



Reviewing the demographic evidence for North Somerset to establish local housing need

Addendum Report:
October 2023

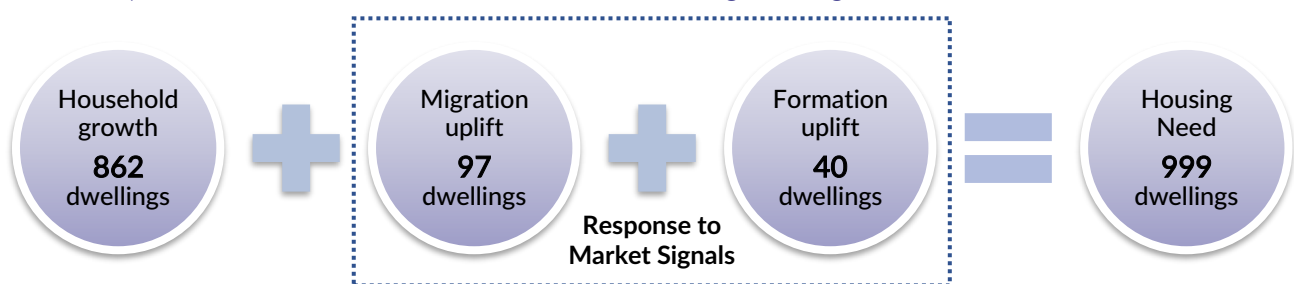
Introduction

1. North Somerset Council commissioned Opinion Research Services (ORS) to undertake a review of the demographic evidence for North Somerset to establish local housing need. The outcome of this review subsequently informed the North Somerset Local Housing Needs Assessment (LHNA) that was prepared by ORS.

Local Housing Need identified by the demographic review

2. The demographic review established an evidence-based Local Housing Need of 999 dwellings per year for North Somerset over the 15-year period 2024-2039. The components of the identified annual Local Housing Need were summarised as follows:

Fig 1 Components of the evidence-based annual Local Housing Need figure for North Somerset 2024-2039



3. The following table summarises the calculations that were presented for each stage of the analysis.

The starting point was the ONS 2018-based household projection, which presented outputs from the official projection without any adjustment.

An uplift was then applied to future rates of migration to ensure that net migration would increase pro rata to the overall population.

Finally, a further uplift was applied to the rates of household formation to ensure that the housing need would provide sufficient homes to enable younger households to form.

Fig 2 Components of the evidence-based Local Housing Need for North Somerset 2024-2039

	ONS 2018-based household projection	Uplift for migration	Uplift for household formation
Demographic growth 2024-2039			
Projected household growth	11,665 households	13,267 households	13,837 households
Projected increase of residents living in communal establishment	1,316 persons → 738 households	959 persons → 538 households	959 persons → 538 households
Total households	12,403 households	13,805 households	14,375 households
Allowance for vacant or second homes that do not have any usual residents	523 dwellings	583 dwellings	607 dwellings
Total dwellings	12,926 dwellings	14,388 dwellings	14,982 dwellings
Annual average	862 dpa	959 dpa	999 dpa
Impact of uplift on annual figure	-	+97 dpa	+40 dpa

Local Housing Need identified by the Local Housing Needs Assessment

4. The Local Housing Needs Assessment (LHNA) presented three scenarios for housing need in Section 2 of the report.

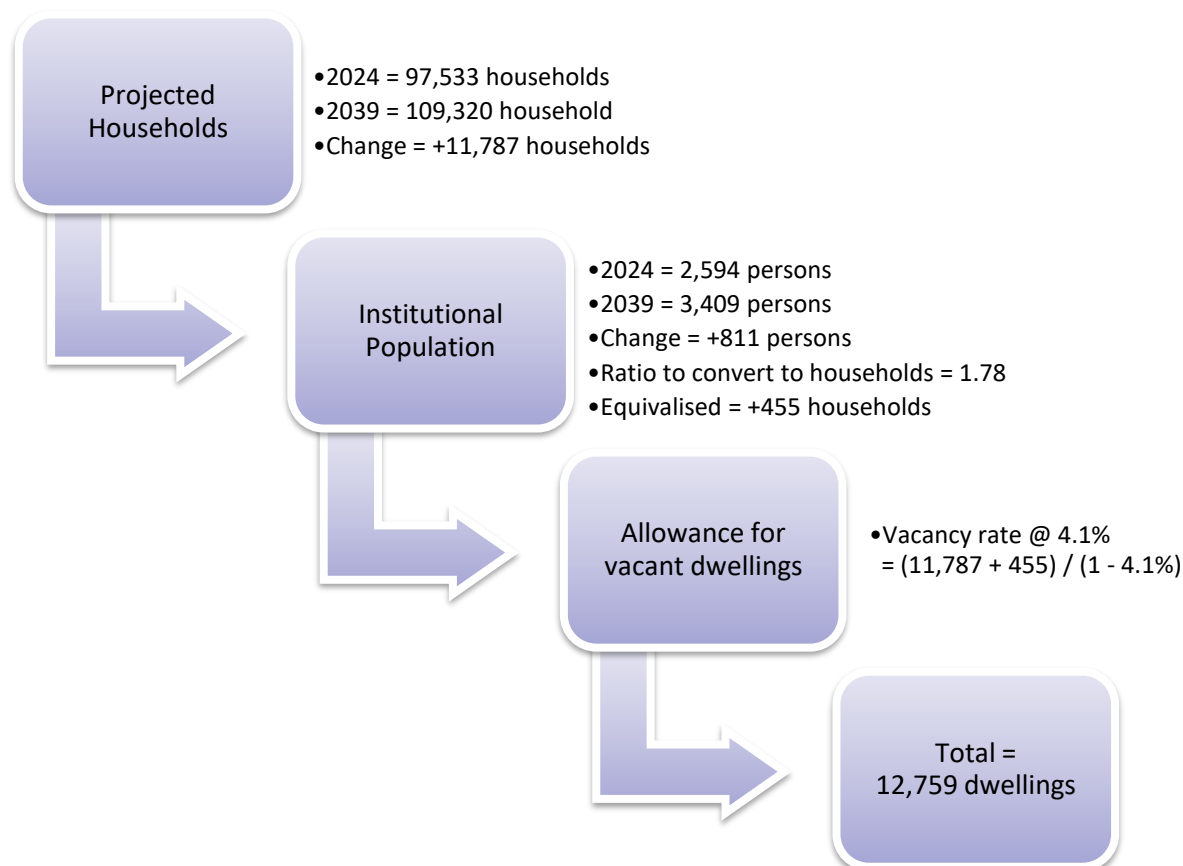
Scenario 1 provided a demographic baseline derived from the ONS 2018-based household projection 10-year migration variant scenario. However, this took account of data from the 2021 Census which identified higher rates of population growth but lower rates of household formation than had previously been projected.

