



Forest Heath
Objectively Assessed Housing Need
August 2016

An update by Cambridgeshire County Council Research Group to support Forest Heath District Council in objectively assessing and evidencing development needs for housing, both market and affordable.

Executive Summary

1. *“The overall housing figure that has been identified is 6,800 dwellings (340 dwellings per annum) for the period 2011 to 2031.”*

Source: Forest Heath Objectively Assessed Housing Need January 2016 (Cambridgeshire Research Group) (www.cambridgeshireinsight.org.uk/ForestHeath_OAN-Update-2016); Forest Heath District Market Signals and Objectively Assessed Housing Need February 2016 (Peter Brett Associates) (www.westsuffolk.gov.uk/planning/Planning_Policies/upload/PBA-market-signals-and-OAN-report-Feb-2016.pdf)

2. This housing figure reflects the findings of two assessments prepared in early 2016: a report by Cambridgeshire County Council Research Group alongside an assessment of market signals and objectively assessed housing need by Peter Brett Associates (hyperlinks above).

3. Following the release of new CLG household projections and EEFM forecasts since January 2016, the purpose of this update is to assess what adjustment, if any, this housing figure requires.

4. Taking account of the latest available evidence, the identified future quantity of housing needed requires no adjustment. The objectively assessed housing need is therefore 6,800 dwellings for 2011-2031.

5. The overall housing figure that has been identified is 5% higher than the CLG 2012 estimate of 6,450 dwellings (5,940 households) and 13% higher than the CLG 2014 estimate of 6,040 dwellings (5,560 households).

6. The findings of this update prepared by Cambridgeshire County Council Research Group are endorsed by Peter Brett Associates.

Introduction

7. In this update, household projections published by the Department for Communities and Local Government (CLG) provide the starting point estimate of overall housing need. The 2012-2037 Household Projections were published on 27 February 2015, and were the most up-to-date estimate of future household growth in January 2016. The 2014-2039 Household Projections were published on 12 July 2016. Table 1 below shows the 2012-based and 2014-based household projection-based estimates of housing need for the period 2011 to 2031. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics (ONS).

Table 1: Household projection-based estimates of housing need

Source of estimated/projected population	Population 2011	Population 2014	Population 2031	Population 2011-2031	Households 2011-2031	Dwellings 2011-2031
ONS 2012	60,040	62,690*	76,220*	16,180	5,940	6,450
ONS 2014	60,040	62,810**	74,790***	14,750	5,560	6,040

*The population figures for 2014 and 2031 are the projected population figures published by ONS on 29 May 2014.

**The population figure for 2014 is the estimated population figure published by ONS on 25 June 2015.

***The population figure for 2031 is the projected population figure published by ONS on 25 May 2016.

8. Table 1 above shows the 2012-based and 2014-based (CLG 2012 and CLG 2014) starting point estimates of 5,940 households (6,450 dwellings) and 5,560 households (6,040 dwellings) for the period 2011 to 2031. The CLG 2014 estimate of 5,560 households is 6% lower than the CLG 2012 estimate of 5,940 households.

Underlying demographic projections and market signals

9. Table 2 below shows the 2012-based and 2014-based (ONS 2012 and ONS 2014) population projections for the periods 2011 to 2014 and 2014 to 2031. The objectively assessed housing need may require adjustment to reflect the ONS 2014 projection. Any underlying trends evident in the 2012 to 2014 period, such as any under delivery of housing, will influence the ONS 2014 projection up to 2031. Figures 1 to 4 overleaf show the most recent natural change, net migration, dwelling stock and house price evidence.

Table 2: 2012-based and 2014-based projected population figures

Source of estimated/projected population	2011-2014			2014-2031			2011-2031		
	Nat*	Mig**	Total	Nat*	Mig**	Total	Nat*	Mig**	Total
ONS 2012	1,450	1,200	2,650	7,660	5,870	13,530	9,110	7,070	16,180
ONS 2014	1,540	1,230	2,770	6,830	5,150	11,980	8,370	6,380	14,750

*Natural change

**Migration and other changes (includes an estimated change in the armed forces population of plus 136 people for the period 2011 to 2014)

10. Table 2 above shows lower projected levels of natural change and net migration in the ONS 2014 projection than in the ONS 2012 projection, reflecting lower levels of natural change and net migration in 2012/13 and 2013/14 than in previous years (Figures 1 and 2). These lower levels of natural change and net migration reflect recent annual increases in housing numbers that have been lower than previous housing growth rates (Figure 3).

