STRUTT
&PARKER

BNP PARIBAS GROUP

North Essex Section 1 Local Plan Examination

Implications of the 2018-based subnational household projections

Prepared on behalf Bloor Homes

October 2020

Client Name:		Bloor Homes
Type of Report:		Local Plan Examination Representation
Prepared by:		Sam Hollingworth MRTPI
Approved by:		Richard Clews (Senior Associate Director)
Date:		October 2020

CONTENTS

1.0   Introduction and Background

1.1   The North Essex Section 1 Local Plan (eLP) is being prepared jointly by Braintree District, Colchester Borough and Tendring District Councils (the North Essex Authorities or NEAs) and addresses strategic issues such as total housing requirements and Garden Communities. Each of the NEAs' emerging Local Plans comprises two parts, with each authorities' respective Section 2 Local Plan providing local and detailed sites-specific allocations and policies.

1.2   This submission to the eLP examination is made on behalf of Bloor Homes, and in response to the Inspector's invitation of 9 September 2020 (document reference IED026) to comment on the implications of the release of the 2018-based subnational household projections (SNHP).

1.3   The eLP was submitted for examination on 9 October 2017.

1.4   As a Local Plan submitted for examination prior to 24 January 2019, the eLP is being examined in relation to the National Planning Policy Framework (NPPF) 2012, as opposed to current national policy, as per the transitional arrangements set out in the NPPF. The transitional arrangements in the NPPF were intended to ensure that Local Authorities which were at an advanced stage in the preparation of new Local Plans prior to the publication of the revised NPPF in July 2018 could still progress such Local Plans quickly to adoption, and did not have to revert to a much earlier stage in the process in the event that their emerging Local Plan conflicted with new national policy being introduced. Given it is now over two years since the eLP was submitted, with the process having begun significantly protracted due to the need for defects identified in the eLP to be cured, its examination against the NPPF 2012 is somewhat anomalous.

1.5   The eLP proposes the following housing targets in dwellings per annum (dpa) for each of the NEAs:

> Braintree: 716
> Colchester: 920
> Tendring: 550

1.6   The NPPF 2012 was clear that evidence underpinning plans needs to be relevant and up-to-date (paragraph 31). The accompanying PPG in relation to housing and economic development needs assessment stated that:

> *"Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued"* (Paragraph: 016 Reference ID: 2a-016-20150227)

1.7   As such, and in practice, it does not automatically follow that the housing figures proposed in the eLP are rendered out-of-date by the release of additional data or publication of additional evidence. However, there is the potential for new evidence / data to emerge which does render the proposed housing figures unsound and requiring modifications, if such evidence / data constitutes a 'meaningful change'. 'Meaningful change' was defined in neither the NPPF 2012 nor the accompanying PPG.

1.8   Initial hearing sessions on the Section 1 Local Plan took place in January 2018; and further hearing sessions in January 2020 to consider additional work that had been undertaken to address concerns identified in 2018.

1.9   Additional January 2020 hearing sessions included consideration of the proposed Garden Communities, as well as whether there had been any meaningful change in the housing requirement position since 2018.

1.10   On 15 May 2020 the Section 1 Local Plan Examination Inspector wrote to the Councils and concluded that:

- The eLP proposed spatial strategy was *not* soundly based, by virtue of two of the three proposed Garden Communities being considered unsound. However, the Inspector concluded that, in short, the Tendring / Colchester Borders Garden Community was sound. In addition, if the unsound Colchester / Braintree Borders and West of Braintree GC proposals are removed from the Plan, the Plan is capable of being made sound.

- There had been no meaningful change in the housing situation since the Inspector had previously stated that the proposed figures were soundly based. However, the Examination Inspector caveated his most recent findings in respect of the housing requirements, stating that consideration will need to be given to any implications of the 2018-based subnational household projections (SNHP) for the soundness of the housing requirement figures in the plan, if they were published prior to conclusion of the examination.

1.11   The Councils have resolved to progress the Section 1 Local Plan, with the deletion of the two Garden Communities found to be unsound.

