GL Hearn

SHMA Update – Implications of 2012-Based Household Projections

Ashford Borough Council
Maidstone Borough Council
Tonbridge and Malling Borough Council

Final Report

June 2015

Prepared by

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DATE	ORIGINATORS	APPROVED
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Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 EXECUTIVE SUMMARY

1.1 The National Planning Policy Framework (NPPF) states that local planning authorities should use their evidence base to ensure Local Plans meet the full, objectively assessed needs for market and affordable housing in their housing market area (HMA) where it is sustainable to do so. This report provides an updated assessment of the Objectively Assessed Need (OAN) for housing in Ashford, Maidstone and Tonbridge and Malling Boroughs over the 2011-31 period.

1.2 It updates analysis in respect of OAN in the 2013 SHMA and 2014 Addendum to take account of the most recent evidence, and in particular the 2012-based Household Projections. The approach to defining housing need responds to the National Planning Policy Framework (NPPF) and follows the recommended approach in the Government's Planning Practice Guidance (PPG).

1.3 The starting point for assessing housing need is demographic projections. These reflect what has happened in the past – both in terms of levels of migration and household formation rates (the key driving factors in the projections). The PPG therefore sets out a number of other factors which need to be considered in assessing whether it would be appropriate to increase the identified housing need – either to enhance affordable housing delivery, to support expected economic growth or in response to market signals which point to poor affordability or a supply-demand imbalance.

1.4 OAN figures do not represent a plan target. They are derived independently of any consideration of supply-side issues, such as land availability and development constraints. These factors are relevant in translating this "policy off" assessment of housing need into "policy on" figures for housing provision through bringing together evidence in the plan-making process. The Government has clearly set out that assessing housing need is just the first stage of developing a local plan. Evidence from Strategic Housing Land Availability Assessments, and consideration of constraints such as infrastructure and Green Belt, may indicate that development should be restricted or restrain the ability of an authority to meet its housing need.

Demographic Trends

1.5 The starting point for assessing housing need has been demographic projections. The latest official projections are 2012-based Household Projections, published by Government in February 2015. These indicate a need for 718 homes per annum in Ashford Borough between 2011-31, for 883 homes per annum in Maidstone Borough, and 632 homes per annum in Tonbridge and Malling Borough.

1.6 Interrogation of the trend-based projections indicates that they are sensitive to migration to/from London. A sensitivity analysis is included in this report which considers this issue. The analysis provides evidence that there has been some reduction in migration from London over the 2007-12 period which feeds into the 2012-based SNPP and Household Projections. As the economy and housing market recover, migration from London could increase. If it does, the identified housing need (based on demographic factors) could rise - by 4.2% in Ashford (55 dwellings per annum), 3.5% in Maidstone (45 dwellings per annum) and 3.8% in Tonbridge and Malling (27 dwellings per annum).

Housing Affordability

1.7 The PPG sets out that where market signals point to a worsening level of affordability of housing, an upward adjustment to the assessed housing need should be made. This should be assessed at a level which is considered "reasonable" and could be expected to help improve affordability.

1.8 The demographic evidence indicates that household formation rates for younger households fell over the 2001-11 period.

1.9 The evidence allows us to draw links regarding changes in household formation, market signals and affordable housing need. The market evidence shows that over this period, housing costs increased notably (overall and relative to earnings), and the affordability of market housing declined. The number of overcrowded households and levels of house sharing increased; with growing numbers of households living in private rented accommodation. The evidence suggests that declining affordability influenced these trends.

1.10 There has however been a fundamental shift in housing market conditions nationally since 2007, particularly in relation to confidence and credit availability. Housing market conditions have remained relatively subdued; and house prices stable over the 2007-2013 period. The last 18 months has seen confidence start to return to the market with an increase in house prices and sales volumes.

1.11 Overall the evidence points to some affordability pressures, and following the approach in the PPG GL Hearn consider that it would be appropriate to make a modest adjustment to planned housing provision in order to improve affordability over time.

Affordable Housing Need

1.12 The affordable housing need across the three authorities was assessed in the relevant SHMA Reports. The affordable need for 268 homes per annum in Ashford Borough represents 37% of the projected growth in households in our 2012-based Projections (of 718 dwellings pa). In Maidstone the affordable need of 322 homes per annum represents 36% of the need for 883 dwellings pa. In Tonbridge and Malling the affordable need for 277 homes per annum represents a higher 44% of the projected need for 632 dwellings per annum.

1.13 Depending on evidence of viability and policy decisions regarding affordable housing provision, the level of affordable housing provision which we might expect to be viably delivered through policies for affordable housing provision on mixed tenure development schemes could vary. This is particularly the case for Tonbridge & Malling Borough. It should be recognised however that not all affordable housing is delivered through planning obligations on market-led development schemes.

1.14 Key impact of increasing overall housing provision would be to support stronger affordable housing delivery and provide the potential to support stronger household formation amongst younger households.

Adjustments to Improve Affordability

1.15 The Planning Practice Guidance outlines that where market signals point to affordability problems, an adjustment should be made to increase housing numbers. GL Hearn has therefore adjusted housing need figures to improve affordability and enhance delivery of affordable housing. The affordability adjustment requires provision of an additional 9 dwellings per annum in Ashford; 45 in Maidstone; and 14 dwellings per annum in Tonbridge & Malling.

Relationship to Economic Growth

1.16 This report has compared expected growth in the workforce in each local authority with forecasts for future employment growth, taking account of both forecasts set out in each authority's respective economic evidence base. It does not introduce any new economic evidence or forecasts.

1.17 In the case of Maidstone Borough and Tonbridge and Malling Borough, the trend-based demographic projections see sufficient growth in workforce to support forecast employment growth. For Ashford Borough, the scale of economic growth could vary quite notably.

1.18 For Ashford Borough, the SNPP is expected to support workforce growth of 12,700 persons between 2011-31. The Council's economic evidence base models alternative scenarios for employment growth which show that growth in the workforce needed might vary from 7,000 – 16,700. The evidence suggests that if higher economic forecasts were to be planned for by Ashford Borough Council, housing provision might need to be increased to support this.

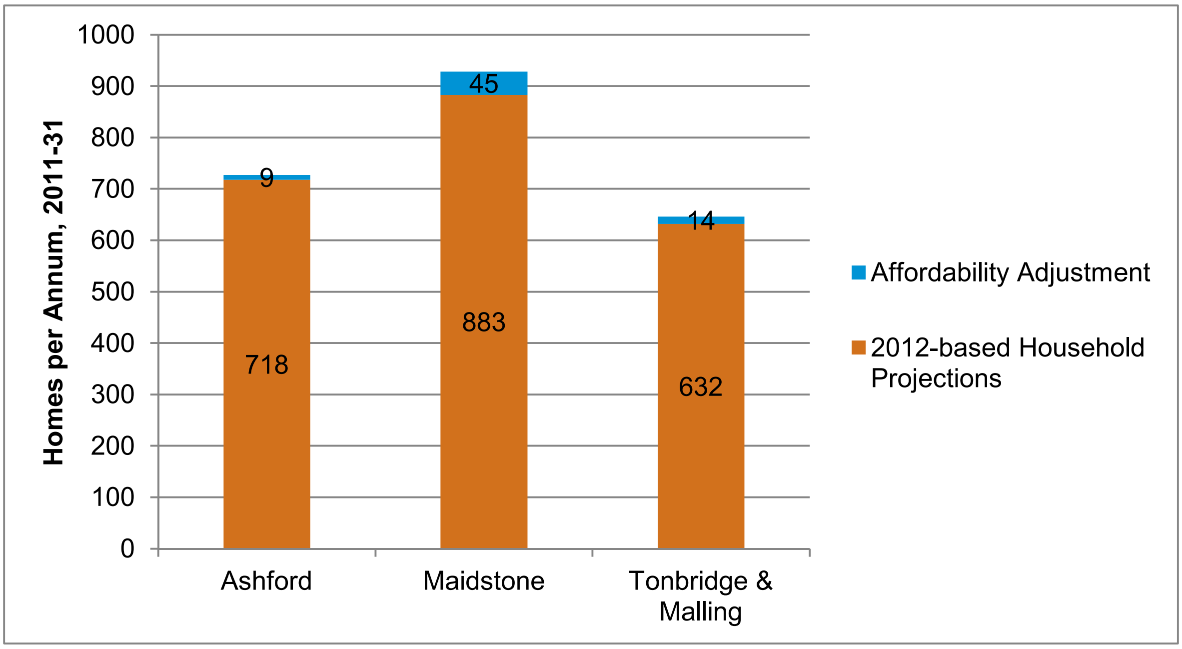
1.19 For Maidstone Borough, the SNPP is expected to support workforce growth of 17,300 persons between 2011-31. The Council's economic evidence base indicates employment growth of 14,400 jobs over this period; which would require growth in the workforce of 14,300. For Maidstone Borough, the growth in workforce envisaged in the SNPP is sufficient to support economic growth based on the current evidence.

1.20 For Tonbridge & Malling Borough, the SNPP is expected to support workforce growth of 12,500 between 2011-31. The Council's economic evidence base indicates employment growth of between 7,400 – 8,700. This would require workforce growth of between 7,500 – 8,700 persons over the 2011-31 period. As with Maidstone, the growth in workforce envisaged in the SNPP is sufficient to support economic growth based on the current evidence.

Conclusions on OAN

1.21 Bringing the evidence together, GL Hearn define a **full OAN for housing in Maidstone Borough of 928 homes per annum**. For **Tonbridge and Malling Borough, we define a full OAN of 646 homes per annum**. **For Ashford Borough, we define an OAN of 727 dwellings per annum**. The OAN is illustrated in Figure 1 below. For Ashford Borough Council, the OAN figure may need to be adjusted to align with policies for employment growth.

Figure 1: Objectively-Assessed Housing Need



1.22 Each authority will need to consider, through the plan-making process, whether it is appropriate to make provision for increased net migration from London. This could increase the Objectively-Assessed Need.

1.23 **OAN figures do not represent a plan target.** They are derived independently of any consideration of supply-side issues, such as land availability and development constraints. These factors are relevant in translating this "policy off" assessment of housing need into "policy on" figures for housing provision through bringing together evidence in the plan-making process.

1.24 The Government has clearly set out that assessing housing need is just the first stage of developing a local plan. Evidence from Strategic Housing Land Availability Assessments, and consideration of constraints such as infrastructure and Green Belt, may indicate that development should be restricted or restrain the ability of an authority to meet its housing need.

2 INTRODUCTION

Purpose of this Report

2.1 This report provides updated advice on the Objective Assessment of Need (OAN) for housing in the boroughs of Ashford, Maidstone, and Tonbridge and Malling to take account of the release of 2012-based Household Projections by Government in February 2015.

2.2 This report follows on from previous Strategic Housing Market Assessments (SHMA) authored by GL Hearn and Justin Gardner Consulting. It updates those parts of the SHMA necessary to consider the overall need for housing – including analysis of demographic projections; how this relates to identified need for affordable housing and to expected economic growth; and to take account of up-to-date analysis of 'market signals.' It focuses on considering the overall need for housing and does not address the need for different types or sizes of homes, nor the housing needs of specific groups within the population.

2.3 This report selectively updates parts of the following reports:

- Maidstone Strategic Housing Market Assessment (GL Hearn, Jan 2014);
- Ashford Strategic Housing Market Assessment (Jan 2014);
- Tonbridge & Malling Strategic Housing Market Assessment (March 2014); and
- SHMA Addendum: Implications of 2012-based SNPP and Need for Care Homes (Aug 2014).

2.4 The previous SHMAs, published in January and March 2014, used the latest Sub-National Population and Household Projections as the starting point for assessing overall housing need. At the time of writing these were the 2011-based 'interim' Sub-National Population Projections (SNPP) and the 2011-based 'interim' Household Projections from CLG (which are directly based on the SNPP).

2.5 The three SHMAs were prepared prior to the publication of the Planning Practice Guidance on *Housing and Economic Development Needs Assessments* in March 2014. They however took account of the draft version of the Guidance.

2.6 In August 2014 GLH and JGC prepared an Addendum to the SHMAs to take account of the 2012-based Sub-National Population Projections which ONS published in May 2014.

2.7 The purpose of this report is to review findings regarding Objectively Assessed Need (OAN) for housing in the three Boroughs (and the relevant Housing Market Areas which they sit within) to take account of:

- The release of 2012-based Household Projections by Communities and Local Government (CLG) in February 2015;

- The Planning Practice Guidance on *Housing and Economic Development Needs Assessments* which provides advice on the approach and methodology to be used in identifying OAN; and
- Findings from other recent local plan examinations regarding how Objectively Assessed Need for housing should be defined. This relates in particular to how affordable housing need and market signals have been considered in defining OAN.

2.8 In particular it is necessary to review findings regarding OAN to take account of the latest official household projections, as the PPG sets out that household projections published by CLG should form the starting point estimate for overall housing need; and wherever possible local needs assessments should be informed by the latest information. The 2012-based SNPP are an important input to the new CLG Household Projections and whilst full details behind these projections are not considered in this report (this having been done in the SHMA Addendum), a broad overview has been included in this report.

2.9 As with the previous studies, this OAN report considers housing needs in the boroughs of Ashford, Maidstone, and Tonbridge and Malling over the period from 2011 to 2031.

Context to the Report's Findings

2.10 This report does not necessarily negate or replace the findings of previous reports; but seeks to provide a "sensitivity analysis" which takes account of the more recent demographic projections and considers whether it is necessary to adjust OAN figures. The PPG is clear that new projections do not necessarily render existing evidence outdated. The issue depends on the degree to which the new projections and demographic evidence are materially different to that in the SHMA.

2.11 It should be borne in mind that **OAN is not a plan target and the purpose of this report is not to set housing targets**. This was emphasised in the letter, dated 19th December 2014, from Planning and Housing minister Brandon Lewis to the Chief Executive of the Planning Inspectorate. In this letter Mr Lewis sets out that SHMAs are untested and *"should not automatically be seen as a proxy for a final housing requirement in local plans"*. It continues: *"Councils will need to consider Strategic Housing Market Assessment evidence carefully and take adequate time to consider whether there are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing requirement".* However an up-to-date assessment of housing need is an important consideration for Councils when deciding what level of housing provision to plan for.

2.12 This is reaffirmed in Planning Practice Guidance[1] which reaffirms that **assessing housing need in just the first stage in developing a local plan, and that account should be taken of land availability and development constraints (including Green Belt) through the plan-making process which may restrain the ability of an authority to meet its need.**

[1] ID: 3-045-20141006

2.13 The soundness test for local plans is that they meet objectively assessed development needs for their areas and unmet need from adjoining authorities where it is sustainable to do so and consistent with policies in the National Planning Policy Framework. Any unmet needs for adjoining areas (where applicable) need to be treated separately from the calculation of the OAN, not least to avoid double counting.

National Policy and Guidance

National Planning Policy Framework (NPPF)

2.14 The National Planning Policy Framework (NPPF) was published in March 2012. The Framework sets a presumption in favour of sustainable development whereby Local Plans should meet objectively assessed development needs, with sufficient flexibility to respond to rapid change, unless the adverse impacts of doing so would significantly or demonstrably outweigh the benefits or policies within the Framework indicate that development should be restricted.

2.15 The NPPF highlights the Strategic Housing Market Assessment (SHMA) as a key piece of evidence in determining housing needs. Paragraph 159 in the Framework outlines that this should identify the scale and mix of housing and the range of tenures which the local population is likely to need over the plan period which:

- Meets household and population projections, taking account of migration and demographic change;
- Addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and
- Caters for housing demand and the scale of housing supply necessary to meet this demand.

2.16 This is reaffirmed in the NPPF in Paragraph 50. The SHMA is intended to be prepared for the housing market area, and include work and dialogue with neighbouring authorities where the HMA crosses administrative boundaries.

2.17 Paragraph 181 sets out that LPAs will be expected to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examining.

2.18 Paragraph 158 of the NPPF also emphasises the alignment of the housing and economic evidence base and policy. Paragraph 17 in the NPPF reaffirms this, and outlines that planning should also take account of market signals, such as land prices and housing affordability. However it also makes clear that plans must be deliverable.

National Planning Practice Guidance

2.19 Planning Practice Guidance was issued by Government in March 2014 on '*Assessment of Housing and Economic Development Needs'*. Some parts of the Guidance have subsequently been updated. The Guidance is relevant to this report in that it provides clarity on how key elements of the NPPF should be interpreted, including the approach to deriving an objective assessment of the need for housing. The approach in this report takes account of this Guidance.

2.20 The Guidance defines "need" as referring to:

> *"the scale and mix of housing and the range of tenures that is likely to be needed in the housing market area over the plan period – and should cater for the housing demand of the area and identify the scale of housing supply necessary to meet this need."*

2.21 It sets out that the assessment of need should be realistic in taking account of the particular nature of that area, and should be based on future scenarios that could be reasonably expected to occur. It should not take account of supply-side factors or development constraints. Specifically the Guidance sets out that:

> *"plan makers should not apply constraints to the overall assessment of need, such as limitations imposed by the supply of land for new development, historical under performance, infrastructure or environmental constraints. However these considerations will need to be addressed when bringing evidence bases together to identify specific policies within development plans."*

2.22 The Guidance outlines that estimating future need is not an exact science and that there is no one methodological approach or dataset which will provide a definitive assessment of need. However, the starting point for establishing the need for housing should be the latest household projections published by the Department for Communities and Local Government (CLG).

2.23 It sets out that there may be instances where these national projections require adjustment to take account of factors affecting local demography or household formation rates, in particular where there is evidence that household formation rates are or have been constrained by supply. It suggests that proportional adjustments should be made where the market signals point to supply being constrained relative to long-term trends or to other areas in order to improve affordability.

2.24 In regard to employment trends, the Guidance indicates that job growth trends and/or economic forecasts should be considered having regard to the growth in working-age population in the housing market area. It sets out that where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility and other sustainable options such as walking and cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing and infrastructure development could help to address these problems.

2.25 The Planning Practice Guidance is however explicit regarding the status which should be accorded to assessments of OAN, setting out that:

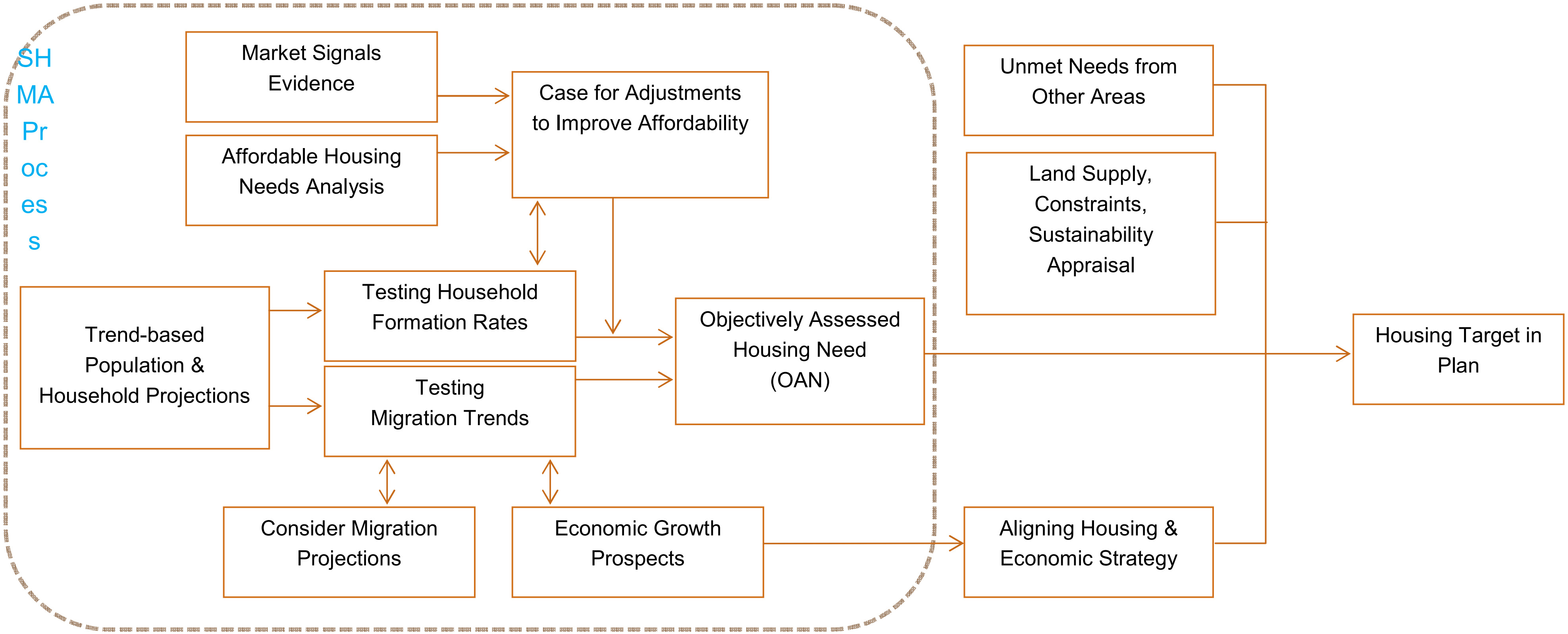
> *"assessing need is just the first stage in developing a Local Plan. Once need has been assessed, the local planning authority should prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period, and in so doing take account of any constraints such as Green Belt, which indicate that development should be restricted and which may restrain the ability of an authority to meet its need."*

Overview of the Approach to Deriving OAN

2.26 The NPPF and Practice Guidance set out a clear approach to defining OAN for housing. We have sought to summarise this within the diagram below, **Figure 2**. This summarises the approach we have used to considering OAN.

2.27 This report does not seek to set out what the housing target should be. It focuses on assessing housing need which will be an important consideration for the Council in determining its housing requirement. In addition to OAN, the Council should consider land supply, development constraints and infrastructure provision / requirements when considering whether the housing need can be met, and informing targets set out for housing provision within the plan. It may also need to consider unmet needs of adjoining areas. The distinction between household projections, an objective assessment of housing need, and a 'policy on' housing requirement are set out in Paragraph 37 of the High Court judgement in the case of *Solihull MBC vs. Gallagher Estates*.

Figure 2: Overview of Approach



Report Structure

2.28 The remainder of this report is structured as follows:

- Section 2: Trend-based Demographic Projections;
- Section 3: Housing Need and Employment Growth;
- Section 4: Housing Market Signals;
- Section 5: Implications and Uplift;
- Section 6: Draft Conclusions.

3 TREND-BASED DEMOGRAPHIC PROJECTIONS

3.1 The analysis in this section principally considers the implications for household growth and housing need of the 2012-based CLG Household Projections which were published in February 2015. The analysis builds on earlier work (set out in the SHMA Addendum of August 2014) which studied the implications of the 2012-based Sub-National Population Projections (SNPP). The 2012-based Household Projections are based on these Sub-National Population Projections.

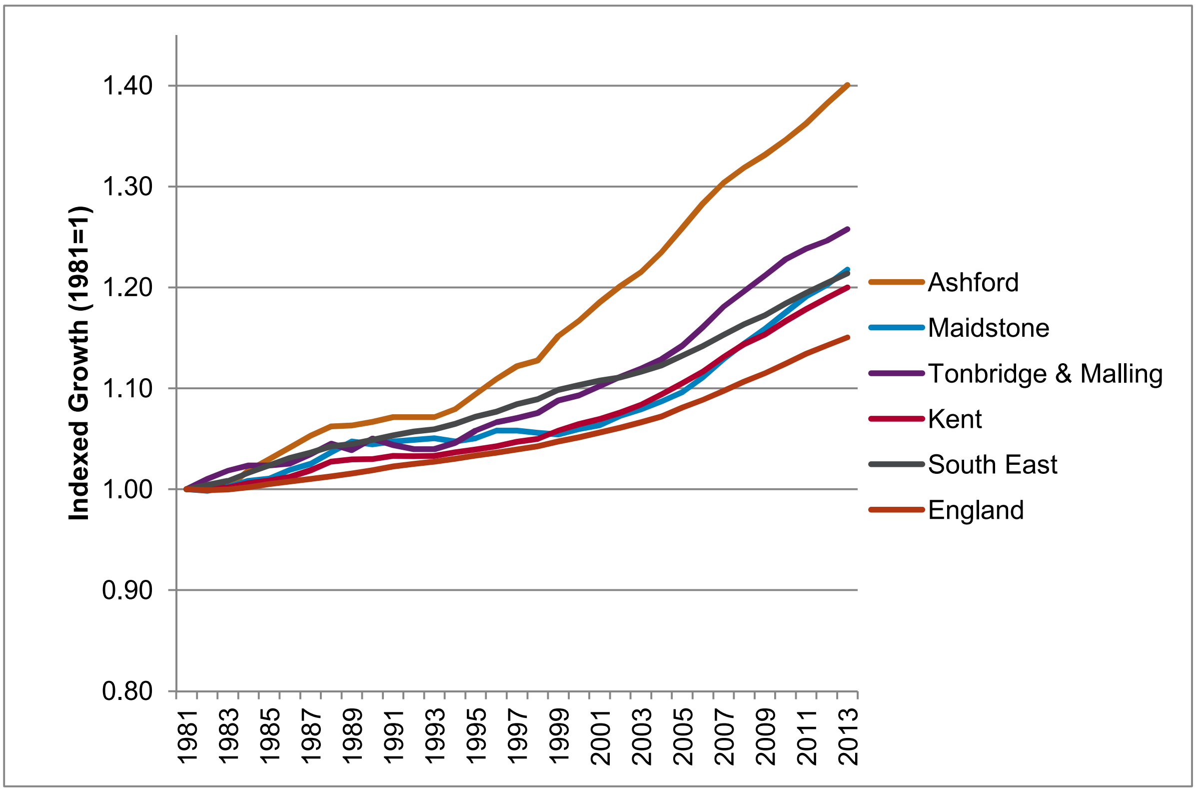
3.2 The core projections in this section look at housing needs in the period from 2011 to 2031. This is to be consistent (and to allow comparisons to be drawn) with previous research on this topic for the three local authorities. Given that population data is now available from ONS for the 2011-13 period the projections themselves start from 2013 (with data 2011-13 included in the modelling but being treated as fixed). Population and household growth is therefore projected forwards from 2013 onwards.

