MAIDSTONE BOROUGH COUNCIL LOCAL PLAN
SESSION 2A – HOUSING NEEDS

Qn2.1 Whereas the NPPF seeks to meet needs in the housing market area, and the SHMA has acknowledged that these may include migration from London, would there also be migration from other Kent authorities if they cannot meet their own housing needs due to Green Belt and other constraints (including any migration from London deflected away from those authorities)?

It seems likely that Maidstone will experience higher levels of housing need over the plan period than its own trend-based projections alone would indicate might be needed. The HBF concludes this for the following reasons:

a) The Mayor of London's own migration assumptions that underpin the new London Plan will result in increased housing need across the authorities of the wider south east, especially those that benefit from rapid transport connections to London. The new London Plan is informed by a demographic assumption that household formation across London would amount to 39,500 dwellings per annum (dpa) compared to the official DCLG 2011-interim Household Projections that indicated that some 52,000 households would form. The Mayor's alternative Central Variant scenario has assumed that household formation in London would be lower than the official projections owing to a combination of increased outmigration and decreased inward-migration. This is discussed in the Maidstone SHMA June 2015 on page 48.

b) The London Plan is unable to accommodate its housing need in full. There is potentially a shortfall of circa 7,000 dwellings a year (the difference between the identified capacity target of 42,000 dwellings a year and the lower end of London's OAN which is 49,000 dpa). See paragraph 33 of the Inspector's Report on the Further Alterations to the London Plan (attached as an appendix to this statement). The Mayor asserts that he is able to accommodate the 49,000 in full. We doubt this because London Boroughs such as Bromley, Croydon, Enfield, Southwark, Sutton and Tower Hamlets are all stating that they are unable to meet the new benchmark targets set by the London Plan (reinforcing the view of the examining inspector, Mr Anthony Thickett, that he considered it was unlikely that London would be able exceed the benchmark target of 42,000 dpa – see paragraph 57 of the inspector's report, dated 18 November 2014). No London borough has yet set a housing requirement in an updated borough plan that exceeds the housing benchmarks established in the London Plan.

c) Completions in London remain poor at around 25,000 per year. Completions have hovered around this figure for the last 10 years.

d) There are large unmet needs across the south east of England, especially in the green belt constrained counties of Surrey, Sussex, Berkshire, Buckinghamshire and Hertfordshire.

e) Tonbridge, Maidstone and Ashford are relatively cheap places to live. All three towns benefit from good train connections with London (excellent rail connections via HS1 in the case of Ashford – an infrastructure project instigated to facilitate the strategic growth of London and the south east). Paragraph 5.24 of the *Maidstone Economic Development Strategy, 2015-2031* also refers to Maidstone's desire to improve growth in Maidstone.

Maidstone will become increasingly attractive to people priced-out of both London and the green belt hinterland authorities of the south east. Maidstone's *Economic Plan* acknowledges this and wants to encourage more 'skilled' and 'talented' people to come and live in the borough. On the basis of the evidence this seem highly likely to happen. However, the Council will need to ensure that it provides for all its current and future residents not just the brightest and the best. It needs to be careful that its new housing supply is not occupied by relatively more affluent incomers from London at the expense of current residents.

Projections are trend-based and will already reflect past patterns of migration from London and elsewhere. Trend-based projections, however, will not reflect the effect that under-supplies of housing will have elsewhere in London and the south east on future housing need in other local authority areas. Nor will they capture how the Mayor of London's own migration assumptions will play out across the south east (we will not properly know this until the next Census). We note that the SHMA 2015 report on page 90 makes a similar point in relation to planning for London migration: namely that a scenario modelling migration with London is not so much a projection but a <u>forecast</u> about what might happen in the future. This is a legitimate consideration as part of the OAN assessment. It is important to remember that an assessment of OAN can consist of projections and forecasts (hence the advice in the NPPG about plan-makers being able to consider sensitivity testing). An allowance for these factors should be made. It is for this reason that the HBF has argued that the Council should at least make an allowance for London migration as the SHMA invites the local authorities of the HMA to consider (paragraph 8.26 of the June 2015 SHMA).

Qn2.2 If so, is it feasible to asses such cross-border needs before these authorities have identified their own housing targets?

