

Strategic Housing Market Assessment (SHMA) 2014

What is a SHMA?

The National Planning Policy Framework (NPPF) requires all local planning authorities to prepare a Strategic Housing Market Assessment (SHMA). It is an assessment of people's housing needs within an area, based on statistical evidence and survey data.

The purpose of a SHMA is to provide each Council with robust and credible information and data that it can use as part of its evidence base to inform future policies and decision-making related to housing and planning.

Such assessments should consider housing market areas, and therefore need to be prepared jointly between neighbouring authorities. Braintree, Brentwood, Chelmsford, Colchester and Maldon have worked collectively on this and have recently completed their respective SHMAs.

Why commission jointly?

- The National Planning Policy Framework (NPPF) indicates the need to work with other authorities in the 'market area' but first we need to identify what this is.
- Working together ensures consistency of methodology and shows that we have taken into account the wider housing market area.
- It is better value for money to commission jointly. We shared the costs of procurement and pooled expertise and experience in commissioning.
- All partner authorities have agreed the same date of publication.

2014 Strategic Housing Market Assessment

- Commissioned jointly by Braintree, Brentwood, Chelmsford, Colchester & Maldon.
- Our consultants, David Coultie Associates (DCA) carried out a survey of local residents, seeking information from more than 1,000 households per district.
- New Government guidance was published after the initial research was completed but has been taken into account so that the SHMA meets the Government's requirements.
- The SHMA is part of the evidence which each Council will use when coming to a decision on its 'objectively assessed need' for housing. Objectively assessed need is a new term used in Government guidance which means using robust, verifiable, independent evidence to make an assessment of the need for market and affordable housing in an area. The SHMA is one part of the evidence base, but it in itself does not reach any final conclusions on the 'objectively assessed need' (OAN) for each Council. Further work will be required by each authority to enable them to arrive at their OAN.

Each authority has its own report

Whilst each authority has its own report all the reports have the following commonalities:

- Data was collected from the same sources and the reports use the same methodology
- The reports use Census and other data which was available at the time the reports were written.
- The reports all examine the nature and extent of the local market. Population projections use the same data sources including data on migration, travel-to-work and demographic change

Latest Government Guidance – this is known as National Planning Policy Framework (NPPF) 2012 & National Planning Practice Guidance (NPPG) 2014

The latest Government guidance says that

“The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- *- meets household and population projections, taking account of migration and demographic change;*
- *- addresses the need for all types of housing, including affordable housing and the needs of different groups in the community; and*
- *- caters for housing demand and the scale of housing supply necessary to meet this demand”.*
- The NPPF requires Councils to identify a 5-year supply of specific deliverable sites for new housing and a further 10 years supply of developable sites or broad locations. There is an expectation that the evidence will support both the 5-year supply required and identify future housing needs.
- The NPPF requires each council to **set** its own housing targets and **meet** them. In the past, targets were set on a Regional basis for new housing and each council was given a target to meet. The NPPG states that establishing future need for housing is not an exact science, and that no single approach will provide a definitive answer. It suggests that household projections published by the Department for Communities and Local Government should provide the starting point estimate of overall housing need.
- The Government Guidance also highlights the importance of ‘*Objectively Assessed Need*’ (OAN). Because the LAs commissioning the studies have different timetables for publication of Local Plans, the figures for OAN are likely to be published at different times, each Authority having considered all the evidence available to it and as part of the development of its Local Plan.