East Cambridgeshire
Objectively Assessed Housing Need
October 2016

Establishing future need for housing

A report by Cambridgeshire County Council Research Group to support East Cambridgeshire District Council in objectively assessing and evidencing development needs for housing, both market and affordable.

Executive Summary

1. *"The primary purpose of identifying need is to identify the future quantity of housing needed, including a breakdown by type, tenure and size."*

Source: Planning Practice Guidance Reference ID: 2a-002-20140306

2. The purpose of this report is to identify the future quantity of housing needed, from 2014 to 2036.

3. The overall housing figure that has been identified is 12,900 dwellings (586 dwellings per annum).

4. This housing figure results from applying an upward adjustment to the starting point estimate of overall housing need over the 2014 to 2036 period, to bring the population and households in 2036 to the levels suggested by the official 2012-based projections.

5. The purpose of this report is also to consider the total need for affordable housing in the context of the overall housing figure.

6. The total need for affordable housing that has been calculated is 2,854 houses for 2014-2036.

7. Table 1 provides a summary of the identified change in population, jobs and dwellings numbers for the period 2014 to 2036.

Table 1: Identified population, jobs and dwellings change from 2014 to 2036 for East Cambridgeshire

District	Population	Jobs	Dwellings	Ratio of new jobs to new dwellings
East Cambridgeshire	24,400	6,900	12,900	0.5

8. The overall housing figure that has been identified is 4% higher than the CLG 2012 estimate of 12,440 dwellings (12,050 households) and 33% higher than the CLG 2014 estimate of 9,730 dwellings (9,420 households).

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9. Across the Cambridge housing market area (HMA), which of course includes East Cambridgeshire, the following current evidence documents are particularly relevant to the setting of 'housing need':
•	Strategic Housing Market Assessment (SHMA) (2013 version)
•	Population, Housing and Employment Forecasts Technical Report (2013)
•	Cambridgeshire and Peterborough Memorandum of Co-operation (2013)

10. Collectively, these three documents led to the overarching conclusion that:
 (a)	The 'objectively assessed need' (OAN) for housing in East Cambridgeshire for the period 2011 to 2031 is 13,000 new dwellings;
 (b)	That 1,500 of that need is redistributed in the HMA area, resulting in the Local Plan target for East Cambridgeshire for 2011-2031 being 11,500 dwellings.

11. That 11,500 dwellings figure was subsequently found 'sound' in March 2015 by a planning inspector examining the East Cambridgeshire Local Plan, and subsequently that Local Plan was adopted in April 2015.

12. However, in July 2015, East Cambridgeshire District Council (ECDC) formally commenced a review of that Local Plan, including adoption of a timetable (i.e. LDS) for its production. That timetable included three stages of public consultation, the first in Feb 2016 (excluding sites) and the second mid 2016 (to include sites).

13. The new Local Plan will need to re-test the 'OAN' for the district, and over the time period to 2036, so that it subsequently can determine a revised set of housing growth targets to plan for.

14. The Feb 2016 consultation Local Plan included an indication of what that growth figure is, for the purposes of consultation:

"The overall housing figure that has been identified is 14,300 dwellings (650 dwellings per annum) for the period 2014 to 2036."

Source: East Cambridgeshire Objectively Assessed Housing Need January 2016 (Cambridgeshire Research Group) (www.cambridgeshireinsight.org.uk/EastCambs_OAN-Update-2016)

15. Following the release of new CLG household projections and EEFM forecasts since January 2016, the purpose of this update is to assess what adjustment, if any, this housing figure requires. On the basis that there is collective agreement across the Cambridge HMA not to prepare a full SHMA / OAN review (for the primary reason that Local Plans are being progressed or recently adopted based on the 2013 work), then the following national planning practice guidance (PPG) paragraph appears to apply:

"Where Local Plans are at different stages of production, local planning authorities can build upon the existing evidence base of partner local authorities in their housing market area but should co-ordinate future housing reviews so they take place at the same time."

Source: Planning Practice Guidance Reference ID: 2a-007-20150320

16. Thus, this report

(i)   provides an updated OAN for ECDC 'building on the existing evidence base' (as per PPG guidance), but also

(ii)   takes the opportunity to use any updated other evidence, such as national forecasts and projections, in that process.

2 The approach to assessing need

17. To ensure that the assessment findings are transparently prepared, this report follows closely the standard methodology set out in the national planning practice guidance. Using this approach, the overall assessment of need is an objective assessment of need based on facts and unbiased evidence.

18. The assessment is thorough but proportionate, building where possible on existing information sources outlined within the guidance. The report uses existing available evidence and reports as much as possible, but also takes the opportunity to use the latest available evidence, including the latest household projections, ensuring that the assessment is informed by the latest available information.

19. The report builds upon, and feeds into, the existing evidence base of partner local authorities in the housing market area, in line with the duty to cooperate, through the Strategic Housing Market Assessment partnership, which is a partnership of all seven local planning authorities in the Cambridge housing market area.

3 The scope of this assessment

Introduction

20. The objectively assessed need for housing in East Cambridgeshire is assessed in relation to the Cambridge housing market area, which of course includes East Cambridgeshire.

21. *"A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap."*

Source: Planning Practice Guidance Reference ID: 2a-010-20140306

22. The Cambridge housing market area - defined as Cambridge, East Cambridgeshire, Fenland, Forest Heath, Huntingdonshire, South Cambridgeshire and St Edmundsbury council areas - is an established assessment area.

23. In the following sections, we provide up-to-date supporting evidence for this assessment area, using the latest migration and commuting data.

Analysis of migration flow patterns

24. Migration flows and housing search patterns reflect preferences and the trade-offs made when choosing housing with different characteristics. The following analysis of migration flow patterns helps to identify these relationships and the extent to which people move house within this area. The findings identify the areas within which a relatively high proportion of household moves (typically 70%) are contained. This excludes long distance moves outside the UK (e.g. those due to a change of lifestyle or retirement), reflecting the fact that most people move relatively short distances due to connections to families, friends, jobs, and schools.

25. Figure 1 below shows cross-boundary migration to and from East Cambridgeshire in the year preceding the 2011 Census.

Figure 1: Cross-boundary migration to and from East Cambridgeshire in 2010-2011 (Census 2011)
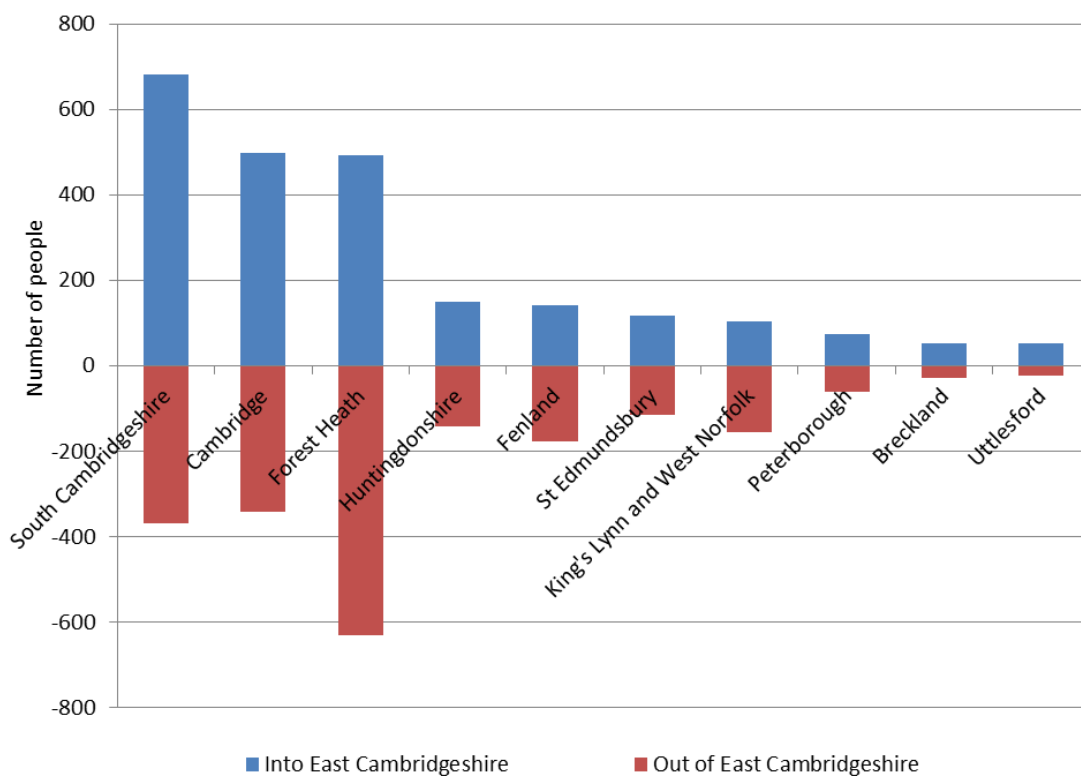
26. Figure 1 above shows the top ten origins and destinations of people who moved into and out of East Cambridgeshire between March 2010 and March 2011 (i.e. people who had a different address one year before the Census). The top ten includes all of the six other districts in the Cambridge housing market area (South Cambridgeshire, Cambridge, Forest Heath, Huntingdonshire, Fenland and St Edmundsbury). The top eight also includes King's Lynn and West Norfolk, and Peterborough.

27. In addition to these cross-boundary moves, 4,136 people moved house within East Cambridgeshire, which represents 51% of the total 'in' moves, and 52% of the total 'out' moves.

Including house moves within East Cambridgeshire, the total number of 'in' moves was 8,121, and the total number of 'out' moves was 7,901. The total number of 'in' moves from the housing market area (including East Cambridgeshire) was 6,217, and the total number of 'out' moves to the housing market area (including East Cambridgeshire) was 5,910. 77% of all 'in' moves and 75% of all 'out' moves were therefore contained within the housing market area, which exceeds the PPG's 70% threshold for identifying a housing market area.

Analysis of commuting flow patterns

28. Travel to work areas can provide information about commuting flows and the spatial structure of the labour market, which will influence household price and location. They can also provide information about the areas within which people move without changing other aspects of their lives (e.g. work or service use).

29. The following analysis of commuting flow patterns helps to identify the key functional linkages between places where people in this area live and work. Maps 1 and 2 overleaf show the places where people who live in East Cambridgeshire work (Map 1), and where people who work in East Cambridgeshire live (Map 2).

30. Figure 2 below shows cross-boundary commuting to and from East Cambridgeshire at the time of the 2011 Census.

Figure 2: Cross-boundary commuting to and from East Cambridgeshire in 2011 (Census 2011)
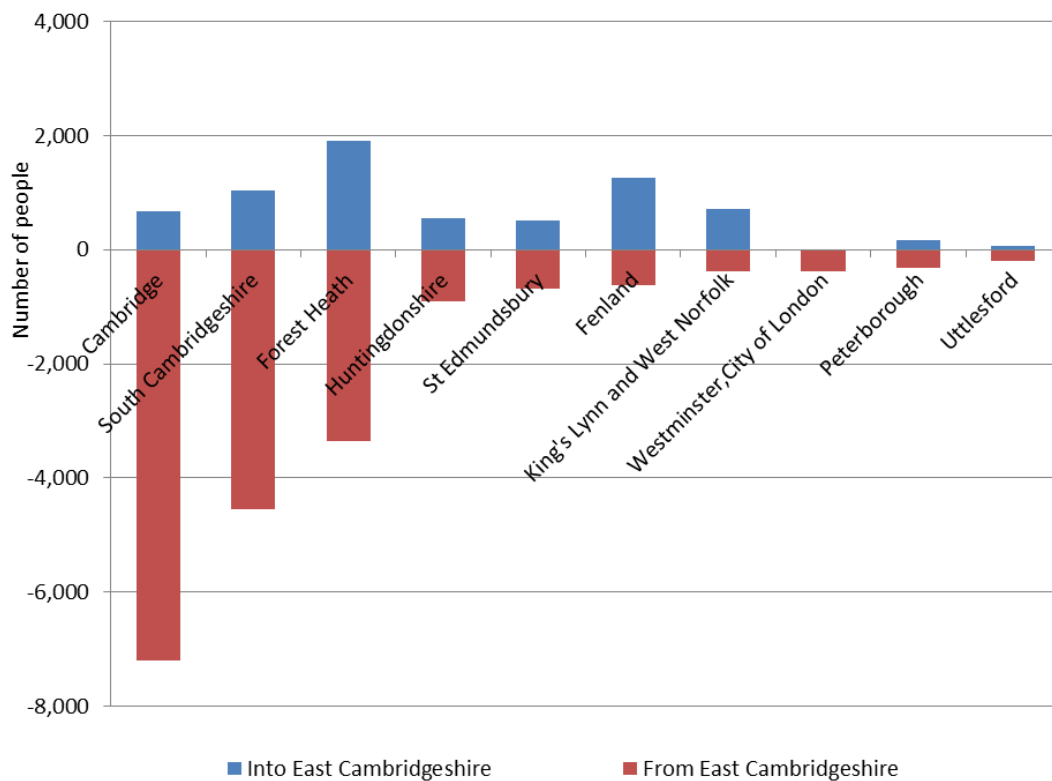
Map 1: Area of workplace of the working population of East Cambridgeshire (Census 2011)

Area of workplace of the working population of East Cambridgeshire

Number of people
(Source: Census 2011)

|		
1,000	to	2,250
500	to	999
200	to	499
25	to	199
5	to	24
0	to	4
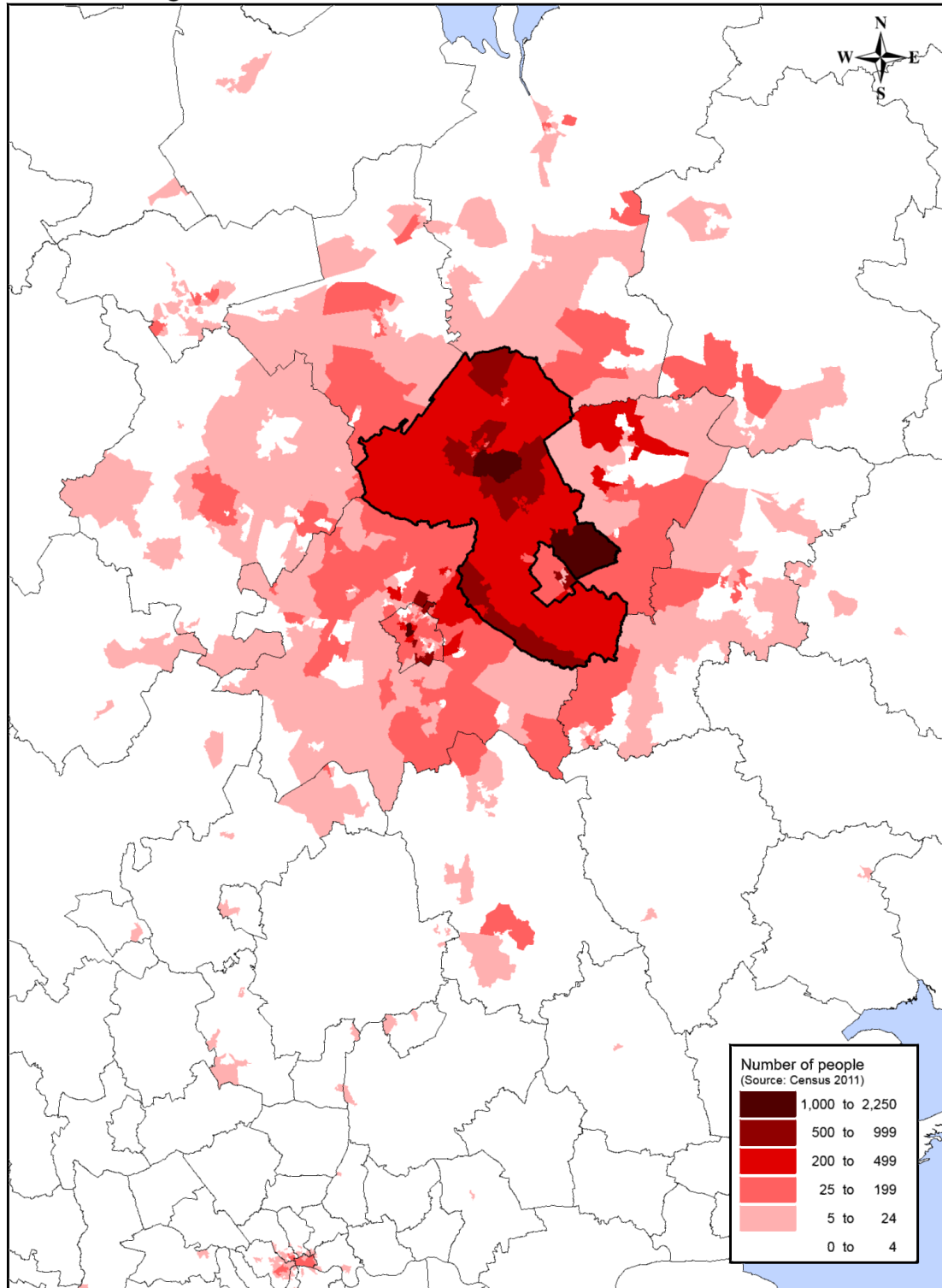
Scale at A4 - 1:600,000

