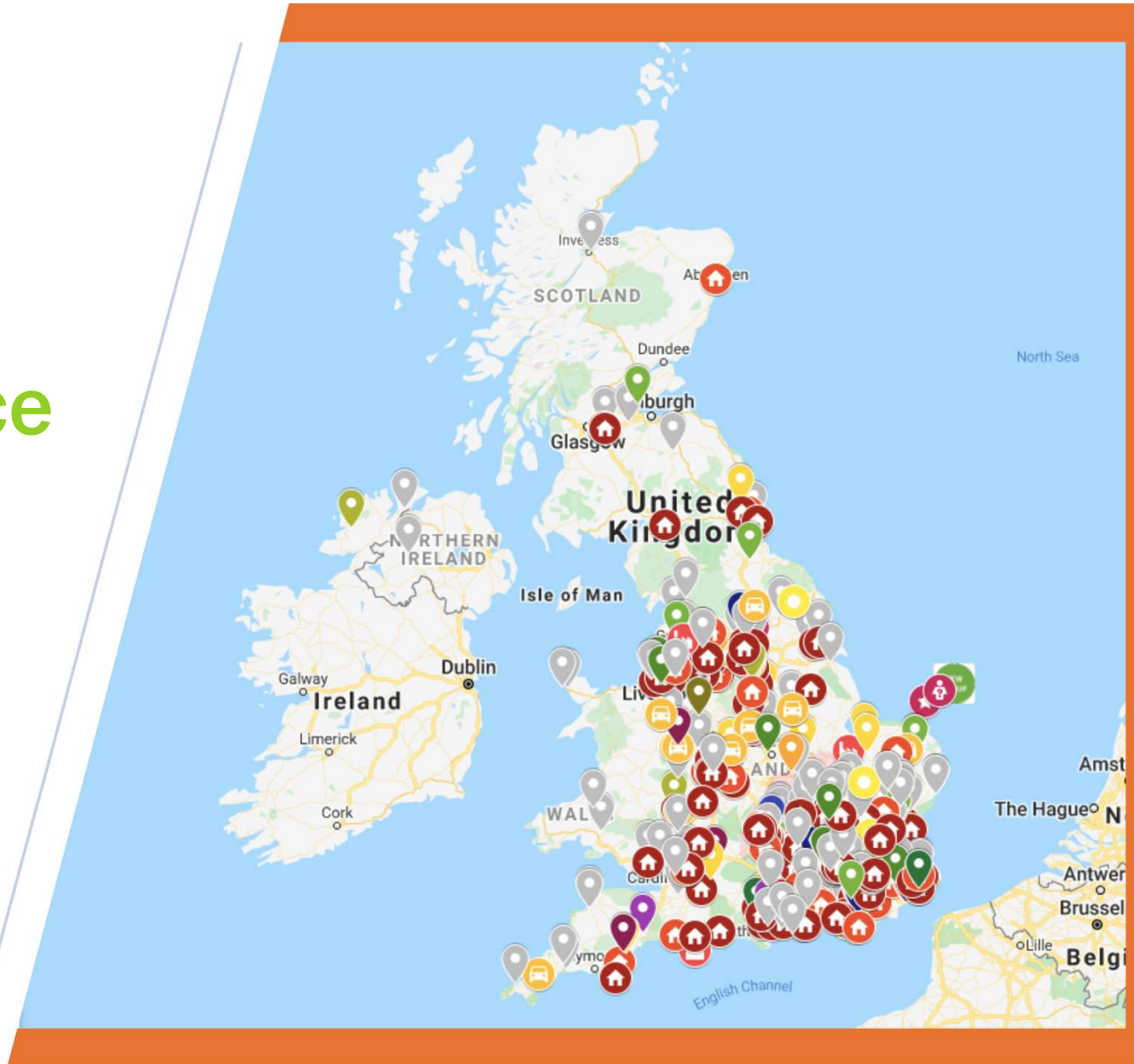




Community Planning Alliance

Demystifying Housing Targets

September 17th 2026





Caroline Dibden

Caroline is a co-founder of CPA. She has been a parish councillor, a district councillor on planning & housing committees, and sat on the South Downs Joint Committee. She is currently Vice-President of CPRE Hampshire. She has a particular interest in housing numbers.

Mark Fessey

Mark has 20 years' experience as a consultant supporting local plans, neighbourhood plans and sub-regional strategies. Mark is very focused on the planning reform agenda, including standardising processes aimed at a more easily understood and engaging plan-led system, with clear choices at its heart.



WARNING! WARNING!

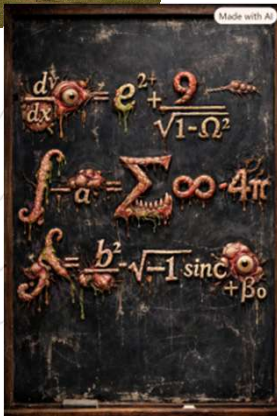


**This presentation
contains numbers,
LOTS of graphs, and
one “algorithm”**



What is the government target?

