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Dear Mr Middleton

**Response by the Home Builders Federation to the consultation on the EX215, 216 and EX218.**

Thank you for the opportunity to comment on the latest evidence submitted by Welwyn Hatfield Borough Council. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

We remain concerned that the Councils evidence takes insufficient account of the impact of low levels of house building in over recent years. In particular the political decision to move away from their own evidence and use the ten-year migration trend as set out in EX215 seems to pay no heed to the significantly reduced rates of internal migration, as shown in table 4.2 of the EX203A, into Welwyn Hatfield following the financial crisis of 2008 and exacerbated by the low number of new homes being built during the recovery. As such the use of the ten-year trend as suggested by the Council is wholly inappropriate for Welwyn Hatfield.

Similarly, the use of the unadjusted headship rates for either the 10-year migration trend or the 5-year migration trend of 2018-based projections is unsound as it also fails to take sufficient account of past under delivery. In-migration in the ten or five years used to calculate these respective projections would have been much higher had the Council been delivering new homes at the scale suggested in previous iterations of the SHMA. Whilst it is impossible to know the exact impact, it is possible to see the potential impact that higher housing delivery in Welwyn Hatfield would have had by examining past delivery and migration data. Between 2003 and 2008 housing completions in Welwyn Hatfield averaged 775 dwellings per annum (dpa)<sup>1</sup>. During this period net internal migration averaged 1,050 persons per annum<sup>2</sup>. However, between 2013 and 2018 when house building averaged 286 dpa net internal migration over the same period averaged just 267 persons per annum. Considering the adjusted headship rates used in previous assessments were considered to be sound this approach should be carried forward.

As we note in our statements to the additional Matters, Issues and Questions, the most reasonable option, if the 2018-based projections are to be used, is to use the alternative migration variant with the adjusted 2014-based headship rates as

<sup>1</sup> MHCLG Live tables on Housing Supply, Table 122: net additional dwellings.

<sup>2</sup> ONS. Mid-Year Estimates components of change.



recommended in paragraph 5.10 of EX203A. This adjusted headship rate took better account of suppressed household formation from past under-delivery and should not have been discarded by the Council in its latest assessment of housing needs. Given that this adjusted headship rate was previously considered sound it should be maintained in the current assessment.

With regard to market signals we would continue to recommend an uplift of 20% on the basis of the evidence presented in our previous comments and in EX203A. Such an uplift reflects the degree of uplift that was being applied prior to the introduction of the standard method in areas similar to Welwyn Hatfield. This approach results in an OAN of 780 dpa a figure that is not substantially different to the 800 dpa considered to be sound following the initial hearings.

## **Conclusions**

Firstly, the Council's stated position in EX215 that its OAN is 690 dpa cannot be considered sound. This is based on past trends that include a significant period of under supply against needs and consequently lower levels of in-migration and household formation. The Council should not be planning on the basis of these trends. Secondly, whilst the assessment in EX218 uses the alternative migration variant, the most appropriate of the 2018-based projections, the decision to not make further adjustments for past under supply of housing is not justified and does not place sufficient weight on the potential impact of the past under supply of housing in the Borough.

As such the only approach we consider to be sound is to consider the adjusted alternative migration trend plus a 20% uplift for market signals as proposed above and set out in EX203A. Given that the outcome of this approach, as outlined above, is similar to the level considered sound prior to the delay in the hearings we do not consider there to be a meaningful change in the Borough's housing situation. Given the significant concerns raised at the hearings regarding affordability and the inability to meet needs within the urban area there are clearly the exceptional circumstances required to release sufficient land from the Green Belt to ensure housing needs are addressed in full.

Yours faithfully

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