Appendix 1 - Local Housing Need Calculation

Note – this is the calculation used for the housing need for the Adopted Local Plan to 2040. As the plan was adopted in October 2024, the need calculation remains up to date and does not require updating to reflect the new standard methodology published in December 2024.

Step 1 - Setting the baseline.

Set the baseline using national Live tables on household projections - GOV.UK (www.gov.uk), the area of the local authority. Taking the most recent projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being the first year).

The 2014 household growth projections were published July 12th 2016.

For Dover, the relevant data is on the tab labelled 406 at row 327. This shows that the projection for 2032 is 57,838 households, which when taken against the projection for 2022 of 53,238 households, equates to 4,600 households over the 10 year period, creating the average need of 460 per annum

Step 2 – Use ONS (Office for National Statistics) Local Affordability Ratios data (Dover's median affordability ratio).

Then adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area.

The most recent House price to workplace-based earnings ratio - Office for National Statistics(ons.gov.uk) published by the Office for National Statistics at a local authority level, should be used.

For Dover, the relevant data is on Table 5c row 240 which shows the latest published figure (March 2022) is 9.25 (local affordability ratio).

Step 3 – Apply the adjustment formula to get the adjustment factor.

Taken from the guidance:

Picture 1.1

$$Adjustment\ factor = \left(\frac{Local\ affordability\ ratio\ - 4}{4}\right) x\ 0.25$$

For Dover, the calculation is:

1. 9.25 – 4 = 5.25
2. 5.25 / 4 = 1.3125
3. 1.3125 x 0.25 = 0.328125 (adjustment factor)

Step 4 – Use the above to calculate the Local Housing Need

Again, taken from the guidance:

Picture 1.2

Local housing need = (1+adjustment factor) x projected household growth

4. 1 + 0.328125 = 1.328125
5. 1.328125 x 460 = 611 (Local housing need)

Step 5 – Capping the level?

A cap may then be applied which limits the increase in the minimum annual housing need figure 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.

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.

Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), 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).

All Additional Appendices can be found on the Dover District Council Website