

An aerial photograph of a modern housing development. The houses are arranged in a row, featuring a mix of brick and light-colored siding. A paved road curves through the development, and there are green lawns and shrubs. A large, semi-transparent purple shape is overlaid on the left side of the image, containing the text.

# South Essex Housing Needs Assessment

*Stakeholder workshop*

26 May 2022

**Turley**

- **A new Housing Needs Assessment for Basildon, Brentwood, Castle Point, Rochford, Southend-on-Sea and Thurrock**

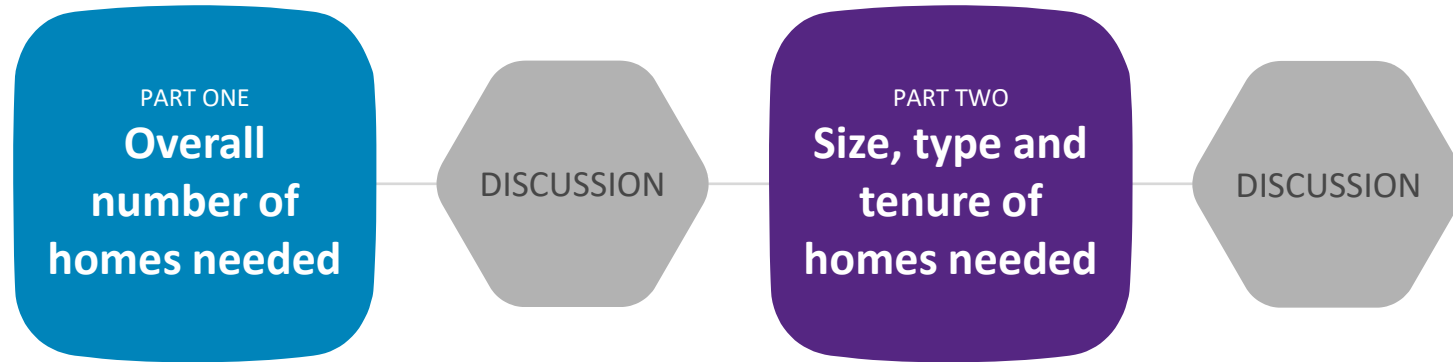
- 
- A map of the Essex region in the United Kingdom, showing the proposed new county boundary in orange. The map includes major towns such as Chelmsford, Brentwood, Basildon, Thurrock, and Southend-on-Sea. It also shows the M25 motorway, the River Thames, and the proposed new county boundary. The map is a detailed representation of the region, showing the proposed new county boundary in orange. The map includes major towns such as Chelmsford, Brentwood, Basildon, Thurrock, and Southend-on-Sea. It also shows the M25 motorway, the River Thames, and the proposed new county boundary.

# December's workshop

- **Introduced existing evidence base**
- **Explained changing policy context**
  - Standard method of assessing housing needs
  - Requirement to assess the size, type and tenure of homes needed
- **Summarised recent trends in the market**
  - Fall in housing delivery since record nearly set in 2017/18
  - Continued population growth but a notable slowing in 2019/20
  - A rise in house prices that looked set to continue



Today



PART ONE

# Overall number of homes needed



To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the **standard method** in national planning guidance...

NATIONAL PLANNING POLICY FRAMEWORK, PARAGRAPH 61  
(our emphasis)



# Introducing the standard method

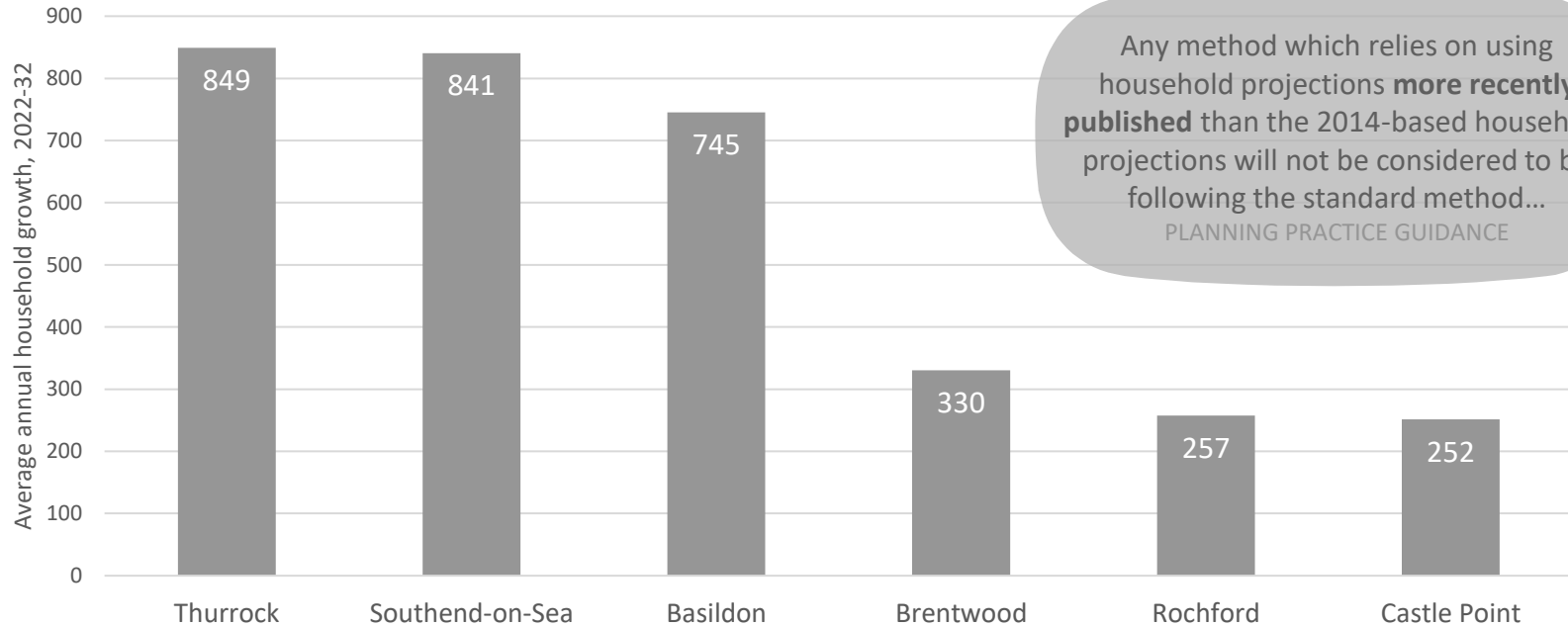
**Demographic  
baseline** linked to  
official 2014-  
based household  
projections

Formulaically  
adjusted to reflect  
balance between  
**median house  
prices and  
earnings**

**Capped** 40%  
above the  
baseline or  
recently adopted  
requirements

Uplifted by 35% in  
the twenty largest  
**cities and urban  
centres**

# Demographic baseline – 2014-based projections

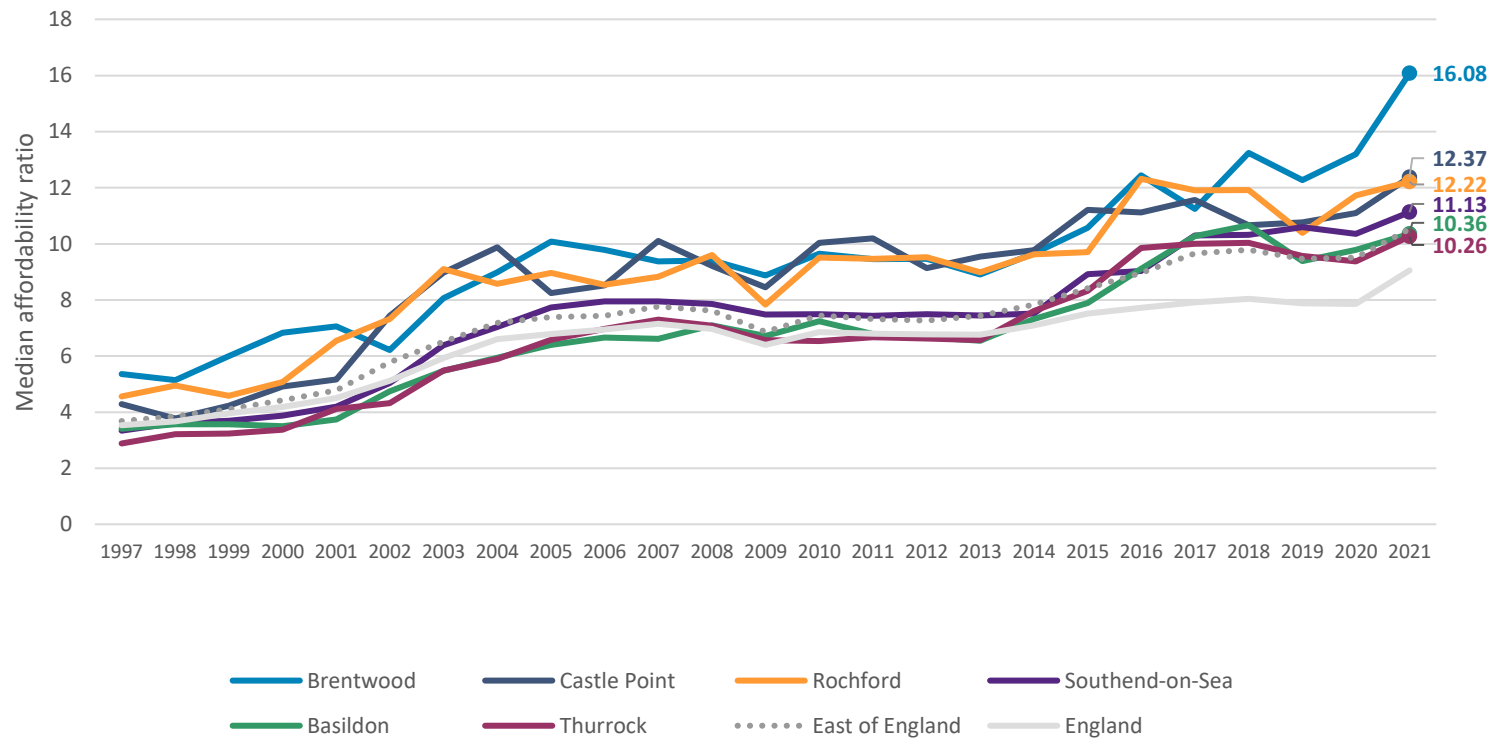


Any method which relies on using household projections **more recently published** than the 2014-based household projections will not be considered to be following the standard method...

