of 13.5%, but the GLA SHMA also included under-delivery from 2011-16 taking the final housing requirement to around 25% above the baseline household projections.

5.32 Given the relative market signal indicators for Brent, Ealing and Hammersmith and Fulham,, the views of the Eastleigh and Canterbury Inspectors and the Greater London SHMA**, it would seem to be reasonable to consider an uplift of 20% to be reasonable for Brent, Ealing, and Hammersmith and Fulham** as the area experiences housing market pressures which are in line with other most highly pressurised markets in London. This figure is in line with that chosen for Brent by ORS in a separate study.

[18] https://www.canterbury.gov.uk/localplan

5.33 It is important to recognise that any uplifts applied when establishing housing need can have a cumulative impact. This was noted by the Inspector examining the County Durham Plan in his interim views (para 42):

> …affordable housing need and market signals are amongst several factors, including future employment, which could lead to an upward adjustment in the housing need suggested by the DCLG projections. Given the significant upward adjustment already brought about by the jobs target, I consider any further upward adjustment in respect of affordable housing need and market signals would result in a calculation of OAN that is not grounded in realism in respect of associated population levels.

5.34 The compound impact of adjustments was also noted by the Inspector examining the Cornwall Local Plan in his interim views:

> *3.21 Any uplift on the demographic starting point such as the 7% addition for second/holiday homes that I am requiring (see below) would deliver some additional affordable housing and can be taken into account in judging whether any further uplift is justified. A very substantial uplift would raise the same concerns as I set out above in relation to market signals, but some further uplift should still be carefully considered by the Council.*

5.35 This is important because we have already noted that a total of 6,148 dwellings in Brent, Ealing, and Hammersmith and Fulham are required for concealed and homeless households. These households add 7.7% to the GLA long-term trend household projections. **We wish to stress that the proposed 20% uplift for Brent, Ealing, and Hammersmith and Fulham incorporates the 7.7% adjustment and is not in addition to them.** The final OAN incorporates the 20% uplift.

6. Objectively Assessed Need

Analysing the evidence to establish overall housing need

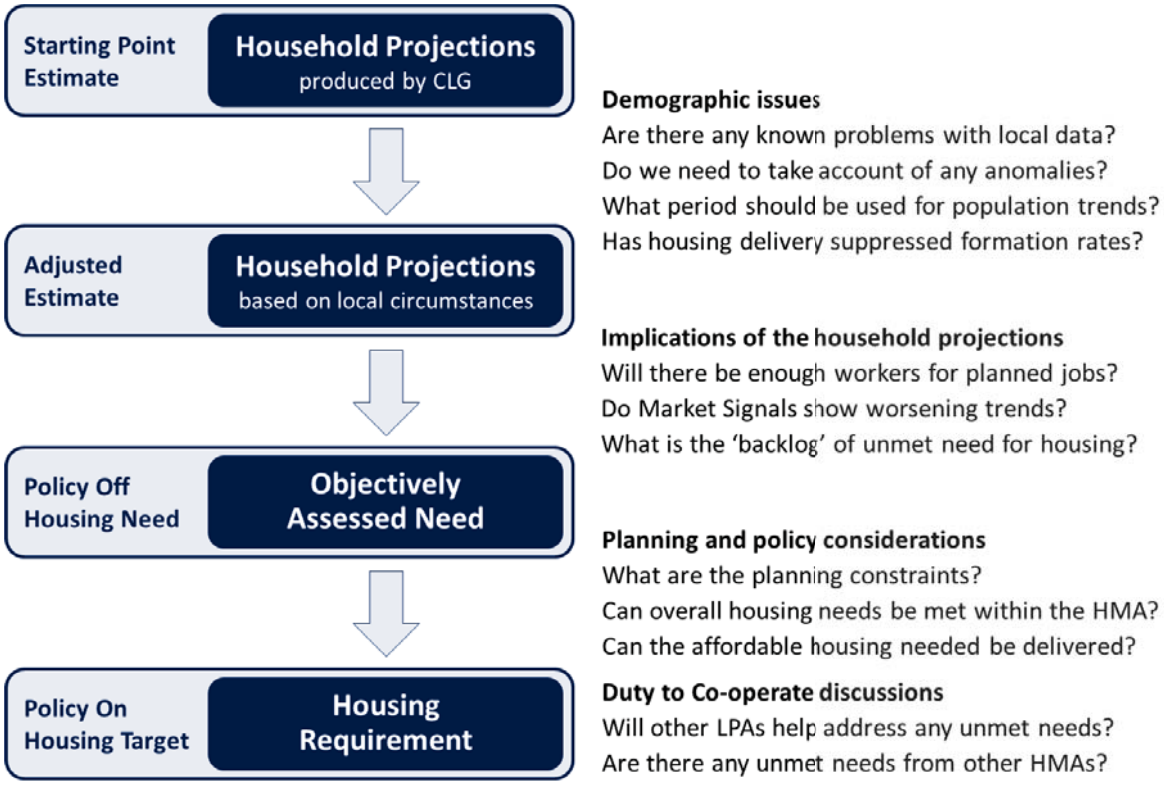
The Process for Assessing OAN

6.1 A key objective of this study is to establish the Objectively Assessed Need (OAN) for housing. The OAN identifies the future quantity of housing that is likely to be needed (both market and affordable) in Brent, Ealing, and Hammersmith and Fulham over the future plan period. It is important to recognise that the OAN does not take account of any possible constraints to future housing supply. Such factors will be subsequently considered by the local planning authorities before establishing the final Housing Requirement.

> *The assessment of development needs is an objective assessment of need based on facts and unbiased evidence. Plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. However, these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans.*
>
> **Planning Practice Guidance (PPG), paragraph 4**

6.2 Figure 42 sets out the process for establishing the housing number for Brent, Ealing, and Hammersmith and Fulham. It starts with a demographic process to derive housing need from a consideration of population and household projections. To this, external market and macro-economic constraints are applied ('Market Signals') in order to ensure that an appropriate balance is achieved between the demand for and supply of dwellings.

Figure 42: Process for establishing a Housing Number for brent, Ealing and Hammersmith and Fulham (Source: ORS based on NPPF and PPG)



National Context for England

6.3 The NPPF requires Local Planning Authorities to "ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area" and "identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change" (paragraphs 47 and 159).

6.4 PPG further identifies that "household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need" (ID 2a-015 to 016).

Household Growth

6.5 The 2014-based CLG household projections show that the number of households in England will increase from 22.7 million to 28.0 million over the 25-year period 2014 to 2039. This represents a growth of 5.3 million households over 25 years, equivalent to an annual average of 210,300 households each year, and this provides the starting point estimate of overall housing need for England.

6.6 It should be noted that the annual average of 210,300 households is already much higher than current housing delivery: provisional data for England published by CLG for the period April 2015 to March 2016 identifies that construction started on 139,700 dwellings and 139,700 dwellings were also completed during the year. Therefore, to build sufficient homes to meet annual household growth would require housebuilding to increase by over 50% – so providing for household growth in itself would require a significant step-change in the number of homes currently being built.

International Migration

6.7 The 2014-based CLG household projections are based on the ONS 2014-based sub-national population projections. These projections identify an average net gain of 182,400 persons each year due to international migration, and a net loss of 6,200 persons each year from England to other parts of the UK. Therefore, the 2014-based projections are based on net migration averaging 176,100 persons each year.

6.8 However, these estimates for future international migration may be too low. Oxford University research (March 2015) showed net international migration to be 565,000 persons over the 3-year period 2011-14, an average of 188,300 per annum; and net migration to England averaged 211,200 persons annually between the Census in 2001 and 2011. Both figures suggest that the 2014-based SNPP may underestimate international migration, which would have knock-on implications for projected population growth.

6.9 As previously noted, longer-term projections typically benefit from longer-term trends and therefore ORS normally consider migration based on trends for the 10-year period 2001-11. On this basis, our trends are based on a period when net migration to England averaged 211,200 persons each year: 35,100 persons higher than assumed by the 2014-based SNPP, which represents an additional 15,400 households each year based on CLG average household sizes. Therefore, the approach taken for establishing migration based on longer-term trends would increase household growth for England from 210,300 households to 225,700 households each year on average.

Market Signals

6.10 The NPPF also sets out that "Plans should take account of market signals, such as land prices and housing affordability" (ID 2a-017) and PPG identifies that "the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals".

6.11 The market signals identified include land prices, house prices, rents, affordability and the rate of development; but there is no formula that can be used to consolidate the implications of this data. Nevertheless, the likely consequence of housing affordability problems is an increase in overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation. PPG identifies that these indicators *"demonstrate un-met need for housing"* and that *"longer term increase in the number of such households may be a signal to consider increasing planned housing numbers"* (ID 2a-019).

6.12 The Census identified that the number of concealed families living in England increased from 161,000 families to 276,000 families over the decade 2001 to 2011, which represents a growth of 115,000 families over 10 years. Although many concealed families do not want separate housing (in particular where they have chosen to live together as extended families), others are forced to live together due to affordability difficulties or other constraints – and these concealed families will not be counted as part of the CLG household projections.

6.13 Concealed families with older family representatives will often be living with another family in order to receive help or support due to poor health. Concealed families with younger family representatives are more likely to demonstrate un-met need for housing. When we consider the growth of 115,000 families over the period 2001-11, over three quarters (87,100) have family representatives aged under 55, with substantial growth amongst those aged 25-34 in particular. This is a clear signal of the need to increase the planned housing numbers in order to address the increase in concealed families over the last decade and also factor in their impact on current and future average household sizes.

6.14 Addressing the increase in concealed families would increase projected household growth by 87,100 over the 25-year period, an average of 3,500 households each year over the period 2014-39 (or higher if the need is addressed over a shorter period). Therefore, adjusting for longer-term migration trends and taking account of the market signals uplift for concealed families yields an average household growth for England of 229,200 each year.

Converting to Dwellings

6.15 Finally, in converting from households to dwellings we need to allow for a vacancy and second home rate as not all dwellings will be occupied. At the time of the 2011 Census this figure was 4.3% of all household spaces in England: we have applied this to future household growth, and on this basis the growth of 229,200 households would require the provision of **239,500 dwellings each year across England**. This is the average number of dwellings needed every year over the 25-year period 2014-39 and represents a 1.0% increase in the dwelling stock each year.

6.16 This takes account of household growth based on CLG 2014-based projections (the starting point); adjusts for long-term migration trends which assume a higher rate of net migration to England; responds to market signals through providing for the growth of concealed families; and takes account of vacant and second homes.

6.17 Whilst the uplift for market signals represents less than 2% of the projected household growth, the household growth itself is much higher than current rates of housing delivery. **The identified housing need of 239,500 dwellings requires current housebuilding rates to increase by 71%** (based on dwelling starts in 2015-16).

6.18 Development industry campaigners (such as Homes for Britain[19]) are supporting a position which requires 245,000 homes to be built in England every year, a figure derived from the Barker Review (2004)[20]. It is evident that objectively assessed need based on household projections which take account of longer-term migration trends together with a market signals adjustment for concealed families is consistent with this target, so any further increase in housing numbers at a local level (such as adjustments which might be needed to deliver more affordable housing or provide extra workers) must be considered in this context.

Establishing Objectively Assessed Need for Brent, Ealing, and Hammersmith and Fulham

6.19 The earlier part of this Chapter sets out the context for national change in households, and the underlying complexities and features around this. We now move on to the position for Brent, Ealing, and Hammersmith and Fulham. Our approach for this section follows the format of the earlier section, albeit with specific reference to Brent, Ealing, and Hammersmith and Fulham. Essentially, therefore, this section is concerned with:

- CLG 2014-based household projections (the starting point);
- GLA 2015 round household projections
- Market signals, incorporating an uplift for concealed families;

[19] http://www.homesforbritain.org.uk
[20] http://webarchive.nationalarchives.gov.uk/+/http:/www.hmtreasury.gov.uk/barker_review_of_housing_supply_recommendations.htm

» Converting from household growth to a requirement for dwellings, taking account of vacancies and second homes.

6.20 In addition, we consider employment trends and the relationship between the jobs forecast and projected number of workers, and the need for affordable housing.

CLG Household Projections

6.21 The "starting point" estimate for OAN is the CLG household projections, and the latest published data is the 2012-based projections for period 2014-39. These projections suggest that household numbers across Brent, Ealing, and Hammersmith and Fulham will increase by 83,740 over the 20-year period 2017-37, an average of 4,187 per year.

6.22 However, the notes accompanying the CLG Household Projections explicitly state that:

> *"The 2012-based household projections are linked to the Office for National Statistics 2012-based sub-national population projections.* ***They are not an assessment of housing need*** *or do not take account of future policies, they are an indication of the likely increase in households given the* ***continuation of recent demographic trends****."*

6.23 The ONS 2012-based sub-national population projections are based on migration trends from the 5-year period before the projection base date; so trends for the period 2007-2012. Short-term migration trends are generally not appropriate for long-term planning, as they risk rolling-forward rates that are unduly high or unduly low. Projections based on long-term migration trends are likely to provide a more reliable estimate of future households.

GLA Adjustments

6.24 The GLA have calculated household projections also include scenarios using 5 and 12-year migration trends. On the basis of 12-year migration trends, household numbers across ODPC Authorities are projected to increase by 79760 households over the 20-year period 2017-37, an average of 3,988 per year.

6.25 Whilst this projection is lower than the CLG 2012-based household projection (4,187 p.a.), as this scenario is based on long-term migration trends it gives the most reliable and appropriate demographic projection for establishing future housing need. However, we would still note our concerns around the GLA demographic data.