Demographic Profile and Trends

3.3 The population of Ashford was estimated to be 121,700 in 2013. Maidstone's population was estimated to be 159,300 and Tonbridge and Malling's 123,000. As Figure 3 shows, Ashford has seen the strongest population growth (40%) since 1981. Tonbridge and Malling and Maidstone boroughs have seen similar growth over this period (of 26% and 22% respectively). In all cases population growth has been stronger than has been seen across Kent (20%) and the wider South East (21%).

3.4 Looking at more recent trends between 2001-13, whilst population across the South East has grown by 10% and across Kent by 12%; each of the three commissioning authorities has seen stronger population growth – with growth of 14% in Tonbridge and Malling, 15% in Maidstone and 18% in Ashford.

Figure 3: Indexed Population Growth (1981-2013)



Source: ONS

3.5 The data shows a much higher level of growth in Ashford throughout the period since 1981. The analysis also shows fairly moderate growth in Maidstone and Tonbridge & Malling until the mid-/late-1990s with growth accelerating in the period from the late 1990s to 2013.

Past components of population change

3.6 The figures and tables below consider the drivers of population change in each of the three areas. Population change is largely driven by natural change (births minus deaths) and migration, although within ONS data there is also a small other changes category (mainly related to armed forces and prison populations) and an Unattributable Population Change (UPC) category – this is an adjustment made by ONS to mid-year population estimates where Census data has suggests that population growth had either been over- or under-estimated in the inter-Censal years. Because UPC links back to Census data, figures are only provided for the 2001 to 2011 period.

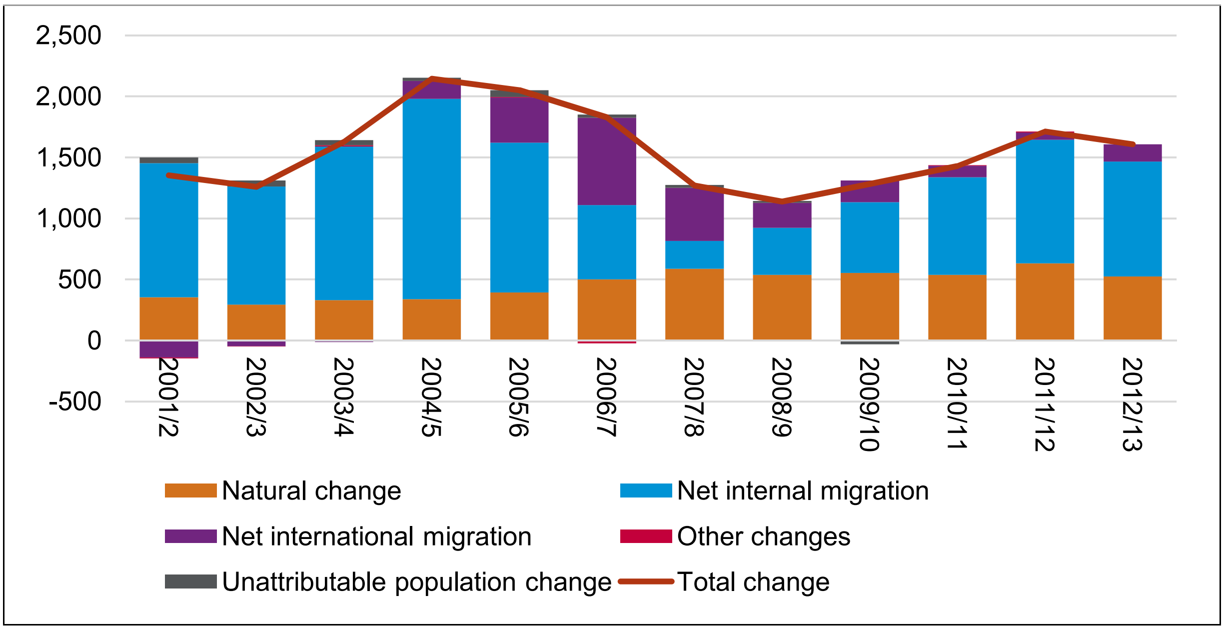
Ashford

3.7 In Ashford, the data shows that both natural change and net migration have been important components of population growth. Over the whole of the period studied (2001-13) the average level of natural change has been about 465 per annum. Natural change has generally been increasing over time, although the more recent evidence suggests that this may now be levelling off or even decreasing slightly.

3.8 Net migration can also be seen to be significant with an average level of about 1,075 over the 12-year period studied. This has varied on a year-by-year basis from 591 in 2008/9 up to 1,788 in 2004/5. Generally, internal migration (i.e. moves from one part of the Country to another) has been a more significant driver of population growth than international migration. Internal migration has averaged about 896 people per annum, compared with about 179 in the case of international migration. International migration is shown to have been particularly strong in the 2005-8 period.

3.9 Other changes are quite small whilst the data shows a modest (and generally positive) level of UPC. The positive UPC suggests that previous ONS components of change data may have slightly under-estimated population growth in the Borough. The overall level of UPC is however quite modest.

Figure 4: Components of Population Change, mid-2001 to mid-2013 – Ashford



Source: ONS

Table 1: Components of Population Change (2001-13) – Ashford

Year	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	354	1,098	-140	-8	49	1,353
2002/3	294	966	-47	-4	50	1,259
2003/4	330	1,259	-13	11	41	1,628
2004/5	339	1,642	146	-9	27	2,145
2005/6	393	1,227	370	6	54	2,050
2006/7	501	609	714	-24	27	1,827
2007/8	588	228	434	-3	23	1,270
2008/9	537	386	205	-4	14	1,138
2009/10	554	578	180	-4	-27	1,281
2010/11	538	798	95	6	-7	1,430
2011/12	633	1,012	60	6	-	1,711
2012/13	523	944	141	-1	-	1,607

Source: ONS

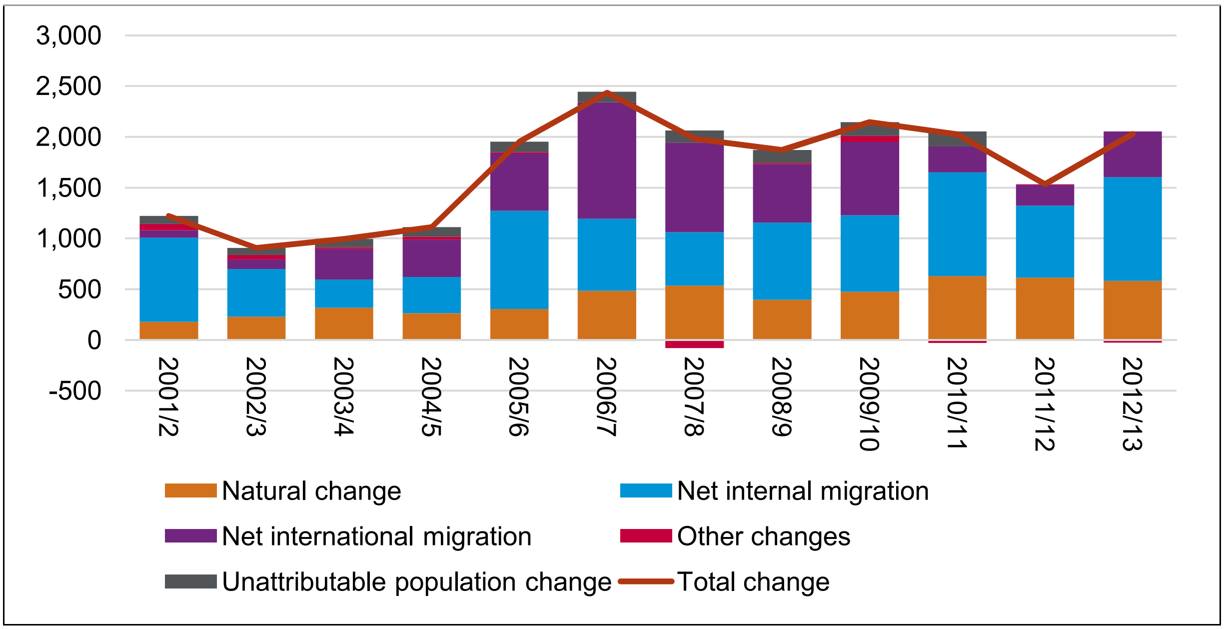
Maidstone

3.10 In Maidstone, the data also shows that both natural change and net migration have been important components of population growth. Over the whole of the period studied (2001-13) the average level of natural change has been about 418 per annum. As with Ashford, natural change has generally been increasing over time, although the more recent evidence suggests that this may now be levelling off or even decreasing slightly.

3.11 Net migration can also be seen to be significant with an average level of about 1,169 over the 12-year period studied. This has varied on a year-by-year basis from 562 in 2002/3 up to 1,856 in 2005/6 – migration levels were generally lowest in the early part of the period studied (2001-5). Generally, internal migration (i.e. moves from one part of the Country to another) has been a more significant driver of population growth than international migration (although international migration is more significant than observed in Ashford). Internal migration has averaged about 700 people per annum, compared with about 469 in the case of international migration. International migration is shown to have been particularly strong in the 2006-10 period.

3.12 Other changes are quite small whilst the data shows a modest (and positive) level of UPC. The positive UPC suggests that previous ONS components of change data may have slightly under-estimated population growth in the Borough. The overall level of UPC is however quite modest.

Figure 5: Components of Population Change, mid-2001 to mid-2013 – Maidstone



Source: ONS

Table 2: Components of Population Change (2001-13) – Maidstone

Year	Natural change	Net internal migration	Net internation al migration	Other changes	Other (unattribut able)	Total change
2001/2	178	829	73	64	78	1,222
2002/3	230	469	93	44	72	908
2003/4	318	277	303	16	82	996
2004/5	265	354	369	29	94	1,111
2005/6	305	968	563	14	104	1,954
2006/7	483	710	1,146	-10	105	2,434
2007/8	536	524	883	-81	120	1,982
2008/9	396	760	574	11	130	1,871
2009/10	474	755	721	59	136	2,145
2010/11	628	1,023	253	-30	151	2,025
2011/12	615	708	203	7	-	1,533
2012/13	583	1,021	451	-27	-	2,028

Source: ONS

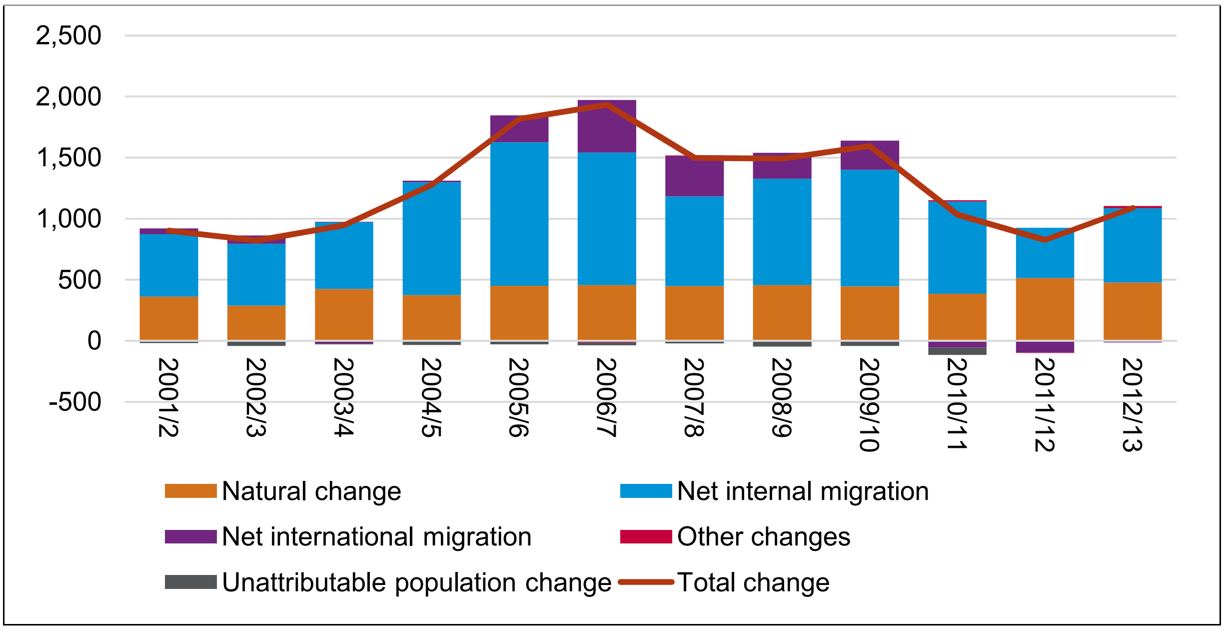
Tonbridge & Malling

3.13 As with other areas, the data for Tonbridge & Malling also shows that both natural change and net migration have been important components of population growth. Over the whole of the period studied (2001-13) the average level of natural change has been about 423 per annum – this has shown less variation over time in comparison with the other areas.

3.14 Net migration can also be seen to be significant with an average level of about 872 over the 12-year period studied. This has varied on a year-by-year basis from 314 in 2011/12 up to 1,516 in 2006/7 – migration levels were generally lowest in the early and latter part of the period studied (notably 2001-4 and 2010-13). Generally, internal migration (i.e. moves from one part of the Country to another) has been a more significant driver of population growth than international migration. Internal migration has averaged about 758 people per annum, compared with about 114 in the case of international migration. International migration is shown to have been particularly strong in the 2005-10 period.

3.15 Other changes are quite small whilst the data shows a modest (and negative) level of UPC. The negative UPC suggests that previous ONS components of change data may have slightly over-estimated population growth in the Borough. The overall level of UPC is (as in other areas) quite modest.

Figure 6: Components of Population Change, mid-2001 to mid-2013 – Tonbridge & Malling



Source: ONS

Table 3: Components of Population Change (2001-13) – Tonbridge & Malling

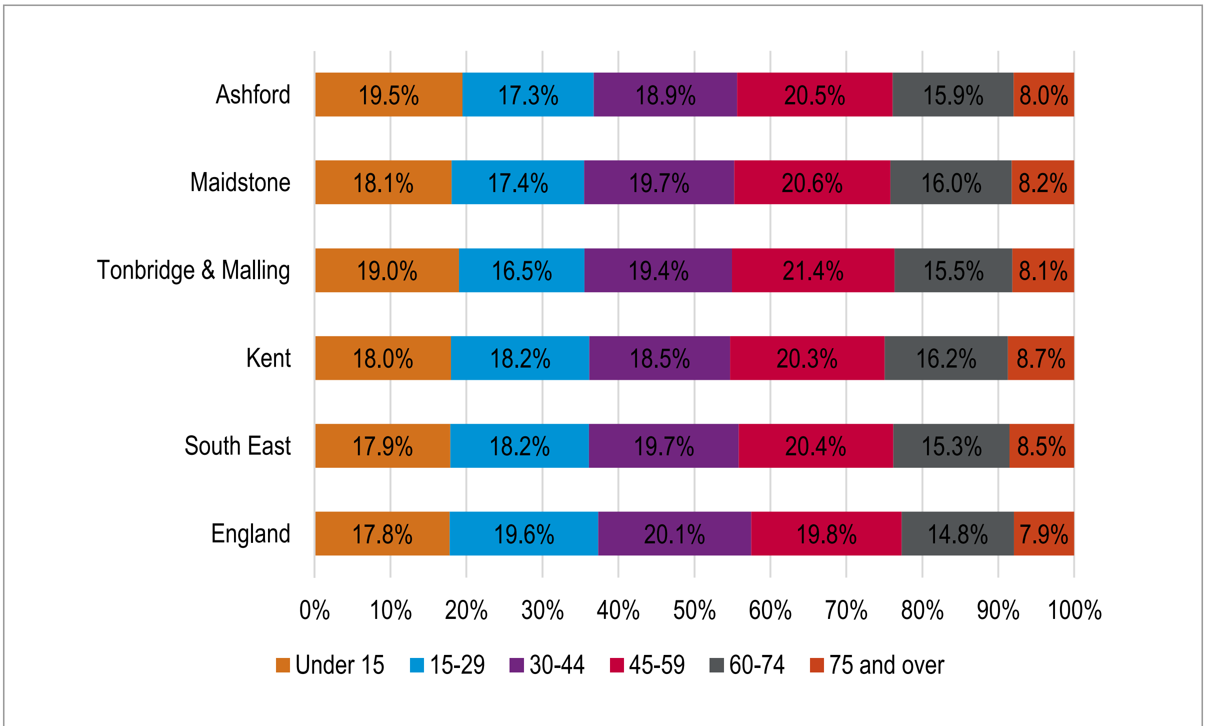
Year	Natural change	Net internal migration	Net international migration	Other changes	Other (unattributable)	Total change
2001/2	361	512	48	-2	-17	902
2002/3	289	506	68	-4	-38	821
2003/4	424	549	-25	2	-3	947
2004/5	374	924	14	-1	-33	1,278
2005/6	451	1,176	218	-6	-22	1,817
2006/7	455	1,087	429	-14	-24	1,933
2007/8	448	735	331	5	-21	1,498
2008/9	456	870	213	-9	-38	1,492
2009/10	445	956	237	-8	-35	1,595
2010/11	384	757	-55	9	-62	1,033
2011/12	514	412	-98	-3	-	825
2012/13	477	609	-14	17	-	1,089

Source: ONS

Age Profile

3.16 The profile of the population of is broadly similar to that seen across other areas and does not vary significantly between the three local authorities. As shown in **Figure 7** below, some 24% of the population is aged 60 and over in each of the three authorities, compared with 25% across Kent, 24% for the South East region and 23% for the whole of England.

Figure 7: Population Age Profile (2013)



Source: Mid-Year Population Estimates

3.17 **Table 4** below shows how the age structure of the population has changed over the 2001 to 2013 period. The data shows the most significant growth to have been in those aged over 60 across all three authorities. The analysis also indicates a small decline in the population aged 30-44 in Ashford and Tonbridge and Malling.

Table 4: Change in Age Structure 2001 to 2013

Age group	Ashford	Maidstone	Tonbridge & Malling	Kent	South East	England
Under 15	15.6%	12.5%	7.3%	5.5%	5.1%	3.2%
15-29	25.0%	15.4%	18.7%	20.0%	10.5%	12.7%
30-44	-1.3%	1.0%	-5.9%	-4.0%	-4.6%	-3.7%
45-59	20.3%	11.9%	20.1%	14.7%	14.6%	14.3%
60-74	40.6%	37.1%	29.9%	30.0%	27.4%	22.4%
75 and over	21.3%	28.4%	38.9%	17.9%	16.8%	15.0%
Total	**18.2%**	**14.5%**	**14.1%**	**12.2%**	**9.6%**	**8.9%**

Source: Mid-Year Population Estimates

Interrogating the Latest Demographic Projections

3.18 The PPG sets out that *'household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics. Projected household representative rates are based on trends observed in Census and Labour Force Survey data'.*

3.19 The latest official household projections are the 2012-based CLG Household Projections published in February 2015. These projections were underpinned by ONS (2012-based) Sub-National Population Projections (SNPP) – published in May 2014. Our analysis therefore initially considers the validity of the population projections and their consistency with past trends.

Introducing the 2012-based Sub-National Population Projections

3.20 The latest set of Sub-National Population Projections (SNPP) were published by ONS on the 29th May 2014. They replace the 2010- and 2011-based SNPP. Sub-National Population Projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2012-based national population projections. The new SNPP are largely based on trends in the 2007-12 period (2006-12 for international migration trends). The SNPP are only population projections. The 2012-based Household Projections apply (age-specific) headship rates to the SNPP to project future growth in households.

3.21 The SNPP are not forecasts and do not attempt to predict the impact that future government or local policies, changing economic circumstances or other factors might have on demographic behaviour. The primary purpose of the subnational projections is to provide an estimate of the future size and age structure of the population of local authorities in England. These are used as a common framework for informing local-level policy and planning in a number of different fields as they are produced in a consistent way.

Overall Population Growth

3.22 **Table 5** below shows projected population growth from 2011 to 2031 in each District and other areas. Ashford's population is expected to grow by 21.5%, Maidstone's by 21.7% and Tonbridge and Malling's by 19.5%. A similar rate of population growth is expected across each – but in each case this is somewhat higher than expected across any of the other locations studied.

3.23 It should be noted that due to inclusion within the modelling of 2013 Mid-Year Population Estimates (MYEs) for the three commissioning authorities, the figures do not exactly match those in the SNPP as published. Figures for comparator areas are however taken directly from the SNPP.

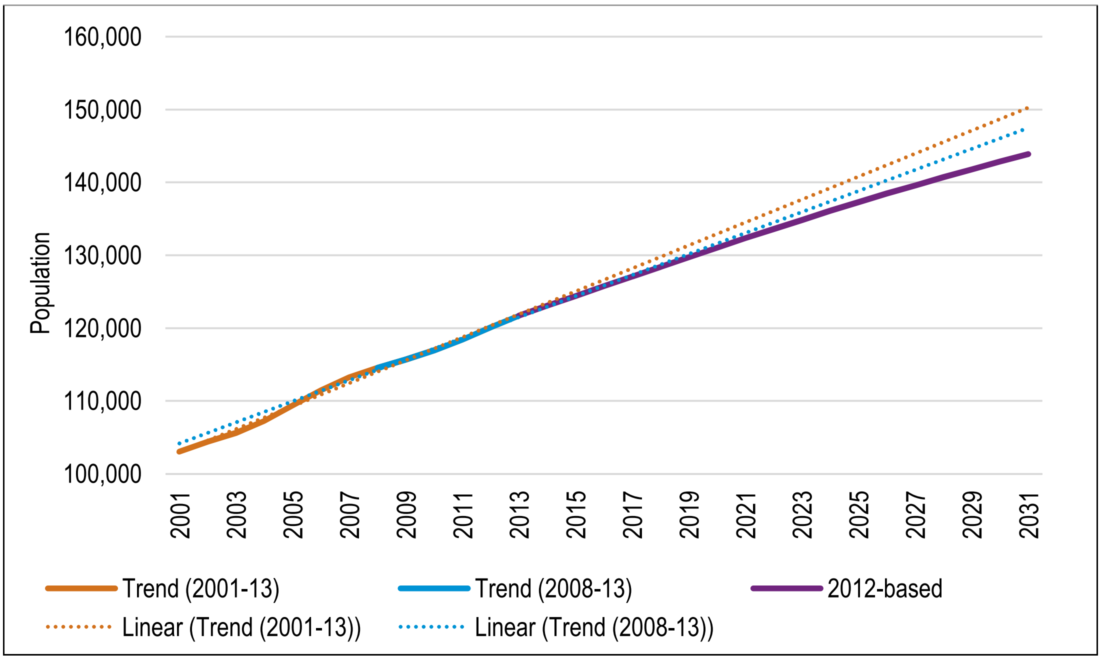
Table 5: Projected Population Growth (2011-2031)

	Population 2011	Population 2031	Change in population	% change
Ashford	118,405	143,892	25,487	21.5%
Maidstone	155,764	189,575	33,811	21.7%
Tonbridge & Malling	121,087	144,722	23,635	19.5%
Kent	1,466,500	1,721,800	255,300	17.4%
South East	8,652,800	9,979,900	1,327,100	15.3%
England	53,107,200	60,418,800	7,311,600	13.8%

Source: ONS

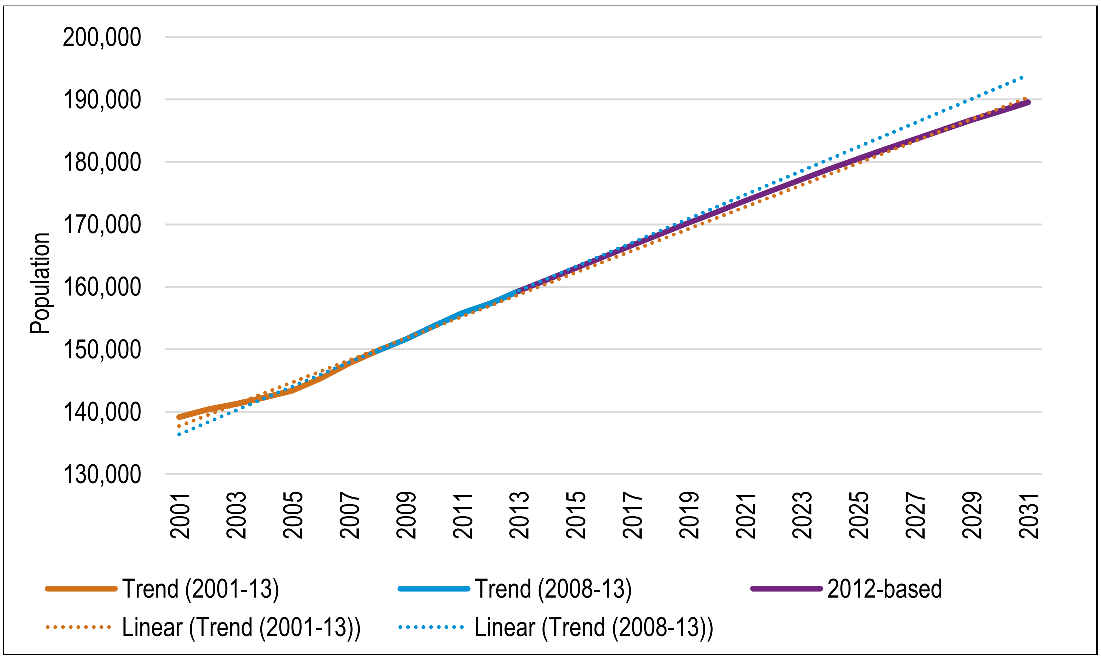
3.24 The figures below show past and projected population growth in the period 2001 to 2031. In all three areas the data shows a close correlation between the projection and past trends. Ashford is the only area where the projected rate of population growth is generally below past trends, although the difference is fairly minor.