- Manifesto 1.5 million homes over Parliament
- Therefore, annual target of 300,000 dpa
- Government devised mandatory standard method “algorithm”
- It actually adds up to 370,000 dpa (plus any new towns on top) = 1.85 million



$$\text{Baseline} = \text{dwelling stock} \times 0.008$$

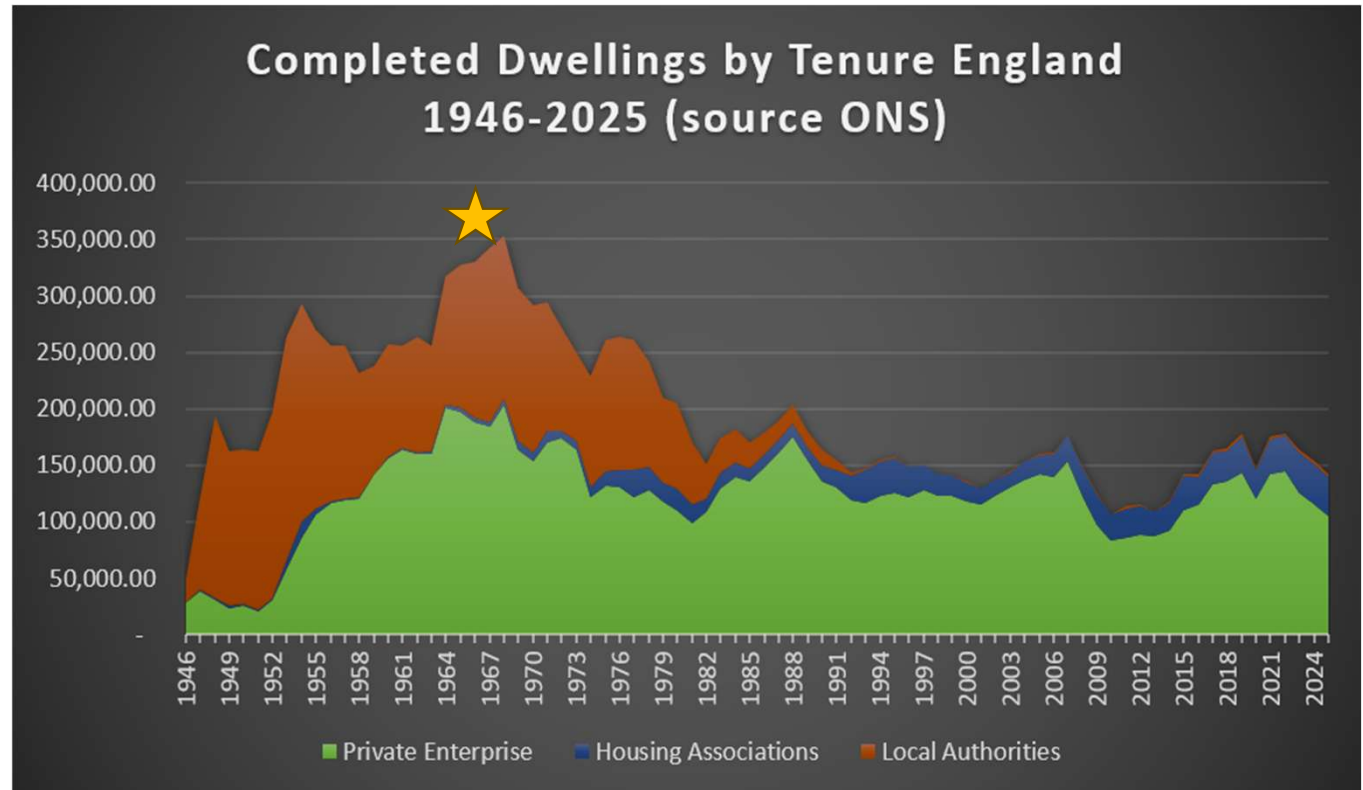
$$\text{Adjustment factor} = \left(\frac{\text{five year average affordability ratio} - 5}{5} \right) \times 0.95 + 1$$

Previous method based on household projections and a different adjustment factor



How many houses have we built? Can we meet 1.5 million target?