We recognise that it is difficult for the three HMA authorities to assess the implications of housing undersupplies by other London and south east authorities, including Sevenoaks and Tunbridge Wells. However, local plans ought to be flexible enough to respond to range of likely scenarios. We are not arguing that the Maidstone local plan should make provision for a specific number of homes that represents the unmet need in Sevenoaks and Tunbridge Wells (although Maidstone may need to consider this at a later date as part of the review of its plan). Clearly this is not feasible at the moment. However, the local plan should provide a generous enough housing supply to cover a range of probabilities. This is why we have argued that the Maidstone plan should at least make an allowance for London in addition to the 5% market signals adjustment. This would ensure that the Maidstone Plan is flexible enough to accommodate potentially higher levels of housing need at least for the next five years.

By contrast Maidstone's OAN is very finely balanced: it is essentially a basic demographic projection derived from the 2012 SNPP and the 2012-based headship rates (which we support) with 5% uplift for market signals. This does not provide much in the way of 'fat' if Maidstone receives more in-migrants than it has in the past as suggested by the trend projections. Trend-based projections are essentially conservative – in terms of housing supply they replicate in the plan what happened in the last twenty years for the next twenty. Although trend-based projections are absolutely indispensable for plan-making, and the use of the official DCLG projections by Maidstone is thoroughly endorsed by the HBF, we are not convinced that the past alone serves as a reliable indicator of what will happen in the future in the south east England. It is arguable whether an OAN that is largely a trend-based projection, would provide the flexibility sought by the national policy, or a 'significant boost' to housing supply.

While the adjustment for market signals is welcomed, it is small (45 dwellings per year). We consider that the uplift needs to be bigger than this. If the Council substituted the London Migration Scenario for the demographic element of the OAN – 928 instead of 883 dwellings per annum – and then added 5% for market signals in addition to this (resulting in 974 dpa), we would be satisfied that the Council would be responding prudently to future uncertainties. This however, represents the very minimum number of homes that are likely to be needed in Maidstone over the plan period. We consider there is a legitimate case for making a 10% market signals adjustment rather than the 5% and then adding this to the London Migration Scenario.

Qn2.3 What implications would assessing such cross border movements have for the local plan timetable and for the delivery of other development?

Ideally, Maidstone would wait to see the conclusions of any work in Sevenoaks and Tunbridge Wells regarding the OAN and the capacity of those authorities to accommodate the need in full and, following on from this, whether there is an unmet need that might have to be accommodated within the Maidstone, Ashford, Tonbridge & Malling HMA. The Government, however, is keen for local authorities to have plans in place and it is probably unreasonable to delay Maidstone's Plan while these other authorities catch-up.

Having said that, Maidstone does have information in its SHMA about the likely implications of migration with London. This should be incorporated in the OAN and the housing requirement of the plan. There is no reason to delay making this adjustment.

Qn2.4 Should the matter be left to the first review of the Local Plan by which time the other authorities should each have up-to-date local plans?

While the unmet need in Sevenoaks and Tunbridge Wells is uncertain, the issues in London are known. As explained above, the issue with London is a combination of the Mayor's migration assumptions implicit in his Central Variant scenario that underpins the new London Plan, plus the scale of the unmet need in London which is

about 7,000 homes a year and rising for the reasons I have cited above. These two factors will tend to fuel the pace of out-migration and decrease the scale of migration into London (because as housing becomes more scarce in London and prohibitively more expensive, fewer people, especially younger people, are expected to move to London in the future – this is reflected in the Mayor's Central Variant migration scenario – see paragraph 3.58 of the 2015 SHMA). The SHMA 2015 report models the effects of migration interactions with London. The Council should incorporate this scenario into its plan. There is no reason to delay planning for migration flows with London until a review of the plan.

Qn2.5 Does the HBF still seek a 10% adjustment?

The HBF considers that the Council should incorporate the London Migration Scenario modelled in the 2015 SHMA into the OAN (see Table 30, page 90). This would result in a new demographic starting point of 928 dpa. This represents an increase of 45 dwellings per annum on the 2012-based SNPP (see Table 10, page 46 of the SHMA).

The Council should then add the 5% market signals adjustment to this figure. This would generate a new OAN figure of 974 dpa. The combination of these two adjustments results in a figure that is comparable to a 10% adjustment for market signals.

An adjustment for market signals is necessary because the demographic component of the OAN assessment is merely a trend-based projection. As stated above, it just carries forward into the new plan period, what transpired in the past. As the NPPG explains, an upward adjustment to the demographic starting point may be necessary in local authorities to compensate for various other factors, such as: household suppression, past under-performance, deteriorating affordability (both rents and house prices) employment forecasts and evidence of a high affordable housing need. Therefore, a purely trend-based projection based OAN is unlikely to provide the boost to housing supply sought by the NPPF.

