Strategic Housing Market Assessment Addendum

2017

Barnsley Council

Final Report

March 2017

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Please note that in this report some of the tables include rounded figures. This can result in some column or row totals not adding up to 100 or to the anticipated row or column 'total' due to the use of rounded decimal figures. We include this description here as it covers all tables and associated textual commentary included. If tables or figures are to be used in-house then we recommend the addition of a similarly worded statement being included as a note to each table used.

1.   Introduction

Background and objectives

1.1   A comprehensive Strategic Housing Market Assessment (SHMA) for Barnsley (the Council) was published in November 2014 which provided an up-to-date evidence base to inform the development of the Council's Local Plan and other strategies.

1.2   The SHMA satisfied the requirements of the National Planning Policy Framework (NPPF) and the February 2014 National Planning Policy Guidance (NPPG) which replaces previous guidance including the DCLG Strategic Housing Market Assessment guidance (Version 2, 2007).

1.3   The SHMA also included a review of the Housing Market Area definition, Objectively Assessed Housing Need, Housing Market Signals and Duty to Co-operate matters.

1.4   Since the SHMA was published, the Office for National Statisics have released 2012-based and 2014-based population projections which have been used to prepare sub-national household projections. The purpose of the SHMA Addendum 2016 is to update the evidence base relating to Objectively Assessed Housing Need and in so doing also update analysis relating to the Housing Market Area definition and Housing Market Signal information.

2.   Defining the Housing Market Area

Introduction

2.1   NPPG (para 8) states that housing needs should be assessed in relation to the relevant functional area, i.e. Housing Market Area, and this may identify smaller sub-markets with specific features and it may be appropriate to investigate these specifically in order to create a detailed picture of local need. It is also important to recognise that there are 'market segments' i.e. not all housing types have the same appeal to different occupants.

2.2   NPPG defines a Housing Market Area as *"a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap".*[1]

2.3   NPPG comments that Housing Market Areas can be broadly defined by using three different sources of information as follows:

- House prices and rates of change in house prices;

- Household migration and search patterns;

- Contextual data (for example travel to work area boundaries, retail and school catchment areas).

2.4   Former CLG guidance[2] suggested that a housing market is self-contained if upwards of 70% of moves (migration and travel to work) take place within a defined area. However the guidance cautions that:

- HMAs are inherently difficult to define. They are a geographic representation of people's choices and preferences on the location of their home, accounting for live and work patterns. They can be defined at varying geographical scales from the national scale to sub-regional scale, down to local and settlement specific scales.

- HMAs are not definitive. As well as a spatial hierarchy of different markets and sub-markets, they will inevitably overlap.

2.5   Barnsley Metropolitan Borough is located in South Yorkshire and is part of the Yorkshire and Humber region. The resident population of the Barnsley MB is 239,319[3]. The M1 motorway runs north-south through the Borough. Most of the population live to the east of the M1 in a predominantly urban and industrial area of dispersed former coalfield communities around the main urban area of Barnsley. To the west of the M1 are extensive rural areas bordering the Peak District National Park. Around 77% of the Borough is greenbelt land.

2.6   According to the 2011 census there were a total of 104,975 dwellings in Barnsley MB and 100,734 households. Overall, 64.8% of occupied dwellings are owner-occupied, 13.2% are private rented and 22.0% are affordable (social/affordable rented and intermediate tenure).

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[1] National Planning Practice Guidance paragraph 10
[2] DCLG Identifying Sub-Regional Housing Market Areas Advice Note, 2007
[3] ONS 2015 mid-year population estimate

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House prices and rates of change

2.7   Figure 2.1 shows how median house prices across Barnsley MB have increased by 181% over the period 1996 to 2015, with median prices peaking at £114,000 during 2007 and following a reduction to £102,000 in 2010, there was a steady increase with prices reaching £115,000 in 2014; however, prices have subsequently reduced to £108,000 in 2015. Figure 2.1 also shows lower quartile price trends which have not exceeded £80,000 since 2008 following a peak of around £85,000. Both median and lower quartile prices have been lower than those of the region and England and in 2015, median prices were 77.1% of regional prices and 54% of national prices.

Figure 2.1   House prices 1996 to 2015: Barnsley, regional and national trends
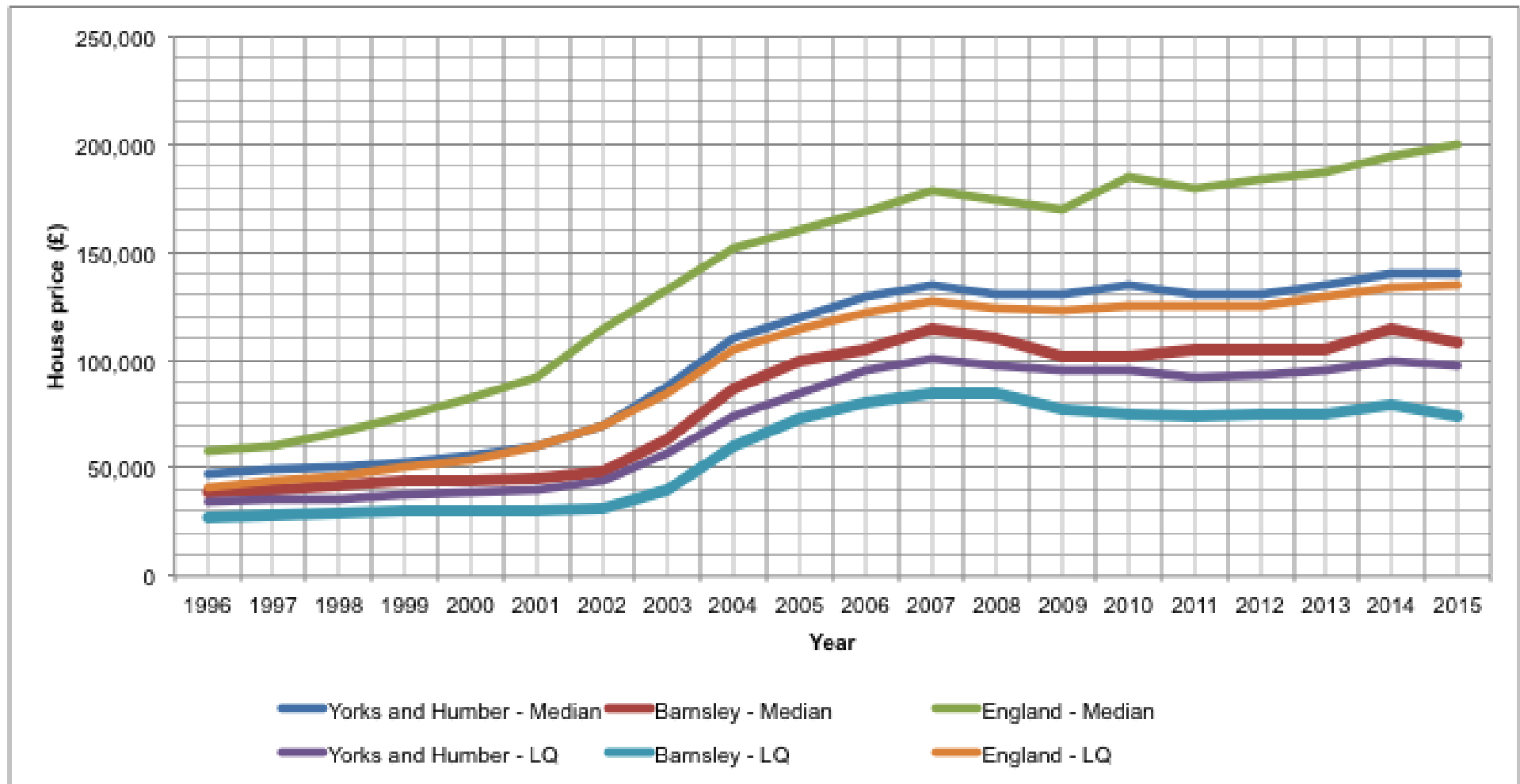
Source: DCLG house price statistics to end 2012; 2013 onwardsd ata produced by Land Registry © Crown copyright 2016