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Map 2: Area of residence of the workplace population of East Cambridgeshire (Census 2011)

Area of residence of the workplace population of East Cambridgeshire

Number of people
(Source: Census 2011)

	500 to 785
	250 to 499
	100 to 249
	15 to 99
	5 to 14
	0 to 4
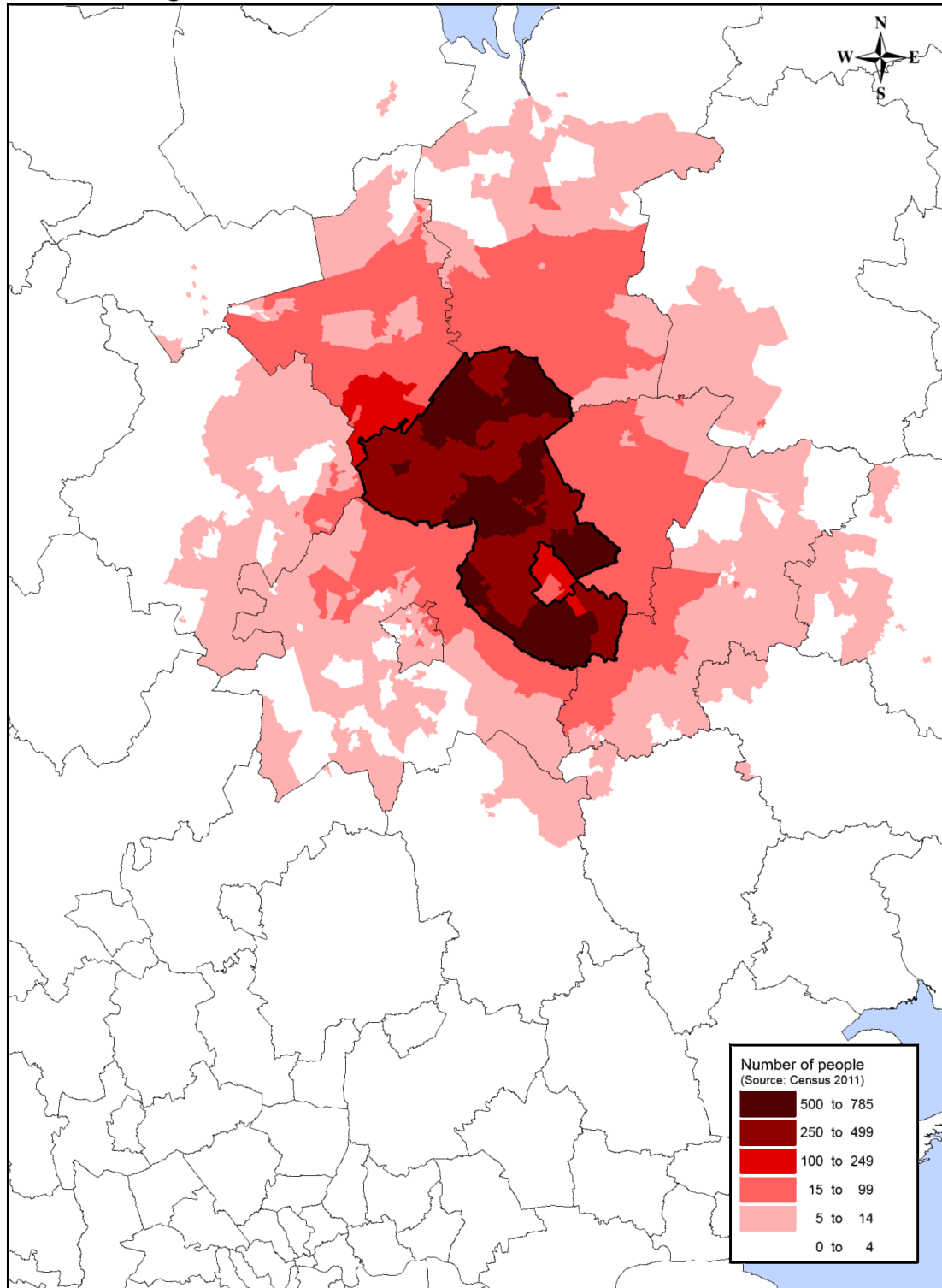
Scale at A4 - 1:600,000

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31. Figure 2 above shows the top ten origins and destinations of people who travelled into and from East Cambridgeshire to work in March 2011. The top ten includes all of the six other districts in the Cambridge housing market area (Cambridge, South Cambridgeshire, Forest Heath, Huntingdonshire, St Edmundsbury and Fenland), as well as King's Lynn and West Norfolk, and Peterborough, which were also in the top ten origins and destinations of people who moved house in 2010-2011. This analysis suggests the Cambridge housing market area overlaps the housing market areas of other districts within the Greater Cambridge Greater Peterborough local enterprise partnership (LEP) area, which includes King's Lynn and West Norfolk, and Peterborough.

32. In addition to these cross-boundary flows, 23,176 people live and work within East Cambridgeshire, including 5,818 people who work at or from home, and 3,582 people with no fixed place of work. 74% of people who work in East Cambridgeshire live in East Cambridgeshire (Map 2), while only 52% of people who live in East Cambridgeshire work in East Cambridgeshire (Map 1), with 39% of East Cambridgeshire's employed residents working elsewhere in the Cambridge housing market area (Figure 2).

Other contextual data

33. East Cambridgeshire is one of five districts within Cambridgeshire County. It covers approximately 65,000 hectares of the eastern part of the County, south of Fenland and northeast of South Cambridgeshire districts. East Cambridgeshire shares boundaries with Norfolk County in the northeast and Suffolk County in the southeast. Its main urban centres are the market towns of Ely, Littleport and Soham. Ely is the largest of these, acting as a retail, service and administrative centre.

34. East Cambridgeshire is well connected via transport routes, with the A10 running north-to-south, and the A142 providing access to London and other parts of the country via the A14, A10 and M11. The district is well served by railway, with Ely acting as the main junction linking with Cambridge, King's Lynn, Peterborough and Norwich. East Cambridgeshire also has good access to Stansted Airport.

35. Economically, East Cambridgeshire is closely linked with Fenland and Cambridge, particularly the latter. Economic changes in the sub-region stimulated by the expansion of Cambridge have had a profound effect. Once an agricultural focused area, East Cambridgeshire is now a favoured business location in its own right. Ely is at the heart of local economic growth, providing both an affordable and accessible place for business, and a skilled workforce.

36. The Strategic Housing Market Assessment (2013 version) provides further contextual information, including area profiles for all seven districts in the Cambridge housing market area.

Conclusion

37. Analysis of the latest migration and commuting data provides up-to-date supporting evidence for the established definition of the Cambridge housing market area.

4.1 The starting point for establishing the need for housing

Introduction

38. In this report, household projections published by the Department for Communities and Local Government (CLG) provide the starting point estimate of overall housing need. The 2012-2037 Household Projections were published on 27 February 2015, and were the most up-to-date estimate of future household growth in January 2016. The 2014-2039 Household Projections were published on 12 July 2016.

39. The household projections are produced by applying projected household representative rates to the population projections published by the Office for National Statistics (ONS). Projected household representative rates are based on trends observed in Census and Labour Force Survey data.

40. The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends.

41. Table 2 below shows the 2012-based and 2014-based household projection-based estimates of housing need for the period 2014 to 2036.

Table 2: Household projection-based estimates of housing need

Source of estimated/projected population	Population 2012	Population 2014	Population 2036	Population 2014-2036	Households 2014-2036	Dwellings 2014-2036
ONS 2012	85,100	87,770*	111,100*	23,330	12,050	12,440
ONS 2014	85,100	86,690**	104,590***	17,900	9,420	9,730

*The population figures for 2014 and 2036 are the projected population figures published by ONS on 29 May 2014.

**The population figure for 2014 is the estimated population figure published by ONS on 25 June 2015.

***The population figure for 2036 is the projected population figure published by ONS on 25 May 2016.

42. Table 2 above shows the 2012-based and 2014-based (CLG 2012 and CLG 2014) starting point estimates of 12,050 households (12,440 dwellings) and 9,420 households (9,730 dwellings) for the period 2014 to 2036. The CLG 2014 estimate of 9,420 households is 22% lower than the CLG 2012 estimate of 12,050 households.

43. The starting point estimates result from applying the household representative rates from the household projections published by CLG to the sub-national population projections published by ONS. We convert the households to dwellings using the Census 2011 ratio of households to dwellings from Census 2011 Table KS401EW. This ratio is 34,614 households to 35,747 dwellings for East Cambridgeshire, which means the required number of dwellings is 3.27% higher than the projected increase in households.

44. The 2012-based starting point estimate may require adjustment to reflect the ONS 2014 projection. To assess what adjustment, if any, the 2012-based estimate requires, the following section compares the ONS 2012 and ONS 2014 projections.

Starting point estimates

45. Table 3 below shows the 2012-based and 2014-based (ONS 2012 and ONS 2014) population projections for the periods 2012 to 2014 and 2014 to 2036. Any underlying trends evident in the 2012 to 2014 period, such as any under delivery of housing, will influence the ONS 2014 projection up to 2036. Figures 3 to 6 overleaf show the most recent natural change, net migration, dwelling stock and house price evidence.

Table 3: 2012-based and 2014-based projected population figures

Source of estimated/projected population	2012-2014			2014-2036			2012-2036		
	Nat*	Mig**	Total	Nat*	Mig**	Total	Nat*	Mig**	Total
ONS 2012	790	1,880	2,670	7,670	15,660	23,330	8,460	17,540	26,000
ONS 2014	830	760	1,590	6,120	11,780	17,900	6,950	12,540	19,490

*Natural change
**Migration and other changes

46. Table 3 above shows lower projected levels of natural change and net migration in the ONS 2014 projection than in the ONS 2012 projection, reflecting lower levels of natural change and net migration in 2012/13 and 2013/14 than in previous years (Figures 3 and 4). These lower levels of natural change and net migration reflect recent annual increases in housing numbers that have been lower than previous housing growth rates (Figure 5).

47. If the lower housing growth rate was not evident in the 2012 to 2014 period, the ONS 2014 projection would provide evidence for an adjustment to the ONS 2012 projection. However, as the recent lower annual increases in housing numbers are evident in the 2012 to 2014 period, the ONS 2014 projection does not provide any evidence for an adjustment to the 2012-based starting point estimate.

48. Furthermore, East Cambridgeshire's recent average house price increase (Figure 6) reflects the lower housing growth rate that was evident in the 2012 to 2014 period, indicating that the ONS 2014 projection would require more upward adjustment than the adjustment to the ONS 2012 projection (Section 4.3). The ONS 2014 projection therefore provides no evidence for an adjustment to the 2012-based starting point estimate, or: the lower housing growth rate that was evident in the 2012 to 2014 period provides evidence that an upward adjustment to equal the 2012-based starting point estimate is an appropriate adjustment to the 2014-based starting point estimate.

49. To assess what adjustment, if any, the 2012-based household projection-based estimate of housing need requires, the following sections provide sensitivity testing based on alternative assumptions in relation to the underlying demographic projections and household formation rates.

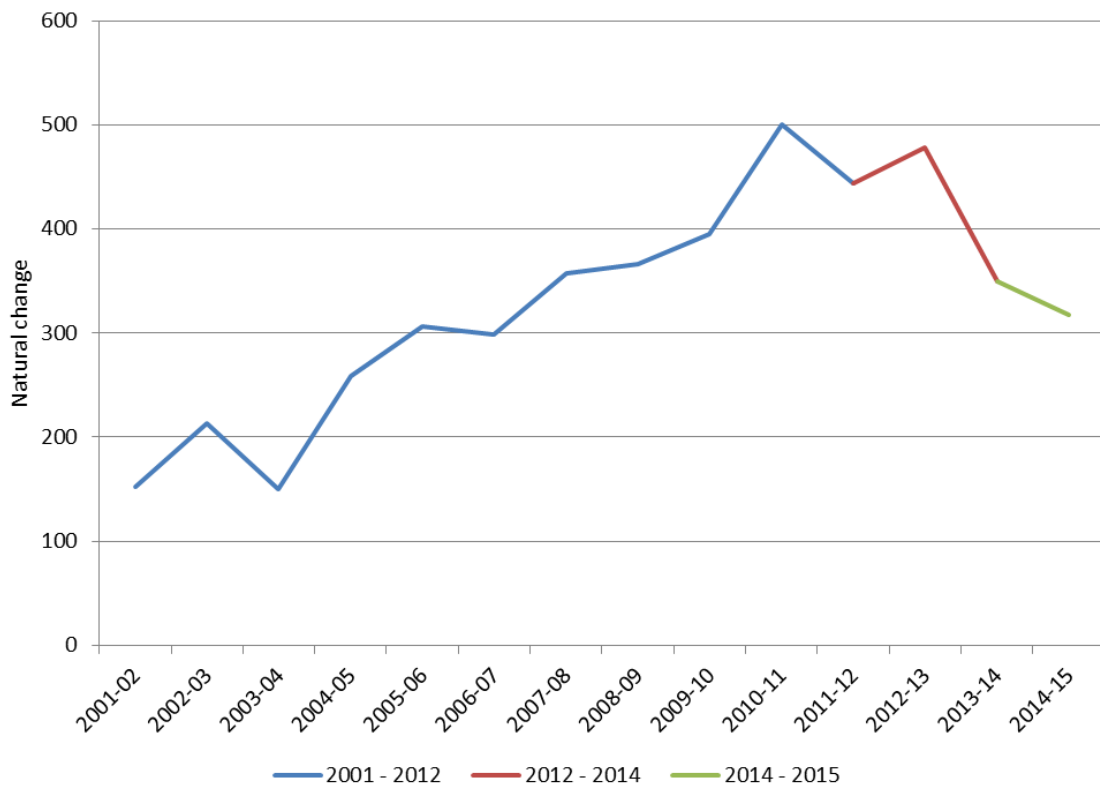**Figure 3: Natural change estimates for East Cambridgeshire (ONS)**