1.12   The examination of the Section 1 Local Plan has yet to conclude. In the meantime and since the Inspector's letter of 15 May 2020., the 2018-based SNHP have been released

1.13   The Section 1 Local Plan Examination Inspector subsequently wrote to the Councils and asked for their view on the implications of the release of the 2018-based SNHP. The Councils provided an initial response, in which they have suggested that these projections may justify a reduction in Braintree's housing requirement (examination document NEA/018).

1.14   The Examination Inspector has now invited other participants for their views on the implications of the 2018-based SNHP.

1.15   The key issue is therefore considered to be whether the 2018-based SNHP suggest a 'meaningful change' in the housing needs position of the NEAs.

1.16   In addition, we also consider it is appropriate to review whether there are other factors which may suggest a meaningful chance in housing needs, particularly in relation to Tendring District, where the proposed approach to determining housing requirement is based on an alternative to official projections.

1.17   The submission is structured as follows:

- Section 2 considers the approach to determining the housing figures currently proposed in the eLP, and whether the 2018-based projections have implications for how the housing requirements of Braintree and Colchester were calculated.

- Section 3 considers the situation in respect of Tendring, where official projections were not used to calculate the proposed housing requirement.
- Section 4 considers any other material changes since the issue of the NEAs' housing requirements were last considered through the eLP examination, looking in particularly at whether there have been any changes in market signals.
- Section 5 provides an overview and conclusion.

2.0   The 2018-based SNHP and Implications for the eLP

Approach to determining current housing figures in the eLP

2.1.   The principle evidence base document on which the Section 1 Local Plan proposed housing requirements are predicated is the Braintree, Chelmsford, Colchester, Tendring Objectively Assessed Housing Need Study (November 2016 update) (EB/018) ('the OAHNS 2016').

2.2.   The OAHNS 2016 considered it appropriate to utilise SNHP to determine the demographic starting point for both Braintree and Colchester Borough, for the purposes of calculating the respective authorities' housing requirements. The most recent SNHP available to the OAHNS (2016) were the 2014-based projections. These projections estimated the number of households for Braintree District and Colchester Borough as follows:

Area	Number of projected households (2014-based) 2013-2037		
	2013	**2037**	**Increase**
Braintree	62,368	76,907	14,539
Colchester	73,593	93,525	19,932
Total	**135,961**	**170,432**	**34,471**

Table 1 – 2014-based SNHP: 2013-2037

2.3.   Utilising these, and considering the period 2013 to 2037, the OAHNS (2016) concluded that the demographic starting point for calculating for housing requirements was 623 and 866 dwellings per annum for Braintree District and Colchester Borough, respectively.

Updated Projections

2.4.   It is relevant to note that this is not the first time that updated, official projections have been released since the eLP was submitted for examination. The 2016-based SNHP were released in 2018, and showed the following projected growth in households in Braintree and Colchester:

Area	Number of projected households (2016-based) 2013-2037		
	2013	**2037**	**Increase**
Braintree	61,946	73,626	11,680
Colchester	73,227	96,205	22,978
Total	**135,173**	**169,831**	**34,658**

Table 2 – 2016-based SNHP: 2013-2037

2.5.   Comparing this with the 2014-based projections, which were the latest available to the OAHNS (2016), Braintree saw a reduced increase in the number of projected households, and Colchester a greater increase.

2.6.   It is important to note that there were recognised concerns with the use of the 2016-based subnational household projections to calculate housing requirements.

2.7.   The criticism of the 2016-based projections was they used just two points (2001 and 2011) to project headship rates up to 2021, after which they are assumed this to be constant (previous projections drew upon data going back to 1971). The period 2001 – 2011 of course saw very low levels of housebuilding, and a dramatic worsening of affordability. This resulted in a substantial increase in concealed families, and an increasing number of young adults not leaving their parents' home. As such, there were significant concerns that this suppressed the household formation rates used in the 2016-based SNHP, particularly within the 25-44 age cohort, resulting in the projections understating actual need. If housing delivery were to be based on projections calculated in this way, there would be a danger that these projections based on concealed households and adults remaining living with parents would, in effect, become a self-fulfilling prophecy.