The market signals adjustment is recommended specifically by the NPPG to compensate for deteriorating affordability in an area. The NPPG recommends considering the lower quartile house process compared to lower quartile income to assess the relative affordability of housing. The SHMA 2015 report in paragraph 5.24 observes that using this indices: *"across all areas the affordability of property has worsened quite markedly over the past 15 years…In Maidstone the lower quartile affordability ratio has increased by 87% over this period…This is well above the 81% increase seen across England."*

The lower quartile ratio in Maidstone is 8.84 (see Table 16). We note that the median ratio is 8.93. When banks are commonly only lending again 3.5 times incomes, this speaks to the nature of the housing crisis as it is experienced in Kent.

The AMR 2012-13 states in paragraph 2.27 that:

"The SHMA (2014, p119) indicates that in August 2013 an income of £40,600 is required to buy a low priced property in Maidstone town and an income of between £57,100 and £67,100 is required to buy a low priced property in the rural areas of the borough. In

contrast, an income of £14,800 is required for a social rent property throughout the borough. The SHMA (2014, p122) found that 43% of households in August 2013 were unable to afford market housing. The provision of affordable housing is a key priority for the council."

Paragraph 3.36 of the Maidstone Economic Development Strategy, 2015-2031 (June 2015) states that the average earnings of residents in Maidstone is £26,800. Paragraph 5.28 of the SHMA records the median and gross lower quartile annual earnings by residence in Maidstone. The median in Maidstone is £28,100 and the lower quartile is £20,500. When this information is compared with the statement above from the AMR this would suggest that the cost of housing in Maidstone will be beyond the reach of many newly forming households. This would imply that many of the new homes built in Maidstone will be bought and occupied by affluent incomers rather than existing residents.

Rents are also on the increase across the HMA as paragraph 5.21 of the SHMA discusses. The growth in rents has been by 13% since 2011 in Tonbridge & Malling but lower at 7% in in Ashford and Maidstone.

In terms of over-crowding, Maidstone has witnessed a larger increase in the number of people living in over-occupied accommodation. According to the SHMA in paragraph 5.36, the Council has seen a 2.0 percentage point increase in households in over occupied accommodation – above the national trend of 1.6 percentage points. It has also seen a 1.2 percentage point increase in the number of people living in HMOs and although this matches the national trend, this is nevertheless a symptom of housing stress.

Homelessness is on the increase in Maidstone. The last published AMR for Maidstone (2012/13) shows that homeless was 37 in Maidstone in 2008/9. It was 198 in 2012/13.

Homelessness in Maidstone:

2008/9   37
2009/10   7
2010/11   27
2011/12   189
2012/13   198

Clearly the problem of homelessness is getting worse in Maidstone. The NPPG states that a long term increase in the number of overcrowded and homeless households "may be a signal to consider increasing planned housing numbers".

All the evidence demonstrates that there is a problem of affordability in Maidstone for many households. Although it is not as acute as other parts of the south east, unless a more substantial increase in supply is made there is a risk that market conditions will deteriorate further for existing as relatively more affluent incomers from London move into the area.

A bigger adjustment than 5% is warranted to improve affordability. We consider this should be 10%. The minimum adjustment must be 5% but this must be made in conjunction with the increase for London migration.

Qn2.6 If so, is there any evidence to support that percentage figure?

The Council has made an adjustment of 5% on top of the baseline demographic level of need. This adds 45 more dwellings a year to the demographic starting point in Maidstone. While we welcome the acknowledgement by Maidstone that planning on the basis of the demographic projections alone will be inadequate, and it is necessary to make an adjustment for market signals, we consider that an addition of just 45 dpa is too small, especially when the effects of migration with London are so uncertain.

We consider that an increase of 10% is warranted and this should added to the London Sensitivity Analysis migration scenario which is the appropriate starting point (928 dpa – see Table 30).

The NPPG advises that:

"market signals are affected by a number of economic factors, and plan maker should not attempt to estimate the precise impact of an increase in housing supply. Rather they should increase planned supply by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, could be expected to improve affordability".