Figure 4: Net migration estimates for East Cambridgeshire (ONS)
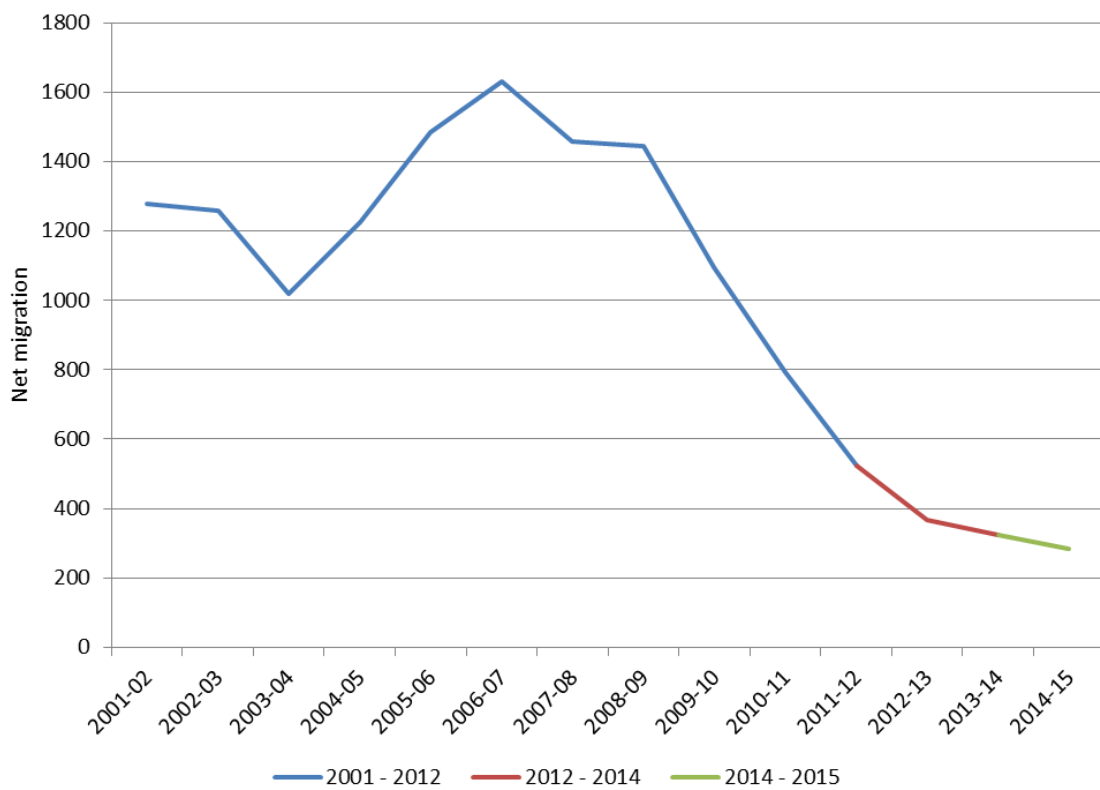
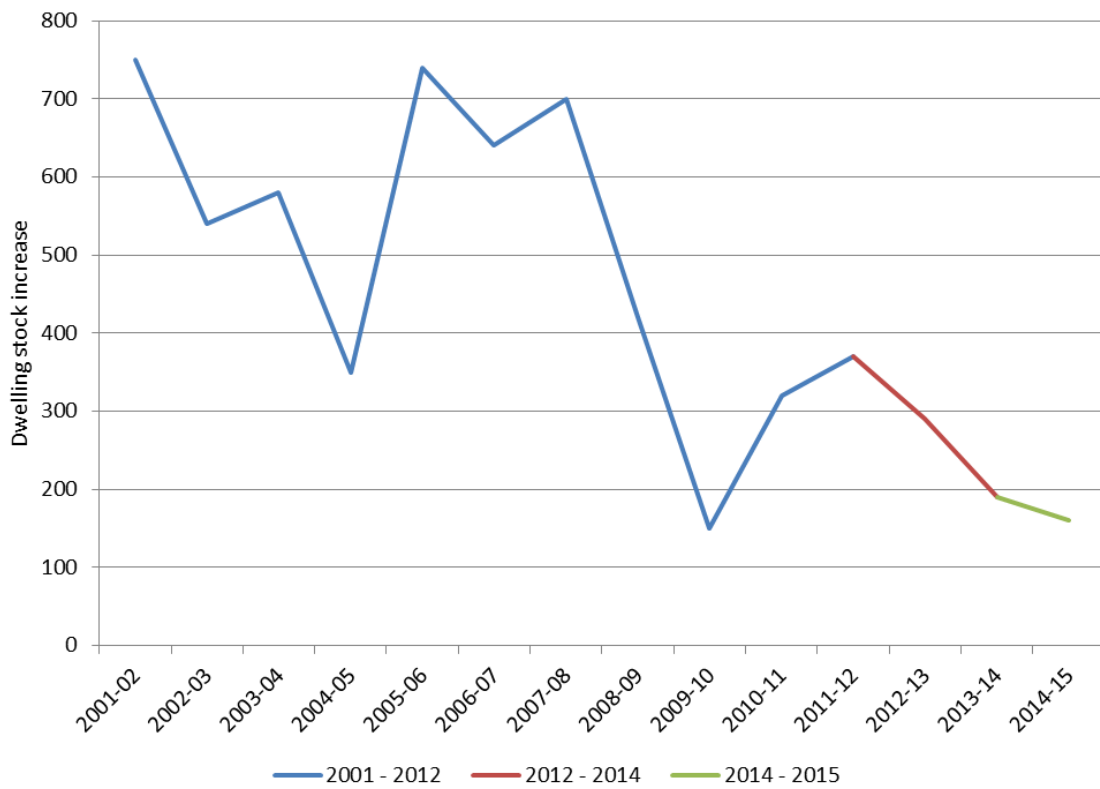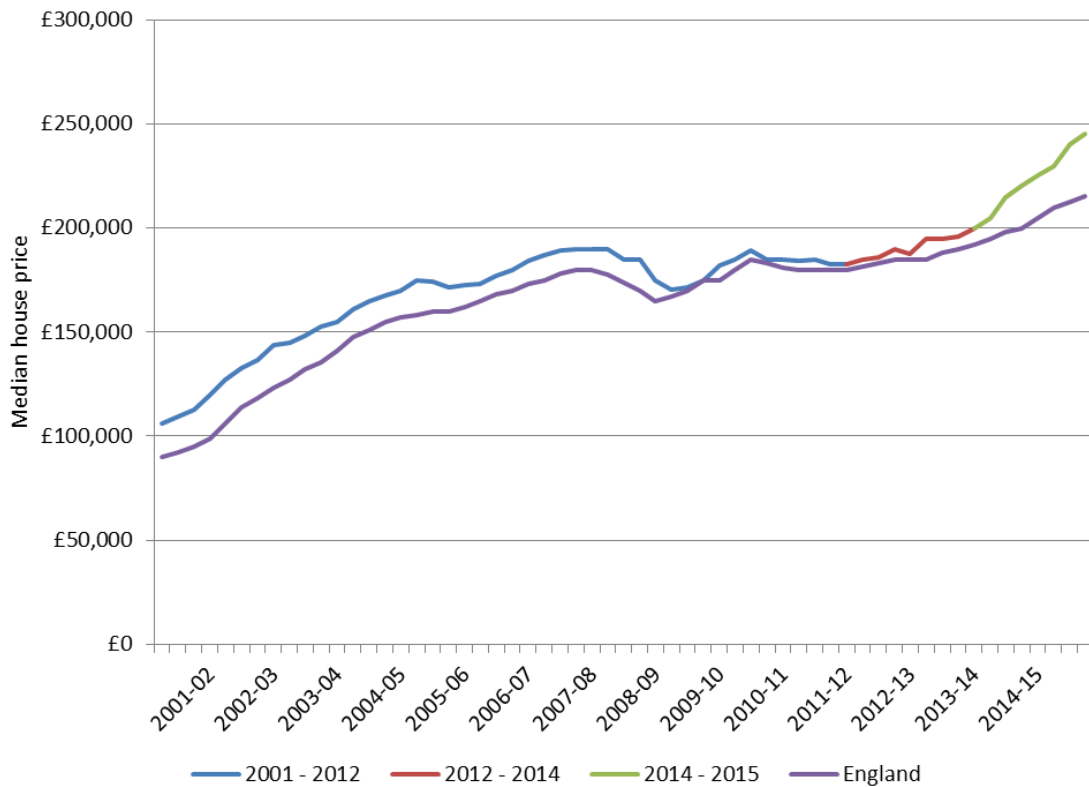**Figure 5: Dwelling stock estimates for East Cambridgeshire (CLG)**

Figure 6: Average house prices in East Cambridgeshire and England (ONS)
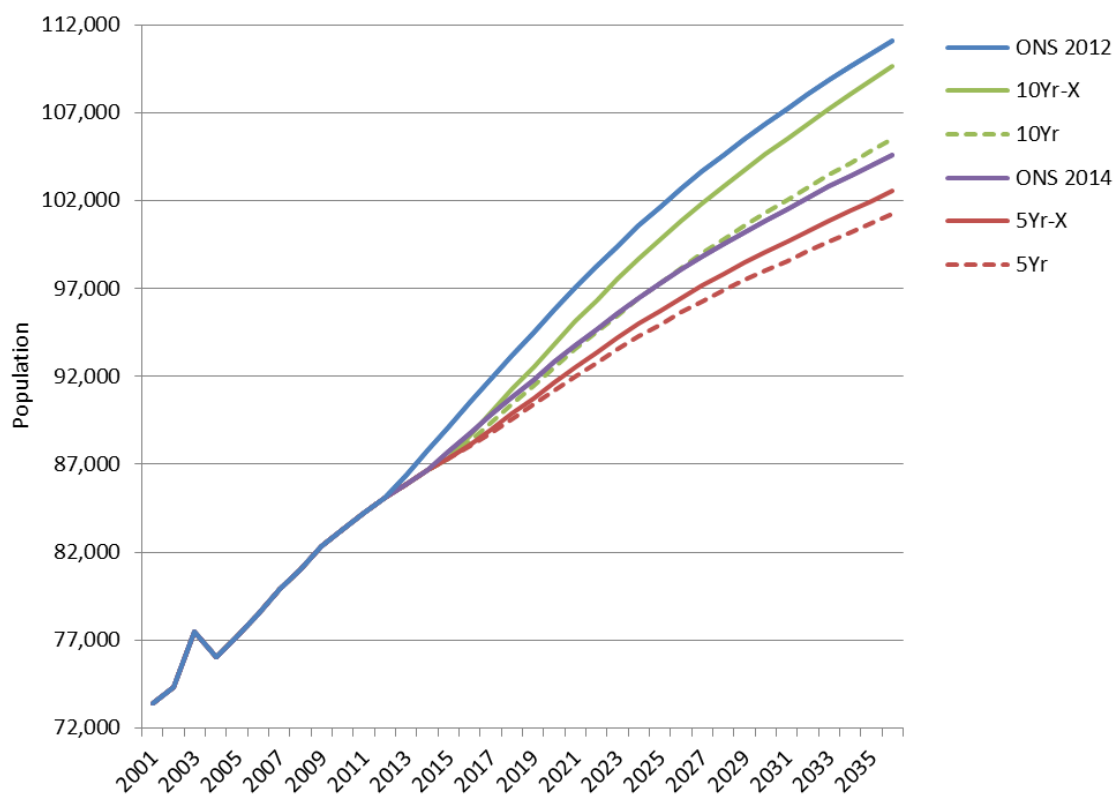
Underlying demographic projections

50. To test the sensitivity of the underlying demographic projections to alternative migration assumptions, we provide alternative demographic projections based on 5-year and 10-year population trends.

51. Figure 7 below shows the official population projections for East Cambridgeshire (ONS 2012 and ONS 2014), two alternative population projections based on 5-year migration trends (5Yr and 5Yr-X), and two alternative population projections based on 10-year migration trends (10Yr and 10Yr-X).

Figure 7: Official and alternative demographic projections (ONS and CRG)

We acknowledge the support of Edge Analytics and the use of POPGROUP technology in the production of the alternative demographic projections.

52. *"A five year historical period is a typical time-frame from which migration 'trend' assumptions are derived (this is consistent with the ONS official methodology). However, given the unprecedented economic change that has occurred since 2008, it is important to give due consideration to an extended historical time period for assumption derivation."*

Source: Greater Essex Demographic Forecasts 2013-2037 Phase 7 Main Report May 2015 (Edge Analytics) (www.uttlesford.gov.uk/article/2417/Essex-Guidance-Documents)

53. ONS projections are trend-based, which means assumptions for future levels of births, deaths and migration are based on observed levels. The 2007 to 2012 period is used as the basis for the ONS 2012 projections. Hence, any underlying trends evident in this period, such as low or high rates of annual house-building, will influence the future projections up to 2036. The 2009 to 2014 period is used as the basis for the ONS 2014 projections.

54. Figure 7 above shows four alternative demographic projections based upon the latest demographic evidence. We take the opportunity to incorporate the latest available information, which includes the 2015 mid-year population estimate and its accompanying components of change (births, deaths and migration) for the 2014 to 2015 period.

- For all four alternative projections, the fertility and mortality rates from 2015 onwards are taken from the ONS 2014 official projection for East Cambridgeshire.

- For the 5Yr and 5Yr-X projections, the migration assumptions from 2015 onwards are based on a 5-year historical time frame (2010 to 2015).

- For the 10Yr and 10Yr-X projections, the migration assumptions from 2015 onwards are based on a 10-year historical time frame (2005 to 2015).

- For the 5Yr and 10Yr projections, we assume that the 'unattributable population change' (UPC) for the 2001 to 2011 historical period is associated with the mis-estimation of international migration (as this is the component with the greatest uncertainty associated with its estimation).

- For the 5Yr-X and 10Yr-X projections, we exclude the UPC from the international migration assumptions (this is consistent with the ONS official methodology).

55. As Figure 7 shows, all four alternative projections suggest population growth rates that are lower than the ONS 2012 official projection for East Cambridgeshire, reflecting longer-term net migration assumptions in the ONS 2012 projection that are higher than recent historical levels.

56. Table 4 below shows the most recent demographic evidence.

Table 4: Official projected population figures and more recent mid-year population estimates

| Source of estimated/projected population	Population 2012	Population 2013	Population 2014	Population 2015
ONS 2012	85,100	86,410	87,770	89,130
ONS 2014	85,100	85,900	86,690	87,750
Mid-year estimates	85,100	85,900	86,690	87,310

57. As Table 4 above shows, recent historical population levels have been lower than projected levels.

58. The population growth rate over the last five years (2010 to 2015) has been lower than over the 2007 to 2012 period. The 5Yr-X projection (which is consistent with the ONS 2012 methodology) therefore projects a lower population growth rate than the ONS 2012 projection. The 10Yr-X projection (which uses an extended historical time period) also projects a lower rate of growth than the ONS 2012 projection, also reflecting the lower growth rate of the last three years (although to a lesser extent than the 5Yr-X projection).

59. The alternative projections provide sensitivity testing in relation to the ONS 2012 projection. Any underlying trends evident in the 2012 to 2015 period, such as any under delivery of housing, will influence the alternative future projections up to 2036.