2.8.   The ONS acknowledged these concerns at Point 5 of its Methodology used to produce household projections for England: 2016-based, at which it stated:

"*There was a view that only using the 2001 and 2011 Censuses would result in a downward trend in household formation for the younger age groups, which in turn would downplay the need for housing for younger people".*

2.9.   Issues with the 2016-based projections understating the extent of household growth resulted in the Government confirming[1] they should not be used to calculate housing requirements through the Standard Method which now forms part of current national policy[2].

2.10.   .As such, assuming no change in the actual position since the 2014-bsaed projections, one would have expected the 2016-based SNHP to have shown reduced projected growth in households in both Colchester and Braintree.

2.11.   Braintree's 2016-based projections did indeed show a reduced growth in households, as expected. Conversely, Colchester's 2016-based projections actually showed an *increase* in the projected household growth, despite the acknowledged issues with such projections which resulted in them underestimating actual household growth and "downplaying" need for housing for younger people in particular.

2.12.   The 2018-based SNHP have now been released. These project increases in the number of households in Braintree and Colchester as follows:

Area	Number of projected households (2018-based) 2013-2037		
	2013	2037	Increase
Braintree	61,945	70,516	8,571
Colchester	73,226	93,596	20,370
Total	**135,171**	**164,112**	**28,941**

Table 3 – 2018-based SNHP: 2013 – 2037

2.13.   A comparison between the increase in household growth projected by the 2014-based, 2016-based and 2018-based SNHP is provided below:

Area	Projected increase in households 2013-2037		
	2014-based	2016-based	2018-based
Braintree	14,539	11,680	8,571
Colchester	19,932	22,978	20,370
Total	**34,471**	**34,658**	**28,941**

Table 4 – Comparison in levels of growth projected by SNHPs

---

[1] PPG paragraph: 015 Reference ID: 2a-015-20190220
[2] NPPF paragraph 60.

2.14.   As with the 2016-based SNHP, it is necessary to consider the methodology used to produce the 2018-based SNHP before drawing any conclusions as to what they may mean for housing needs.

2.15.   As with the 2016-based SNHP, the 2018-based SNHP again used only two points (2001 and 2011) to project headship rates up to 2021, after which they are assumed this to be constant. As such, they are subject to the same concerns that rendered the 2016-based SNHP unsuitable for use in estimating future housing needs. Notably, current Government guidance remains that the 2014-bsaed SNHP be used in the Standard Method for calculating local housing need.

2.16.   In addition, the 2018-based SNHP only consider a two-year period (2016-2018) to determine internal migration trends. Clearly, there is a substantial risk that such a short period may not represent longer term or future trends. Projections of internal migration based on such a short period of time are also much more likely to be impacted by one-off events or particular conditions in place at a particularly point, which are unlikely to be repeated and / or policy intervention should seek to avoid reoccurring.

2.17.   In respect of this last point and Braintree, notably the Council reports that between 2016 and 2018, only 782 net additional dwellings were delivered in the District – an average of just 391 dwellings per annum (dpa), and well below the current local housing need (as per the Standard Method) of 857 dpa   As acknowledged in a meeting of Braintree District Council on 27 July 2020, the lack of housing development in the District between 2016 and 2018 may have resulted in reduced migration into the District. Indeed, the Report to the North Essex Authorities provided by Stantec (NEA018a) demonstrates that when a longer term migration trend is applied to 2018-based SNHP Braintree District, the projected household growth increases substantially.

2.18.   Turning to Colchester, the Borough saw relatively high levels of housing delivery during 2016-2018 (averaging 980 dpa), albeit still less than the local housing need as suggested by the Standard Method. It is not known whether there are any other factors that suggest that the two-year period of 2016 to 2018 may have resulted in atypical internal migration during that period, but the 2018-based 10-year migration trend variant SNHP shows a slight increase in projected growth compared to the 2018-based (two-year migration trend) SNHP.