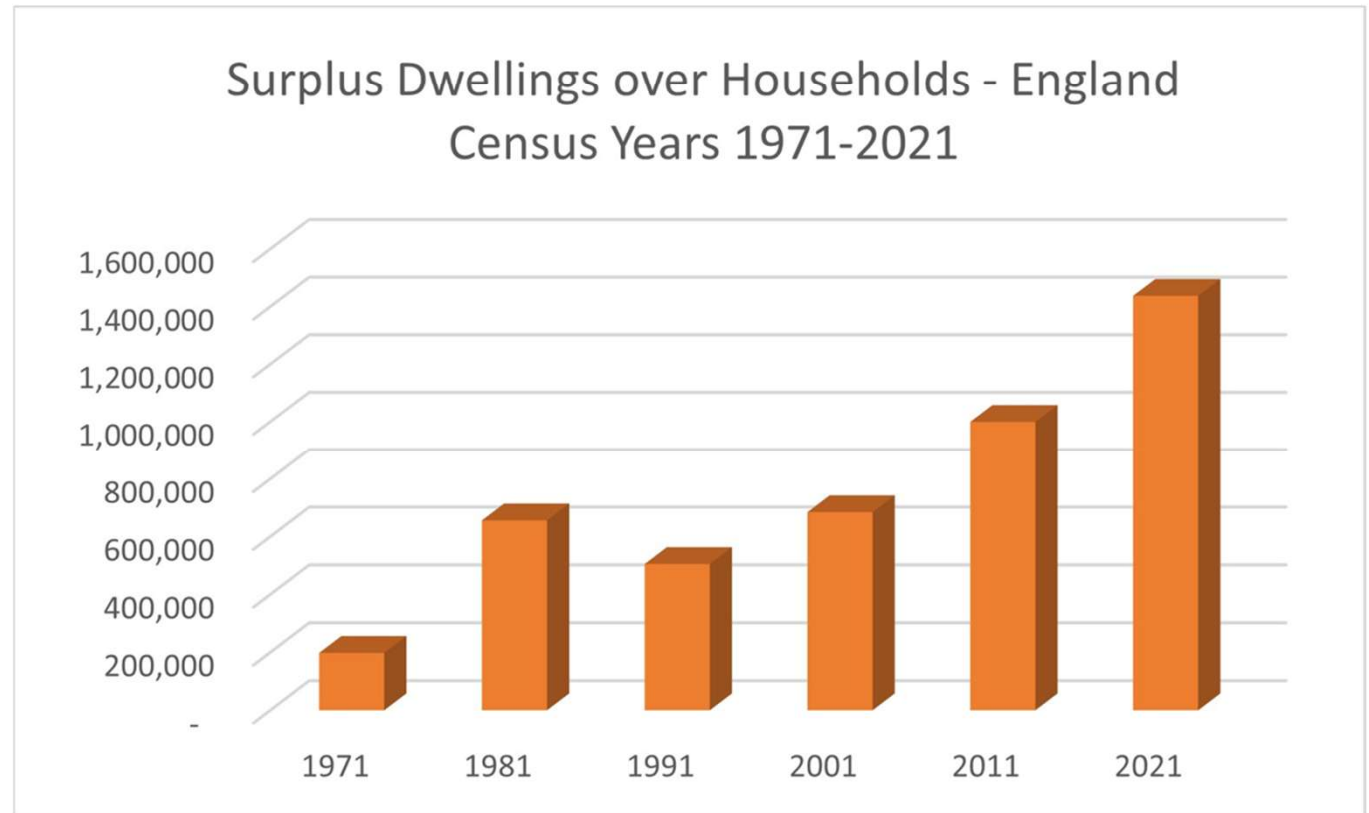
- Last time (since WW2) built 300k dpa in 1964-1969
- Council housing fell off a cliff in 1980s
- Only 140k new build completed in 2025
- Total net new dwellings 200k
- London catastrophic failure to meet target, only 5k starts in 2025





What is our dwelling stock? We must have a huge shortage...

- ... um no! We seem to have a surplus
- not to say they are affordable or available
- empty homes
- 2nd homes
- AirBnBs
- investor owned
- and numbers of **concealed households**





But we have a “Housing Crisis” ...

- Yes ...but it is one of affordability, not just numbers
- We have built more dwellings than population has increased
- Household size has remained fairly static, gently declining
- But prices are now 7.6x average wage, compared to 3.5x average wage in 1971

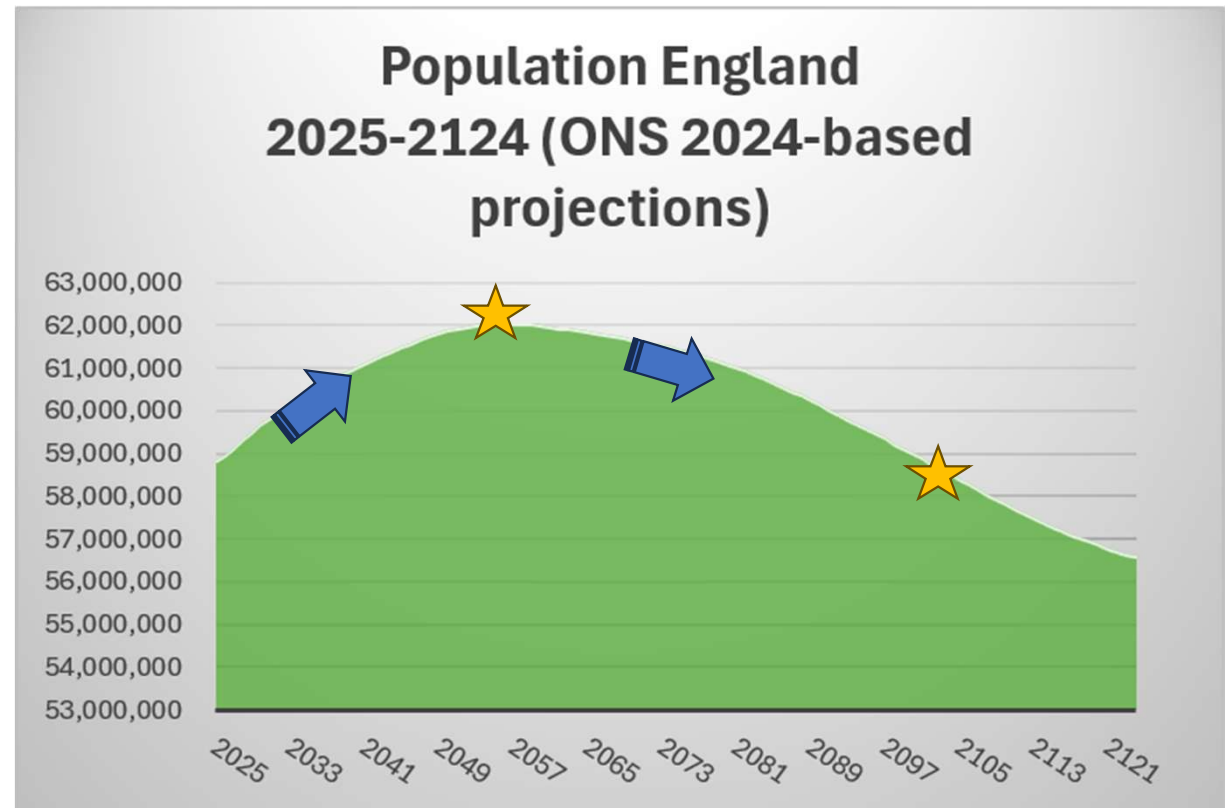
**Increase % in England
Dwelling Stock vs Population
Census Years to 2021, then
ONS/MHCLG projections for
2031 & 2041**