Migration and self containment

2.8   The 2014 SHMA considered the proportion of moves within Barnsley MB based upon the 2012 Household Survey. This evidenced that 76.1% of moving households originated in Barnsley MB and therefore concluded that the area was a self-contained Housing Market Area in terms of migration. Regarding travel to work, the household survey found that 55.6% of household reference people worked in Barnsley MB and analysis of Census data indicated that Barnsley MB is part of a wider functional economic area.

2.9   Table 2.1 considers approaches to considering migration and self-containment set out in PAS guidance which recommends that for self-containment, at least 70% of all migration excluding long-distance migration should be contained within the HMA. Data reported in the 2011 Census provides evidence from which the degree of self-containment of Barnsley MB can be derived. A suitable test are two migration containment ratios:

- **Supply Side (origin):** moves within the area divided by all moves whose origin is in the area, excluding long-distance moves;

- **Demand site (destination):** moves within the area divided by all moves whose destination is in the area, excluding long-distance migration.

2.10   Table 2.1 presents relevant data for Barnsley MB and Table 2.2 summaries the self-containment ratios derived from the data. Supply side (origin) flows consider moves within the district and moves to outside the district: 74.1% of moves were within Barnsley MB. Demand side (destination) flows consider moves within the district and moves from elsewhere into the Barnsley MB area (in-migration: 74.3% of all moves were within Barnsley MB.

2.11   Table 2.2 summarises the containment ratios which apply to the origin and destination of moving residents. In line with PPG guidance, this excludes long-distance migration (which is taken as moves from outside Yorkshire and the Humber). The origin self-containment ratio is 81% and the destination is 81.8%. Therefore, on the basis of migration Barnsley MB is a self-contained Housing Market Area.

Table 2.1	Flows of residents (all moves)					
	Supply Side (Origin)			**Demand Side (Destination)**		
	All Moves		**Excluding Long Distance Moves**	**All Moves**		**Excluding Long Distance Moves**
Origin/ Destination	**Number**	**%**	**%**	**Number**	**%**	
Barnsley	15,044	74.1	81.0	15,044	74.3	81.8
Sheffield	878	4.3	4.7	701	3.5	3.8
Wakefield	689	3.4	3.7	553	2.7	3.0
Rotherham	677	3.3	3.6	638	3.2	3.5
Doncaster	348	1.7	1.9	416	2.1	2.3
Kirklees	331	1.6	1.8	271	1.3	1.5
Leeds	269	1.3	1.4	266	1.3	1.4
Bradford	82	0.4	0.4	37	0.2	0.2
East Riding of Yorkshire	57	0.3	0.3	79	0.4	0.4
Kingston upon Hull, City of	33	0.2	0.2	42	0.2	0.2
North East Lincolnshire	33	0.2	0.2	35	0.2	0.2
York	29	0.1	0.2	75	0.4	0.4
North Lincolnshire	24	0.1	0.1	39	0.2	0.2
Selby	24	0.1	0.1	28	0.1	0.2
Elsewhere Y&H	66	0.3	0.4	173	0.9	0.9
East Midlands	367	1.8		472	2.3	
North West	279	1.4		301	1.5	
Elsewhere UK	1,076	5.3		1,079	5.3	
Total	**20,306**	**100**	**100**	**20,249**	**100**	100
Base (excluding long-distance moves)			**18,584**			**18,397**

Source: 2011 Census

Table 2.2	Containment ratios		
Origin	Moves within the area	Moves originating in the area	Containment Ratio
	15,044	18,584	**81.0%**
Destination	Moves within the area	Moves whose destination is in the area	Containment Ratio
	15,044	18,397	**81.8%**

Source: 2011 Census

Commuting patterns

2.12   The 2011 Census provides an analysis of travel to work patterns and the extent to which residents in Barnsley MB travel to other areas, together with details of how many people commute into the district area. Table 2.3 presents this data and indicates that 60% of people who live in Barnsley MB work in Barnsley MB; and 76.9% of workers in Barnsley MB live in the district.

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Table 2.3	Barnsley 2011 census commuting flows: workers (aged 16-74)		
Where do people who live in Barnsley work?			
Live	Work	Number	%
Barnsley	Barnsley	57,866	60.0
	Sheffield	8,353	8.7
	Rotherham	8,226	8.5
	Wakefield	7,028	7.3
	Other	14,945	15.5
Workers		**96,418**	**100.0**
Where to people who work in Barnsley live?			
Live	Work	Number	%
Barnsley	Barnsley	57,866	76.9
Sheffield		3,961	5.3
Rotherham		3,363	4.5
Wakefield		3,024	4.0
Other		6,985	9.3
Jobs		**75,199**	**100.0**

Source 2011 census

2.13 In terms of defining market areas, NPPG does not suggest an appropriate self-containment figure. However, the ONS provides a definition of Travel to Work areas as:

'The current criterion for defining TTWs is that generally at least 75% of an area's resident workforce in the area and at least 75% of the people who work in the area also live in the area…however, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted'[4]

2.14 On this basis, it can be concluded that Barnsley MB cannot be considered to be self-contained in terms of travel to work but part of a wider functional economic area with linkages in particlar to the Sheffield and Leeds City Regions.

Concluding comments

2.15 The purpose of this chapter has been to consider Barnsley MB and its inter-relationships with other areas. This reflects the requirements of PPG Paragraph 2a-011. By reviewing house prices, migration and travel to work patterns, the extent to which Barnsley is a self-contained Housing Market Area can be determined. PPG establishes that areas within which a relatively high proportion of household moves (typically 70%) are contained is a self-contained Housing Market Area.

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[4] https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/commutingtoworkchangestotraveltoworkareas/2001to2011

2.16   Regarding migration, analysis of the 2011 census identifies containment ratios of 81% (origin) and 81.8% (destination). Barnsley MB can therefore be described as a self-contained housing market on the basis of migration.

2.17   The degree is containment is lower when travel to work data are considered. This indicates that although 76.9% of the workforce in Barnsley MB also lives in the district, 40% commute out to other areas, mainly to locations in the Leeds and Sheffield City Regions. Barnsley is therefore part of wider functional economic areas. As commented in the 2014 SHMA, increasing employment opportunities within the Borough has the potential to reduce the propensity to commute out of the Borough to work and increase the extent of self-containment with regards to employment.