2.19.   Applying a longer term migration trend period to the 2018-based SNHP does not of course resolve the other key concern with the 2016 and 2018-based projections for either Braintree or Colchester – that they underestimate housing growth and downplay the need for housing for younger people in particular.

2.20.   In addition, as the Stantec Report to the North Essex Authorities notes:

"The main reason why the 2018 projections are lower than the 2014 ones appears to be that in the first five years of the plan period housing delivery has been too low to accommodate the projected growth" (Paragraph 4.13)

And:

"*The assessed housing need from 2013 onwards was correct. The reason why that need appears to have gone down is that it has not been met – a self-fulfilling prophecy"*. (Paragraph 4.14)

2.21.   As such, even if one were to ignore the concerns relevant to the 2016 and 2018-based SNHP which are applicable across the country, there are specific localised concerns that are also relevant here.

Implications for the eLP

2.22.   The 2018-based SNHP are not appropriate for establishing a housing requirement in a Local Plan. They are subject to the same concerns as the 2016-based SNHP, which led to the Government expressly confirming these should not be used to calculate local housing need, as well as the added concern regarding the short term migration trend period they rely upon.

2.23.   In addition, and of relevance to the issue of the use of the 2018-based projections in the eLP specifically, the Councils' consultants suggest that the main reason why the 2018-based SNHP show a smaller growth in households is due to insufficient housing delivery during the early years of the plan period.

2.24.   In light of the above, it would evidently be unjustified to reduce the eLP's proposed housing requirement for Braintree on the basis of the 2018-SNHP. To do so would

result in actual housing needs going unmet, and ensuing social and economic harm to the District and its communities.

2.25.   In respect of Colchester, it is notable that despite all of the aforementioned concerns that result in the 2016 and 2018-based SNHP underestimating growth in households, that both of these sets of official projections actually suggest a *greater* increase in household growth.

2.26.   There is nothing to suggest that Colchester is immune from the issues that resulted in the 2016 and 2018-based SNHP underestimating growth.

2.27.   The proportion of Colchester's population in the 25-44 age cohort (those whose housing needs are considered most likely to have been underestimated by recent projections) is entirely typical. As at the Census 2011 it is 27.3% – almost precisely the national average (27.4%).

2.28.   Colchester worsening of house affordability between 2001 and 2011 is also typical of the nation as a whole. The Borough's ratio of median house price to median gross annual workplace-based earnings rose from 4.72 to 7.26 during this period, compared to the national average increase of 4.42 to 6.73. Concerns at the national level that the worsening of affordability between the two points taken by the 2016 and 2018-based SNHP to determine household formation rates appear to be very much applicable to Colchester.

2.29.   In summary, there is nothing to suggest that the Borough's characteristics differed so greatly from those of the nation as a whole, as to mean that the 2016 and 2018-based SNHP would not have underestimated the scale of growth in housing need.

2.30.   Therefore, the fact that the 2016 based and 2018-based SNHP show an *increase* in household growth in Colchester despite the aforementioned, does beg the question as to why. The logical answer is that the Borough's future housing needs are significantly greater than the 2014-based SNHP projections used to inform the eLP suggested.

Tendring District

2.31.   As noted above, the approach to determining Tendring District's housing requirement for the purposes of the eLP has entailed an unorthodox approach in which use of the official projections to determine the demographic starting point have been rejected in favour of an alternative approach.

2.32.   It is therefore necessary to consider whether any new data relevant to how Tendring's housing requirement has been calculated has become available since which would suggest a meaningful change in the housing position.

2.33.   The OAHNS 2016 explains that in light of concerns in respect of errors in Tendring's official projections as a result of unattributable population change (UPC), the demographic starting point of 480 dpa was chosen as:

> *"It was the highest average level of new homes achieved over a recent five-year period (2004-09)"* (paragraph 1.4 of Tendring: Note, appended to the OAHNS (2016))

2.34.   If one assumes this is a robust approach to identifying a demographic starting point, then it is still necessary to consider whether the data used as part of this is the most up-to-date, i.e. does 480 dpa still represent the highest average level of new homes delivered over a recent five-year period.