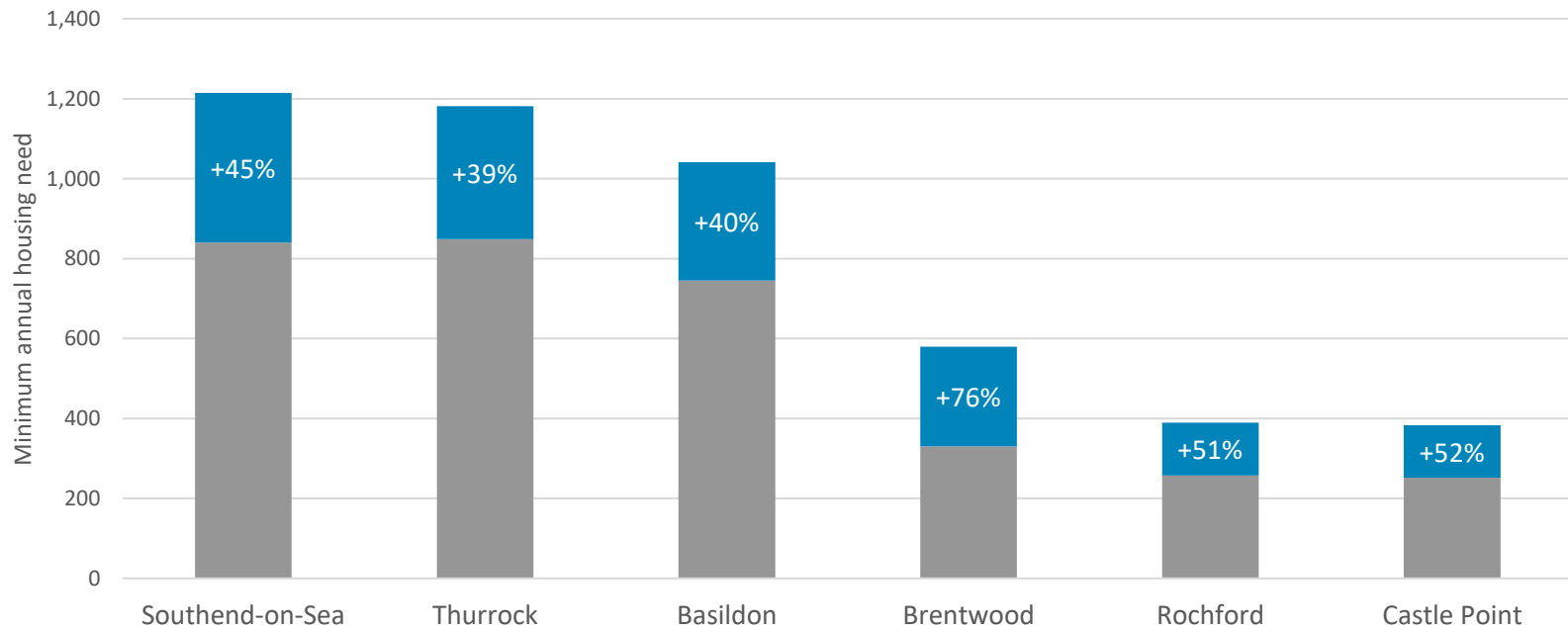
PLANNING PRACTICE GUIDANCE



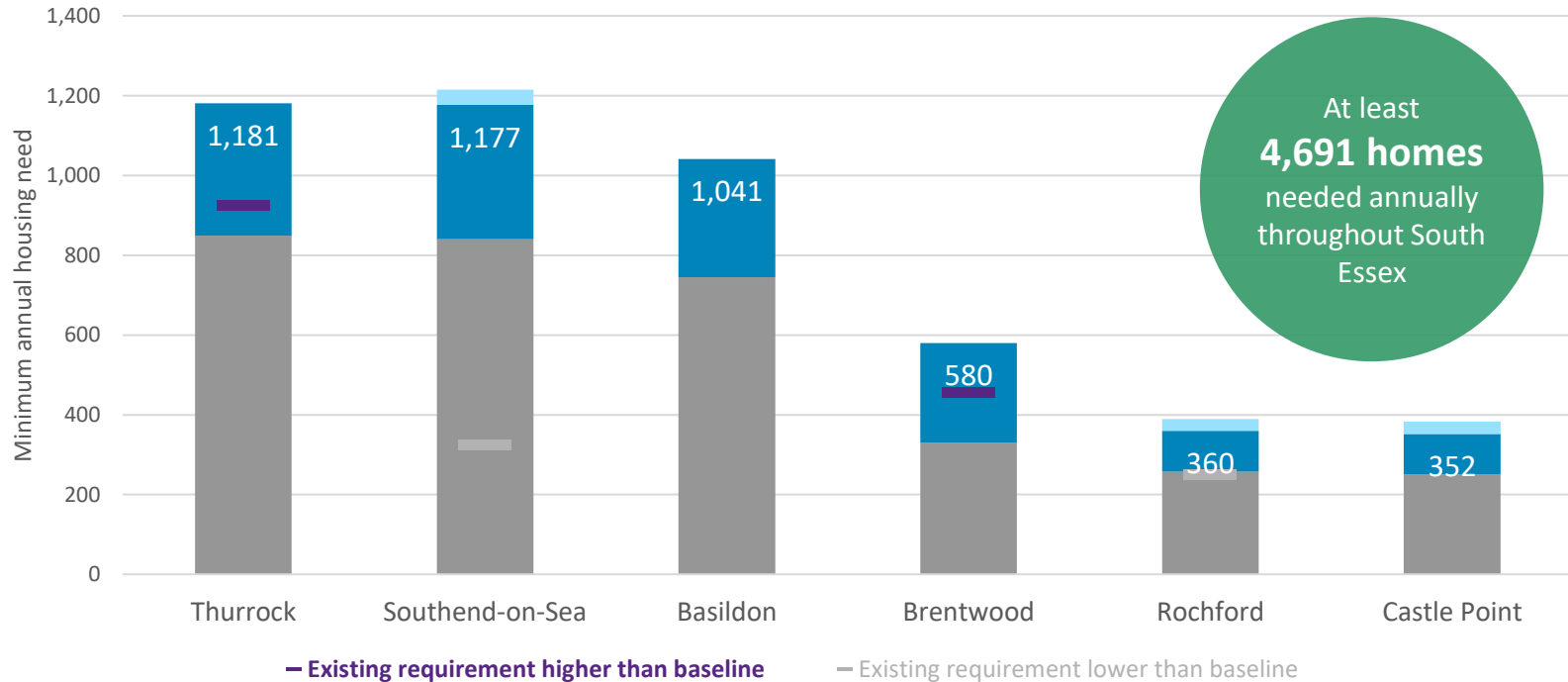
# Affordability ratios



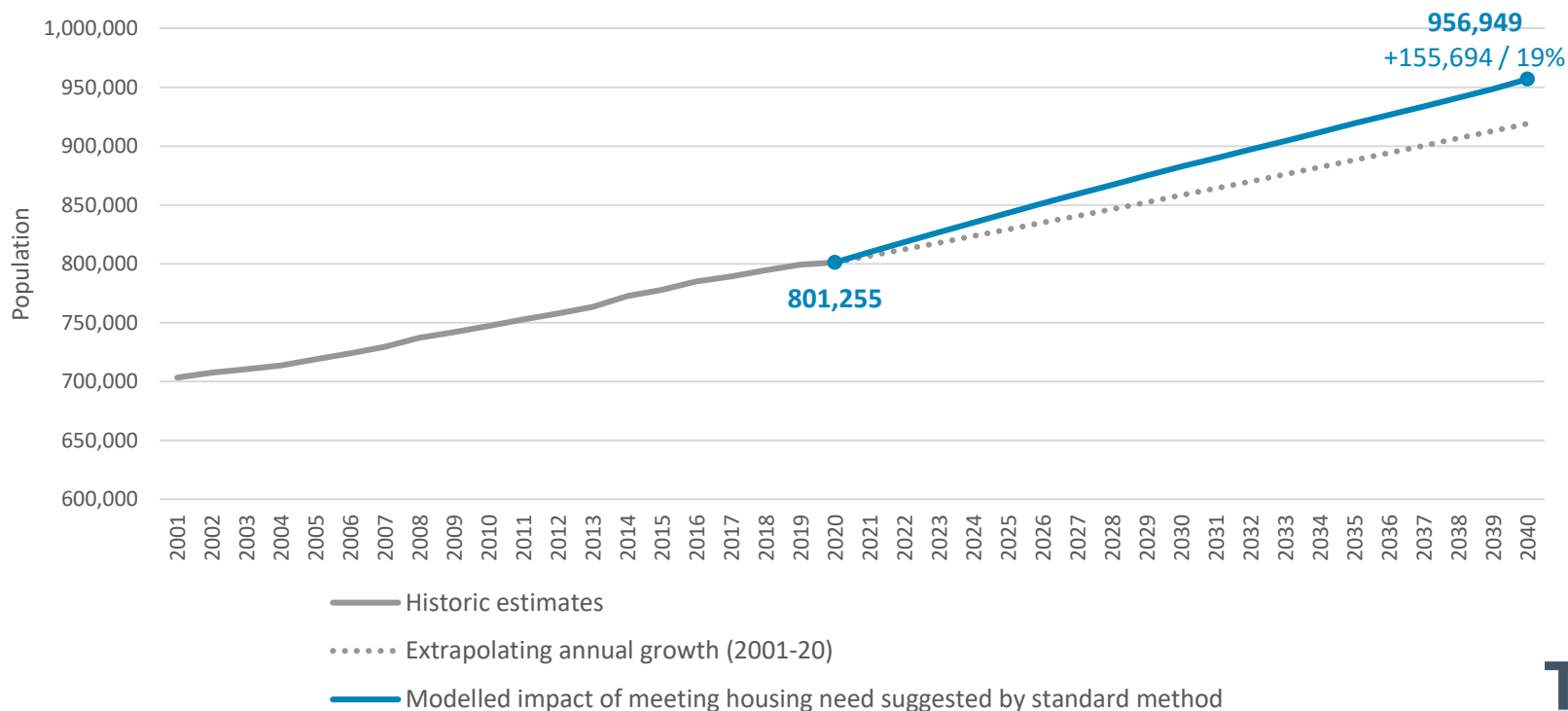
# Applying the affordability uplift



# Applying the 40% cap

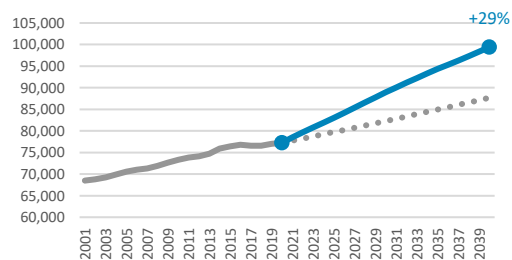


# Population impact of meeting the minimum need

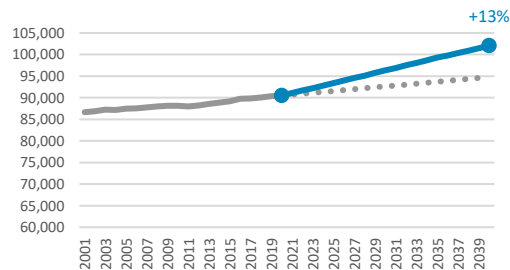


# Population impact of meeting the minimum need

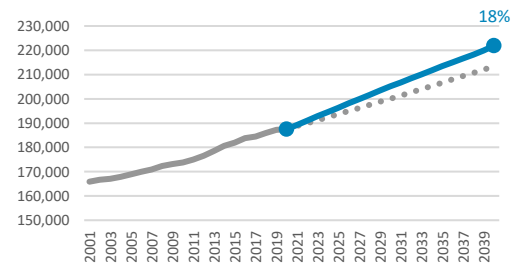
Brentwood



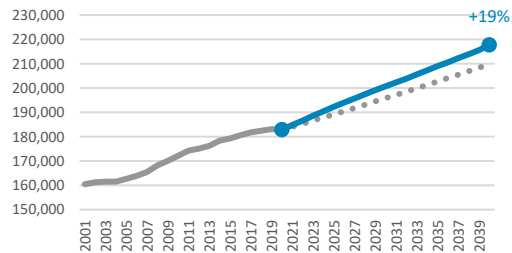
Castle Point



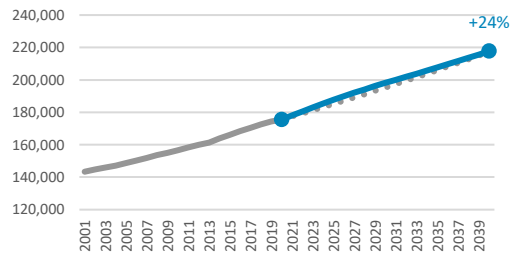
Basildon



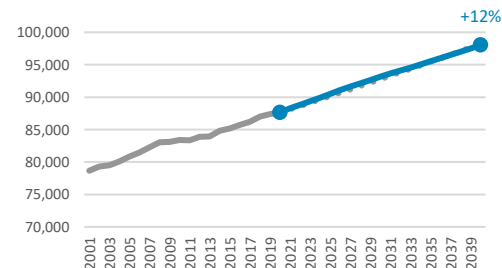
Southend-on-Sea



Thurrock

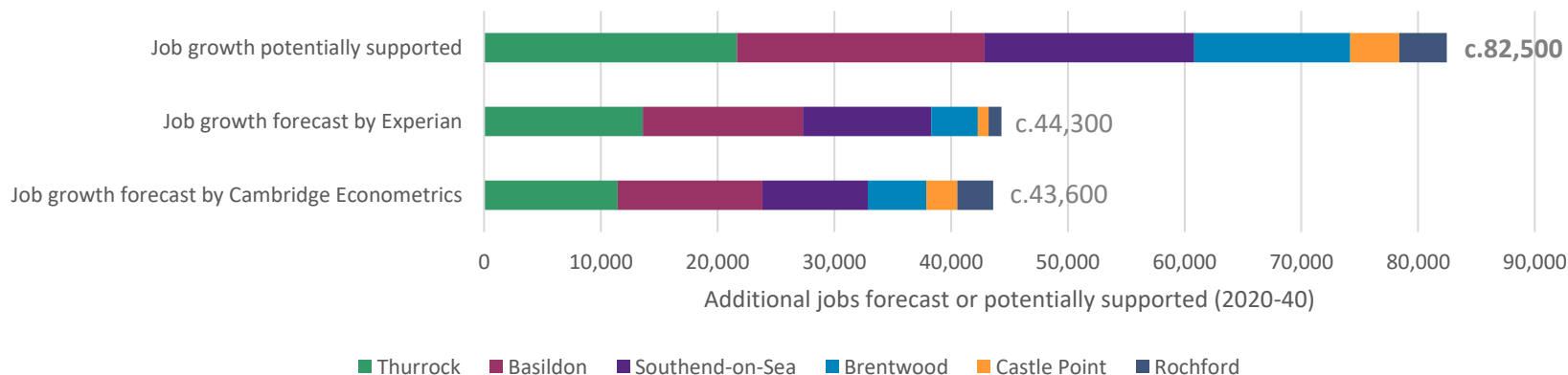


Rochford



# Level of job growth supported

- Making **reasonable assumptions** on the behaviour of the labour force
  - Commuting to and from South Essex (2011 Census)
  - Changing economic activity rates (OBR adjusted)
  - Unemployment levels (5 year average)
  - Double jobbing (10 year average)
- Surpasses the level of job growth forecast by **Cambridge Econometrics** and **Experian**
  - Baseline forecasts, with potential for investment to drive higher growth
  - Increasing population itself a driver of job growth?





The standard method...provides **a minimum starting point** in determining the number of homes needed in an area...

PLANNING PRACTICE GUIDANCE  
(our emphasis)





It does not attempt to predict the impact that  
**future government policies, changing  
economic circumstances or other factors**  
might have on demographic behaviour...

PLANNING PRACTICE GUIDANCE  
(our emphasis)







Therefore, there will be circumstances where it is appropriate to consider **whether actual housing need is higher** than the standard method indicates