60. Figure 8 below shows the most recent dwelling stock estimates.

Figure 8: Dwelling stock estimates for East Cambridgeshire (CLG)
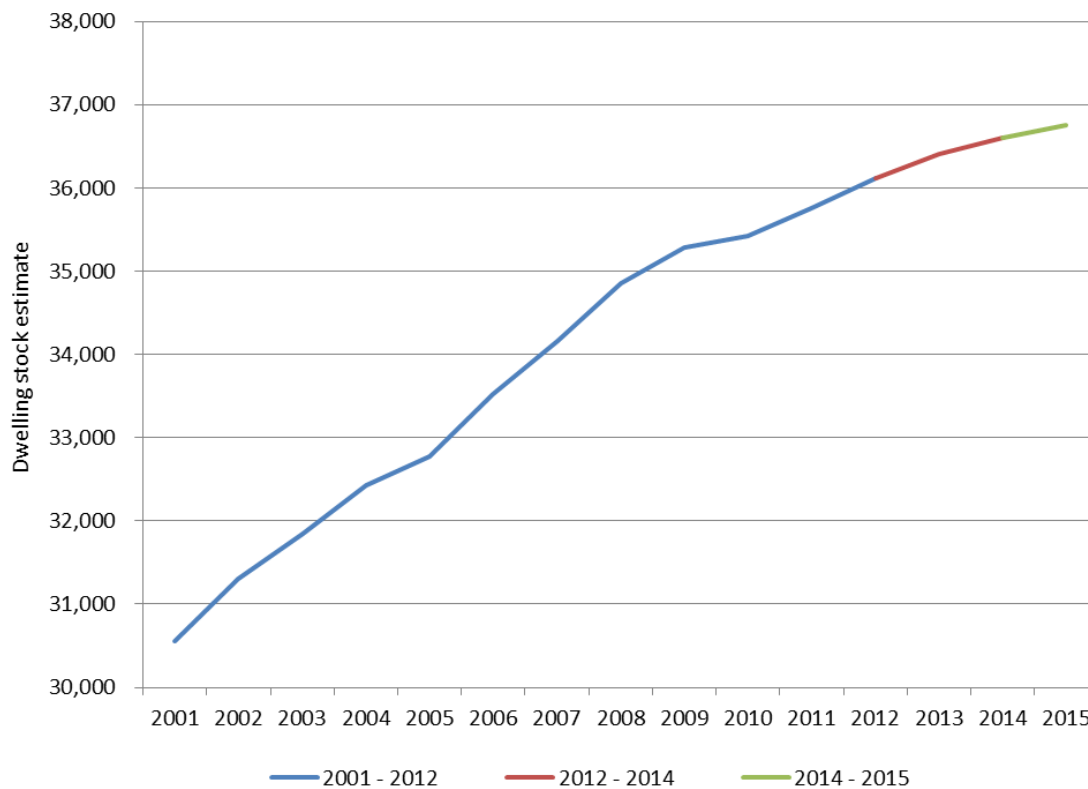
61. As Figure 8 above shows, recent annual increases in housing numbers have been lower than previous housing growth rates.

62. The lower population growth rate of the last three years reflects the lower housing growth rate, and influences the alternative future projections.

63. If the lower housing growth rate was not evident in the 2012 to 2015 period, the 5Yr-X and 10Yr-X projections would provide evidence for an adjustment to the ONS 2012 projection. Also, if low rates of annual house-building were evident in the 2007 to 2012 period, the ONS 2012 projection

would require adjustment (only one year of low growth is evident in this period - in 2009/10 - which follows the national trend). However, as the recent lower annual increases in housing numbers are evident in the 2012 to 2015 period, but not in the 2007 to 2012 period, the 5Yr-X and 10Yr-X projections do not provide any evidence for an adjustment to the ONS 2012 projection.

Unattributable population change

64. The 5Yr-X and 10Yr-X projections imply higher rates of population growth than the equivalent projections that include UPC in the historical data; a reflection of the adjustment that was allocated to the population to account for the over-count between the 2001 and 2011 Censuses.

65. As Figure 7 shows, the 5Yr and 10Yr projections - which include UPC - suggest population growth rates that are lower than the ONS 2012 official projection for East Cambridgeshire.

66. UPC has been identified by ONS in each local authority district in England and Wales to close the gap between the population estimated for 2011 after the census of that year and estimates of the 2001 population, and of births, deaths and migration each year between 2001 and 2011. ONS believes its estimates are the best possible, but acknowledges that extra change did occur (or less change, in the case of East Cambridgeshire) which it is unable to attribute to a specific cause. ONS provides the amount of this extra change in its population accounts for 2001 to 2011.

67. The total UPC amount in East Cambridgeshire for 2001 to 2011 is minus 4,765. The amount is negative to correct for the over-estimates of the population by ONS each year between 2001 and 2011.

68. Cambridgeshire Research Group (CRG) produces its own population estimates for the Cambridgeshire districts and Peterborough. Our mid-2001 population estimate for East Cambridgeshire, published before the 2001 Census results were published, was 70,000. The 2001 Census figure for East Cambridgeshire was 73,214. We revised our mid-2001 estimates after the 2001 Census results were published. Our revised mid-2001 estimate for East Cambridgeshire was 70,900. Although higher than our original estimate, our revised figure was still lower than the 2001 Census figure, a difference of minus 2,314. In the case of East Cambridgeshire, we believe the 2001 Census figure was an over-estimate of the true number.

69. In some local authorities, it is assumed that UPC is most likely associated with the mis-estimation of international migration, and so UPC is included in the derivation of future migration assumptions, as is the case in the '5Yr' and '10Yr' projections above. However, in some local authorities, there remain residual enumeration issues associated with the 2001 Census, and so the allocation of UPC to international migration is less appropriate. In our opinion, East Cambridgeshire is a local authority in which there remains a residual enumeration issue associated with the 2001 Census. We therefore believe it is more appropriate not to include the UPC in the derivation of future migration assumptions for East Cambridgeshire, and so the 5Yr and 10Yr projections do not provide any evidence for an adjustment to the ONS 2012 projection.

70. All four alternative demographic projections therefore provide no evidence for an adjustment to the ONS 2012 underlying demographic projections.
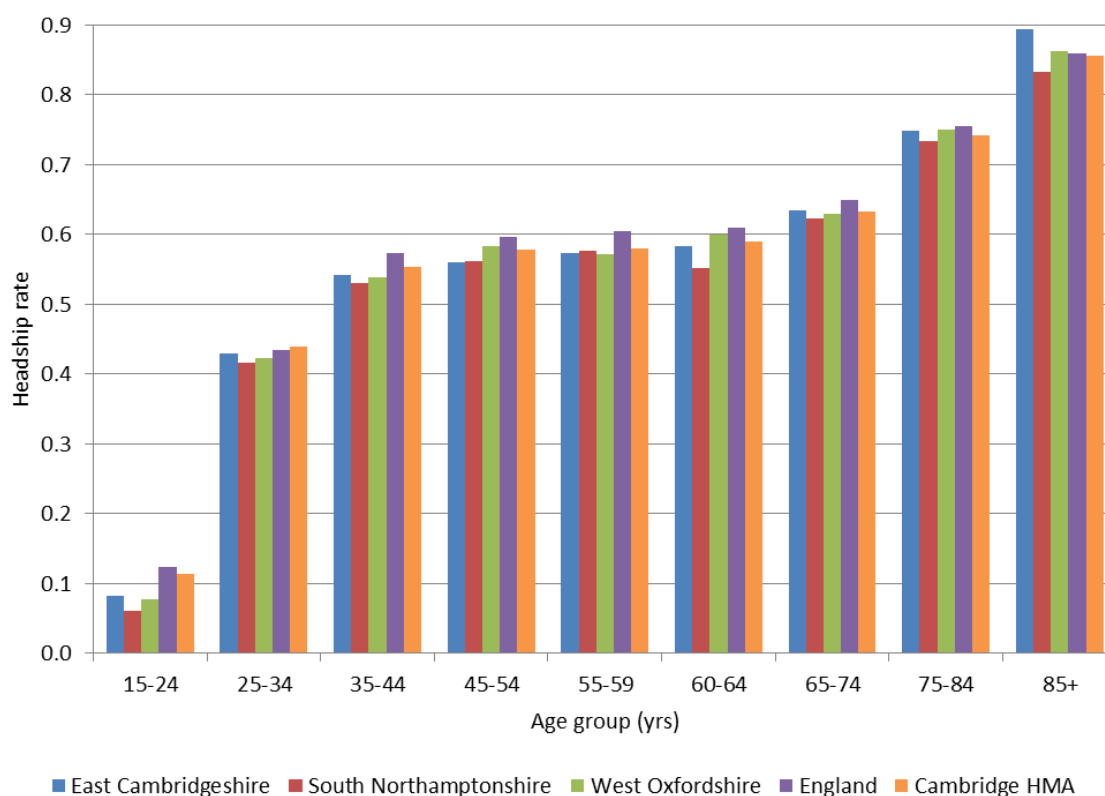
Household formation rates

71. To test the extent to which household formation rates are or have been constrained by supply, we consider alternative household formation rates based on 2012-based and 2008-based official household projections. The 2012-based and 2014-based projections (CLG 2012 and CLG 2014) are the most up-to-date estimates of future household growth. The 2008-based projections (CLG 2008) in general assume higher rates of household formation than the CLG 2012 and CLG 2014 projections.

72. In this section, we compare the CLG 2012 household formation rates for East Cambridgeshire to the national rates, the HMA rates, and the rates for East Cambridgeshire's 'most similar' areas. We propose to consider alternative, 2008-based, household formation rates for any age groups, especially any younger age groups, where the local rates are generally lower, and therefore constrained, relative to the England and other rates, in 2012. 2012 is the base year for the CLG 2012 official projections. The CLG 2012 household formation rates therefore do not require adjustment to reflect the lower rates of housing growth in the 2012 to 2015 period (Figure 8).

73. Figure 9 below compares the CLG 2012 household formation rates for East Cambridgeshire to the England, HMA and 'similar area' rates. We use CIPFA's 'nearest neighbours' model to identify South Northamptonshire and West Oxfordshire as the 'most similar' areas to East Cambridgeshire.

Figure 9: Household formation rates in 2012 (CLG)

74. As Figure 9 above shows, the CLG 2012 household formation rates for East Cambridgeshire are generally higher than, or similar to, the national and other rates for all age groups, including the younger age groups, in 2012, providing no evidence for an adjustment to the CLG 2012 household formation rates.

75. Taking account of sensitivity testing and the latest demographic estimates, we find no evidence for an adjustment to the ONS 2012 underlying demographic projections, or the CLG 2012 household formation rates. We therefore find no evidence for an adjustment to the 2012-based household projection-based estimate of housing need.

76. Table 5 below shows the official household projection-based estimates of housing need for the period 2014 to 2036. These housing figures result from applying the CLG 2012 and CLG 2014 household representative rates to the ONS 2012 and ONS 2014 population projections, and converting the households to dwellings using the Census 2011 ratio of households to dwellings. As Table 5 shows, the 2012-based household projection-based estimate of housing need, which requires no adjustment, is 12,440 dwellings.

Table 5: Official (unadjusted) household projection-based estimates of housing need

Source of estimated/projected population	Population 2012	Population 2014	Population 2036	Population 2014-2036	Households 2014-2036	Dwellings 2014-2036
ONS 2012	85,100	87,770	111,100	23,330	12,050	12,440
ONS 2014	85,100	86,690	104,590	17,900	9,420	9,730

Conclusion: What adjustment, if any, does the household projection-based estimate of housing need require?

77. <u>Taking account of the most recent demographic evidence including the latest (mid-2015) ONS population estimates, the CLG 2012 starting point estimate of 12,440 dwellings (12,050 households) requires no adjustment for the period 2014 to 2036. The CLG 2014 starting point estimate requires an upward adjustment to equal the CLG 2012 starting point estimate.</u>

4.2 Taking employment trends into account

Introduction

78. If 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 and could reduce the resilience of local businesses.

79. The housing need number suggested by household projections (the starting point) may require adjustment to provide a labour force supply in the housing market area that is not less than the projected jobs growth.

80. Having regard to the growth of the working age population in the housing market area, we make an assessment of the likely change in job numbers based on past trends and economic forecasts. We take account of the most recent economic evidence including the latest East of England Forecasting Model (EEFM) employment forecasts.

81. A labour force supply that is less than the projected jobs growth will require upward adjustment to planned housing numbers compared to ones based solely on household projections.

82. If an upward adjustment is required, we will set this adjustment at a level that provides an increase in the labour force in the housing market area that is not less than the projected jobs growth. We will use the EEFM 2016 forecasts to tell us the growth of the working age population in East Cambridgeshire that aligns with the housing market area's projected jobs growth.

83. The East of England Forecasting Model (www.cambridgeshireinsight.org.uk/EEFM) provides economic-based forecasts for population, employment and housing over the next twenty years across the LEP areas which are either wholly or partly in the East of England, including the Greater Cambridge Greater Peterborough LEP area. It was set up and is owned by the East of England Local Government Association and is a vital tool for local authorities, LEPs and other organisations who are planning for the delivery of public services, infrastructure, housing and economic development in their area.

84. While we take the opportunity to use the latest available information, we build on the existing evidence base of the local authorities in the housing market area, and overlapping housing market areas, by using the same source of economic forecasts as the local enterprise partnership, and the Strategic Housing Market Assessment (2013 version).

Latest economic forecasts

85. Figure 10 below shows the latest baseline employment forecast for East Cambridgeshire (EEFM 2016), and also shows the past trends of the 2001 to 2015 period. The projected increase in employment for the 2014 to 2036 period is 4,820 jobs, with a projected increase in 'full-time equivalent' (FTE) employment of 4,060 jobs.

86. The forecasts generated by the EEFM provide a particularly robust evidence base because they are integrated, consistent with wider economic trends and are up to date, being revised every year. Particularly important is the integration of economic and demographic circumstances, and the consistency between all LA areas within the region and in neighbouring regions. Within the EEFM, migration (and hence population and housing) depends on the path of employment. At the same time employment in certain industries simultaneously depends on population, as is the case in the real world.

87. Figure 11 below shows the EEFM 2016 total and working age population forecasts for East Cambridgeshire, and compares the economic-based forecasts to the official demographic projections (ONS 2012 and ONS 2014).