Figure 8: Past and Projected Population Growth – Ashford



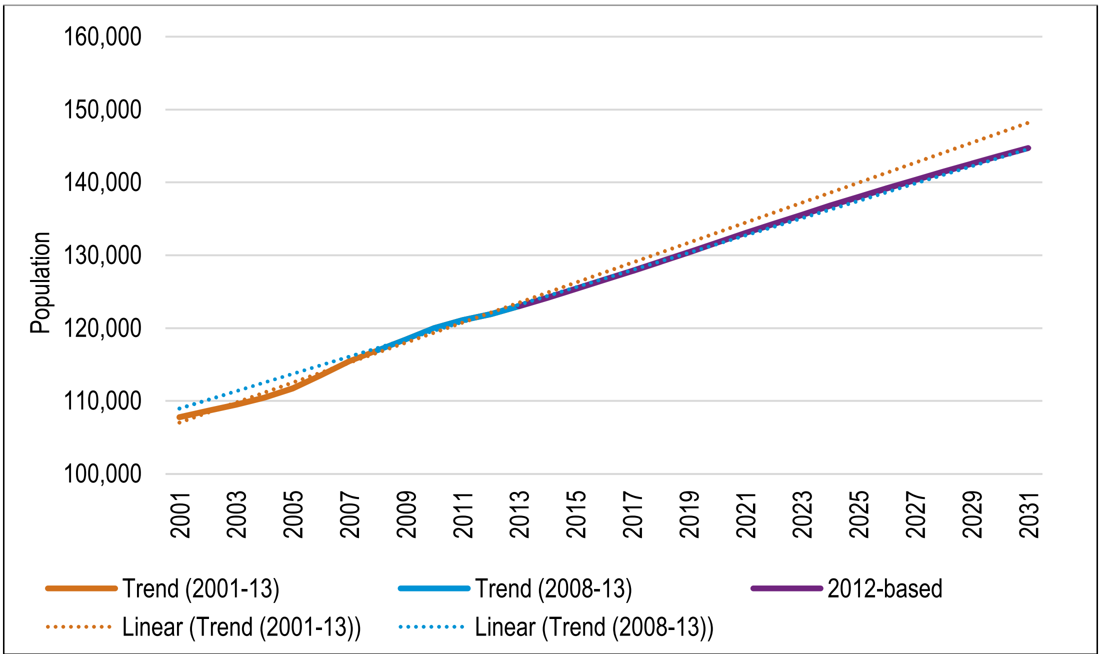
Source: ONS

Figure 9: Past and Projected Population Growth – Maidstone



Source: ONS

Figure 10: Past and Projected Population Growth – Tonbridge & Malling



Source: ONS

3.25 The population dynamics were considered in detail in the August 2014 Addendum Report. We concluded that the SNPP is a reasonable projection to take forward into household growth modelling. When considering the three authorities together, the data shows population growth which is very slightly below past trends, however it is not considered that this divergence is significant. In interpreting the figures, it does also need to be borne in mind that the ONS projections are not a simple roll forward of past population growth. The projections take account of the current age structure and how this will change over time. The age structure changes then feed into estimates of how migration and natural change might develop over time. Given that all of the district-level projections show some consistency with past population growth trends, it is considered that these are also broadly reasonable as trend-based projections for population growth.

Components of Population Change

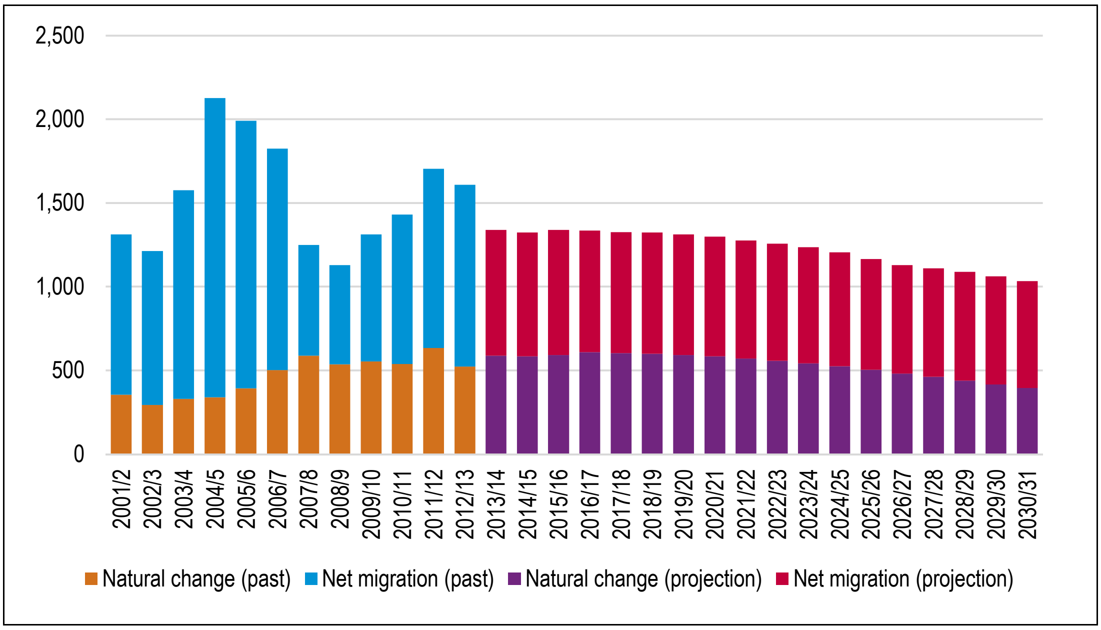
3.26 The figures below bring together data about migration (both past trends and the future projection) along with information about natural change. For all three areas the data shows that after growing slightly at the start of the projection period, natural change is expected to decrease over time. Expected levels of net migration are also expected to generally drop slightly over time.

3.27 Taken together, the natural change and migration data helps to explain why population growth rates are typically expected to slightly decrease as we move thorough the projection period to 2031.

Ashford

3.28 In Ashford, for the whole of the projection period (2013-31) the average level of migration is expected to be around 695 people (net) per annum – this figure is lower than the levels seen in either short-term past trends (880 per annum, 2008-13) or the longer-term (1,074 per annum on average from 2001 to 2013).

Figure 11: Components of Population Change, mid-2001 to mid-2031 – Ashford

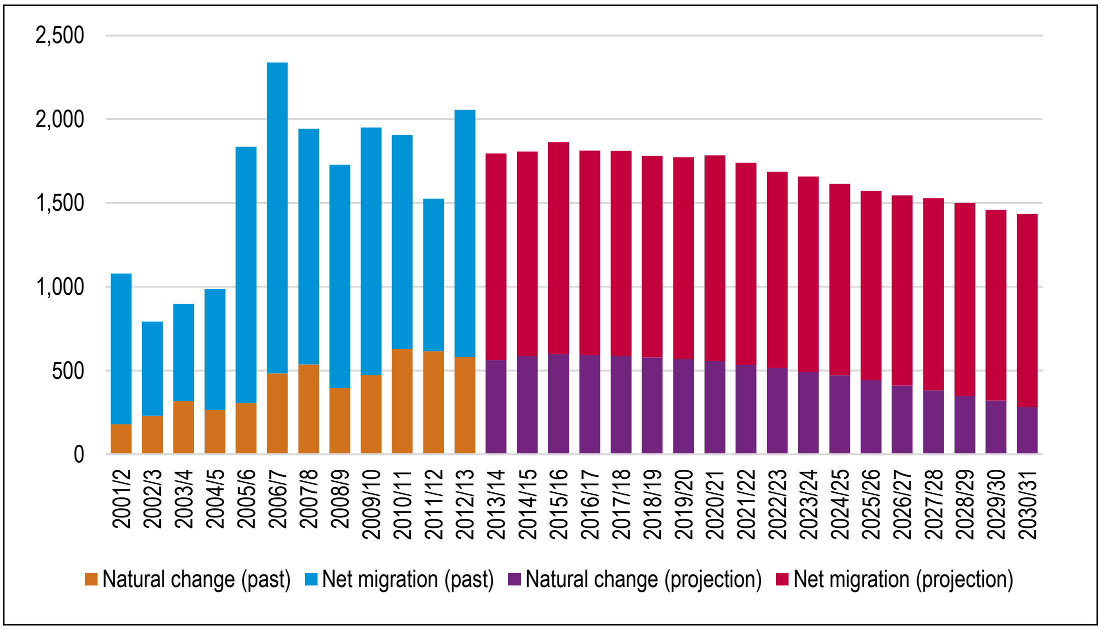


Source: ONS

Maidstone

3.29 In Maidstone, for the whole of the projection period (2013-31) the average level of migration is expected to be around 1,185 people (net) per annum – this figure is lower than the levels seen in short-term past trends (1,294 per annum, 2008-13) but very slightly above longer-term trends (1,169 per annum on average from 2001 to 2013).

Figure 12: Components of Population Change, mid-2001 to mid-2031 – Maidstone

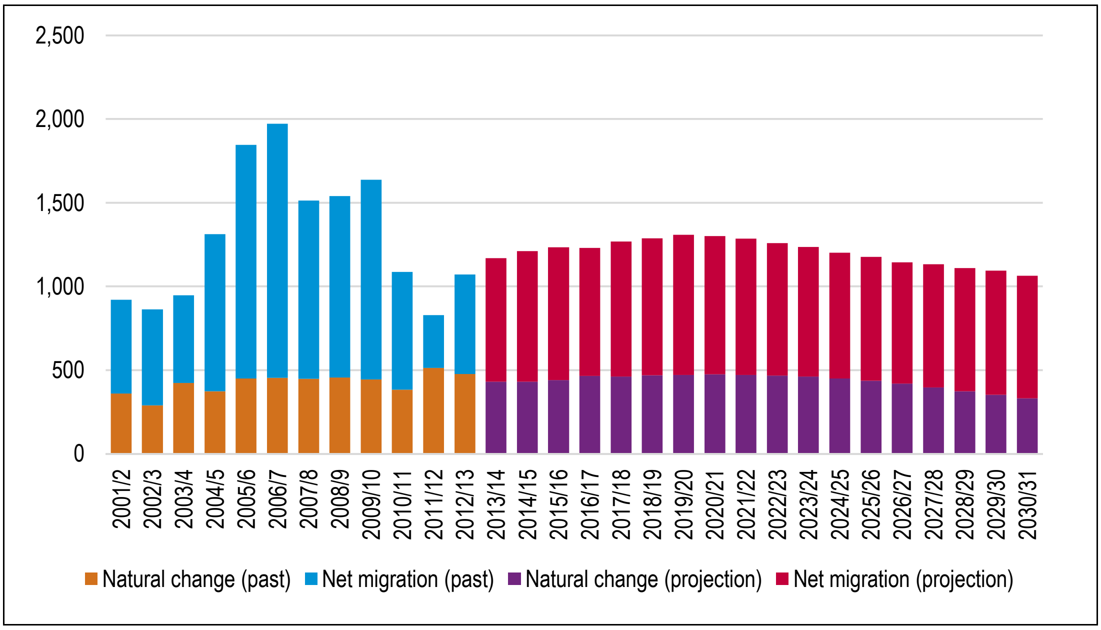


Source: ONS

Tonbridge & Malling

3.30 In Tonbridge & Malling, for the whole of the projection period (2013-31) the average level of migration is expected to be around 772 people (net) per annum – this figure is roughly the same as levels seen in short-term past trends (777 per annum, 2008-13) and slightly below longer-term trends (872 per annum on average from 2001 to 2013).

Figure 13: Components of Population Change, mid-2001 to mid-2031 – Tonbridge & Malling



Source: ONS

Age Structure Changes

3.31 With growth in the population will also come age structure changes. The tables below summarise the findings for key (15-year) age groups under the 2012-based SNPP.

Ashford

3.32 In Ashford, the data shows that the largest growth will be in people aged 60 and over. It is estimated that there will be 44,500 people aged 60 and over in 2031 – this is an increase of 16,700 from 2011, representing growth of 60%. The population aged 75 and over is projected to increase by an even greater proportion, 98%. Looking at the other end of the age spectrum, the data shows that there are projected to be around 15% more people aged under 15 with smaller (but notable) increases in other age groups.

Table 6: Population Change 2011 to 2031 by Fifteen Year Age Bands (2012-based SNPP) – Ashford

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	23,013	26,453	3,440	14.9%
15-29	20,461	22,252	1,791	8.8%
30-44	23,521	25,489	1,968	8.4%
45-59	23,569	25,164	1,595	6.8%
60-74	18,601	26,242	7,641	41.1%
75+	9,240	18,292	9,052	98.0%
Total	**118,405**	**143,892**	**25,487**	**21.5%**

Source: ONS

Maidstone

3.33 In Maidstone, the data again shows that the largest growth will be in people aged 60 and over. It is estimated that there will be 57,200 people aged 60 and over in 2031 – this is an increase of 20,200 from 2011, representing growth of 55%. The population aged 75 and over is projected to increase by an even greater proportion, 95%. Looking at the other end of the age spectrum, the data shows that there are projected to be around 16% more people aged under 15 with smaller (but notable) increases in other age groups.

Table 7: Population Change 2011 to 2031 by Fifteen Year Age Bands (2012-based SNPP) – Maidstone

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	27,863	32,456	4,593	16.5%
15-29	27,652	30,155	2,503	9.1%
30-44	31,672	35,483	3,811	12.0%
45-59	31,584	34,238	2,654	8.4%
60-74	24,638	33,141	8,503	34.5%
75+	12,355	24,102	11,747	95.1%
Total	**155,764**	**189,575**	**33,811**	**21.7%**

Source: ONS

Tonbridge & Malling

3.34 In Tonbridge & Malling, the data shows similar patterns to the other two areas; with the largest growth being for people aged 60 and over. It is estimated that there will be 43,100 people aged 60 and over in 2031 – this is an increase of 14,900 from 2011, representing growth of 53%. The population aged 75 and over is projected to increase by an even greater proportion, 79%. Looking at the other end of the age spectrum, the data shows that there are projected to be around 15% more people aged under 15 with smaller increases in other age groups.

Table 8: Population Change 2011 to 2031 by Fifteen Year Age Bands (2012-based SNPP) – Tonbridge & Malling

Age group	Population 2011	Population 2031	Change in population	% change from 2011
Under 15	23,289	26,883	3,594	15.4%
15-29	19,835	21,323	1,488	7.5%
30-44	24,792	26,337	1,545	6.2%
45-59	25,007	27,084	2,077	8.3%
60-74	18,676	26,072	7,396	39.6%
75+	9,488	17,023	7,535	79.4%
Total	**121,087**	**144,722**	**23,635**	**19.5%**

Source: ONS

Household Growth

3.35 Having studied the population size and the age/sex profile of the population, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of headship rates is used. Headship rates can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

3.36 With the publication of new 2012-based CLG household projections a new set of headship rates is now available. These are based on a time series which tracks trends in household formation by age and sex since the 1971 Census. These rates are considered to be more positive than the previous set (2011-based) and typically suggest higher rates of household growth for a given population. At a national level (in the 2012-21 period considered by CLG in its 2011- and 2012-based Household Projections) the new projections show 10% higher growth in households. For the three local authorities the figures are somewhat lower (at just 3% in Ashford, 1% in Maidstone and 5% for Tonbridge & Malling).

3.37 **Table 9** below shows expected household growth in the 2012-based projections from 2011 to 2031. The figures for the three commissioning authorities do not exactly match the CLG projections as we have included population data for 2013. For all other areas, the data shown is as published. The data suggests an increase in households of 13,775 (29%) in Ashford, 17,069 (27%) in Maidstone and 12,184 (25%) in Tonbridge and Malling – in each case somewhat higher than expected in Kent, the South East and England.

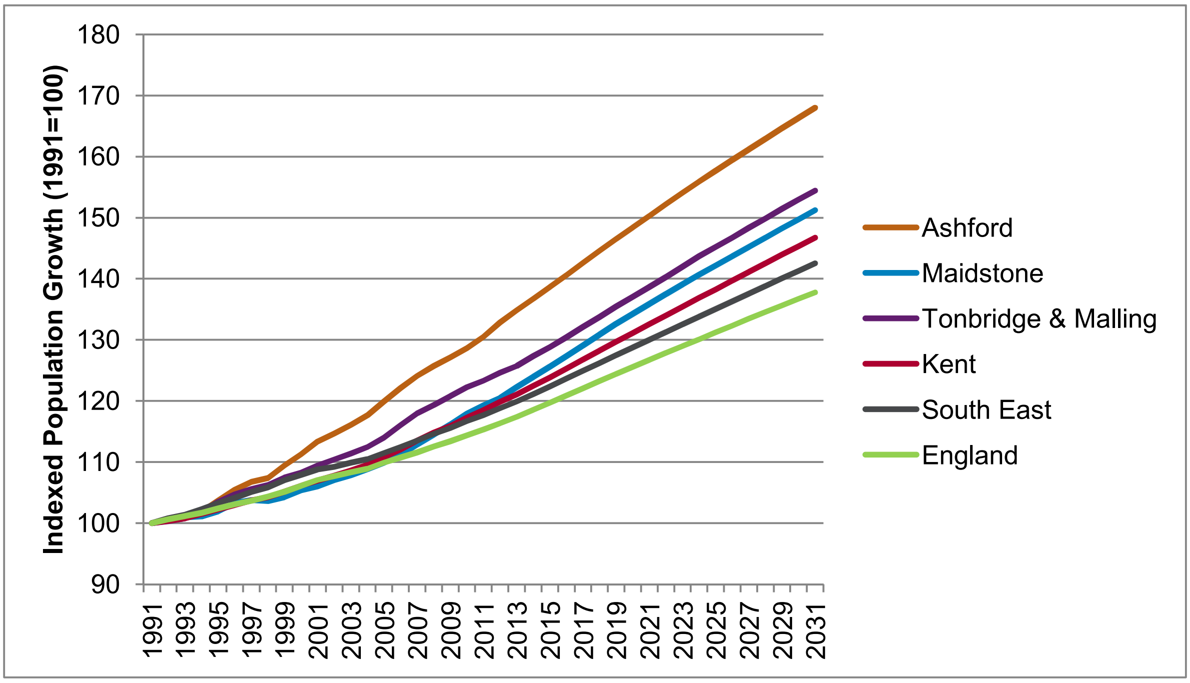
Table 9: Projected Household Growth (2011-2031)

	Households 2011	Households 2031	Change in households	% change from 2011
Ashford	47,998	61,773	13,775	28.7%
Maidstone	63,709	80,778	17,069	26.8%
Tonbridge & Malling	48,278	60,463	12,184	25.2%
Kent	606,945	751,475	144,530	23.8%
South East	3,563,049	4,315,599	752,550	21.1%
London	22,103,878	26,406,679	4,302,801	19.5%

Source: CLG

3.38 **Figure 14** below shows household growth back to 1991 and projected forward to 2031. The analysis shows that growth in each of the three commissioning authorities has consistently been higher than in other locations, with a particular acceleration in the growth rate from about 2003.

Figure 14: Indexed Household Growth (1991-2031)



Source: CLG

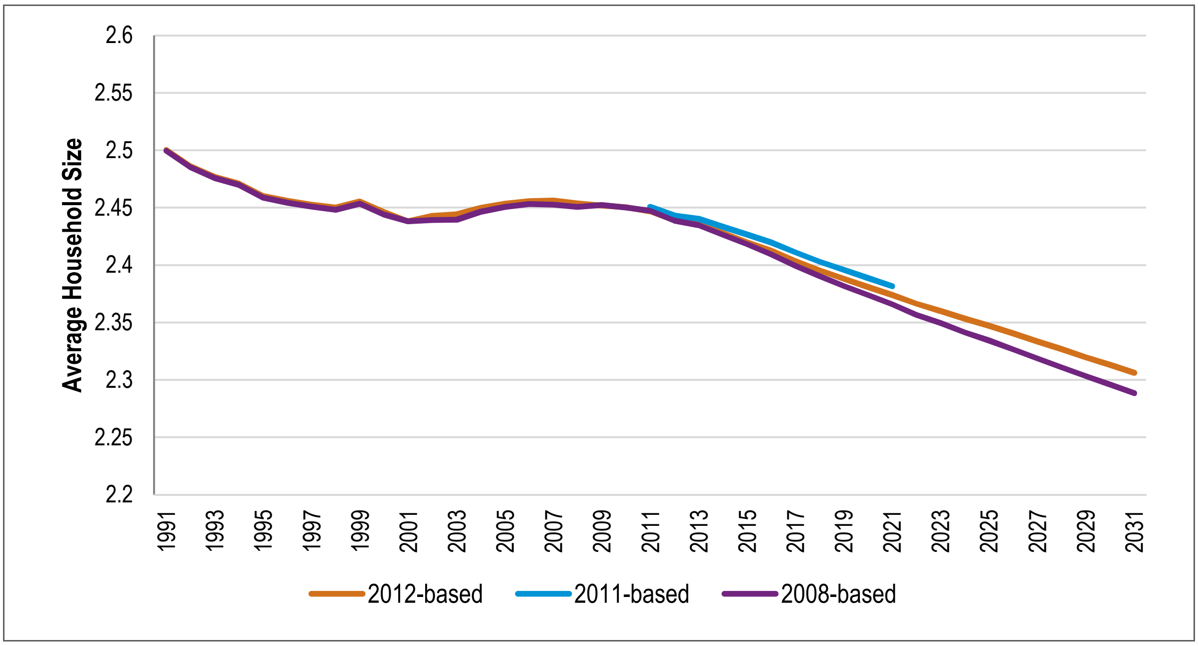
3.39 In the past the number of households has grown most strongly in Ashford (with weakest growth being in Maidstone). Moving forward, all areas are expected to see notable levels of household growth, although Ashford continues to show higher growth than other locations.

3.40 To provide an initial assessment of the 2012-based household projections we can sought to compare trends in average household size. It should be noted that this analysis is indicative, and the demographic projections themselves are based on applying age-specific household formation rates to the population projections.

3.41 The figures below show this based on each of 2012-, 2011- and 2008-based CLG household projection data for each of the three local authorities. The data is very interesting in comparison with other areas where we have carried out a similar analysis. Essentially the data is suggesting a notable decline in average household sizes in the future (compared to a fairly flat trend over the 2001-11 decade). The projected trend is similar to previous household projections with similar patterns being observed in each area.

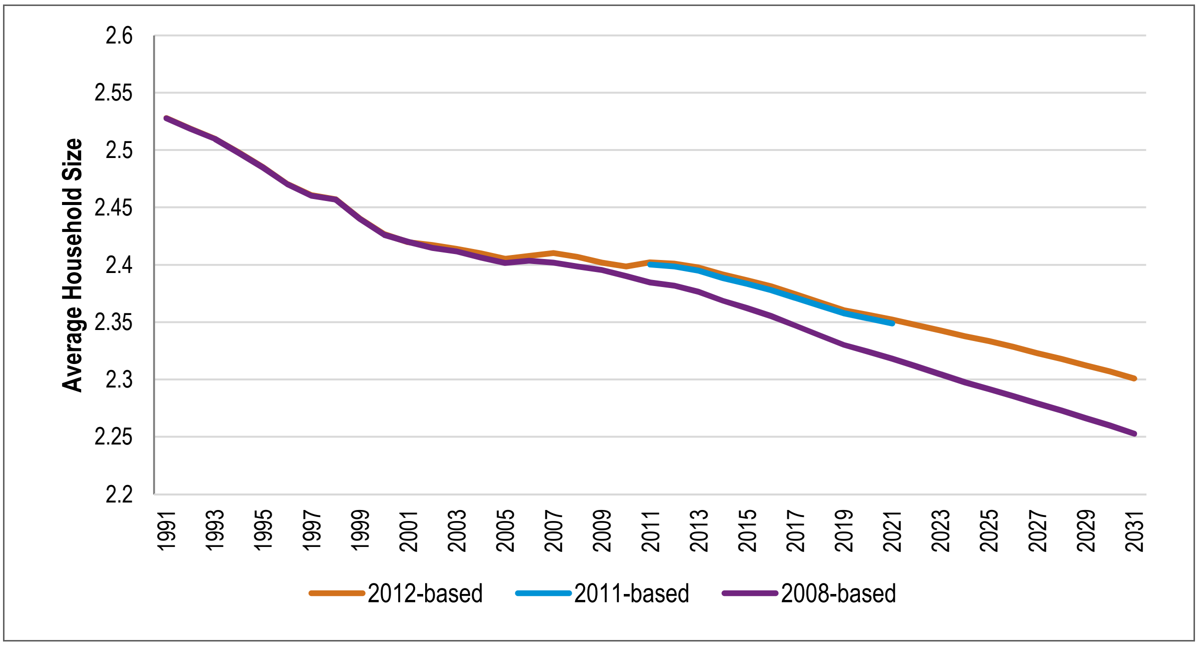
3.42 In comparison with many areas there is not a particularly significant difference between the 2012-based projections and the 2008-based figures (and very little difference in the 2001-11 period). Ashford in particular shows a strong similarity in each of the three different projection releases.