Affordable Housing Need

6.26 Based on the household projections previously established, we have established the balance between the need for market housing and the need for affordable housing. This analysis has identified a need to increase the overall housing need by 6,148 households to take account of concealed families and homeless households that would not be captured by the household projections.

6.27 The housing mix analysis identified a need to provide additional affordable housing for 43,858 households over the 20-year period 2017-37 (an average of 2,200 per year), **representing 51.1% of the demographic growth for Brent, Ealing, and Hammersmith and Fulham** using long-term trend growth. This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but assumes that the level of housing benefit support provided to households living in the private rented sector remains constant.

6.28 Providing sufficient affordable housing for all of these households would increase the need to 98% of all dwellings, but it is important to recognise that, in this scenario, the private rented housing currently occupied by households in receipt of housing benefit would be released back to the market and this is likely to have significant consequences which would be difficult to predict.

6.29 This would provide for the current unmet needs for affordable housing in addition to the projected future growth in affordable housing need, but assumes that the level of housing benefit support provided to households living in the private rented sector remains constant. Furthermore, any losses from the current stock (such as demolition or clearance, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount.

Employment Trends

6.30 While demographic trends are key to the assessment of OAN, it is also important to consider current Employment Trends and how the projected growth of the economically active population fits with the future changes in job numbers.

> *Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.*
>
> *Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.*
>
> **Planning Practice Guidance 2014, paragraph 18**

6.31 As noted in Chapter 2, it is not possible to define an HMA that is smaller than Greater London that is self-contained in terms of commuting – so if jobs and workers are to be in balance, the analysis must be undertaken for the whole of Greater London. A lower-tier area like Brent, Ealing, and Hammersmith and Fulham will, therefore, contribute to balancing jobs and workers across the Greater London HMA, consistent with the London Plan.

Market Signals

6.32 As previously noted, PPG suggests that "*household projections should be adjusted to reflect appropriate market signals*" where there is a "*worsening trend in any of these indicators*" (paragraphs 19-20). As discussed in Chapter 5, it is appropriate to consider an uplift to the household projection when establishing OAN in response to market signals.

6.33 Given the relative market signal indicators for the area, the views of the Eastleigh and Canterbury Inspectors and the Greater London SHMA, it would seem to be reasonable to consider an uplift of 20% to be reasonable for Brent, Ealing, and Hammersmith and Fulham. This 20% uplift is included in the full OAN.

Conclusions on OAN

6.34 Based upon the information set out above, Figure 43 summarises the Full Objectively Assessed Need for Housing across the ODPC Authorities.

Figure 43: Full Objectively Assessed Need for Housing across Brent, Ealing, and Hammersmith and Fulham 2017-37

	GLA 2014 Round Long-term trends (based on 12 years migration trends)	
	Total 2017-37	Annual 2017-37
Brent, Ealing, and Hammersmith and Fulham	98,955	4,948

6.35 Of course, it is important to remember that "establishing future need for housing is not an exact science" (PPG paragraph 14). Whilst the OAN must be underwritten by robust evidence that is based on detailed analysis and informed by reasonable assumptions, the final conclusions should reflect the overall scale of the housing needed in the housing market area without seeking to be spuriously precise.

6.36 We would note that the current population of the OPDC is around 7,000 people with around 2,800 households. Apply the methodology adopted in this study to the ODPC area on its own would results in an OAN figure of around 1,200 dwellings for the period to 2037. However, a lack of detailed demographic data on the existing population of the area makes this an imprecise calculation and the planned supply for OPDC implies that it has a strategic role in meeting the wider needs of West London.

6.37 Therefore, based upon the GLA 2015 round long-term trend migration projections the SHMA therefore identifies the Full Objective Assessed Need for Housing in Brent, Ealing, and Hammersmith and Fulham to be a rounded figure of 99,000 dwellings over the 20-year Plan period 2017-37, equivalent to an average of 4,950 dwellings per year. This includes the Objectively Assessed Need for Affordable Housing of 44,400 dwellings over the same period, equivalent to an average of 2,210 dwellings per year.

Housing Supply and Backlog

6.38 To this point we have focused upon the OAN for Brent, Ealing, and Hammersmith and Fulham due to the low existing population of the ODPC area. It is now necessary to compare this with the supply for the authorities to assess if the OAN figure is compatible with it. Figure 44 shows that the London Plan contains a minimum target for Brent, Ealing, and Hammersmith and Fulham of 3,853 dwellings per annum. This figure is 1,100 dwellings per annum less than OAN identified for the authorities.

Figure 44: Minimum Housing Target in the London Plan by Borough 2015-25 (Source: GLA SHLAA 2013 and London Plan)

Borough	Annual Figure 2015-25
Brent	1,525
Ealing	1,297
Hammersmith and Fulham	1,031
TOTAL	**3,853**

6.39 The land supply figures for Brent, Ealing and Hammersmith and Fulham do not include the OPDC area itself. By 2037, OPDC are projecting to deliver over 16,000 of their 25,500 new homes. This equates to just over 800 per annum, so the dwelling delivery in OPDC can clearly be seen to be accommodating most of the strategic needs of Brent, Ealing, and Hammersmith and Fulham which will not be met in the borough planning authorities.

6.40 We would also note that the Planning Advisory Service Good Plan Making Guide[21] identifies that the SHMA should *"re-set the clock"* and provide a new baseline assessment of all housing need. However, the SHMA must take account of 'backlog': any unmet need for housing that exists at the start of the plan period.

> *"Having an up-to-date, robust Strategic Housing Market Assessment should re-set the clock, and therefore carrying forward under-provision from a previous plan period would be 'double counting'. Make sure however that the Strategic Housing Market Assessment takes account of 'backlog' which is unmet need for housing that still exists at the start of the new plan period (for example, the needs of the homeless and other households living in unacceptable accommodation). The Strategic Housing Market Assessment should show all those in need. It is therefore vitally important to have a properly done Strategic Housing Market Assessment that has the right scope."* (page 49)

6.41 This SHMA has fully considered the unmet needs of homeless and other households living in unacceptable accommodation that will exist at the start of the new Plan period. However, it is also important to recognise that the GLA household projections that inform the SHMA have identified all housing need from a baseline date of 2014, whereas the base date for the Local Plan will be 2017. It is therefore necessary to identify the extent of any under-provision during the period 2014-17 based on the housing need identified by the SHMA, as this will also represent an unmet need for housing at the start of the new Plan period.

6.42 Housing completions recorded to date, together with numbers currently forecast for the remainder of this period, suggest that housing delivery is likely to total 14,755 during this period (Figure 45). It will be necessary to review this figure once the dwelling completions for 2015-16 and 2016-17 are known.

Figure 45: Housing completions recorded and forecast dwelling trajectory for the period 2014-17 (Source: LA Annual Monitoring Data and Forecast Dwelling Trajectories)

	Brent	Ealing	Hammersmith and Fulham	Total
2014-15	1,505	910	2,781	5,196
2015-16	1,871	1,322	1,673	4,866
2016-17	1,808	1,354	1,531	4,693
TOTAL 2014-17	**5,184**	**3,586**	**5,985**	**14,755**

6.43 Based on the GLA 2015-round household projections, the SHMA identified a need for 15,406 dwellings over the 3-year period 2014-17, between the base date for the household projections and the base date for the Plan. **There is therefore likely to be a backlog of 649 dwellings** (15,406 less 14,755= 649) **likely to have built up during the 3-year period 2014-17 that will need to be addressed during the Plan period 2017-37.** This adjustment will ensure that the Plan will provide for all of the household growth projected for the period 2014-17, without it being constrained by any housing under-provision during this initial 3-year period.

6.44 The impact of this adjustment will be to phase the projected growth slightly differently to the demographic projections, but it will not change the overall number of dwellings needed by 2037 or the projected population and number of workers previously counted.

6.45 It is also important to consider the relationship between current under-provision and market signals. Market signal indicators reflect past trends and will therefore be influenced by recent housing supply, so

[21] http://www.pas.gov.uk/documents/332612/6363137/Pages+from+FINAL+PAS+Good+Plan+Making+-6.pdf

any under-provision is likely to have had an effect. If current housing delivery was keeping pace with household growth (with the necessary allowance for vacant and second homes) then the market signals should indicate less imbalance in the housing market, which would impact on the need for any uplift.

6.46 In summary, the SHMA has identified that:

- Under-provision during the period 2014-17 will represent an unmet need for housing at the start of the new Plan period, so higher rates of housing delivery will need to be achieved over the Plan period to address this backlog; and
- Market signals indicate that there is some imbalance in the housing market based on current rates of housing delivery, so higher rates of housing delivery will need to be achieved over the Plan period to respond to this imbalance.

6.47 Both of these adjustments are a response to current rates of housing delivery and the impact of under-provision; so they are not cumulative and it will be necessary to consider their combined impact.

Size and Tenure Mix

6.48 Figure 46 below shows the identified size mix for market and affordable housing in Brent, Ealing, and Hammersmith and Fulham. This takes account of both overcrowded households who require to move to a larger dwelling and also under-occupying households who require to downsize. While Government polices such as those relating to the Spare Room Subsidy or Bedroom Tax are leading to more households downsizing, not all households will do so. Instead, we have modelled a gradual decline in the amount of under-occupation in the affordable housing sector. We would note that these figures do not include the potential impact of increased right to buy sales due to Registered Providers now being subject to this scheme or any direct consideration of the impact of Starter Homes being considered as affordable housing, as set out in the Housing and Planning Act 2016. The OPDC Local Plan position[22] is that it is for the market to decide how to meet market housing needs, but Figure 46 shows a significant need for family sized housing to be provided as part of any market housing mix. The high need for larger affordable housing units is driven by a need to address overcrowding for those in need of affordable housing.

[22] The OPDC Local Plan timetable is for a draft to be published in February 2016 for consultation until Summer 2016: https://www.london.gov.uk/about-us/organisations-we-work/old-oak-and-park-royal-development-corporation-opdc/planning-old-oa-1

Figure 46: Full Objectively Assessed Need for Housing; Size and Tenure Mix across Brent, Ealing, and Hammersmith and Fulham for Long-term trend Migration 2017-37 (Note: Figure may not sum due to rounding)

	Brent, Ealing, and Hammersmith and Fulham
MARKET HOUSING	
1 bedroom	7,300
2 bedrooms	12,400
3 bedrooms	29,100
4 bedrooms	6,300
5+ bedrooms	-500
Total Market Housing	**54,600**
AFFORDABLE HOUSING	
1 bedroom	9,500
2 bedrooms	12,400
3 bedrooms	15,500
4 bedrooms	5,200
5+ bedrooms	1,800
Total Affordable Housing	**44,400**
TOTAL	**99,000**

6.49 It is possible to calculate the affordability of properties to households who require affordable housing. We would note that at the time of writing there is a potential move away from Affordable Rents towards Living Rents in London. Instead of being based upon median rents, Living Rents will be based upon the median income of an area. However, these will still result in rents significantly above social target rents.

6.50 In Figure 47 we have made the following assumptions:

- Households can spend up to 33% of their gross incomes on rents;
- Affordable Rents are set at 80% of median market rents;
- London Living Rents are set at the average figure for Brent, Ealing and Hammersmith and Fulham derived from each of the ward levels set out by the GLA; and
- Households who can afford London Living Rents, but not 100% market rents effectively comprise the intermediate housing need, e.g. Low Cost Home Ownership.

6.51 The overall results clearly indicate that the vast majority of households who require affordable housing can only afford social housing if they receive housing benefit, others could afford social housing without benefit, but would need housing benefit support to afford housing at London Living Rents or Affordable Rent levels. Therefore, even though London Living Rents are below Affordable Rents, the vast majority of households who require affordable housing will still not be able to afford to meet the costs of London Living Rents, but a lower rent will reduce the housing benefit payments necessary to these households.

6.52 A second category of need that can be identified is a group of nearly 10% of households who require affordable housing and have sufficient income to afford to meet the costs of Affordable Rents. This group therefore can be considered as intermediate housing need and some of these households could meet their needs via Low Cost Home Ownership products such as shared ownership.

Figure 47: Affordability of Social and London Living Rent (Source: ORS Housing Model. Note: figures may not sum due to rounding and figures marked– are less than 100 dwellings)

Dwellings	Affordable housing for rent			Intermediate housing need e.g. LCHO	TOTAL
	Can't afford social rent without support	Able to afford social rent, but unable to support London Living Rent	Able to afford "London Living Rents" but unable to afford "Affordable rents"	Able to afford "Affordable rents"	
Brent, Ealing, and Hammersmith and Fulham					
1 bedroom	8,000	800	100	600	9,500
2 bedrooms	8,200	2,300	800	1,100	12,400
3 bedrooms	9,400	3,600	1,500	1,000	15,500
4 bedrooms	3,300	1,000	600	300	5,200
5+ bedrooms	1,200	300	200	100	1,800
Total	**30,100**	**8,000**	**3,200**	**3,100**	**44,400**

Affordable Rent Levels and Housing Need

6.53 A key issue for - the OPDC area is how affordable rents can help to meet the needs of those households who cannot afford to meet their own housing costs. Across much of England, affordable rents set at 80% of market rents provide rented accommodation which is very close to the cost of social rents. In these areas we do not have to consider social rent and affordable rent as two different products between the rents associated with them are similar and they serve to meet the needs of the same households.