Figure 10: Total employment (jobs) forecast for East Cambridgeshire (EEFM)
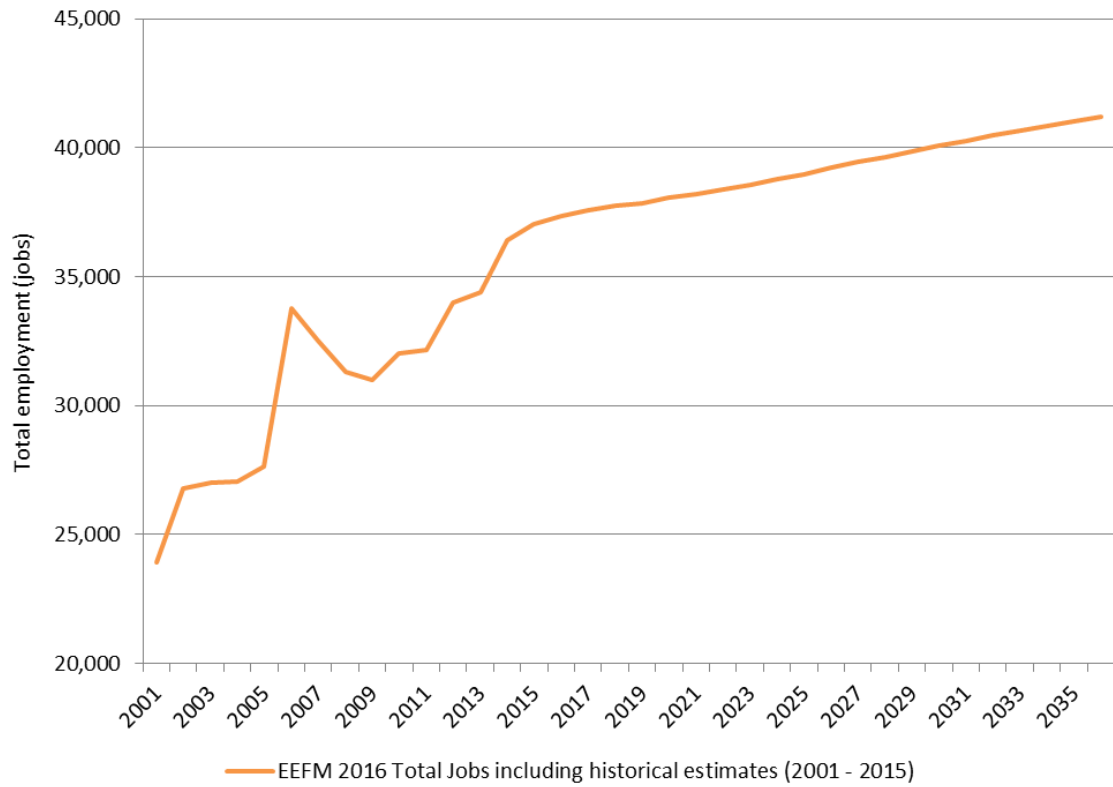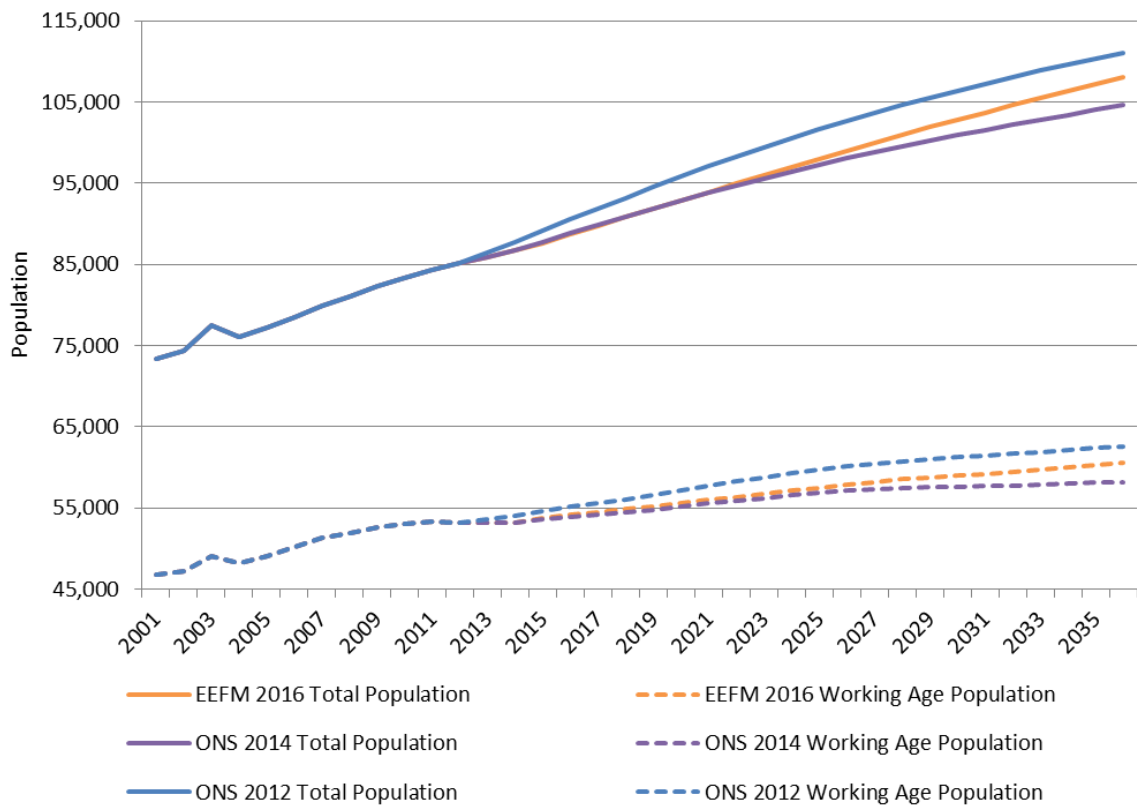

Figure 11: Official and economic-based total and working age population forecasts (ONS and EEFM)

88. As Figure 11 shows, the economic-based forecasts suggest population growth rates that are higher than the ONS 2014 official projections for East Cambridgeshire, but lower than the ONS 2012 official projections. The economic-based projected population increase for the 2014 to 2036 period is 21,410 people, with a working age population increase of 7,300 people. Around 60% of the increase in employed residents from this increase in population aligns with the increase in the workplace population (jobs growth) in East Cambridgeshire, and around 40% aligns with an increase in net out-commuting, meeting the housing needs of the housing market area.

89. Having regard to the growth of the working age population in the housing market area, the latest employment trends therefore provide no clear evidence for an upward adjustment to the housing need number suggested by the 2012-based household projections. In the following section, we provide an adjusted household projection for East Cambridgeshire that is fully consistent with the EEFM's population and employment forecasts.

Economic-based household projection

90. The two consistent approaches for projecting housing demand that take into account the EEFM's employment forecasts are:
 (a)   To use the EEFM's own "demand for dwellings" forecast for East Cambridgeshire;
 (b)   To derive a variant household projection using the EEFM's population forecast - and population structure - using a system such as POPGROUP.

91. Some systems (including POPGROUP) allow users to derive alternative population projections, and then household projections, using the EEFM's employment forecasts, but, because the employment and population forecasts are inter-linked in the EEFM forecasts, it is not consistent to use the EEFM employment forecasts with alternative population assumptions. The employment and population forecasts are calculated simultaneously within the EEFM. Alternative population assumptions would lead to different employment forecasts and vice versa.

92. In this section, using POPGROUP's Derived Forecast model, we derive an economic-based household projection for East Cambridgeshire that is fully consistent with the EEFM's population and employment forecasts.

93. Jobs growth is linked to population growth in the EEFM, and vice versa, so our household projection for East Cambridgeshire is consistent with the EEFM's employment forecasts, so long as our household formation rate assumptions are applied to the EEFM's own population forecast.

94. As the national planning practice guidance currently endorses CLG's 2012-based household projections as the most up-to-date estimate of future household growth, and as we find no evidence for an adjustment to these rates in Section 4.1 above, we apply the CLG 2012 household representative rates, and also the CLG 2014 household representative rates, to the EEFM's latest (EEFM 2016) population forecast for East Cambridgeshire.

95. The EEFM's only available age groups are: total population (people of all ages); working age population (people aged 16 to 64); young population (people aged 0 to 15); and elderly population (people aged 65 and over). Therefore, we first apply the population structure from the ONS 2014 population projection for East Cambridgeshire to the EEFM's population forecast, as follows: the structure of the younger population is applied to the EEFM's younger population forecast (i.e. the proportion of the younger population in each of the younger age groups in the ONS 2014 projection is calculated and multiplied by the EEFM's younger population figure); the structure of the working age population is applied to the EEFM's working age population forecast; and the structure of the older population is applied to the EEFM's older population forecast. The total, working age, young, and elderly population figures are therefore all constrained to the EEFM's population figures. We then use POPGROUP's Derived Forecast model to apply the projected household representative rates to the EEFM's population forecast by five-year age groups. As Table 6 below shows, the EEFM 2016 projected population change from 2014 to 2036 is 1,920 lower than the ONS 2012 projected population change, and 3,510 higher than the ONS 2014 projected population change. The household projection that results from applying the CLG 2014 household representative rates to the EEFM 2016 population forecast is the same as the household projection that results from applying the CLG 2012 household representative rates, as the methodology for the 2014-based household projections is based upon the 2012-based household projections.

96. Table 6 below shows the official household projection-based estimates of housing need for the period 2014 to 2036, and the adjusted estimate based on the EEFM 2016 forecast. The adjusted housing figure results from applying the CLG 2012, or CLG 2014, household representative rates to the EEFM 2016 population forecast, and converting the households to dwellings using the Census 2011 ratio of households to dwellings. As Table 6 shows, the adjusted estimate of housing need is 860 dwellings lower than the 2012-based household projection-based estimate for 2014-2036.

Table 6: Official and adjusted household projection-based estimates of housing need

Source of estimated/projected population	Population 2014	Population 2036	Population 2014-2036	Households 2014-2036	Dwellings 2014-2036	Jobs 2014-2036
ONS 2012	87,770	111,100	23,330	12,050	12,440	-
ONS 2014	86,690	104,590	17,900	9,420	9,730	-
EEFM 2016	86,690	108,100	21,410	11,210*	11,580	4,820

*CLG 2012 or CLG 2014 household representative rates.

Conclusion: What adjustment, if any, does the household projection-based estimate of housing need require?

97. Having regard to the growth of the working age population in the housing market area, the latest employment trends provide no evidence for an upward adjustment to the housing need number suggested by the 2012-based household projections.

98. <u>Taking account of the latest (EEFM 2016) employment forecasts, the demographic projection (12,440 dwellings) therefore requires no adjustment.</u>

Note: Previous economic forecasts

99. Table 7 below shows the EEFM 2014 and EEFM 2016 economic-based forecasts for the period 2014 to 2036. The EEFM 2016-based estimate of 4,820 jobs is 32% lower than the EEFM 2014-based estimate of 7,100 jobs.

Table 7: Economic forecast-based estimates of housing need

Source of estimated/projected population	Population 2014	Population 2036	Population 2014-2036	Households 2014-2036	Dwellings 2014-2036	Jobs 2014-2036
EEFM 2014	87,100	112,600	25,500	13,850	14,300	7,100
EEFM 2016	86,690	108,100	21,410	11,210	11,580	4,820

100. The EEFM forecasts the performance of 31 industry sectors. The outlook in each area depends on its sector mix, with East Cambridgeshire's weaker economic outlook in 2016 resulting from the weaker economic prospects for the area's industry sectors. The household projections are produced by applying the CLG 2012 and CLG 2014 household representative rates to the EEFM 2014 and EEFM 2016 population forecasts. The EEFM 2016-based estimate of 11,210 households is 19% lower than the EEFM 2014-based estimate of 13,850 households, reflecting the area's more subdued economic outlook in 2016.

4.3 Taking market signals into account

Introduction

101. The housing need number suggested by household projections (the starting point) may require adjustment to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings.

102. In the following sections, we take account both of indicators relating to price (such as house prices, rents, affordability ratios) and quantity (such as overcrowding and rates of development).

103. We make appropriate comparisons of indicators. This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally.

104. A worsening trend in any of these indicators will require upward adjustment to planned housing numbers compared to ones based solely on household projections.

105. If an upward adjustment is required, we will set this adjustment at a level that is reasonable, taking account of the outcomes of other local plan examinations.

Indicators relating to price

106. Figure 12 below shows the average (median) house price in East Cambridgeshire, in the other districts across the housing market area, in South Northamptonshire and West Oxfordshire, in Peterborough, and across England.

Figure 12: Average house prices in 2015 (ONS)
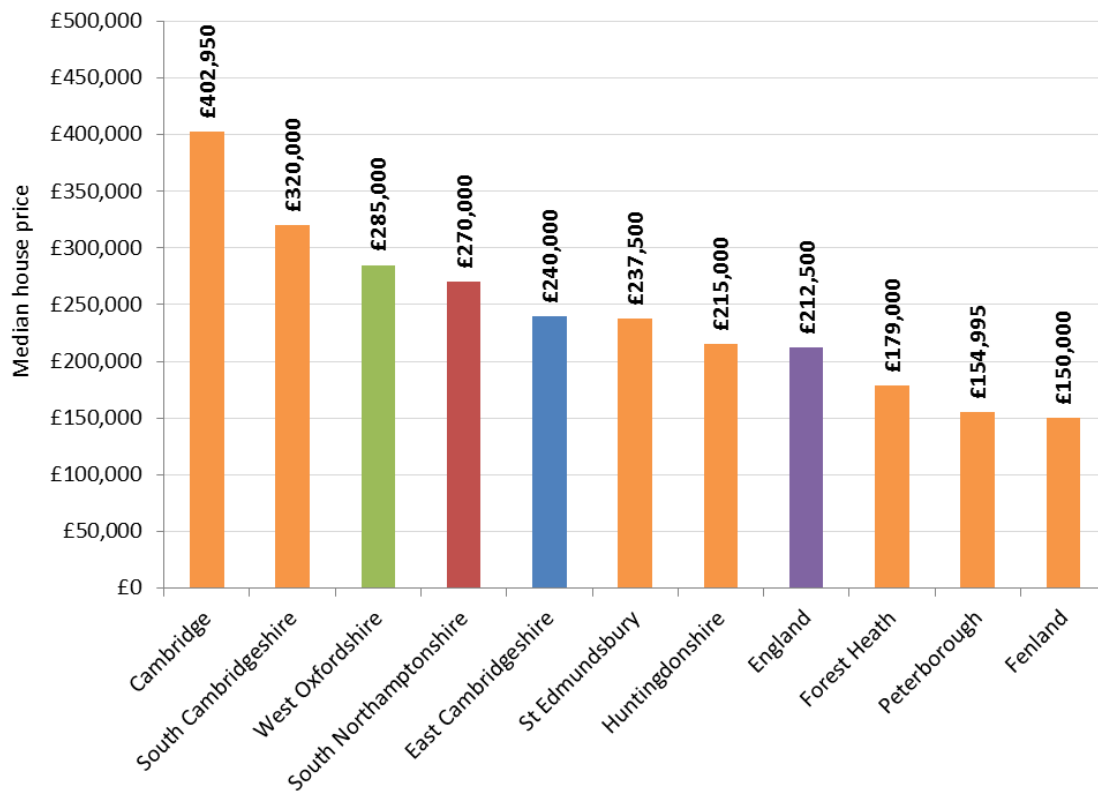
107. As Figure 12 shows, East Cambridgeshire has the third highest average house price of the seven districts in the housing market area, below Cambridge and South Cambridgeshire, and just above St Edmundsbury.

108. South Northamptonshire and West Oxfordshire both have average house prices higher than East Cambridgeshire. We use CIPFA's 'nearest neighbours' model (www.cipfastats.net/resources/nearestneighbours/) with all its demographic and economic indicators to identify South Northamptonshire and West Oxfordshire as the 'most similar' areas to East Cambridgeshire. East Cambridgeshire's average house price is lower than both of these 'most similar' areas, although all three areas are above the national average.

109. Longer term changes in house prices may indicate an imbalance between the demand for and the supply of housing. Figures 13 and 14 show the longer term trends in absolute levels (Figure 13) and rates of change (Figure 14). Figures 13 and 14 show increases in East Cambridgeshire's average house price in 2013, 2014 and 2015, with a worsening trend in 2015, which reflects a lower rate of growth and a recent fall in house sales (Figure 15).