Figure 15: Past and Projected Trends in Average Household Size – Ashford



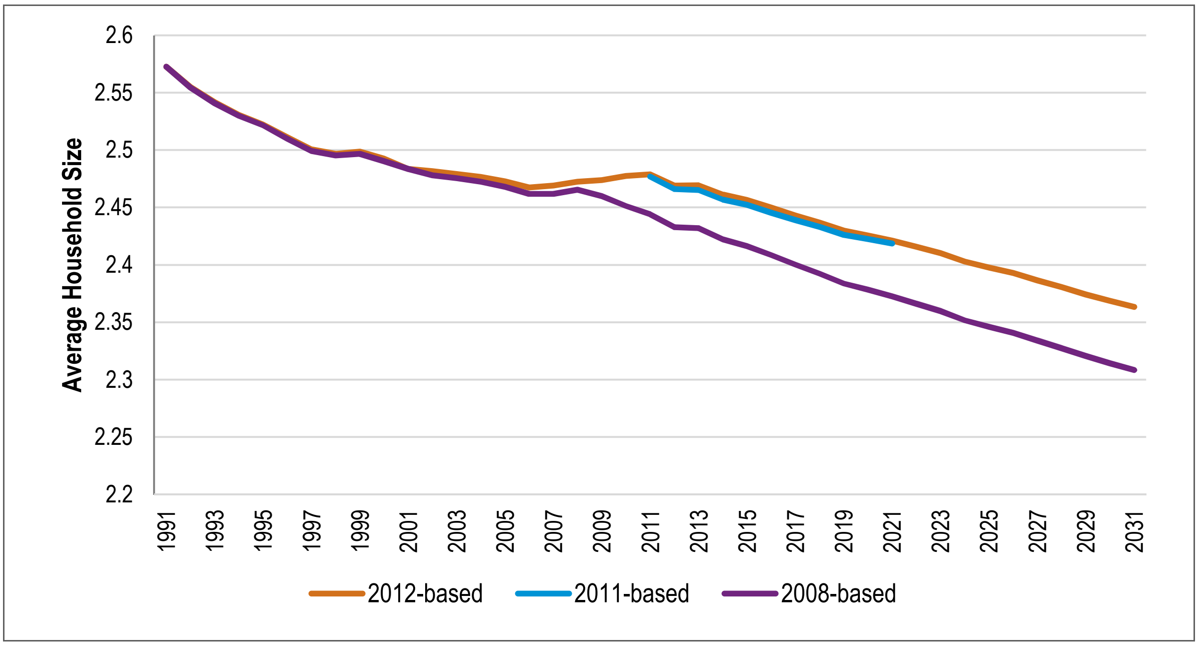
Source: Derived from ONS and CLG data

Figure 16: Past and Projected Trends in Average Household Size – Maidstone



Source: Derived from ONS and CLG data

Figure 17: Past and Projected Trends in Average Household Size – Tonbridge & Malling



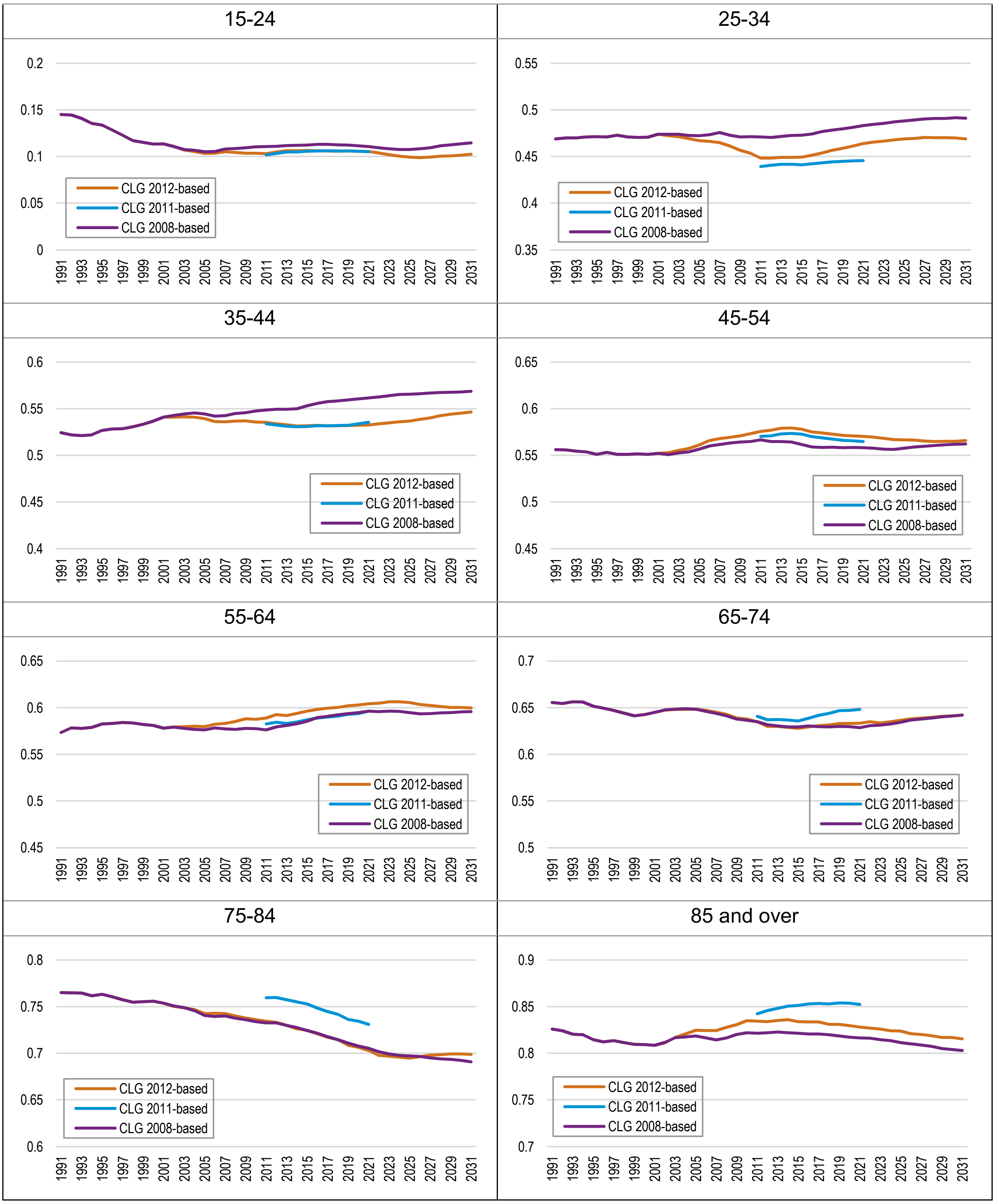
Source: Derived from ONS and CLG data

3.43 It is particularly important to understand how the different CLG Projections impact on assumptions for different age groups. The figures below show the headship rates used in each of the projections. Overall the 2012-based projections look fairly sound with levels and rates of change being not dissimilar to those in the earlier (pre-recession) 2008-based projections.

3.44 The one age group of concern is people aged 25-34 where the latest projections show some movement away from the figures in the 2008-based projections. Particularly in the 2001-11 period, the 2012-based projections do appear to be indicating some degree of supressed household formation. This is supported by analysis later in this report which identifies that housing affordability deteriorated, and couple with the impact of the credit crunch and market downturn, it is reasonable to expect that household formation will have been impacted. Whilst some moderate improvement is expected in household formation for this age group post-2012 (in Ashford and Tonbridge & Malling) in the new household projections, it still leaves the rate below longer-term historical data (e.g. in 2001, before the rate started to decline). It should however be stressed that the gap between the 2012- and 2008-based projections for this age group is quite modest compared with many other areas where a similar analysis has been undertaken.

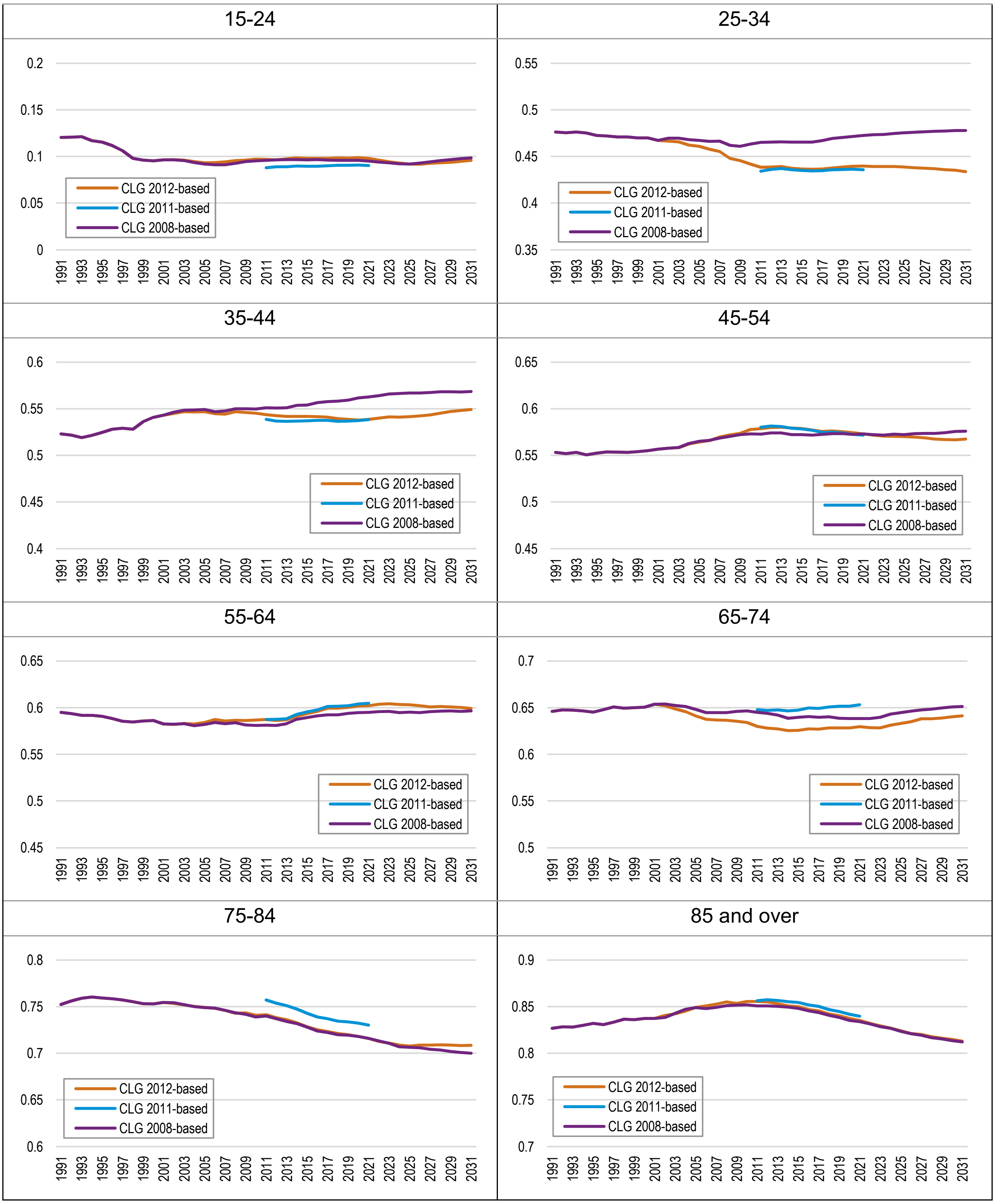
3.45 The issue of supressed household formation in the 25-34 age group is considered in more detail later in this report.

Figure 18: Projected Household Formation Rates by Age of Head of Household – Ashford



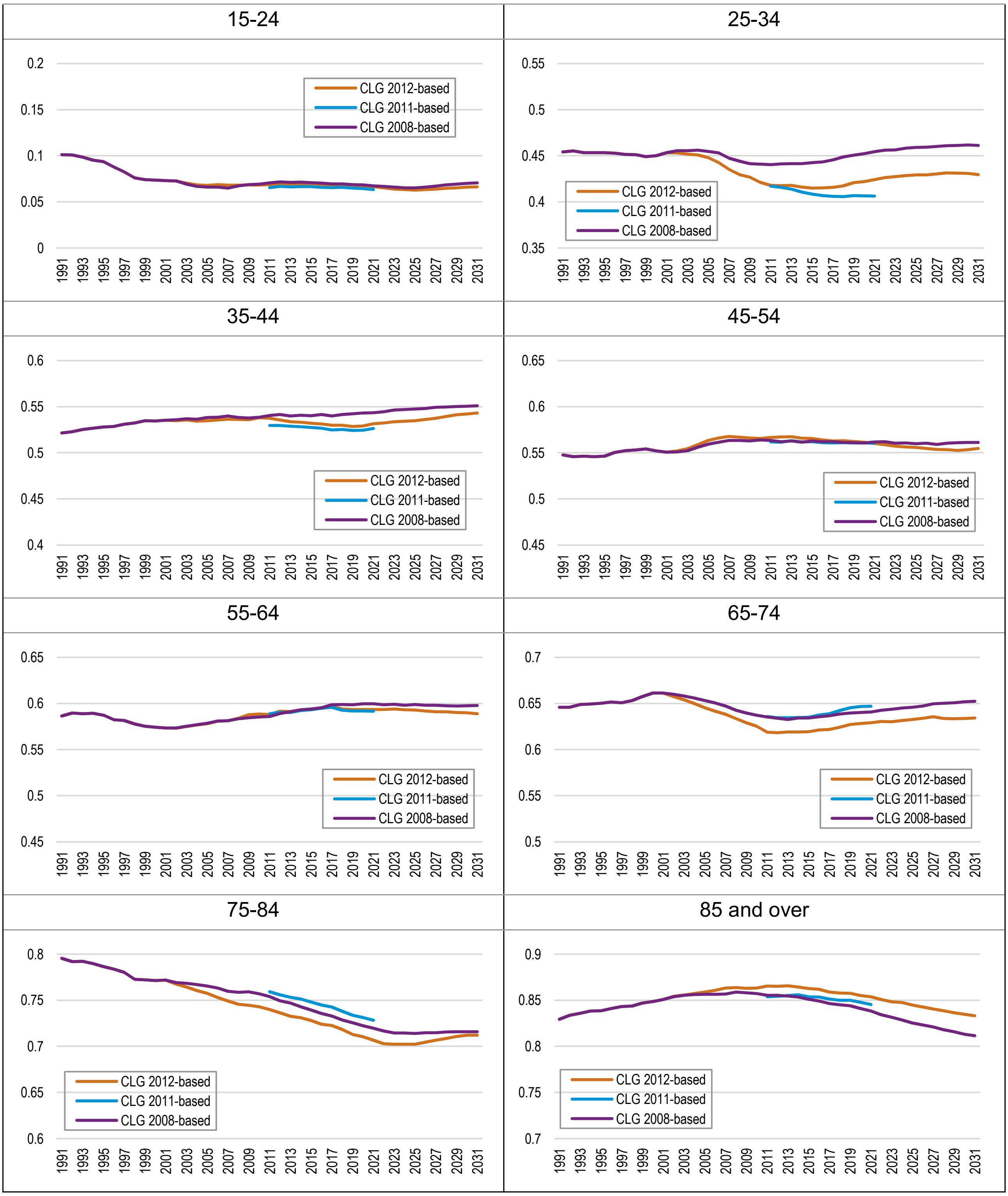
Source: Derived from CLG data

Figure 19: Projected Household Formation Rates by Age of Head of Household – Maidstone



Source: Derived from CLG data

Figure 20: Projected Household Formation Rates by Age of Head of Household – Tonbridge & Malling



Source: Derived from CLG data

3.46 The issue of supressed household formation in the 25-34 age group is considered in more detail later in this report.

3.47 An allowance must be made for vacant and second homes in related growth in households to housing need. Analysis of 2011 Census data about unoccupied household spaces provides the following vacancy rate figures which have been used in analysis:

- Ashford – 4.2%
- Maidstone – 3.5%
- Tonbridge & Malling – 3.8%

3.48 The percentage figures are calculated as the number of vacant homes divided by the number of occupied properties – this give the vacancy allowance to use as an uplift to household estimates. It is assumed that such a level of vacant homes will allow for movement within the housing stock and includes an allowance for second homes.

3.49 The analysis shows an overall housing need for 718 homes per annum in Ashford, 883 homes per annum in Maidstone and 632 homes per annum in Tonbridge & Malling. Following the approach in the PPG, this can be considered the "starting point" for considering overall housing need. It takes account of the latest official population and household projections.

Table 10: Projected Household Growth 2011-31 – 2012-based SNPP and 2012-based Headship Rates

	Ashford	Maidstone	Tonbridge & Malling
Households 2011	47,998	63,709	48,278
Households 2031	61,773	80,778	60,463
Change in households	13,775	17,069	12,184
Per annum	689	853	609
Dwellings (per annum)	**718**	**883**	**632**

Sensitivity Analysis

3.50 In demographic projections are sensitive in particular to assumptions on migration and household formation. We have undertaken a brief sensitivity analysis to explore the impacts of new 2012-based household formation rates, and migration interactions with London.

Implications of the new Household Formation Rates

3.51 If the headship rates from the previous 2011-based Household Projections are used (suitably indexed beyond 2021 and linked to the 2012-based SNPP) then the level of housing need would be 708 dwellings per annum in Ashford (10 lower than using the 2012-based CLG headship rates), 877 in Maidstone (25 fewer) and 612 in Tonbridge & Malling (a difference of 20). Hence the latest CLG projections are suggesting an uplift of between 1% (Maidstone) and 3% (Maidstone and Tonbridge & Malling) over the 2011-31 period.

3.52 If the same modelling were undertaken using the 2008-based rates, then a slightly higher housing need is derived (of 744 dwellings per annum in Ashford, 949 in Maidstone and 671 in Tonbridge & Malling) – this is between 4% (Ashford) and 6% (Tonbridge & Malling) above the level suggested by the 2012-based figures (suitably amended for Maidstone).

3.53 The range of outputs from applying headship rate assumptions from different CLG Household Projections is relatively small – a 5% (Ashford) to 10% (Tonbridge & Malling) difference between 2011- and 2008-based rates. Typically we see a difference in excess of 20%. This points to more limited suppression of trends in household formation in this area than has been seen in other parts of the region/ country.

3.54 **Table 11** below compares the identified housing need using the headship rates in the 2012-based Household Projections with that derived from using the midpoint between those in 2008- and 2011-based Household Projections (as modelled in the SHMA Studies and Addendum). The difference varies from the 2012-based Household Projections showing a need which is 1% higher in Tonbridge and Malling, to 2% lower in Ashford and 5% lower in Maidstone.

Table 11: Comparison of Impacts of Assumptions on Household Formation

2012-based SNPP	Midpoint 2008 & 2011-based Household Projections	2012-based Headship Rates	Change
Ashford	734	718	-2%
Maidstone	932	883	-5%
Tonbridge & Malling	626	632	1%

3.55 The analysis therefore shows a reasonable degree of consistency between the outputs using data from the new 2012-based CLG household projections and analysis in previous reports. This would support the use of a midpoint (between 2011- and 2008-based rates) as having been broadly reasonable. We would however consider that the rates in the 2012-based projections provide a more robust starting point for considering housing need – this is mainly because they are more up-to-date and have been able to draw on detailed information in the 2011 Census (data which was not available for either of the previous projection releases by CLG).

Sensitivity Analysis – Examining the Interaction with London

3.56 There is an important interaction within London in the demographic projections, recognising a significant level of migration between each of the three authorities to/ from London.

3.57 The Greater London Authority (GLA) identified as part of their 2013-based Projections feeding into the Further Alterations to the London Plan (FALP) that there had been a marked change in internal migration dynamics to and from London since the beginning of the recession (2007/8). Overall, the GLA identified that out-migration from London to other parts of the UK had dropped by about 10% along with a 6% increase in in-migration. This was considered to relate to the impact of the recession/ housing market downturn.

3.58 As a result of this, the GLA developed a series of population and household projections with different assumptions about migration. The Central scenario (which underpins the FALP) made the assumption that after 2017, migration levels would revert back to pre-recession levels. The GLA in effect took a midpoint between pre- and post-recession migration statistics and assumed a 5% uplift in out-migration and a 3% decrease in in-migration[2] to present how they saw migration dynamics potentially changing as the economy moved beyond recession.

3.59 Appendix A presents a sensitivity analysis which considers how changing migration to and from London could influence housing need in Ashford, Maidstone and Tonbridge and Malling. This takes account of the approach adopted by GLA in the Further Alterations to the London Plan (FALP).

3.60 There is a degree of uncertainty regarding future migration dynamics to/from London, and indeed it could be that changes in housing market circumstances have implications on out-migration from each of the authorities to other parts of the County (with thus an increase in both in- and out-migration). The sensitivity analysis explores this.

3.61 Each authority will need to consider, through the plan-making process, whether it is appropriate to make provision for increased net migration from London. We would advise the Councils to liaise with the Greater London Authority in this respect.

[2] See GLA Intelligence (Feb 2014) *GLA 2013 round of trend-based population projections – Methodology, http://data.london.gov.uk/dataset/2013-round-population-projections*

4 HOUSING NEED & EMPLOYMENT GROWTH

4.1 Planning Practice Guidance (PPG) sets out that trend-based demographic projections, as considered in Section 2, should provide the starting point for assessing housing need. However the approach set out in the PPG requires plan makers to consider how the economy might perform, and if higher housing provision might be needed to support growth in jobs. It outlines that:

> *'Plan makers should make an assessment of the likely growth 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'. And that: 'Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.'*

4.2 A number of economic-led projections were run in the SHMA Reports. These were based on evidence-based studies undertaken by each authority to inform their Local Plans. In this report, we have reconsidered the level of housing provision which might be needed to support the expected growth in jobs (based on the updated demographic model, taking into account the latest data). This report does not seek to comment on economic growth potential or introduce any new economic evidence or forecasts.

Expected Growth in the Employed Population

4.3 In the 2014 Addendum report we considered changes in the employed population which might arise from population growth in line with the 2012-based SNPP (updated to take account of ONS 2013 Mid-Year Population Estimates).

4.4 By applying assumptions about employment rate changes to the population change data it is possible to calculate the potential number of "residents in employment." The assumptions used for improvements in employment rates are consistent with those used in the SHMA Reports and set out therein.

4.5 **Table 12** below shows that the number of people in employment is expected to increase by about 12,700 in Ashford, 17,300 in Maidstone and 12,500 in Tonbridge & Malling over the 2011-31 period.

Table 12: Employed Population (2011-31)

Year	Ashford	Maidstone	Tonbridge & Malling
2011	57,956	78,090	60,326
2012	58,623	78,439	60,515
2013	59,311	79,333	61,002
2014	59,948	80,209	61,694
2015	60,661	81,151	62,362
2016	61,357	82,153	63,156
2017	62,057	83,152	63,823
2018	62,717	84,039	64,513
2019	63,355	84,934	65,271
2020	63,960	85,843	66,003
2021	64,578	86,698	66,699
2022	65,087	87,458	67,270
2023	65,689	88,289	67,874
2024	66,340	89,191	68,541
2025	67,004	90,077	69,175
2026	67,639	90,998	69,829
2027	68,237	91,964	70,392
2028	68,869	92,892	70,997
2029	69,479	93,772	71,610
2030	70,058	94,564	72,168
2031	70,652	95,386	72,785
Change 2011-31	12,696	17,296	12,459
Change			

Source: Derived from ONS data

4.6 **Table 13** below shows projected changes to the number of people in employment in the 2011-31 period from both the core demographic projection in the SHMA Reports (on which the conclusions are based) and as developed in the Addendum Report linked to the 2012-based SNPP.