6.54 However, in Brent, Ealing, and Hammersmith and Fulham there is a significant difference between potential affordable rents and social rents. Figure 48 shows median weekly rents for 2013/14. For the GLA SHMA 2013 it was assumed that households could rent a 4 bedroom property in London at less than £250 per week, but much higher rates currently apply.

Figure 48: Median Weekly Rent Values in Brent, Ealing, and Hammersmith and Fulham (Source: Valuation Office Agency)

	Brent	Ealing	Hammersmith and Fulham
1 bedroom	£230.77	£258.92	£300.00
2 bedroom	£300.00	£321.92	£390.46
3 bedrooms	£368.08	£414.92	£549.92
4 or more bedrooms	£461.54	£575.77	£782.54

6.55 Figure 49 shows potential affordable rents in Brent, Ealing, and Hammersmith and Fulham by bedroom size using 80% of median market rents. This shows that at 80% of market rents, a 4 bedroom property will cost between £370 and £625 per week. In the context of current benefit caps for non-working households of £500 per week this is still likely to be unaffordable and it should be remembered that the benefit cap is set to fall from £26,000 per annum to £23,000 per annum in London . It should also be noted that potential affordable rents linked to market rents are subject to change over time and if market rents rise then affordable rents will also rise.

Figure 49: Potential Affordable rent Values in Brent, Ealing, and Hammersmith and Fulham (Source: Valuation Office Agency)

	Brent, Ealing, and Hammersmith and Fulham		
	Brent	Ealing	Hammersmith and Fulham
1 bedroom	£184.62	£207.14	£240.00
2 bedroom	£240.00	£257.54	£312.37
3 bedrooms	£294.46	£331.94	£439.94
4 or more bedrooms	£369.23	£460.62	£626.03

6.56 Figure 50 shows the level of income required to be able to afford rents which are set at 80% market rents in Brent, Ealing, and Hammersmith and Fulham under an assumptions that household devote 25% of their household income to housing costs. This requires an income of over £38,400 to be able to afford a 1 bedroom affordable rent property at 80% market rents. A 4 bedroom property would require an income of at least £76,800.

Figure 50: Income Required to Afford 80% Market Rents in Brent, Ealing, and Hammersmith and Fulham (Source: Valuation Office Agency and ORS)

	Brent, Ealing, and Hammersmith and Fulham		
	Brent	Ealing	Hammersmith and Fulham
1 bedroom	£38,401	£43,085	£49,920
2 bedroom	£49,920	£53,568	£64,973
3 bedrooms	£61,248	£69,044	£91,508
4 or more bedrooms	£76,800	£95,809	£130,214

6.57 From the above calculations it is clear that affordable rent properties in Brent, Ealing, and Hammersmith and Fulham set at 80% of market rents are going to be unaffordable to anyone other than relatively high earning households. To begin to address the needs of households who are identified as requiring social rent it is the case that the cost of the rents must fall within housing benefit thresholds for an area. It is also the case, as outlined in the November 2015 budget, that affordable rents cannot exceed the LHA rate for that area.

6.58 Figure 51 shows the Local Housing Allowance (LHA) rates for Brent, Ealing, and Hammersmith and Fulham Comparing these figures with those in Figure 49 show that affordable rents set at 80% of market rents in Brent would be covered by the LHA rate, but those in Ealing and Hammersmith and Fulham would not be covered.

Figure 51: Local Housing Allowance Rate in Brent, Ealing, and Hammersmith and Fulham in 2015 (Source: Valuation Office Agency)

	Inner North London	Inner West London	North West London	Central London
1 bedroom	£260.64	£243.18	£185.81	£260.64
2 bedroom	£302.33	£302.33	£242.33	£302.33
3 bedrooms	£354.46	£354.46	£303.00	£354.46
4 or more bedrooms	£417.02	£417.02	£374.40	£417.02

6.59 Overall, this leaves a complicated position for affordable rent in Brent, Ealing, and Hammersmith and Fulham where market rents are so much higher than social rents. If affordable rents are set at 80% of market rents then their current level is so high that they will not be affordable to households who are typically seeking social rent. Many of the rents would not within the LHA caps and so would have to be capped to the LHA rates. However, the impact of the total benefit cap for non-working households does imply that it will be difficult to deliver affordable rent homes for larger dwellings which are consistent with the benefit cap.

Shared Ownership and Low Cost Home Ownership: Potential Market Size

6.60 It is also important to consider the role of other affordable housing products in Brent, Ealing, and Hammersmith and Fulham. This section concentrates upon the potential role which could be played by shared ownership and low cost home ownership (LCHO) dwellings in meeting the overall housing needs of the areas.

6.61 We would note at the outset that as well as potentially helping households who are unable to afford market housing, both shared ownership and LCHO dwellings are often more affordable to those who can meet their own costs in the private rented sector, but who cannot afford to become owner occupiers. Therefore, they are helping to address market housing needs much more than affordable needs by allowing private renters to access owner occupation. However, it should be noted that the NPPF at paragraph 50 states that plan makers should seek;:

> *'To deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, local planning authorities should:'*

6.62 Therefore, the NPPF very specifically seeks to encourage home ownership and shared ownership and LCHO can be seen as playing a role in this alongside other government polices such as Help to Buy and Starter Homes.

6.63 To understand the potential role of shared ownership and LCHO in helping to address housing needs, we firstly need to understand how the housing market is operating. Figure 52 shows the tenure pattern for Brent, Ealing, and Hammersmith and Fulham at the time of the 2011 Census.

6.64 Clearly, private rented rates are significantly above the national average. However, a larger private rented sector alone cannot be taken as evidence of more households who could potentially benefit from shared ownership and LCHO. For example, areas with larger student populations will typically have larger private rented sectors and students will not typically qualify for intermediate housing.

Figure 52: Tenure in 2011 (Source: UK Census of Population 2011)

	Owned	Shared Ownership	Social rented	Private rented	Living rent free
Brent, Ealing, and Hammersmith and Fulham	43.9%	1.6%	23.6%	29.5%	1.5%
England	63.3%	0.8%	17.7%	16.8%	1.3%

6.65 Figure 53 shows that change in the owner occupation and private rented rates in Brent, Ealing, and Hammersmith and Fulham in the period 2001-2011. It is clear that the fall in owner occupation rates has been above the national average and that the growth in the private rented sector is above the national average.

Figure 53: Tenure Change from 2001 to 2011 (Source: UK Census of Population 2001 and 2011)

	Change in percentage owned occupied	Change in percentage private rented
Brent, Ealing, and Hammersmith and Fulham	-10.6%	11.1%
England	-4.7%	6.9%

6.66 The composition of the private rented sector is also important in assessing the potential role of shared ownership and LCHO in helping households in to owner occupation. An area where the private rented sector is dominated by households who are claiming housing benefit in the private rented sector will have far lower capacity for helping households into owner occupation. In these cases the private rented sector is not accommodating households who would have moved on to owner occupation in the past, but is instead accommodating households whose needs are more likely to be social rent.

6.67 Similarly, student households in the private rented sector would typically not qualify for shared ownership or LCHO products and therefore shouldn't be considered as potential purchasers.

6.68 Figure 54 takes this analysis forward to show the physical size of the private rented sector in Brent, Ealing, and Hammersmith and Fulham when tenants in receipt of housing benefit and students are excluded. In total it is estimated that there are 57,900 non student households who are paying their rent without support from housing benefit in the private rented sector in Brent, Ealing, and Hammersmith and Fulham. Therefore, there are 57,900 household who aren't students and who are paying their private rents without government assistance. These household represent a group who could potentially benefit from shared ownership and LCHO.

Figure 54: Size of the Private Rent Sector in Brent, Ealing, and Hammersmith and Fulham 2011 (Source: UK Census of Population 2011 and DWP Benefit Statistics May 2011)

	Total private rented sector	Student households in private rent	Housing benefit tenants in private rent	All other private rent households
Brent, Ealing, and Hammersmith and Fulham	92,918	2,039	33,000	57,879
England	**3,715,924**	112,364	1,371,390	2,232,170

6.69 Figure 55 shows the potential size of the market for shared ownership and LCHO products in Brent, Ealing, and Hammersmith and Fulham. For the calculations we assumed that owner occupation rates remained at 2001 levels throughout the decade 2001 to 2011[23] -and then compared this with the actual number of owner occupiers in 2011 in Brent, Ealing, and Hammersmith and Fulham. If owner occupation rates had been held constant at 2001 rates then there would have been 33,300 more owner occupiers in 2011 in Brent, Ealing, and Hammersmith and Fulham than was the case.

Figure 55: Additional Owner Occupiers in 2011 using 2001 Owner Occupation Rate (Source: UK Census of Population 2011. Note: Shared Ownership has been included in owner occupation)

	Total private rented sector	Student households in private rent	Housing benefit tenants in private rent	Other private rent households	
				Would-be owners	Private rent through choice
Brent, Ealing, and Hammersmith and Fulham	92,918	2,039	33,000	33,309	24,570
England	3,715,924	112,364	1,371,390	1,002,519	1,229,651

6.70 Therefore, these households can be seen as households who are currently renting privately, but who would previously have been owner occupiers. These households all represent households who could potentially benefit from shared ownership or LCHO and therefore there is strong potential for these products in both areas. In particular they are likely to be candidates for the Governments new Starter Homes scheme. On this basis it is noteworthy that the figure of 33,300 households accounts for around one third of the total OAN of Brent, Ealing and Hammersmith and Fulham and that they would only represent the backlog of households seeking to be owner occupiers which built-up in the period 2001-11.

6.71 Therefore, while the affordable housing needs assessment based upon the current definitions identified that around 65% of the need was for social rent and 25% for affordable rent, when Starter Homes are including the mix between social housing and intermediate housing (including Starter Homes) becomes much more balanced at close to 50:50.

[23] In standard terminology; the occupation rates were held constant at their 2001 levels.

7. Housing Requirements

Considering the policy response to identified housing need

The Plan-making Process

7.1 The SHMA has established the Full Objectively Assessed Need for Housing in Brent, Ealing, and Hammersmith and Fulham to be 99,000 dwellings over the 20-year period 2017-37 with the OPDC figure standing at around 1,200 dwellings based on current population, however this figure will need to be tested through the statutory Plan-making process and also considered in the context of OPDC being only a small part of the total area under consideration.

7.2 This is confirmed by Planning Practice Guidance for housing and economic land availability assessment, which states that "housing requirement figures in up-to-date adopted Local Plans should be used as the starting point for calculating the five year supply" (paragraph 30). This point was further emphasised in a letter from the Housing Minister to the Planning Inspectorate in December 2014:

> *"Many councils have now completed Strategic Housing Market Assessments either for their own area or jointly with their neighbours. The publication of a locally agreed assessment provides important new evidence and where appropriate will prompt councils to consider revising their housing requirements in their Local Plans. We would expect councils to actively consider this new evidence over time and, where over a reasonable period they do not, Inspectors could justifiably question the approach to housing land supply.*
>
> *"However, the outcome of a Strategic Housing Market Assessment is untested and should not automatically be seen as a proxy for a final housing requirement in Local Plans. It does not immediately or in itself invalidate housing numbers in existing Local Plans.*
>
> *"Councils will need to consider Strategic Housing Market Assessment evidence carefully and take adequate time to consider whether there are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing requirement. They also need to consider whether there are opportunities to co-operate with neighbouring planning authorities to meet needs across housing market areas. Only after these considerations are complete will the council's approach be tested at examination by an Inspector. Clearly each council will need to work through this process to take account of particular local circumstances in responding to Strategic Housing Market Assessments."*

Affordable Housing Need

7.3 The SHMA has identified a substantial need for affordable housing in Brent, Ealing, and Hammersmith and Fulham. Given the level of affordable housing need identified, it will be important to maximise the amount of affordable housing that can be delivered through market housing led developments. Key to this is the economic viability of such developments, as this will inevitably determine (and limit) the amount of affordable housing that individual schemes are able to deliver.

7.4 As part of their strategic planning functions, the authority will need to consider the most appropriate affordable housing target in order to provide as much affordable housing as possible without compromising overall housing delivery. This target should provide certainty to market housing developers about the level of affordable housing that will be required on schemes, and the authority should ensure that this target is achieved wherever possible in order to increase the effective rate of affordable housing delivery.

7.5 PPG identifies that Councils should also consider "*an increase in the total housing figure*" where this could "*help deliver the required number of affordable homes*"; although this would not be an adjustment to the OAN, but a policy response to be considered in the local plan:

> *The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes. (Paragraph 029)*
>
> **Planning Practice Guidance: Assessment of housing and economic development needs (March 2014)**

7.6 It will therefore be important for the Corporation to consider the need for any further uplift once the affordable housing target has been established. However, as confirmed by the Inspector examining the Cornwall Local Plan in his preliminary findings[24] (paragraphs 3.20-21):

> *"National guidance requires **consideration** of an uplift; it does not automatically require a mechanistic increase in the overall housing requirement to achieve all affordable housing needs based on the proportions required from market sites. The realism of achieving the intended benefit of additional affordable housing from any such uplift is relevant at this stage, otherwise any increase may not achieve its purpose.*
>
> *Any uplift on the demographic starting point … would deliver some additional affordable housing and can be taken into account in judging whether any further uplift is justified."*

7.7 Given that the identified OAN already incorporates an uplift of 20% for Brent, Ealing, and Hammersmith and Fulham on the baseline household projections; this will contribute to increasing the supply of affordable homes through market housing led developments.

