
Dartford and Ebbsfleet Residential Needs
Assessment Update

August 2021

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1. Scope

- 1.1 The Dartford and Ebbsfleet Residential Needs Assessment (DERNA) was originally produced in October 2019¹. During the consultation on the first Publication Dartford Local Plan between February to April 2021², the Council was notified of the Swanscombe Peninsula Site of Special Scientific Interest, which affects the amount and location of development which may be achieved. Consequently, the Council will be revising parts of the plan and carrying out a consultation on a second Publication Local Plan. To support this, the 2019 DERNA is being supplemented by updating. This is the first update study report, and is focused on the outputs of the original report for which new data is available:
- Considering the impact of the coronavirus pandemic on the local economy and housing market in the Borough;
 - Reviewing the 'housing market area' boundary evidence presented in the 2019 DERNA;
 - Assessing the pricing of First Homes in the local market;
 - Comparing the latest Standard Method calculation with the housing growth planned by the Council for the Local Plan period;
- 1.2 The potential policy implications of these revised outputs will be presented in the conclusion to this update. Initially this report will discuss the latest government guidance that impacts this report.

Government Guidance

- 1.3 In February 2019, the NPPF was updated, and the new PPG published³, which theoretically ended a period of considerable change in the planning system and in the wider development industry. The 2019 DERNA was produced in accordance with the NPPF and the PPG as it stood at the time.

¹ and ². Documents are no longer available.

³ It should be noted that subsequently the PPG on housing needs assessments was divided into three different elements; 'housing and economic needs assessments', 'housing needs of different groups' and 'housing needs of older and disabled people'. This report contains the information that meets the requirements within each of these.

- 1.4 On 16th December 2020, the Government revised the Standard Method calculation⁴. This has resulted in the slight modification to the Standard Method originally set out, with the guidance in the PPG detailing how the Standard Method is calculated updated to reflect this. This report has followed the approach set out in the PPG (as revised on 16th December 2020). On 24th May 2021 the Government published detail on First Homes and their implementation⁵, after a period of consultation in the second half of 2020. The suitability for First Homes within Dartford Borough is considered in Chapter 4 below.
- 1.5 The NPPF was further updated on the 20th July 2021. The changes made are not material to this update.

⁴ <https://www.gov.uk/government/consultations/changes-to-the-current-planning-system/outcome/government-response-to-the-local-housing-need-proposals-in-changes-to-the-current-planning-system>

⁵ <https://www.gov.uk/guidance/first-homes>

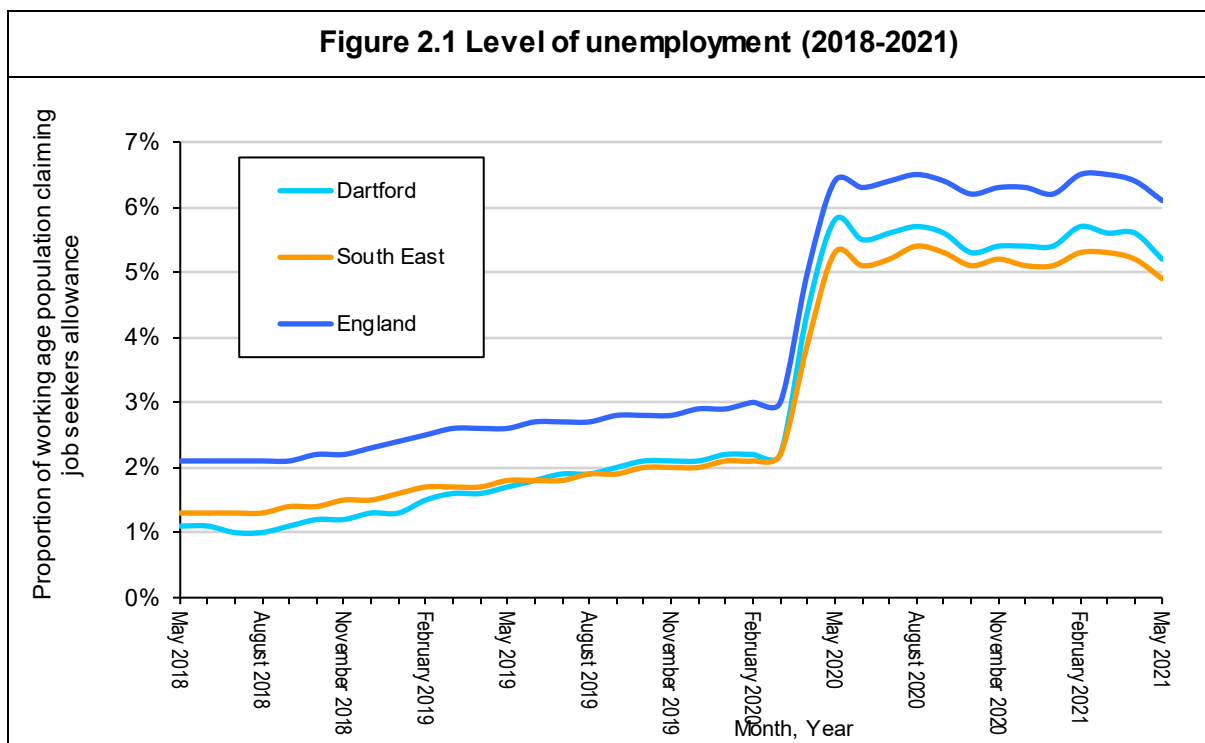
2. Evidence of impact of the Coronavirus pandemic

