GL Hearn

West Surrey Strategic Housing Market Assessment

Waverley Summary Report

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1 INTRODUCTION

Purpose of this Report

1.1 This report considers the need for housing within the West Surrey Housing Market Area (HMA) which includes Guildford, Waverley and Woking Boroughs.

1.2 This report seeks to draw out the main findings of the West Surrey Strategic Housing Market Assessment (SHMA) relevant to Waverley Borough. It considers how many homes might be needed but does not take into account land supply, policy or other constraints to development. It then goes on to look at what mix of housing is needed, considering the need for different sizes of homes (both market and affordable) and the needs of specific groups in the population, including older people.

1.3 The Strategic Housing Market Assessment does not set policies or targets for future housing development. It provides evidence regarding the need for housing.

1.4 When Councils are developing new local plans, housing need is considered along with other factors – including land availability, Green Belt and other development constraints, and local infrastructure capacity – in setting policies for future housing provision. The National Planning Policy Framework requires councils in developing planning policies to start out by identifying what the need for housing (and other forms of development) is, before going on to consider if this can be sustainably accommodated in their areas.

Context – National Planning Policies

1.5 The National Planning Policy Framework (NPPF) sets out the Government's planning policies in England. It outlines that in planning for housing, councils must work with neighbouring authorities to prepare a Strategic Housing Market Assessment (SHMA) for their housing market area. Councils are required to work together to meet the need identified unless national policies, which include Green Belt, indicate that development should be restricted or it would be unsustainable to do so.

1.6 The SHMA has defined West Surrey as the relevant housing market area, reflecting the particularly strong flows of people moving home or commuting between Waverley, Guildford and Woking Boroughs. Whilst these authorities have the strongest relationships, clearly not all moves and commuting is contained within this area, and the SHMA notes links between Guildford and Rushmoor; between Waverley and northern parts of East Hampshire; and between Woking and Runnymede. There are also strong commuting flows from all three authorities to London.

1.7 The NPPF outlines that the SHMA should provide an objective assessment of the full need for market and affordable housing within the housing market area (Para 47). The SHMA does not set

housing targets, and the Government's Planning Practice Guidance clearly sets out that the SHMA itself must not apply constraints to the overall assessment of need, such as environmental constraints, green belt policies, and issues related to congestion and local infrastructure. This does not mean that these issues are not important. They are very relevant in considering how much development can be sustainably accommodated and where new development should be located. When developing new local plans, the Councils must weigh up these factors with the housing need, and test different options regarding how much development can be accommodated. The Government continues to attach great importance to Green Belts and this is one of the factors which must be considered in determining housing targets.

1.8 In assessing the need for housing, the Government's Planning Practice Guidance sets out that the starting point should be the latest official ONS population and Government household projections. These are based on past trends. They are particularly influenced by the balance of people moving in and out of an area (migration) and by household formation rates. The Planning Practice Guidance sets out that the identified need may need to be adjusted to take account of the identified need for affordable housing; to improve housing affordability (taking account of market signals); or to support expected economic growth based on past trends and/ or forecasts for future economic performance. The SHMA has followed the approach in the Planning Practice Guidance. It needs to do this, as the assessment will get tested against this at local plan examinations.

2 FUTURE NEED FOR HOUSING

Projecting Forward Past Population Trends

2.1 The latest official population projections are the 2012-based Sub-National Population Projections (SNPP) which were published by the Office for National Statistics in May 2014. These are the first set of population projections which take full account of the 2011 Census[1]. GL Hearn has also updated the projections to take account of 2013 Mid-Year Population Estimates issued by ONS.

2.2 The SHMA has considered population dynamics for each of the three authorities and how these projections compare to past trends. The core finding is that the SNPP represents a sound projection for population for each of the three local authorities based on past trends. In Waverley there is a close correlation between past and projected tends and levels of UPC are fairly moderate.

2.3 The HMA's population is expected to grow by 13.6% between 2013-33 – a population increase of 49,446 persons. Waverley's population is expected to grow by 13.3% over this period (around 16,300 population).

2.4 Household formation ('headship') rates are applied to the population to project growth in household numbers. Headship rates describe what proportion of people in different age groups are expected to be a head of a household. How the age structure of the population changes thus influences growth in households.

2.5 The SHMA used the household formation rates as set out in the 2012-based household projections. These showed a need for 493 dwellings per annum in Waverley and 1,352 across HMA.

2.6 In addition we also undertook sensitivity analysis around three further scenarios. These are as follows:

- 12-year migration trends – this projection looks at the level of population and household/housing growth we might expect if migration levels in the future are the same as seen over the period since 2001. A consideration of longer-term trends is suggested as an alternative scenario in the PAS Technical Advice Note on Housing Targets and Objectively Assessed Housing Need although we would recognise that the approach is unlikely to be as robust as the SNPP as it won't take account of changes to the age structure over time and the impact this might have on migration levels.

