

Policy HOU 1

Housing Targets for Market & Affordable Homes

The Council will aim to deliver ~~between 10,500 and 11,000~~ a minimum of 9,200 new homes over the Plan period 2016-2036. A minimum of 2,000 of these will be provided as affordable dwellings will be provided. To achieve this specific development sites suitable for not less than 4,500 new dwellings will be identified are allocated.

Development will be permitted in accordance with the adopted settlement hierarchy and the table below

Note This table has been updated to reflect the latest available data on planning permissions and dwelling completions and will be kept up to date as Plan preparation progresses.

HOU1 - Reg 19

New Dwellings

th 2016 – 2036

1. Inclusive of approx 500 dwellings on the Trinity College site at Fakenham (decision on planning application pending).
2. Suitable sites to be identified in a Part 2 Plan

	<u>Column</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
	<u>Settlement</u>	<u>Dwellings With Planning Permission at 20/01/2021</u>	<u>Dwelling Completions - All (01/04/16 to 31/03/20)</u>	<u>Proposed New Allocations</u>	<u>Total Growth (2016 to 2036)</u>
<u>HOU1 at 08/01/2021</u>	<u>North Walsham</u>	<u>90</u>	<u>374</u>	<u>2,150</u>	<u>2633</u>
	<u>Fakenham</u>	<u>1136</u>	<u>194</u>	<u>688</u>	<u>2034</u>
<u>Large Growth Towns</u>	<u>Cromer</u>	<u>195</u>	<u>137</u>	<u>557</u>	<u>896</u>
	<u>Holt</u>	<u>260</u>	<u>252</u>	<u>227</u>	<u>747</u>
	<u>Sheringham</u>	<u>192</u>	<u>123</u>	<u>135</u>	<u>459</u>
	<u>Stalham</u>	<u>66</u>	<u>88</u>	<u>150</u>	<u>304</u>
	<u>Wells-next-the-Sea</u>	<u>35</u>	<u>79</u>	<u>80</u>	<u>202</u>
	<u>Hoveton</u>	<u>28</u>	<u>4</u>	<u>150</u>	<u>183</u>
	<u>Small Growth Towns</u>	<u>Briston & Melton</u>	<u>91</u>	<u>33</u>	<u>80</u>
<u>Constable</u>		<u>12</u>	<u>59</u>	<u>30</u>	<u>101</u>
<u>Mundesley</u>		<u>15</u>	<u>19</u>	<u>30</u>	<u>64</u>
<u>Blakeney</u>		<u>11</u>	<u>2</u>	<u>40</u>	<u>53</u>
<u>Ludham</u>		<u>11</u>	<u>2</u>	<u>40</u>	<u>53</u>
<u>Large Growth Villages</u>	<u>Villages named in Policy SD3</u>	<u>187</u>	<u>261</u>	<u>400</u>	<u>859</u>
	<u>All remaining settlements and countryside Entire District</u>	<u>253</u>	<u>316</u>	<u>0</u>	<u>629</u>
<u>Remainder of District</u>					
<u>Windfall Development 2016-2036 Across</u>		<u>-</u>	<u>-</u>	<u>-</u>	<u>2025</u>

Supporting Text:

Housing Target

The purpose of policy HOU1 is to set a housing target for the District in accordance with a distribution of development that complies with the proposed Settlement Hierarchy in **Policy SD3**.

~~The way in which the need for new dwellings is established has changed during the period that this Plan has been in preparation and may change further before the Plan is adopted. Government requires the use of a standard national methodology which is currently based on population and household growth projections for the period 2014 onwards. Later 2016-based forecasts have been published which suggest a significant slowing in the rate of both population and household growth. Government does not regard these 2016-based projections as a sound basis for deriving a housing target as they may not adequately address~~

The Council will continue to review the housing target to ensure that it has taken account of the most up-to-date evidence when the Plan is submitted for independent examination.

Over the period 2016 to 2036 the population of North Norfolk is projected to grow by around ~~41,5427,781~~ (2016 National Projections) so that by the end of the Plan period ~~414,810~~ 108,693 people will live here. Much of this increase results from net inward migration mainly from elsewhere in the south east by those retiring to the area. It is also predicted that people will live longer, average household sizes will remain low and that around 8-10% of all dwellings in the District will be used as second homes. These factors will contribute towards significant housing pressures in the District over the Plan period.