7.8 The contribution towards affordable housing delivery that can be achieved through market housing led developments shouldn't be considered in isolation. The Government has launched a series of new initiatives in the past 5 years to attempt to boost the supply of homes, including affordable homes. The key Homes and Communities Agency (HCA) investment programmes include:

- **Affordable Homes Programme:** the flagship HCA investment programme(s) for new affordable homes – the 2015-18 programme intends to support the building of 43,821 new affordable homes across 2,697 schemes in England
- **Affordable Homes Guarantees Programme:** guaranteeing up to £10bn of housing providers' debt in order to bring schemes forward
- **Care and Support Specialised Housing Fund:** funding used to accelerate the development of the specialised housing market such as Older People and those with disabilities

[24] https://www.cornwall.gov.uk/media/12843214/ID05-Preliminary-Findings-June-2015-2-.pdf

- **Community Right to Build:** (Outside London) including some provision for affordable homes
- **Empty Homes programme**
- **Estate Regeneration Programme:** often creating mixed tenure communities
- **Get Britain Building:** aiming to unlock locally-backed stalled sites holding planning permission and including affordable homes

7.9 However, there are currently a number of constraints that are affecting the delivery of new affordable housing; although there is also a range of other initiatives that may help increase delivery in future.

Constraints affecting the delivery of new affordable housing	Other initiatives potentially increasing the delivery of new affordable housing
Welfare reform Most stakeholders (including private landlords, house builders, local authorities and RPs) are concerned at the impact of benefit reform and the risk to their revenue. Credit rating agencies have also signalled concerns. **Registered Providers** Many RPs have become more risk averse in their approach to developing new homes. The move to Affordable Rent as opposed to Social Rent housing and the resultant reduction in grant rates has made delivery and viability issues more pronounced. Grant level reductions in the AHP 2015-18 have, arguably, increased risk perceptions further. **Stock rationalisation by Registered Providers** The new regulatory framework for RPs continues the emphasis on economic regulation. This could, potentially, reduce current supply of affordable housing. Already, sector trends indicate many associations are identifying under-performing stock with a view to rationalisation. **Extension of Right to Buy (RTB) to Registered Providers** The Government pledge to introduce an RTB for RP tenants mean many associations will need to assess the risk to their Business Plans and this might reduce appetite for new development. Note: **The Summer Budget (2015)** and the **Housing and Planning Act (2016)** contain proposals which may act as further constraints on delivery although the full implications of these are either not known or not yet understood. However, it is important to note the Starter Homes initiative which could change the affordable housing landscape. **Starter Homes** The Government plans to encourage home ownership through promoting Starter Homes for first time buyers as 'affordable housing'. This could reduce delivery of affordable rented housing as housing for sale will generally be more attractive to developers.	**Councils building more new homes** Many Councils are now trying to bring new rental schemes forward following reform of the HRA system. **New 'for profit' providers** Over 30 'for profit' providers to deliver AHP homes have so far registered with the HCA, mainly in order to deliver non-grant affordable housing. There is arguably potential for increased supply of affordable homes for rent by 'for profit' providers. **Co-operative Housing** Given current delivery constraints, co-operative housing has been identified as a further alternative supply for households unable to access ownership or affordable housing. The Confederation of Co-operative Housing, working with RPs, is currently trying to bring schemes forward. The HCA has held back funding for Co-operative Housing in the previous AHP. **Housing Zone – Outside London** The Chancellor announced the formation of 20 Housing Zones in London in June 2014 and 20 outside of London in March 2015 with planning restrictions eased and government funding available for costs to prepare the site such as acquisition and infrastructure. In return, the developers and local authorities will supply an agreed number of market and affordable housing.

7.10 Consideration also needs to be given to the amount of affordable housing to be delivered as intermediate housing, in particular low cost home ownership. There is in theory a substantial market for LCHO products, in practice the market is usually small, possibly because of reasons such as prospective buyers not understanding the product.

7.11 The Government also sees the growth in the private rented sector as positive. Whilst private rented housing (with or without housing benefit) does not meet the definitions of affordable housing, it offers a flexible form of tenure and meets a wide range of housing needs. The sector also has an important role to play given that many tenants that rent from a private landlord can only afford their housing costs as they receive housing benefit. If there isn't sufficient private rented housing available at a price these households can afford, the need for affordable housing would be even higher.

7.12 A Government task force was established in 2013 to encourage and support build-to-let investment[25]. The HCA also has several investment programmes to help bring schemes forward. These include a £1 billion Build to Rent Fund, which will provide equity finance for purpose-built private rented housing, alongside a £10 billion debt guarantee scheme to support the provision of these new homes. New supply of private rented housing therefore seems likely from various sources, despite current volumes being relatively low:

- **Registered Providers** are potential key players in the delivery of new PRS supply and recently several have begun to enter the market in significant scale[26], particularly in response to the Build to Rent Fund, although other institutional funding is also being sought. Overall, although interest is high, it remains unclear as to the scale of development which may deliver.
- **Local Authorities** can also enable new PRS supply to come forward investing local authority land, providing financial support (such as loan guarantees), and joint ventures with housing associations, developers or private investors under the Localism Act. Whilst LA initiatives may contribute to new build PRS, these will take time to deliver significant numbers of units.
- **Local Enterprise Partnerships** are another potential source of new build PRS homes[27]. The Growing Places Fund provides £500 million to enable the development of local funds to promote economic growth and address infrastructure constraints in order to enable the delivery of jobs and houses. Any funding for housing, however, has to compete with other priorities e.g. skills and infrastructure. However, LEPs could potentially enable new PRS housing delivery and some attempts have been made in this regard to increase supply.
- **Insurance companies** and **pension funds** have been expanding into property lending in recent years; especially schemes in London. Nearly a quarter of new UK commercial property finance came from non-bank lenders in 2013.

7.13 National Government policy is also focused on improving the quality of both management and stock in the private rented sector, and local councils also have a range of enforcement powers. This is particularly important given the number of low income households that rent from a private landlord.

7.14 Given the substantial need for affordable housing identified across Brent, Ealing, and Hammersmith and Fulham, it will be necessary to consider the most appropriate affordable housing target as part of their strategic planning and housing enabling functions. However, it will also be important to consider all of the options available to help deliver more affordable homes in the area.

[25] https://www.gov.uk/government/publications/2010-to-2015-government-policy-rented-housing-sector/2010-to-2015-government-policy-rented-housing-sector#appendix-9-private-rented-sector

[26] http://www.insidehousing.co.uk/business/development/transactions/lq-to-launch-prs-subsidiary/7009701.article

[27] https://www.gov.uk/government/publications/growing-places-fund-prospectus

Older People

7.15 Planning Practice Guidance for Housing and Economic Land Availability Assessment states the following in relation to housing for older people:

> ***How should local planning authorities deal with housing for older people?***
>
> *Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.*
>
> **Planning Practice Guidance for Housing and Economic Land Availability Assessment 2014, paragraph 37**

7.16 On this basis, the Corporation will need to consider the most appropriate way to count the supply of bedspaces in residential institutions (Use Class C2) as part of their overall housing monitoring, and decide whether this should form part of the overall housing supply.

7.17 It is important to recognise that the identified OAN does not include the projected increase of institutional population, which represents a growth of 400 persons over the 20-year period 2017-37 in Brent, Ealing, and Hammersmith and Fulham. This increase in institutional population is a consequence of the CLG and GLA approach to establishing the household population[28], which assumes "*that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s*" on the basis that "*ageing population will lead to greater level of population aged over 75 in residential care homes*".

7.18 On this basis, if bedspaces in residential institutions in Use Class C2 are counted within the housing supply then the increase in institutional population aged 75 or over would need to be counted as a component of the housing requirement (in addition to the assessed OAN). If these bedspaces are not counted within the housing supply, then there is no need to include the increase in institutional population as part of the housing requirement.

7.19 Nevertheless, older people are living longer, healthier lives, and the specialist housing offered today may not be appropriate in future years and the Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. Therefore, despite the ageing population, current policy means that the number of care homes and nursing homes may actually decline, as people are supported to continue living in their own homes for longer.

7.20 Although the institutional population is projected to increase by 411 persons in Brent, Ealing, and Hammersmith and Fulham (based on the CLG and GLA assumption that there will be a "greater level of population aged over 75 in residential care homes"), it does not necessarily follow that all of this need should be provided as additional bedspaces in residential institutions in Use Class C2 – but any reduction in the growth of institutional population aged 75 or over would need to be offset against higher growth for these age groups in the household population; which would yield more households than assumed when establishing the OAN.

[28] Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

7.21 On this basis, if fewer older people are expected to live in communal establishments than is currently projected, the needs of any additional older people in the household population would need to be counted in addition to the assessed OAN.

Gypsies and Travellers

7.22 A separate Gypsy and Traveller Accommodation Assessment for the OPDC area is being carried out by ORS at the same time as this SHMA.

7.23 Planning Policy for Traveller Sites (PPTS) came into force in March 2012 and was updated in August 2015. This document sets out the Government's policy for Gypsies and Travellers and represents the only policy for a particular household group which is not directly covered by the NPPF. However, at paragraph 1 PPTS notes that:

> *This document sets out the Government's planning policy for traveller sites. It should be read in conjunction with the National Planning Policy Framework.*
>
> **Planning Policy for Traveller Sites, paragraph 1**

7.24 An April 2015 High Court Judgement, 'Wenman v SSCLG and Waverley Borough Council', has clarified the relationship between Gypsy and Traveller and Travelling Showpeople Needs Assessments and OAN. At paragraphs 42 and 43, the Judgement notes:

> *"42. However, under the PPTS, there is specific provision for local planning authorities to assess the need for gypsy pitches, and to provide sites to meet that need, which includes the requirement to "identify, and update annually, a supply of specific deliverable sites sufficient to provide five years' worth of sites against their local set targets" (paragraph 9(a)). These provisions have a direct parallel in paragraph 47 NPPF which requires local planning authorities to use their evidence base to ensure that the policies in their Local Plan meet the full objectively assessed needs for housing in their area, and requires, inter alia, that they "identify and update annually a supply of specific deliverable sites sufficient to provide five years' worth of housing".*
>
> *"43. The rationale behind the specific requirement for a five year supply figure under paragraph 9 PPTS must have been to ensure that attention was given to meeting the special needs of travellers. Housing provision for this sub-group was not just to be subsumed within the general housing supply figures for the area. Therefore it seems to me most unlikely that the housing needs and supply figures for travellers assessed under the PPTS are to be included in the housing needs and supply figures under paragraph 47 NPPF, as this would amount to double counting."*

7.25 The position proposed by the Judgement is correct in that Gypsy and Traveller and Travelling Showpeople households will form part of the household projections, concealed households and market signals which underwrite the OAN calculation. The needs of these households are counted as part of the overall OAN; therefore any needs identified as part of a Gypsy and Traveller and Travelling Showpeople Needs Assessment are a component of, and not additional to, the OAN figure identified by the SHMA.

7.26 We would also note that a change introduced by the Housing and Planning Act 2016 is the removal of the 2 sections in the 2004 Housing Act that placed a statutory requirement on Councils to conduct a specific

assessment of need for Travellers. However PPTS still sets out that local planning authorities should make their own assessment of need for the purposes of planning Traveller sites, but that this only relates to households who meet the new planning definition of travelling.

7.27 The Housing and Planning Act also introduces a new duty (under Section 8 of the 1985 Housing Act that covers the requirement for a periodical review of housing needs) for local authorities to consider the needs of people residing in or resorting to their district with respect to the provision of sites on which caravans can be stationed, or places on inland waterways where houseboats can be moored. Draft Guidance related to this section of the Act has been published setting out how the government want local housing authorities to undertake this assessment and it is essentially the same as the GTAA assessment process - referring specifically for example to concealed or doubled-up households and unauthorised encampments.

7.28 As far as the OPDC GTAA is concerned the implication is therefore that the housing needs of any Gypsy and Traveller households who do not meet the new 'planning' definition of a Traveller will form a subset of any wider need arising from households residing in caravans. The OPDC GTAA shows no need for any pitches or plots for households who meet the planning definition of being a Traveller, but there is a need for 12 pitches for non-Travelling Gypsies and Travellers. Across the wider HMA covered by Brent, Ealing and Hammersmith and Fulham there is likely to be a small amount of need for non-Travelling Gypsies and Travellers. In practice this amounts to less than 0.1% of the total OAN, but it does represent an important need because Romany, Irish and Scottish Travellers can claim a right to be provided with culturally appropriate housing (caravans) based on their protected ethnic status contained in the Equalities Act 2010.

8. Needs of different groups

Addressing the need for all types of housing

The Private Rented Sector

8.1 The English Housing Survey (EHS) 2014-15[29] identified that 19% (4.3 million) of households were renting from a private landlord, much higher than the rate of 12% a decade earlier in 2004-05. The EHS also shows that households aged 25-34 were more likely to be renting privately (46%) than buying a home, up from 24% in 2004-05. Owner occupation in this age group dropped from 57% to 37% over the same 10 year period. Of all private renters, 23% were in London and 77% in the rest of the Country.

8.2 Growth in the Sector seems likely to continue, driven by a combination of demand and supply factors:

- Increasing demand from more households;
- Recent reductions in incomes (in real terms);
- Affordability of owner occupation reducing;
- Changing Bank lending practices: the number of Buy-to-Let (BTL) mortgages granted in 2014 (c.30,000 monthly average) is higher than those granted to First-time Buyers (c.25,000); and
- Pensions reform: pension drawdowns invested in BTL property.