11. If the lower housing growth rate was not evident in the 2012 to 2014 period, the ONS 2014 projection would provide evidence for an adjustment to the identified future quantity of housing needed. However, as the recent lower annual increases in housing numbers are evident in the 2012 to 2014 period, the ONS 2014 projection does not provide any evidence for an adjustment to the objectively assessed housing need.

12. Furthermore, Forest Heath’s recent average house price increase (Figure 4) reflects the lower housing growth rate that was evident in the 2012 to 2014 period, indicating that the ONS 2014 projection would require more upward adjustment than the 5% uplift that is an appropriate adjustment to the ONS 2012 projection, as the report by Peter Brett Associates anticipates:

“We conclude that in the last two years for which we have data, approximately from April 2013 to March 2015, Forest Heath may have underprovided land against demand. If those two years were a significant part of the base period whose trends the demographic ‘starting point’ projection rolls forward, an uplift to that projection might be justified.”

Source: Forest Heath District Market Signals and Objectively Assessed Housing Need February 2016 (Peter Brett Associates) (www.westsuffolk.gov.uk/planning/Planning_Policies/upload/PBA-market-signals-and-OAN-report-Feb-2016.pdf)

13. The ONS 2014 projection therefore provides no evidence for an adjustment to the objectively assessed housing need, or: the lower housing growth rate that was evident in the 2012 to 2014 period provides evidence that a 13% uplift is an appropriate adjustment to the ONS 2014 projection.

14. Taking account of the latest demographic evidence and market signals, the identified future quantity of housing needed (6,800 dwellings) – which is 5% higher than the CLG 2012 estimate and 13% higher than the CLG 2014 estimate – therefore requires no adjustment.

Figure 1: Natural change estimates for Forest Heath (ONS)