Introduction

- 2.1 This update is being carried out during the coronavirus pandemic. The coronavirus (COVID-19) was reported in China in December 2019 and was declared a pandemic in March 2020. It is too early to robustly predict what the impact on the economy, and therefore housing market, may be.
- 2.2 The majority of the data sources utilised in this report were released within the last year and include data collated, at least in part, prior to the pandemic. This means that the results produced reflect the normal housing market in Dartford and the recommendations will inform the suitable responses to the normal market.
- 2.3 The lockdown periods have seen a significant change to normal society (including travel restrictions, a higher mortality rate, different working conditions, the loss of jobs and different consumer behaviour). The impact of these changes on the housing market will not be understood for some time and it is difficult to predict what the long-term consequences will be, which could be far-reaching or relatively minimal. Until the Government indicates otherwise, the NPPF and PPG remain the documents that advise how local housing need assessments should be undertaken, this report therefore follows these documents and produces the outputs that they indicate are required.

Indications of the impact

- 2.4 Several of the data sources are however published regularly enough to allow consideration of the potential impact of the pandemic on the local economic situation and the housing market. These are presented below.
- 2.5 The ONS publishes the number of people claiming Job Seekers Allowance on a monthly basis. This provides a very up-to-date measure of the level of unemployment of residents in an area. The figure below shows the change in the proportion of the working age population claiming Job Seekers Allowance in Dartford, the South East and England over the last three years. The figure shows that the unemployment rate in all areas has grown dramatically since February 2020 as the economic impact of the Coronavirus has dramatically affected employment levels. Currently 5.2% of the working age population in Dartford are unemployed, compared to 4.9% regionally and the national average of 6.1%. Over the eighteen months, unemployment has increased in Dartford by 151.3%, compared to a rise of 145.3% in the South East and a growth of 115.2% nationally.



Source: ONS Claimant Count

2.6 Data available from the Department of Work & Pensions⁶ indicates that there were 2,983 households in the private rented sector in Dartford who were either in receipt of Housing Benefit or were receiving the Housing Element of Universal Credit in December 2020. This represents an 85.2% increase in the number of private rented households in receipt of assistance with their housing costs in Dartford since December 2018. As presented in the table below, this rise is larger than the regional and national equivalents (55.2% and 53.5% respectively), however significant growth has been recorded in this figure over the two-year period in all areas partly reflecting the impact of the coronavirus pandemic on the incomes of households.

Area	Number of PRS households in receipt of support* December 2018	Number of PRS households in receipt of support* December 2020	Change in number of PRS households in receipt of support
Dartford	1,611	2,983	85.2%
South East	176,629	274,073	55.2%
England	1,295,009	1,987,260	53.5%

* This refers to support toward their housing costs. Source, Housing Benefit and Universal Credit data as presented by <https://stat-xplore.dwp.gov.uk> June 2021

⁶ <https://stat-xplore.dwp.gov.uk>



2.7 The table below shows the average property price by dwelling type in Dartford in 2020 and how these figures have changed since 2018. The 2020 average prices and change in price since 2018 regionally and nationally is also presented. The table shows that overall prices increased marginally across Dartford between 2018 and 2020, with slightly higher rises recorded regionally and nationally. However no dramatic changes have so far been recorded as a consequence of the coronavirus pandemic.

Table 2.2 Average property prices 2020 and dwelling price change						
	Dartford		South East		England & Wales	
	Average price 2020	Change since 2018	Average price 2020	Change since 2018	Average price 2020	Change since 2018
Detached	£557,349	0.1%	£618,567	6.5%	£443,476	9.5%
Semi-detached	£387,203	5.0%	£384,631	4.8%	£277,077	8.9%
Terraced	£321,284	0.0%	£318,141	3.2%	£264,176	9.5%
Flat	£219,006	-4.6%	£231,153	-0.2%	£311,333	4.2%
Overall average price	£337,772	2.6%	£411,514	8.5%	£324,385	9.0%

Source: Land Registry, 2020

2.8 The table below shows the number of sales by dwelling type in Dartford in 2020 and how these figures have changed since 2018. The 2020 sales levels and change in sales since 2018 regionally and nationally is also presented. The table shows that overall sales fell by 43.5% between 2018 and 2020 in Dartford and property sales also recorded a notable drop regionally and nationally over this period. This appears to be a direct response to the coronavirus pandemic.

Table 2.3 Property sales in 2020 and change in sales activity						
	Dartford		South East		England & Wales	
	Number of sales 2020	Change since 2018	Number of sales 2020	Change since 2018	Number of sales 2020	Change since 2018
Detached	155	-43.2%	46,945	-11.5%	182,271	-18.8%
Semi-detached	394	-31.5%	43,630	-17.0%	197,294	-21.4%
Terraced	465	-44.8%	39,297	-22.1%	183,511	-23.8%
Flat	386	-50.9%	27,045	-38.2%	101,449	-35.8%
Overall totals sales	1,400	-43.5%	156,917	-21.5%	664,525	-24.0%

Source: Land Registry, 2020



3. Local housing market boundaries

Introduction

- 3.1 The original DERNA considered the functional and geographic context in which the local housing market operates. This concluded that the authority with which Dartford appears most aligned was Bexley and although it is strongly linked to Gravesham, the interaction between Dartford and Gravesham was reducing. This conclusion was partly based on analysis of the most recent migration flows between Dartford and its neighbouring authorities at the time of the last report⁷, those associated with the 2017-based population estimates. Equivalent data is now available from the 2019-based population estimates.