Table 13: Change in Working Population (2011-31) in SHMA and based on 2012-based SNPP

Area	Growth in working population (SHMA)	Growth in working population (2012-based)	Difference
Ashford	12,360	12,696	+336
Maidstone	20,016	17,296	-2,720
Tonbridge & Malling	11,272	12,459	+1,187

4.7 We can compare this against the various economic forecasts considered in the SHMA Reports, based each Council's evidence base regarding economic growth potential:

- In Maidstone job growth of 14,400 is forecast between 2011-31. This falls below the expected growth in the workforce in the District, based on the SNPP.
- In Tonbridge and Malling job growth of between 7,700 – 9,100 is forecast over the 2011-31 period. Again falls below the expected growth in the workforce in the District.
- In Ashford the economic scenarios developed over the last few years include baseline forecasts for between 6,900 – 12,600 jobs. The Enhanced Performance/Productivity Scenarios set out in the Strategic Employment Options Report for 15,200 – 16,600 jobs might however require higher levels of housing provision. The SNPP would support workforce growth of around 12,700.

4.8 There are commuting interactions with surrounding areas and within London which influence the relationship between homes and jobs.

4.9 **Table 14** shows summary data about commuting to and from each authority, based on the 2011 Census. The data shows that there is a small net level of out-commuting from Ashford and Maidstone with commuting in Tonbridge & Malling being broadly in balance.

Table 14: Commuting patterns in Ashford, Maidstone and Tonbridge and Malling (2011)

	Ashford	Maidstone	Tonbridge & Malling
Live and work in LA	27,231	30,693	17,501
Home workers	7,381	9,267	6,917
No fixed workplace	5,365	7,312	5,284
Out-commute	17,981	31,239	30,624
In-commute	15,051	29,999	30,778
Total working in LA	55,028	77,271	60,480
Total living in LA (and working)	57,958	78,511	60,326
Commuting ratio	1.05	1.02	1.00

Source: 2011 Census

4.10 However alongside commuting patterns, we can also consider that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in each Borough divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests that around 3.4% of workers have a second job (data averaged from data for the 2004-14 period to recognise relatively high error margins associated with data for individual years). This gives a double jobbing ratio of 0.966 (i.e. the number of jobs can be discounted by 3.4% to estimate the required change in the workforce).

4.11 Again data has been used on an individual local authority basis with the double jobbing percentages for each area being:

- Ashford – 4.1%
- Maidstone – 2.8%
- Tonbridge & Malling – 3.3%

4.12 To work out the change in the resident workforce required to match the forecast number of jobs we can multiply the commuting ratio by the amount of double jobbing and in turn multiply this by the number of jobs – this is shown in the table below.

Table 15: Growth in Residents in Employment, 2011-31 – Evidence-base Economic Scenarios

	Employment Growth - Baseline	Jobs to People Ratio	Commuting Ratio	Growth in Residents in Employment
Ashford	6,900	0.96	1.05	6,948
	12,600	0.96	1.05	12,688
	16,600	0.96	1.05	16,715
Maidstone	14,400	0.97	1.02	14,277
Tonbridge & Malling	7,700	0.97	1.00	7,446
	9,100	0.96	1.00	8,727

4.13 The growth in workforce in the SNPP aligns with the middle scenario for employment growth in Ashford (and the higher end of the ‘baseline’ scenarios). Only policy-based adjustments to economic growth potential would require stronger workforce growth.

4.14 For Maidstone and Tonbridge & Malling, the level of workforce growth envisaged in the 2012-based SNPP is sufficient to support forecast employment growth. There is thus no need to adjusting upwards assessed housing need to support these economic scenarios.

5 HOUSING MARKET DYNAMICS AND MARKET SIGNALS

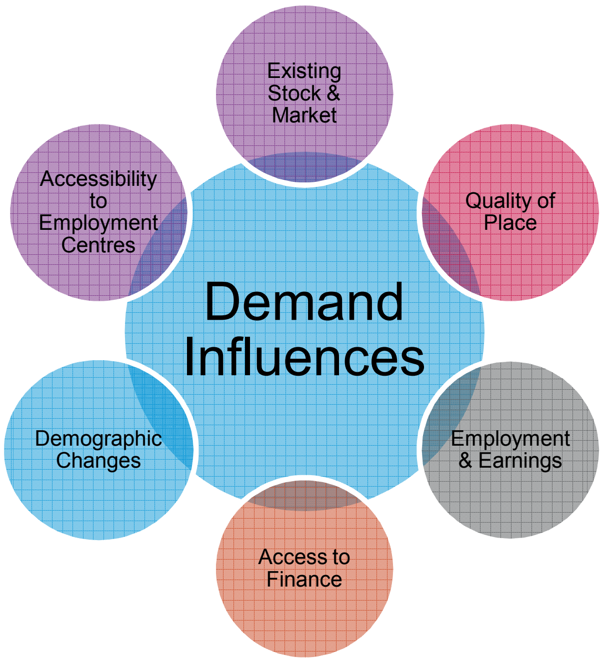
5.1 In line with the Planning Practice Guidance, we have sought to analyse in detail the housing market dynamics. This section, initially reviews housing market dynamics including national and macro-economic drivers. Analysis is provided for Ashford, Maidstone, and Tonbridge and Malling, along with county, regional, and national data where appropriate.

Overview of the Housing Market and Economy

Conceptual Framework

5.2 It is important to understand that the housing market is influenced by macro-economic factors, as well as the housing market conditions at a regional and local level. There are a number of key influences on housing demand, which are set out in the diagram below:

Figure 21: Understanding Housing Demand Drivers



5.3 At the macro-level, the market is particularly influenced by interest rates and mortgage availability, as well as market sentiment (which is influenced by economic performance and prospects at the macro-level). In the recent recessionary period, these macro conditions have been particularly prominent in driving the housing market.

5.4 The market is also influenced by the economy at both regional and local levels, recognising that economic employment trends will influence migration patterns (as people move to and from areas to access jobs) and that the nature of employment growth and labour demand will influence changes in earnings and wealth (which influences affordability).

5.5 Housing demand over the longer-term is particularly influenced by population and economic trends: changes in the size and structure of the population directly influence housing need and demand, and the nature of demand for different housing products.

5.6 There are then a number of factors which play out at a more local level, within a functional housing market and influence demand in different locations. The importance of these local factors is perhaps more pronounced in stable or healthy economic times, when mortgage availability and market liquidity are far less of a constraint on activity. Local factors include:

- quality of place and neighbourhood character;
- school performance and the catchments of good schools;
- the accessibility of areas including to employment centres (with transport links being an important component of this); and
- the existing housing market and local market conditions.

5.7 These factors influence the demand profile and pricing within the market. At a local level, this often means that the housing market (in terms of the profile of buyers) tends to be influenced and consequently reinforce to some degree the existing stock profile. However, regenerative investment or delivery of new transport infrastructure can influence the profile of housing demand in a location, by affecting its attractiveness to different households.

5.8 Local housing markets or sub-markets are also influenced by dynamics in surrounding areas, in regard to the relative balance between supply and demand in different markets; and the relative pricing of housing within them. Understanding relative pricing and price trends is thus important.

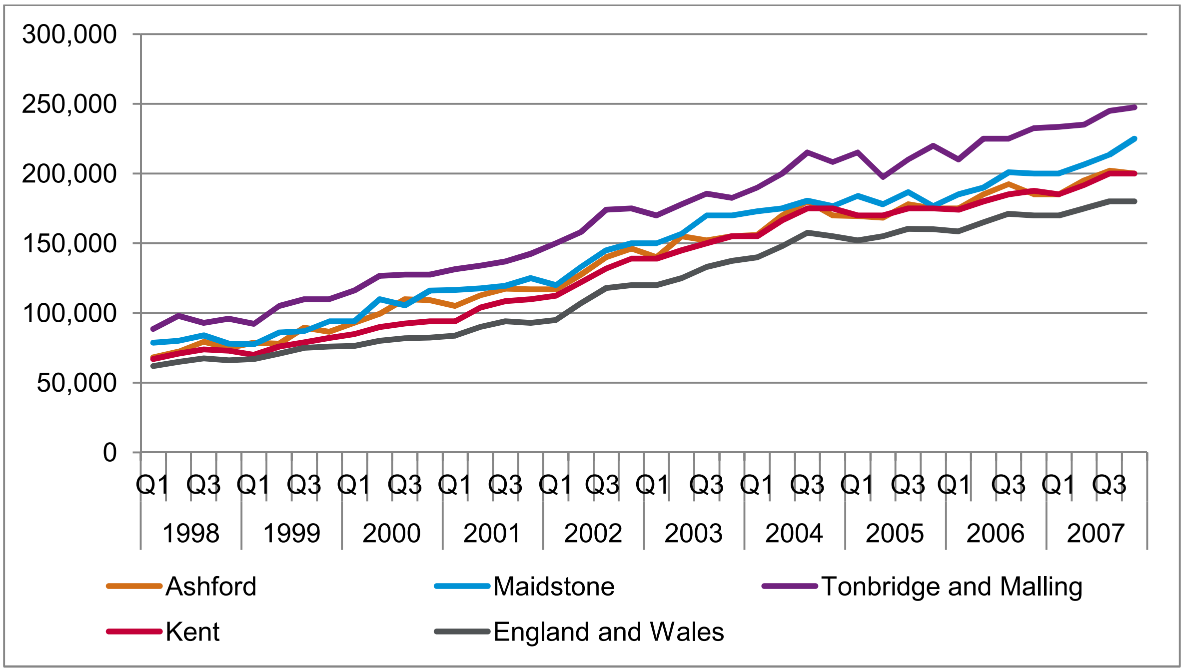
Local Demand Indicators and Market Signals

House Prices

5.9 The median house price in Ashford (based on sales throughout 2014) is £217,000. The median house price in Maidstone is £226,500. The median figure in Tonbridge and Malling is considerably higher at £275,000. The Ashford median value is slightly below the median price across Kent of £218,000. The median house price across England and Wales is £192,000.

5.10 **Figure 22** profiles median house prices from 1998 to 2007 (i.e. the pre-recession decade). It shows steady and sustained growth in house prices in all three districts, as well as across Kent and nationally. The median house price in Ashford increased by £131,750 (193%) over this period. Maidstone saw an increase of £146,250 (186%) over this period. Tonbridge and Malling saw an increase of £159,000 (180%). By comparison Kent saw a £133,000 (199%) increase, and England and Wales saw a £118,000 (190%) increase over this period. The growth rates across the three authorities are been relatively similar with prices in Tonbridge and Malling remaining consistently above the other areas.

Figure 22: Median House Price (1998-2007)

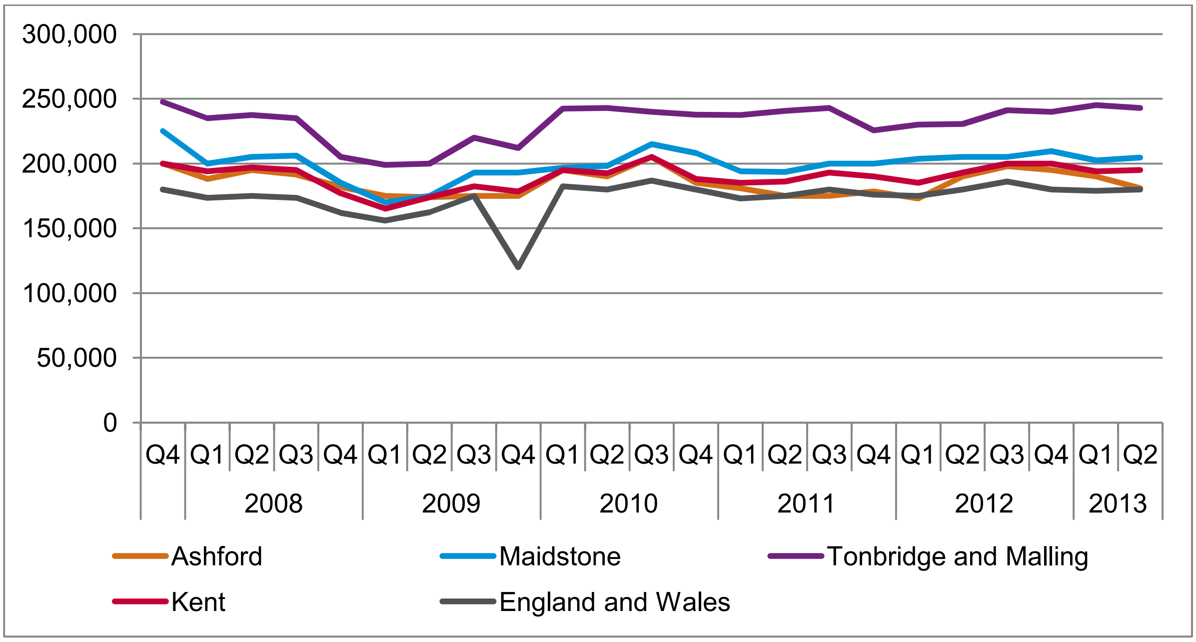


Source: DCLG Live Tables

5.11 Since 2007, trends in house prices have understandably been very different due to the economic backdrop, with all areas experiencing notable price falls in late 2008 / early 2009 at the onset of the recession, as was the case regionally and nationally. House prices rose again throughout the second half of 2009 before levelling out and remaining roughly level since. As of Q2 2013 (when the DCLG data ends) house prices in Ashford remain 10% below the pre-recession high. In Maidstone this figure is 9% below, and in Tonbridge and Malling median prices are 2% below. Across England and Wales Q2 2013 prices are level with the pre-recession prices.

5.12 What **Figure 23** shows is that house prices have been relatively static over the last five years. Taking account of inflation, the value of housing in real terms has declined.

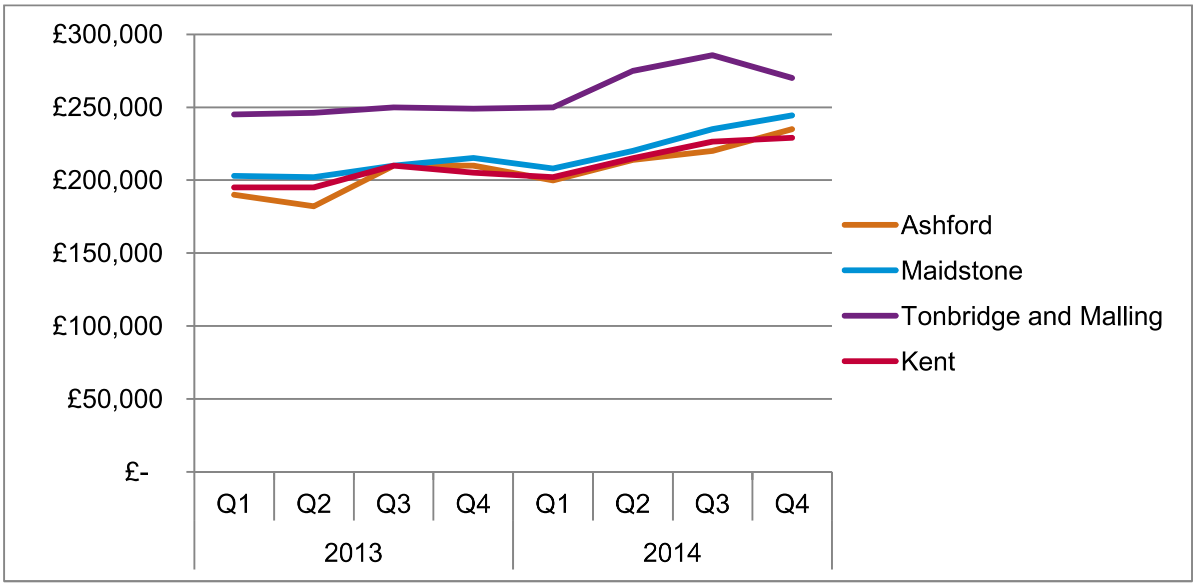
Figure 23: Median House Price (2008-2013)



Source: DCLG Live Tables

5.13 Although taken from a different source, **Figure 24** below shows house prices over the years 2013 and 2014. This shows a marked increase compared to the previous five year period. Ashford saw a 24% increase in median house prices over this period, Maidstone saw a 20% increase, while Tonbridge and Malling saw a 10% increase.

Figure 24: Median House Price (2013-2014)



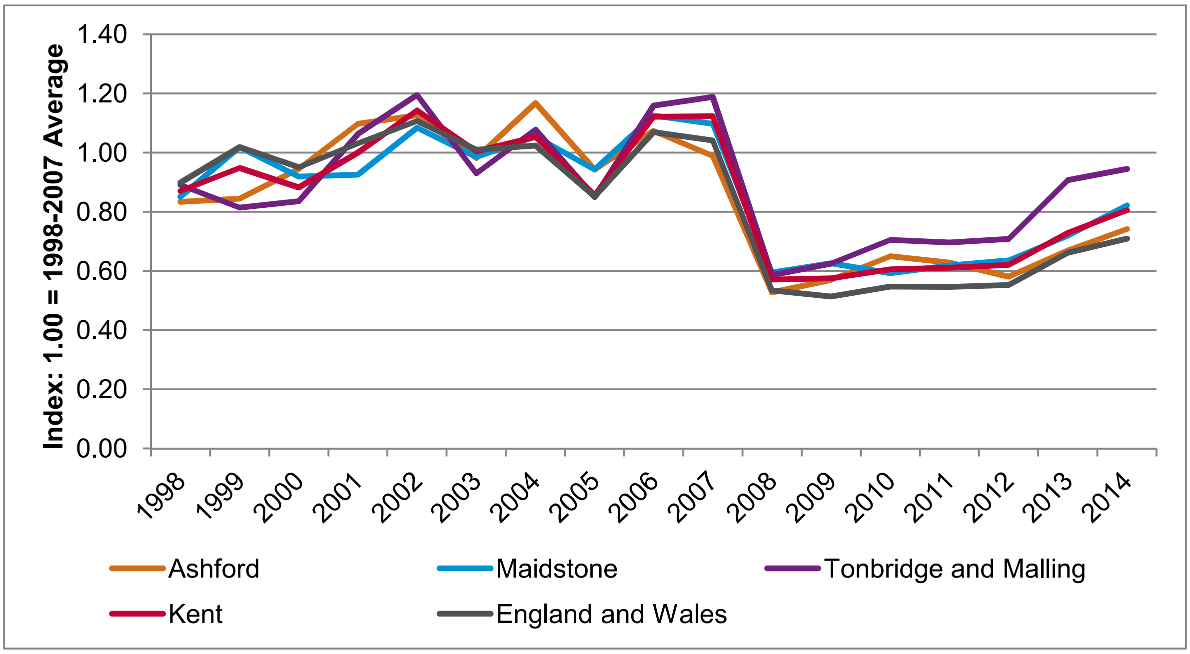
Source: GLH Analysis: Land Registry Price Paid Data

Sales Volumes and Effective Demand

5.14 Sales volumes are an important indicator of effective demand for market housing. We have benchmarked sales performance against long-term trends to assess relative demand. **Figure 31** benchmarks annual sales over the period 1998 to 2014. It uses an index where 1.00 is the average annual sales over the 1998-2007 pre-recession decade.

5.15 As illustrated in **Figure 25**, the impact of the 2008 recession on sales volumes was experienced across all geographical areas with sales volumes experiencing a significant drop between 2007 and 2008. Following the recessionary slump, sales volumes have remaining well below pre-recession levels. Although taken from a different data set, sales volumes in 2013 and 2014 appear to have strengthened, although they remain well notably below pre-recession levels.

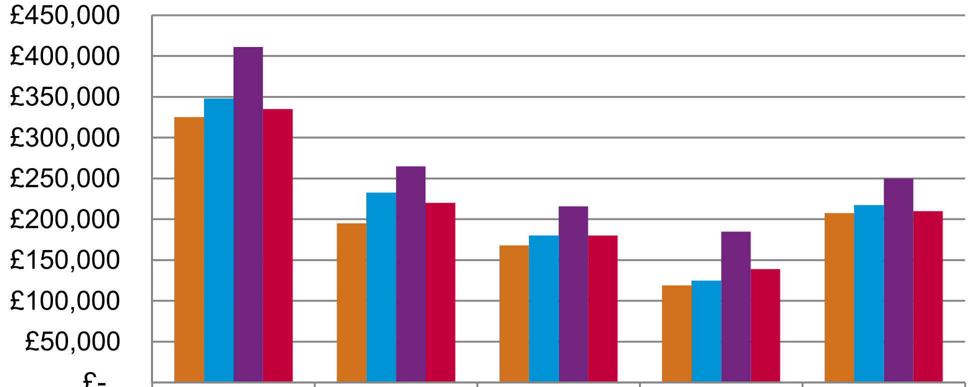
Figure 25: Indexed Analysis of Sales Trends (1998 – 2014)



Source: DCLG and Land Registry Price Paid Data

5.16 We have also analysed house prices achieved over past two years (January 2013 to December 2014 incl.) in more detail to gain an understanding of the latest dynamics for different property types.

Figure 26: Median House Prices (Jan 2013 - Nov 2014)



	Detached	Semi-Detached	Terrace	Flats	Overall
Ashford	£325,000	£195,000	£168,000	£119,000	£207,750
Maidstone	£348,000	£232,500	£180,000	£125,000	£217,500
Tonbridge and Malling	£411,000	£265,000	£216,000	£185,000	£250,000
Kent	£335,000	£220,000	£180,000	£139,000	£210,000

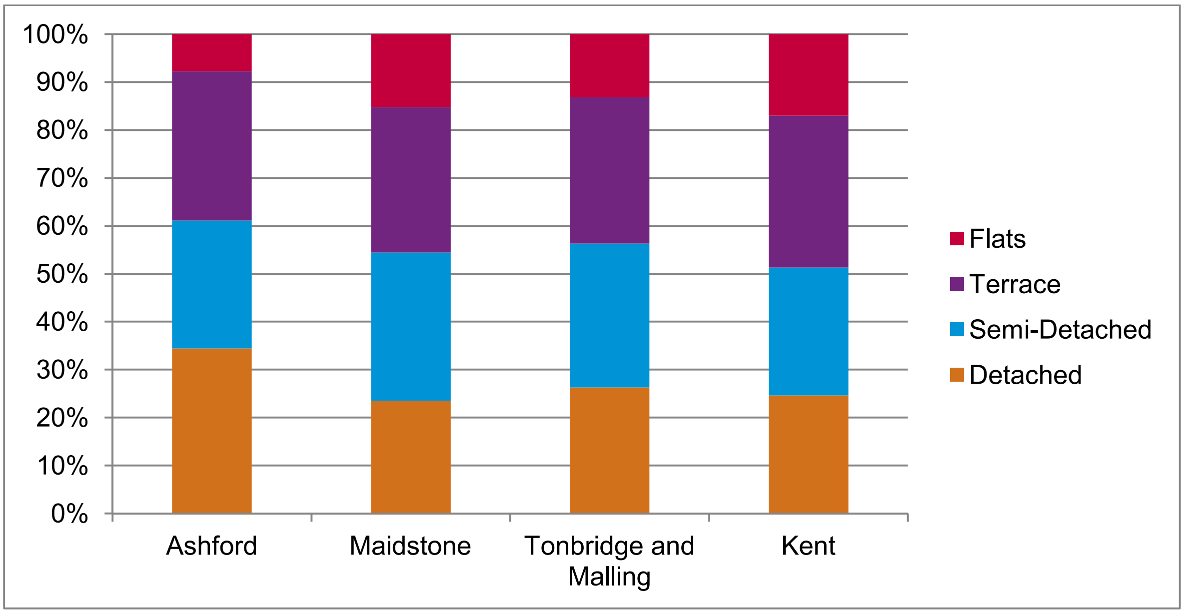
Source: GLH Analysis: Land Registry Price Paid Data

5.17 **Figure 26** above shows median house prices by different dwelling type. For all dwelling types the median house prices are cheapest in Ashford and most expensive in Tonbridge and Malling. Median prices for detached houses in Ashford and Maidstone are close to the overall Kent median – Ashford prices are 3% below the Kent median, while Maidstone is 4% above. Median prices in Tonbridge and Malling are considerably higher and are 23% (£76,000) higher than the median Kent value.

5.18 A similar pattern is seen for the other dwelling types. The median price for semi-detached houses in Ashford is 11% below the Kent median, while Maidstone is 6% above, and Tonbridge and Malling is 20% above this. The median price for terrace houses in Ashford is 7% below the Kent median, while Maidstone is level with the Kent figures, and Tonbridge and Malling is again 20% above. Finally, the median price for flats in Ashford is 14% below the Kent median, while Maidstone is 10% below, and Tonbridge and Malling is 33% above.

5.19 Overall house price figures are skewed by the proportion of dwelling types being sold in each area, as shown in **Figure 27**. This shows that a greater proportion of sales in Ashford were of detached houses than elsewhere, and a smaller proportion were flats. This means the overall median house prices in Ashford appear closer to the Kent average than the like-for-like comparison above. The sales profiles of Maidstone and Tonbridge and Malling is closer to that seen across Kent as a whole.