PLANNING PRACTICE GUIDANCE  
(our emphasis)





There may, occasionally, also be situations where **previous levels of housing delivery...or previous assessments of need...are** significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need



PLANNING PRACTICE GUIDANCE  
(our emphasis)



There is an expectation that the standard method will be used and that any other method will be used **only in exceptional circumstances**

PLANNING PRACTICE GUIDANCE  
(our emphasis)





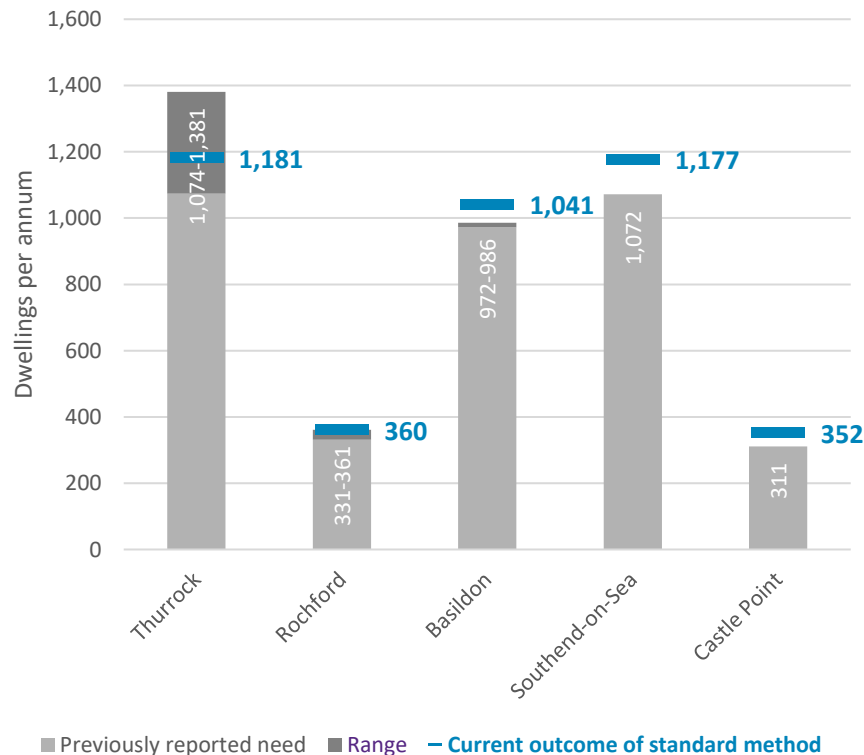
Where an alternative approach results in a lower housing need figure...the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on **realistic assumptions of demographic growth and that there are exceptional local circumstances** that justify deviating from the standard method



PLANNING PRACTICE GUIDANCE  
(our emphasis)

# Previous assessments of need in South Essex

- **Addendum to the South Essex SHMA** concluded that 3,750 to 4,000 dwellings per annum were needed, excluding Brentwood
- Standard method now suggests a need for 4,111 dwellings per annum, only **3%** higher than range
- **Exact alignment** with figure reached when summing recommendations for each individual authority
  - Larger adjustments when considered individually, increasing upper end of range



# Previous assessments of need in Brentwood

- **Less alignment** in the case of Brentwood
- Last assessment using old approach identified a need for between **338 and 357 homes each year**
- Standard method now suggests a need for at least **580 dwellings per annum**, some 62% higher
- **Cap now less restrictive** following adoption of Local Plan's requirement for 456 dwellings per annum on 23 March 2022
  - Cap previously limited need to 463 dwellings per annum