Latest migration flows

- 3.2 The 2019-based population estimates produced by the Office of National Statistics (ONS) model detail on the origin and destination of people that moved into and out of Dartford in the previous year⁸. The table below shows the 10 authorities which residents in Dartford most commonly moved to in the year up to June 2019. The table also contains a column that details the equivalent number of movers from Dartford in the year up to June 2017 that had the same destination - this enables a comparison of the changing relationship between these authorities and Dartford. The final column shows the change in the scale of these migration flows over this period.
- 3.3 The data indicates that Bexley is the authority to which people from Dartford most commonly moved to in the year up to June 2019, followed by Gravesham, Medway and Sevenoaks. Flows⁹ to Bexley have increased by 9.6% between 2017 and 2019, with moves to Gravesham growing by 14.3%. The flow of residents to Sevenoaks and Medway has also increased between 2017 and 2019, whilst in contrast flows to Maidstone have fallen.

⁷ It also considered the characteristics of the housing market and data on commuting flows.

⁸

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/migrationwithintheuk/datasets/interalmigrationbyoriginanddestinationlocalauthoritiessexandsingleyearofagedetailedestimatesdataset>

⁹ In terms of number of people.

Table 3.1 The ten authorities with which Dartford has the largest outward migration flows in 2019				
<i>People that moved out of Dartford in the preceding year</i>				
<i>Destination Authority</i>	<i>2019</i>		<i>Number of Dartford residents that moved there in 2017</i>	<i>Change in number of annual moves between 2017 and 2019</i>
	<i>Number of Dartford residents that moved there</i>	<i>Proportion of all residents leaving Dartford that moved there</i>		
Bexley	889	12.7%	811	9.6%
Gravesham	867	12.4%	758	14.3%
Medway	543	7.8%	550	-1.3%
Sevenoaks	498	7.1%	428	16.1%
Greenwich	219	3.1%	188	16.5%
Tonbridge and Malling	214	3.1%	218	-1.7%
Maidstone	181	2.6%	240	-24.3%
Swale	164	2.3%	133	23.4%
Bromley	163	2.3%	185	-12.0%
Canterbury	161	2.3%	158	2.1%

Source: ONS Population estimates, 2019 and 2017

- 3.4 The table below shows the 10 authorities from which residents most commonly moved to Dartford in the year up to June 2019. The table also contains a column that details the equivalent number of movers to Dartford in the year up to June 2017 that originated from the same location. The final column of the table describes the change in the number of movers from these areas between 2017 and 2019.
- 3.5 The data indicates that Bexley is the authority people that moved into Dartford most commonly came from in the year up to June 2019, followed by Greenwich and Gravesham. Flows into Dartford from Greenwich increased by 30.9% between 2017 and 2019, with flows from Bexley and Sevenoaks also increasing. The size of flows from Gravesham has remained the same whilst flows from Lewisham have fallen over this period.

Table 3.2 The ten authorities with which Dartford has the largest inward migration flows in 2019				
<i>People that moved into Dartford in the preceding year</i>				
<i>Original authority area of residence</i>	<i>2019</i>		<i>Number of people that moved to Dartford in 2017</i>	<i>Change in number of annual moves between 2011 and 2019</i>
	<i>Number of people that moved to Dartford</i>	<i>Proportion of all people moving to Dartford</i>		
Bexley	1,906	21.2%	1,817	4.9%
Greenwich	1,042	11.6%	796	30.9%
Gravesham	624	6.9%	624	0.0%
Sevenoaks	440	4.9%	408	7.8%
Lewisham	427	4.8%	446	-4.3%
Bromley	390	4.3%	427	-8.7%
Southwark	249	2.8%	181	37.6%
Medway	243	2.7%	254	-4.3%
Newham	229	2.5%	168	36.2%
Barking and Dagenham	172	1.9%	141	22.1%

Source: ONS Population estimates, 2019 and 2017

3.6 It is important to note that the figures presented for migration are described by the ONS as ‘these estimates are based on several data sources and estimation processes, and are not exact counts’¹⁰. The data however indicates that Bexley remains the authority with which Dartford is most closely connected; whilst there were moves by around 1,500 people between Dartford and Gravesham in the year up to June 2019, around 2,800 people moved between Dartford and Bexley over the same period.

¹⁰ User information for Table IM2019-1a: Detailed estimates dataset – internal migration by origin and destination local authorities, sex and single year of age, year ending June 2019. (page 2 under Disclosure Control).



