

Telford and Wrekin Strategic Housing Market Assessment (2016): Addendum to Appendix D (Additional housing needs analysis)

The SHMA housing needs analysis assumes that the identified backlog need for affordable housing (3,877 households) is cleared over a 5-year period or 20% each year. This is a standard assumption in housing needs modelling. Alternative assumptions can be made if justified. An alternative needs analysis assumption, which reduces the evidenced backlog over the Plan Period (15 years), has been proposed. This establishes that each year the backlog reduces by 374 dwellings compared with the initial SHMA analysis of 775 each year.

Additionally, the SHMA needs analysis assumed stock losses through right to acquire/buy of 240 each year (1,200 over the analysis period). The alternative analysis assumes that this would continue over the 15-year Plan Period (4,800 over the Plan Period).

Table 1 summarises the original SHMA and alternative needs analysis. The alternative analysis results in an annual imbalance of 263 affordable dwellings, compared with an imbalance of 665 presented in the SHMA.

Table 1 Original and alternative affordable needs analysis

Step	Stage and Step description	Calculation		Original	Alternative
		Total households>>		68620	68620
		% households>>		100	100
Stage 1: CURRENT NEED					
1.1	Homeless households and those in temporary accommodation	Current need		6965	6965
1.2	Overcrowding and concealed households	Current need			
1.3	Other groups	Current need			
1.4	Total current housing need (gross)	Total no. of households with one or more needs			
	A. % cannot afford open market (buying or renting)	%		48.4%	48.4%
	B. TOTAL cannot afford open market (buying or renting)	Number		3373	3373
Stage 2: FUTURE NEED					
2.1	New household formation (Gross per year)	Based on national household formation rate		710	710
2.2	Number of new households requiring affordable housing	% households unable to afford		58.1%	58.1%
		Number		413	413
2.3	Existing households falling into need	Annual requirement		29	29
2.4	Total newly-arising housing need (gross each year)	2.2 + 2.3		442	442
Stage 3: AFFORDABLE HOUSING SUPPLY					
3.1	Affordable dwellings occupied by households in need	(based on 1.4)		171	171
3.2	Surplus stock	Vacancy rate <2% so no surplus stock assumed			
3.3	Committed supply of new affordable units	Total		525	525
3.4	Units to be taken out of management	Total 5 yrs		1200	4800
3.5	Total affordable housing stock available	3.1+3.2+3.3-3.4		-504	-4104
3.6	Annual supply of social re-lets (net)	Annual Supply		536	536
3.7	Annual supply of intermediate affordable housing available for re-let or resale at sub-market levels	Annual Supply		16	16
3.8	Annual supply of affordable housing	3.6+3.7		552	552
Stage 4: ESTIMATE OF ANNUAL HOUSING NEED					
4.1	Total backlog need	1.4B-3.5		3877	7477
4.2	Quota to reduce over 5 years (20%)			20%	5%
4.3	Annual backlog reduction	Annual requirement		775	374
4.4	Newly-arising need	2.4		442	442
4.5	Total annual affordable need	4.3+4.4		1217	815
4.6	Annual affordable capacity	3.8		552	552
4.7	Net annual imbalance	4.5-4.6 NET		665	263