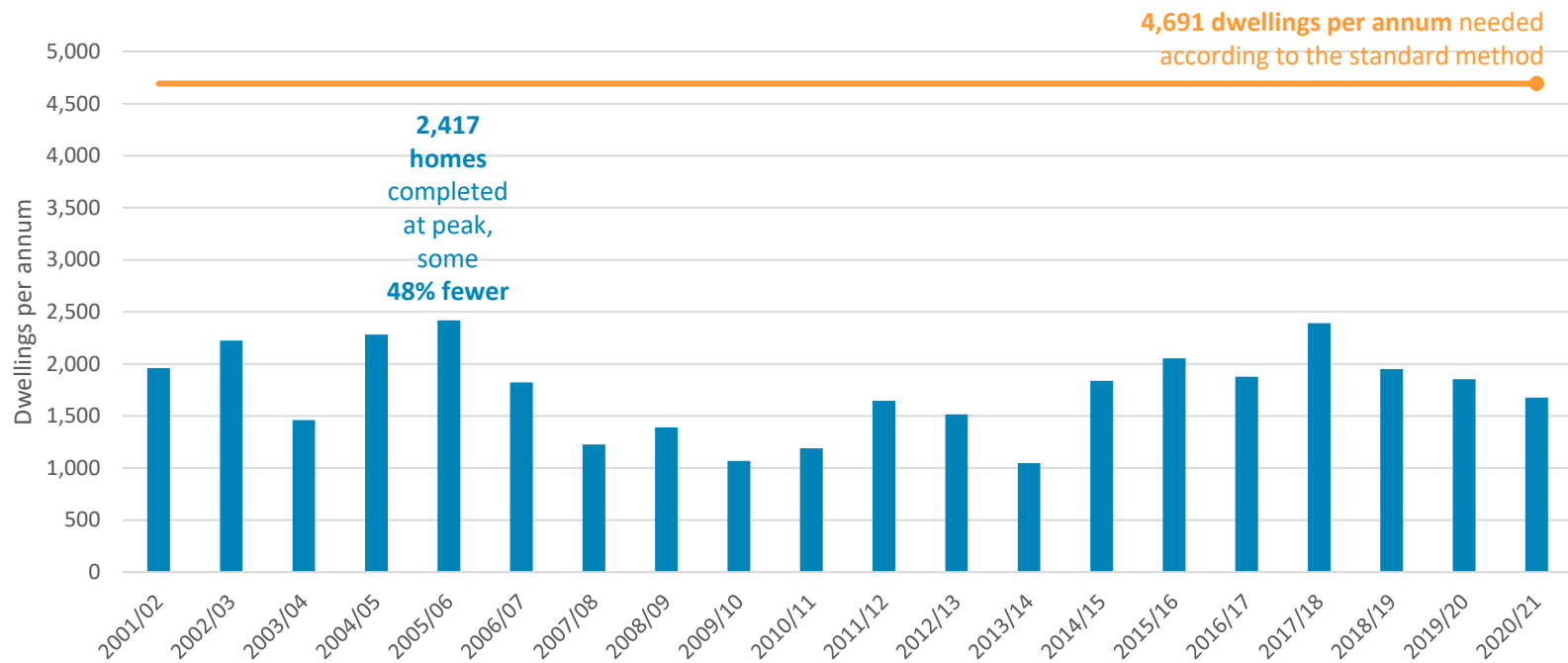


There may, occasionally, also be situations where...previous assessments of need...are **significantly greater** than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need



PLANNING PRACTICE GUIDANCE  
(our emphasis)