And Population is increasing...

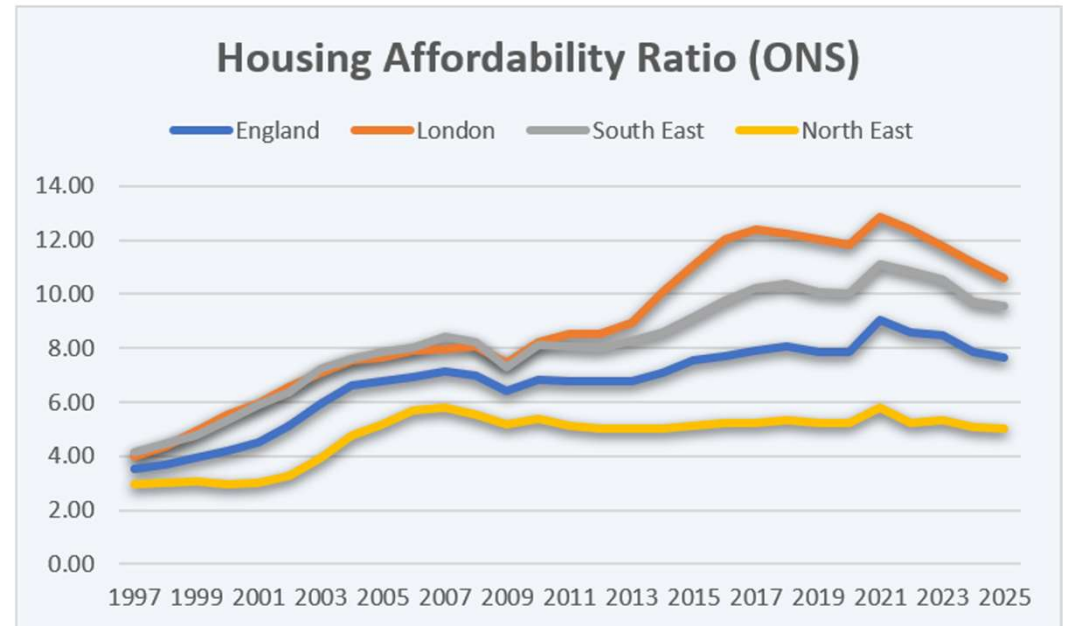
- Yes ...but rate of increase is slowing
- Starts to decline in 2057
- By 2103 population is projected to be less than it is now
- Example – Portsmouth has target of 20k dwellings to 2044 but a population **DECLINE** of 500





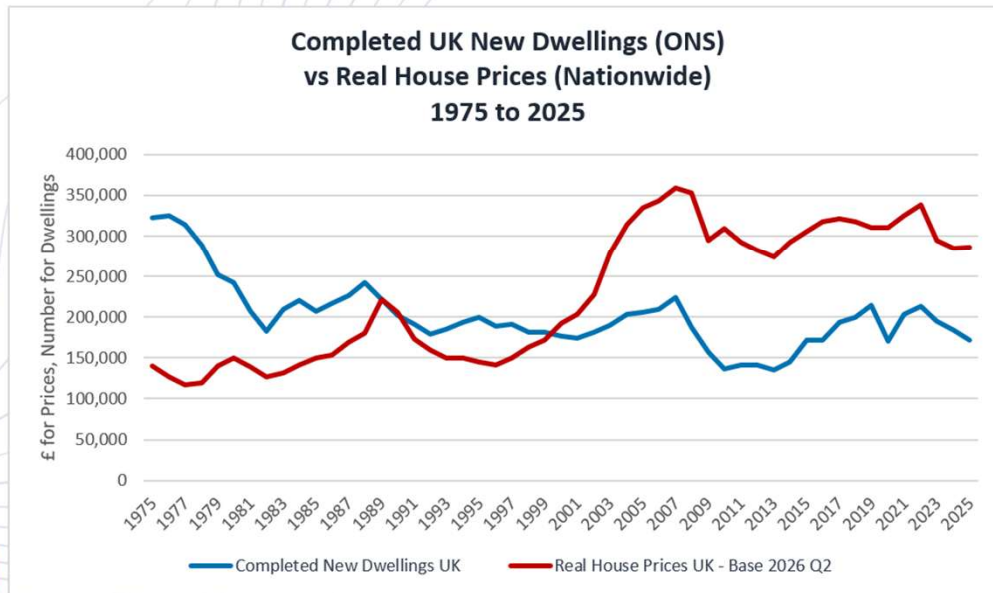
But houses are not affordable...