The NPPF aims to boost significantly the supply of homes. To deliver this increase in supply it requires that Plans should ensure that all of the likely future need for homes is planned for. This means taking full account of a wide range of factors including the changing accommodation needs of the existing population, predicted population growth, migration trends, ~~addressing previous shortfalls~~, vacant and second home rates, and considering how needs are being addressed by adjacent Authorities.

~~Plans must include a target for the number of homes planned and clearly explain how the Plan will deliver at least this amount.~~ The first stage of setting a housing target for the Plan is to establish how many new homes are likely to be required. National planning policy refers to this as establishing Objectively Assessed Needs (OAN) and includes a standard national methodology for arriving at this figure. The starting point is nationally produced household projections which are published every two years by the Office for National Statistics (ONS) and provide a trend-based projection of new homes required for each District over the next 30 years or so to address projected demographic growth. This demographic growth trend is then subject to a standard adjustment (uplift) with the size of the adjustment determined by the local ratio between incomes and house prices, with required uplifts being greatest in those areas where housing is the least affordable. This uplift in North Norfolk is substantial and results in around a ~~385~~ 38% increase in the housing requirement.

The current standard national methodology is based on ONS projections from 2014. ~~The Authority does not consider that these 2014 based projections accurately reflect historical growth rates in the District and show that growth in the years before 2014 was substantially higher than was actually the case. ONS has published revised projections with a base date~~

~~of 2016 which do not include the same over estimate and the Council considers these to be a more robust basis for establishing the future requirement for homes in the District. Based on the 2016 national projections the standard methodology produces a requirement for 9,200 new homes in the twenty years covered by the Plan. The Council has set this as the minimum number of dwellings to be delivered Using these for calculating housing need, the result for North Norfolk is 10,860 dwellings over the 20-year period between 2016 and 2036. This equates to an annual average requirement of 543-460 net new dwellings.~~

The Council has considered if it is necessary or desirable to depart from the standard national methodology. There might, for example, be local reasons why the trend-based projections published by ONS require some adjustment to take account of specific local factors. For example, whilst future birth, death and longevity rates are highly predictable, the rate of inward migration, which is the main determinant of population growth in the District, can be subject to change. It is also important to consider employment growth projections to ensure that sufficient homes will be built to accommodate the future workforce and to ensure that the total number of homes built will also deliver sufficient affordable homes.

~~Once it has been established the figure for the District may not equate to the Plan housing target. It is necessary to consider how housing needs are being addressed in a wider Housing Market Area (HMA) and establish if any shortfalls elsewhere should be addressed in the North Norfolk Plan. As part of the Duty to Co-operate the Council has considered the housing needs arising in all of the Norfolk Authorities and it has been agreed that North Norfolk need not make any allowance for needs which arise elsewhere in the County as these will be addressed by the Local Plans of the neighbouring Planning Authorities. This is explained in more detail in the Norfolk Strategic Planning Framework and Statement of Common Ground. It might also be appropriate to set a lower housing target if the evidence suggests that delivering what is needed would result in unsustainable or harmful development, and in such circumstances we would then need to seek agreement with adjacent areas to accommodate any shortfall.~~

~~Having carefully considered these factors, and because applying the standard housing needs methodology to North Norfolk results in a very significant uplift in housing requirements which is well above demographic growth projections, the Council considers that no further uplift is required, or justified. Pending the results of an on-going review of the national standard methodology, we intend to provide for between 10,500 and 11,000 dwellings in this Draft Plan, but will keep this under review. Delivering a target of 550 dwellings per year is around 30% more than is being delivered by our current adopted Plan and this number has rarely been delivered previously in the District, including at times when substantial amounts of development land has been available and market conditions have been favourable. The Council will wish to carefully consider the deliverability of the final housing target before submitting the Plan for examination.~~

On the date that the Plan is likely to be adopted, part of the required housing target over the Plan period 2016-2036 will already have been built. A further quantity will have planning permission but will not have been built, and over the remainder of the plan period the Council would also expect a proportion of the required growth to be delivered via windfall developments. These windfall developments comprise small scale infills, redevelopments, re-use of existing buildings and affordable dwellings in the designated Countryside Policy Area. They have delivered a significant proportion of the total homes in the District for many years. There is no evidence to suggest that this source of new homes will significantly diminish in the future. Even so, the Council has reduced its expectations in relation to future windfall housing to a figure which equates to around 50% of the historic rate. The remainder of the Plan housing target will be provided for through the suggested site allocations in this Plan which will deliver an addition 4,700 homes. How the Plan proposes to distribute development is explained in 'Settlement Hierarchy'.

We have explained more about the process of setting a draft housing target in **Background Paper 1 – Setting the Housing Target.**