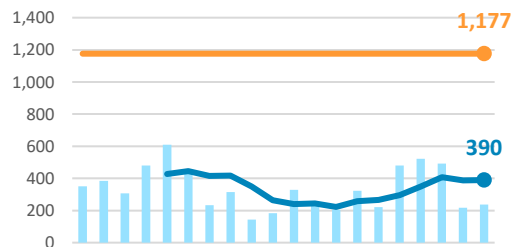
# Previous delivery



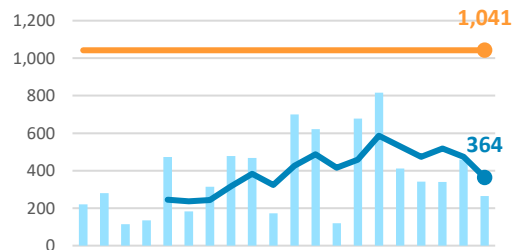


# Previous delivery – rolling five year averages

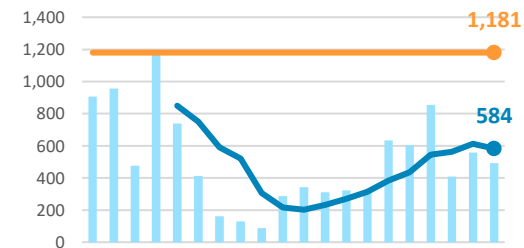
Southend-on-Sea



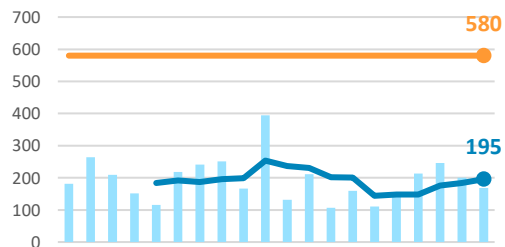
Basildon



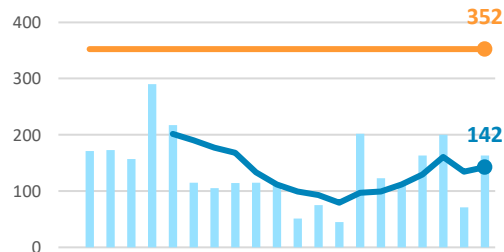
Thurrock



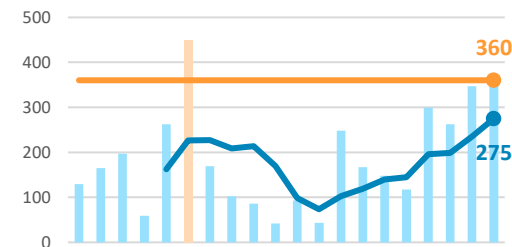
Brentwood



Castle Point



Rochford



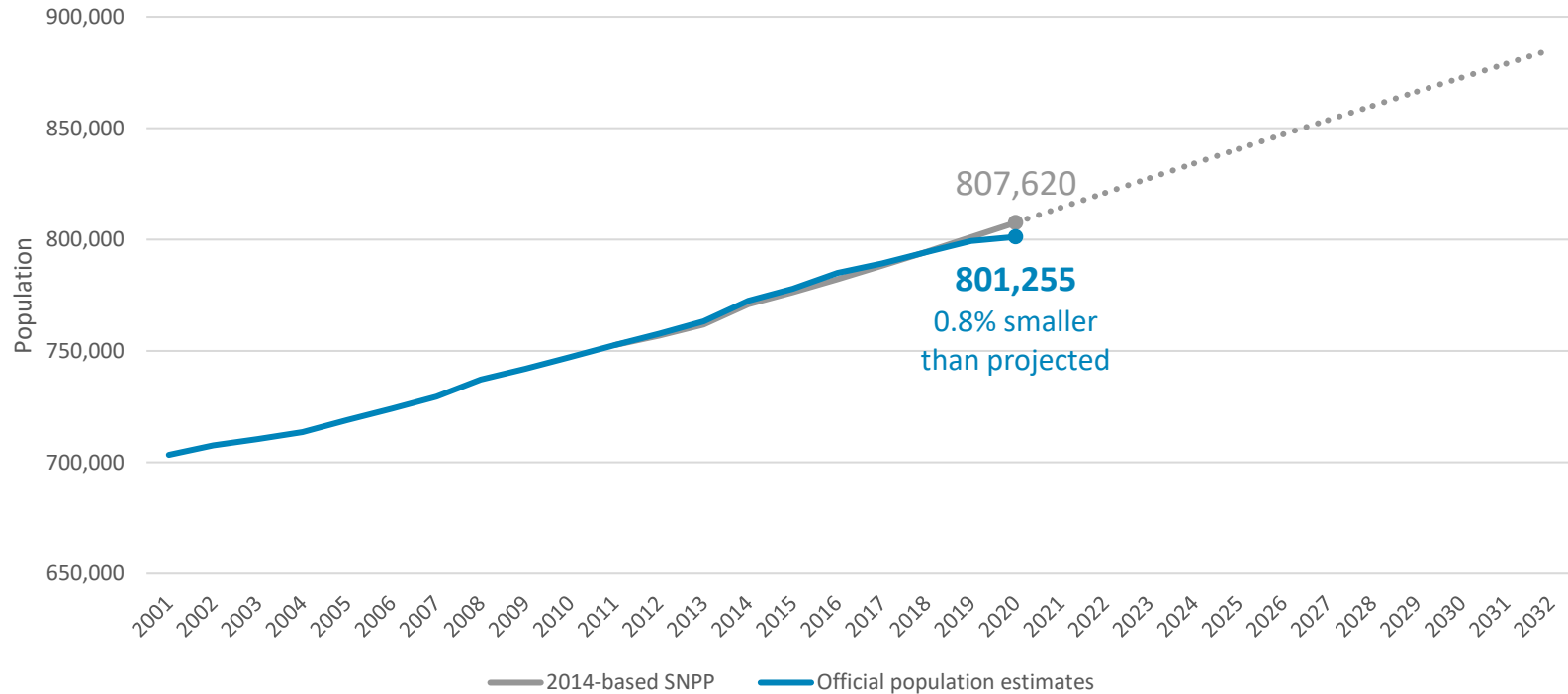


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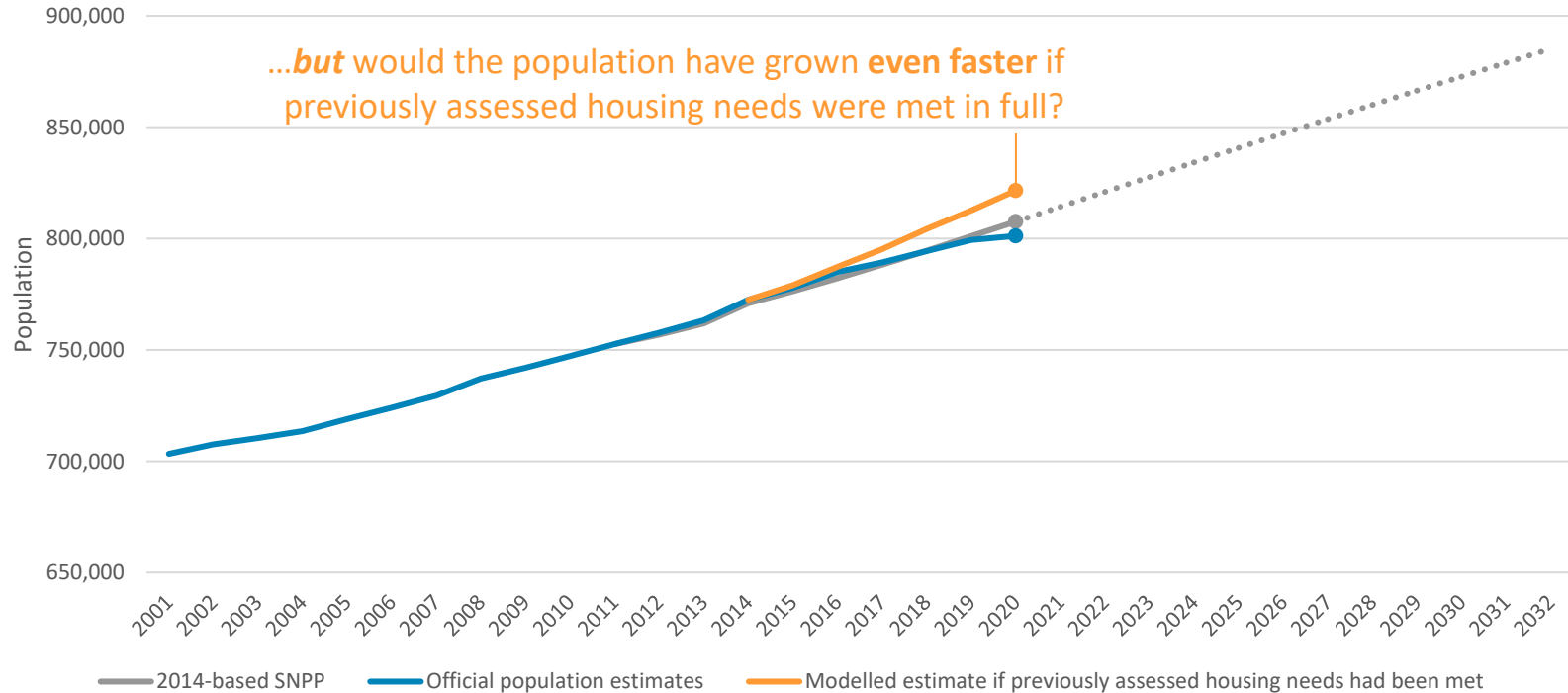


PLANNING PRACTICE GUIDANCE  
(our emphasis)

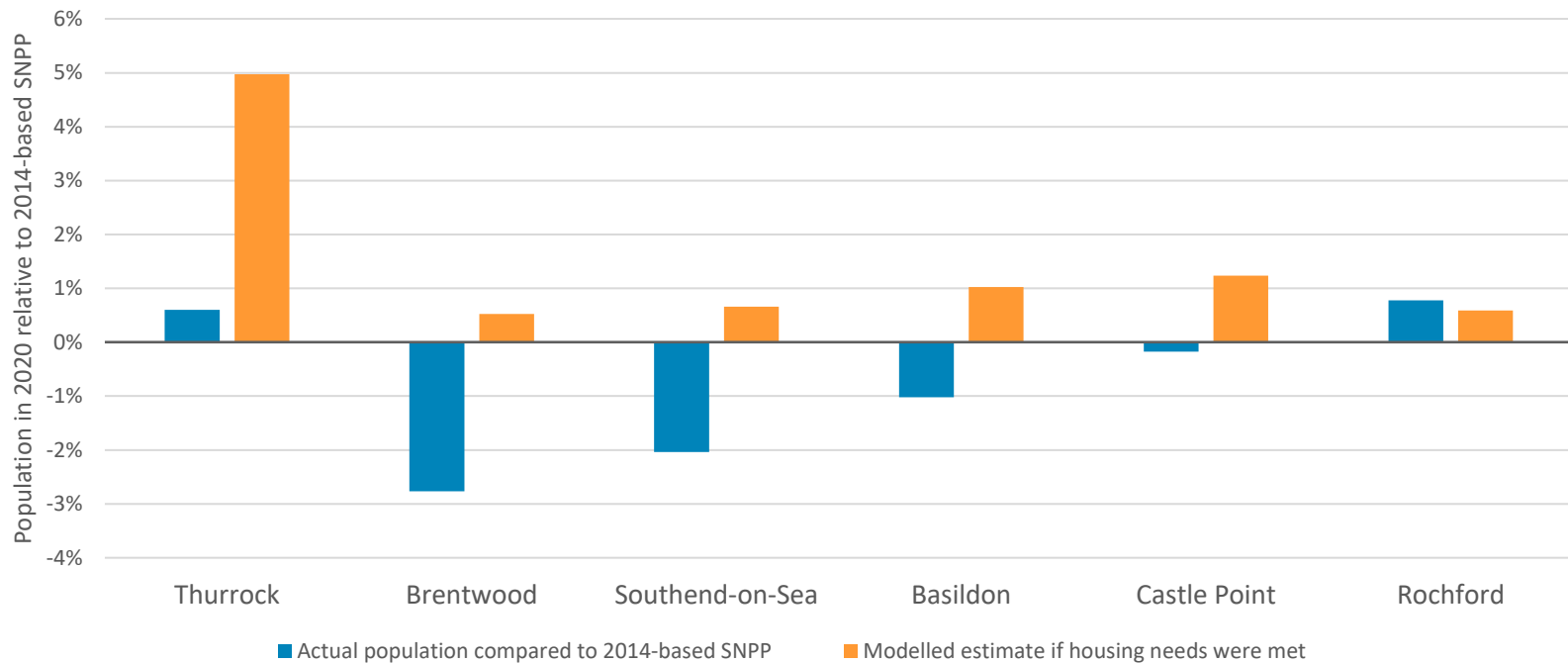
# Testing the demographic baseline



# Testing the demographic baseline



# Testing the demographic baseline



# Growth strategies and improving infrastructure

- Parts of this area historically earmarked for growth, as part of the “**Thames Gateway**”
- **Thames Estuary Growth Commission** established in 2016 to develop ‘*an ambitious vision and delivery plan for north Kent, south Essex and east London up to 2050*’
  - Reported in 2018, with Government subsequently welcoming its vision and reiterating its support
  - Establishment of the **Thames Estuary Growth Board**, which published its own Action Plan in 2020
- Designation of the **Thames Freeport**, including Tilbury in Thurrock
- Plans for a **Lower Thames Crossing**
- Economic evidence being developed separately, but signs that this is an area with **considerable economic potential** capable of outperforming a baseline forecast

# Summary and implications

- **Standard method of assessing housing needs**, to be treated as a minimum in all but exceptional circumstances
- Implies that **at least 4,691 dwellings per annum** are needed in South Essex
- **Appropriate demographic baseline**, when acknowledging influence of undersupply
- Generally **aligned with previous assessments**, with exception of Brentwood
- Requires **similar boosting** of past delivery rates
- Potentially supports the creation of a **substantial number of new jobs**, in line with the stated ambitions for this area
- **A reasonable reflection of housing need in South Essex**

# Discussion



# Discussion

- What do you feel to be the key drivers of housing need in South Essex?
- **How has the market changed since previous assessments of need were undertaken?**
- To what extent do you think past undersupply has contributed to worsening affordability?
- **How has the local economy responded to population growth in this area?**
- How might growth strategies and infrastructure improvements affect the housing market in future?

PART TWO

# Size, type and tenure of homes needed

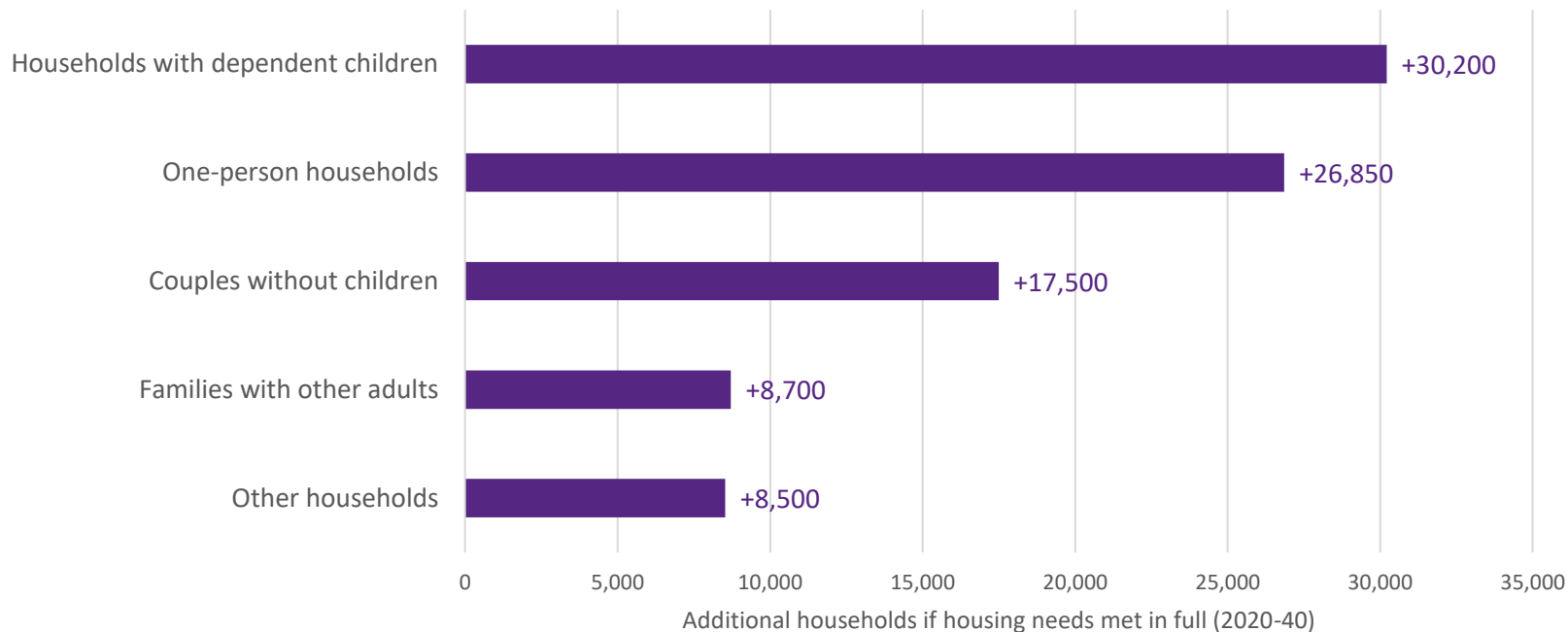


Within this context, **the size, type and tenure of housing needed** for different groups in the community should be assessed and reflected in planning policies...