8.3 The growth of the Sector has been acknowledged as both a growing and long term option for meeting the nation's housing need. CLG (with the Intermediary Mortgage Lenders Association forecast) that the private rented sector will increase in size to 35% nationally by 2032[30]. On this basis, the number of households renting privately could double again over the next twenty years.

8.4 Given this context, PPG recognises the importance of understanding the likely future role of the private rented sector:

> ***The private rented sector***
>
> *Tenure data from the Office of National Statistics can be used to understand the future need for private rented sector housing. However, this will be based on past trends. Market signals in the demand for private rented sector housing could be indicated from a change in rents.*
>
> **Planning Practice Guidance (March 2014), ID 2a-021**

National Context

8.5 As the PRS expands and other sectors contract, it is clear that many households who would traditionally meet their housing needs in other sectors are now renting privately. This includes many households currently unable to afford their housing costs, which can be seen from the expansion of families receiving Housing Benefit in the sector, in particular since the start of the recent recession.

[29] https://www.gov.uk/government/statistics/english-housing-survey-2013-to-2014-headline-report
[30] http://news.rla.org.uk/rpi-rent-revolution/

8.6 DWP data shows that there were 1.0m such families in 2012-13 compared to 0.4m a decade earlier, although there were around 0.6m claimants in the sector throughout much of the 1990s (Figure 56). Nevertheless, the proportion of those renting privately in receipt of housing benefit has reduced from around a third to less than a fifth over the 15-year period 1993-94 to 2008-09, but increased to around a quarter following the recent recession (Figure 57).

Figure 56: Number of UK households in receipt of housing benefit by tenure (Source: DWP)

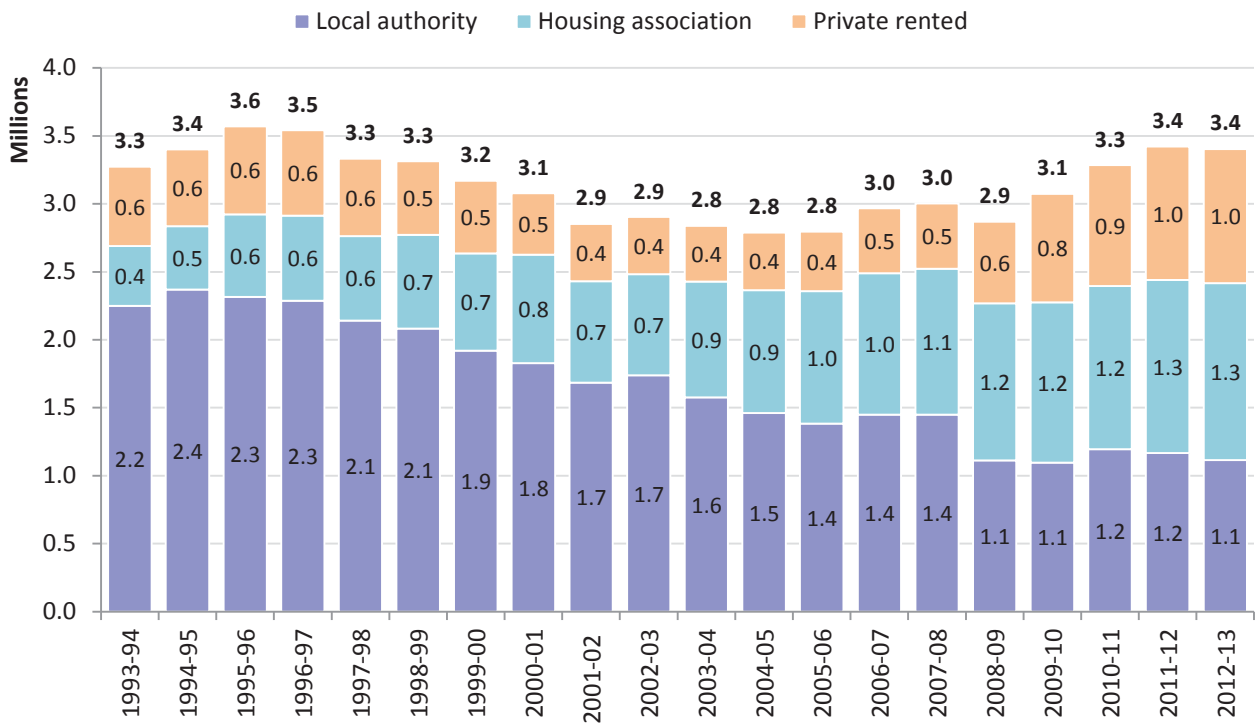
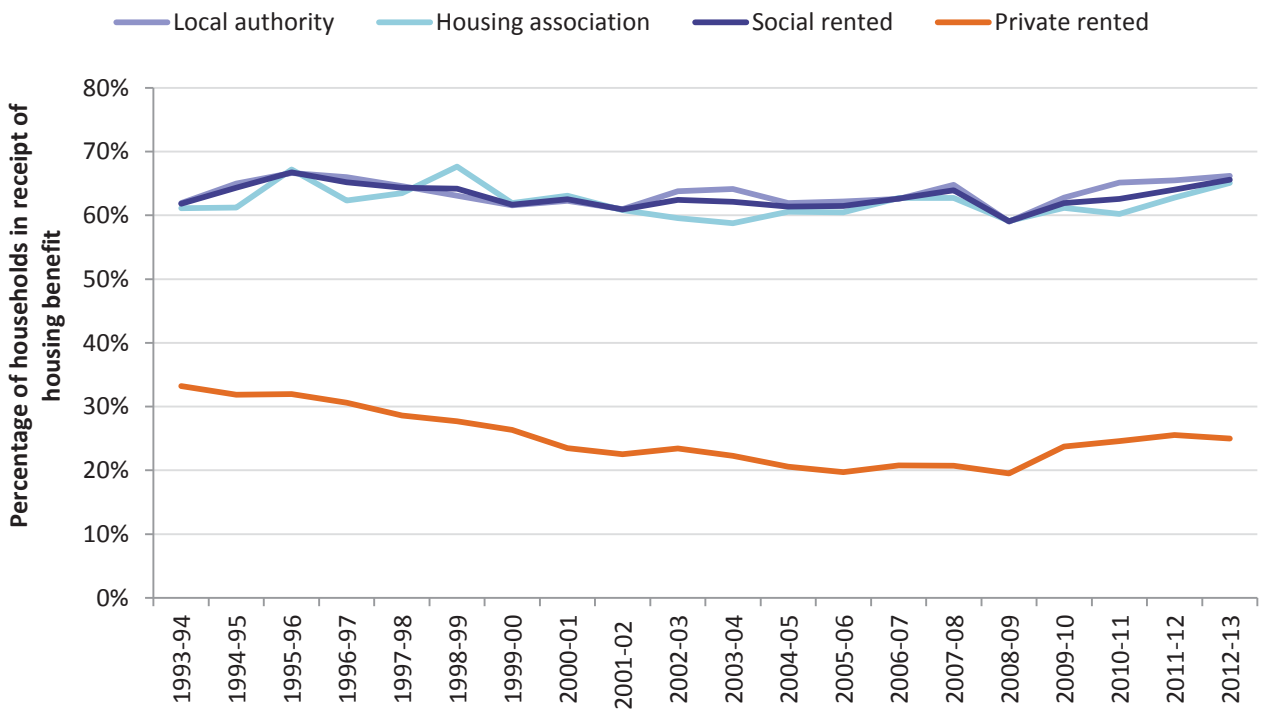


Figure 57: Percentage of UK households in receipt of housing benefit by tenure (Source: DWP)



8.7 The Office for Budget Responsibility analysis of the UK's public finances for Government explicitly recognises a likely growth in the share of housing benefit claimants in the private rented sector in its Economic and Fiscal Outlook (March 2014)[31]:

> *"The share of [housing benefit] spending accounted for by the private rented sector is forecast to rise from 30 per cent in 2007-08 to 40 per cent by 2018-19. … We expect the share of claimants in the private rented sector to continue rising over the forecast period, but for average awards to rise more slowly than nominal GDP per capita due to policy, including on uprating."* (paragraphs 4.152-154)

8.8 Figure 58 shows that the change in PRS caseload as a share of 16+ population will remain constant from 2012-13 to 2018-19; so no reduction in the number of claimants is assumed. Furthermore, the OBR long-term forecasts include an allowance for housing benefit payments at between 1.4 and 1.6% of GDP for the next 50 years.

Figure 58: OBR projected trends in housing benefit spending as a share of GDP (Source: OBR Economic and Fiscal Outlook March 2014, table 4.33)

	Per cent of GDP			
	2007-08	2009-10	2012-13	2018-19
Housing benefit spending	1.09	1.40	1.52	1.34
Percentage point change since 2007-08		0.31	0.43	0.26
of which percentage points contribution from:				
Private-rented sector (PRS) - 30% of HB in 2007-08 - of which:		0.20	0.27	0.21
Change in PRS caseload as a share of 16+ population		0.14	0.24	0.24
Change in average PRS award relative to GDP per 16+ person		0.06	0.02	-0.03
LAs, social-rented and other (SRS) - 70% of HB in 2007-08 - of which:		0.10	0.17	0.05
Change in SRS caseload as a share of 16+ population		0.02	0.04	0.00
Change in average SRS award relative to GDP per 16+ person		0.09	0.13	0.05

8.9 Importantly, the Government sees the PRS having an important and long term role in meeting the housing need of the nation; and although the NPPF and PPG do not mention the current or future role of housing benefit, the policy to support low-income households in the private rented sector with housing benefit is long-standing and housing benefit is explicitly factored into the long-term forecasts for public spending.

8.10 Policy by both Government and Local Authorities is focused on improving Management and Maintenance in the sector (via licensing or self-regulation schemes) and expanding supply[32] (including the Build to Rent investment scheme[33]). The Government published "Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities" in March 201534, and the Forward by the Minister stated:

> *"The private rented sector is an important and growing part of our housing market, housing 4.4 million households in England. The quality of housing in the sector has improved dramatically over the last decade. It is now the second largest tenure and this growth is forecast to continue growing. I am proud of this growth as it shows increasing choice, improving standards whilst helping to keep rents affordable. The Government supports a bigger and better private rented sector and wants to see this growth continue."*

[31] http://cdn.budgetresponsibility.org.uk/37839-OBR-Cm-8820-accessible-web-v2.pdf
[32] https://www.gov.uk/government/publications/private-rented-homes-review-of-the-barriers-to-institutional-investment
[33] https://www.gov.uk/government/publications/build-to-rent-round-2-initial-due-diligence
[34] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/412921/Improving_private_rented_sector.pdf

8.11 Given this context, it is important for local authorities to recognise the role of the private rented sector at a local level. Assuming the release back into the market of many dwellings in the private rented sector currently occupied by tenants in receipt of housing benefit would have significant consequences; therefore it remains appropriate to recognise that the private rented sector will continue to make an important contribution towards providing housing options for households unable to afford their housing costs in future. Nevertheless, it is essential for local authorities to understand the full extent of the need for affordable housing in their areas and consider their policy responses accordingly.

8.12 There have been a number of legislative changes affecting the calculation and payment of housing benefit in the private rented sector, and these are set out below:

Figure 59: Summary of legislative changes affecting private tenants' LHA (Source: HM Treasury, DWP)

Effective from	Change
April 2011	Introduction of absolute caps on the maximum rates that can be paid for each size of property
	Ending of the 5 bedroom rate – LHA restricted to 4 bedroom rate
	Stopping claimants being able to keep up to a £15 'excess' above their actual rent if it is below the LHA
	Increasing deductions for non-dependants living with HB claimants
	Increasing the Government's contribution to Discretionary Housing Payments
	Amending size criteria to allow an extra bedroom for disabled claimants with a non-resident carer
October 2011	Setting maximum LHA at the 30th percentile of local rents instead of the median
January 2012	Increasing age qualification for Shared Accommodation Rate from 25 to 35 years old
April 2013	Increasing LHA rates over time by the Consumer Price Index instead of referencing market rents – increase by 1% from April 2014 except in high rent areas
	Reducing LHA by 10% for those claiming JSA for over a year – not implemented
	Council Tax Benefit replaced by localised Council Tax Reduction schemes
	Parts of the Social Fund abolished, including Community Care grants and Crisis Loans
	Universal Credit implementation begins (with a pathfinder) to complete by 2017
	Spare room subsidy ('bedroom tax') introduced
June 2013	End of DLA, PIP begins for new claims
July 2013	Benefit cap implementation
	Universal Credit pathfinder expands
October 2013	Temporary Accommodation to have housing costs met in line with Local Housing Allowance rates
	Reassessment of existing Disability Living Allowance migration to Personal Independence Payment begins
	Universal Credit roll-out begins
	Incapacity benefit abolished; all claimants move to Employment Support Allowance (ESA) by late 2017
	Expansion of PIP/DLA reassessment for existing claimants
April 2014	Removal of access to Housing Benefit for EEA Jobseekers
	LHA uprating limited to 1 per cent
	Help to work scheme introduced for those unemployed 2 years +
April 2016	State Pensions Age increases begin
	Four year freeze to certain working age benefits (pensioner benefits, DLA, PIP not frozen)
	Four-year freeze to local housing allowance rates
	Lowering the benefit cap to £23,000 in London and £20,000 elsewhere
	Universal credit claims will be limited to two children from April 2017 (with some exceptions)
	Removing entitlement to housing support for those aged 21 or under (with some exemptions)

8.13 At the same time, young households are less likely to meet their housing need in affordable housing given the various constraints in accessing local authority and housing association rented housing. Recent changes to letting polices and the reality of pressures on the housing stock make it less likely that single persons aged under 35 years will be allocated to a 1 bedroom social rented or affordable rented property.

