

---

# Response to Matter 1

---

# 1. Matter 1: Calculation of the objectively assessed need for housing (OAN)

**Are the calculations contained in the HEDNA and in the updated analysis contained in Document IC3 an appropriate basis for establishing the OAN for Harborough, having particular regard to demographic and employment growth calculations and the affordability uplift of 15%? Do the latest affordability indices and trends suggest a different level of uplift?**

- 1.1. It is not considered that an uplift of 15% is high enough to address the affordability issues of the District.
- 1.2. In accordance with the PPG (Paragraph: 020 Reference ID: 2a-020-20140306), the more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g. the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be.
- 1.3. As noted by the Council in its response to the Inspectors Initial Questions (Document IC3), the LQ affordability ratio in Harborough at 9.75 is above the regional and national average, and the highest of the eight local authorities in the HMA.
- 1.4. The Local Plan Expert Group Report to the Government in March 2016 recommends that as a minimum an uplift of 25% should be applied to local authority housing needs figures where affordability ratios showed house prices are more than 8 times local salaries. This is echoed in the Government's publication of the consultation paper "Planning for the right homes in the right places" in which the Government sets out its standard methodology for calculating housing need and specifically considers an affordability adjustment factor. This report also suggests that where median house prices are 8 times the average salary, a 25% uplift should be applied.
- 1.5. Whilst the standardised methodology proposed in the NPPF and PPG 2018 is not applicable to this Examination, it does provide us with an indication as to housing need in the District. For Harborough, it would suggest an uplift of circa 36%.