2.35.   Firstly, it is highly questionable whether 2004-2009 can be considered to represent a 'recent' five-year period.

2.36.   Secondly, and in any case, 480 dpa is no longer the highest average number of new homes delivered within a recent five-year period.

2.37.   Between 2014 and 2019, completions in Tendring averaged 530 dpa.

2.38.   Between 2015 and 2020, completions in the Tendring averaged 633 dpa.

2.39.   It is unclear why this latest data has not been utilised, given it represents the highest average annual housing delivery over a recent five-year period, and applied to the methodology set out in the OAHNS 2016. It may be the case that there are reasons

why, but this is not clear from the evidence provided to the eLP examination that we have seen.

2.40.   An increase in a demographic starting point from 480 dpa to 633 dpa clearly has potential to constitute a meaningful change to the housing needs position, unless other evidence suggests a significantly reduced market signals adjustment than suggested by the OAHNS 2016, which would redress the balance.

3.0   Market Signals

3.1.   The PPG3 which accompanied the 2012 NPPF stated that housing numbers suggested by the demographic starting points were required to be adjusted to reflect market signals / indicators of the balance between the demand and supply of housing. Relevant market indicators include:

- Land prices
- House prices
- Cost of private renting
- Affordability
- Rates of development
- Overcrowding

3.2.   OAHNS 2016 suggested that evidence available to at the time warranted the following uplifts for each of the NEAs in response to market signals.

Area	Market signal adjustment
Braintree	15%
Colchester	0%
Tendring	15%

Table 5: Market signal adjustments suggested by the OAHNS 2016

3.3.   The issue of whether changes in market signals since the OAHNS 2016 was prepared was considered through further examination hearing sessions in January 2020, following which the Examination Inspector concluded that such changes did not result in a meaningful change to the housing needs position.

3.4.   Since the issue was last considered as part of the examination of the eLP, further evidence in respect of market signals has become available has the potential to be of relevance in relation to the soundness of the proposed housing requirements.

3.5.   One key question is: is the decision to apply zero market signal uplift to Colchester's housing requirement still sound?

---

[3] Paragraph: 020 Reference ID: 2a-020-20140306

House Prices

3.6.   The latest house price data available to the OAHNS (2016) was for Q1 2016. The last
time the issue was explored in detail through the eLP examination, latest data available
on house prices was for Q4 of 2018.   Since that time, mean house prices in Braintree,
and Colchester remain significantly above the national average. The mean price in
Tendring at a greater rate than the national average, whereas for Braintree and
Colchester changes are at a similar level to the national average.