8.14 Further, there have been other recently announced changes (Starter Homes, Right to Buy for housing association tenants) which may influence the demand for Private Rented Sector accommodation. The Housing and Planning Act 2016 contains proposals to further the Government's policy of encouraging home ownership through promoting Starter Homes to provide affordable property for first time buyers. The Act defines a Starter Home as a new dwelling, only available for purchase by qualifying first-time buyers, which is to be sold at a discount of at least 20% of the market value and for less than the price cap (of £450,000 in Greater London), and is subject to restrictions on sale or letting. The Act includes clauses stating that local authorities will have a general duty to promote the supply of Starter Homes through planning. This proposed duty to promote the supply of Starter Homes alongside other statements from Government ministers suggesting that Starter Homes will be considered as 'affordable housing' has led to speculation that the promotion of Starter Homes will restrict the supply of affordable housing for rent for reasons such as a preference among developers to develop Starter Home property for sale rather than affordable housing for rent.

8.15 If the new supply of affordable homes changes to include Starter Homes, and if existing affordable supply in net terms reduces (i.e. if new affordable supply does not exceed stock sold under RTB), then demand for PRS stock may continue or increase further.

8.16 This means that much of the increased demand for PRS property is likely to continue, driven by young households with few other options should they wish to establish their own household.

Private Rented Sector in London

8.17 The English Housing Survey 2013-14 recorded that, of all private renters, almost a quarter (23%) were in London, with 77% in the rest of the Country. The proportion of households in the private rented sector in London grew from 14% in 2003-04 to 30% in 2013-14, larger than the mortgagor sector (27% in 2013-14).

8.18 At August 2015, 32% of London households claiming Housing Benefit were in the PRS and 68% in social or affordable rented housing.

Private Rented Sector in Brent, Ealing, and Hammersmith and Fulham

8.19 Considering the trends of tenure mix for Brent, Ealing, and Hammersmith and Fulham over the last thirty years, it is evident that there have been some significant changes in the balance between owner occupiers and tenants renting their home.

- **From 1981-1991:** the number of owner occupiers climbed significantly (increasing from 124K to 153K households, a gain of 29 thousand). The number of social tenants reduced from 71K to 70K households (a loss of about 5 hundred) and the number of private tenants reduced from 56K to 49K households (a loss of 7 thousand).
- **From 1991-2001:** the number of owner occupiers continued to climb (increasing from about 153K to about 163K households, a gain of 11 thousand); however this was alongside a growth of private tenants (increasing from 49K to 59K households, a gain of 10 thousand). The

number of social tenants increased (from about 70K to about 71K households, a gain of 5 hundred).

» **From 2001-2011:** the number of owner occupiers reduced (falling from 163K to 143K households, a loss of 20 thousand) whilst the number of private tenants increased substantially (from about 59K to about 98K households, a gain of 38 thousand). The number of social tenants also increased (from 71K to 74K households, a gain of 3 thousand).

8.20 It is evident that the overall balance between owners and renters is similar in 2011 to the position in 1981, with almost half (49%) owning in 1981 and 9 out of 20 (45%) owning in 2011. Nevertheless, the balance between social rent and private rent has changed significantly: 44% of tenants rented privately in 1981 (44% out of 51%) whereas 57% rented privately in 2011 (57% out of 55%).

Figure 60: Number of Households by Tenure 1981-2011 (Source: UK Census of Population)

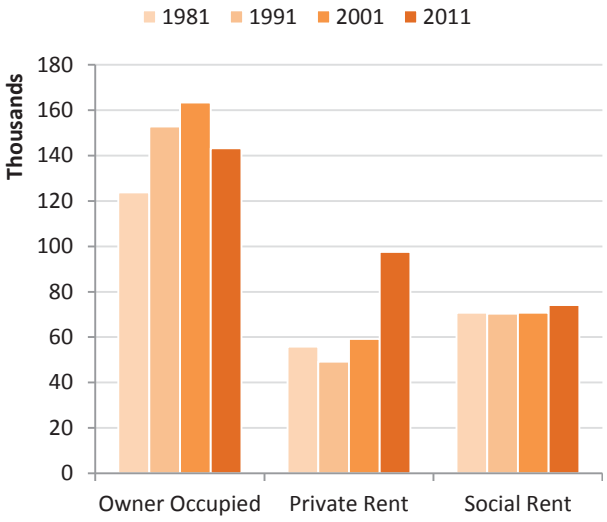


Figure 61: Percentage of Households by Tenure 1981-2011 (Source: UK Census of Population)

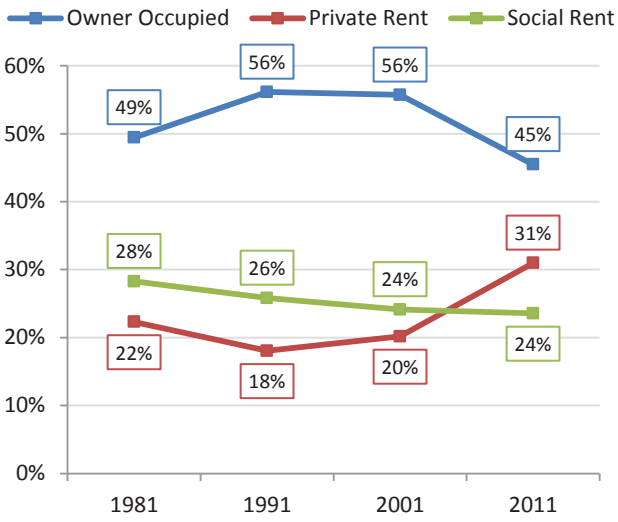


Figure 62: Households by Tenure 1981-2011 (Source: UK Census of Population)

Tenure	Total Households				Net Change		
	1981	1991	2001	2011	1981-1991	1991-2001	2001-2011
Owner occupied	123,800	152,800	163,500	+143,200	+29,000	+10,600	-20,300
Private rent	55,900	49,200	59,200	+97,600	-6,700	+10,100	+38,300
Social rent	70,800	70,300	70,800	+74,200	-500	+500	+3,400
TOTAL	**250,500**	**272,300**	**293,500**	**+315,000**	**+21,800**	**+21,200**	**+21,500**
Owner occupied	49.4%	56.1%	55.7%	+45.5%	+133%	+50%	-94%
Private rent	22.3%	18.1%	20.2%	+31.0%	-31%	+47%	+178%
Social rent	28.3%	25.8%	24.1%	+23.6%	-2%	+2%	+16%

8.21 One very startling statistic from the 2015 round GLA households projections is that the number of single person households aged 16-24 years in Brent, Ealing and Hammersmith and Fulham is projected to fall from 1,042 households in 2017 to 279 households in 2037, while single persons aged 25-34 years are projected to fall from 7,127 households in 2017 to 2,735 households in 2037. This sharp projected decline in young single persons in the area follows recent trends where the increasing pressures for social housing and rising private rents have seen fewer young households living on their own and more living in HMO type accommodation.

8.22 One type of dwelling which may address this issue is shared housing-with small purpose units with shared amenity spaces known as The Collective. Given that the Brent, Ealing and Hammersmith and Fulham area is projected to see a sharp decline in single young persons then the household projections would envisage little role for this type of dwelling. However, as a policy led response to the increasing lack of housing for younger people in the area the scheme offers greater opportunities for groups such as recent graduates looking to establish themselves in London.

8.23 At the same time, the PRS is an important tenure that has grown since 1991 to house a significant proportion of other households.

People Wishing to Build their Own Homes

8.24 Paragraph 50 of the NPPF identifies that local planning authorities should plan for people wishing to build their own homes, and PPG states:

> ***People wishing to build their own homes***
>
> *The Government wants to enable more people to build their own home and wants to make this form of housing a mainstream housing option. There is strong industry evidence of significant demand for such housing, as supported by successive surveys. Local planning authorities should, therefore, plan to meet the strong latent demand for such housing.*
>
> **Planning Practice Guidance (March 2014), ID 2a-021**

8.25 Over half of the population (53%) say that they would consider building their own home35 (either directly or using the services of architects and contractors); but it's likely that this figure conflates aspiration with effective market demand. Self-build currently represents only around 10% of housing completions in the UK, compared to rates of around 40% in France and 70 to 80% elsewhere in Europe.

8.26 The attractiveness of self-build is primarily reduced costs; however the Joseph Rowntree Foundation report "The current state of the self-build housing market" (2001) showed how the sector in the UK had moved away from those unable to afford mainstream housing towards those who want an individual property or a particular location.

8.27 "Laying the Foundations – a Housing Strategy for England" (HM Government, 2011)36 redefined self-build as 'Custom Build' and aimed to double the size of this market, creating up to 100,000 additional homes over the decade. "Build-it-yourself? Understanding the changing landscape of the UK self-build market" (University of York, 2013) subsequently set out the main challenges to self-build projects and made a number of recommendations for establishing self-build as a significant contributor to housing supply. The previous Government also established a network of 11 Right to Build 'Vanguards' to test how the 'Right to Build' could work in practice in a range of different circumstances.

8.28 In the Budget 2014, the Government announced an intention to consult on creating a new 'Right to Build', giving 'Custom Builders' a right to a plot from councils. The Self-Build and Custom Housebuilding Act37 2015 has now placed a duty on local planning authorities to:

[35] Building Societies Association Survey of 2,051 UK consumers 2011
[36] https://www.gov.uk/government/publications/laying-the-foundations-a-housing-strategy-for-england--2
[37] http://services.parliament.uk/bills/2014-15/selfbuildandcustomhousebuilding.html

- Keep a register (and publicise this) of eligible prospective 'custom' and self-build individuals, community groups and developers;
- Plan to bring forward sufficient serviced plots of land, probably with some form of planning permission, to meet the need on the register and offer these plots to those on the register at market value; and
- Allow developers working with a housing association to include self-build and custom-build as contributing to their affordable housing contribution.

8.29 The Housing and Planning Act 2016 proposes to amend and add to the Self-Build and Custom Housebuilding Act, 2015 and requires local authorities to grant "sufficient suitable development permission" of serviced plots of land to meet the local demand based on the register. Key points are:

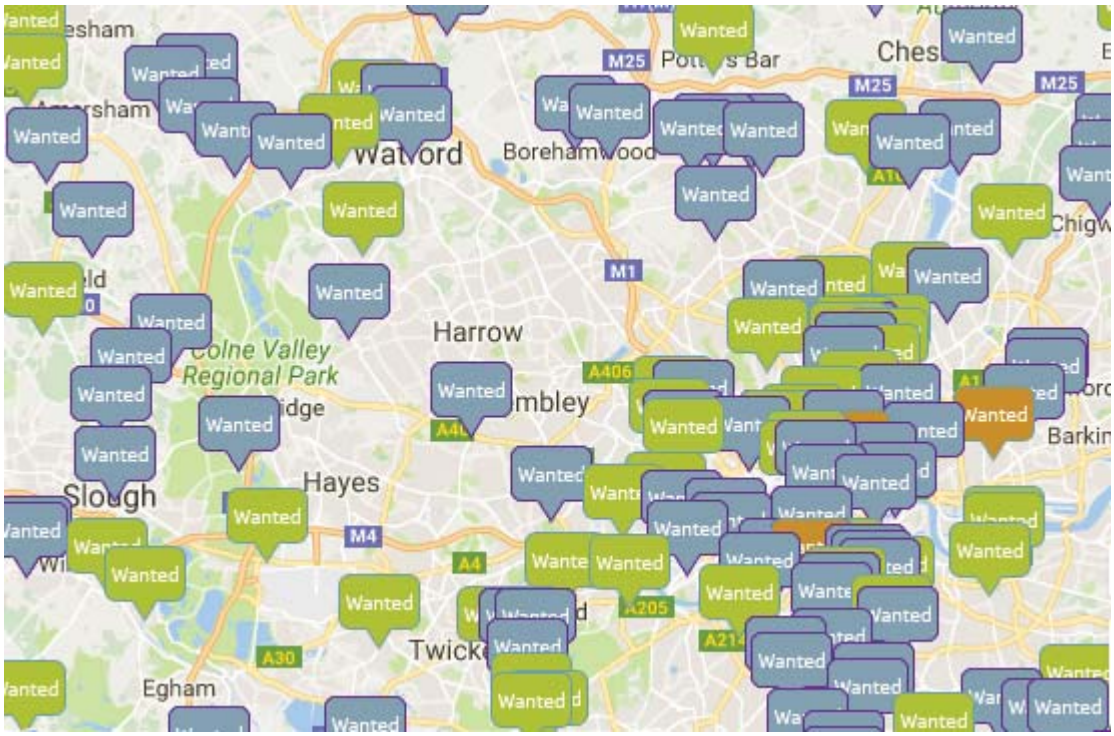
- The register of prospective custom builders can be in two parts with the first part being eligible prospective custom builders and the second part being those who do not meet the eligibility criteria;
- The demand from the first part of the register will be taken into account in granting sufficient suitable development permission of serviced plots of land for self-build and custom build;
- Demand from the second part of the register would not have to be taken into account in considering whether there were suitable development permissions granted, though it would need to be considered in respect of planning, housing and land disposal duties;
- A serviced plot of land has access to a public highway and connections for electricity, water and waste water, or they can be provided.