Figure 27: Proportion of Sales by Dwelling Type (Jan 2013 - Nov 2014)



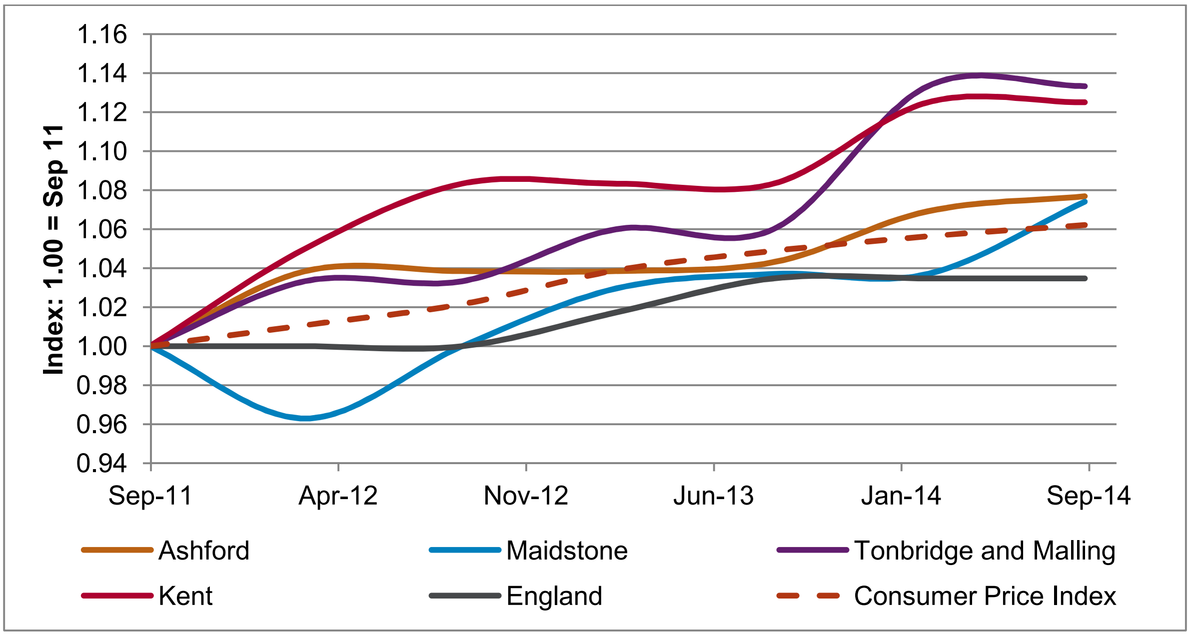
Source: GLH Analysis: Land Registry Price Paid Data

Rental trends

5.20 The most recent VOA private rental data (September 2014) shows the average rental price in Ashford is £700pcm, and in Maidstone its £725 pcm – both slightly above the Kent average of £675 pcm. Rental values in Tonbridge and Malling is considerably higher at £850 pcm. By comparison the England and Wales average is £595.

5.21 **Figure 28** shows the average rental values benchmarked to September 2011 values. This shows that there has been a general positive trend across all three boroughs and the comparator areas. Growth has been highest in Tonbridge and Malling which has seen a 13% growth over this period, slightly higher than the growth rate seen across Kent. Growth in Ashford and Maidstone has been lower at 7%. Nationally there has been a 3% growth over this period. Also shown in **Figure 34** is the Consumer Price Index (CPI). Consumer price inflation rate over the period of September 2011 to September 2014 was 6.2%, showing that the increase in all three boroughs is above inflation meaning there has been a real terms increase.

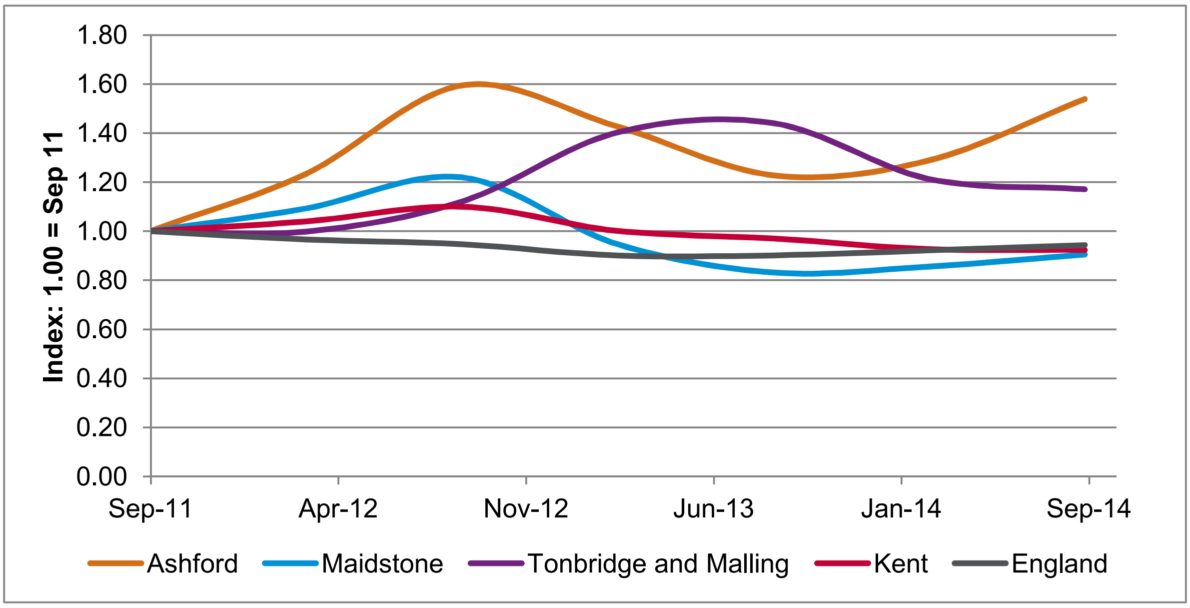
Figure 28: Benchmarked Trend in Average Private Rental Values (Sep 2011 – Sep 2014)



Source: VOA Private Rental Data

5.22 **Figure 29** shows trends in the number of private rental lettings recorded by the VOA benchmarked against September 2011 figures. This shows a general upward trend in PRS transactions in Ashford and Tonbridge and Malling. In contrast Maidstone has seen a slight reduction in transactions numbers over this period. The trend in Maidstone is in line with county and national trends which is an indication of households returning to owner occupation as a result of improved mortgage availability and the impact of Government schemes such as Help to Buy.

Figure 29: Trend in Private Rental Transactions (Sept 2011 – Sept 2014)



Source: VOA Private Rental Data

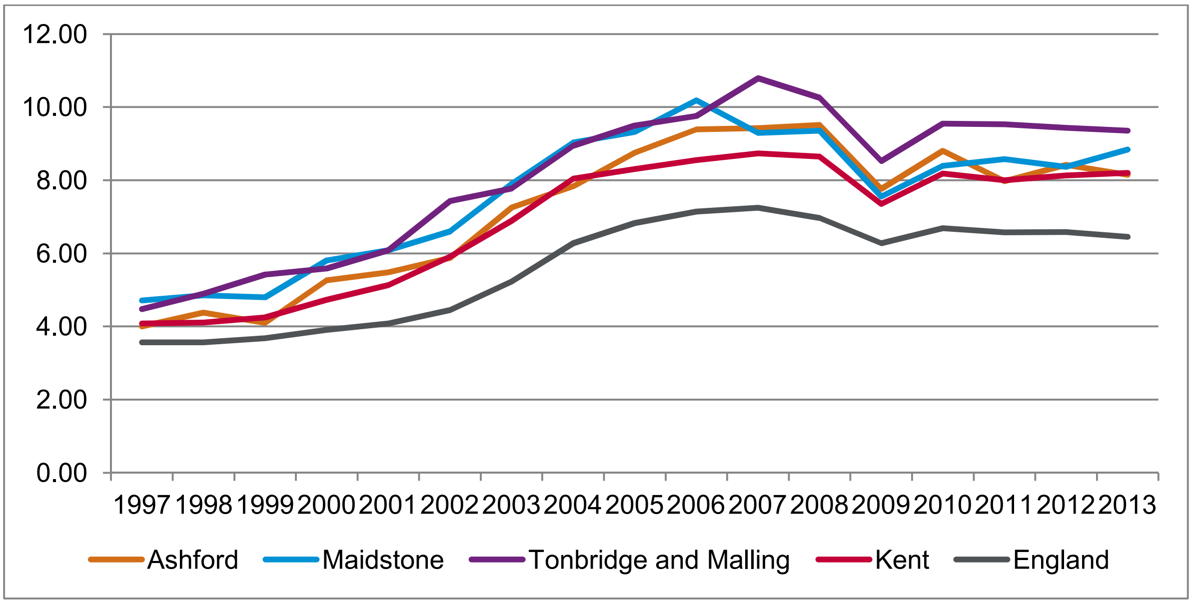
Affordability of Market Housing

5.23 We have considered evidence of affordability by looking specifically at the relationship between lower quartile house prices and lower quartile earnings. As of 2013 the lower quartile house prices in Ashford are 8.15 times higher than lower quartile earnings. The figure in Maidstone is 8.85 and the figure in Tonbridge and Malling is 9.35. By comparison the value across Kent as a whole is 8.20. This is notably higher than the figure for England as a whole (6.5 times).

5.24 The trends in all three boroughs has followed the wider national trend with affordability ratios growing steadily over the 1997-2007 decade before falling in 2009 following the recession. Affordability ratios have since plateaued with current affordability ratios lower than the 2007 peak.

5.25 As a general observation, we can see that across all areas the affordability of property has worsened quite markedly over the past 15 years. In Ashford the lower quartile affordability ratio has increased by 104% over this period. In Maidstone the lower quartile affordability ratio has increased by 87% over this period. In Tonbridge and Malling the lower quartile affordability ratio has increased by 109% over this period. This is well above the 81% increase seen across England.

Figure 30: Lower Quartile Affordability Trend (1997-2013)



Source: DCLG Housing Market Live Tables

5.26 We have also considered and compared this to the median price-earnings ratio to identify whether affordability is an issue across the market or within a particular segment. In Ashford and Tonbridge and Malling the lower quartile ratio is considerably above the median ratio indicating that affordability is more of a problem at the lower end of the market in these areas. This is a trend seen across Kent as a whole. In Maidstone however the opposite is the case – the median affordability ratio is slightly higher than the lower quartile ratio – suggesting there is no particular constraint at the lower end of the market. This is the case seen across England as a whole.

Table 16: Comparison of Lower Quartile and Median Affordability (2013)

	Lower Quartile Ratio	Median Ratio	Difference
Ashford	8.15	7.38	0.77
Maidstone	8.84	8.93	-0.10
Tonbridge and Malling	9.35	8.94	0.41
Kent	8.20	7.75	0.45
England	6.45	6.72	-0.27

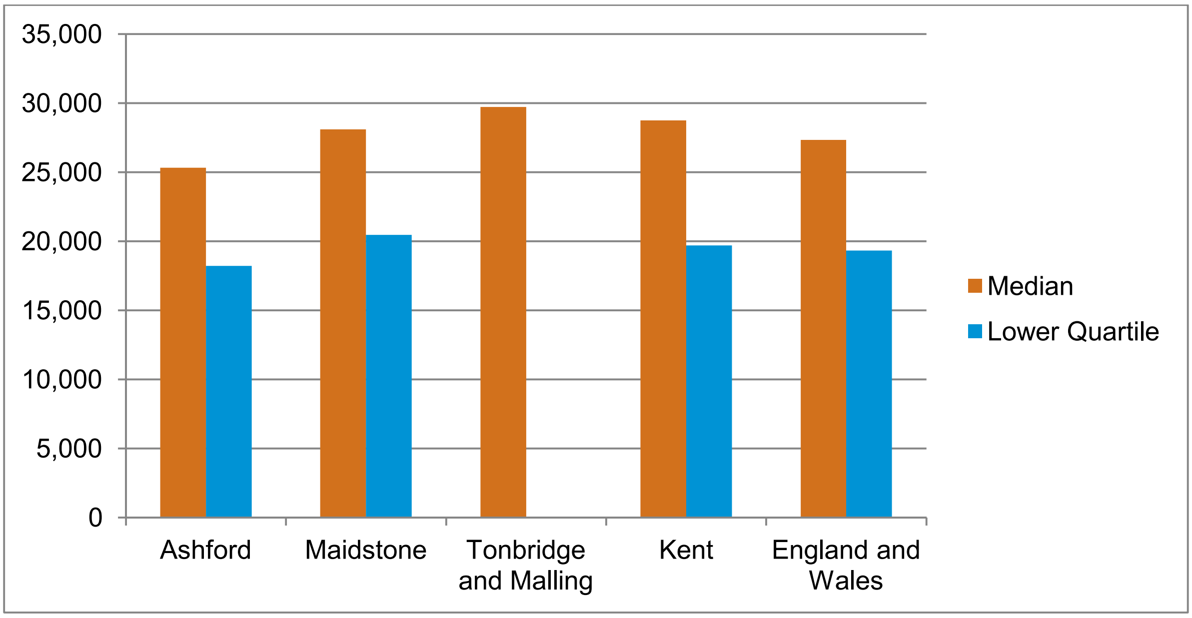
Source: DCLG Housing Market Live Tables.

5.27 Affordability is influenced by house prices and earnings. It is noted that the Maidstone and Tonbridge and Malling median affordability ratios are almost identical despite considerably higher median house prices in the latter.

5.28 **Figure 31** compares the median and lower quartile gross annual earnings by residence in each of the boroughs. Earnings are lowest in Ashford for both median and lower quartile figures, being £25,300 and £18,200 per annum respectively. These are both bellow county and national rates. Earnings figures in Maidstone are close to the levels seen across Kent as a whole with a median value of £28,100 and a lower quartile of £20,500. Median earnings in Tonbridge and Malling are the highest of the boroughs at £29,700 per annum – considerably above Kent and England and Wales values. Lower quartile data for Tonbridge and Malling is not available (as the sample size is not considered sufficient to provide accurate results).

5.29 The analysis helps to emphasise the relative affordability across the three boroughs compared to the national picture. Despite the varying house prices and income levels across the three authorities, affordability remains a problem in each.

Figure 31: Annual Earnings (Gross Per Annum) of Full Time Workers by Place of Residence (2014)

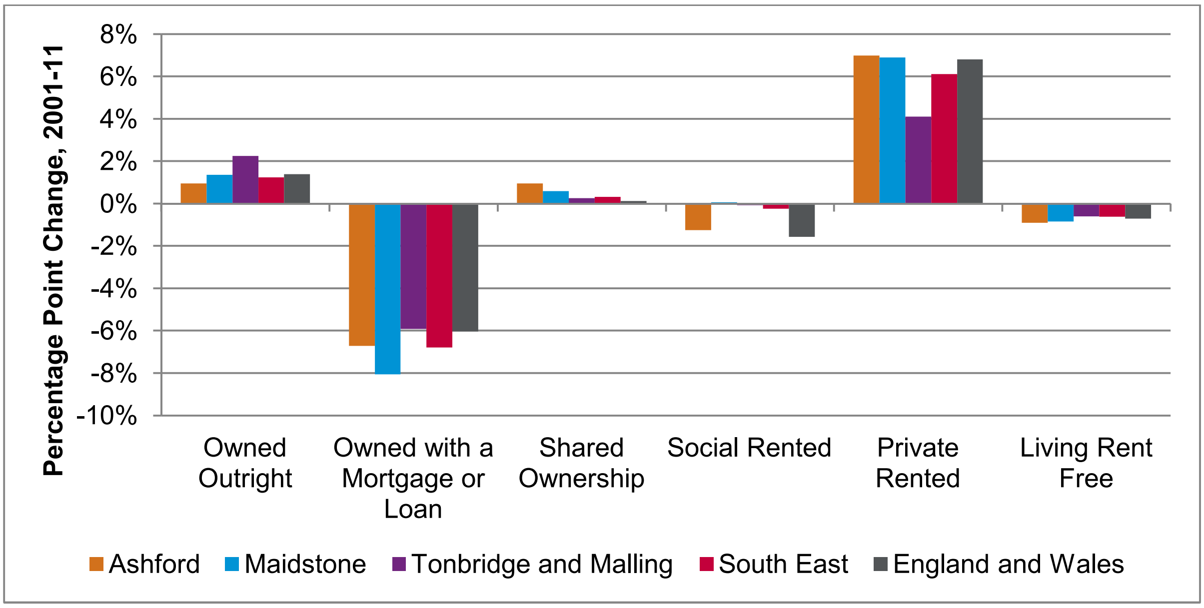


Source: Annual Survey of Hours and Earnings

5.30 Nationally, a combination of the deteriorating affordability of market homes, restricted access to mortgage products and a lack of social housing supply over the 2001-11 decade has resulted in fewer households being able to buy and increased pressures on the existing affordable housing stock. This has resulted in strong growth in the private rented sector as households are being forced to rent longer. This is illustrated in **Figure 32** below.

5.31 Over this period all three boroughs have experienced a (6-8%) drop in the number of households owning a home financed via a mortgage or loan. All have seen a slight growth in outright homeownership. However the biggest increase has been in those living in the private rented sector. This trend has been seen regionally and nationally and the levels of tenure change seen in Ashford and Maidstone are similar to national levels. Tonbridge and Malling appears to have been less affected with a greater growth in homeownership and a smaller growth in the private rented sector over this period.

Figure 32: Change in Households by Tenure, 2001-11



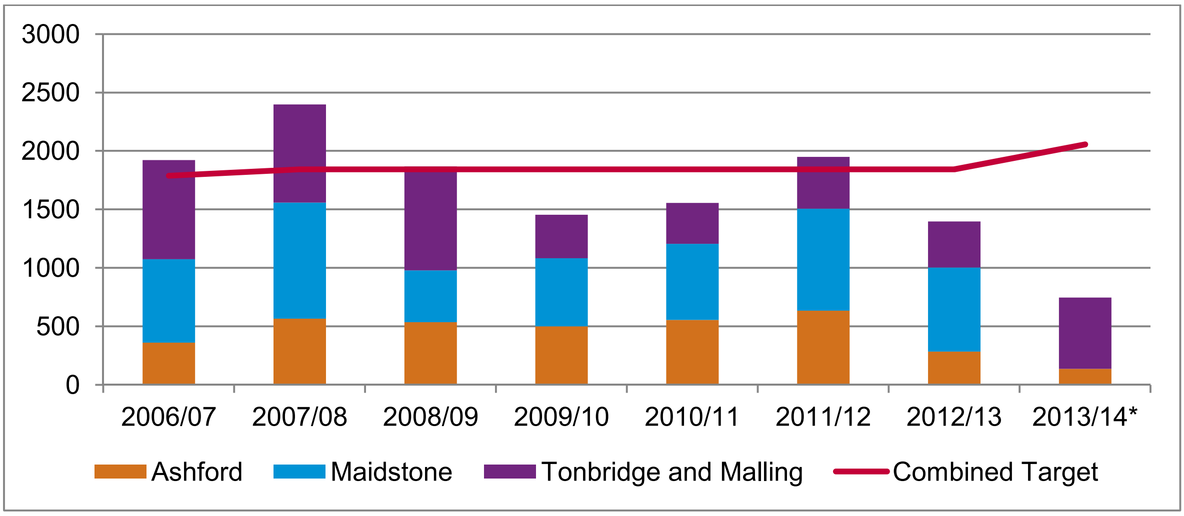
Source: 2001 & 2011 Censuses

Past Housing Supply vs. Targets

5.32 We have examined housing completions data for the three boroughs dating back to 2006/07. **Figure 33** below shows net housing completions against the annual housing target from 2006/07 to 2013/14 (although no data was available for Maidstone in 2013/14).

5.33 Over this period, net completions have equalled 98% of the combined housing target. The combined target has been exceeded in four years and has not been met in three years (excluding 2013/14). This represents a reasonably good rate of housing delivery.

Figure 33: Housing Supply vs. Past Targets, 2006/07-2013/14



Source: Annual Monitoring Reports

5.34 A symptom of a constrained housing market is increased over-crowding and a growth of households living in houses in multiple occupation (HMOs) as households fail to form properly. This particularly affects people in the younger age cohorts. In each of the three boroughs the proportions of people living in these types of accommodation is notably lower than the levels seen regionally and nationally.

5.35 Between 2001 and 2011 there has been a national increase in the number of living in over occupied properties and HMOS. In line with national and regional trends, each of the three boroughs has seen growth in the number of residents living in these types of accommodation.

5.36 Ashford has seen a 0.6 percentage point (pp) increase in households living in over occupied accommodation and a 0.5pp increase in people living in HMOs. This is well below regional and national trends. Tonbridge and Malling has seen larger increases than Ashford – 1.3pp and 0.9pp respectively – but these are still below national and regional trends. Maidstone has seen a 2.0pp increase in households in over occupied accommodation – above the national trend of 1.6pp, and a 1.2pp growth in people living in HMOs – in line with national levels.

Table 17: Changes in Over Occupied and Houses in Multiple Occupation (2001-2011)

	Over Occupied			HMOs		
	2001	2011	Growth	2001	2011	Growth
Ashford	4.5%	5.2%	0.6%	3.7%	4.2%	0.5%
Maidstone	4.7%	6.7%	2.0%	3.6%	4.7%	1.2%
Tonbridge and Malling	3.5%	4.8%	1.3%	3.0%	3.9%	0.9%
South East	5.9%	7.5%	1.5%	4.5%	5.4%	0.9%
England and Wales	7.0%	8.5%	1.6%	4.5%	5.7%	1.2%

Source: 2001 & 2011 Censuses

Summary

5.37 Overall the market signals suggest that over the 2001-11 decade we saw:

- A notable increase in housing costs, overall and relative to earnings;
- A deterioration in the affordability of market housing for sale, and affordability ratios well above national levels;
- An substantial increase in the proportion of people renting privately;
- Growth in the number of overcrowded and shared homes within the Borough.

5.38 There has been a fundamental shift in housing market conditions nationally since 2007, particularly in relation to confidence and credit availability. Housing market conditions have remained relatively stable and house prices have remained fairly constant during the pre-recession period. The last 18 months has seen confidence start to return to the market with an increase in house prices and sales volumes.

5.39 However, the analysis in this section shows that the housing market signals across the three areas are mixed and point to a certain level of market constraint, which is seen in higher than average house prices and affordability ratios. However, past completions rates have been fairly good and the increases in the number of people living in overcrowded housing and HMOs – key indicators of market constraint – are lower than elsewhere and have not increased at the same rate as regional and national trends.

5.40 All things considered we would therefore consider that the housing market signals justify a modest uplift to the OAN figure. Our view in respect of market signals and the case for adjusting housing provision to take these into account differs from that in the SHMA Report. The key reason for this is that at the time of preparation of the SHMA, Planning Practice Guidance (PPG) was “draft.” The PPG largely introduced the idea of adjusting assessed housing need to take account of market signals, setting out parameters for how this could be done[3]. Since this point the PPG has been finalised and evidence has been tested at a number of local plan examinations. Inspectors have

[3] Albeit recognising that there are references to planning taking account of market signals in the NPPF

reviewed evidence and recommended adjustments for market signals in a number of recent local plan examinations, including in Uttlesford in Essex and Eastleigh in Hampshire. GL Hearn has reflected on these issues and the final Planning Practice Guidance in considering the case for adjusting the assessed housing need in this report.

Affordable Housing Need

5.41 The need for affordable housing was identified in the SHMA Reports, using the Basic Needs Assessment Model set out in the Planning Practice Guidance. The SHMA Report identified the following levels of need for affordable housing:

- Ashford – a net need from 6,253 households between 2013-30, equating to a need from 268 households per annum.
- Maidstone – a net need from 5,800 households between 2013-31, equating to a need from 322 households per annum.
- Tonbridge & Malling – a net need from 4,889 households between 2013-31, equating to a need from 277 households per annum.

5.42 The affordable housing need across the three authorities falls between 36% (Maidstone) and 44% (Tonbridge and Malling) of the need identified in the demographic projections. In Ashford Borough it reflects 37% of the demographic projection.

5.43 This could be above the level of affordable housing provision which we might expect to be viably delivered through policies for affordable housing provision, depending on issues related to residential development viability and policy choices regarding affordable housing provision. It should be recognised however that not all affordable housing is delivered through planning obligations on market-led development schemes.

5.44 Furthermore a direct comparison between these numbers is not considered to be robust way to understand the link between affordable need and OAN. This point was very clearly picked up in the PAS guidance of June 2014 where it is stated (in para 2.12) that '*affordable housing need is a different kind of number from total need (the OAN), so the two numbers are not directly comparable*'. In understanding the link between affordable need and the OAN there are two important considerations:

- Some households already live in housing, and thus if they move to a more suitable property they will release their existing property for another household; and
- Some households who are identified in the modelled as having an affordable housing need meet their needs in the Private Rented Sector, supplementing their income with Local Housing Allowance.

5.45 The SHMA reports estimated that the Private Rented Sector contributed annual supply of around 764 properties to meeting the affordable need, based on current dynamics. This comprised a supply of 335 properties in Ashford, 289 in Maidstone and 140 in Tonbridge and Malling on an annual basis supported by Local Housing Allowance (LHA). Government has however capped growth in LHA rates and whilst it seems likely that the sector will continue to support some households who cannot afford to meet market housing costs in full, we cannot guarantee that there will be further growth in the sector. The analysis herein therefore does not rely on this.

5.46 Overall the affordable housing need's evidence provides some justification for considering a modest adjustment to identified housing need to improve affordability.

Implications and Uplift

5.47 It is important to consider how housing market trends and the affordable need relate through to demographic projections in considering, as the Planning Practice Guidance recommends, whether there is a case for adjusting levels of housing provision in effect to improve affordability over the longer-term.