2.18   For the purposes of Local Plan policy making, Barnsley is an appropriate Housing Market Area, whilst recognising its functional interactions with neighbouring districts.

3. Housing market signals

Introduction

3.1 PPG Paragraph 2a-19 states that *'the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for, and supply of, dwellings'*. PPG Paragraph 2a-20 suggests that *'in broad terms, the assessment should take account both of indicators relating to price (such as house prices, rents, affordability ratios) and quantity (such as overcrowding and rates of development).'*

Market Signals

3.2 PPG Paragraph 2a-20 comments that *'market signals are affected by a number of economic factors and plan makers should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, should be expected to improve affordability, and monitor the response of the market over the plan period.'*

3.3 In line with PPG Paragraph 2a-19, Table 3.1 considers a range of Housing Market Signals for Barnsley MB for the period 2005 to 2015. These include house prices, rents, affordability and overcrowding.

Price indicators

3.4 In terms of price/transaction indicators, a key message from Table 3.1 is that market prices have been increasing over the period 2005 to 2015, with lower quartile prices increasing from £73,200 and £75,000 and median prices increasing from £99,950 and £110,000. The number of property puchases declined considerably from a peak of 5,435 in 2006 to 2,326 in 2009 but has since recovered somewhat to 3,610 in 2015.

3.5 Two measures of affordability are reported in Table 3.1 which are based on resident earnings: a House Price Ratio (HPR) which considers median price to median earnings; and a Rental Affordability Ratio (RAR) which considers lower quartile prices to lower quartile rents. The HPR has averaged 4.4 over the period 2005 to 2015 and was 7.3 in 2015. The RAR has averaged 26.1% over the period 2010 to 2015 and was 26.3%. during 2015. The table also shows measures of affordability using ONS statistics that are based on workplace earnings. Lower quartile earnings to house price ratio has averaged 4.4 (and was 4.4 in 2015); median earnings to median house price ratio has averaged 4.5 over the period 2005-2015 and was 4.5 in 2015.

3.6 Regarding land values, there is no trend-based data available, however it is suggested that there are no particular issues with land values which would affect development potential across Barnsley MB.

Quantity indicators

3.7   In terms of quantity indicators, there has been an increase of 7,944 dwellings (8%) over the period 2005 to 2015. Vacancy rates have averaged 3.8% during this period which compares with 3.1% across Yorkshire and the Humber and the English average of 2.6%. Assuming the English average as a 'target' vacancy rate (which would suggest a target of 2,750 vacant dwellings, compared with actual vacancies of 2,987), it could be suggested that in 2015 there were around 237 surplus vacant dwellings across Barnsley MB. The current vacancy rate allows for a sightly greater degree of household mobility within dwelling stock compared to the English average.

3.8   According to the 2011 Census, 2.4% of households were overcrowded. This compares with 3.1% across England. The scale of housing need as measured by the Housing Register has ranged between 5,563 and 7,805 over the 2005-2015 period and in 2015 was 5,858.

Table 3.1	Housing Market Signals										
Price/transaction indicators	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Lower Quartile House Prices	£73,200	£79,950	£85,000	£84,450	£77,000	£75,000	£73,500	£75,000	£74,500	£75,000	£75,000
Median House Prices	£99,950	£105,995	£114,000	£110,000	£102,000	£101,000	£105,000	£105,000	£103,750	£110,000	£110,000
Lower Quartile Rents (per calendar month)						£394	£394	£390	£377	£377	£386
Median Rents (per calendar month)						£425	£446	£433	£425	£425	£425
House Price Ratio (Median Price to Median Earnings)				4.8	4.1	4.2	4.4	4.4	4.3	4.4	4.3
Rental Affordability Ratio (Lower quartile rents to lower quartile earnings)						27.5%	26.9%	25.8%	25.4%	24.9%	26.3%
ONS Table 576 (Lower quartile price to median earnings)	4.60	5.37	5.15	5.19	4.15	4.32	4.11	4.20	4.30	4.39	4.35
ONS Table 577 (Median price to median earnings)	4.50	5.13	5.28	5.04	4.18	4.43	4.45	4.37	4.31	4.74	4.46
No. Property sales	4761	5435	5429	3173	2326	2400	2540	2367	2908	3521	3610
Quantity indicators	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
Total dwelling stock (at 1 April)	99,886	100,846	102,065	102,942	103,688	103,960	104,980	105,800	106,460	107,210	107830
Total vacant dwellings (at October)	3,617	3,564	3,914	4,784	4,519	4,582	4,496	4,210	3,839	3,321	2,987
Total vacancy rate (at October)	3.62%	3.53%	3.83%	4.65%	4.36%	4.41%	4.28%	3.98%	3.61%	3.10%	2.77%
Long-term vacant dwellings (at October)	1,858	1,839	2,233	2,306	2,051	2,173	2,054	1,802	1,620	1,554	1,312
Long-term vacancy rate (at October)	1.86%	1.82%	2.19%	2.24%	1.98%	2.09%	1.96%	1.70%	1.52%	1.45%	1.22%
Overcrowding (2011 census)							2.40%				
No. of households on the housing register (at 1st April)	5,563	6,694	6,487	6,097	7,804	7,215	5,874	6,345	6,086	5,850	5858

Sources: Land Registry Price Paid Data; Zoopla Rental Data; Annual Survey of Hours and Earnings; Local Authority Housing Statistics and Housing Strategy Statistical Appendix; CLG Dwelling/Vacancy statistics; 2011 census Note: Private rental data for 2005-2009 not available

Comparator areas

3.9 Table 3.2 considers how key price and quality Market Signals observed in Barnsley MB over the more recent period 2010 to 2015 compare with neighbouring districts and with regional and national trends.

3.10 Lower quartile house price rises in Barnsley have been unchanged compared with increases in most comparator areas, the region and England. In contrast, median price growth at 8.1% was higher than all neighbouring areas except High Peak. It also exceeded regional growth but was lower than the English growth rate.

3.11 Regarding rents, lower quartile rents have fallen which reflects a regional trend and two neigbouring areas (Doncaster and Rotherham). Median rents were unchanged which reflects regional trends, with two neighbouring areas experiencing no change or lower rents (Rotherham and Wakefield) and the remainder experiencing median rent increases (in particular Sheffield and Kirklees with increases exceeding 10%).

3.12 The House Price Ratio in 2015 at 4.3 was the lowest across comparator areas and lower than the regional and national ratio. The Rental Affordability Ratio at 26.3% was one of the lowest compared with most neighbouring areas and lower than the regional and national data.

3.13 The proportion of vacant dwelling stock in Barnsley MB during 2015 was 2.8% and this was comparable with most neighbouring areas and lower than the regional figure of 3.1% and 2.5% nationally. Similarly, the proportion of long term vacants in 2015 was similar across Barnsley MB and neighbouring districts, but higher than the regional and national data.

3.14 The proportion of households identified as overcrowded in Barnsley MB was lower than the regional and national average.