8.30 Government funding[38] is currently available via the HCA Custom Build Homes Fund programme (short-term project finance to help unlock group custom build or self-build schemes). The Government announced further measures in 2014 (Custom Build Serviced Plots Loan Fund) to encourage people to build their own homes, and to help make available 10,000 'shovel ready' sites with planning permission.

8.31 In May 2012 a Self-Build Portal[39] run by the National Custom and Self Build Association (NCaSBA) was launched. Figure 63 shows the current registrations from groups and individuals looking for land in and around ODPC on the 'Need-a-Plot' section of the portal. Whilst there is clearly some interest in self-build across the area, this represents only a very limited number of people and an exceptionally small proportion of the overall housing need identified each year.

[38] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/364100/custom_build_homes_fund_prospectus_120712.pdf
[39] http://www.selfbuildportal.org.uk/

Figure 63: Group and Individual Registrations currently looking for land in and around ODPC on the 'Need-a-Plot' Portal (Source: NCaSBA, September 2016. Note: Green flags represent solo plots wanted, brown flags represent group plots wanted and blue flags represent group or solo plots wanted)



8.32 Given the historic low supply of self-build homes and the challenges in bringing schemes forward it seems unlikely that self-build will make a significant contribution locally to meeting housing need in its current form. Nevertheless, the Corporation should put arrangements in place to comply with the Self-Build and Custom Housebuilding Act (if they have not already done so).

8.33 A survey to ascertain levels of demand for self-build could be undertaken in future; however it would be important to ensure that appropriate questions are designed that can effectively separate aspiration from effective market demand.

8.34 Overall, the evidence supports limited demand for self-build. However, this may under-estimate actual demand. Therefore, ODPC may wish to check with the three local authorities regarding any plans place to comply with the Self-Build and Custom Housebuilding Act and any possible future survey to ascertain levels of demand for self-build.

Housing for Older People

8.35 Britain's population is ageing, and people can expect to live longer healthier lives than previous generations. The older population is forecast to grow to 21.6m by 2037[40] for the over 60s, and from 1.4m (2012) to 3.6m by 2033 for the over 85s. Given this context, PPG recognises the importance of providing housing for older people:

[40] http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2012-based-projections/stb-2012-based-npp-principal-and-key-variants.html#tab-Changing-Age-Structure

> *The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over … Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to move. This could free up houses that are under occupied.*
>
> *The future need for older persons housing broken down by tenure and type (e.g. sheltered, enhanced sheltered, extra care and, registered care) should be assessed and can be obtained from a number of online tool kits provided by the sector. The assessment should set out the level of need for residential institutions (Use Class C2). But identifying the need for particular types of general housing, such as bungalows, is equally important.*
>
> **Planning Practice Guidance (March 2014), ID 2a-021**

8.36 Current supply indicates that there are currently around 4,300 specialist Older Person housing units in the three authorities:

Figure 64: Current supply (Source: EAC 2013[41]. Figures may not sum due to rounding)

		Brent	Ealing	Hammersmith & Fulham
RENT	Local Authority	83	1,089	0
	RSL	1,103	590	796
	Total	1,186	1,679	796
SALE		371	298	0
TOTAL		1,557	1,967	796

8.37 The Older People housing options considered in this section follow the definitions in the 2012 Housing Our Ageing Population report (HAPPI2)[42]. This defines specialist provision as mainstream (including adapted and wheelchair homes), specialised housing (including Extra Care and sheltered housing) and Care Homes (including both Registered Nursing and Registered Care Homes). The specialist housing requirements were modelled using the Housing LIN methodology (2012)[43]. This forecasts future population and then applies a benchmark need for particular housing types per thousand people aged 75+.

[41] The EAC 'acknowledges both the rented and private sectors contain a wide range of housing types intended for older people. The social sector has traditionally distinguished these as Category 1, 2 etc., but the private sector tends to refer to them all simply as "retirement housing". This report looks only at schemes that fall within the following definition: *"a group of dwellings intended for older people and served by a resident or non-resident warden/scheme manager with specific responsibility for the group"*. It is important to note that a considerable proportion of housing intended for older people falls outside this definition, and is therefore excluded. Extra care, assisted living, and other forms of 'housing with care' **are included**.

[42] http://www.housinglin.org.uk/_library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf

[43] www.housinglin.org.uk/housinginlaterlife_planningtool

Figure 65: Benchmark Figures for Specialist Accommodation based on Section A of the Strategic Housing for Older People Resource Pack (Housing LIN, ADASS, IPC) 2012

	Demand per 1,000 persons aged 75+		
	Owned	Rented	TOTAL
Traditional sheltered	-	-	60
Extra care	30	15	45
Sheltered 'plus' or 'Enhanced' Sheltered	10	10	20
Dementia	-	6	6
Leasehold Schemes for the Elderly (LSE)	120	-	120

8.38 Based on the growth in population aged 75+ identified across the population projection scenarios, the table below identifies the potential additional requirement for new specialist housing (using the Housing LIN Older People Resource Pack 2012). As can be seen, there is a significant need for LSE schemes.

Figure 66: Additional Modelled Demand for Older Person Housing (Source: Housing LIN Toolkit)

		Brent, Ealing, and Hammersmith and Fulham
Population aged 75+		
2017		45,400
2037		77,800
Change 2017-37		**32,400**
Additional Modelled Demand for Older Person Housing		
Traditional sheltered		1,900
Extra care	Owned	1,000
	Rented	500
Sheltered 'plus' or 'Enhanced' Sheltered	Owned	300
	Rented	300
Dementia		200
Leasehold Schemes for the Elderly (LSE)		3,900
TOTAL		**8,100**
Percentage of Overall OAN		*6.3%*

8.39 The toolkit identifies future need for 8,100 specialist older person additional housing units of various types over the period 2011-37; however almost a half of this need (48%, 3,900 dwellings) is for LSE housing[44]. The total need for older person housing therefore represents around 6.3% of the overall OAN (99,000) for the housing market area.

8.40 The London Plan (Annex 5, p383) sets out an indicative annualised strategic benchmark to inform local targets and performance indicators for specialist housing for older people, by local authority. For the HMA, the GLA annual benchmark(s) are; Brent (175), Ealing (180), Hammersmith & Fulham (60) – a total of 415 homes of various types, per annum, or 8,300, which is relatively similar to the 6,300 identified by the Housing LIN model. It should be noted that the modelling of older people's specialist housing need is

[44] The EAC advise: 'Leasehold Schemes for the Elderly (LSE) are run by a small number housing associations and involve you buying a proportion (e.g. 70%) of the equity of the property, the remaining portion being owned by the RSL'. http://www.firststopcareadvice.org.uk/jargon-leasehold-schemes-for-the-elderly.aspx

complex and subject to various other issues and variables, which can lead to differing outputs. These are considered below.

8.41 PPG identifies that "assessments should set out the level of need for residential institutions (Use Class C2)" (ID 2a-021). Planning Practice Guidance for Housing and Economic Land Availability Assessment also states the following in relation to housing for older people:

> ***How should local planning authorities deal with housing for older people?***
>
> *Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.*
>
> **Planning Practice Guidance (March 2015), ID 3-037**

8.42 It is important to recognise that the identified OAN of 99,000 dwellings does not include the projected increase of institutional population. This increase in institutional population is a consequence of the CLG approach to establishing the household population[45], which assumes "that the share of the institutional population stays at 2011 levels by age, sex and relationship status for the over 75s" on the basis that "ageing population will lead to greater level of population aged over 75 in residential care homes".

8.43 The Corporation will therefore need to consider the most appropriate way to count the supply of bedspaces in residential institutions (Use Class C2) as part of their overall housing monitoring, and decide whether this should form part of the overall housing supply. If bedspaces in residential institutions in Use Class C2 are counted within the housing supply, then the increase in institutional population aged 75 or over would need to be counted as a component of the housing requirement (in addition to the assessed OAN). If these bedspaces are not counted within the housing supply, then there is no need to include the increase in institutional population as part of the housing requirement.

8.44 Nevertheless, older people are living longer, healthier lives, and the specialist housing offered today may not be appropriate in future years and the Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. Therefore, despite the ageing population, current policy means that the number of care homes and nursing homes may actually decline, as people are supported to continue living in their own homes for longer.

8.45 Although the institutional population is projected to increase by around 400 persons over the Plan period 2017-37 (based on the CLG assumption that there will be a "greater level of population aged over 75 in residential care homes"), it does not necessarily follow that all of this need should be provided as additional bedspaces in residential institutions in Use Class C2 – but any reduction in the growth of institutional population aged 75 or over would need to be offset against higher growth for these age groups in the household population; which would yield more households than assumed when establishing the OAN.

8.46 As a consequence, if fewer older people are expected to live in communal establishments than is currently projected, the needs of any additional older people in the household population would need to be counted in addition to the assessed OAN.

[45] Household Projections 2012-based: Methodological Report, Department for Communities and Local Government, February 2015

8.47 More generally, it is important that the need for specialist older person housing is considered in partnership with other agencies, in particular those responsible for older person support needs. It is also important to consider other factors and constraints in the market:

- **Demographics:** the changing health, longevity and aspirations of Older People mean people will live increasingly healthy longer lives and their future housing needs may be different from current needs;
- **New supply:** development viability of schemes, and the availability of revenue funding for care and support services, need to be carefully considered before commissioning any new scheme;
- **Existing supply:** while there is considerable existing specialist supply, this may be either inappropriate for future households or may already be approaching the end of its life. Therefore, future need may be understated;
- **Other agencies:** any procurement of existing supply needs to be undertaken with other agencies who also plan for the future needs of Older People, particularly LA Supporting People Teams and the Health Service; and
- **National strategy and its implications for Older People:** national strategy emphasises Older People being able to remain in their own homes for as long as possible rather than specialist provision, so future need may, again, be overstated.

Households with Specific Needs

8.48 Paragraph 50 of the NPPF identifies that local planning authorities should plan households with specific needs, and PPG states:

> ***Households with specific needs***
>
> *There is no one source of information about disabled people who require adaptations in the home, either now or in the future.*
>
> *The Census provides information on the number of people with long-term limiting illness and plan makers can access information from the Department of Work and Pensions on the numbers of Disability Living Allowance/Attendance Allowance benefit claimants. Whilst these data can provide a good indication of the number of disabled people, not all of the people included within these counts will require adaptations in the home.*
>
> *Applications for Disabled Facilities Grant will provide an indication of levels of expressed need, although this could underestimate total need. If necessary, plan makers can engage with partners to better understand their housing requirements.*
>
> **Planning Practice Guidance (March 2015), ID 2a-021**

8.49 Personal Independence Payments started to replace the Disability Living Allowance from April 2013, and these are awarded to people aged under 65 years who incur extra costs due to disability (although there is no upper age limit once awarded, providing that applicants continue to satisfy either the care or mobility conditions). Higher Mobility Component (HMC) is awarded when applicants have "other, more severe, walking difficulty" above the Lower Mobility Component (which is for supervision outdoors).

8.50 Attendance Allowance contributes to the cost of personal care for people who are physically or mentally disabled and who are aged 65 or over. It is paid at two different rates: a lower rate is paid for those who need help or constant supervision during the day, or supervision at night; a higher rate is paid where help or supervision throughout both day and night is needed, or if people are terminally ill.

8.51 Nevertheless, PPG recognises that neither of these sources provides information about the need for adapted homes as "not all of the people included within these counts will require adaptations in the home".

8.52 Disabled Facilities Grants (DFG) are normally provided by Councils and housing associations to adapt properties for individuals with health and/or mobility needs. Grants cover a range of works, such as:

- Widening doors and installing ramps;
- Improving access to rooms and facilities, for example stair lifts or a downstairs bathroom;
- Providing a heating system suitable for needs; and
- Adapting heating or lighting controls to make them easier to use.

8.53 As previously noted, the Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This was reflected in the recent changes to building regulations relating to adaptations and wheelchair accessible homes that were published in the 2015 edition of Approved Document M: Volume 1 (Access to and use of dwellings)[46]. This introduces three categories of dwellings:

- Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties
- Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes
- Category 3: Wheelchair user dwellings – Optional, equivalent to wheelchair accessible standard.

8.54 Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for Category 2 and Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability. Planning Practice Guidance for Housing optional technical standards states:

> *Based on their housing needs assessment and other available datasets it will be for local planning authorities to set out how they intend to approach demonstrating the need for Requirement M4(2) (accessible and adaptable dwellings), and / or M4(3) (wheelchair user dwellings), of the Building Regulations.*
>
> *To assist local planning authorities in appraising this data the Government has produced a summary data sheet. This sets out in one place useful data and sources of further information which planning authorities can draw from to inform their assessments. It will reduce the time needed for undertaking the assessment and thereby avoid replicating some elements of the work.*
>
> **Planning Practice Guidance (March 2015), ID 56-007**

8.55 The London Plan (March 2015) Policy 3.8 Paragraph 3.48 (as amended by MALP Housing Standards Consultation Draft May 2015, subject to Examination beginning 21.10.15) states that 90% of new housing

[46] http://www.planningportal.gov.uk/buildingregulations/approveddocuments/partm/adm/admvol1

meets Building Regulation requirement M4(2)[47] 'accessible and adaptable dwellings' and 10% of new housing meets Building Regulation requirement M4(3) 'wheelchair user dwellings'. This applies to all tenures.