- No ...not affordable on a median income
- House prices decoupled from wages
- Low interest rates led to investment purchases
- Renting became a corporate money spinner
- Mortgages harder to obtain (although not to service)
- Deposits need to be larger
- Help to buy just pushed up prices





Surely, it's just supply & demand...



- 2009 crash ended 10yr property bubble
- Affordability ratio multiplier based on premise that more houses makes them cheaper
- No split of target by price, type or tenure – real “need” is for social housing
- Every new house above median average – makes target higher
- Targets in Southeast and Green Belt doubled overnight, totally unachievable
- Rural targets increased while urban targets reduced
- Absorption rate means developers build at a rate and price that provides a profit
- Councils are punished for lack of delivery



Made with AI

Change %

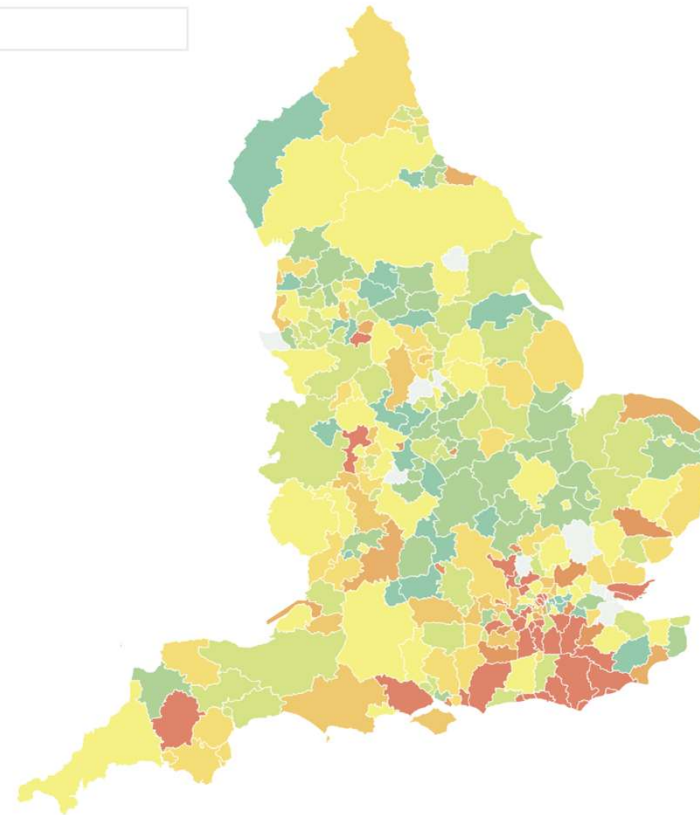
From pre-December '24 Standard method

From current Local Plan requirement

From average delivery (3 year average)



Search..



Source: MHCLG 2024, [Lichfields Analysis](#)





New NPPF – 11d vs S5(1)(j)

Para 11d

- Paragraph 11d engaged the tilted balance (presumption in favour of sustainable development) where relevant policies were absent or out of date
- Included Local Housing Need calculations

Policy S5

- Policy S5 is for proposals outside settlements (ex Green Belt)
- Failure to meet 75% of HDT → **Evidenced Unmet Need**
- Failure to meet 5YHLS → **Evidenced Unmet Need**
- Failure to meet affordable housing needs (but no target) → **Evidenced Unmet Need**
- Evidenced Unmet Need housing shortfall invokes Policy S5(1)(j) **should be approved...**
- Subject to benefits outweighed by “adverse affects”
- And “be physically well-related to an existing settlement...and be of a scale which can be accommodated taking into account the existing or proposed availability of infrastructure”



Tilted Balance – Not really a tilt, now a slam-dunk in favour of approval Can we tilt it back?

- Standard Method Target
- **Evidenced Unmet Need**



- Brownfield 1.4 million
- Existing permissions 1 million +
- Empty & 2nd homes 1.5 million (long term empty over 300k)
- AirBnBs
- Reuse of Commercial 165,000
- Living over the shop and empty bedrooms 26 million rooms
- Groundtruth with population, households and demographics
- STOP punishing local authorities
- AND at least build social housing



The vicious housing crisis cycle



We've got a housing crisis!!!



We need to release land & Greenbelt



We've given loads of permissions and built lots of houses but we STILL have a housing crisis



We need to release more land & Greenbelt



We've given loads more permissions and built more houses but we STILL have a housing crisis



We need to release yet more land & Greenbelt



How many were social housing?

How many empty homes?

How many were sold to foreign investors?

How much land has been banked by developers?

Variation on the theme - We've now got loads of permissions, but developers aren't building as no demand at that price point, and not viable below it



Available numbers and statistics

[ONS 2024-based England national population projections](#)

[ONS 2022-based LPA population projections](#)

[ONS 2022-based LPA household projections](#)

[MHCLG 2025 \(Table 125\) LPA dwelling stock including vacants](#)

[ONS 2025 LPA ratio house prices to median work place earnings](#)

[Land Registry House Price Index](#)

[CPRE State of Brownfield 2025 – supporting data](#)

[Action on Empty Homes LPA](#)



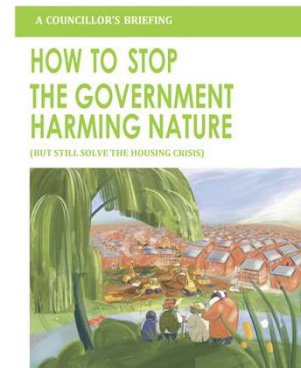
CPA Reports

CPA Report HOMES for EVERYONE

CPA Report VEERING OFF PLAN

CPA Councillor Briefing Document – How to Stop Harming Nature and Still Solve the Housing Crisis