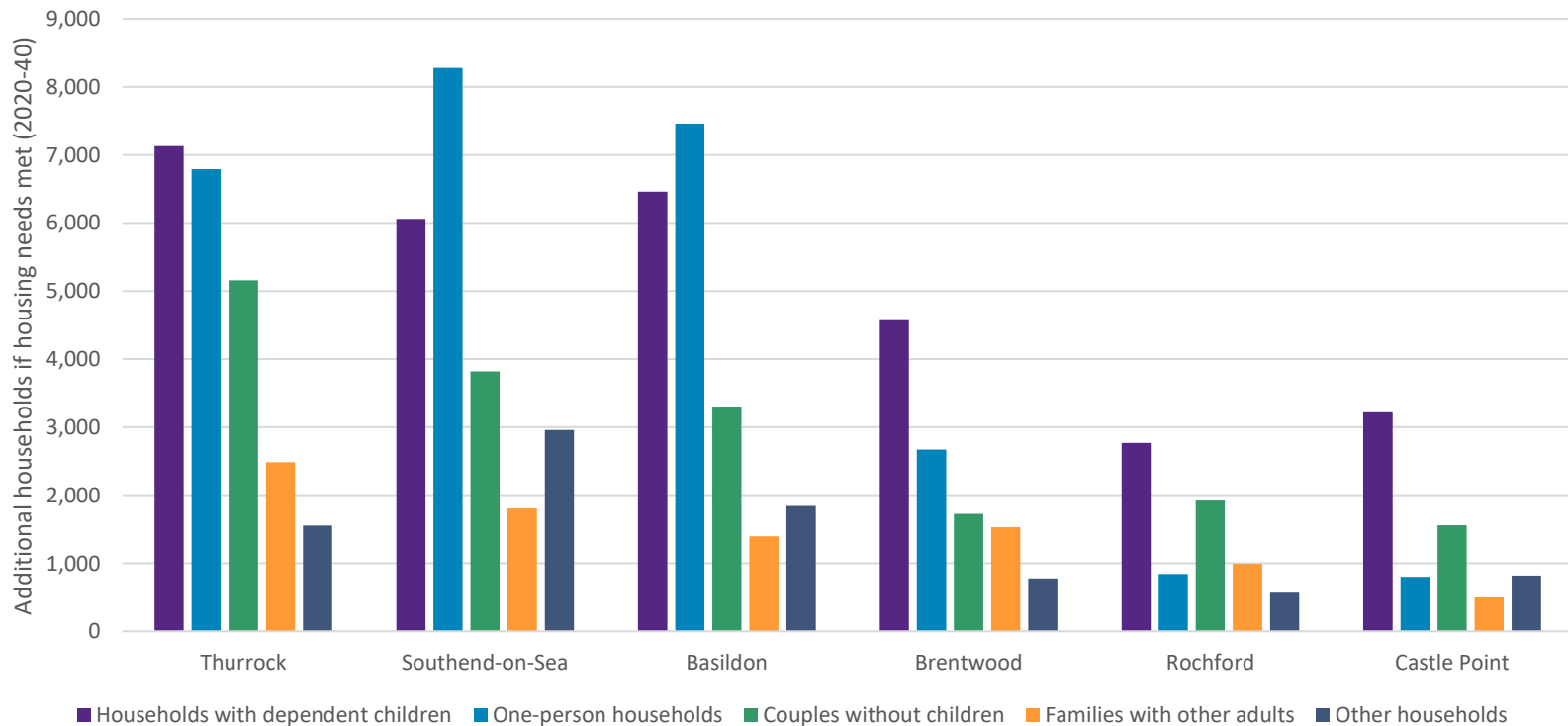
NATIONAL PLANNING POLICY FRAMEWORK, PARAGRAPH 62  
(our emphasis)



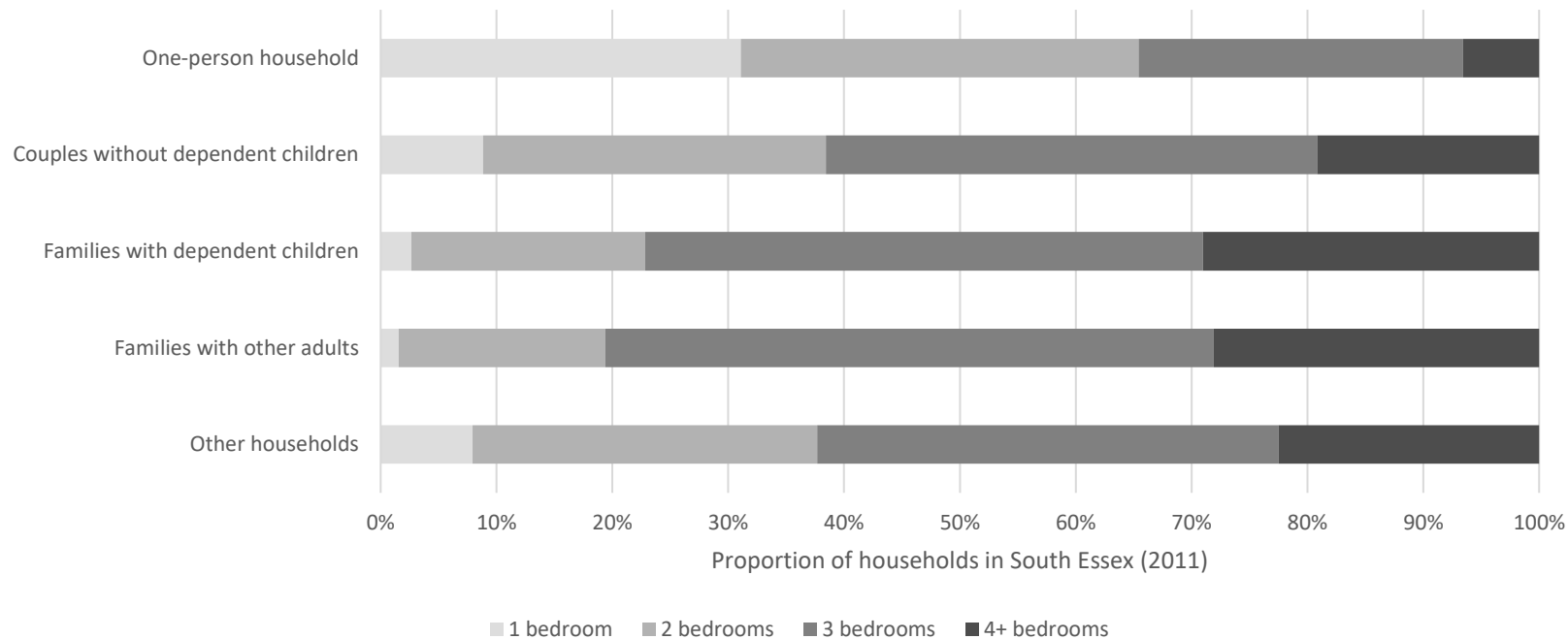
# Modelled breakdown of household growth



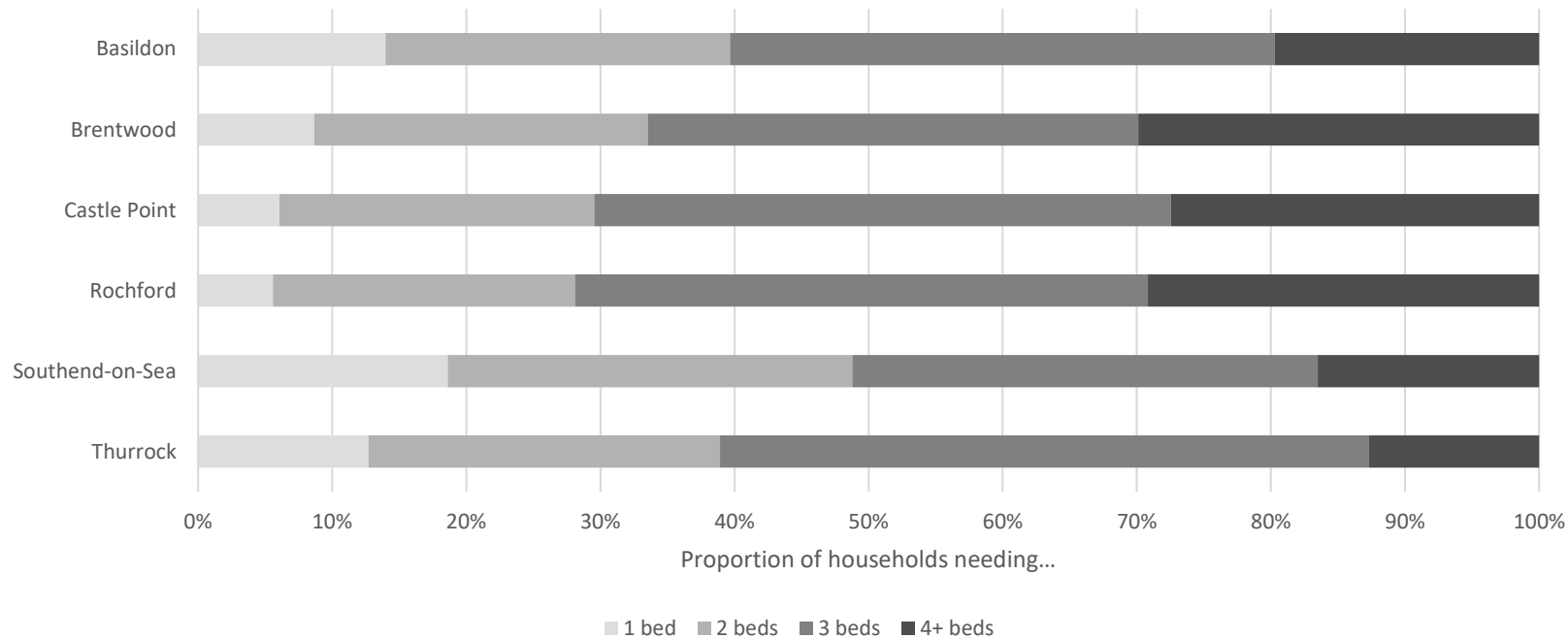
# Modelled breakdown of household growth



