

BRIEFING NOTE
West Surrey Strategic Housing Market Assessment (SHMA)

1. Background

- The SHMA assesses the full objectively assessed need (OAN) for market and affordable homes across the housing market area (Guildford, Waverley and Woking borough councils), the type and mix of homes required and the needs of specific groups.
- Understanding the full OAN is only the first stage in the plan-making process. We will need to consider this alongside the constraints that exist across the borough when defining the housing figure in the new Local Plan.
- This final West Surrey SHMA supersedes the draft published in December 2014 as it incorporates the latest CLG household projections. The SHMA also now covers the period 2013 to 2033.
- This note provides a narrative of the SHMA final figures for **Guildford only**.

2. Projections

- The National Planning Practice Guidance (NPPG) states that national projections should provide the starting point for analysis.
- Both the population and household projections have been interrogated and found to be a reasonable starting point when taking account of past trends:
 - The projections indicate that net migration (internal and international) is forecast to fall below levels seen previously.
 - The Guildford population is forecast to increase roughly in line with the 12-year trend (2001 – 2013) which is considerably lower than the 5-year trend.
- Using the household projections, this would equate to 517 homes per annum.

3. Adjustments to the projections and other uplift factors

- The NPPG requires that consideration is given as to whether the projections may require an adjustment to reflect local factors, which are not captured by past trends.
- *Student growth*
 - The University of Surrey expects to grow more over the plan period than the trend upon which the projections are based.
 - Based on an assumption that up to 60% will live in student accommodation, this growth generates a further need of 25 homes per annum.
- The NPPG also requires that we consider a number of other factors to determine whether there should be any further uplift.
- *Economic considerations*
 - AECOM, the consultants who have produced our Employment Land Needs Assessment (ELNA), estimate a growth of 17,738 jobs between 2013 and 2033.
 - In order to provide for the resident workforce to meet this expected job growth, an uplift of 120 homes per annum is required.
- *Affordable housing need*
 - The SHMA calculates a need for 456 affordable homes per annum and therefore demonstrates that there is considerable affordable housing need.

- This indicates that an uplift is necessary and this is considered together with market signals below as part of addressing affordability issues.
- **Market signals**
 - Given the affordability pressures, the SHMA includes an uplift which seeks to return household formation rates in the key age group experiencing difficulty accessing the housing market (25 – 34 age group), back to 2001 levels by 2033.
 - This indicates an uplift of 31 homes per annum should be applied.

4. Guildford's full objectively assessed need

- Based on a number of recent examinations of local plans¹ it is clear that inspectors consider the full objectively assessed needs figure to include both the demographic and uplift factors.
- Based on the figures outlined above this identifies our full objectively assessed need as 693 homes per annum.

5. Housing mix and type

- The housing mix recommended is as follows.

	Affordable	Market
1-bed properties	40%	10%
2-bed properties	30%	30%
3-bed properties	25%	40%
4-bed properties	5%	20%

- It also recommends 70% of affordable housing should be rented and 30% intermediate housing.

6. Needs of specific groups

- Between 2013 – 2033, the SHMA identifies a need for:
 - 2,425 student bedspaces,
 - 1,334 specialist homes for the elderly of homes, and
 - 242 care home bedspaces

7. West Surrey's full objectively assessed need

- Taking the latest final figures for all three councils, the OAN for the housing market area is as follows.
 - Guildford: 693 homes per annum
 - Waverley: 519 homes per annum
 - Woking: 517 homes per annum
 - West Surrey housing market area: 1,729 homes per annum

¹ This includes for example Cheshire East Council, Horsham District Council, Uttlesford District Council and Cherwell District Council