

**To:** Mark Dakeyne and Victoria Lucas (Planning Inspectors)

**From:** GL Hearn

**Subject:** Information requested in relation to the latest housing need calculations using the standard method and the latest affordability ratios

**Reference:** St. Helens Local Plan Examination

**Date:** 27<sup>th</sup> May 2021

Further to the discussions held in Session 2 of the St. Helens Local Plan Examination on the 26<sup>th</sup> of May 2021 we set out below the information requested by the Inspectors (Mark Dakeyne and Victoria Lucas) in relation to the latest housing need calculation using the standard method and the latest affordability ratios.

### Standard Method

The table below sets out the current steps used to calculate the Standard Method for housing need. This draws on the 2014-based household projections for the period 2021 to 2031 and the 2020 affordability ratios as published in March 2021.

As shown, this results in a housing need of 424 dpa. While this is calculated over the 2021-31 period it can, as per the Planning Practice Guidance, be applied across the whole plan period.

**Table 1 – Local Housing Need in St Helens.**

Area	St. Helens
2021 Households	80,705
2031 Households	84,662
<b>Average Annual Change (Step 1)</b>	<b>396</b>
Affordability Ratio	5.16
Adjustment Factor	107%
<b>Adjusted Need (Step 2)</b>	<b>424</b>
Local Plan Adoption	31/10/2012
Local Plan Age	8
Housing Target	570
Cap	798
<b>Housing Need (Step 3)</b>	<b>424</b>
Largest Area	No
<b>Urban Uplift/ Local Housing Need (Step 4)</b>	<b>424</b>

Without changes to the guidance this will remain the housing need for St. Helens using the standard method until the 1<sup>st</sup> of January 2022.

## Affordability Ratios

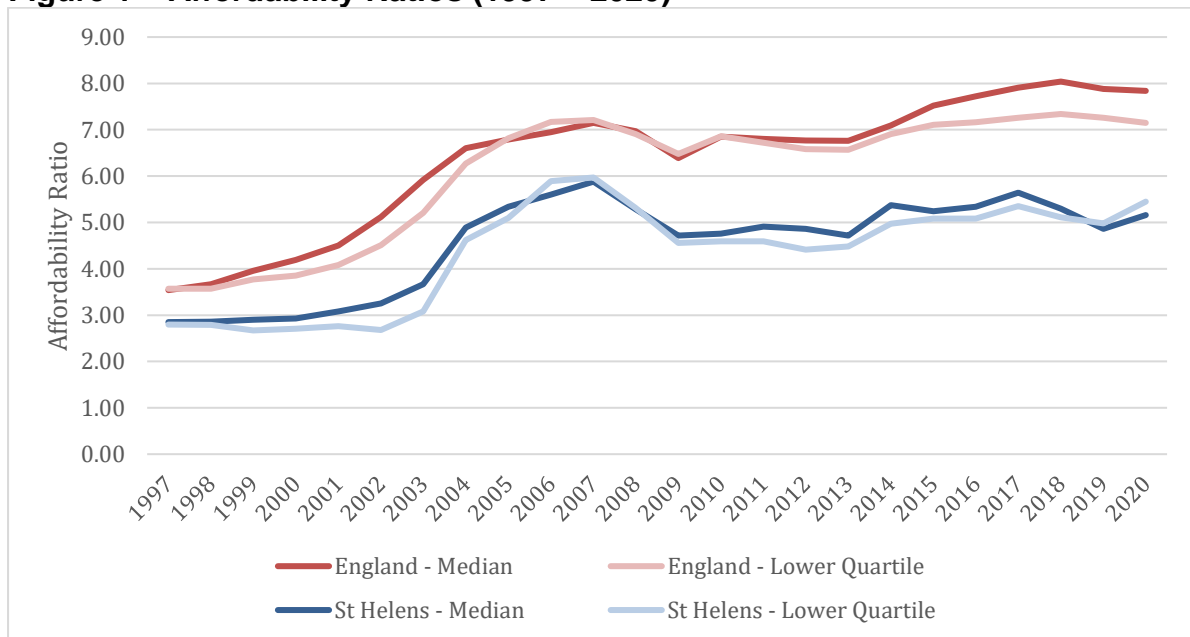
Affordability ratios are calculated by dividing house prices by gross annual workplace-based earnings in a given area. These have been calculated based on the median and lower quartiles of both house prices and earnings. This draws on data published by ONS.

The figure below illustrates the change in the median and lower quartile affordability ratios in St. Helens since 1997. We have also provided the equivalent data for England for context.

As shown there has been a broadly flat trend in these ratios since 2007 in St.Helens, whereas the ratios for England have generally been rising over this period.

It is also notable that affordability is consistently better in St.Helens than seen nationally. The most recent data for St Helens gives a median affordability ratio of 5.16 and the lower quartile ratio is 5.45. By comparison the equivalent figure in England and Wales is 7.84 to 7.15 respectively.

**Figure 1 – Affordability Ratios (1997 – 2020)**



Source: ONS Affordability Ratios, 2021