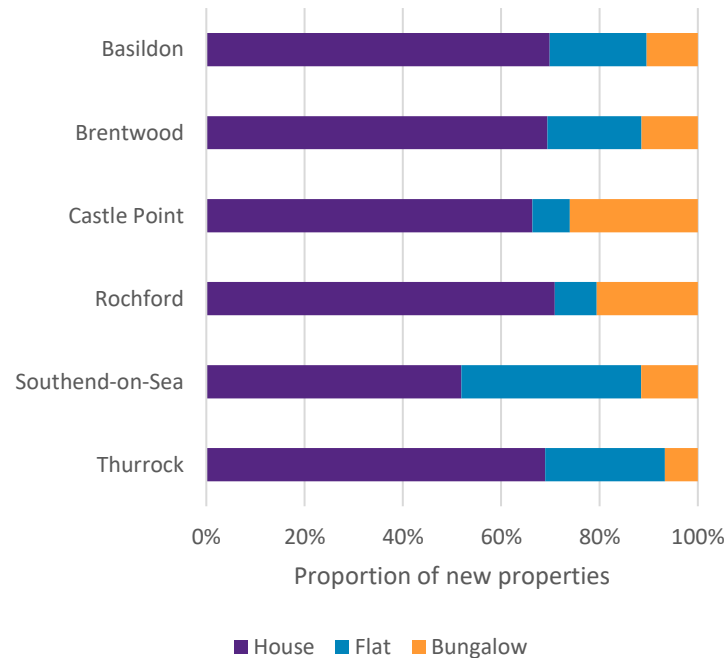
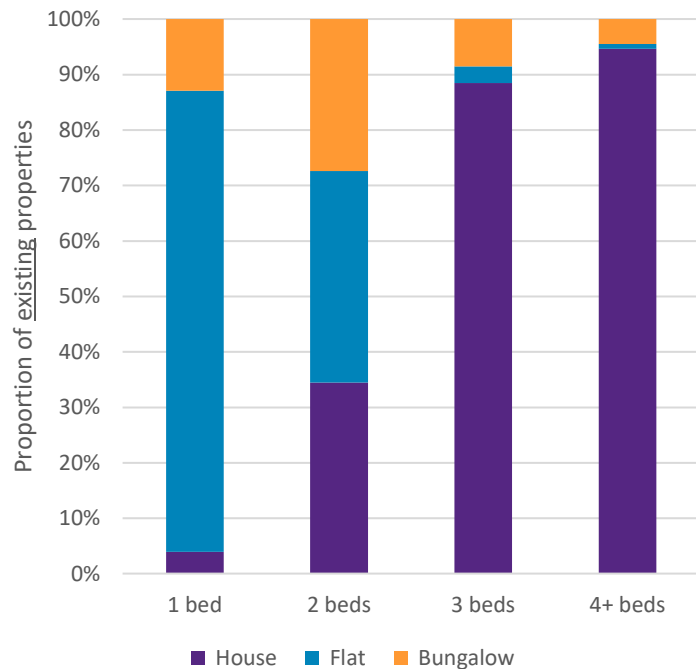
# Size of housing typically occupied



# Size of housing needed?



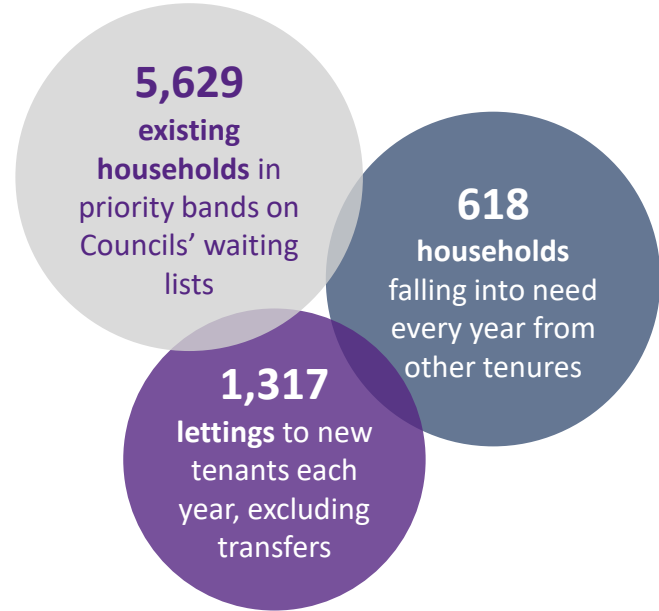
# Type of housing needed





# Need for affordable housing

- **Separate and well-established approach through which affordable housing needs can be estimated**
- Draws on secondary information and data held by the Councils
- **Not yet finalised**
- Subsequent consideration of the role of **different affordable housing products**
  - Shared ownership, Discounted Market Sale, First Homes...



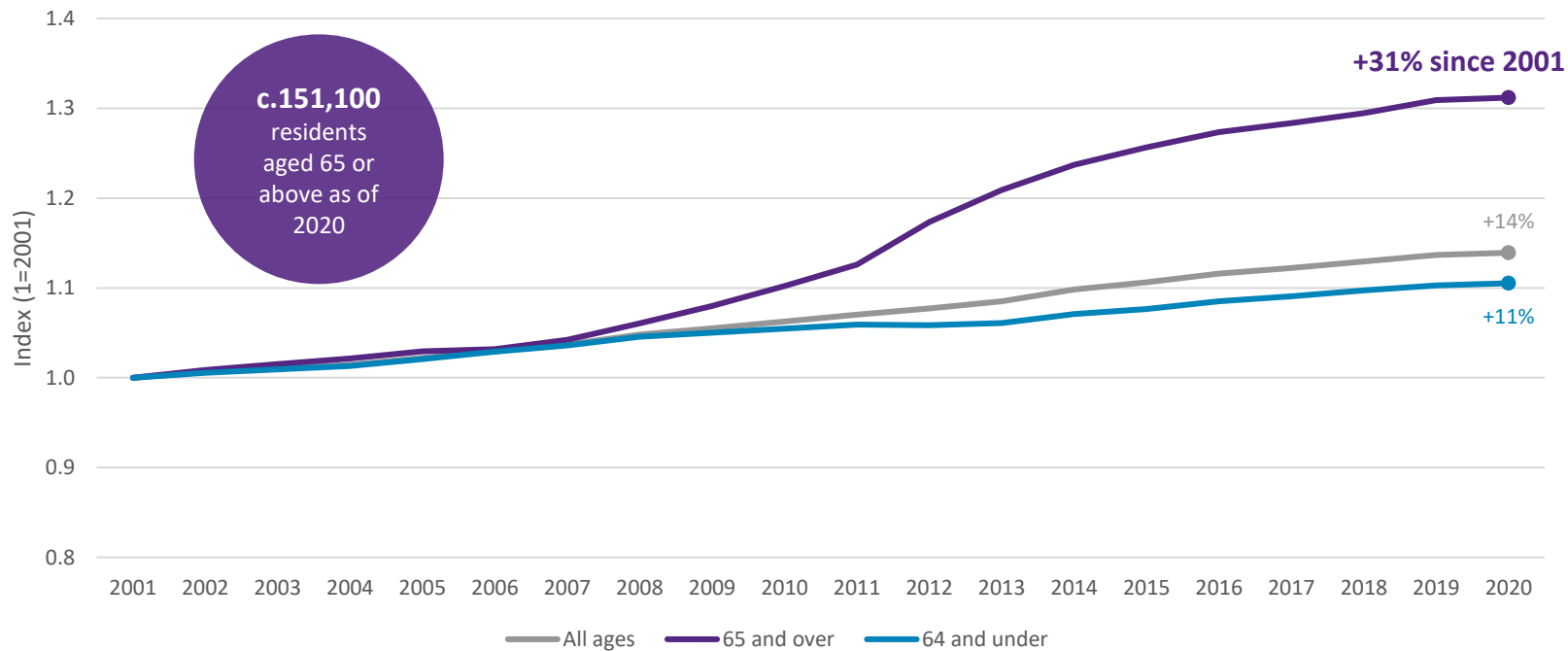


Plan-making authorities should set out clear policies to **address the housing needs of groups with particular needs** such as older and disabled people