4. First Homes within the Dartford Housing Market

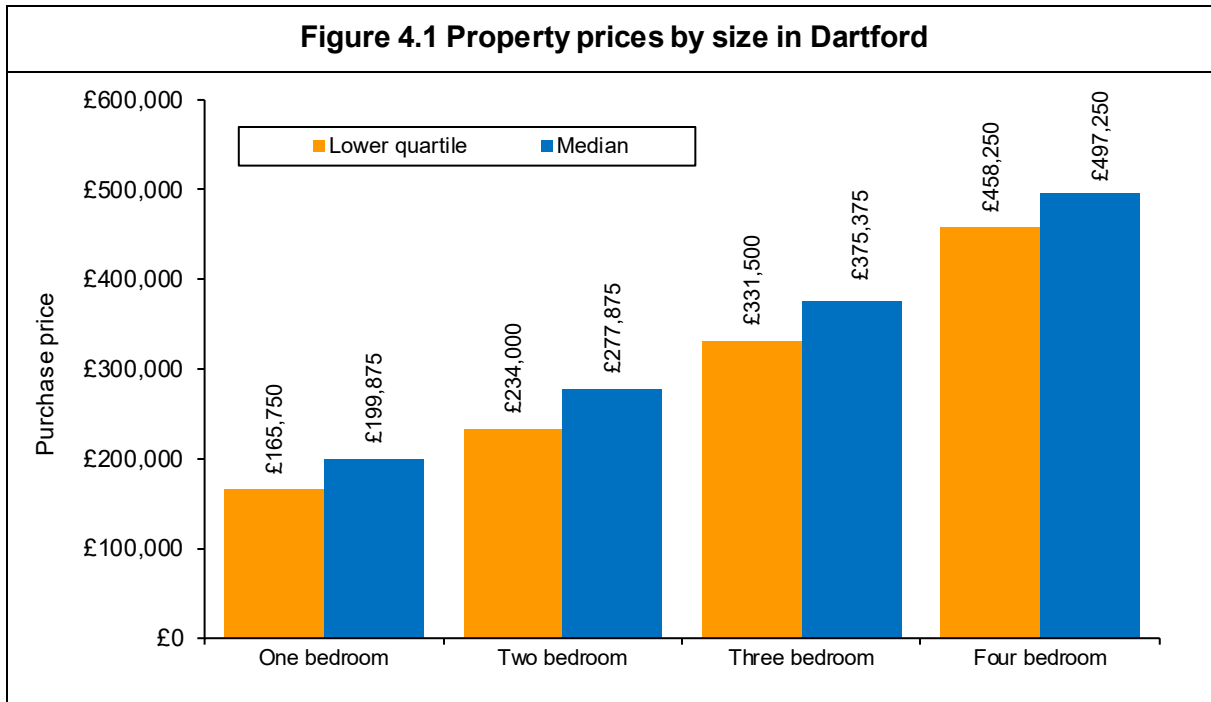
Introduction

- 4.1 Chapter 3 of the 2019 DERNA presented a detailed profile of the cost of housing in the Borough, which was used to identify the intermediate products that would be most useful. This found that shared ownership homes with a 25% equity share as the most helpful intermediate product in Dartford. The report also profiled a discount home ownership product modelled on the Starter Homes concept, which was being considered by the Government at the time. The Government is now mandating First Homes as the preferred discount home ownership model, with a requirement of 25% of affordable homes being First Homes, so this will be profiled within the current housing market in the Borough.
- 4.2 On 24th May 2021 the Government issued a Ministerial Statement which stated that First Homes would be brought into the national definition of affordable housing on 28th June 2021. This was accompanied by changes to Planning Practice Guidance. Local Plans that had reached publication stage by 28th June 2021 and which are subsequently submitted for examination by 28th December 2021 are not required to reflect the First Homes requirement.
- 4.3 Dartford is expected to satisfy these transitional arrangements for First Homes and the requirements are not formally anticipated to fully apply to this Local Plan. Nevertheless, in light of national policy, it is still helpful to consider the potential costs of First Homes in Dartford Borough and compare these to the potential costs of other types of affordable housing. This section does not contain a full update of the analysis presented in chapter 3 of the original report, only the key data to allow the assessment of First Homes.

Market Housing

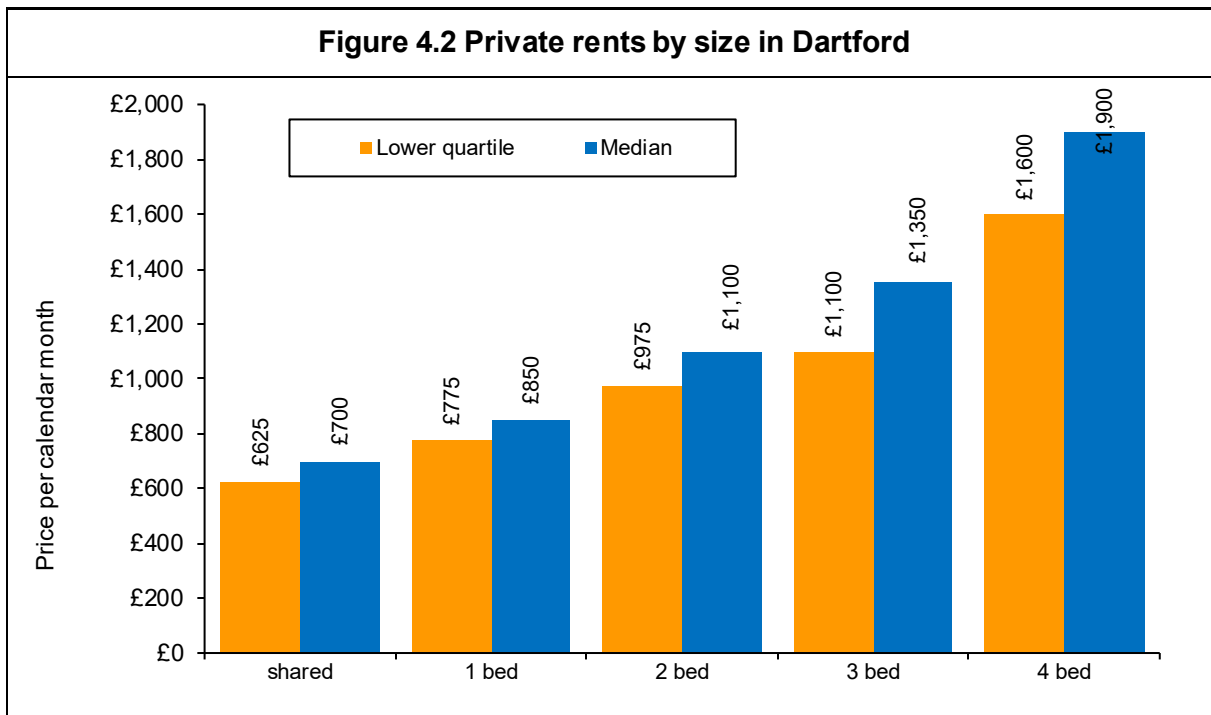
- 4.4 Median and lower-quartile¹¹ asking prices by number of bedrooms were updated in Dartford via an online search of properties advertised for sale during June 2021. The results of this online price survey are presented in the figure below. The prices recorded include a discount to reflect that the full asking price is not usually achieved (with sales values typically 2.5% lower). The figure indicates that entry-level prices in Dartford range from £165,750 for a one bedroom home, up to £458,250 for a four bedroom property.