CPA Report GREYING THE GREENBELT



GREYING THE GREENBELT

THE UNNECESSARY MAKING OF A GREY, UNPLEASANT LAND



Demystifying housing targets

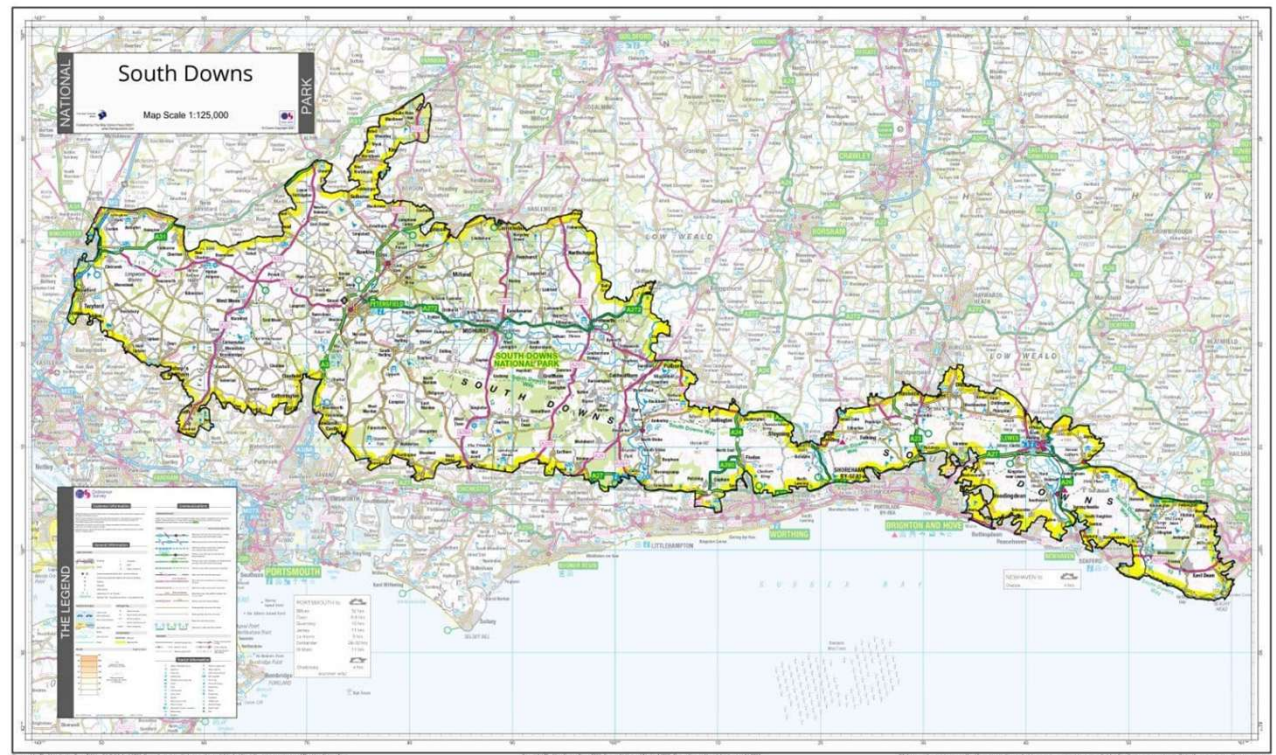
Mark Fessey, AECOM

Overview

- When preparing a local plan
 - There is housing **need** (input)
 - And then there is the housing **requirement** (output)
 - For the plan period
 - And for every year
- When deciding a planning application
 - Delivery against the housing **requirement** has a bearing on whether the presumption in favour of sustainable development applies.

When preparing a local plan

- Local Housing Need (**LHN**) from the Government's standard method is essentially a 'mandatory' starting point.



When preparing a local plan

- The aim of local plan-making is then to factor in myriad other things before deciding the housing **requirement**
- ... which is the number of homes that the LPA commits to delivering.