Table 3.2	Housing market signals in comparator districts, region and England								
		Comparator Districts							
Comparator	**Barnsley**	Kirklees	Wakefield	Doncaster	Sheffield	Rotherham	High Peak	**Yorks and Humber**	**England**
Lower Quartile House Price change 2010-2015	0.0	3.3	-1.1	1.2	7.6	5.9	8.5	3.2	8.8
Median House Price change 2010-2015	8.9	5.6	0.8	7.8	5.9	6.3	10.7	3.7	12.4
Lower Quartile Rents (per calendar month) change 2010-2015	-2.0	7.0	1.1	-6.1	10.8	-6.1	10.8	-0.9	8.7
Median Rents (per calendar month) change 2010-2015	0.0	11.2	0.0	1.1	15.7	-3.6	5.0	0.0	23.3
HPR 2015	4.3	5.3	5.3	5.0	5.3	5.1	6.3	5.6	7.5
RAR 2015	26.3	25.9	30.2	28.1	32.2	27.5	30.8	28.0	39.6
% Vacant 2015	2.8%	2.9%	2.9%	3.3%	2.5%	2.9%	3.5%	3.1%	2.5%
% Long Term Vacant 2015	1.2%	1.2%	1.1%	1.2%	0.9%	1.0%	1.4%	1.1%	0.9%
% Overcrowded	2.4%	4.9%	2.8%	3.3%	4.9%	3.1%	2.7%	3.7%	4.6%

Past trends in housing delivery

3.15   PPG Paragraph 2a-19 refers to the rate of development as a Market Signal. Table 3.3 reviews housing delivery over the 12 year period 2004/5 to 2015/16. It also shows the proportion of units with planning permission delivered on an annual basis.

3.16   Over the period 2004/15 to 2015/16, an annual average of 855 dwellings have been built across Barnsley MB (Table 3.3), although this has fallen to an average of 715 over the 5 years 2011/12 to 2015/16. Broadly the table illustrates how housing delivery has been falling, despite the availability of land with only around 13% of available planning permissions completed in the most recent years (2014/15 and 2015/16).

3.17   Over the 12 year period 2004/15 to 2015/16, a net total of 10,263 dwellings have been built which is in line with an overall target of 10,424 over the same period. Although levels of delivery have fallen relative to targets in recent years, this is not a result of land supply constraint.

Concluding comments

3.18   In conclusion, a review of Market Signal data and past delivery would suggest that there is no uplift necessary. ONS house price to income indicators in particular, would not suggest an uplift is necessary.

Table 3.3	Dwelling completions in Barnsley MB 2004/05 to 2015/16								
Year	Units with Planning Permission (at start of year)	Dwellings Under Construction		Gross Dwelling completion	Stock losses	Net Dwellings	Net Requirement	Difference between requirement and delivery	Percentage of PPs Delivered During Year
	A	B	C (=A+B)	D	E	F (=D-E)	G	F-G	D/C*100
2004-05	3373	675	4048	1497	192	1305	840	465	37.0
2005-06	3899	816	4715	1101	166	934	840	94	23.4
2006-07	4056	779	4835	1093	177	916	840	76	22.6
2007-08	6025	441	6466	1497	355	1140	840	300	23.2
2008-09	6325	961	7286	1077	236	841	860	-19	14.8
2009-10	6244	1061	7305	793	237	556	546	10	10.9
2010-11	5478	954	6432	1153	155	998	700	298	17.9
2011-12	3895	919	4814	921	79	842	800	42	19.1
2012-13	3996	690	4686	727	71	656	862	-206	15.5
2013/14	3908	803	4711	821	74	747	996	-249	17.4
2014/15	3965	797	4762	644	22	622	1100	-478	13.5
2015/16	4947	757	5704	740	34	706	1200	-494	13.0
Completion totals (12 years)				12064	1798	10263	10424	-161	

Source: Barnsley MB Council

4. Objectively Assessed Housing Need and Housing Requirement

Introduction

4.1   The National Planning Policy Framework requires that LPAs identify Objectively Assessed Housing Need (OAN) and that Local Plans translate those needs into land provision targets. Paragraph 159 of the NPPF recognises that the objective assessment of housing need must be one that meets household and population projections, taking account of migration and demographic change; meets the need for all types of housing including Affordable, and caters for housing demand and the scale of housing supply necessary to meet that demand. PPG recognises that *'establishing future need for housing is not an exact science'* (para 014 2a-014-20140306), although it should be informed by reasonable and proportionate evidence.

4.2   The purpose of this chapter is to draw together the evidence in the Barnsley SHMA (2014) with a consideration of updated household projections from the CLG to establish the Objectively Assessed Housing Need for Barnsley MB over the Plan Period 2014-2033. The chapter is structured in accordance with the approach set out in PPG and also considers further guidance which supports PPG, namely the Planning Advisory Service *Objectively Assessed Need and Housing Targets Technical Advice Note,* Second Edition, July 2015; and the *Local Plan Experts Group report Local Plans: report to the Communities Secretary and the Minister of Housing and Planning,* March 2016.

4.3   The analysis of OAN draws upon demographic analysis prepared by Edge Analytics[5] which considers:

- Baseline 2014-based ONS and CLG population projections for Barnsley MB;

- Alternative migration impacts/assumptions; and

- Jobs-led forecasts.

4.4   In order to establish Objectively Assessed Need, PPG recommends a logical progression of steps which form the structure of this chapter:

- Establishing the Housing Market Area;

- Make use of DCLG household projections as the starting point estimating the OAN;

- Consider sensitivity testing specific to local circumstances, based on alternative assumptions in relation to the underlying demographic projections and household formation rates;

- Take account of employment trends;

- Take account of Market Signals;

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[5] Barnsley Demographic Analysis & Forecasts: March 2017 and Barnsley Demographic Analysis & Forecasts:

- Consider an increase in the total housing figures where it could help deliver the total number of affordable homes.

Establishing the Housing Market Area

4.5   PPG Paragraph 2a-010 states a requirement to establish the relevant functional area to assess needs. For housing need, this is the Housing Market Area. Chapter 2 considered the evidence and on the basis of migration, Barnsley MB is a self-contained Housing Market Area in terms of migration, but it is part of wider functional economic areas centred on Leeds and Sheffield, the strongest links being with Rotherham, Sheffield and Wakefield

Demographic starting point

4.6   PPG Paragraph 2a-015 states that plan makers should make use of the household projections published by DCLG as the starting point estimate of housing need. PPG Paragraph 2a-016 states that *'wherever possible, local needs assessments should be informed by the latest available information'*.

4.7   At the time of preparing the 2014 SHMA evidence, the latest official population projections (2012-based) were used in accordance with PPG Paragraph 2a-016; however, 2012-based DCLG household projection headship rates had not been published. The demographic starting point presented in the 2014 SHMA was the 2012-based projections (725) adjusted to reflect a blend of headship rates from 2008 and 2011 CLG household projections available at the time to 806.

4.8   An update of the demographic analysis and forecasts was prepared in March 2017 which uses the latest (2014-based) projections. This establishes a baseline annual requirement of 880 dwellings and brings the evidence base to inform the OAN calculation fully up to date.

Adjusting the projections

4.9   The PPG recommends adjustments are made to the household projections with reference to local demographic trends, future jobs, past delivery and Market Signals and other local circumstances not captured by past trends. Each of these is now considered in turn.