It is impossible to predict the effect that an increase in supply above the projected household formation rate would have on affordability, other than to remember that a trend-based projection would merely reinforce current trends. The current trend in Maidstone is one of deteriorating affordability, as the lower quartile and median indicators show. It follows that if supply merely reflects projected household formation, then there would be no 'significant boost' to supply of a scale necessary to counter-act that unfortunate trend. Although the affordability picture is not as bad in Maidstone as it is elsewhere in the south east, the problem of affordability is nevertheless one that directly affects the existing residents of Maidstone, as paragraph 5.30 of the SHMA discusses – e.g. fewer households being able to buy and increased pressures on the existing affordable housing stock.

The lower quartile ratio in Maidstone is 8.84 (see Table 16 of the SHMA 2015). We note that the LPEG report, in appendix 6, recommends that where the house price ratio is above 7.0 and less than 8.7 then a 20% uplift should be applied. We are not advocating a 20% increase but a 10% increase in combination with the London Sensitivity Analysis migration scenario.

Qn2.7 Is the suppression of household formation only a symptom of unaffordability in which case why would it be assessed separately?

Unaffordability may not be the only cause of a suppression in household formation but it does suggest that previous planning targets under-estimated the true extent of the need and demand for housing in the Borough. If need has exceeded supply, then rising rents, house prices, a worsening of the affordability ratio, and an increase in

homelessness, and overcrowding will tend to indicate that household formation has been suppressed. The Council's evidence indicates that these problems are on increase, albeit the situation is less acute than some other areas of the south east.

Past under-delivery against the Regional Strategy targets would also contribute to household suppression. This is another factor that needs to be considered when considering whether it is necessary to adjust the demographic starting point for market signals (NPPG, ID 2a-019). If the Regional Strategy estimated that X number of homes would be needed in Maidstone, but it under-delivered against this figure, then it is axiomatic that this under-delivery will have contributed to the suppression of household formation. The HMA's performance in this regard is patchy. See Figure 33 of the SHMA. Since 2006 the combined target was exceeded in four years and failed in three. Maidstone has generally performed well against its RS target of 554 dpa, although recent data in the form of AMR reports since 2012/13 is not available to scrutinise.

The extent of the affordable housing need would be another factor that the Council would need to consider – this would be another symptom of housing stress. If there is evidence of an increasing affordable housing need, then this would suggest that the planners might have got their predictions wrong in the past by underestimating the true extent of the need.

The only other factor that might suggest that household suppression has not occurred as a consequence of affordability would be a cultural one, such as a propensity for some people to prefer to live in larger households. The late Alan Holmans, in his analysis of the DCLG 2011-interim Based Household Projections for the TCPA, titled *New Estimates of Housing Demand and Need in England, 2011 to 2031* (Planning Tomorrow Series Paper 16, TCPA, September 2013) argued that the decline in the rate of household formation that was exhibited in the 2011 projections compared to the previous pre 2001 Census based 2008-based projections may be partly attributable to a lower propensity among recent in-migrants to the UK to form separate households. However, it might be argued that this is due to necessity as much as choice and that affordability is still the determining factor.

It is impossible to say with certainty whether household formation been suppressed in Maidstone or in England as a consequence of poor supply and affordability. Expert commentators tend to think that it has. Nevertheless, in view of the uncertainties, the Government wants plan-makers to "boost significantly" housing supply and also that plans are "sufficiently flexible to adapt to rapid change" (NPPF, paragraph 14). Therefore, plan-makers should be more generous in their assessments of need rather than planning on the basis of the absolute minimum number of homes needed as suggested by the projections.

Qn2.8 Which other districts have used those higher percentages and how did they arrive at them?

Adjustments of varying percentages have been used by other local authorities.

Eastleigh

10%

"It is very difficult to judge the appropriate scale of such an uplift. I consider a cautious approach is reasonable bearing in mind that any practical benefit is likely to be very limited because Eastleigh is only part of a much larger HMA. Exploration of an uplift of, say6, 10% would be compatible with the 'modest' pressure of market signals recognised in the SHMA itself."

Inspector's Conclusions (9 December 2014)

<u>Uttlesford</u>

10%

"I accept that the objective of improving affordability could be difficult to achieve within the confines of one local authority area and that affordability is affected by many more factors than land supply. However, taking all the above factors in the round, I conclude that it would be reasonable and proportionate, in Uttlesford's circumstances, to make an upward adjustment to the OAN, thereby increasing provision with a view to relieving some of the pressures. In my view it would be appropriate to examine an overall increase of around 10%..."

Inspector's Conclusions (19 December 2014)

<u>Cambridge</u>

30%.

