

## Affordable Housing Provision across the Housing Market Area (HMA) - Interim Update

When preparing Local Plans, and to ensure that they are found sound at Examination, Local Planning Authorities (LPAs) must ensure they meet, in full, objectively assessed needs for market and affordable housing in the housing market area (HMA). This is informed through the preparation of a Strategic Housing Market Assessment (SHMA). Local Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.

A joint SHMA was prepared by Opinion Research Services on behalf of the four districts. The original study, September 2015, set out the OAHN for the four HMA districts, and specifically on affordable housing, stated;

*The highest level of need is in East Hertfordshire (4,128 households) compared to 3,142 in Epping Forest, 3,289 in Harlow and 2,724 in Uttlesford. However, whilst the proportion of affordable housing need is 34% in Epping Forest, 31% in East Hertfordshire and 27% in Uttlesford, the percentage in Harlow is markedly higher at 67%.*

Work undertaken since the December DtC meeting would indicate, in broad terms, that the putative affordable housing policies proposed in respective emerging Local Plans within the HMA is likely to produce a net surplus of affordable housing, possibly in the region of 5,000+ units, after taking account of the estimated deficit in Harlow of around 370 – 400 units.

This is of course a generalised calculation based on a theoretical assumption that all 'major' sites identified within the HMA come forward for development over the lifetime of the respective plans and that affordable housing policies within each plan are effective in securing the required proportion of affordable housing from each development. In reality, it is unlikely that all sites will be developed or that all sites will achieve the maximum proportion of policy requirement.

However, such is the apparent quantum of the provisional surplus over the provisional deficit that even after refining the calculations to take account of (inter alia) viability assessment, deliverability deviation and possible market fluctuation, it is unlikely that the overall HMA will be deficient in its provision for affordable housing needs and this, by and of itself, may be satisfactory and sufficient evidence for Inspectors at Examinations In Public to be satisfied with the soundness of respective plans on this issue.

### **Next Steps.**

The SHMA officer group is seeking to meet with CLG officers/PINS to discuss whether meeting the affordable housing need across the SHMA area is sufficient to meet the PPG requirements for a sound plan or whether additional measures need to be put in place. A date is being sought for late January/early February 2017.

Work is continuing and, with the inclusion of advice/discussion from CLG, a full paper will update Members at the meeting on 27 February and make any recommendations for an amended Memorandum of Understanding on the Distribution of Objectively Assessed Housing Need across the HMA.