Local demographic trends

4.10   Whilst the official 2014-based ONS population and DCLG household projections form the 'starting point' of the assessment of housing need, the PPG states that it is appropriate to consider *'alternative assumptions in relation to the underlying demographic projections and household formation rates'* of the local area (PPG Paragraph 2a-017).

4.11   In line with the PPG, Edge Analytics have developed a range of alternative demographic scenarios. The 2014-based population projections from ONS provide the official 'benchmark' scenario, with household growth assessed using

household headship rate assumptions from the 2014-based DCLG projections. For comparison with this official benchmark, a number of 'alternative trend' scenarios have been developed, including alterative migration assumptions.

4.12   The following alternative trend scenarios have been developed by Edge Analytics:

- SNPP-2012: replicates the earlier 2012-based SNPP from ONS for Barnsley MB;

- PG-5Yr: internal and international migration assumptions are derived from the last 5-years of historical evidence (2010/11 to 2014/15). The 'Unattributable Population Change' (UPC) component is included in international migration assumptions;

- PG-10Yr: internal and international migration assumptions are derived from the last 10-years of historical evidence (2005/06 to 2014/15). The 'Unattributable Population Change' (UPC) component is included in international migration assumptions.

4.13   The Edge analysis also considers headship rate sensitivities. Nationally, younger age groups have been more adversely affected by housing supply and unaffordability issues, which in some areas may have led to 'suppressed' rates of household formation. Therefore, each of the demographic scenarios has been run with alternative headship rate assumptions that examine an 'improvement' in the headship rates of the younger age groups. In the 2014-based Return sensitivity, headship rates in the male younger age groups (15-44) return to their 2001 values by 2024, continuing the original rate of growth thereafter.

4.14   Table 4.1 summarises the range of scenarios and dwelling requirements. These outputs also assume a 4% dwelling vacancy rate fixed over the Plan Period.

Table 4.1 Dwelling requirements under alternative scenarios using 2014-based and alternative headship rates		
Scenario	**Headship rates**	
	HH-14	**HH-14 Return**
PG – 5yr	968	1,083
PG – 10yr	967	1,080
SNPP-2014	880	995
SNPP-2012	808	920

4.15   Having reviewed the latest demographic and household projections and considered alternative assumptions relating to migration and headship rates in line with PPG, it is recommended that:

   I.   the baseline dwelling requirement is 880 based on the latest 2014-based projections which updates the evidence presented in the 2014 SHMA and accords with PPG Paragraph 2a-016.

II.   That an adjustment is made to reflect alternative assumptions in relation to the underlying demographic projections and household formation rates of the local areas which accords with PPG paragraph 2a-017. This requires a consideration of migration assumptions and alternative headship rates.

III.   Regarding migration assumptions, scenarios have considered dwelling requirements based on short- and long-term trends. Under the long-term migration trend which argubaly takes account of longer-term economic and housing market cycles, the dwelling requirement increases to 967 each year.

IV.   Regarding alternative headships rates, each of the demographic scenarios have been run with an alternative headship rate assumption which reflects a 'recovery' in household formation rates in the younger age groups (15-44). This reflects the approach recommended in the LPEG report[6] which considers an adjustment to local household formation rates to reflect upon the potential impact of higher headship rates if achieved amongst younger age groups. Under the 2014-based projections, this increases dwelling need to 115 each year to 995 and under the PG-10yr migration scenario the dwelling need increases by 113 each year to 1,080.

V.   In conclusion, an analysis of *'alternative assumptions in relation to the underlying demographic projections and household formation rates'* of the local area results in a recommendation of a need to increase the baseline need (880) up to 967 (to take account of long-term migration trends) over the 2014-33 Plan Period. Using the 2014-return headship rate would increase the baseline need to 995 and long-term migration need to 1,080. It is recommended therefore that the baseline demographic requirement for Barnsley MB is within the range 967 to 1,080.

Employment trends

4.16   PPG paragraph 2a-018 states that *'plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area'*. Edge Analytics have approached this in two ways: firstly, by considering the potential change in the labour force by applying key assumptions on future economic activity rates, level of unemployment and balance of commuting between resident workers and local jobs; and secondly by considering future economic forecasts and the extent to which these could be supported by Barnsley MB's working age population.

Demographic scenarios: labour force and job growth implications

4.17   The labour force and job growth implications under alternative demographic scenarios can be evaluated through the application of key assumptions on

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[6] Local Plan Experts Group: Local Plans Report to the Communities Secretary and to the Minister of Housing Man Planning March 2016

Barnsley MB's future economic activity rates, level of unemployment and balance of commuting between resident workers and local jobs. This has been considered by Edge Analytics. In a trend-based scenario, the size of the resident labour force and the number of jobs that can be supported are sensitive to adjustments to these key factors. The following set of assumptions has been applied to the demographic scenarios:

- **Economic activity rates**: 2011 census economic activity rates by sex and age group (16-89) with adjustments made to the older age groups (60-64, 65-69, 70-74 and 75-89). These adjustments have been made in line with the 2015 labour force market analysis from the Office for Budget Responsibility (OBR);

- The **unemployment rate** determines the proportion of the labour force that is unemployed (and as a result, the proportion that is employed). Unemployment incrementally reduces from the 2015 value of 6% to the lowest historical unemployment rate of 4% by 2033.

- A fixed **commuting ratio** of 1.25 has been applied throughout the forecast period.

4.18   Edge Analytics also preapred variant scenarios linked to alternative commuting and economic activity rate sensitivities.

4.19   For each of the Barnsley MB demographic scenarios, Edge Analytics have applied these assumptions to derive an estimate of the changing size of the labour force that the population growth implies, and the level of employment growth that could be supported under these assumptions. (Table 4.2). Analysis indicates that under the SNPP-2014 baseline scenario a jobs growth of 448 each year could be supported and under the PG-10 year scenario this increases to 480 each year.

Table 4.2	Labour force and jobs-growth outcomes 2014-2033
Scenario	**Average Annual Jobs Growth**
PG – 5yr	494
PG – 10yr	480
SNPP-2014	448
SNPP-2012	364

Economic forecasts

4.20   PPG paragraph 2a-018 states that *'plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area'*.

4.21   In consideration of future jobs in Barnsley MB, three jobs-led scenarios have been developed (Table 4.3). Edge Analytics also ran sensitivity analysis based on alternative commuting ratios and economic activity rates (Table 4.4). The

Council's overall strategic vision is to support jobs growth in line with the 'jobs-led policy-on' scenario and it is recommended that this is considered as part of the OAN calculation.