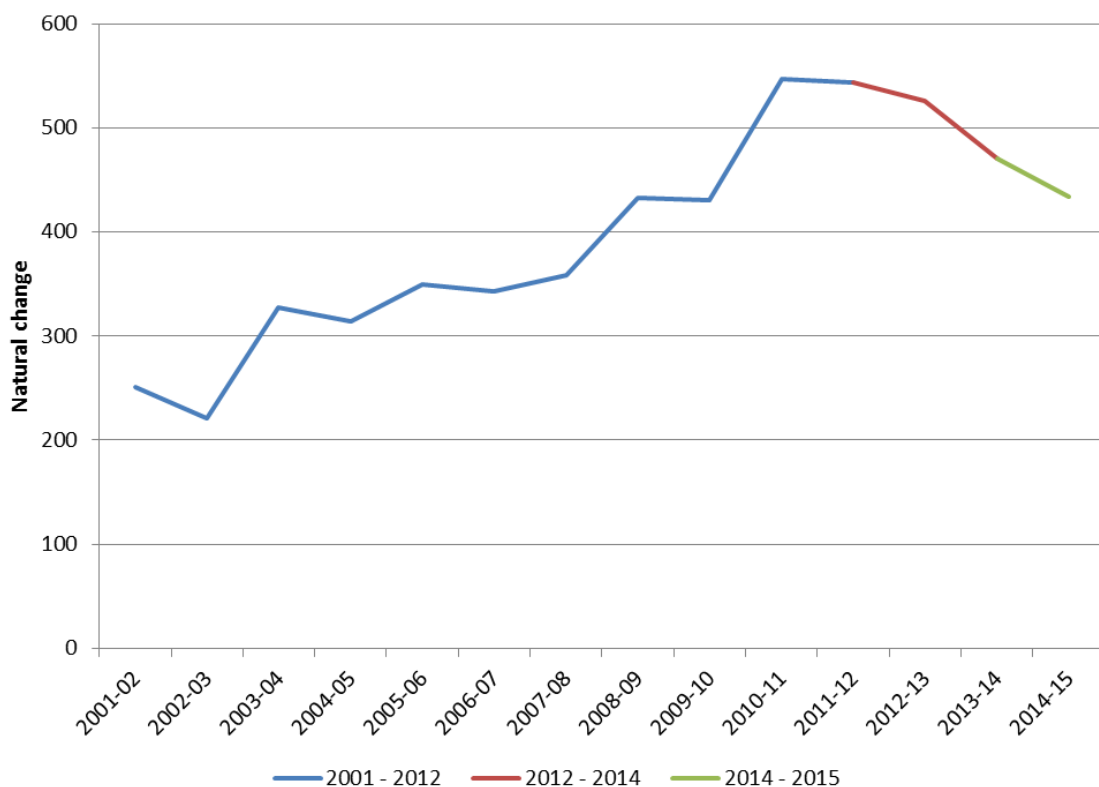


Figure 2: Net migration estimates for Forest Heath (ONS)

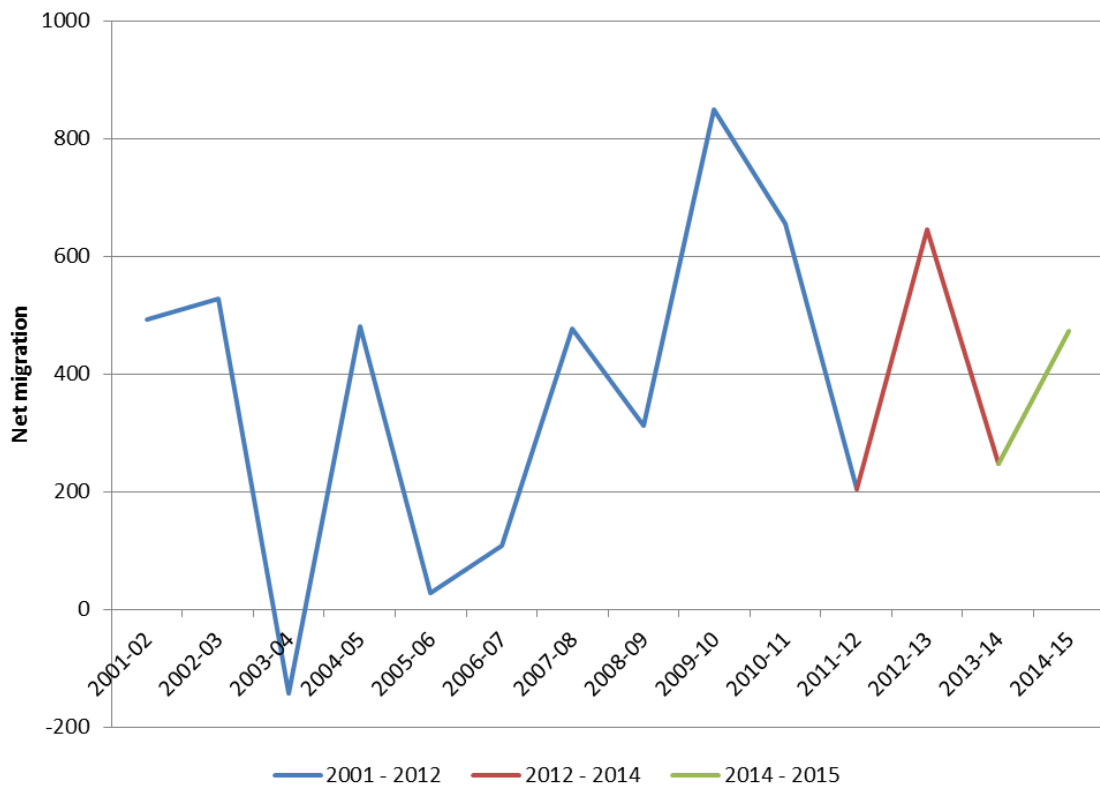


Figure 3: Dwelling stock estimates for Forest Heath (CLG)

