

SADC Minimum annual local housing need (March 2019)

St Albans Housing OAN (March 2019)

Households 2019	Households 2029	Total Change (2019-2029)	Average Annual Change	Affordability Ratio 2018	Uplift	Adjustment Factor	OAN Uncapped (dpa)	OAN Capped (40% Cap) (dpa)
61,063	67,462	6,399	640	16.81	80%	180%	1,152	896

Step 1 – Setting the baseline

Baseline: SADC – National household growth projections (2014-based)

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Number of Households	61,063	61,719	62,367	63,008	63,651	64,294	64,923	65,565	66,197	66,827	67,462
Annual household growth		656	648	641	643	643	629	642	632	630	635

SADC projected annual household growth (2019-2029) = 67,462 – 61,063 = 6,399

SADC projected average annual household growth = $\frac{6,399}{10} = 640$

Step 2 – An adjustment to take account of affordability

SADC median workplace-based affordability ratio (2018) = **16.81**

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

$$\text{SADC Adjustment factor} = \left(\frac{16.81 - 4}{4} \right) \times 0.25 + 1$$

$$\text{SADC Adjustment factor} = \left(\frac{12.81}{4} \right) \times 0.25 + 1$$

$$\text{SADC Adjustment factor} = 3.2025 \times 0.25 + 1$$

$$\text{SADC Adjustment factor} = \mathbf{1.800625}$$

SADC projected average annual household growth (step 1) = **640**

Minimum annual local housing need = Adjustment factor × projected household growth

$$\text{SADC Minimum annual local housing need figure} = 1.800625 \times 640$$

$$\text{SADC Minimum annual local housing need figure (uncapped)} = \mathbf{1,152}$$

Step 3 – Capping the level of any increase

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 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)
- SADC average annual household growth over 10 years (2019 to 2029) is **640** (as per step 1)
 - SADC minimum annual local housing need figure is **1,152** (as per step 2)
 - The cap is set at 40% above the higher of the most recent average annual housing requirement figure or household growth:

$$Cap = 640 + (40\% \times 640)$$

$$Cap = 640 + 256$$

$$Cap = \mathbf{896}$$

The capped figure (896) is lower than the minimum annual local housing need figure (1,152) and therefore limits the increase to the local authority's minimum annual housing need figure. The minimum figure for SADC is therefore **896**.