¹¹ Lower quartile prices represent entry-level prices according to the PPG (paragraph 021 Reference ID: 2a-021-20190220).



Source: Online estate agents survey June 2021

4.5 The median and lower quartile (entry-level) price for private rented accommodation by property size in Dartford is presented in the figure below. The figure also includes the cost of a shared room within the private rented sector. The figure indicates that entry-level rents range from £775 per month for a one bedroom home, up to £1,600 per month for a four bedroom property.



* Shared room is a room in a shared dwelling. Source: Online estate agents survey June 2021



Affordable Accommodation

- 4.6 The cost of Social Rented and Affordable Rented accommodation by dwelling size in Dartford can be obtained from the Regulator of Social Housing's Statistical Data Return dataset for the Registered Social Landlord (RSL) sector and from the Local Authority Housing Statistics data return for the council sector. The table below illustrates the cost of these two tenures in Dartford in 2020. The costs are significantly below those for private rented housing, particularly for larger homes, indicating a significant gap between the affordable and market sectors.

Table 4.1 Average cost of affordable accommodation (per month (includes service charges))		
<i>Bedrooms</i>	<i>Social Rented</i>	<i>Affordable Rented</i>
One bedroom	£360	£536
Two bedrooms	£408	£655
Three bedrooms	£451	£772
Four bedrooms	£506	£1,130

Source: HCA's Statistical Data Return 2020, Council LAHS 2020

First Homes

- 4.7 As mentioned above, on 24th May 2021 the Government issued a Ministerial Statement which stated that First Homes would be brought into the national definition of affordable housing on 28th June 2021. Local Plans that had reached publication stage by 28th June 2021 and which are subsequently submitted for examination by 28th December 2021 are not required to reflect the First Homes requirement.
- 4.8 First Homes are a new initiative to help deliver discounted homes to local people. They are intended to be newly built properties sold with a discount of at least 30% below market value. No interest is paid on the un-bought equity, rather, when the home is sold on in the future, it will be available at the same proportion of discount for which it was originally bought. First Homes are subject to price caps – outside of London a First Home cannot be sold for more than £250,000.
- 4.9 Local Planning Authorities can set specific local connection restrictions provided they are evidenced; however, these restrictions should only apply for the first three months the property is available for sale, to ensure First Homes do not remain unsold. First-time buyers are the target market for this product and this group is identified using the same definition that is used for Stamp Duty Relief for First-Time Buyers as set out in the Finance Act 2003. However, mechanisms also exist to help prioritise members of the armed forces and key workers.
- 4.10 Whilst the product is available to those with notable savings levels, First Homes can only be purchased using mortgage finance or equivalent which covers at least 50% of the purchase value. The product is not suitable for investors as a First Home can only be bought if it is the buyer's only home. Outside of London, households acquiring a First Home cannot have an

income over £80,000. Whilst the Government does allow Local Planning Authorities to set lower income caps, where the need and viability of this option can be evidenced, these local caps are time limited to first three months that the property is for sale.

- 4.11 The guidance is clear that 30% is the minimum level of discount applied, however Local Planning Authorities will *‘be able to require a higher minimum discount of either 40% or 50% if they can demonstrate a need for this’*¹². It is useful therefore to understand whether a larger discount would be needed in Dartford currently. This is presented in the table below. The table suggests that a 30% discount will be sufficient to ensure newbuild properties are notably cheaper than entry-level owner-occupation and will therefore address a gap in the housing market locally. The cost of a four-bedroom home with a 30% discount however is above the £250,000 threshold set out in the First Homes Guidance, whereas small/medium sized homes (3 or fewer bedrooms) are within it. It should be noted that the *Dartford Local Plan Viability Assessment* (Dixon Searle, February 2021) takes the view that First Homes may well support a similar level of viability to that currently assumed for the existing affordable home ownership route – in the form of shared ownership.

Table 4.2 A comparison of the potential price of a First Home with entry-level owner-occupation			
<i>Bedrooms</i>	<i>Newbuild prices</i>	<i>Newbuild prices with a 30% discount</i>	<i>Entry-level owner-occupation</i>
One bedroom	£190,000	£133,000	£165,750
Two bedrooms	£270,000	£189,000	£234,000
Three bedrooms	£350,000	£245,000	£331,500
Four bedrooms	£490,000	£343,000	£458,250

Source: Online survey of property prices June 2021

Shared Ownership

- 4.12 As stated above the original DERNA identified that shared ownership with a 25% equity share was the most useful intermediate product in the Borough. It is useful to set out the cost of this product in the current housing market and to compare it to the other key tenures. The table below presents the estimated monthly cost of a Shared Ownership home in Dartford with a 25% equity share. The monthly costs are based on a 30-year repayment mortgage with an interest rate of 3.79%¹³ paid on the equity share owned and a rent payable at 2.75% on the

¹² Paragraph: 004 Reference ID: 70-004-20210524

¹³ This interest rate is available as a five-year fixed product to potential homeowners with a high loan to value ratio currently. It is also a rate with no additional product fee associated with it. Whilst there are lower interest rates available for those with lower loan to value ratios we are principally assessing households looking to purchase a home for the first time who are likely to have higher loan to value ratios. Lower interest rates are available for those choosing a shorter fixed term period, however we feel that the use of a five-year period provides a known cost for households becoming owners for a good amount of time.

remaining equity (i.e. the part of the house not purchased). The table shows that a 25% equity share Shared Ownership is still priced between Affordable Rent and market entry rent for all dwelling sizes.