[1] Whilst the 2011-based Interim Population Projections took account of the Census population, they were based on pre-census estimates of births, deaths and migration

- UPC adjustment – as noted earlier there is a notable level of Unattributable Population change in the ONS data for 2001-11 in the West Surrey area. In this instance UPC is negative; this suggests that the components of change feeding into the SNPP may slightly overestimate migration and population growth. Whilst this is a useful scenario to consider (again it is one suggested in the PAS Technical Advice Note2) we do not consider it to be a robust alternative to the SNPP. The main reasons for this are that it is unclear if UPC is related to migration and more importantly, due to changes in the methods used by ONS to measure migration it is most probable that any errors are focussed on earlier periods (notably 2001-6) and therefore a UPC adjustment for more recent data would not be appropriate.

- The Greater London Authority (GLA) identified a marked change in internal migration dynamics to and from London since the beginning of the recession (2007/8). As a result of this, the GLA developed a series of population and household projections with different assumptions about migration. This projection uses a similar assumption to the GLA modelling; i.e. for an adjustment to be made to migration levels post-2017 at a level which is half of the difference seen between pre-recession trends and the trends feeding into the SNPP.

2.7 These sensitivity analyses results in the following levels of housing need:

Figure 1: Initial Assessment of the Annual Need for Housing (2013-33) based on 2012-SNPP

Scenario	Guildford	Waverley	Woking	Total
12-Year migration	**744**	**363**	**303**	**1410**
UPC Adjustment	**239**	**472**	**498**	**1209**
London Migration	**568**	**505**	**337**	**1410**

2.8 Although the UPC adjusted projection shows a lower level of housing need, it is not considered that this is a robust projection to take forward to inform the OAN. The main reasons for this are:

[2] Planning Advisory Service – July 2015 - http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvicenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d

i) The reasons for the difference between population estimates are not clear (i.e. we cannot be sure if UPC is as a result of mis-recording of migration or with errors in the recording of Census population data);

ii) There is no evidence of when an error in the estimates occurred (ONS has simply distributed this roughly evenly across the 2001-11 decade). Given improvements in the recording of migration since about 2006 it is possible that any errors are now quite historic;

iii) There is a significant risk in taking forward a lower UPC adjusted figure as it could be argued that the downward 'correction' supresses housing need.

2.9 There is a degree of uncertainty regarding future migration dynamics to/from London, and indeed it could be that changes in housing market circumstances have implications on out-migration from each of the authorities to other parts of the Country (with thus an increase in both in- and out-migration).

2.10 The SHMA concludes that applying household formation rates from the 2012-based household projections to the 2012-based ONS Sub-National Population Projections provide an appropriate 'starting point' for considering housing need (using the terminology in the Planning Practice Guidance).

3 HOW THE ECONOMY MIGHT INFLUENCE HOUSING NEED

3.1 Following the approach in the Planning Practice Guidance, the demographic-based assessment set out above provides a baseline for housing need. The Guidance recommends that consideration is given to whether economic growth could result in a need for additional housing.

3.2 The NPPF clearly sets out that the assessment of, and strategies in local plans for, housing and employment need to be integrated with one another[3]. The SHMA has considered the Councils' recent evidence regarding economic prospects, as set out in the emerging Waverley Employment Land Review Update (Atkins 2015).

3.3 The Emerging Waverley Employment Land Review Update (Atkins 2015) considered three scenarios for employment growth. These are:

- Scenario 1 is based on the outputs of econometric forecasts from Experian (released in March 2015);
- Scenario 2 tests the employment land implications if recent trends (1997 -2013) continued; and
- Scenario 3 uses the trend based scenario as its starting point but makes a number of assumptions to better align with the Waverley Economic Strategy 2015-2020.

3.4 In the Emerging Waverley Employment Land Review Update Atkins' conclude by recommending that Scenarios 3 is used as the basis for planning Waverley's future employment land. That scenario estimates that employment in the Borough will grow by 1,998. Scenario 2 which is based on past trends results in a growth of 2,412 jobs.

3.5 Considering how economic growth may influence the need for housing is not straightforward. The relationship between jobs and homes will be influenced by changes in the age structure of the population (including for instance improving life expectancy), employment rates (which describe the proportion of people with jobs) and commuting patterns (the relationships between where people live and work). It is difficult to precisely predict how these may change, however the Planning Practice Guidance requires an assessment to be made.

3.6 The SHMA seeks to model the relationship between jobs and homes. It models increasing employment rates, linked to an expectation that people will retire later and more women will work. It assumes that commuting patterns will remain stable in proportional terms. It also takes account of evidence that people may hold down more than one job.