3.7.   The chart below shows the indexed link increase in house prices in the NEAs and
compared to the national average, with 100 the average house price at Q1 2016 and
using data from ONS House Price Statistics for Small Areas (dataset 12)
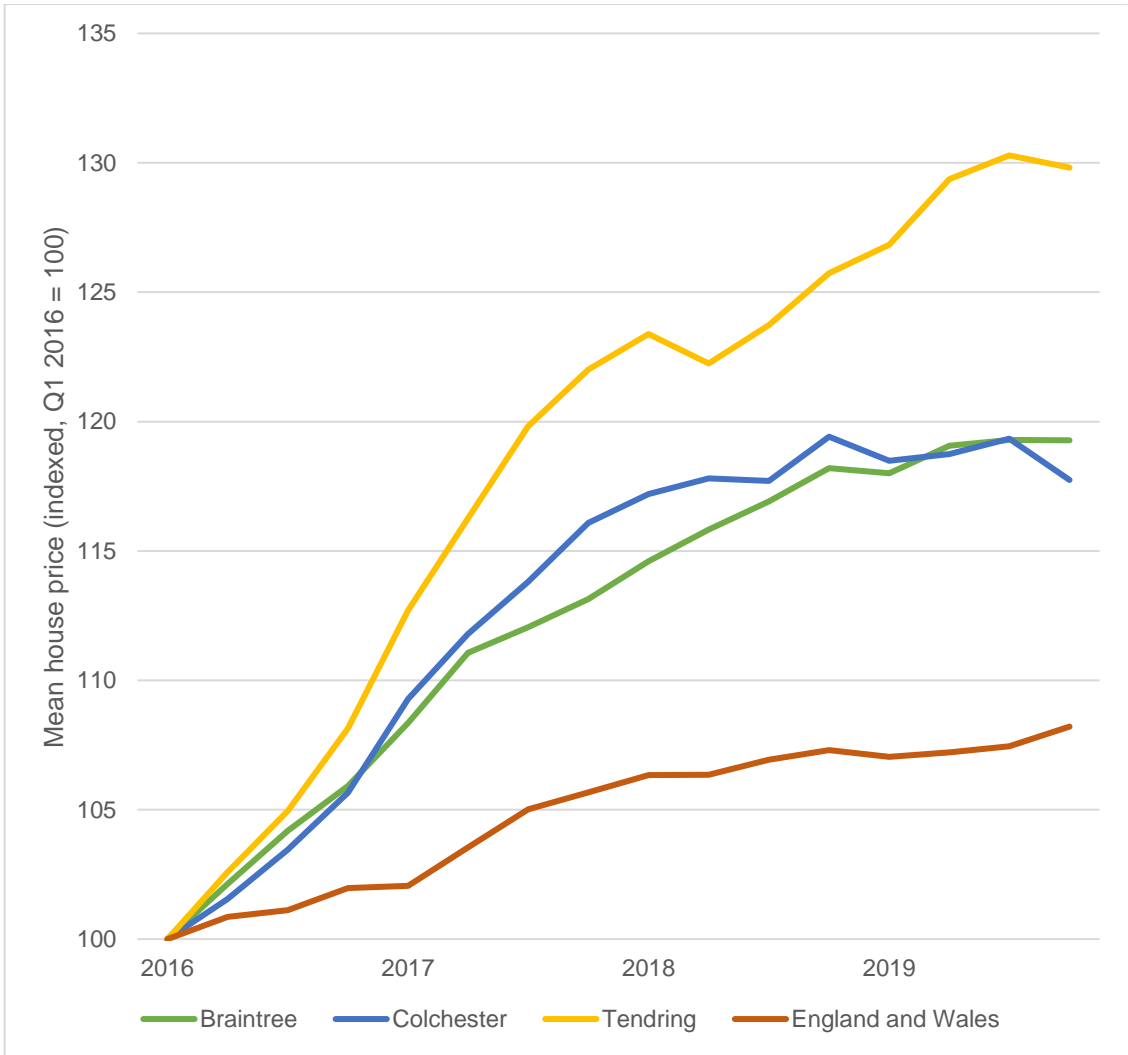

Figure 1 – Mean house price change 2016 – 2019 (indexed)

3.8.   The table below shows change in house prices between Q1 of 2016 (latest available data for OAHNS 2016), Q4 of 2018 (latest available when issued previously considered through EiP) and Q4 of 2019 (latest data available).

Area	Mean house price (£)		
	Q1 2016	Q4 2018	Q4 2019
Braintree	265,870	314,722	317,107
Colchester	247,150	295,313	291,062
Tendring	200,020	250,008	259,737
England and Wales	277,206	297,241	299,990

Table 6 – Mean house prices

Cost of Private Renting

3.9.   In respect of the private rental market, the OAHNS (2016) was able to draw upon data for May 2016 (as set out within Table 5.2 of the study. These are understood to be mean averages). VOA data sets for April 2018 to March 2019 were available the last time the issue was considered through the eLP examination. The ONS has subsequently published data sets for April 2019 to March 2020. Average (mean) private monthly rents for these different periods are shown for the NEAs, as well as England and Wales, below.