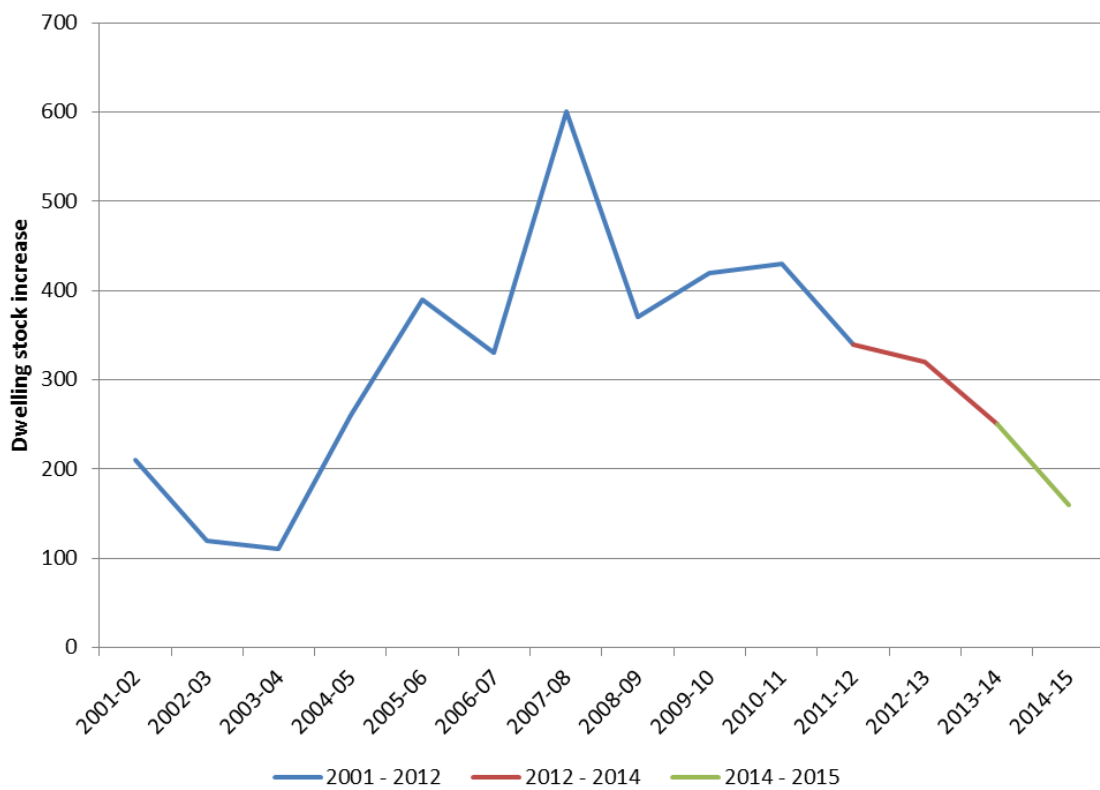
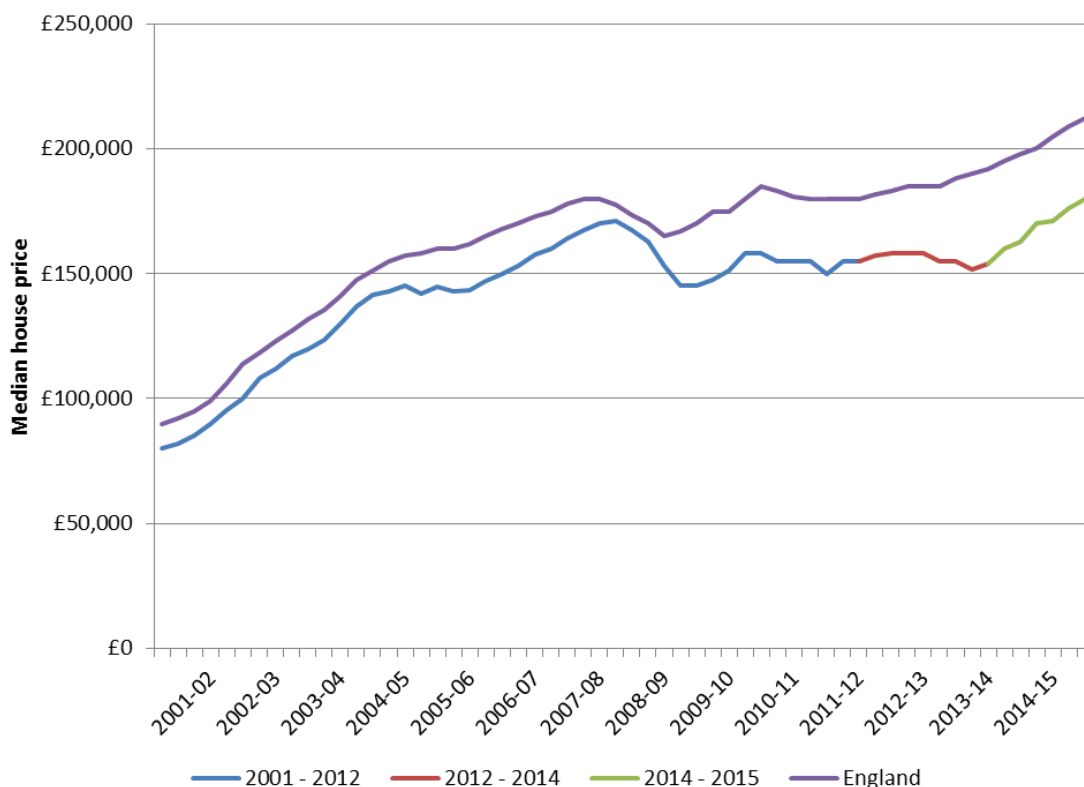