Scenario 2 provided a dwelling-led scenario based on the Local Housing Need figure identified by the Government's standard method calculation.

Scenario 3 was based on the demographic projection prepared when establishing the evidence-based Local Housing Need. However, the modelling also took account of additional data from the 2021 Census that was not available at the time of the original analysis.

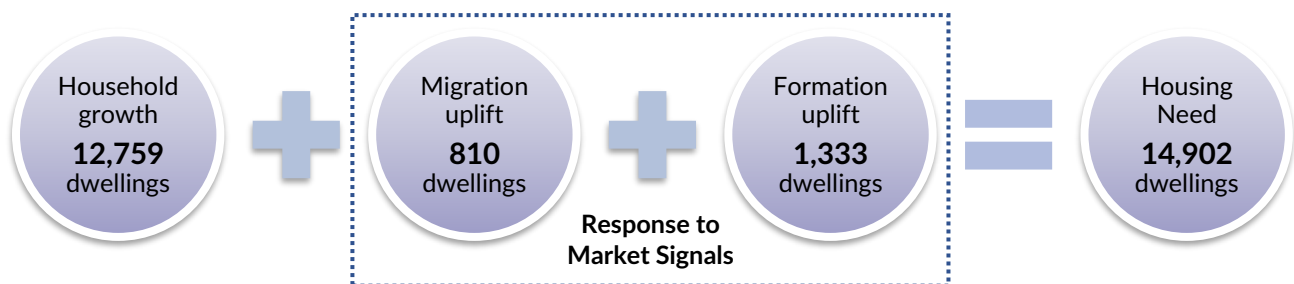
5. Figure 6 of the LHNA identified the elements of growth within the Scenario 1 projection, which included an increase of 11,787 households (compared to 11,665 households identified by the ONS 2018-based projection for the same period) and an increase of 811 persons living in communal establishments (compared to an increase of 1,316 persons identified by the ONS 2018-based projection).

Fig 3: Elements of housing need – North Somerset (Source: North Somerset LHNA 2023, figure 6)



6. The demographic analysis presented at Scenario 1 of the LHNA identified an overall need for 12,759 dwellings over the 15-year period 2024-2039. This was marginally lower than the 12,962 dwellings identified by the ONS 2018-based projection used for the demographic review: a difference of 203 dwellings, equivalent to a reduction of 1.6%.
7. Figure 7 of the LHNA identified the adjustments that were incorporated within Scenario 3 as a response to Market Signals. This included a migration uplift of 810 dwellings (54 dpa) and an uplift to household formation of 1,333 dwellings (89 dpa).

Fig 4: Components of the evidence-based annual Local Housing Need figure for North Somerset
(Source: North Somerset LHNA, figure 7)



8. The uplifts that were identified by the LHNA were different to those identified by the earlier review. This was due to differences in the demographic baseline projections that were used.
9. As previously noted, the demographic baseline in Scenario 1 of the LHNA took account of data from the 2021 Census and was based on a higher rate of population growth than had been identified by the ONS 2018-based projections. The Scenario 1 demographic baseline therefore incorporated a higher rate of net migration than the original baseline, and this led to a lower migration uplift than had previously been identified (54 dpa cf. 97 dpa).
10. However, the 2021 Census identified lower rates of household formation than had previously been projected. Therefore, the Scenario 1 demographic baseline incorporated a lower rate of household formation than the original baseline, and this led to the formation uplift being larger than was previously needed (89 dpa cf. 40 dpa).
11. Despite these differences, the Local Housing Need figure identified by Scenario 3 of the LHNA was based on the same population growth as identified by the evidence-based review – an increase of 22,269 persons over the 15-year period 2024-2039. However, the original analysis identified an increase of 959 persons living in communal establishments, whereas Scenario 3 of the LHNA took account of further data from the 2021 Census and the analysis identified a growth of 822 persons (compared to the 811 persons identified for Scenario 1). This change resulted in a Local Housing Need of 14,902 dwellings (993 dpa) which was marginally lower than the 14,982 dwellings (999 dpa) that had previously been identified.
12. The LHNA analysis was based on the most up-to-date information available at the time it was prepared and it provides a robust assessment of housing need. **The Local Housing Need for North Somerset is 14,902 dwellings for the 15-year period 2024-2039, and the overall need identified is equivalent to an average of 993 dwellings per year.**