8.56 The CLG guide to available disability data[48] (referenced by PPG) shows that currently around 1-in-30 households in England (3.3%) have at least one wheelchair user, although the rate is notably higher for households living in affordable housing (7.1%). It is also important to recognise that these proportions are likely to increase over the period to 2037 in the context of the larger numbers of older people projected to be living in the area. The evidence therefore supports the need for 10% of market housing and 10% of affordable housing to meet Category 3 requirements. This recognises the changing demographics of the area and also provides an element of choice for households that need wheelchair user dwellings now as well as those households considering how their needs may change in future.

8.57 Overall, in terms of the need for adapted or wheelchair adapted or accessible dwellings for households with specific needs, the evidence supports:

- **the need for 90% of dwellings to meet Category 2 requirements, providing that this does not compromise viability.**
- **the need for 10% of market housing and 10% of affordable housing to meet Category 3 requirements.**

8.58 While this is the identified need, the PPG on Housing - Optional Technical Standards (March 2015) states that: "Local Plan policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling" (Paragraph 09, March 2015).

Student Housing

8.59 PPG was updated in March 2015 to include specific reference to identifying the needs of students:

> *Local planning authorities should plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Student housing provided by private landlords is often a lower-cost form of housing. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Plan makers are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside of university-provided accommodation. Plan makers should engage with universities and other higher educational establishments to better understand their student accommodation requirements.*
>
> **Planning Practice Guidance 2014, paragraph 21**

8.60 There are no higher education establishments in the ODPC area and only limited provision within the boroughs in the HMA:

[47] https://www.london.gov.uk/sites/default/files/MALP%20HOUSING%20STANDARDS%20-%20CONSULTATION%20DRAFT%20May%202015web.pdf
[48] https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data

- Brent does not have any higher education establishments (e.g. Universities) within the Borough, and, consequently, student households are relatively modest in number (0.5%).
- Ealing and Hammersmith & Fulham have a Higher Education college which specialises in University access courses focusses on students aged under 19. Hammersmith & Fulham also has the London Film Academy.

8.61 However, a lack of higher education establishments does not necessarily mean that there are no students in the three boroughs. In 2001, the Census recorded 575 students in communal establishments and 954 student households in the private rented sector. The average household size for students in the private rented sector was 2.83, so this equates to 3,275 students in the three boroughs.

8.62 By the 2011 Census this had risen to 1,165 households in communal housing and 2,366 privately renting student households containing 6,618 persons. Therefore, in 2011 there were 7,783 students in Brent, Ealing and Hammersmith and Fulham.

8.63 The household projections for the SHMA did not assume any growth of students living in communal establishments, so any net increase in bedspaces provided in specialist accommodation could reduce the demand from student households. PPG highlights how encouraging more dedicated student accommodation may provide low cost housing that takes the pressure off the private rented sector and increases the overall housing stock.

8.64 In establishing the OAN for ODPC, students were included in the trend-based analysis; therefore the needs of student households are counted as part of the overall OAN. The household projections assume that the number of any students living in communal establishments (including university halls of residence and student housing provided by private sector providers) remains constant over the Plan period. **On this basis, it will be necessary to consider how the supply of any *additional* student bedspaces will be counted within the overall housing supply.**

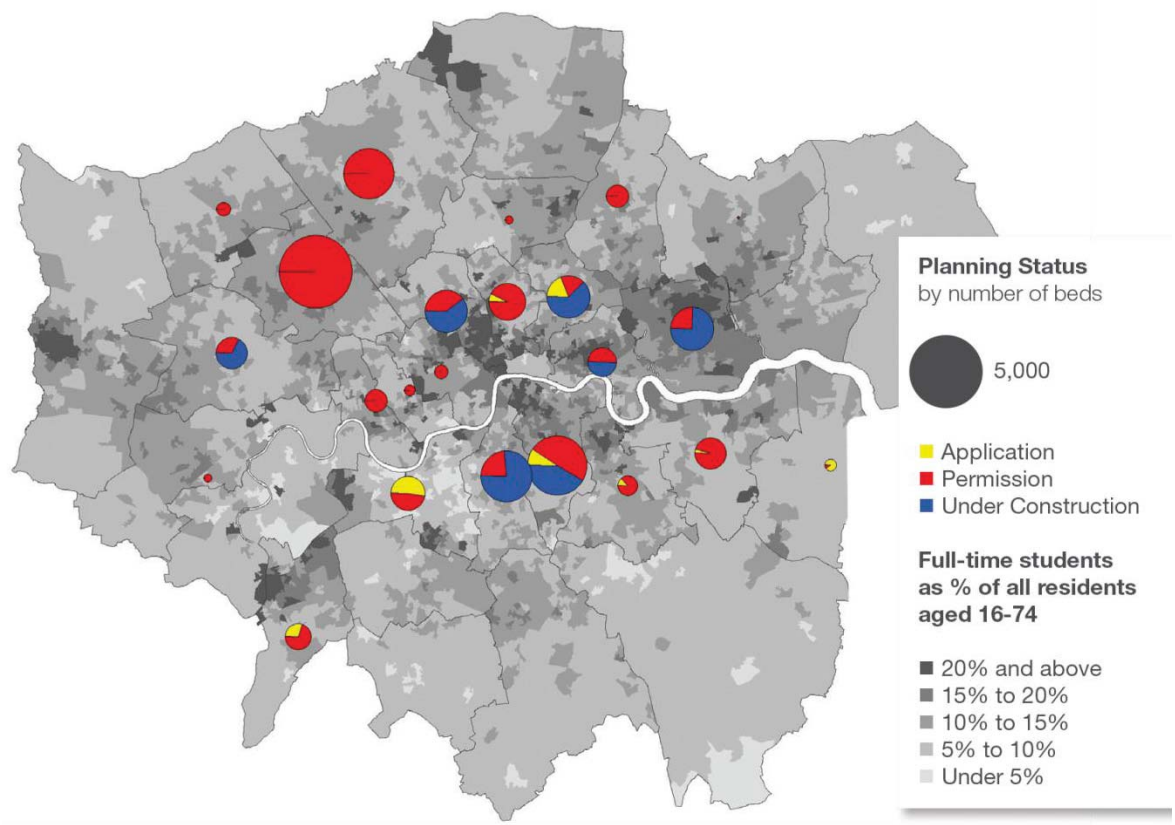
8.65 Between 2001 and 2011 the number of students in Brent, Ealing and Hammersmith and Fulham grew by just over 4,500. This equates to a growth of 450 students per annum and these students would effectively be assumed to be net in-migrants who will continue in to the future. On the assumption of no rise in student bedspaces this would equate to an impact of on the OAN of 160 dwelling per annum to accommodate the student growth in the private rented sector.

8.66 **On this basis a total of 3,200 dwellings within the OAN are assumed to be provided to meet the needs of students across Brent,** Ealing and Hammersmith and Fulham, or around 3.2% of the OAN. If the three boroughs wished to prevent any growth in the number of students in the private rented sector this would imply that a total of 450 bedspaces per annum are required to allow all student growth to occur in communal establishments. Each 2.83 student bedspaces provided would effectively count as one dwelling in the OAN because an average of 2.83 students live in each privately rented dwelling.

8.67 However, we would note that there is a supply of permissions for new specialist schemes for students. For example the following schemes have been approved or are under consideration in North Acton:

- 1 Victoria Road – 659 student rooms
- Lyra Court – 184 student rooms
- The Costume Store – 718 student rooms
- Holbrook House - 424 student rooms.

Figure 67: London student housing supply pipeline (Source: Savills 2014[49])



[49] http://www.savills.co.uk/research_articles/141280/176524-0

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9. Appendix B

Glossary of Terms

Definitions

Affordability is a measure of whether housing may be afforded by certain groups of households.

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. For the purpose of this report we have used the definition in the National Planning Policy Framework 2012

Category 2 and 3 are classifications of wheelchair accessible housing. They refer to building regulations Approved Document M (2015) which introduced three categories of accessible dwellings. Category 1 (visitable dwellings) relates to accessibility of all properties and, being mandatory, is not assessed in the SHMA. Category 2 (accessible and adaptable dwellings) is optional and similar to Lifetime Homes. Category 3 (wheelchair user dwellings) is optional and equivalent to wheelchair accessible standard.

Census Output Area is the smallest area for which UK Census of Population statistics are produced. Each Census Output Area had a population of around 250 people with around 100 dwellings at the time of the 2001 Census.

Concealed families are defined as; *"family units or single adults living within other households, who may be regarded as potential separate households which may wish to form given appropriate opportunity"*[50].

ECO underpins the Green Deal and places obligations on energy companies to facilitate installation of energy efficiency measures in homes. ECO fits within the Green Deal framework where Green Deal finance alone is not enough.

Equity is the difference between the selling price of a house and the value of the outstanding mortgage.

Green Deal is a market led framework that will allow individuals and businesses to make energy efficiency improvements to their buildings at no upfront cost. Finance needed for the improvements is repaid, in instalments, attached to an electricity bill.

Headship rates are defined by CLG as: "*the proportion of people in each age group and household type who are the 'head' of a household*"[51]

A household is one person living alone, or two or more people living together at the same address who share at least one meal a day together or who share a living room.

Household formation refers to the process whereby individuals in the population form separate households. 'Gross' or 'new' household formation refers to households that form over a period of time, conventionally one year. This is equal to the number of households existing at the end of the year that did not exist as separate households at the beginning of the year (not counting 'successor' households, when the former head of household dies or departs). 'Net' household formation is the net growth in households

[50] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6338/1776873.pdf

[51] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/182417/MethodologyFinalDraft.pdf

resulting from new households forming less the number of existing households dissolving (e.g. through death or joining up with other households).

A Housing Association or **Registered Provider** is an independent not-for-profit body that primarily provides low-cost "social or affordable housing" for people in housing need.

Housing demand is the quantity of housing that households are willing and able to buy or rent.

Household income includes all salaries, benefits and pensions, before deductions such as tax and National Insurance.

House in Multiple Occupation are currently defined by the Housing Act 2004 as:

- an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
- a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
- a converted house which contains one or more flats which are not wholly self-contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
- a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.

Housing market areas are geographical areas in which a substantial majority of the employed population both live and work and where those moving house without changing employment choose to stay.

Housing need is the quantity of housing required for households who are unable to access suitable housing without financial assistance.

Housing requirements encompasses both housing demand and housing need, and is therefore the quantity of housing necessary for all households to have access to suitable housing, irrespective of their ability to pay.

Housing type refers to the type of dwelling, for example, flat, house, specialist accommodation.

Intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents, and which meet the criteria for affordable housing set out above. These include shared equity products (e.g. HomeBuy), other low cost home ownership products and intermediate rent.

Lending multiplier is the number of times a household's gross annual income a mortgage lender will normally be willing to lend. The most common multipliers quoted are 3.5 times income for a one-income household and 2.9 times total income for dual income households.

Low cost home ownership or **Shared ownership** is intermediate affordable housing designed to help people who wish to buy their own home, but cannot afford to buy outright (with a mortgage). Through this type of scheme you buy a share in the property with a Housing Association or other organisation.

Lower quartile means the value below which one quarter of the cases falls. In relation to house prices, it means the price of the house that is one-quarter of the way up the ranking from the cheapest to the most expensive.

Lower Super Output Area is a group of around 5-6 Census Output Areas and is the smallest geography for many Government statistics. Each Lower Super Output Area had a population of around 1,250 people with around 500 dwellings at the time of the 2001 Census.

Market housing is private housing for rent or for sale, where the price is set in the open market.

Market signals are indicators that supply and demand are not in balance for a local housing market. Possible market signals are listed in PPG and the following are the most pertinent; house prices, private sector rents, affordability, rate of development and overcrowding.

Migration is the movement of people between geographical areas. In this context it could be either local authority districts, or wider housing market areas. The rate of migration is usually measured as an annual number of individuals, living in the defined area at a point in time, who were not resident there one year earlier. Gross migration refers to the number of individuals moving into or out of the authority. Net migration is the difference between gross in-migration and gross out-migration.

A projection of housing needs or requirements is a calculation of numbers expected in some future year or years based on the extrapolation of existing conditions and assumptions. For example, household projections calculate the number and composition of households expected at some future date(s) given the projected number of residents, broken down by age, sex and marital status, and an extrapolation of recent trends in the propensity of different groups to form separate households.

Registered Social Landlord/Registered Provider see Housing Association.

Secondary data is existing information that someone else has collected. Data from administrative systems and some research projects are made available for others to summarise and analyse for their own purposes (e.g. Census, national surveys).

Shared ownership see Low Cost Home Ownership.

Social rented housing is provided by social landlords and rented for less than would be paid if renting privately.

Specialised housing refers to specially designed housing (such as mobility or wheelchair accommodation, hostels or group homes) or housing specifically designated for particular groups (such as retirement housing).

Acronyms and Initials

ASHE Annual Survey of Hours and Earnings

BME Black and Minority Ethnic

BRMA Broad Rental Market Area

CACI Private sector company providing modelled data

CORE The Continuous Recording System (for Housing Association and Local Authority lettings)

DEFRA Department for Environment, Food and Rural Affairs

DWP Department of Work and Pensions

GIS Geographical Information Systems

HBF Home Builders Federation

HMO House in Multiple Occupation

IMD Indices of Multiple Deprivation

LA Local Authority

LDF Local Development Framework

LDP Local Development Plan

LHA Local Housing Allowance

NHSCR National Health Service Central Register

NPPF National Planning Policy Framework

ONS Office for National Statistics

ORS Opinion Research Services

POPPI Projecting Older Person Population Information

REIT Real Estate Investment Trust

RSL Registered Social Landlord

SAR Share Accommodation Rate

SHMA Strategic Housing Market Assessment

UDP Unitary Development Plan