

## Annex 5 - Changes to Local Housing Need for Waverley Local Plan

- i) The current LPP1 housing requirement of 590 dwellings pa derives from projections of additional households (396 pa) adjusted upwards by 25% to assist with affordability, to an Objectively Assessed Need of 495 pa. On top of this, LPP1 plans for an additional 95 pa to accommodate unmet housing need from Woking (within the same Housing Market Area) and changes to migration from London. This brings the total requirement to 590pa, 49% more than the demographic starting point.
  
- ii) The National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG) subsequently introduced the Standard Method for calculating Local Housing Need (LHN). For Waverley, the LHN figure is calculated using:
  - a. Average annual projected household growth over 10 years using 2014 projections (table 406). For WBC this is 392 dpa (for 2021-31).
  - b. Adjusting this for affordability using median workplace-based affordability ratios (AR). The annual household growth projection is increased by 0.25% for every 1% that the AR exceeds 4. For WBC the 2021 AR is 18.32, so the adjustment factor using the NPPG formula is  $((18.32-4)/4) \times 0.25 + 1 = 1.895$ . Multiplying the household projection  $\times 1.895 = 743$ .
  - c. Capping LHN at either 40% above either the higher of current strategic policies or the household growth baseline, to limit the increase an individual local authority can face. In the absence of LPP1, this cap would result in a LHN of 549 dwellings  $(392 \times 1.4)$ . However, because the LPP1 housing requirement is already high, a cap is not applied for Waverley. This is because the 743 LHN calculated at step b. is not more than 40% above LPP1 requirement of 590pa  $(590 \times 1.4 = 826)$ .
  
- iii) The LPP1 housing requirement of 590 pa is more than the Standard Method calculation of 549 dwellings pa if a 40% cap is applied (as is the case in places that do not already have a Local Plan), but less than the uncapped calculation of 743 dwellings pa.

LHN using Standard Method with 40% cap above household growth baseline	LPP1 annual requirement (based on OAN plus element of unmet need from Woking and changes to migration from London)	LHN using Standard Method with no cap applied
549 dwellings	590 dwellings	743 dwellings