Figure 4: Average house prices in Forest Heath and England (ONS)



East of England Forecasting Model (EEFM) employment trends

15. Table 3 below shows the EEFM 2014 and EEFM 2016 economic-based forecasts for the period 2011 to 2031. The household projections are produced by applying the CLG 2012 and CLG 2014 household representative rates to the EEFM 2014 and EEFM 2016 population forecasts. The EEFM 2016-based estimate of 4,040 households is 4% higher than the EEFM 2014-based estimate of 3,870 households.

Table 3: Economic forecast-based estimates of housing need

Source of estimated/projected population	Population 2011	Population 2031	Population 2011-2031	Households 2011-2031	Dwellings 2011-2031	Jobs 2011-2031
EEFM 2014	60,040	69,220	9,180	3,870	4,200	3,100
EEFM 2016	60,040	69,860	9,820	4,040	4,380	2,450

16. The objectively assessed housing need may require adjustment to reflect the EEFM 2016 forecast. However, as the EEFM 2016-based estimate of 4,380 dwellings (Table 3) is lower than the identified future quantity of housing needed (taking account of the latest demographic evidence and market signals), the EEFM 2016 forecast provides no evidence for an upward adjustment to the objectively assessed housing need.

17. Taking account of the latest employment trends, the identified future quantity of housing needed (6,800 dwellings) – which is 55% higher than the EEFM 2016-based estimate – therefore requires no adjustment.

Conclusion

18. Following the release of the ONS 2014 and CLG 2014 projections and the EEFM 2016 forecasts, the purpose of this update is to assess what adjustment, if any, the overall housing figure requires.

19. Taking account of the latest demographic evidence and market signals, and the latest employment trends, the identified future quantity of housing needed requires no adjustment.

20. The objectively assessed housing need is therefore 6,800 dwellings for 2011-2031 (Table 4).

Table 4: Identified population, jobs and dwellings change from 2011 to 2031 for Forest Heath

District	Population	Jobs	Dwellings	Ratio of new jobs to new dwellings
Forest Heath	17,000	5,200	6,800	0.8

Cambridgeshire County Council Research Group

August 2016

Report authors: Rebecca Roebuck*, Anna Jones, Robert Kemp and Katherine Webb

*rebecca.roebuck@cambridgeshire.gov.uk