

## **Report to the Local Development Framework Cabinet Committee**



**Report reference:** LDF-007-2009/10  
**Date of meeting:** 11 March 2010

**Epping Forest  
District Council**

**Portfolio:** Leader  
**Subject:** Strategic Housing Market Assessment – Final Report  
**Responsible Officer:** Amanda Wintle (01992 564543)  
**Democratic Services Officer:** Gary Woodhall (01992 564470)

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### **Recommendations/Decisions Required:**

- (1) To note the findings of the completed “Strategic Housing Market Assessment” report, and add this into the evidence base to support the preparation of the Local Development Framework; and**
- (2) To note that a further piece of research is currently underway to establish the viability of the provision of affordable housing.**

### **Executive Summary:**

The Strategic Housing Market Assessment (SHMA) is required by Planning Policy Statement 3: *Housing* to inform the preparation of housing policies in the Core Strategy and other parts of the Local Development Framework.

The SHMA identifies that there is an overall need for 70% of all new housing to be affordable (social rented and intermediate housing). Further work is currently being completed to test the viability of the provision of affordable housing in the District.

### **Reasons for Proposed Decision:**

The SHMA is an important part of the evidence base to underpin the preparation of the Core Strategy. This new evidence will help to achieve corporate objectives of increasing the provision of affordable housing in the District.

### **Other Options for Action:**

This study has been undertaken to inform the preparation of the Local Development Framework, and is based on available technical information. Without such a study any housing policies in the Local Development Framework would be likely to be found unsound, and therefore there are no reasonable alternative options.

### **Report:**

1. Planning Policy Statement 3: *Housing* (2006) requires that planning policies within Local Development Frameworks are based on robust evidence of housing need and demand. The Strategic Housing Market Assessment (SHMA) provides this evidence. In March 2008, the London Commuter Belt (East) consortium appointed Opinion Research Services (ORS)

working with Savills to undertake this work. The consortium includes Epping Forest, Harlow, East Herts, Broxbourne, Brentwood and Uttlesford Councils, and the study seeks to identify the way in which the various housing markets operate at a sub-regional and district level.

2. The SHMA covers the period to 2026 and provides evidence which will update the information contained in the Housing Needs Survey completed in 2003. It provides an analysis of the housing demand across the District, also taking into account the growth requirements of the East of England Plan. For the purposes of this work, it has been assumed that 6,600 new units will be built within Epping Forest District to fulfil the policy requirements of the East of England Plan. This assumption was used as a “best estimate” at the outset of the study, pending the final completion of the “Harlow Options” report (Scott Wilson) and preparation of the Core Strategy.

3. The SHMA draws out key findings in respect of affordable housing provision, tenure split and housing size mix across the District. Across the sub-region, the SHMA identifies that 46% of all new dwellings should be affordable. At a District level, this increases to a need for 70% of all new dwellings to be affordable. Within this figure, it is suggested that 44% should be social rented units, and 27% should be intermediate affordable housing (figures may not sum due to rounding). This shows there is a considerable requirement for housing to address the needs of those households that earn between £20,000 and £35,000. Below this income range, there are housing benefits which will subsidise housing costs, and above this there are “entry level” properties that are affordable. For those households within this band, there is a shortage of housing products to suit their needs.

4. The SHMA identifies a need for a variety of house sizes, which is summarised in the table below:

<b>Dwelling size</b>	<b>Market housing</b>	<b>Intermediate affordable housing</b>	<b>Social rented affordable housing</b>
1 bedroom	0.5%	12.1%	40.0%
2 bedrooms	31.6%	42.7%	28.1%
3 bedrooms	47.1%	39.5%	27.9%
4 bedrooms	17.2%	4.8%	3.7%
5+ bedrooms	3.7%	0.9%	0.3%

5. Clearly, this confirms there is a significant need for affordable housing across the District. It will be for the policies contained within the Core Strategy to determine how such an issue will be addressed over the lifetime of the Core Strategy (i.e. to 2031).

6. Policies must also take into account matters such as the viability of development. In December 2009, Level were appointed to undertake an assessment of the viability of affordable housing provision suggested in the SHMA. This work is being carried out on behalf of Epping Forest, East Herts, Harlow, Brentwood and Uttlesford Councils (Broxbourne Council’s timetable for their Core Strategy did not permit them to be part of this further piece of joint work). This further work is due to be completed by mid-April 2010, and when completed will have tested a number of scenarios, taking into account available information on other matters including section 106 costs and land type. This viability work is part of a two-stage process, the second of which is part of the Strategic Housing Land Availability Assessment (SHLAA), during which specific sites will be tested in terms of the viability of delivery of affordable housing.

**Resource Implications:**

Preparation of the Core Strategy will be from existing resources.

**Legal and Governance Implications:**

None relevant.

**Safer, Cleaner and Greener Implications:**

None relevant at this time.

**Consultation Undertaken:**

Key stakeholder events were undertaken through the preparation of the SHMA.

**Background Papers:**

London Commuter Belt (East) / M11 Sub-Region – Strategic Market Housing Assessment, January 2010 – Opinion Research Services / Savills.

**Impact Assessments:**Risk Management

Some earlier SHMAs prepared by other authorities were found to be unsound because viability had not been assessed. This significant risk will be addressed by the supplementary report.

Equality and Diversity:

Preparation of the Local Development Framework as a whole will be subject to an Equality Impact Assessment at a later date.

*Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications?* No

*Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?* N/A

*What equality implications were identified through the Equality Impact Assessment process?* N/A.

*How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?* N/A.