Table 4.3	Summary of jobs-led scenarios
Scenario name	**Scenario description**
Jobs-led – Policy Off	Population growth is determined by the annual change in the number of jobs, as defined by the 'Policy Off' jobs forecast (a total increase of+10,976 FTE jobs 2013/14 – 2032/33)
Jobs-led – Policy On	Population growth is determined by the annual change in the number of jobs, as defined by the BMBC's 'Policy On' jobs forecast (a total increase of+28,689 FTE jobs 2013/14 – 2032/33)
Jobs-led – Mid	Population growth is determined by the annual change in the number of jobs, as defined by the 'mid-point' between the 'Policy Off' and 'Policy On' FTE jobs forecast (a total increase of+19,833 FTE jobs 2013/14 – 2032/33)

Table 4.4	Summary of jobs-led variant scenarios
Scenario name	**Scenario description**
Jobs-led – Policy On CR SENS	Commuting ratio incrementally decreases from 2011 Census (1.25) to 2001 Census commuting ratio (1.19) by 2033
Jobs-led – Policy On EA SENS	The 2014 aggregate economic activity rate (16-89) of 60.8% is maintained by 2033
Jobs-led – Policy On CR EA SENS	Adjustments to both the commuting ratio and economic activity rates, as defined by the 'EA SENS' and 'CR SENS' scenario

4.22   Table 4.5 summarises the dwelling and annual average jobs growth under the jobs-led scenarios and sensitivity scenarios.

Core Scenario	Average Annual Dwelling Requirement	Average Annual Jobs Growth
Jobs-led – Policy On	1,910	1,462
Jobs-led – Mid	1,452	970
Jobs-led – Policy Off	992	478
Sensitivity Scenario	**Average Annual Dwelling Requirement**	**Average Annual Jobs Growth**
Jobs-led Policy On CR SENS	1,655	1,462
Jobs-led Policy On EA SENS	1,632	1,462
Jobs-led Policy On EA CR SENS	1,389	1,462

Table 4.5   Dwelling and jobs growth outcomes 2014-2033 under core and sensitivity jobs-led scenarios

Summary of employment trends

4.23   This section has summarised material in the Edge Analytics report which considers the labour force and employment growth outcomes of the demographic scenarios through the application of economic activity rates, unemployment rates and commuting assumptions, together with analysis of future economic participation rates. Sensitivity analysis evaluating changes in commuting ratios and economic activity rates were also considered by Edge Analytics.

4.24   Having considered the potential change in labour force capacity and future economic forecasts, it can be concluded that:

VI.   All demographic scenario support an increase in the working age population and therefore support jobs growth. The 2014-SNPP baseline scenario supports an annual jobs growth of 448 and this increases to 480 under the PG-10year scenario;

VII.   Over the 2014-2033 plan period, employment forecasts suggest an increase of between 478 and 1,462 jobs each year. The Council's preferred scenario is the 'jobs-led policy on' scenario which seeks to deliver around 30,000 jobs over the period 2013/14 to 2032/33. Under this scenario, the annual dwelling need is 1,910 but sensitivity analysis linked to alternative economic activity and commuting ratio assumptions results in a range of dwelling need of between 1,389 and 1,655.

VIII.   Improvements in economic activity rates and reducing unemployment rates are being experienced in Barnsley MB as shown in Table 4.6. It is therefore reasonable to take account of the variant scenario which reflects improving economic activity (Jobs–led Policy On EA SENS)

Table 4.6 Recent trends in economic activity, employment rate and unemployment trends			
Time Period	Economic Activity Rate	Employment Rate	Unemployment Rate
Oct 2010-Sep 2011	73.9	65.7	11.1
Oct 2011-Sep 2012	74.7	67.1	10.2
Oct 2012-Sep 2013	78.6	69.9	11.0
Oct 2013-Sep 2014	80.6	72.8	9.6
Oct 2014-Sep 2015	78.0	73.0	6.5
Oct 2015-Sep 2016	75.5	71.5	5.3

Source: Annual Population Survey

IX. In summary, an assessment of the *'likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area'* would suggest that an upward adjustment is required to take account of employment trends. It would be recommended that the OAN is within the range 967 (from demographic adjustments) up to 1,632 dwellings each year to take account of jobs growth linked to the Council's preferred jobs-growth scenario. Changes in commuting ratios, with increasing proportions of the resident workforce working in Barnsley MB, would result in a narrowing of this range from 967 to 1,389 dwellings. It would be reasonable to consider a slight change in commuting ratios which implies that as the number of jobs in Barnsley MB increases, higher proportions of the workforce would live in the Borough.

Market signals and past trends in delivery

4.25 Chapter 3 presented information on Market Signals and past trends in delivery. This considered signals relating to price and quantity and compared Barnsley MB with neighbouring districts, the region and England. This did not suggest a need to adjust the OAN to take account of market signals.

4.26 Regarding past trends in delivery, over the period 2011/12 and 2015/16, an annual average of 715 dwellings have been built across Barnsley MB. There are however no development constraints and any under-delivery is more likely to relate to market conditions and developer appetite for delivery.

4.27 Regarding market signals and past trends in delivery:

   X. It is recommended that the OAN is not adjusted to take account of market signals; and

   XI. No adjustment is necessary to take account of past delivery.

Affordable need and housing provision targets

4.28   The SHMA and SHMA Addendum 2017 identified an annual net shortfall of 292 affordable dwellings assuming the backlog is cleared over a ten year period. If the backlog was cleared over the Plan Period, the annual imbalance would reduce to 82 per year. The figures that underpin these calculations is attached as appendix 1 to this addendum.

4.29   PAS[7] guidance provides helpful guidance in interpreting affordable need in the context of objectively assessed need. Paragraph 9.6 states *'in practical terms, there is no arithmetical way of combining the two calculations set out in PPG to produce a joined-up assessment of overall housing need'*. We cannot add together the calculated OAN and the calculated affordable need, because they overlap: the OAN of course covers both affordable and market housing, but we cannot measure these components separately, because demographic projections – which are the starting point for the OAN – do not distinguish between different sectors of the housing market.   Para 9.7 continues *'In summary, it seems logically clear that affordable need, as defined and measured in paragraphs 22-29 of the PPG, cannot be a component of the OAN. The OAN does have an affordable component – which cannot be measured separately but will normally be much smaller than the affordable need discussed at paragraphs 22-30'*. When paragraph 47 of the NPPF says that plans should meet in full *'the need for market and affordable housing'*, it is referring to that component rather than the separately calculated affordable need.

4.30   In summary:

   XII.   No further adjustment is necessary to take account of additional affordable housing delivery.

Objectively Assessed Housing Need

4.31   An OAN should be based on reasonable assumptions which take into account baseline demography, adjustments to reflect local demographic trends, past delivery, Market Signals, future jobs and other local circumstances: the SHMA has explored these factors in detail. PAS guidance suggests that the OAN should exclude any policy objectives and value judgements and evidence should be entirely about need and demand, to the exclusion of any supply-side factors such as physical constraints, policy designations and adverse impacts of development. However, these factors should be considered when translating the OAN into a Housing Requirement.

4.32   The challenge for the Council is to deliver an appropriate and proportionate level of dwelling growth that supports economic growth and carefully takes into account the current demographic profile of the district.