Area	Mean private monthly rent (£)		
	2015-2016	2018-2019	2019-2020
Braintree	773	814	837
Colchester	728	813	817
Tendring	640	728	742
England and Wales	820	858	843

Table 7 – Mean private monthly rents

3.10.   From the above data, it is evident that the mean private rental costs of accommodation in all three NEAs remains below the national average. However, whilst the average rental price has dropped for the country a whole in the last year, all three NEAs have seen an increase. The change in mean monthly rental prices since data used by the OAHNS 2016 is illustrated below, and demonstrates that the increase seen in the

NEAs since the study which informed the eLP is significantly greater than at the national level.

Area	% increase in mean private monthly rent 2015-2020
Braintree	8.3%
Colchester	12.2%
Tendring	15.9%
England and Wales	2.8%

Table 8 - % mean private rent increase 2015 – 2020

3.11. Mean averages can be distorted by by extreme values (outliers) within the data set which may be atypical. As such, there is merit in considering the median averages also. The OAHNS (2016) study did not use median rents for 2015-2016, but these are considered below, in addition to more recent data.

Area	Median private monthly rent (£)		
	2015-2016	2018-2019	2019-2020
Braintree	725	775	795
Colchester	680	750	775
Tendring	625	700	725
England and Wales	650	695	700

Table 9 – Median private monthly rent

3.12. At the national level, median rental prices have experienced only a nominal increase. However, all of the NEAs have seen a much more pronounced increase in median rental prices. The below table shows the increase in the median rental prices since the data available to the OAHNS 2016 was published.

Area	% increase in median private monthly rent 2015-2020
Braintree	9.7%
Colchester	14.0%
Tendring	16.0%
England and Wales	7.7%

Table 10 – % increase in media private monthly rent 2015 - 2020

Affordability

3.13.   The most recent affordability ratios utilised in the OAHNS (2016) were for 2015. ONS data shows a significant worsening of affordability since, with the ratio of median house price to median gross annual workplace-based earnings having increased considerably within the NEAs since 2015.

3.14.   Since the issue was last considered as part of the examination of the eLP, affordability has improved slightly in all three NEAs. However, both Tendring and Colchester's improvement was less than the national average. Overall, since data available to the OAHNS 2016, affordability has worsened in all three NEAs by a significantly greater degree than experienced nationally. The change in affordability ratio over this period is set out below.

Area	Affordability ratio (median house price to median workplace-based earnings)				
	2015	**2016**	**2017**	**2018**	**2019**
Braintree	8.23	8.59	9.50	10.26	10.25
Colchester	8.36	8.70	8.99	9.58	9.54
Tendring	6.87	7.99	9.08	9.00	8.72
England and Wales	7.37	7.59	7.77	7.85	7.70

Table 11 – Affordability ratios for Braintree, Colchester, Tendring, and England and Wales 2015-2018

Housing Delivery

3.14.   The relevant PPG states that Local Planning Authorities should:

"*Increase planned supply by an amount that, on reasonable assumptions and consistent with principles of sustainable development, could be expected to improve affordability*" (Paragraph: 020 Reference ID: 2a-020-20140306)

3.16.   The plan period of the eLP runs from 2013. In recent years, both Colchester and Tendring have achieved higher rates of residential development than proposed in the eLP. As such, empirical evidence is now available as to whether the proposed housing figures do in fact improve affordability.

3.17.   In Tendring, the net additional dwellings delivered have exceeded the figure proposed in the eLP in each and every one of the last four years. Over this period, the following delivery rates were achieved:

Year	Net dwelling completions
2016/17	658
2017/18	565
2018/19	915
2019/20	784

Table 12 – Net dwelling completions in Tendring

3.18.   In respect of Colchester, the record of achieving a greater deliver rate goes back even further. The Council report that it has delivered more than 920 in each and every year since 2014/15, with the exception of in 2016/17 when it was just 8 dwellings short of the proposed eLP target. The Council reports the following dwelling completion rates over this period:

Year	Net dwelling completions
2014/15:	943
2015/16:	1,149
2016/17:	912
2017/18:	1,048
2018/19:	1,165

Table 13 – Net dwelling completions in Colchester (NB no published figures for 2019/20 identified)

3.19.   Where delivery rates are sufficient to result in an improvement in affordability, as the PPG requires, it is appreciated that there will be a slight delay before market signals indicate such an improvement. However, the market does respond relatively quickly, and certainly well within four to six years.