5.48 National research undertaken for the RTPI by the Neil McDonald and Peter Williams at Cambridge University indicates a particular effect of the decline in affordability between 2001 and 2011 and the economic recession has been young adults living within a parental home for longer or living in shared accommodation rather than separate accommodation. The impact of this, their research shows, has been most significant for the 25-34 age group.

5.49 A detailed interrogation of demographic dynamics indicates that in demographic terms, the deterioration in affordability of market housing and the economic recession over the 2001-11 decade is likely to have influenced – at least in part – a decline in household formation rates in younger people, particularly amongst those aged between 25 and 34. This is the one age group identified earlier as showing some degree of suppression when balancing past trends and the future projection.

5.50 When we consider age-specific data it is notable that those aged 25-34 have lower headship rates than was expected in the 2008-based projections and that the rates have dropped considerably from 2001 to 2011 – the 2012-based projections do however show some improvement from 2011 onwards. We have therefore run a sensitivity analysis which considers and seeks to quantify the implication of returning the household formation rates of the 25-34 age group back to 2001 levels (i.e. before the rate started to decrease) by 2031.

5.51 **Figures 34 - 36** show how this adjustment impacts on the formation rates of people aged 25-34. The analysis shows that the adjustment is particularly notable in Maidstone with Ashford seeing the smallest uplift. This is consistent with observations earlier in the report that the CLG household projections are not expecting any recovery in formation rates for this age group in Maidstone but are projecting some modest increases in the other two areas.

Figure 34: Projected household formation rates for those aged 25-34 – Ashford

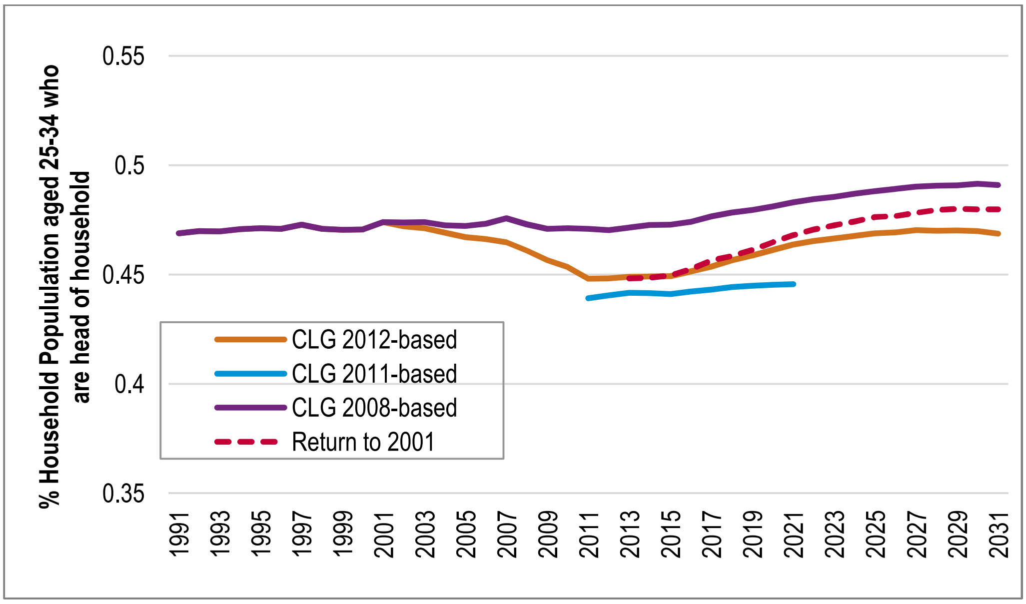


Figure 35: Projected household formation rates for those aged 25-34 – Maidstone

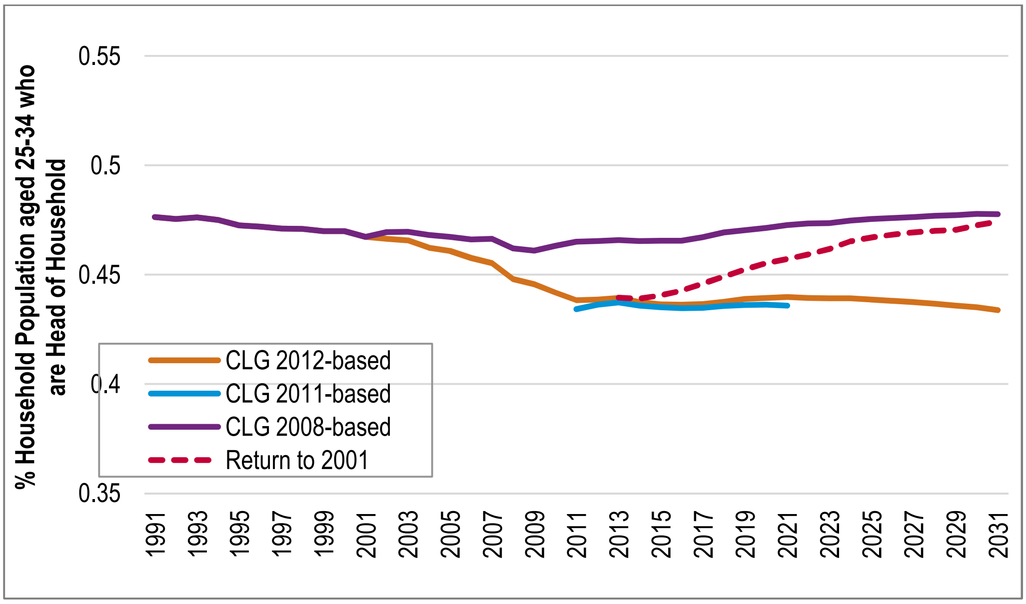
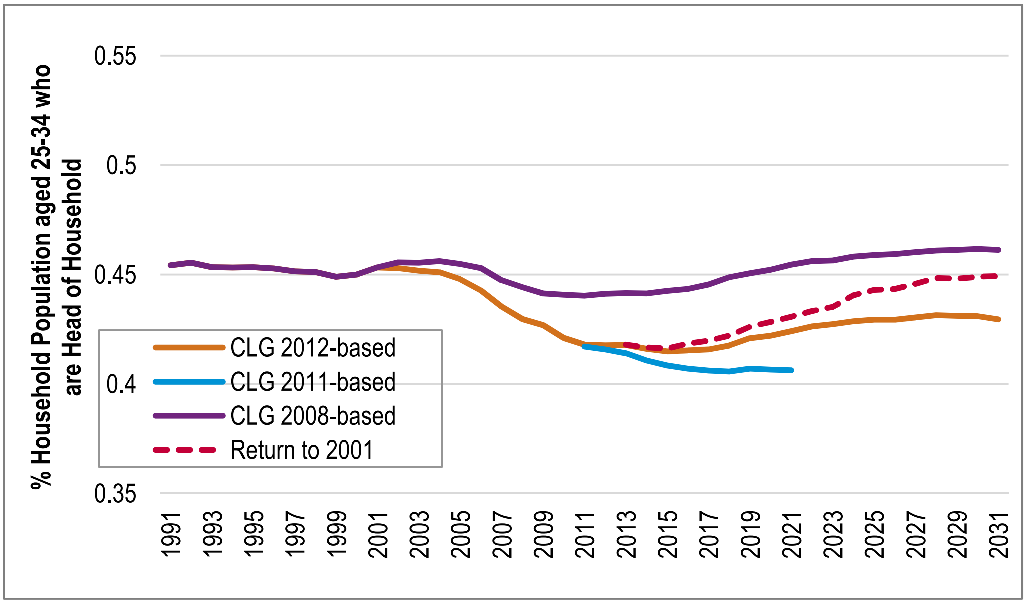


Figure 36: Projected household formation rates for those aged 25-34 – Tonbridge & Malling



5.52 This sensitivity in effect seeks to consider a scenario in which affordability and access to housing for younger households improves, and quantifies what level of housing provision might be associated with this, all other factors being equal. If achieved, the effect would be to reduce the proportions of shared households and persons within this age group living with parents. We term this sensitivity analysis the 'affordability uplift.'

5.53 In reality, other factors such as real growth in disposable income (allowing people to save), the availability of and access to mortgage finance, interest rates and economic confidence will all influence trends in household formation. There is a complex set of factors at play, and it is difficult to predict how these factors might interact in the future and the impact on household formation rates (in the absence of any supply-side constraints). Furthermore part of the changes in household formation rates for this age group may have been due to international migration.

5.54 The sensitivity analysis indicates that, all other things being equal, an uplift of around 68 homes per annum across the study area would support an improvement in affordability and household formation rates amongst younger households. The potential uplift is highest in Maidstone (5%) and lowest in Ashford (1%) – the figures are however all fairly modest when compared with similar analysis carried out in other parts of the Country. The higher uplift in Maidstone Borough reflects evidence (from the demographic analysis) that there has been a greater degree of supressed household formation amongst younger households than in the other two authorities.

5.55 This level of uplift is fairly moderate in our experience of undertaking similar analysis in other parts of the Country – this however is logical given that the analysis of households formation rates (and trends in average household sizes) does not indicate a significant level of suppression in the past, or feeding into the future projections.

Table 18: Projected Household Growth 2011-31 – 2012-based SNPP (adjusted) and 2012-based headship rates – with Affordability Uplift

	Ashford	Maidstone	Tonbridge & Malling
Households 2011	47,998	63,709	48,278
Households 2031	61,944	81,627	60,734
Change in households	13,947	17,918	12,455
Per annum	697	896	623
Dwellings (per annum)	727	927	646
From SNPP model	718	883	632
Potential uplift	9	44	14
% uplift	**1%**	**5%**	**2%**

5.56 We have modelled a similar adjustment to the projection which includes an adjustment to net migration from London for comparison purposes. This is set out below.

Table 19: Projected Household Growth 2011-31 – London Migration Sensitivity Analysis and 2012-based headship rates – with Affordability Uplift

	Ashford	Maidstone	Tonbridge & Malling
Households 2011	47,998	63,709	48,278
Households 2031	63,016	82,508	61,246
Change in households	15,018	18,799	12,967
Per annum	751	940	648
Dwellings (per annum)	782	973	673
From Initial Projection	773	928	659
Potential uplift	9	45	14
% uplift	**1%**	**5%**	**2%**

6 PROJECTIONS AT A HOUSING MARKET AREA LEVEL

6.1 Whilst the bulk of analysis has been based on outputs for each of the three local authority areas there are cross-boundary implications that also need to be considered. In particular, a large part of Tonbridge & Malling is considered to be within a Maidstone Housing Market Area (HMA) whilst much of the Borough is part of a wider Sevenoaks, Tonbridge, Tunbridge Wells HMA. Additionally a small part of Maidstone Borough is considered to be part of an Ashford HMA.

6.2 For the purposes of this report and consistency with previous reports for the commissioning authorities, the definition of HMAs used has generally followed those developed as part of the 2010 CLG research by[4] CURDS 'The Geography of Housing Market Areas in England'.

6.3 In this research document a series of local level HMAs were developed on the basis of ward boundaries. These local HMAs have generally been followed in this analysis although there are some small differences; these include one ward (Frant/Withyham) in Wealden which is considered to be part of the Sevenoaks, Tonbridge, Tunbridge Wells HMA but has not been included in our analysis and one ward in Tonbridge & Malling (Blue Bell Hill & Walderslade) which according to the CLG research is in a Medway HMA but for the purposes of analysis here is considered as part of the Maidstone HMA (but within Tonbridge & Malling). Overall, these small differences on the borders of the HMAs will make little difference to the analysis that follows.

6.4 GL Hearn is currently undertaking work to consider housing market geographies and housing need in North West Kent. This however is on-going and findings have not been fed into the analysis herein. However this may in due course influence the boundaries of this HMA.

6.5 For clarity, the tables below show the wards included in each of the three HMAs which have an impact on the study area.

Table 20: Wards within Ashford HMA

Local Authority	Wards
Ashford	All wards
Maidstone	Harrietsham & Lenham, Headcorn

Table 21: Wards within Maidstone HMA

Local Authority	Wards
Maidstone	All wards other than Harrietsham & Lenham, Headcorn
Tonbridge & Malling	Aylesford, Blue Bell Hill & Walderslade, Burham, Eccles & Wouldham, Ditton, Downs, East Malling, Kings Hill, Larkfield North, Larkfield South, Snodland East, Snodland West, Wateringbury, West Malling & Leybourne

[4] Centre for Urban and Regional Development Studies, Newcastle University

Table 22: Wards within Sevenoaks, Tonbridge, Tunbridge Wells HMA

Local Authority	Wards
Sevenoaks	Brasted, Chevening & Sundridge, Cowden & Hever, Dunton Green & Riverhead, Edenbridge North & East, Edenbridge South & West, Halstead, Knockholt & Badgers Mount, Kemsing, Leigh & Chiddingstone Causeway, Otford & Shoreham, Penshurst, Fordcombe & Chiddingstone, Seal & Weald, Sevenoaks Eastern, Sevenoaks Kippington, Sevenoaks Northern, Sevenoaks Town & St John's, Westerham & Crockham Hill
Tonbridge & Malling	Borough Green & Long Mill, Cage Green, Castle, East Peckham & Golden Green, Hadlow, Mereworth & West Peckham, Higham, Hildenborough, Ightham, Judd, Medway, Trench, Vauxhall, Wrotham
Tunbridge Wells	Brenchley & Horsmonden, Broadwater, Capel, Culverden, Paddock Wood East, Paddock Wood West, Pantiles & St Mark's, Park, Pembury, Rusthall, St James', St John's, Sherwood, Southborough & High Brooms, Southborough North, Speldhurst & Bidborough

6.6 To develop projections for the HMAs a two-staged approach has been taken. The first was to develop projections in exactly the same way and using the same sources/methodology for Sevenoaks and Tunbridge Wells. The second stage is to consider the proportion of the household and housing growth likely to arise in each of the local authorities within each HMA. To do this analysis has been undertaken on the basis of the proportion of households in each area shown in the 2011 Census. **Table 23** below shows the proportion figures used in each area. This shows for example that 75.6% of Tunbridge Wells Borough is in the Sevenoaks, Tonbridge, Tunbridge Wells HMA whilst Tonbridge & Malling is split roughly 50:50 between two different HMAs. The approach used is consistent with that in the SHMA reports.

Table 23: Proportion of Local Authorities in each Housing Market Area

Local authority \ HMA	Ashford	Maidstone	Sevenoaks, Tonbridge, Tunbridge Wells
Ashford	100%	0%	0%
Maidstone	6.9%	93.1%	0%
Tonbridge & Malling	0%	51.0%	49.0%
Sevenoaks	0%	0%	58.5%
Tunbridge Wells	0%	0%	75.6%

Source: Derived from 2011 Census data

6.7 **Table 24** below shows the estimated level of housing need in each of the three HMAs (figures utilise the 2012-based SNPP and 2012-based CLG household projection headship rates. The data shows an annual need for 779 homes in the Ashford HMA, 1,145 in Maidstone (of which about 28% fall within Tonbridge & Malling) and 1,067 in the Sevenoaks, Tonbridge, Tunbridge Wells HMA (with 29% falling within Tonbridge & Malling). These figures are broadly consistent with estimates made in the previous SHMA Addendum report.

Table 24: Estimated Housing Need in each Housing Market Area – 2012-based SNPP

Local authority \ HMA	Ashford	Maidstone	Sevenoaks, Tonbridge, Tunbridge Wells
Ashford	718	0	0
Maidstone	61	822	0
Tonbridge & Malling	0	323	310
Sevenoaks	0	0	295
Tunbridge Wells	0	0	462
TOTAL	779	1,145	1,067

Source: Derived from 2012-based population and household projections

6.8 A similar analysis has been undertaken in Table 25 below with figures including the London migration sensitivity. The figures show a small increase in all areas, although it is notable that the apparent impact of changes to migration patterns to- and from-London is less in Sevenoaks and Tunbridge Wells than in the other three areas.

Table 25: Estimated Housing Need in each Housing Market Area – London Migration Sensitivity Analysis

Local authority \ HMA	Ashford	Maidstone	Sevenoaks, Tonbridge, Tunbridge Wells
Ashford	773	0	0
Maidstone	64	864	0
Tonbridge & Malling	0	336	323
Sevenoaks	0	0	299
Tunbridge Wells	0	0	464
TOTAL	837	1,200	1,086

Source: Derived from 2012-based population and household projections

7 REGISTERED CARE HOUSING

7.1 As well as the overall need for housing the analysis can consider Registered Care bedspaces (C2 use class). The previous report for the three authorities by GL Hearn (Implications of 2012-based Population Projections & Need for Care Homes) provided a significant amount of detail about the current supply of care home bedspaces and potential future need. This report provides a selected update to this analysis, focussing on the changes in the expected growth in the institutional population set out in the 2012-based CLG household projections. This leads the analysis to an estimate of the minimum need for such accommodation – this recognises that other sources of data (notably from Projecting Older People Population Information System (POPPI)) suggest slightly high levels of need. The data from POPPI has not been repeated in this report.

7.2 Table 26 sets out the projected growth in the institutional population within the demographic projections modelling. Overall, the institutional population in the elderly age groups (75+) is expected to grow by 980 people in Maidstone Borough. In comparison the projected growth in Ashford and Tonbridge and Malling is only 463 and 407 respectively. Compared to the previous assessment these figures suggest a higher need in Ashford and to a lesser extent Maidstone, and a lower need in Tonbridge & Malling.

Table 26: Growth in Institutional Population in Demographic Projections, 2011-31

	75-79	80-84	85+	Total 75+	Previous estimate
Ashford	25	81	358	463	326
Maidstone	82	182	716	980	950
Tonbridge & Malling	28	58	322	407	462

Source: ONS, CLG, JGC

7.3 In line with the previous assessment of need, as a policy approach for planning we would recommend that the projections based on growth in the institutional population are used to provide minimum figures for care home needs as follows:

- Ashford: 460 care home bedspaces 2011-31 (23 per annum (previously 16 per annum));
- Maidstone: 980 care home bedspaces 2011-31 (49 per annum (previously 48 per annum));
- Tonbridge & Malling: 410 care home bedspaces 2011-31 (20 per annum (previously 23 per annum)).

7.4 Where these minimum figures for future provision are exceeded, this could be expected to release housing within the respective local authority for other groups within the population and thus provision would contribute to housing numbers (and meeting the objectively assessed housing need identified).

8 CONCLUSIONS ON OVERALL HOUSING NEED

8.1 The National Planning Policy Framework (NPPF) states that local planning authorities should use their evidence base to ensure Local Plans meet the full, objectively assessed needs for market and affordable housing in their housing market area (HMA) where it is sustainable to do so and consistent with policies in the NPPF.

8.2 However Government has made clear that OAN figures **do not represent planning targets.** Government Ministers and Planning Practice Guidance[5] both confirm that **assessing housing need in just the first stage in developing a local plan, and that account should be taken of land availability and development constraints (including Green Belt) through the plan-making process which may restrain the ability of an authority to meet its need.**

8.3 The principal purpose of this report has been to review the Objectively Assessed Need (OAN) for Housing in Ashford, Maidstone and Tonbridge and Malling Boroughs. It provides an update to the analysis in respect of OAN in the 2013 SHMA and 2014 Addendum to take account of the most recent evidence, and in particular the 2012-based Household Projections. It does not consider land availability nor development constraints.

8.4 The report considers needs over the 2011-31 period. The approach used responds to the National Planning Policy Framework (NPPF) and follows the recommended approach in the Government's Planning Practice Guidance (PPG). Housing need is expected to be (and has been) assessed independently of any consideration of supply-side issues, such as land availability and development constraints.

8.5 The starting point for assessing housing need has been demographic projections. These reflect what has happened in the past – both in terms of levels of migration and household formation rates (the key driving factors in the projections). The PPG therefore sets out a number of other factors which need to be considered in assessing whether it would be appropriate to increase the identified housing need – either to enhance affordable housing delivery, to support expected economic growth or in response to market signals which point to poor affordability or a supply-demand imbalance.

[5] ID: 3-045-20141006

8.6 As the SHMA Reports set out, the Guidance outlines that demographic projections provide the starting point for considering housing need, but that a number of "tests" need to be applied in order to consider whether there is a case to adjust the level of housing provision (particularly upwards relative to the demographic evidence). Paraphrasing the Guidance, these tests can be broadly described as follows:

- Is there evidence that household formation rates in thte projecitons have been constrained? Do market signals point to a need to increase housing supply?
- How do the demographic projections 'sit' with the affordable housing needs evidence, and should housing supply be increased to meet affordable needs?
- What do economic forecasts say about jobs growth? Is there evidence that an increase in housing numbers would be needed to support this?

8.7 We consider demographic-led projections below, and then consider each of these issues to assess whether housing numbers needs to be adjusted.

Initial Demographic Projections

8.8 The latest Government official household projections at the time of writing of the report are the 2012-based Household Projections, published by Government in February 2015. These indicate a need for 718 homes per annum in Ashford Borough between 2011-31, for 883 homes per annum in Maidstone Borough, and 632 homes per annum in Tonbridge and Malling Borough. **Table 27** outlines how these differ from the projections set out in the August 2014 SHMA Addendum. The differences reflect differences in household formation rates, taking account of the new 2012-based Household Projections. The population growth assumed is consistent.

Table 27: Comparing the 2012-based Household Projections with the SHMA Addendum Modelling

	2014 Addendum	2012-based Household Projections	% Change
Ashford	734	718	-2%
Maidstone	932	883	-5%
Tonbridge & Malling	626	632	1%

8.9 In this report, GL Hearn has additionally included an analysis considering how sensitive the projections are to changes in migration to/from London. This is set out in Appendix A.

Housing Affordability

Test 1: Has household formation been constrained? Is there a market rationale to increase housing supply?

8.10 The PPG sets out that where market signals point to a worsening level of affordability of housing, an upward adjustment to the assessed housing need should be made. This should be assessed at a level which is considered "reasonable" and could be expected to help improve affordability.

8.11 The demographic evidence indicates that household formation rates for younger households fell over the 2001-11 period. The evidence also allows us to draw links regarding changes in household formation, market signals and affordable housing need. The market evidence shows that over this period, housing costs increased notably (overall and relative to earnings), and the affordability of market housing declined. The number of overcrowded households and levels of house sharing increased; with growing numbers of households living in private rented accommodation. The evidence suggests that declining affordability influenced these trends.

8.12 There has however been a fundamental shift in housing market conditions nationally since 2007, particularly in relation to confidence and credit availability. Housing market conditions have remained relatively subdued; and house prices stable over the 2007-2013 period. The last 18 months has seen confidence start to return to the market with an increase in house prices and sales volumes.

8.13 Overall the evidence points to some affordability pressures, and following the approach in the PPG GL Hearn consider that it would be appropriate to make a modest adjustment to planned housing provision in order to improve affordability over time.

Test 2: Is overall housing supply capable of meeting affordable housing needs?

8.14 The affordable housing need across the three authorities was assessed in the relevant SHMA Reports. The affordable need for 268 homes per annum in Ashford Borough represents 37% of the projected growth in households in our 2012-based Projections (of 718 dwellings pa). In Maidstone the affordable need of 322 homes per annum represents 36% of the need for 883 dwellings pa. In Tonbridge and Malling the affordable need for 277 homes per annum represents a higher 44% of the projected need for 632 dwellings per annum.

8.15 Depending on evidence of viability and policy decisions regarding affordable housing provision, the level of affordable housing provision which we might expect to be delivered through policies for affordable housing provision on mixed tenure development schemes could vary. This is particularly the case for Tonbridge & Malling Borough. It should be recognised however that not all affordable housing is delivered through planning obligations on market-led development schemes.

8.16 Key impact of increasing overall housing provision would be to support stronger affordable housing delivery and provide the potential to support stronger household formation amongst younger households.

What scale of adjustment might be necessary to improve affordability?

8.17 The Planning Practice Guidance outlines that where market signals point to affordability problems, an adjustment should be made to increase housing numbers. The scale of this should be set at a level which is 'reasonable.' The PPG does not define how this should be done. We have sought to quantify this by assessing the scale of this by seeking to adjust household formation rates for younger households (aged 25-34) to return to 2001 levels by 2031.

8.18 The affordability adjustment requires provision of an additional 9 dwellings per annum in Ashford; 25 in Maidstone; and 14 dwellings per annum in Tonbridge & Malling. The higher adjustment in Maidstone Borough takes account of demographic evidence suggesting that there has been a greater degree of suppression of household formation amongst younger households.

Relationship to Economic Growth

Test 3: Will overall housing provision support forecast economic growth?

8.19 This report has compared expected growth in the workforce in each local authority with forecasts for future employment growth, taking account of both forecasts set out in each authority's respective economic evidence base. It does not introduce any new economic evidence or forecasts.

8.20 For Ashford Borough, the SNPP is expected to support workforce growth of 12,700 persons between 2011-31. The various Cambridge Econometrics econometric scenarios indicate employment growth of between 6,900 – 16,600 jobs. This would require workforce growth of between 6,900 – 16,700. The evidence suggests that if higher economic forecasts were to be planned for by Ashford Borough Council, housing provision might need to be increased (relative to the trend-based demographic projections) to support this.