4.33   It is proposed that the Objectively Assessed Housing Need for Barnsley MB over the plan period 2014-2033 is established from a baseline of 880 (using the latest 2014-based SNPP). An additional upward adjustment to take account of longer-term migration trends is recommended which would uplift dwelling requirement to 967 based on the PG-10yr scenario. This scenario takes account of long-term

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[7] Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition July 2015
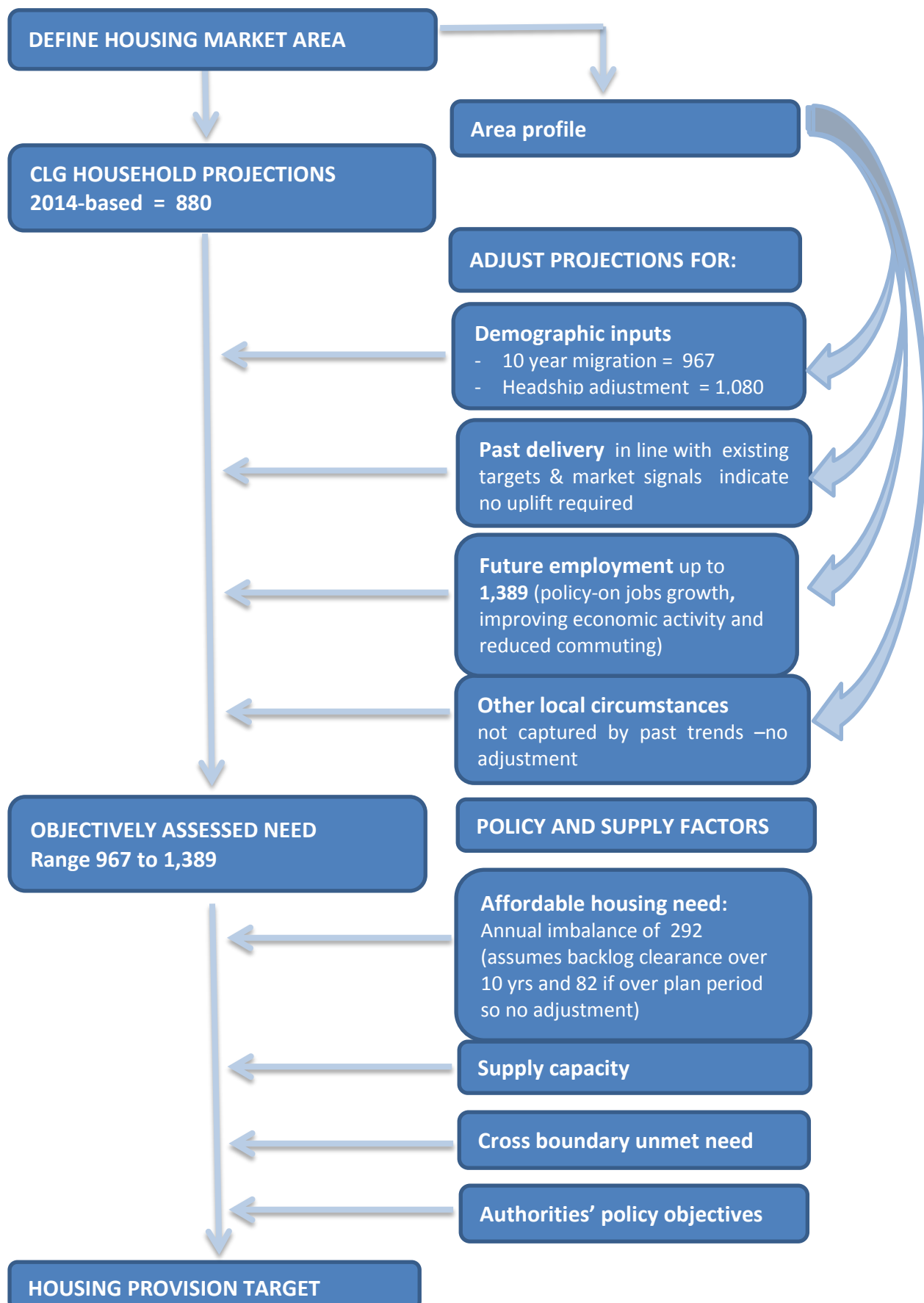
internal migration trends which will cover several economic and housing market cycles A further upward adjustment to take account of higher rates of household formation amongst younger age groups would increase dwelling need to 1,080 each year under the PG-10yr scenario.

4.34   The PG-10yr scenario also supports jobs growth of 480 each year. However, the Council's preferred jobs-led scenario – the jobs-led policy on scenario – results in jobs growth of 1,462 each year. Sensitivity analysis which considers alternative commuting and economic activity rate assumptions results in a range of between 1,389 and 1,910 dwelling need each year. The OAN needs to take account of the Council's jobs aspirations (the policy-on scenario) but given recent trends in economic activity rates and a reasonable assumption that commuting ratios reduce, with higher proportions of residents in employment working in Barnsley MB, it is recommended that the upper limit of the OAN is 1,389.

4.35   Analysis would indicate there is no requirement to uplift the basic demographic requirement to take account of Market Signals. There is also no requirement to adjust the OAN to take account of past under-delivery.

4.36   In conclusion, it is proposed that the Objectively Assessed Housing Need figure for Barnsley MB is within the broad range 967 and 1,389. This range takes account of the need to deliver more affordable and market housing for an increasing number of households, take account of long-term trends in migration and supports economic growth. It also takes into account potential changes to headship rates amongst younger households.

From an OAN to a Housing Requirement

4.37   Having established an up to date OAN, it is necessary to translate this into a growth target for the purposes of future plan-making. This is referred to as the 'Housing Requirement'. The Housing Requirement should, in normal circumstances, reflect the Objectively Assessed Need but can be adjusted either upwards or downwards. An OAN could be adjusted downwards due to development constraints or upwards to support economic or other growth ambitions. The OAN is in effect a 'policy off' need for housing over the plan period. Once planning policy considerations have been applied to the OAN figure, the result is a 'policy on' figure for the Housing Requirement. The Housing Requirement figure will be the target against which housing supply will normally be measured.

4.38   The data for Barnsley MB which underpins the analysis of OAN is summarised in Figure 4.1 overleaf. This replicates Figure 4.1 in the PAS guidance note on OAN (Second Edition July 2015).

Figure 4.1   Housing Needs Assessment for Barnsley MB (based on PAS Guidance OAN advice note July 2015 Figure 4.1)

DEFINE HOUSING MARKET AREA

Area profile

CLG HOUSEHOLD PROJECTIONS
2014-based = 880

ADJUST PROJECTIONS FOR:

Demographic inputs
- 10 year migration = 967
- Headship adjustment = 1,080

Past delivery in line with existing targets & market signals indicate no uplift required

Future employment up to **1,389** (policy-on jobs growth, improving economic activity and reduced commuting)

Other local circumstances not captured by past trends –no adjustment

OBJECTIVELY ASSESSED NEED
Range 967 to 1,389

POLICY AND SUPPLY FACTORS

Affordable housing need: Annual imbalance of 292 (assumes backlog clearance over 10 yrs and 82 if over plan period so no adjustment)