Table 4.3 Housing cost comparison in Dartford (monthly cost)					
<i>Bedrooms</i>	<i>Shared Ownership – 25% equity</i>	<i>First Home* 70% OMV</i>	<i>Affordable Rent</i>	<i>Entry-level private rent</i>	<i>Entry-level owner- occupation*</i>
One bedroom	£548	£619	£536	£775	£772
Two bedrooms	£778	£880	£655	£975	£1,089
Three bedrooms	£1,009	£1,140	£772	£1,100	£1,543
Four bedrooms	£1,412	£1,597	£1,130	£1,600	£2,133

*The monthly cost of entry-level owner-occupation presuming a 30-year repayment mortgage with an interest rate of 3.79%. Source: Online estate agents survey, June 2021



5. Overall housing need

Introduction

- 5.1 The NPPF indicates that planning authorities should use the Standard Method to establish the overall need for housing. The Standard Method was introduced in 2018 to allow a simple and transparent assessment of the minimum number of homes needed in an area. The full Standard Method was then set out within the PPG published in February 2019. In August 2020, the Government opened a consultation on changes to the Standard Method¹⁴, which led to a revised Standard Method being published within the PPG on 16th December 2020.
- 5.2 The revised Standard Method calculation retains the majority of the features of the previous iteration to retain stability in the plan-making process, however greater emphasis has been placed on delivering dwellings in the largest urban areas with the addition of a further step in the calculation that affects the 20 largest cities in England. The aim is to ensure that the Government's ambition for 300,000 new homes per year nationally is deliverable. This prioritisation of large cities is intended to make the best use of existing infrastructure, to provide the flexibility for housing development to respond to the structural change currently taking place in the retail and commercial sector related to both technological developments and behavioural changes resulting from the coronavirus pandemic, and finally to reduce the environmental impact of new housing development. The approach is still based on a standardised calculation using publicly available data.
- 5.3 This chapter will describe the steps involved in the revised Standard Method, following the approach described in the revised PPG¹⁵. It is expected that authorities will follow the Standard Method to determine the minimum annual local housing need figure. The latest approach will be followed to calculate the minimum housing need figure for Dartford. The PPG makes it clear that, whilst it is not mandatory, any deviation from the Standard Method should only be pursued in exceptional circumstances.

Step 1 – Setting the baseline

- 5.4 The baseline is set using the 2014-based household projections in England¹⁶. The PPG indicates that *'Using these projections, calculate the projected average annual household growth over a 10-year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).'*' The table below
-

¹⁴ See footnote 4.

¹⁵ All the steps are described in paragraph 004 (Reference ID: 2a-004-20201216).

¹⁶ <https://www.gov.uk/government/collections/household-projections>. Paragraph 005 of the PPG (Reference ID: 2a-005-20190220) states that the 2014-based projections are used (in preference to the more recently published 2018-based projections) as they are more suitable for meeting *'the Government's objective of significantly boosting the supply of homes.'*

sets out the results of Step 1 of the Standard Method. The baseline figure in Dartford is 583 per year.

Table 5.1 Calculating the baseline figure in Dartford			
<i>Local authority area</i>	<i>Totals households in 2021</i>	<i>Totals households in 2031</i>	<i>Average annual household growth</i>
Dartford	46,509	52,339	583

Source: 2014-based household projections, 2016

Step 2 – An adjustment to take account of affordability¹⁷

5.5 The average annual projected household growth figure produced in Step 1 should then be adjusted to reflect the affordability of the area using the most recent median workplace-based affordability ratios¹⁸. An adjustment is only required where the ratio is higher than 4 and ‘for each 1% the ratio is above 4 (with a ratio of 8 representing a 100% increase), the average household growth should be increased by a quarter of a percent.’ The formula is detailed in the PPG:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

5.6 The table below sets out the results of Step 2 of the Standard Method calculation for Dartford. The baseline figure, adjusted to take account of affordability in the Borough, is 750.

Table 5.2 Adjusting to take account of affordability				
<i>Local authority area</i>	<i>Current affordability ratio (a)</i>	<i>Adjustment factor (((a-4)/4)*0.25)+1</i>	<i>Baseline figure</i>	<i>Baseline figure adjusted for affordability</i>
Dartford	8.57	1.285625	583	750

Source: Ratio of median house price to median gross annual workplace-based earnings by local authority 2020

¹⁷ Paragraph 006 of the PPG (Reference ID: 2a-006-20190220) describes why an affordability ratio is applied – principally to account for any constrained household formation and to ensure that people aren’t prevented from undertaking employment opportunities by the prohibitive cost of housing in the area near their proposed workplace. The affordability adjustment also accounts for past under-delivery as described in Paragraph 011 of the PPG (Reference ID: 2a-011-20190220).