3.20.   As such, if Colchester and Tendring's housing targets were sufficient to see an improvement in affordability in these areas, market signals should have indicated this by now.

3.21.   However, they have not. Market signals do not indicate that more homes have been proved in recent years than required. On the contrary, they are indicative of an insufficient provision of housing.

Summary

3.22.   The OAHNS 2016 concluded that uplifts to the housing requirements of Braintree and Tendring should be applied to account for market signals available to the study at the time. It also concluded that no market signal uplift was required in respect of Colchester.

3.23.   The issue of whether changes in market signals since the OAHNS 2016 was prepared was considered through further examination hearing sessions in January 2020, following which the Examination Inspector concluded that such changes did not result in a meaningful change to the housing needs position.

3.24.   Further data and evidence that has become available since suggests that if 15% uplifts were appropriate for Braintree and Tendring in 2016, a greater market signals uplift may now be appropriate.

3.25.   In respect of Colchester, we consider that it is simply no longer feasible to suggest that no uplift to account for market signals is required. Not only do the market signals increasingly point to the need for such uplift, but the proposed housing figures in the eLP have, in effect, been subject to 'real world' testing and have failed to improve affordability in the Borough. In such circumstances, we consider that it would be irrational to conclude that no market signal uplift was justified.

4.0   Overview and conclusion

4.1   Once one considers the methodology used to generate the 2018-based SNHP, it is clear that they cannot be used to justify a reduction in a housing requirement that has been calculated using the more robust 2014-based SNHP.   Accordingly, a reduction to the number of homes proposed to be delivered by the eLP in Braintree would not be justified.

4.2   All things being equal, we would expect both the 2016 and the 2018-based SNHP to show a reduction in the projected increase in households in Colchester compared to the 2014-based SNHP. On the contrary, both sets of projections suggest a greater increase.   Given the 2016 and 2018-based SNHP take an approach which is acknowledged as being likely to result in housing needs being underestimated, the fact they still show an increased level of household growth to the projections used by the OAHNS 2016 suggests a greater demographic starting point is now necessary to ensure housing requirements reflect the latest evidence.

4.3   In respect of Tendring, the official projections did not form part of the OAHNS 2016's calculation of its need, and as such the 2018-based SNHP are of limited direct relevance. But looking at the latest evidence that is relevant to how Tendring's requirement was calculated, and if one assumes the methodology for calculating the demographic starting point is sound, logically it is still necessary to apply the latest data to it. This would result in a demographic starting point of 633 dpa.

4.4   A further year's worth of evidence and data in relation to house prices, rental costs, affordability, and housing delivery has become available since the issue of the eLP's proposed housing requirement was last considered through the examination. In our view, these cast doubts as to whether a 15% market signals uplift is sufficient for Braintree or Tendring, given changes since the OAHNS 2016 recommended this uplift.

4.5   We appreciate there is not an precise, objective way to determine the extent of the uplift that should be provided having regard to market signals (at least not under the NPPF and PPG the eLP is being examined against).   However, in our view it is unequivocally the case that failure to apply a market signals uplift for Colchester can no longer be considered justified. Not only do the market signals themselves clearly indicate some degree of uplift is necessary, but the figures proposed in the eLP for the

Borough have been subject to 'real world' testing and have not delivered the necessary outcomes. In this instance, we consider that it would simply be irrational to not apply a market signals uplift. Based on the uplift deemed suitable for Braitree and Tendring by the OAHNS 2016, we consider a minimum of a 15% uplift should be applied to Colchester.