In its revised submission plan (following a suspension of the examination) Cambridge Council has proposed a 30% increase for market signals. The local plan is still being examined. The 30% adjustment has been made because the household projections for Cambridge are so depressed (it is one of only four local authorities in England where the projections indicate a decline in the rate of household formation). The two inspectors examining the Cambridge Plan acknowledged that an increase above the trend projection was necessary in view of the very poor affordability in the city and the large affordable housing need.

"From the discussion at the hearing, it seems to be generally accepted that there is a chronic shortage of affordable housing in Cambridge, even taking into account the Councils' recent updating of the SHMA following the review of the housing registers. There is no evidence before us that the Councils have carried out the kind of assessment of market signals envisaged in the Guidance; or considered whether an upward adjustment to planned housing numbers would be appropriate. It is not, in our view, adequate simply to express doubts as to whether such an upward adjustment would achieve an increase in the provision of affordable housing (which appeared to be the approach taken by the Councils at the hearing), or to suggest, as in the Councils' Matter 3 Statement, that this could only be tackled across the HMA, rather than in individual districts. There should be clear evidence that the Councils have fully considered the implications and likely outcomes of an upward revision in housing numbers on the provision of affordable housing."

Letter from the inspectors, 20 May 2015.

<u>South Cambridgeshire</u>

A 10% increase on the demographic projections has been made by the Council in its revised submission plan to respond to the affordability pressures and past under-delivery in the district.

<u>Canterbury</u>

No market signals uplift was endorsed. Instead the inspector increased the OAN to align with an employment projection arguing that the increase for employment would also assist with affordability (see paragraph 26. Inspector's Conclusions on outcomes of initial hearing, 7 August 2015).

<u>Cornwall</u>

None. The inspector instead required the council to increase the OAN to reflect the percentage rate of second homes (7%) with this figure providing an adequate allowance to help assist with affordability.

<u>Arun</u>

3% adjusted for market signals endorsed by the inspector.

Lower quartile house prices to lower quartile earnings was 9.6 but the inspector backed an adjustment of 3% made by the GL Hearn SHMA (see paragraph 1.22 of his conclusions dated 2 February 2016). However, the OAN was increased for other reasons – to match the DCLG projections by not adjusting for UPC.

<u>Horsham</u>

No market signals increase. Instead the Council adjusted the OAN to reflect different headship rates to compensate for the possibility of suppression of household formation among the 25-34 age group.

"I consider there is no strong case for a significant uplift to account for market signals in Horsham district, which are very similar to those elsewhere across virtually all of the south east. The Council's modest increase appears appropriate enough."

Inspector's report, 8 October 2015.

<u>Crawley</u>

The Council had proposed a 10% market signals adjustment but the inspector removed this, arguing that the evidence suggested that affordability in the borough was not as severe as elsewhere.

"I agree that the figure of 10,125 dwellings over the 2015-2030 plan period, or 675 per annum, represents the full objectively assessed need for the borough. However, I base this on a different reasoning to that propounded by the Council. I am not convinced that the market signals uplift is justified by the evidence, for the various indicators reveal a situation

in Crawley which is not as severe as in other North West Sussex authorities, and one that has not worsened in recent years.

On the other hand, I believe it is necessary to plan for the level of housing need derived from the DCLG 2012-based household forecasts, these being the most recent and robust projections available. DCLG predicts the number of households at 2030 to be 54,060 compared to 43,500 at 2012. I consider that 10,125 dwellings over the 2015-30 plan period would be necessary if the DCLG projection at 2030 is to be met in full."

Inspector's Preliminary Findings, 26 May 2015.

Guildford

The Guildford Local Plan has been submitted for examination. The OAN includes a modest adjustment for market signals of about 1.7%, but other more substantial adjustments have been made to the demographic starting point to account for higher migration, including migration with London, for employment, for the size of the affordable housing need, and for students. All in all the uplift on the demographic starting point suggested by the DCLG projections, is about 35%.

Chelmsford

A 20% increase to the projections has been added in the emerging plan. The 20% buffer is designed to provide a contingency to account not only for market signals, but also in case migration from London exceeds the trend-based projections and the GLA's own demographic scenario.

Braintree

Emerging plan: 23% but this covers a range of adjustments, including an increase for employment.

Colchester

Emerging plan: 6% but this covers a range of adjustments, including an increase for employment.

Bracknell Forest

Emerging plan. A market signals adjustment equivalent to about 8% has been made to improve affordability. This is in addition to other adjustments to London migration, employment and household suppression.