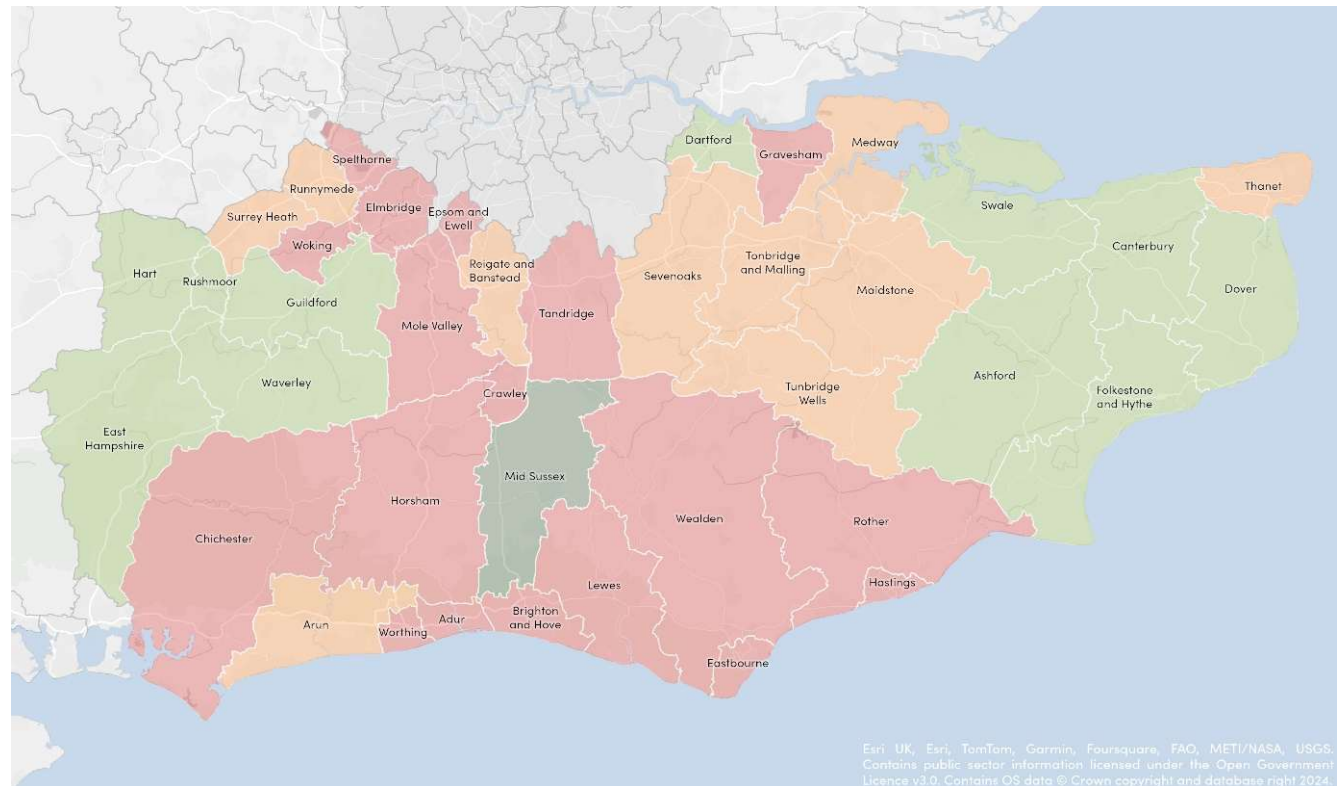
What is housing need?

Housing need is an unconstrained assessment of the minimum number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations. For further details on how constraints should be considered once a housing need figure has been identified, please see [Housing and economic land availability assessment guidance](#).

Paragraph: 001 Reference ID: 2a-001-20241212

When preparing a local plan

- A housing requirement set below LHN over the plan period = **unmet need**.
- Where there one LPA generates unmet need the idea is that one or more others make good the situation with a requirement > LHN.



When preparing a local plan

- There has always been a 'high bar' to generating unmet housing need because of the inherent challenge associated with getting one or more other authorities to agree to provide for it.



When preparing a local plan

- As such, most LPAs avoid wasted time and effort exploring potential arguments for a housing requirement set below LHN.
- However, it never has been and never could be 'mandatory' to set the housing requirement at LHN.



**Thanet
District
Council**

**Thanet Local Plan
Scoping Consultation
(Regulation 20, The Town and
Country Planning (Local
Planning) (England)
Regulations 2026)**

24 August - 9 October 2026

When preparing a local plan

- Many LPAs generate unmet need (and others consider the possibility, i.e. test options).
- In turn, some LPAs provide for unmet need (and others consider the possibility, i.e. test options).
- However, it often stays unmet.

Scenario	1 Adversane	2 Buck Barn	3 Adversane Non-strat.	4 Buck Barn Non-strat.	5 Buck Barn W. B'hurst	6 Adversane Buck Barn
Completions & commitments	10,618	10,618	10,618	10,618	10,618	10,618
Windfall	1,440	1,440	1,440	1,440	1,440	1,440
Submission allocations	5,018	5,018	5,018	5,018	5,018	5,018
Adversane	1,425	-	1,425	-	-	1,425
Buck Barn	-	1,500	-	1,500	1,500	1,500
West of Billingshurst	-	-	-	-	1,000	-
New non-strategic sites	2,414	2,414	2,814	2,814	2,414	2,414
Total homes	20,915	20,990	21,315	21,390	21,990	22,415
% above LHN (14,071)	49%	49%	51%	52%	56%	59%

When preparing a local plan

- Final points...
 - Supply must = requirement over the plan period.
 - Many LPAs argue the case for a stepped requirement.
 - In turn, the plan period is important.

Strategic Policy MG1 - Spatial Strategy

The Council will deliver sustainable and infrastructure-led growth across Rochford District in accordance with the settlement hierarchy, the site allocations identified in this Local Plan and the spatial principles set out below.

The spatial strategy will accommodate the District's housing and employment needs by:

Overall scale and distribution of growth

Providing for at least 11,710 new homes between 2026 and 2043, at an annual average rate of:

- a) 370 homes per year from 2026/27 to 2032/33; and
- b) 912 homes per year from 2033/34 to 2042/43.

Core Policy 2a: Stepped Housing Trajectory

To deliver the overall housing requirement of 17,918 dwellings between 2026 and 2043, the Council will apply the following stepped housing requirement:

- 2026/27 to 2030/31: 420 dwellings per annum
- 2031/32 to 2035/36: 1,030 dwellings per annum, and
- 2036/37 to 2042/43: 1,525 dwellings per annum.