¹⁸ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

Step 3 – Capping the level of any increase

5.7 As the PPG describes:

A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing. Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.¹⁹ Alternatively 'where the relevant strategic policies for housing were adopted more than 5 years ago..., the local housing need figure is capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10-year period identified in step 1; or*
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).*

5.8 In Dartford, the most recent strategic Local Plan is the Council's 2011 Core Strategy. This is over five years old, so the second of the two approaches described by the PPG is applied.

5.9 The first potential cap is based on a 40% increase to the annual projected household growth set out in step 1. This cap is therefore 816 (583x1.4). The second potential cap is based on a 40% increase to the annual housing requirement set out in the 2011 Core Strategy. This document stated an aim to build 17,300 dwellings in the Borough over 20 years, an annual total of 865. This second cap is therefore 1,211 in Dartford (865x1.4). The second of these two figures is higher and therefore forms the cap limit in Dartford. The annual local housing need figure of 750 per year in Dartford is within this cap and therefore does not need to be modified.

Step 4 – Cities and urban centres uplift

5.10 This is the step that has been introduced within the December 2020 modifications to the calculation. The PPG states that, after the housing need figure has been adjusted as a consequence of the cap, 'a 35% uplift is then applied for those urban local authorities in the top 20 cities and urban centres list.' The PPG advises that the list of the top 20 cities and urban centres in England is identified by ranking the ONS's list of Major Towns and Cities by population size based on the most recent mid-year population estimates.

5.11 The boundaries of the urban areas created by the ONS's method for identifying the major towns and cities in England are not conterminous with local authority boundaries, with urban areas often spread over several local authorities. The PPG therefore clarifies that it is only the 20 authorities which contain the largest proportion of the city or urban centre's population in which the 35% uplift is applied – any other local authority in which the urban area is partly situated is not required to apply the uplift. The PPG finally lists the twenty largest cities and urban centres, as at December 2020, as London, Birmingham, Liverpool, Bristol, Manchester,

¹⁹ 'This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and found to not require updating.'

Sheffield, Leeds, Leicester, Coventry, Bradford, Nottingham, Kingston upon Hull, Newcastle upon Tyne, Stoke-on-Trent, Southampton, Plymouth, Derby, Reading, Wolverhampton, and Brighton and Hove. Therefore, the uplift figure does not require an adjustment to the figure for Dartford.

Overall level of housing need

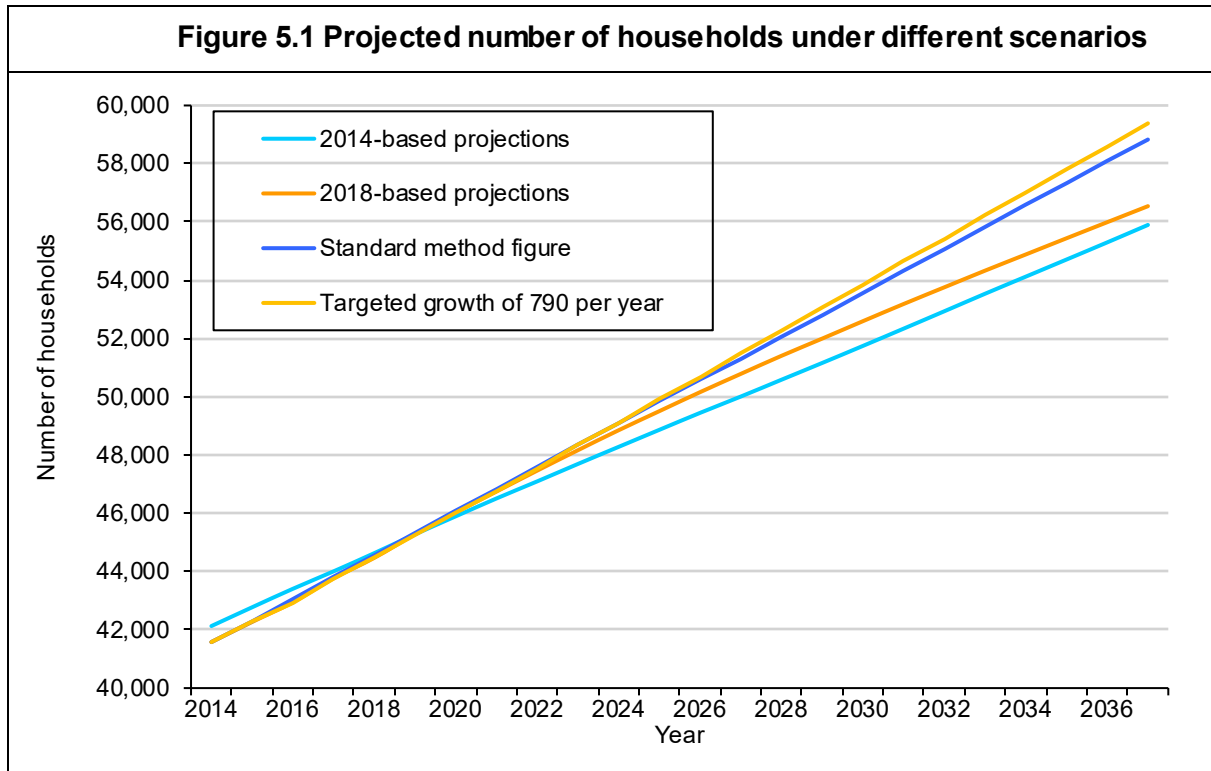
- 5.12 The final housing need in Dartford, as assessed using the revised Standard Method in 2021, is **750** dwellings per annum. Paragraph 008 of the PPG²⁰ notes that whilst *‘the standard method may change as the inputs are variable..., local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination.’*
- 5.13 It is important to note that both the first and second Publication Local Plans seek to accommodate **790** dwellings per annum, which is in excess of the current standard method requirement of 750. The Council still intends to deliver this level of housing (790 per year) as it aligns with the Government’s ambition to increase housing delivery.
- 5.14 As noted in Paragraph 012 of the PPG²¹, the Standard Method provides an annual figure which can be applied to the whole period of the new Local Plan for Dartford which will run to 2036/37. Across the fifteen-year period from 2021/22 to 2036/37, a minimum of **11,850** new additional households should be planned for in Dartford (790*15).