Supply capacity

Cross boundary unmet need

Authorities' policy objectives

HOUSING PROVISION TARGET

arc⁴

Step	Stage and Step description	Calculation	Barnsley Total	Bolton, Goldthorpe and Thurnscoe	Darton and Barugh	Hoyland, Wombwell and Darfield	North Barnsley and Royston	Penistone and Dodworth	Rural East	Rural West	South Barnsley and Worsbrough	Total
		Total households>>		9623	9187	19576	18908	9256	10131	4953	19111	100745
	Stage1: CURRENT NEED											
1.1	accommodation	Annual requirement	562			182			163		217	562
1.2	Overcrowding and concealed households	Current need	1968	109	113	487	256	225	290	47	441	1968
1.3	Other groups	Current need	8175	1181	733	1425	2096	570	636	311	1223	8175
1.4	Total current housing need (gross)	Total no. of housholds with one or more needs	10705	1290	846	2094	2352	795	1089	358	1881	10705
	Stage 2: FUTURE NEED											
2.1	New household formation (Gross per year)	1.64% of total households	1650	158	150	321	310	152	166	81	313	1650
2.2	Number of new households requiring affordable housing	53.5% cannot afford overall	53.5%	67.2	59.2	64.8	47.5	69.2	18.0	65.2	51.5	53.5
2.2	Number of new households requiring affordable housing	Number cannot afford	899	106	89	208	147	105	30	53	161	899
2.3	Existing households falling into need	Annual requirement	10	1	1	2	2	1			3	10
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	909	107	90	210	149	106	30	53	164	909
	Stage 3: AFFORDABLE HOUSING SUPPLY											
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	2514	507	184	379	580	182	130	0	551	2514
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0	0	0	0	0	0	0	0	0	0
3.3	Committed supply of new affordable units	See comments in SHMA										
3.4	Units to be taken out of management	None assumed	0	0	0	0	0	0	0	0	0	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	2514	507	184	379	580	182	130	0	551	2514
3.6	Annual supply of social re-lets (net)	Annual Supply (3yr ave)	**1031**	**118**	**76**	**227**	**184**	**44**	**92**	**32**	**258**	**1031**
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave)	30	0	0	7	7	3	1	1	11	30
3.8	**Annual supply of affordable housing**	3.6+3.7	1061	118	76	234	191	47	93	33	269	1061
	Stage 4: ESTIMATE OF ANNUAL HOUSING NEED											
4.1	Total backlog need	1.4A-3.5	8191	783	662	1714	1772	614	959	357	1330	8191
	% cannot afford open market prices/rents	55% overall		67.9	46.0	65.3	53.7	81.1	32.5	26.6	47.4	55.0
	Total		4442	531	305	1120	951	498	312	95	631	4442
4.2	Quota to reduce over 1 year		10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
4.3	Annual backlog reduction	Annual requirement	444	53	30	112	95	50	31	9	63	444
4.4	Newly-arising need	2.4	909	107	90	210	149	106	30	53	164	909
4.5	Total annual affordable need	4.3+4.4	1353	160	120	322	244	156	61	62	227	1353
4.6	Annual social rented capacity	3.8	1061	119	77	234	191	47	91	32	270	1061
4.7	**Net annual shortfall**	**Net**	**292**	**41**	**43**	**88**	**53**	**109**	**-30**	**30**	**-43**	**292**

Over Plan Period   2014-2033
                                                    19 years

Stage 4: ESTIMATE OF ANNUAL HOUSING NEED											
4.1 Total backlog need	1.4A-3.5	**8191**	783	662	1714	1772	614	959	357	1330	8191
% cannot afford open market prices/rents	55% overall		67.9	46.0	65.3	53.7	81.1	32.5	26.6	47.4	55.0
Total		**4442**	531	305	1120	951	498	312	95	631	4442
4.2 Quota to reduce over 19 years		**5%**	5%	5%	5%	5%	5%	5%	5%	5%	5%
4.3 Annual backlog reduction	Annual requirement	**234**	**28**	**16**	**59**	**50**	**26**	**16**	**5**	**33**	**234**
4.4 Newly-arising need	2.4	**909**	**107**	**90**	**210**	**149**	**106**	**30**	**53**	**631**	**909**
4.5 Total annual affordable need	4.3+4.4	**1143**	**135**	**106**	**269**	**199**	**132**	**46**	**58**	**664**	**1143**
4.6 Annual social rented capacity	3.8	**1061**	119	77	234	191	47	91	32	270	1061
4.7 Net annual shortfall	**Net**	**82**	**16**	**29**	**35**	**8**	**85**	**-45**	**26**	**394**	**82**

		Barnsley 2013 SHMA	Barnsley 2014 SHMA	
Backlog need				
B1	Total housing need	10,705	10705	Unchanged
B2	Total already in affordable	2,514	2514	Unchanged
B3	Total backlog need (B2-B1)	8191	8,191	Unchanged
B4	% cannot afford open market prices/rents	51.7% overall	55% overall	Open market less affordable
B5	Total Backlog need	4239	**4442**	Increased
B6	Quota to reduce over 1 year	10%	10%	
B7	**Annual backlog reduction**	**424**	**444**	Increased
Newly arising need				
N1	New household formation	1410	1650	Increased - based on latest national household formation rate of 1.64% of households (5 yr average)
N2	% cannot afford open market prices/rents	53.1% overall	53.5% overall	Open market less affordable
N3	New households requiring affordable	748	**899**	Increased
N4	Households falling into need	26	10	Reduced - based on CORE lettings data
N5	**Total annual newly arising need**	**774**	**909**	Increased
Total affordable need				
T1	**Total annual affordable need (B7+N5)**	**1198**	1353	Increased
Affordable capacity				
A1	Annual affordable rented	904	1031	Increased
A2	Annual intermediate	26	30	Increased
A3	**Total annual affordable capacity**	**930**	1061	Increased
Final calculation				
	Net annual shortfall (T1-A3)	**268**	**292**	Increased

Step	Stage and Step description	Calculation	Barnsley Total
	Stage1: CURRENT NEED		
1.1	Homeless households and those in temporary accommodation	Annual requirement	562
1.2	Overcrowding and concealed households	Current need	1968
1.3	Other groups	Current need	8175
1.4	Total current housing need (gross)	Total no. of housholds with one or more needs	10705
	Stage 2: FUTURE NEED		
2.1	New household formation (Gross per year)	1.74% of total households	1650
2.2	Number of new households requiring affordable housing	53.5% cannot afford overall	53.5%
2.2	Number of new households requiring affordable housing	Number cannot afford	899
2.3	Existing households falling into need	Annual requirement	10
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3	909
	Stage 3: AFFORDABLE HOUSING SUPPLY		
3.1	Affordable dwellings occupied by households in need	(based on 1.4)	2514
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed	0
3.3	Committed supply of new affordable units	Annual	SEE COMMENT BELOW
3.4	Units to be taken out of management	None assumed	0
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4	2514
3.6	Annual supply of social re-lets (net)	Annual Supply (3yr ave)	1031
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply (3yr ave)	30
3.8	**Annual supply of affordable housing**	3.6+3.7	1061
	Stage 4: ESTIMATE OF ANNUAL HOUSING NEED		
4.1	Total backlog need	1.4A-3.5	8191
	% cannot afford open market prices/rents	55% overall	
	Total		4442
4.2	Quota to reduce over 1 year		10%
4.3	Annual backlog reduction	Annual requirement	444
4.4	Newly-arising need	2.4	909
4.5	Total annual affordable need	4.3+4.4	1353
4.6	Annual social rented capacity	3.8	1061
4.7	**Net annual shortfall**	**Net**	**292**