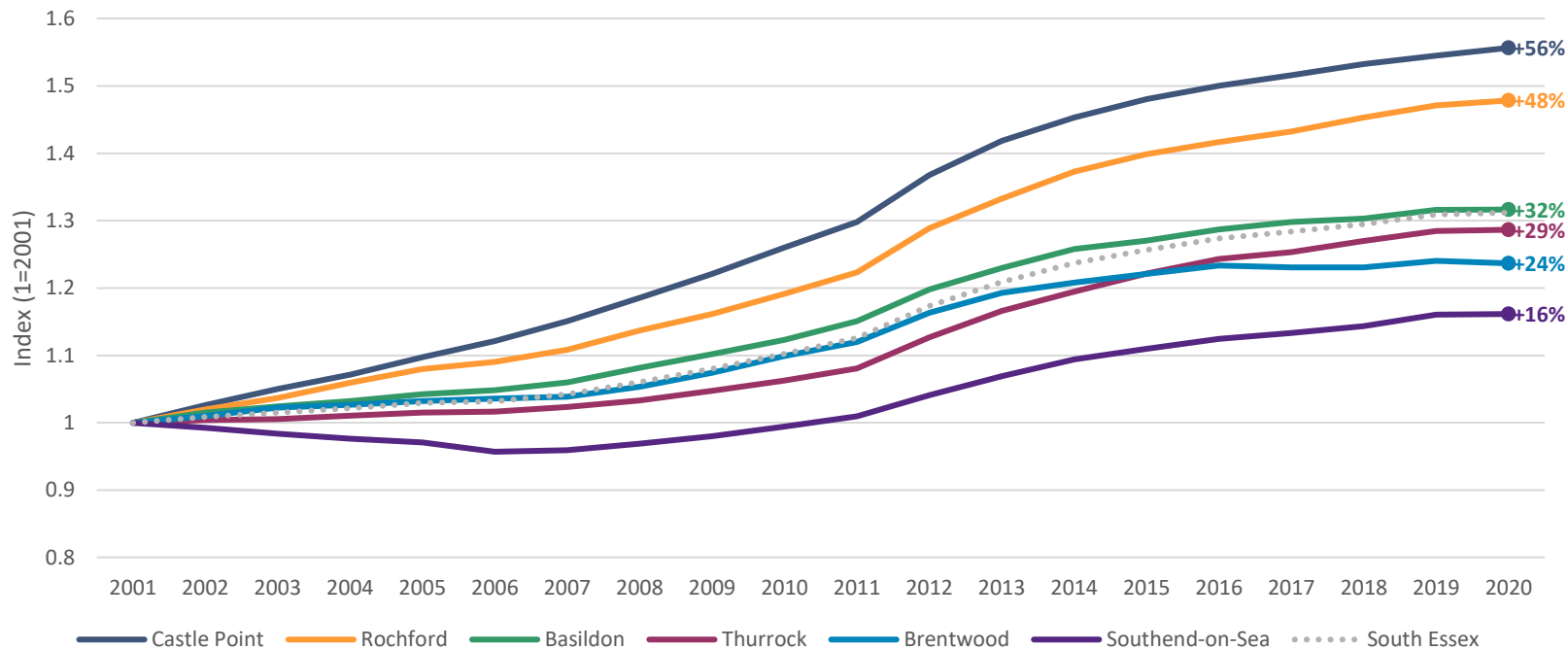
PLANNING PRACTICE GUIDANCE  
(our emphasis)



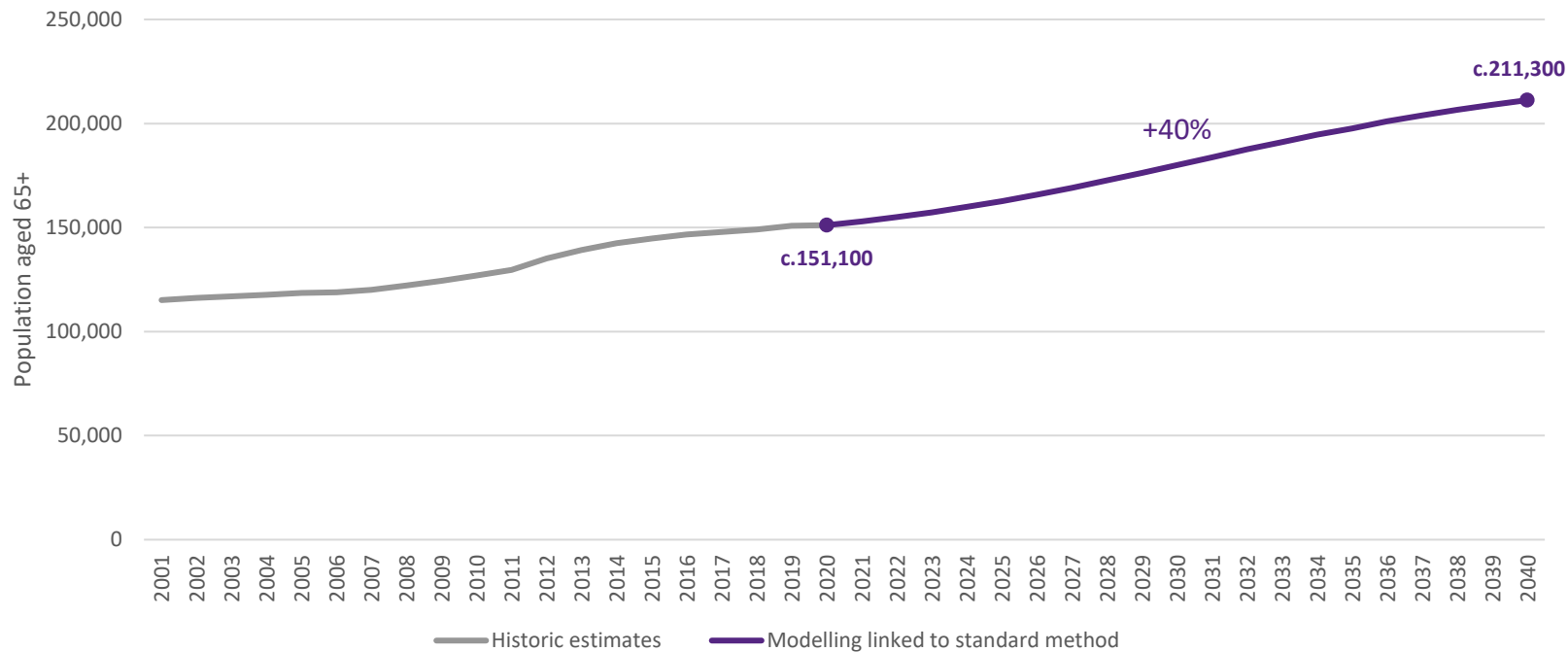
# Growing elderly population



# Growing elderly population



# Growth set to continue...



# Implications for housing

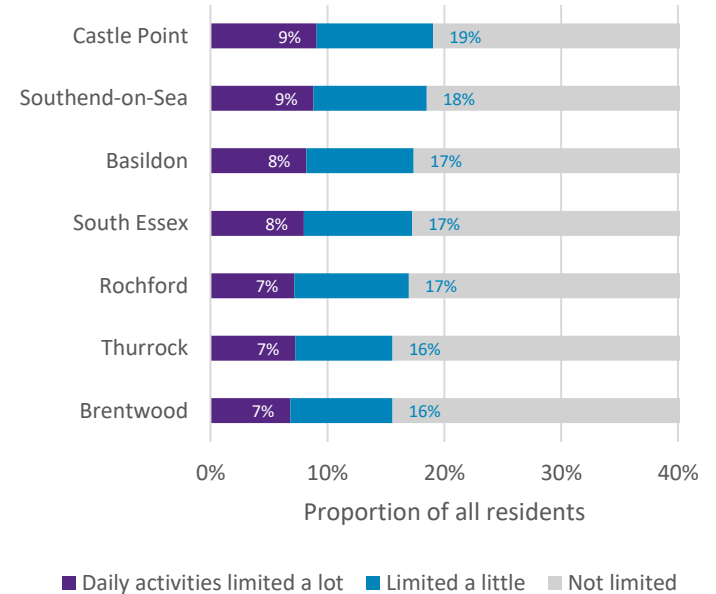
- Vast majority (97%) of older people in South Essex lived in **private households**, as of 2011
- Growth can still be expected to generate demand for **specialist and institutional accommodation**
- Modelling and industry toolkits allow this to be estimated

**c.326 units**  
of sheltered,  
enhanced sheltered  
or extra care  
accommodation  
needed each year

**c.112 beds**  
of additional  
care home  
provision each  
year

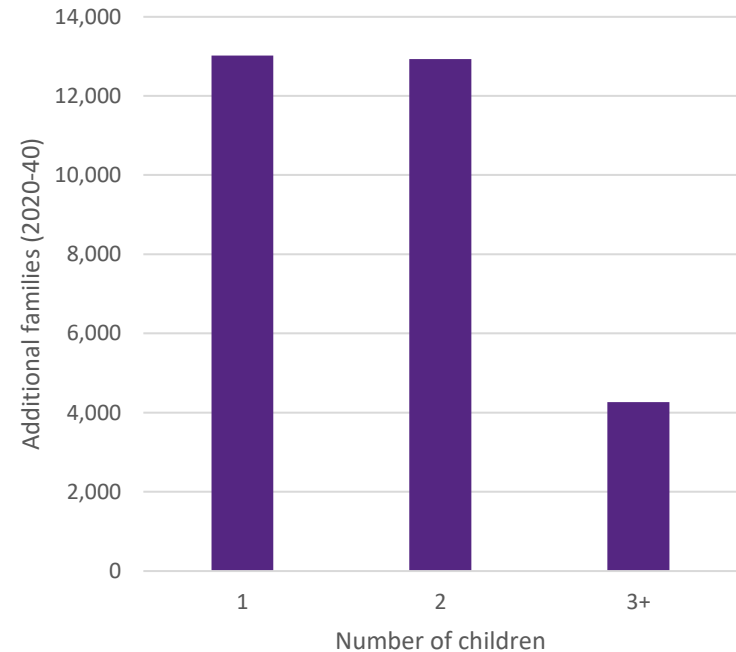
# People with disabilities

- Around **one in six residents** (17%) were limited in their daily activities as of 2011
  - Around half reported themselves to be limited “a lot”
- Vast majority of those with disabilities (96%) lived in **private dwellings**, rather than residential institutions
  - Living at home or with relatives, friends or carers
  - Nearly three quarters (74%) were aged 50 or above, with half aged 65 or above
  - Two thirds (67%) lived in homes that were owned and 22% were renting social housing
- Findings of 2021 Census still awaited...



# Families

- Modelling suggests that meeting housing need could result in there being **30,200 more families** in South Essex by 2040
  - Growth spread across all six authorities
  - Most expected to have one or two children
- Two thirds of households with children **owned their home** as of 2011
- Some 77% lived in a property with **at least three bedrooms**, with 29% having at least four





# Other groups

- **Private renters**

- Estimated 45,600 households in this sector as of 2020
- Grown since 2012 but believed to have shrunk since 2017

- **Self-builders**

- 618 households had registered their need with the Councils as of last summer

- **Students**

- Circa 24,300 students (aged 16+) living in South Essex last year, according to the Annual Population Survey
- Upcoming Census to provide details on housing choices

# Discussion

# Discussion

- **What are the key gaps in the housing offer of South Essex?**
- How have housing preferences changed in recent years, and how might they change in future?
- **To what extent are new affordable housing products meeting needs in this area?**
- How is the market for older persons' accommodation evolving, and how might it need to change?
- **How is the private rented sector performing? Has it peaked?**
- What level of interest is there in self-build plots?



**Thank you**

**Turley**