Understanding the uplift

- 5.15 The figure of 790 is the annual housing target being taken forward in Dartford. It is however useful to compare the trajectory that it results in with both 2014-based household projections (from which the number is derived) and the 2018-based household projections (which are the most recent estimates published). The figure below shows the projected household total in Dartford for every year from 2014 through to the end of the plan period in 2037 as per the 2014-based household projections, the 2018-based household projections, the Standard Method and the targeted growth of 790 dwellings every year after 2021.

²⁰ Reference ID: 2a-008-20190220

²¹ Reference ID: 2a-012-20190220



Source: ONS 2014 and 2018 household projections

5.16 The 2018-based household projections estimate the number of households in Dartford to be slightly higher in 2021 than was projected by the 2014-based equivalents. It is useful to understand the reason for this difference. The table below shows the net population change recorded in Dartford for the period between 2014 and 2021 for natural change (births minus deaths), intra-UK migration and international migration as recorded by the 2014 based-population projections and also the 2018-based population projections²². This clearly shows that the most recent population projections for Dartford have recorded a notably larger net migration²³ to the Borough between 2014 and 2021, resulting in a larger population in Dartford in 2021 than was projected within the 2014-based projections.

²² Alongside the 2018 population estimates on which these projections are based.

²³ the difference between those moving into an area and those moving out of it, a positive net migration figure indicates that this is a source of population growth.

Table 5.3 Estimated net population change in Dartford between 2014 and 2018		
<i>Element</i>	<i>2014-based population projections</i>	<i>2018 population estimates</i>
<i>Natural change (births minus deaths)</i>	4,600	4,519
Intra-UK migration	3,500	4,784
International migration	1,600	1,398
Total	9,700	10,701

- 5.17 This increased net migration growth within Dartford has been projected forward in the 2018-based projections, explaining why the household totals projected in the Borough from 2021 onwards are higher in the 2018-based projections than in the 2014-based ones. Although across England the 2014-based projections indicate higher household growth²⁴ than the 2018-based equivalents, the opposite is true across some authorities, including Dartford.
- 5.18 In accordance with the PPG the 2014-based projections have been used to determine the local housing need. The 2018-based projections benefit from the ONS’s latest methodology and their most recent data and assumptions on key factors such as fertility and mortality rates and migration flows. The Council’s figure of 790, as demonstrated in figure 5.1, exceeds both projections and therefore both addresses existing affordability imbalances (identified within the standard methodology calculation) and aligns with the government’s objective to build more homes.
- 5.19 As the PPG notes, “the standard method for assessing housing need ... does not break down the [overall figure] into the housing need of individual groups²⁵.”

²⁴ MHCLG have chosen to revert to the 2014-based projections for the Standard Method simply because they happen to produce a national housing need total that is closer to their objective of building 300,000 homes a year, not because they have doubts about the ONS’s methodology in the latest projections

²⁵ Reference ID: 67-001-20190722

6. Conclusions

- 6.1 The Dartford and Ebbsfleet Residential Needs Assessment (DERNA) was originally produced in October 2019. The DERNA has been supplemented by this update report. The evidence is clear that the findings from the original report are still relevant and accurate, with no material changes to how best the Council should plan for the future market arising from new government policy, the economic impact of the coronavirus pandemic or any changes to the local housing market.
- 6.2 Analysis of the latest data on unemployment and the uptake of benefit to support housing costs indicates that the coronavirus pandemic has impacted the economic situation for some residents. The levels of transactions in the housing market in the Borough has recorded a notable downturn over the last two years, however transactions also reduced nationally, and Dartford house prices have not changed notably.
- 6.3 The original DERNA concluded that the influence of Gravesham on the Dartford housing market is reducing slightly, and that Dartford is becoming more closely aligned to Bexley. The results presented in chapter 3 suggest that these trends have continued, however the conclusion remains that the Borough is its own housing market, although one with close links to neighbouring authorities.
- 6.4 First Homes have been brought into the national definition of affordable housing on 28th June 2021. This also applies to Local Plans that are at an appropriate stage. They are intended to be newly built properties sold with a discount of at least 30% below market value. A 30% discount will be sufficient to ensure newbuild properties are notably cheaper than entry-level owner-occupation in Dartford and will therefore address a gap in the housing market locally. Shared ownership with a 25% equity share is a cheaper form of intermediate housing better able to assist households in affordable housing need, with First Homes contributing towards households in affordable housing need and also those that would otherwise reside in the private rented sector.
- 6.5 The final housing need in Dartford, as assessed using the revised Standard Method and the latest affordability ratios, is 750 dwellings per annum. Both the first and second Publication Local Plans seek to accommodate 790 dwellings per annum, which is in excess of the standard method requirement. The Council still intends to deliver this level of housing (790 per year) as it aligns with the Government's ambition to increase housing delivery.

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