8.21 For Maidstone Borough, the SNPP is expected to support workforce growth of 17,300 persons between 2011-31. The Council's economic evidence base indicates employment growth of 14,400 jobs over this period; which would require growth in the workforce of 14,300. For Maidstone Borough, the growth in workforce envisaged in the SNPP is sufficient to support economic growth based on the current evidence.

8.22 For Tonbridge & Malling Borough, the SNPP is expected to support workforce growth of 12,500 between 2011-31. The Council's economic evidence base indicates employment growth of between 7,400 – 8,700. This would require workforce growth of between 7,500 – 8,700 persons over the 2011-31 period. As with Maidstone, the growth in workforce envisaged in the SNPP is sufficient to support economic growth based on the current evidence.

Bringing the Analysis Together

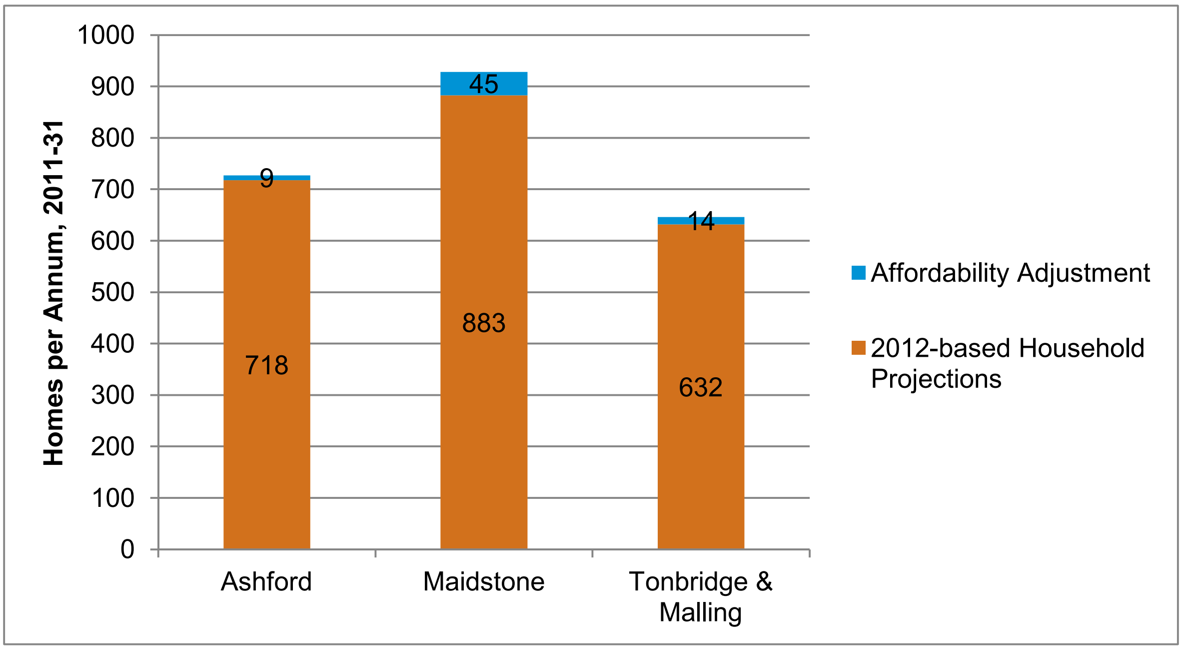
8.23 Bringing the evidence together, GL Hearn define a full **OAN for housing in Maidstone Borough of 928 homes per annum**. This is based on starting with the 2012-based Household Projections, with an adjustment of 45 dwellings per annum to improve affordability. This is similar to the previously-identified OAN figure of 930 homes per annum (from the August 2014 SHMA Addendum) sits within this range.

8.24 **For Tonbridge and Malling Borough, we define an OAN of 646 homes per annum**. This again is based on starting with the 2012-based household projections, with an adjustment to improve affordability. The previously identified OAN figure of 665 homes per annum (from the August 2014 SHMA Addendum) sits slightly above this.

8.25 **For Ashford Borough, we define an OAN of 727 dwellings per annum**. This is based on a similar approach. We would advise that if higher economic forecasts were to be planned for, then the housing provision would need to be aligned with this, as required by Paragraph 158 in the NPPF. The level of housing need shown is virtually identical to the need for 726 homes per annum identified previously in the SHMA Addendum. The composition of the OAN range is shown in **Figure 37**.

8.26 Each authority will need to consider, through the plan-making process, whether it is appropriate to make provision for increased net migration from London, as considered in Appendix A. This could increase the Objectively-Assessed Need. We would advise the Councils to liaise with the Greater London Authority in this respect.

Figure 37: Composition of OAN Figures – Annual Housing Need



8.27 **OAN figures do not represent a plan target**. They are derived independently of any consideration of supply-side issues, such as land availability and development constraints. These factors are relevant in translating this "policy off" assessment of housing need into "policy on" figures for housing provision through bringing together evidence in the plan-making process.

8.28 **Assessing housing need in just the first stage in developing a local plan, and that account should be taken of land availability and development constraints (including Green Belt) through the plan-making process which may restrain the ability of an authority to meet its need.**

Appendices

APPENDIX A: Sensitivity Analysis: Migration to / from London

This appendix presents a sensitivity analysis which considers how changing migration to and from London could influence housing need in Ashford, Maidstone and Tonbridge and Malling. There is a level of migration both to and from London from each of the three authorities.

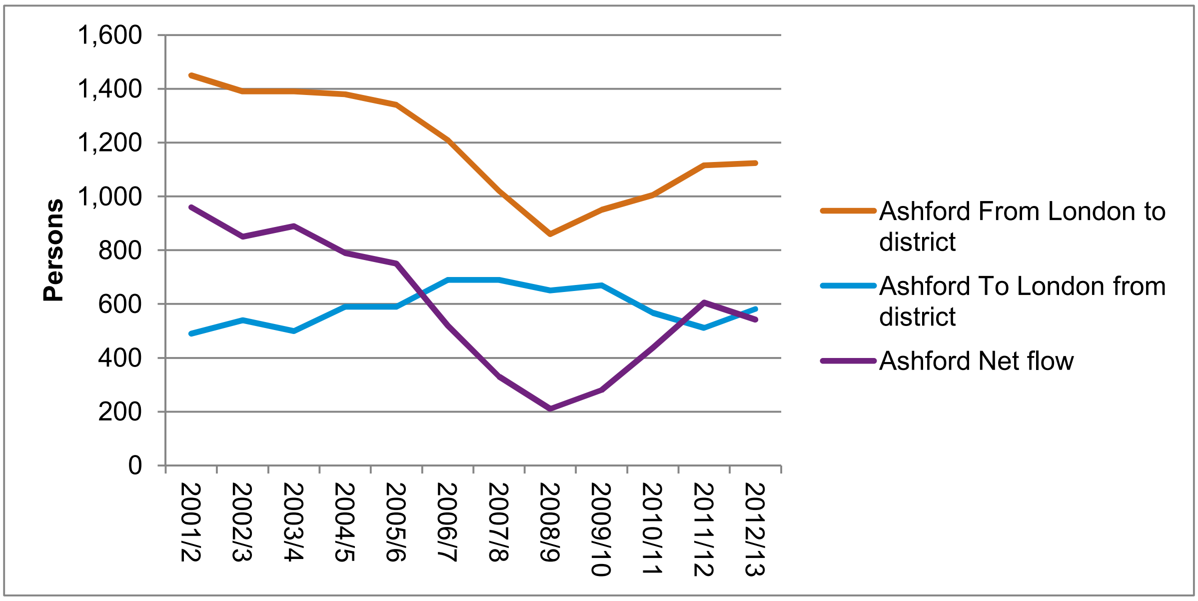
The Greater London Authority (GLA) identified as part of their 2013-based Projections feeding into the Further Alterations to the London Plan (FALP) that there had been a marked change in internal migration dynamics to and from London since the beginning of the recession (2007/8). Overall, the GLA identified that out-migration from London to other parts of the UK had dropped by about 10% along with a 6% increase in in-migration. This was considered to relate to the impact of the recession/ housing market downturn.

As a result of this, the GLA developed a series of population and household projections with different assumptions about migration. The Central scenario (which underpins the FALP) made the assumption that after 2017, migration levels would revert back to pre-recession levels. The GLA in effect took a midpoint between pre- and post-recession migration statistics and assumed a 5% uplift in out-migration and a 3% decrease in in-migration[6] to present how they saw migration dynamics potentially changing as the economy moved beyond recession.

Figure 38 shows that migration from Ashford to London increased between 2006/7 – 2009/10, whilst migration from Ashford to London fell notably between 2005/6 – 2008/9 but has since been increasing. Migration from London in net terms was on average 355 persons per annum higher in the pre-2008 period studied relative to over the five year period which has fed into the 2012-based SNPP (2007-12).

[6] See GLA Intelligence (Feb 2014) *GLA 2013 round of trend-based population projections – Methodology, http://data.london.gov.uk/dataset/2013-round-population-projections*

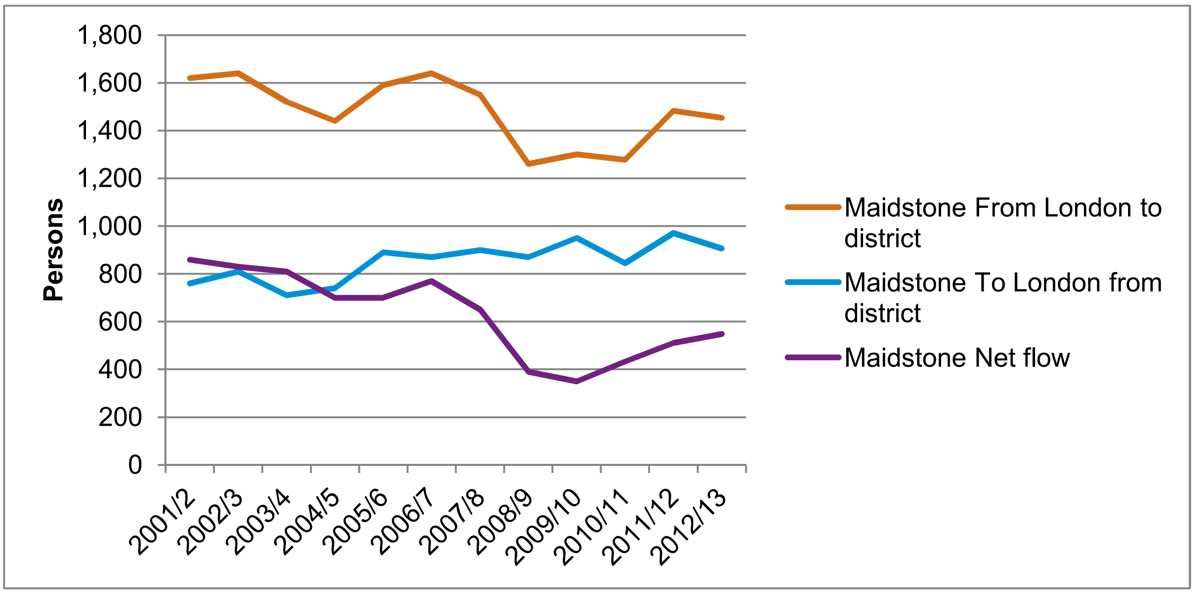
Figure 38: Interrogating Migration flows between London and Ashford



Source: GLA / GL Hearn

Figure 39 provides a similar analysis for Maidstone showing that migration flows from London fell notably between 2006/7 to 2009/10 and that this has influenced net flows. Flows from Maidstone to London have remained relatively stable since 2005/6.

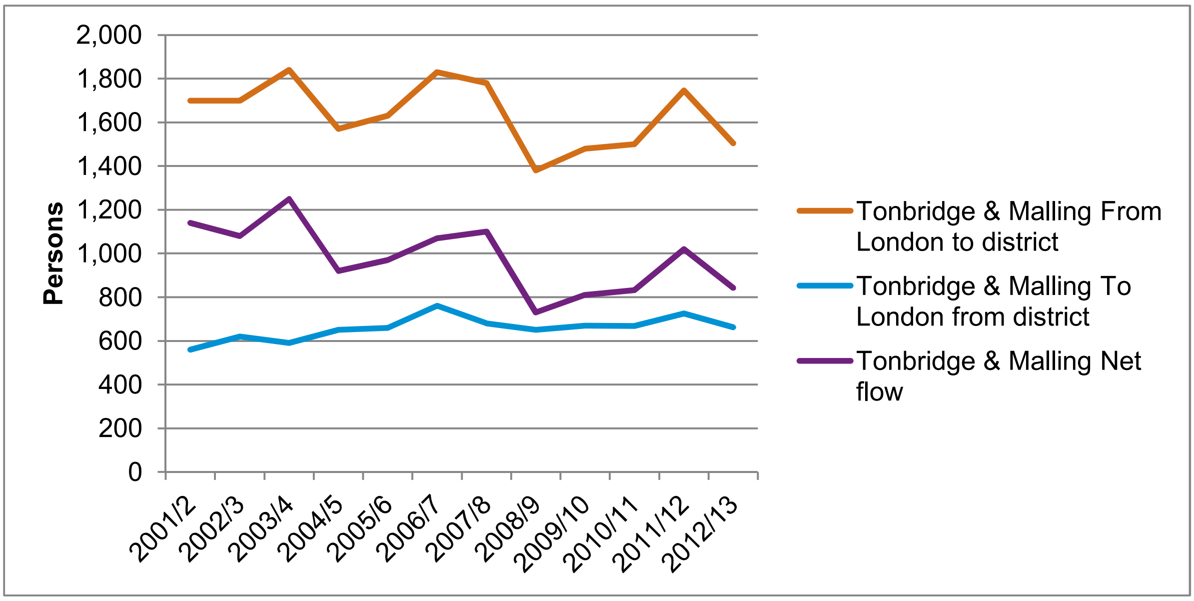
Figure 39: Interrogating Migration flows between London and Maidstone



Source: GLA / GL Hearn

Similarly the flow from Tonbridge and Malling to Maidstone has remained relatively stable. We however see lower levels of net migration from London in more recent years, and in particular the 2008/9 – 2010/11 period.

Figure 40: Interrogating Migration Flows between London and Tonbridge & Malling



Source: GLA / GL Hearn

Overall, the changes (in net terms) have particularly impacted on Ashford and to a lesser extent Maidstone. **Table 28** outlines the differences between migration in the pre-2008 period, and that over the 2007-12 period which has fed into the 2012-based SNPP.

Table 28: Migration to- and from- London and the Ashford, Maidstone and Tonbridge & Malling Areas – Individual Local Authority Analysis

	Ashford			Maidstone			Tonbridge & Malling		
	From London to district	To London from district	Net flow	From London to district	To London from district	Net flow	From London to district	To London from district	Net flow
2001/2	1,450	490	960	1,620	760	860	1,700	560	1,140
2002/3	1,390	540	850	1,640	810	830	1,700	620	1,080
2003/4	1,390	500	890	1,520	710	810	1,840	590	1,250
2004/5	1,380	590	790	1,440	740	700	1,570	650	920
2005/6	1,340	590	750	1,590	890	700	1,630	660	970
2006/7	1,210	690	520	1,640	870	770	1,830	760	1,070
2007/8	1,020	690	330	1,550	900	650	1,780	680	1,100
2008/9	860	650	210	1,260	870	390	1,380	650	730
2009/10	950	670	280	1,300	950	350	1,480	670	810
2010/11	1,005	567	438	1,278	845	433	1,500	668	832
2011/12	1,116	511	605	1,483	971	511	1,746	726	1,020
2012/13	1,124	581	542	1,454	906	548	1,505	662	843
Pre-2008 average	1,311	584	727	1,571	811	760	1,721	646	1,076
SNPP average	990	618	373	1,374	907	467	1,577	679	898
Difference	321	-33	355	197	-96	293	144	-33	177

Source: GLA

On the basis of the information above, we have developed an alternative population projection to provide a sensitivity analysis to the SNPP. This projection uses a similar assumption to the GLA modelling; i.e. for an adjustment to be made to migration levels post-2017 at a level which is half of the difference seen between pre-recession trends and the trends feeding into the SNPP. This projection is therefore broadly consistent to the approach adopted by GLA in the Central Variant in its 2013 Demographic Projections (which form the basis for the current London Plan).

Table 29 below shows overall population growth from this alternative projection. This shows population growth of 23.9% in Ashford between 2011-31 (compared to 21.7% in our SNPP-based Projection). In Maidstone it shows population growth of 23.2% (compared to 21.7% in the SNPP-based Projection). In Tonbridge and Malling it shows population growth of 20.7% between 2011-31 (compared to 19.5% in the SNPP-based Projection).

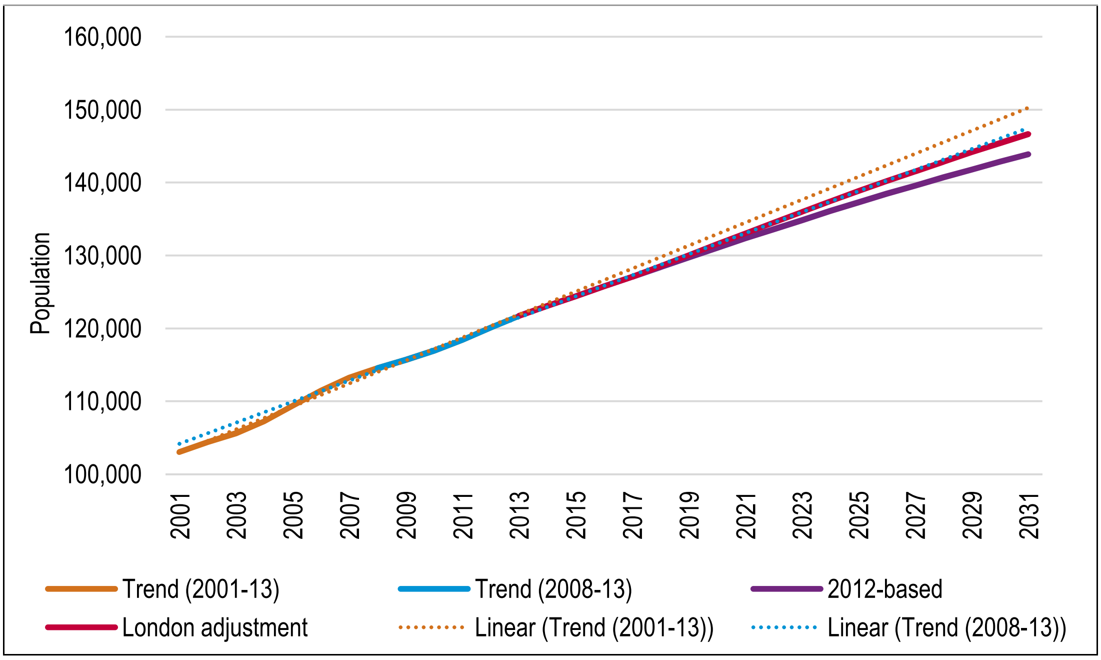
Table 29: Projected Population Growth (2011-2031) –London Migration Sensitivity Analysis

	Population 2011	Population 2031	Change in population	% change
Ashford	118,405	146,673	28,268	23.9%
Maidstone	155,764	191,887	36,123	23.2%
Tonbridge & Malling	121,087	146,111	25,024	20.7%

Source: ONS

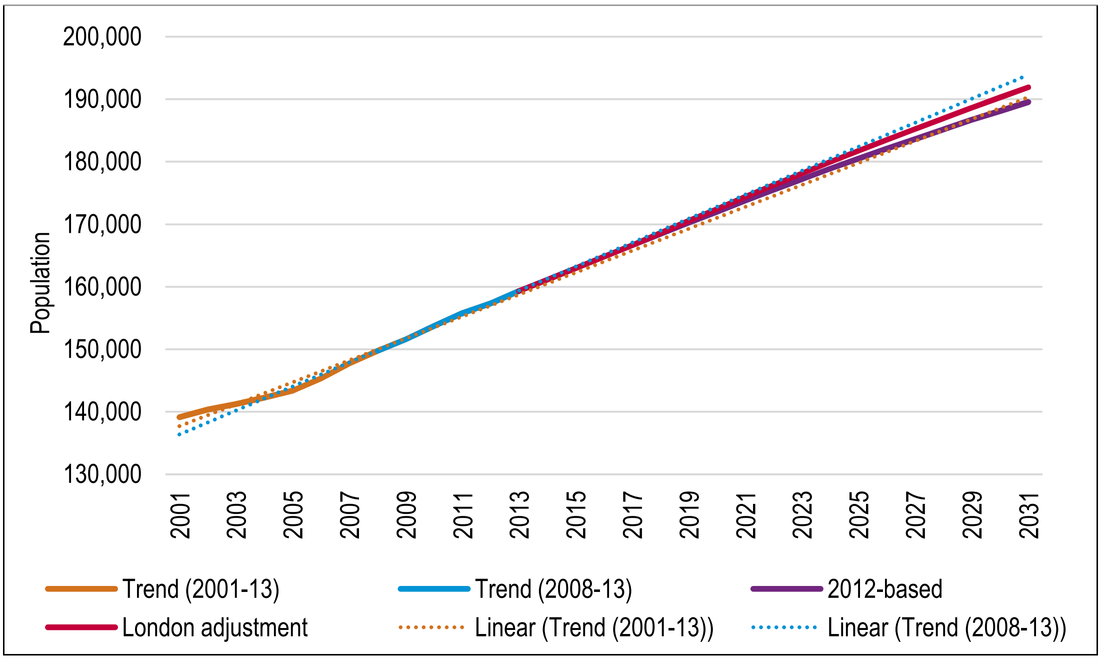
In terms of how this projection sits with past trends – the figures below show that with the adjustment there is a slightly closer relationship. The 'London adjustment' projection almost exactly tracks the trend seen over the past 5-years in Ashford and sits at a level somewhere between short- and longer-term trends in Maidstone and Tonbridge & Malling.

Figure 41: Past and Projected Population Growth – Ashford



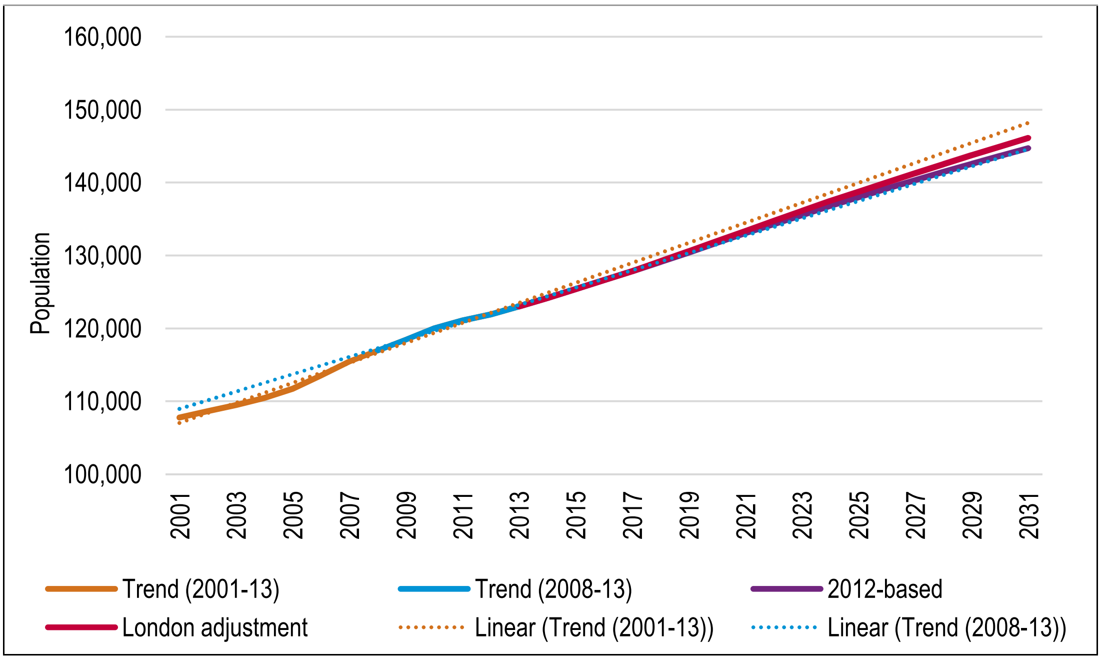
Source: ONS

Figure 42: Past and Projected Population Growth – Maidstone



Source: ONS

Figure 43: Past and Projected Population Growth – Tonbridge & Malling



Source: ONS

We have next applied the household formation rates from the 2012-based Household Projections to these population projections, and applied consistent assumptions on vacant and second homes, to derive figures for growth in households and dwellings. These are presented in **Table 30**.

The identified housing need rises slightly for each of the authorities in the sensitivity analysis – by 4.2% in Ashford, 5.1% in Maidstone and 3.8% in Tonbridge and Malling. This scenario arguably moves away from projecting to forecasting household and dwelling growth.

Table 30: Projected Household Growth 2011-31 – London Migration Sensitivity Analysis and 2012-based Headship Rates

	Ashford	Maidstone	Tonbridge & Malling
Households 2011	47,998	63,709	48,278
Households 2031	62,842	82,643	60,971
Change in households	14,844	17,934	12,693
Per annum	742	897	635
Dwellings (per annum)	773	928	659

This analysis regarding migration from London should be treated as a sensitivity analysis. The analysis takes account of the approach adopted by the GLA in the Further Alterations to the London Plan.