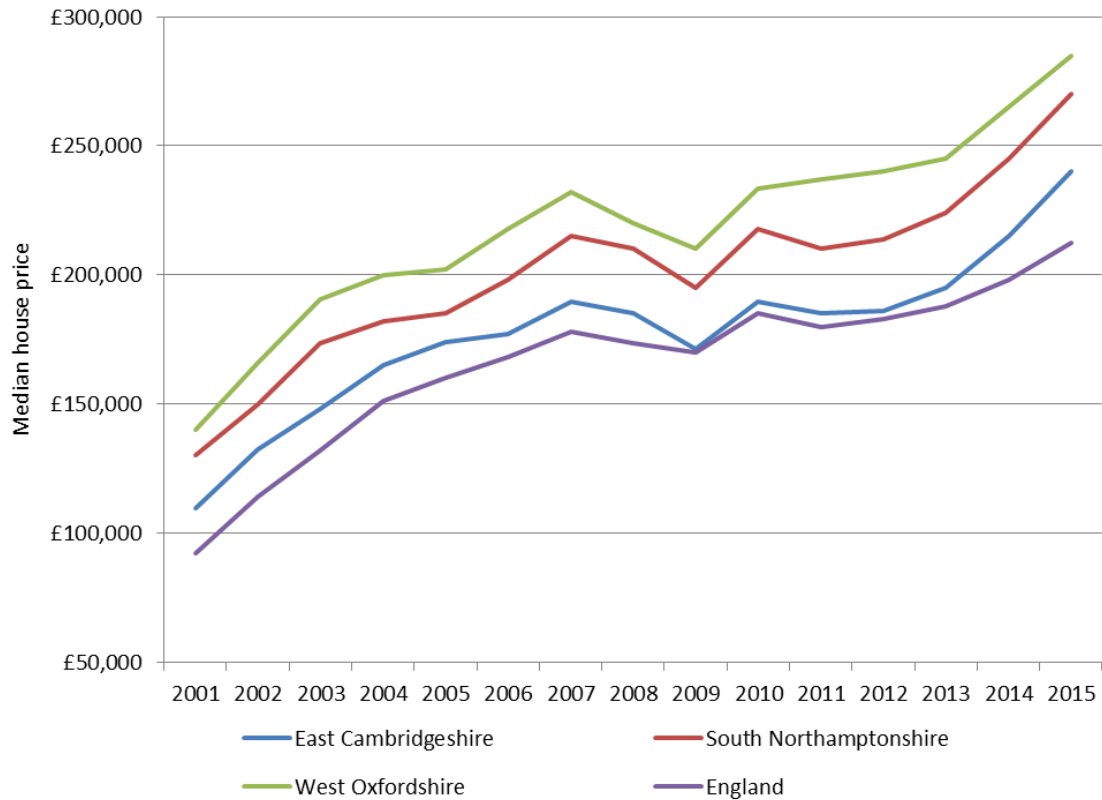**Figure 13: Average house prices by year (ONS)**

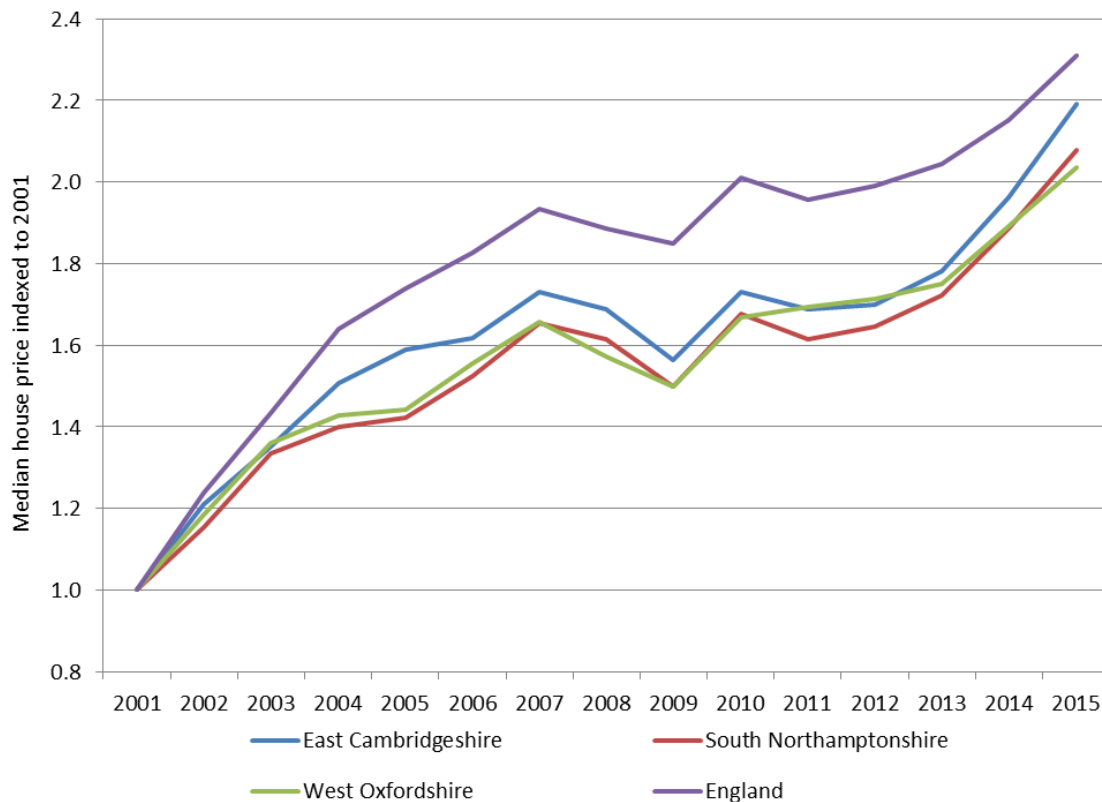**Figure 14: Average house price indexed to 2001 (ONS)**

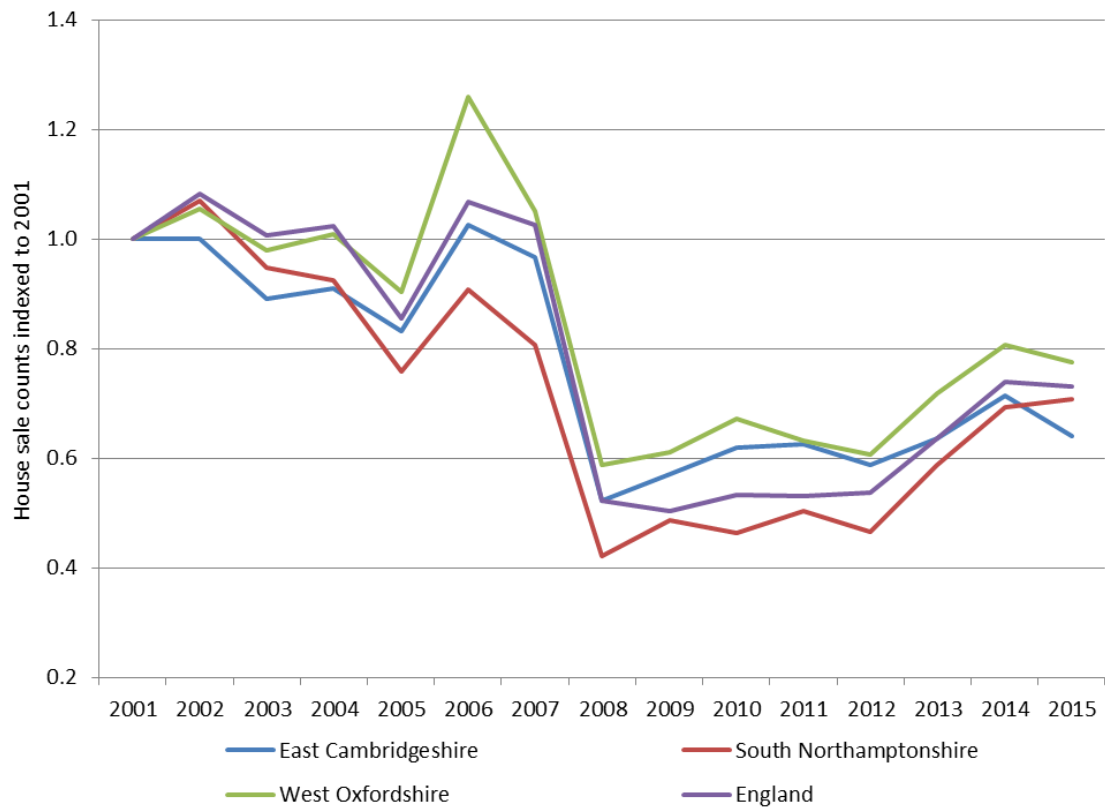**Figure 15: House sale counts indexed to 2001 (ONS)**

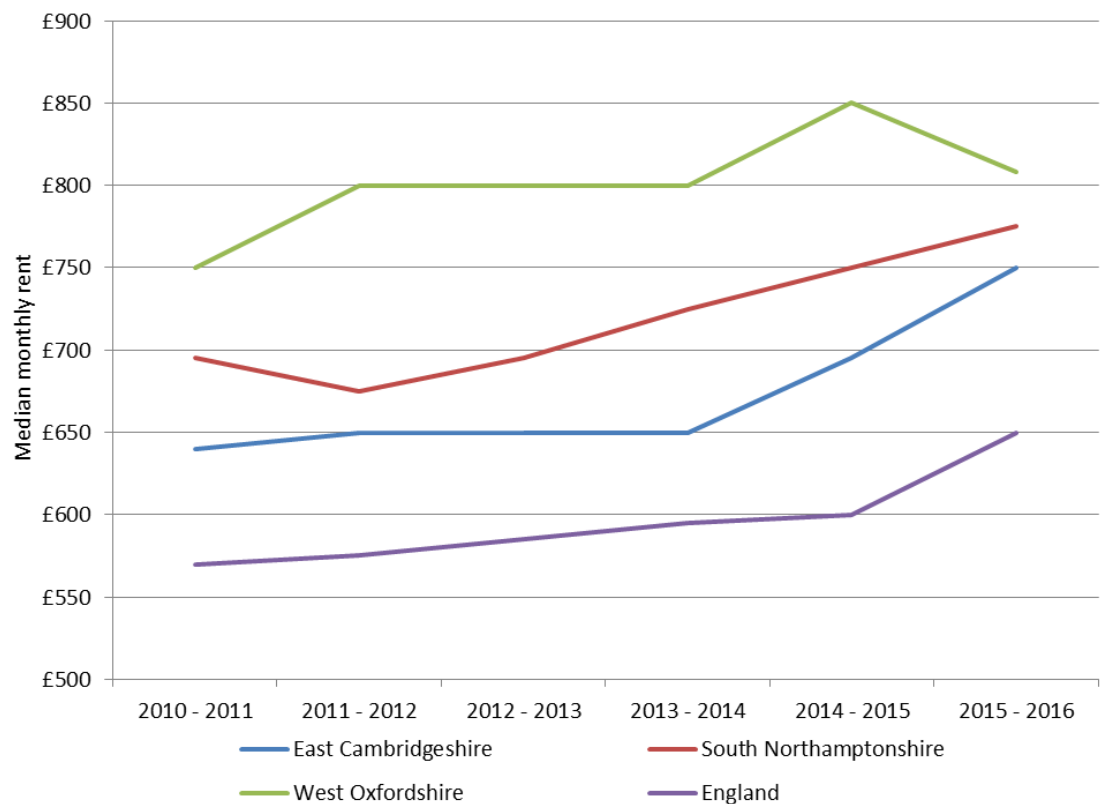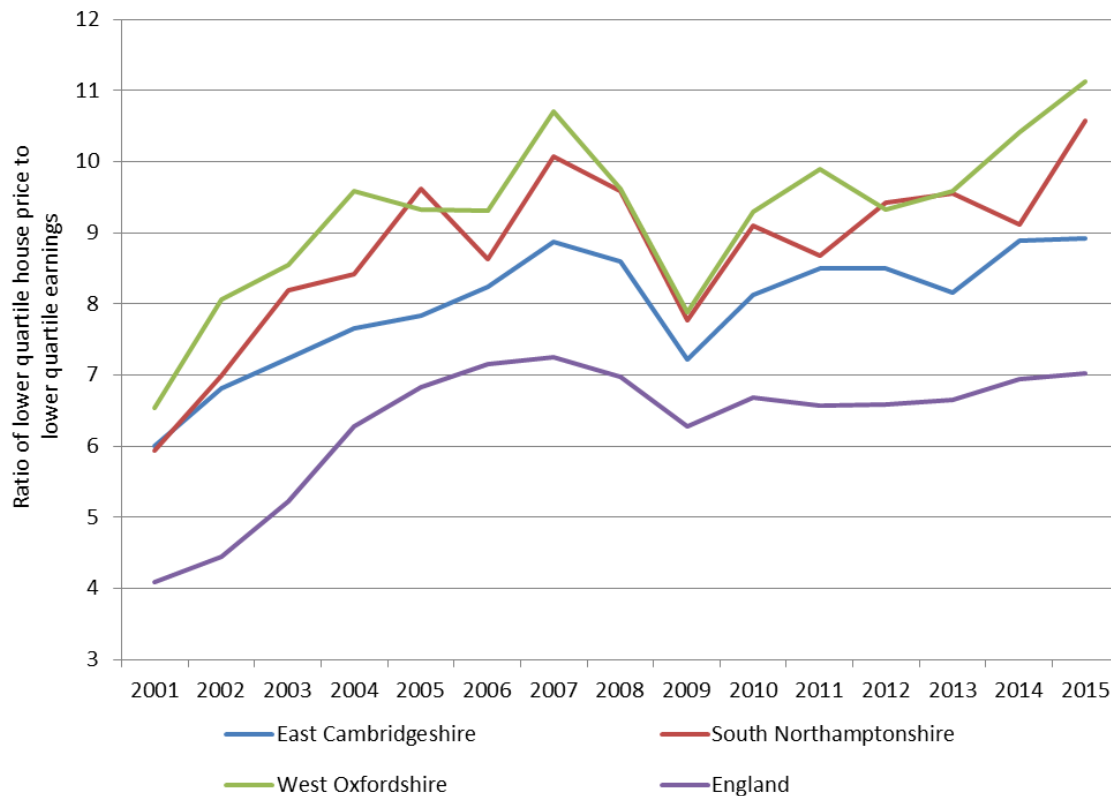**Figure 16: Average monthly rents by year (VOA)**

Figure 17: Affordability ratios by year (CLG)

110. Longer term changes in rents may also indicate an imbalance between demand for and supply of housing. Figure 16 shows an increase in East Cambridgeshire's average monthly rent in 2015/16, although East Cambridgeshire remains below South Northamptonshire and West Oxfordshire.

111. Figure 17 shows the ratio of lower quartile house price to lower quartile earnings, which indicates the relative affordability of housing, and suggests a worsening but less marked trend in East Cambridgeshire and housing that is relatively more affordable than in South Northamptonshire and West Oxfordshire.

112. Overall, while average prices and rents are lower in East Cambridgeshire than in the comparator areas of South Northamptonshire and West Oxfordshire, increases in prices in recent years indicate some imbalance between the demand for and supply of dwellings. The indicators relating to price therefore provide some evidence for an adjustment to the housing need number suggested by household projections.
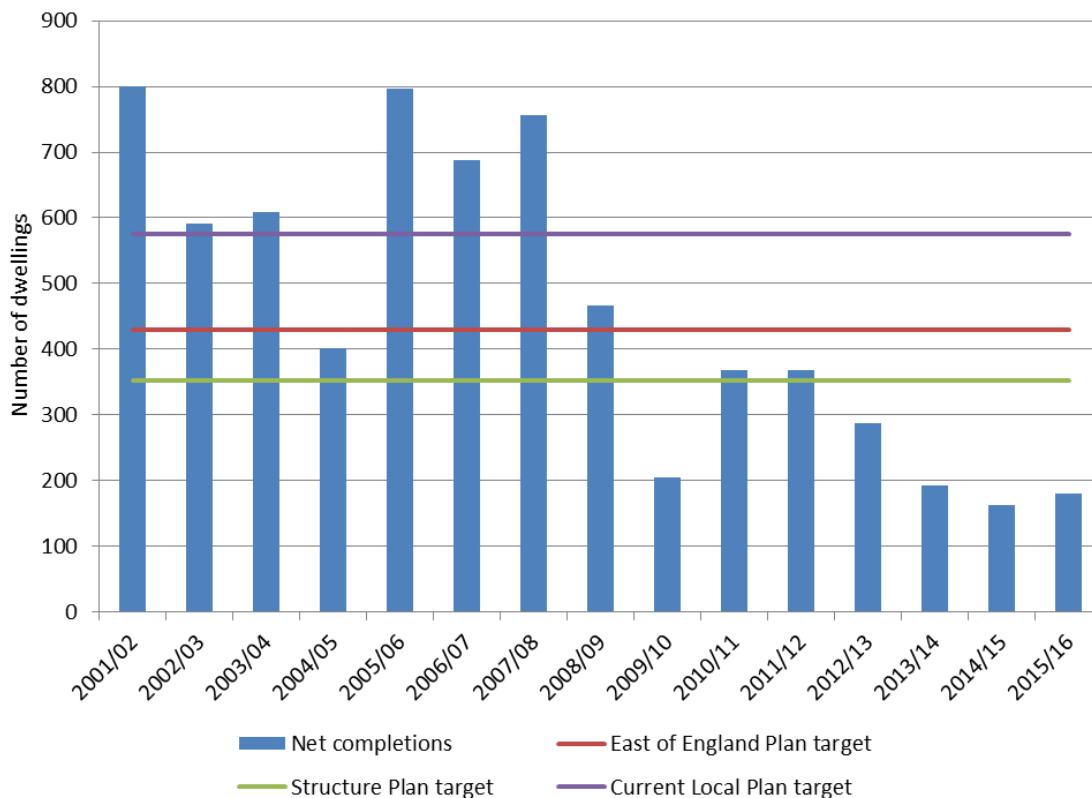
Indicators relating to quantity

113. Figure 18 below shows the rate of development in East Cambridgeshire, in South Northamptonshire and West Oxfordshire, and across England, for the period since 2003/04. In broad terms, the historic rate of development in East Cambridgeshire follows the national trend over the years until 2012/13. The number of dwellings completed in East Cambridgeshire increases before the economic downturn, then falls sharply, before a weak recovery. However, while nationally, and in the comparator areas, dwelling completions have begun to increase since 2012/13, in East Cambridgeshire, the rate of development has fallen over the 2012 to 2015 period - as is also evident in Figure 8 in Section 4.1 - and has continued to remain at this level in 2015/16.

