THE HOME BUILDERS FEDERATION

Richmondshire District Council
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Date: 27th September 2013

Dear Sir / Madam,

# Richmondshire Local Plan Core Strategy: Development Target Review

The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.

**The HBF would like to attend the examination in public to debate these matters further.**

In response to the questions posed the HBF wishes to submit the following comments.

**1. Do you agree with the Council's reassessment of its development target?**

The HBF does not support a reduction in the housing requirement based upon the 2011 interim housing projections as this would be unsound. It would not be positively prepared or meet the objectively assessed need for housing contrary to the NPPF.

Spatial Principle SP4: Scale and Distribution of Housing identifies a housing requirement of 180 dwellings per annum, implementation of a lower requirement of 80 dwellings per annum, based upon the 2011 interim housing projections, would be contrary to the government's aim to 'boost significantly' the supply of housing.

It is the opinion of the HBF that the 2011 interim household projections should not be accorded significant weight during the examination. The projections only provide a 10 year timespan to 2021 and do not have the benefit of a full data



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set upon which to draw conclusions. The data is a hybrid dataset being based partially on the 2011 census and partially upon previous projections. This is due to a lack of certain datasets from the 2011 census at the time of production for example, household representative rates by age and marital status. In addition given the fact that much of the data was derived during a period of recession it is likely that it under-estimates actual demand. It is therefore considered that the 2011 interim projections are a reflection of a failing housing market and do not represent an accurate picture of what is needed in the future. They project forward what has happened since 2008, during the recession, a period characterised by:

- A huge undersupply of new homes;
- Increased overcrowding;
- Asking prices remaining out of reach for first time buyers; and
- Restricted mortgage finance, putting the brakes on the market.

In effect, they lay bare the problems created by building too few houses.

The issues with the 2011 interim projections are succinctly explained by the Inspector of the Lichfield Local Plan who in his initial concerns noted;

> *'over the longer term household representation rates have been rising and the fall in these rates identified in the 2011 projection is likely to have been driven by short term factors such as the impact of the recession, constraints on housing supply and constraints on mortgage lending. It is reasonable, therefore, to assume that beyond 2021 (the end of the period covered by the 2011 projection) household representation rates will resume their long term rise'* (paragraph 24).

Furthermore, any set of projections only provide a starting point for consideration of what the objective housing needs of the district may be. An objective assessment cannot rely on projections alone. Projections provide a very useful starting point or benchmark, but any objective assessment will also need to take into account other local data relating to housing need and demand such as affordability, the size of the housing waiting list, overcrowding, concealed households, homelessness, the need for accommodation for the elderly, students, etc. This is why the NPPF in paragraph 159 requires that the objective assessment of housing need is to be conducted through a SHMA. Projections alone cannot fully reflect accurately the underlying need for housing in any one district. Projections reflect past trends. So if a local authority has operated planning policies that sought to constrain development (for whatever reason), then this will be reflected in the future trends (e.g. through suppressed household formation). One might argue that an assessment of local needs provides a useful barometer of how effective previous local plans were at assessing the likely scale of need. If the SHMA provides evidence of a large local need and shows problems of affordability, then this suggests that previous plans have proved faulty in the accuracy of their assessments of the scale of the need. Problems of affordability and overcrowding, documented by the SHMA, provide the evidence that proves that previous plans had under-



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estimated the scale of the problem, or else the authorities concerned were unrealistic in terms of the planning strategies that they devised to address these problems (e.g. assuming that if supply is restricted households would move elsewhere). The SHMA should carry significant weight.

The 2011 SHMA (TE007) identified an annual shortfall of 260 affordable dwellings per annum over 5 years. This HBF argues that the need for affordable housing alone identifies that the proposed housing requirement of 180 dwellings per annum is too low. Further reducing the figure based upon the 2011 interim household projections would have serious implications in terms of affordability across Richmond. Basing the housing requirement upon the 2011 interim household projections would have serious implications for the delivery of affordable housing within Richmond.

**Recommendation**
For the above reasons it is not considered appropriate to base a plan on an incomplete dataset which is borne from recession. Rather the plan should be seeking to be aspirational with regards to growth. In this regard it is considered that the proposed plan target of 180 dwellings per annum is in itself too low.

**2. Do you agree that the revocation of the Regional Spatial Strategy has little impact on the Council's development targets?**
The NPPF is clear that the housing requirement included in the plan should be based upon its full objectively assessed need for both market and affordable housing (para 47). It is this, rather than the now revoked RSS, which should be the primary driver for the Council's housing targets.

I trust the foregoing comments will be given due consideration through the examination process.

Yours sincerely,

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