When deciding a planning application...

- Does the presumption ('default yes) apply?
- It automatically applies for local plan allocations and any site in a settlement.
- Also, some types of site outside a settlement.
- Otherwise, it depends on performance against your **housing requirement**:
 - From the LP if < 5 years old.
 - Otherwise, standard method.

National decision-making policies

S3: Presumption in favour of sustainable development

1. Decisions on development proposals should apply a presumption in favour of sustainable development. This means:
 - a. Policy S4 in this Framework should be applied when considering development proposals within settlements;
 - b. Outside settlements, policy S5 should be applied; and
 - c. In all locations, development proposals that accord with both an up-to-date development plan and the decision-making policies in this Framework should be approved without delay.

When deciding a planning application...

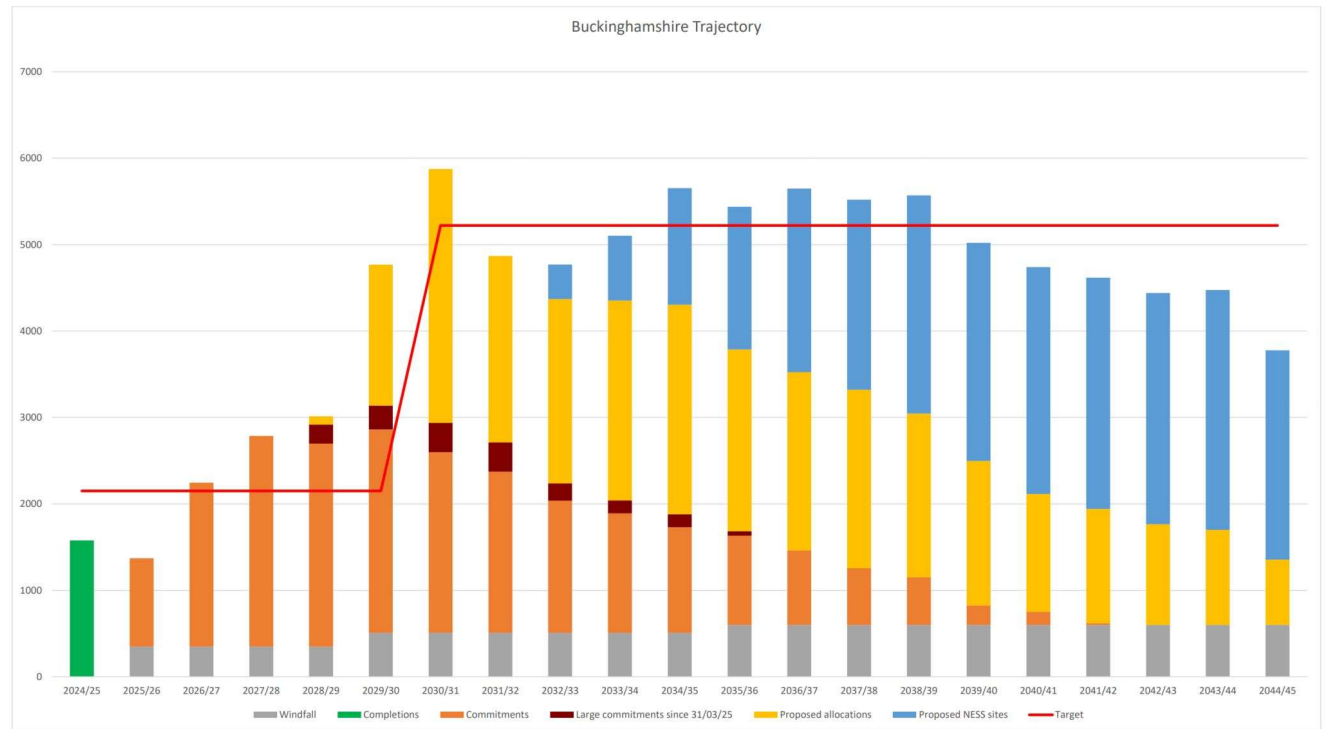
- Performance is measured via:
 - The housing delivery test
 - 5-year housing land supply
- Also, as part of the 5YHLS calculation you must add a 5% or 20% buffer to your requirement, depending on your HDT score.

The Housing Delivery Test

11. This measures net homes delivered in a local authority area against the homes required, using national statistics and local authority data. The Secretary of State will seek to publish the Housing Delivery Test results for each local authority in England annually.
12. Local planning authorities should monitor progress in building out sites which have permission. Where the Housing Delivery Test indicates that delivery has fallen below the local planning authority's housing requirement over the previous three years, the following policy consequences apply:
 - a. Where delivery falls below 95% of the requirement over the previous three years, the authority should prepare an action plan to assess the causes of under-delivery and identify actions to increase delivery in the future;
 - b. Where delivery falls below 85% of the requirement over the previous three years, a **buffer of 20%** should be added to the identified supply of specific deliverable sites. This is in addition to the requirement for an action plan;
 - c. Where delivery falls below 75% of the requirement over the previous three years, an **evidenced unmet need** for housing is deemed to exist for the purpose of applying

When deciding a planning application

- The implication is that local plans must be adopted with a robust supply 'headroom' over the housing requirement over the early years of the plan period.



5-year supply at adoption