Figure 18: Dwellings completed by year (CLG)
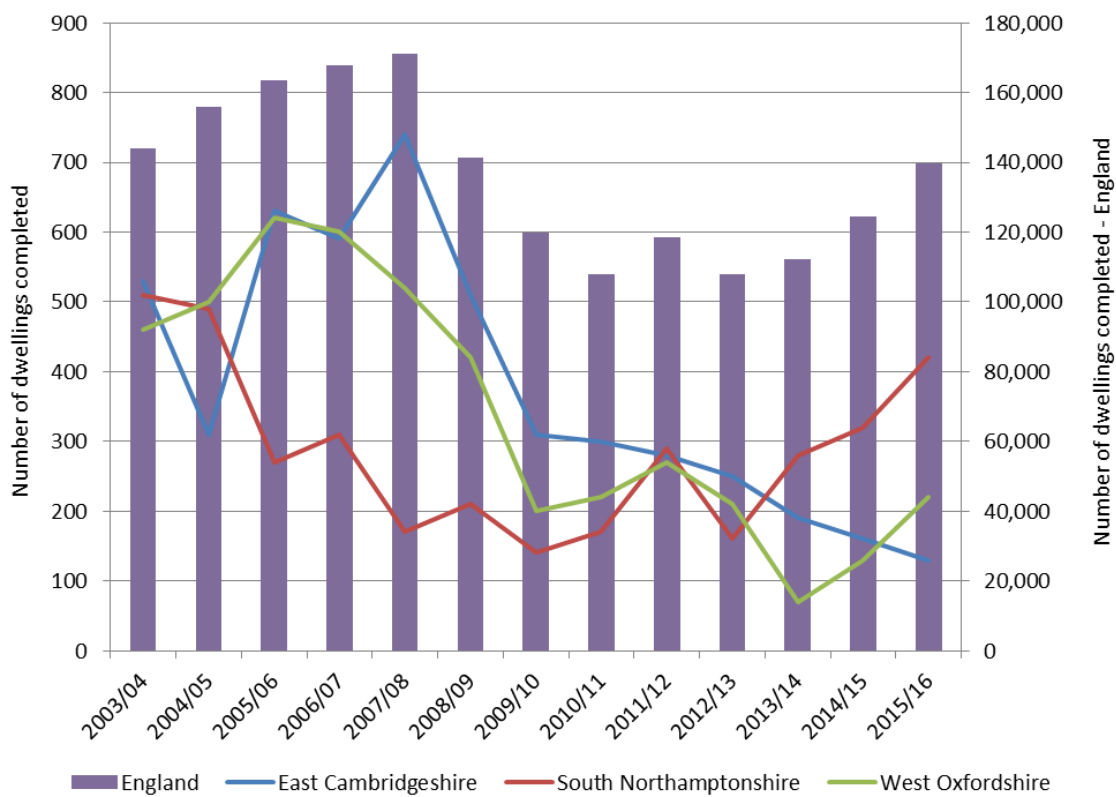
114. Figure 19 below compares the rate of development in East Cambridgeshire to various plan targets. The lower rate of development in later years reflects not only the national recession, but also the completion of large allocations in north Ely and Soham, and the lower level of planned growth for the later years of the regional plan, reflecting the above-target growth by the district in the earlier years.

Figure 19: Dwelling completions compared to targets (ECDC)

115. Figures 20 to 23 show various indicators relating to overcrowding. Indicators on overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation demonstrate un-met need for housing. Longer term increases in the numbers of such households may be a signal to consider increasing planned housing numbers.

116. Figure 20 shows the proportion of households in East Cambridgeshire with a negative occupancy rating in 2011. A negative occupancy rating implies that a household has fewer bedrooms than it requires. Although higher than in South Northamptonshire and West Oxfordshire, the proportion of overcrowded households in East Cambridgeshire is well below the England average.

117. Figure 21 shows the proportion of families in East Cambridgeshire classed as concealed in 2011. The proportion of concealed families in East Cambridgeshire is lower than in the comparator areas, and is well below the England average.

118. Figures 22 and 23 show the numbers of homeless households in priority need (Figure 22) and in temporary accommodation (Figure 23). Both indicators show levels below the England average in 2015/16, and decreasing longer term trends, although both indicators show recent slight increases.

119. Overall, while longer term increases are not evident in the indicators relating to overcrowding, a worsening trend is evident in the rates of development indicator. The indicators relating to quantity therefore provide some evidence for an adjustment to the housing need number suggested by household projections.

Figure 20: Overcrowded households in 2011 (Census 2011)
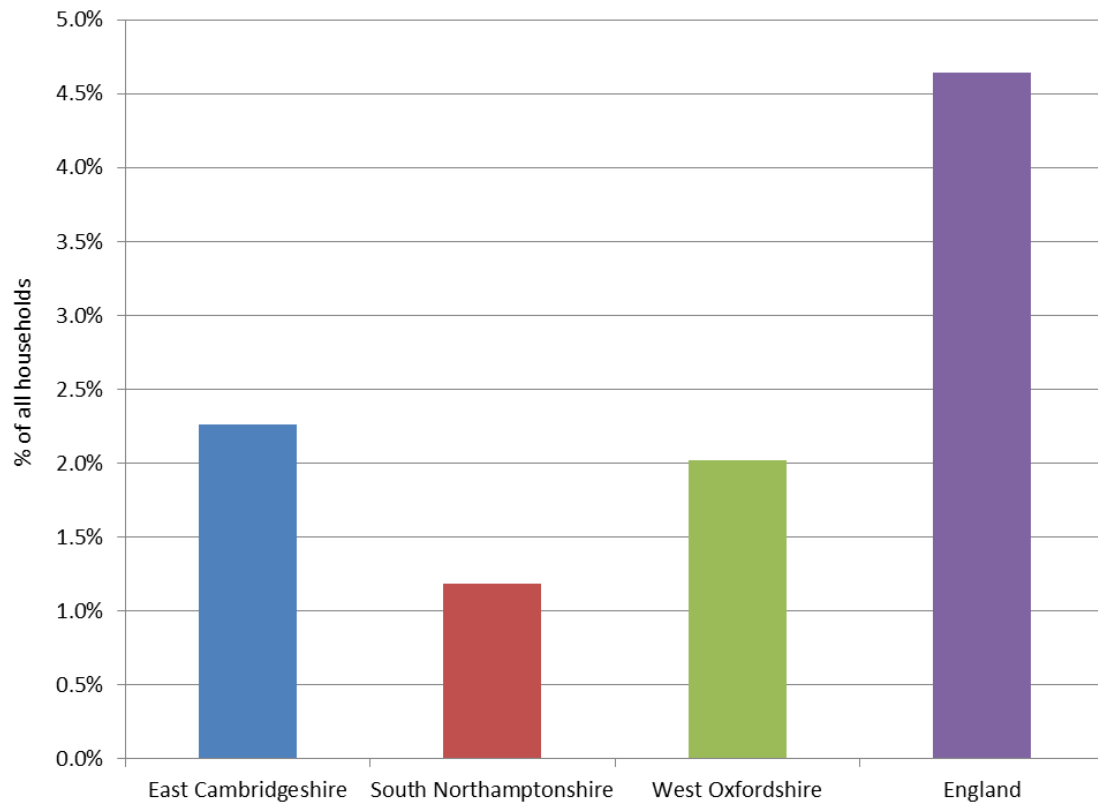

Figure 21: Concealed families in 2011 (Census 2011)
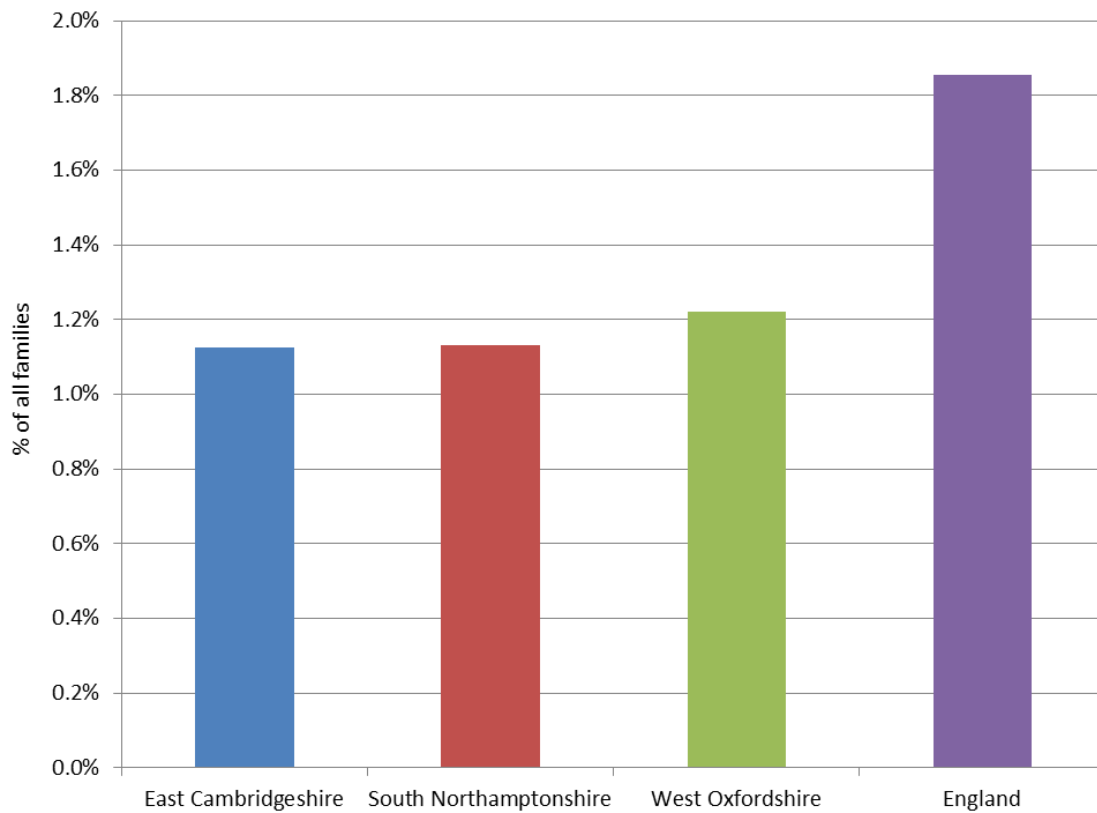
Figure 22: Homeless households in priority need (CLG)
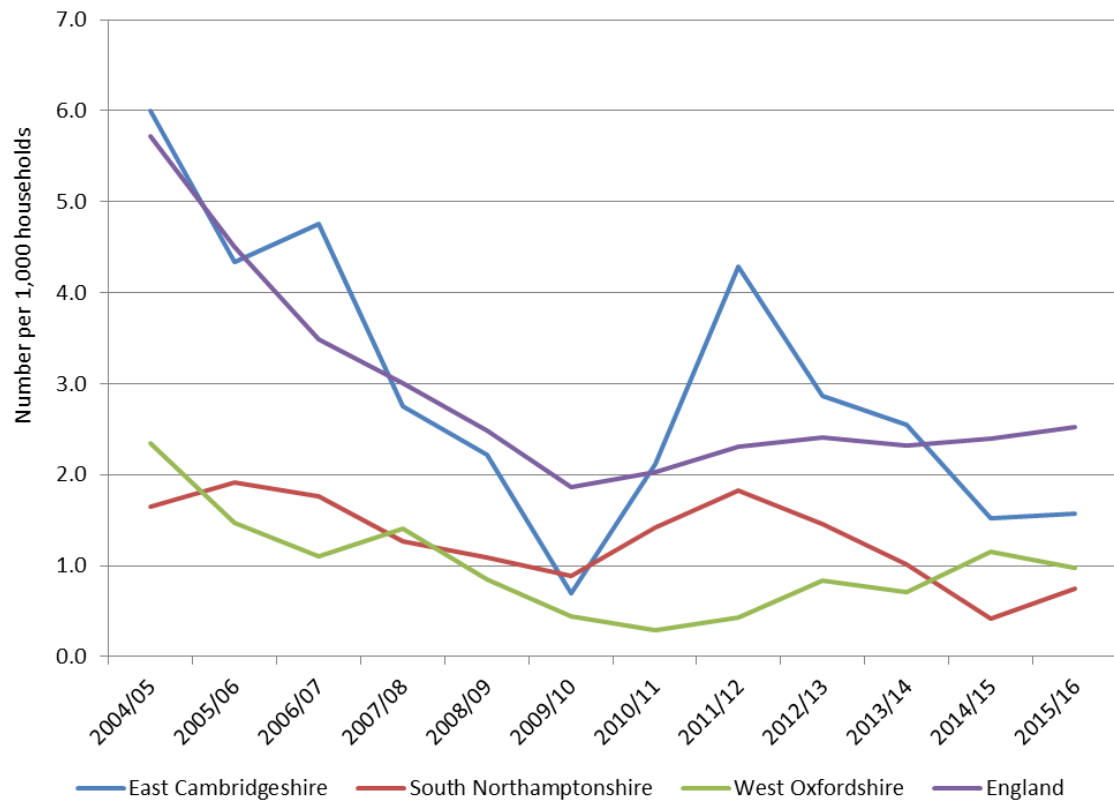

Legend: East Cambridgeshire, South Northamptonshire, West Oxfordshire, England

Figure 23: Households in temporary accommodation (CLG)

Legend: East Cambridgeshire, South Northamptonshire, West Oxfordshire, England
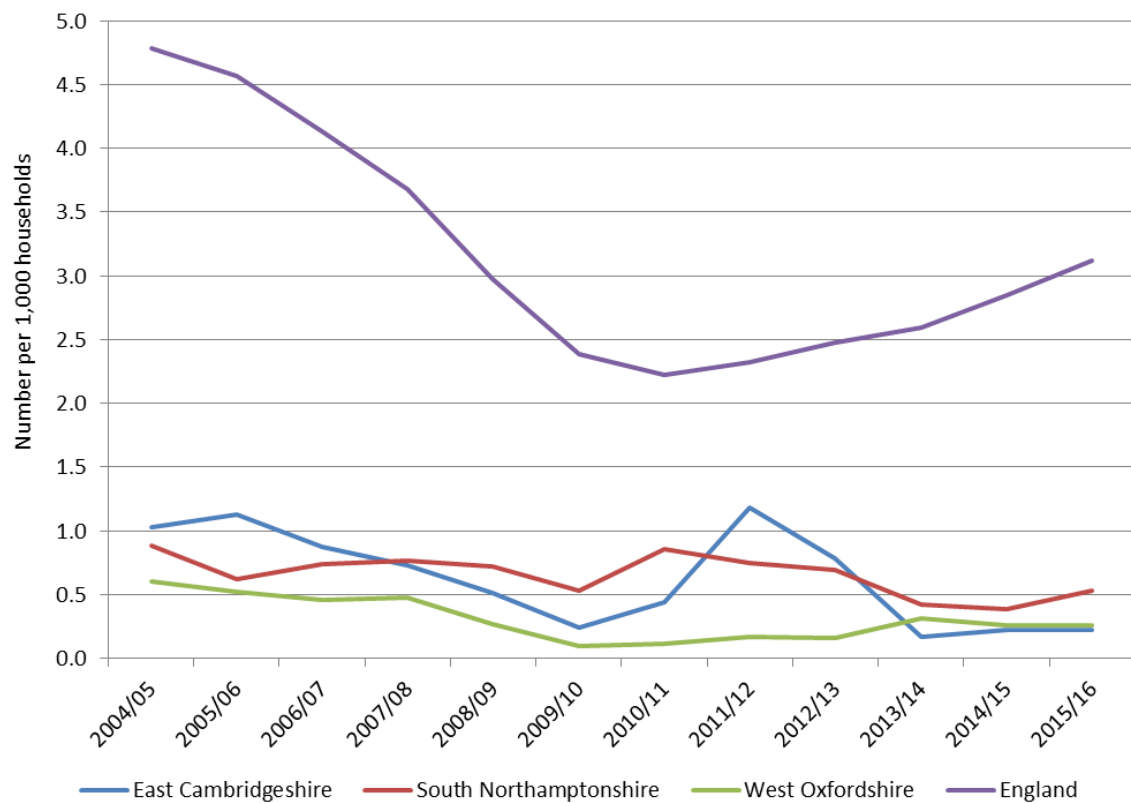
Market signals uplift

120. In the preceding sections, we find worsening trends in some of the indicators relating to price and quantity. Taking account of the latest market signals, we therefore find some evidence for an upward adjustment to the housing need number suggested by household projections. In this section, we set this adjustment at a level that is reasonable, taking account of the outcomes of other local plan examinations.