Windsor & Maidenhead

Emerging plan. A market signals adjustment equivalent to about 8% has been made to the demographic projection to improve affordability.

Slough

Emerging plan. A market signals adjustment equivalent to about 6% has been made to the demographic projection to improve affordability.

<u>West Berkshire</u>

The latest OAN assessment has recommended a market signals adjustment equivalent to about 9% of the demographic projection to improve affordability. Other increases are also recommended to account for the economy, London migration and supressed household formation.

<u>Reading</u>

The latest OAN assessment has recommended a market signals adjustment equivalent to 10% of the demographic projection to improve affordability. Other increases are also recommended to account for the economy and London migration.

<u>South Bucks</u>

The latest OAN assessment has recommended a market signals adjustment equivalent to 11% of the demographic projection to improve affordability.

<u>Wokingham</u>

The latest OAN assessment has recommended a market signals adjustment equivalent to 11% of the demographic projection to improve affordability. Other adjustments are also recommended for London migration and the economy.

<u>Brentwood</u>

Emerging plan makes no allowance for market signals. Instead it argues that meeting the demographic projections represents a 'significant boost' because this exceeds past targets (e.g. the Regional Strategy).

Qn2.9 Why has the Council not adopted the higher population projection indicated by the London migration sensitivity analysis?

The Maidstone Local Plan acknowledges the problem of affordability as a consequence of Maidstone's proximity to London. It states in paragraph 3.3:

"The local housing market crosses adjacent borough boundaries into Tonbridge and Malling and Ashford, and is influenced by its proximity to London, resulting in relatively high house prices."

The Mayor of London has assumed that increased out-migration from London and decreased in-migration into London will occur. This will have demographic implications for the HMA. In addition to this is the problem of London's unmet need (circa 7,000 dwellings a year). The inspector for the London Plan, in his report (dated 18 November 2014), does refer to the effect of the Mayor's migration assumptions for plans outside of London. He noted that the Mayor's SHMA *"includes assumptions*

relating to migration…likely to be material to the preparation of local plans outside London." (See paragraph 8 of the report).

London migration is material to Maidstone. It would be prudent for Maidstone to make the allowance for London. It should include the allowance that has been modelled in the SHMA.

Qn2.10 Does the Council accept that higher levels of net migration from London would adversely affect the supply of available housing and affordability in Maidstone?

This is a question directed to the Council, but we would refer to the *Maidstone Economic Development Strategy, 2015-2031*. This expresses the Council's enthusiasm for transforming Maidstone by attracting more people of an economically active age from London to live in Maidstone. Maidstone is lobbying for faster train connections to London. If it is successful, it will draw more people from London. This number is likely to exceed the trend projection. This is why it is necessary to make an adjustment for potentially higher numbers of in-migrants. An influx of relatively more affluent people of a working age into Maidstone is likely to drive-up house prices. This, after all, is often the aim behind regeneration – to increase the development values (i.e. more expensive homes) of certain locations. This is why it is necessary for the Council to make upwards adjustments for both London migration and for market signals. A trend-based projection based on the 2012 SNPP while providing a firm foundation, would not of itself be adequate to cater for potentially higher numbers of households arriving from London (as well as fewer households moving to London).

As stated above, we refer again to paragraph 3.3 of the Maidstone Local Plan which acknowledges the problem of affordability in Maidstone as a consequence of its proximity to London. It states:

"The local housing market crosses adjacent borough boundaries into Tonbridge and Malling and Ashford, and is influenced by its proximity to London, resulting in relatively high house prices."

We note that the Council's *Strategic Plan 2015-2020* aims for *"having enough homes to meet our residents needs with sufficient homes across a range of tenures"*. The Council may not achieve this if it receives more households than it has anticipated, especially if it relies solely on past-trends and a limited 5% adjustment for market signal. The corollary would be rising house prices.

Qn2.11 What are the implications for Maidstone of the latest Household projections?

The DCLG 2014-based household Projections (DCLG Live Table 406: Household Projections by District https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections) show that over the plan period 2011 – 2031 some 17,000 households are projected to form, equivalent to an average of 850 households per year. This figure is materially the same as the earlier DCLG 2012-

based Household Projection for Maidstone that projected that 853 households would form per year (see Table 10 on page 46 of the SHMA).

The DCLG 2014-based Household Projections lends additional credence to the Council's use of the 2012-based Household Projections as the correct demographic starting point for its assessment of the OAN.

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