121. *"Some Local Plan Inspectors have used a rule of thumb, suggesting that in places where the evidence suggests moderate under-provision, or the signals are mixed the projected housing need might be increased by 10%. A possible alternative approach is to try and estimate what household growth would have been if land supply had not been especially constrained."*

Source: Planning Advisory Service Objectively Assessed Need and Housing Targets Technical Advice Note Second Edition July 2015 (Peter Brett Associates) (www.pas.gov.uk/web/pas1/local-planning/-/journal_content/56/332612/6363116/ARTICLE)

122. As Figure 8 in Section 4.1 shows, recent annual increases in housing numbers have been lower than previous housing growth rates, reflecting the worsening trend in the rates of development indicator in the 2012 to 2015 period. 2012 is the base year for the 2012-based official projections. The 2012-based projections therefore suggest what household growth would have been if rates of development had not been lower in the 2012 to 2015 period.

123. Table 8 below shows the official household projection-based estimates of housing need for the period 2014 to 2036, and an adjusted estimate based on a "catch up" uplift. The adjusted housing figure results from applying an upward adjustment to planned housing numbers over the 2014 to 2036 period (compared to the ONS 2012 and ONS 2014 ones), to bring the population and households in 2036 to the levels suggested by the official 2012-based projections (i.e. starting from the estimated figure for 2014 and ending at the 2012-based projected figure for 2036). As Table 8 shows, the adjusted estimate of housing need is 450 dwellings higher than the 2012-based household projection-based estimate, and 3,160 dwellings higher than the 2014-based estimate, for 2014-2036. As Table 8 also shows, the adjusted estimate is 1,310 dwellings higher than the EEFM 2016 estimate. Therefore, the level of the "catch up" uplift adjustment takes account both of the latest market signals, and the latest employment trends.

Table 8: Official and adjusted household projection-based estimates of housing need

Source of estimated/projected population	Population 2012	Population 2014	Population 2036	Population 2014-2036	Households 2014-2036	Dwellings 2014-2036
ONS 2012	85,100	87,770	111,100	23,330	12,050	12,440
ONS 2014	85,100	86,690	104,590	17,900	9,420	9,730
EEFM 2016	85,100	86,690	108,100	21,410	11,210	11,580
"Catch up" uplift	85,100	86,690	111,100	24,410	12,480	12,890

Conclusion: What adjustment, if any, does the household projection-based estimate of housing need require? What is the objectively assessed need?

124. Taking account of the latest market signals (but not employment trends), the demographic projection is adjusted to 12,890 dwellings.

125. We take account of employment trends in Section 4.2. Taking account of the latest (EEFM 2016) employment forecasts, the demographic projection is not adjusted from 12,440 dwellings.

126. The highest of these housing figures, which is the objectively assessed need, is 12,890 dwellings.

127. This housing figure is 4% higher than the CLG 2012 starting point estimate of 12,440 dwellings (12,050 households) and 33% higher than the CLG 2014 starting point estimate of 9,730 dwellings (9,420 households).

4.4 Addressing the needs for all types of housing

128. Once an overall housing figure has been identified, the Strategic Housing Market Assessment will break this down by tenure, household type (singles, couples and families) and household size.

129. The purpose of this report is only to identify the future quantity of housing needed.

4.5 Calculating affordable housing need

Introduction

130. In the following section, we estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing needs in the market.

131. This calculation involves adding together the current unmet housing need ('A') and the projected future housing need ('B') and then subtracting from this the current supply of affordable housing stock ('C').

132. Building on the existing evidence base of partner local authorities in the Cambridge housing market area, we present an updated calculation which follows the same methodology as the existing Strategic Housing Market Assessment (2013 version).

133. *"As well as the OAN, which covers all tenures of housing, the Cambridgeshire SHMA calculated the need for affordable housing, through a method based on the 2007 Planning Practice Guidance (that guidance has since been revoked, but is replaced by a similar method set out in paragraphs 022-029 of the PPG)."*

Source: Cambridge and South Cambridgeshire Local Plan Examination Objectively Assessed Housing Need Further Evidence November 2015 (Peter Brett Associates)

134. We then consider the total affordable housing need in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments, based on past delivery rates.

Affordable housing need

135. Table 9 below presents a 2014 update of the Strategic Housing Market Assessment (2013 version) affordable housing need calculation. Chapter 13 of the SHMA provides a description of this calculation (www.cambridgeshireinsight.org.uk/housing/shma/shma-current-version).

**Table 9: Affordable housing need in East Cambridgeshire**

CLG 2007 Guidance reference		2014
5.1.1	Homeless households	19
5.1.2	Overcrowded	268
	Concealed	286
5.1.3	HNR Band A	56
	HNR Band B	229
	HNR Band C	305
	HNR Band D	360
	Revised Band D (not including intermediate overlap)	359
	Intermediate Register	58
	Register overlap	1
5.1	Current total housing need (A)	1,561
5.2.1	From existing households - number	173
	In migrant owner occupiers - number	326
	In migrant private tenants - number	122
	In migrant social tenants - number	46
	In migrant other (LCHO) - number	1
5.2.2	From existing households - multiplier	32%
	In migrant owner occupiers - multiplier	0%
	In migrant private tenants - multiplier	8%
	In migrant social tenants - multiplier	100%
	In migrant other (LCHO) - multiplier	100%
	Newly forming households unable to afford	112
5.2.3	Households who enter the register and are housed within the year	109
5.2	Total newly arising need (yearly)	221
5.3.1	Affordable dwellings occupied by households in need	-47
5.3.2	Surplus stock (If less than 3% = 0%)	0
5.3.3	Committed supply of new affordable units	88
5.3.4	Units to be taken out of management	0
5.3.5	Total stock available	41
5.3.6	Annual supply of social re-lets	190
5.3.7	Annual supply of intermediate affordable housing available for re-let or re-sale at sub-market levels	19
5.3.8	Total annual supply of affordable housing	209

	Total supply	250
	Total supply not including committed supply (yearly)	162
	Plan period newly arising need (22 years) (B)	4,864
	Plan period newly arising need AND current need (A + B)	6,425
	Plan period supply not including new build (22 years) (C)	3,571
	Plan period newly arising need AND current need MINUS plan period supply not including new build (A + B − C)	2,854

136. As Table 9 above shows, the current unmet (gross) need for affordable housing ('A') is 1,561 households. The number of newly arising households likely to be in affordable housing need (gross annual estimate) is 221.10 households. The 22-year newly arising (gross) need for affordable housing ('B') is therefore 4,864 households. The total gross need for affordable housing ('A' + 'B') is therefore 6,425 households.

137. As Table 9 also shows, the current total affordable housing supply available is 41 homes. The likely level of future housing supply of social re-lets (net) and intermediate affordable housing (excluding transfers) is 209 homes per year. In 2014, the total available supply of affordable housing stock including committed supply is therefore 250 homes. (The Strategic Housing Market Assessment will consider the relationship between the house size in the current housing stock and current and future needs.)

Figure 24: Total and affordable dwelling completions in East Cambridgeshire (ECDC)
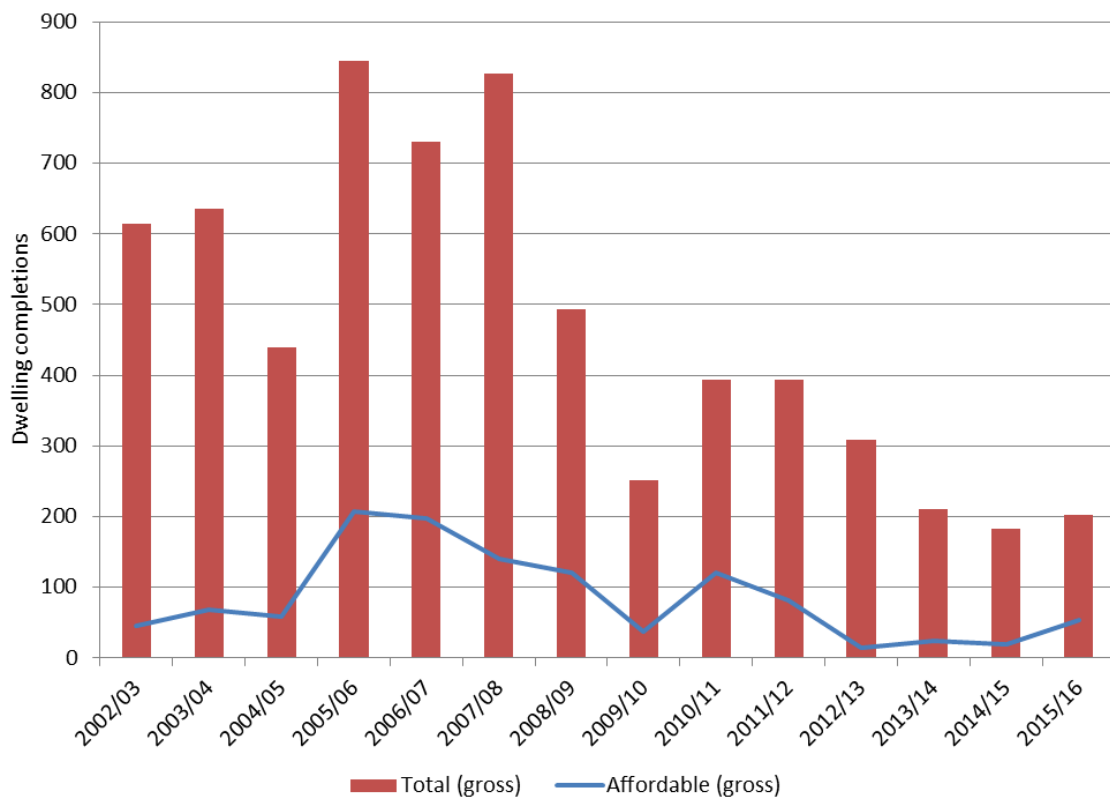
138. Excluding new build, the annual affordable housing supply is an estimated 162.33 homes. The 22-year supply of affordable housing stock excluding new build is therefore 3,571 homes, which is the total available stock of affordable housing ('C').

139. Subtracting total available stock from total gross need ('A' + 'B' – 'C'), the total net need for affordable housing is therefore 2,854 homes over 22 years, which converts into an annual flow of 130 houses per year.

140. The total need for affordable housing over the plan period is therefore 2,854 new homes.

141. Figure 24 above shows the number of affordable dwelling completions in East Cambridgeshire for the period since 2002/03. The percentage of affordable dwelling completions ranges from 31% of all completions in 2010/11, to 5% in 2012/13, and averages at 18% over the period 2002 to 2016.

142. The overall housing figure that has been identified is 12,890. The total need for affordable housing that has been calculated is 2,854. The required number of affordable homes is therefore 22% of the overall housing figure, or 25% if 1,500 of the overall housing figure continues to be redistributed elsewhere (see paragraph 10(b) of this report).

143. This proportion aligns reasonably well with the average percentage of affordable dwelling completions over the period of available data. If it could help deliver the required number of affordable homes, ECDC should consider an increase in the total housing figures included in the local plan, which is a matter for ECDC to determine.

Conclusion

144. The total need for affordable housing is 2,854 houses for 2014-2036, which represents 22-25% of the overall housing figure.

5 Conclusion

145. The purpose of this report is to identify the future quantity of housing needed.

146. To ensure that the assessment findings are transparently prepared, this report follows closely the standard methodology set out in the national planning practice guidance.

147. Building on the existing evidence base of partner local authorities in the Cambridge housing market area, this report follows closely the technical advice in the Objectively Assessed Need and Housing Targets note prepared for the Planning Advisory Service (PAS) by Peter Brett Associates.

148. Analysis of the latest migration and commuting data provides up-to-date supporting evidence for the established definition of the Cambridge housing market area.

149. The 2012-based starting point estimate of overall housing need is 12,440 dwellings. Taking account of the new 2014-based estimate, the 2012-based starting point estimate requires no adjustment. Taking sensitivity testing into account the unadjusted estimate of overall housing need is 12,440 dwellings. Taking employment trends into account the estimate of overall housing need is

11,580 dwellings. Taking market signals into account the estimate of overall housing need is 12,890 dwellings.

150. Table 10 below provides a summary of our assessment.

Table 10: Establishing future need for housing

Source of estimated/projected population	Population 2014	Population 2036	Population 2014-2036	Households 2014-2036	Dwellings 2014-2036	Jobs 2014-2036
ONS 2012	87,770	111,100	23,330	12,050	12,440	-
ONS 2014	86,690	104,590	17,900	9,420	9,730	-
EEFM 2016	86,690	108,100	21,410	11,210	11,580	4,820
"Catch up" uplift	86,690	111,100	24,410	12,480	12,890	6,880

151. Taking account of the CLG 2014 starting point estimate and the latest demographic evidence, the CLG 2012 starting point estimate of 12,050 households (12,440 dwellings) is not adjusted from 12,440 dwellings for the period 2014 to 2036. Taking account of the latest employment trends, the demographic projection is not adjusted from 12,440 dwellings. Taking account of the latest market signals, the demographic projection is adjusted to 12,890 dwellings. The highest of these housing figures, which is the objectively assessed need, is 12,890 dwellings.

152. This housing figure results from applying an upward adjustment to the starting point estimate of overall housing need over the 2014 to 2036 period, to bring the population and households in 2036 to the levels suggested by the official 2012-based projections, and converting the households to dwellings using the Census 2011 ratio of households to dwellings. This housing figure aligns with an increase in net out-commuting, meeting the housing needs of the housing market area, and results in an above-trend increase in the workplace population (jobs growth) in East Cambridgeshire, as follows: The housing figure of 12,890 dwellings aligns with a projected population increase for the 2014 to 2036 period of 24,410 people. For a population growth figure of 24,410, the EEFM forecasts a jobs growth figure of 6,880 jobs, which is 2,060 jobs higher than the EEFM 2016 estimate.

153. We consider the future quantity of housing needed is therefore 12,890 dwellings, which is 12,900 dwellings to the nearest 100 dwellings. This report therefore recommends the overall housing figure is 12,900 dwellings.

154. Based on an updated calculation, the total 22-year need for affordable housing is 2,854 houses.

155. If it could help deliver the required number of affordable homes, ECDC should consider an increase in the total housing figures included in the local plan.

156. The SHMA will provide a breakdown of the overall housing figure by type, tenure and size, and will monitor housing conditions for any meaningful change in the housing situation.

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