[3] CLG (2012) *National Planning Policy Framework, Paragraph 158*

3.7 The modelling indicates that to support the forecast growth in employment, the following levels of housing provision would be needed:

Figure 2: Initial Assessment of Annual Need for Housing based on Economic Forecasts

	Guildford	Waverley	Woking	West Surrey
Annual Growth in Jobs	887	99-120	479	1,466 - 1,487
Annual Housing Need	637	319-334	471	1,427 - 1,442

3.8 In Waverley the demographic need is around up to 174 dwellings per annum higher than the economic need, therefore there is a need to adjust the housing need to this level set out in either Scenario 2 or 3. However, across the HMA, the level of housing provision necessary to support economic growth could be up to 6.7% higher than indicated in the trend-based demographic projections.

3.9 The SHMA adopts a 'policy off' approach which does not seek to change commuting patterns. Clearly however labour markets operate across local authority and indeed across the HMA boundaries. Labour markets are flexible and commuting patterns can change over time. However it is an established planning principle to seek to plan for balanced growth in jobs and homes where possible with a view to reducing the need to travel and commuting distances. Given the influence of London, housing market and economic dynamics in the area we do not consider that any substantive clawback of out-commuting would be realistic.

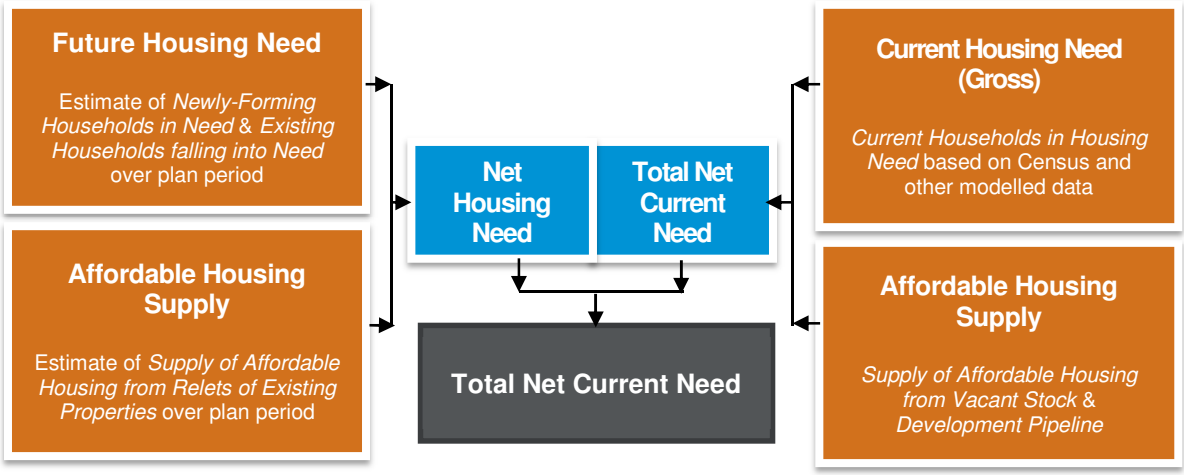
3.10 In the development of local plans, it is important that the Councils consider the alignment of their assumptions regarding economic growth and housing provision, taking account of the potential supply of land suitable for development, infrastructure and other constraints.

Improving Affordability

Affordable Housing Need

3.11 The SHMA includes an assessment of the number of households each year who require some form of subsidy in meeting their housing needs. This is assessed using the Basic Needs Assessment Model and is a statutory requirement to support policies seeking affordable housing in new developments.

Figure 3: Overview of Basic Needs Assessment Model



3.12 The model considers households who are currently living in unsuitable housing, the proportion of newly-forming households who cannot afford to buy or rent market housing without financial support, and existing households who fall into housing need. It includes overcrowded households and those who are for instance at risk of becoming homeless as they cannot afford to pay their rent. These households would be classified as in need of affordable housing. The level of households needing support is compared against the current affordable housing supply, based on re-lets of existing homes. The assessment take account of a range of secondary data sources, including information from the 2011 Census, data on households' incomes, modelling of population trends, and on lettings and the future supply of affordable housing.

3.13 The Planning Practice Guidance sets out how it expects the affordable housing need to be considered as part of the plan-making process. It outline in Paragraph 029 that:

> *"The total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes."*

3.14 In order to deliver affordable housing need identified at the current levels of contributions the HMA would need to deliver over 3,100 homes per annum. This exceeds delivery rates achieved anywhere across England (over a sustained period) over the last 15 years, or over the pre-recession decade.

3.15 There are other ways of delivering new affordable housing besides through new-build development on market-led housing development schemes. These include:

- National Affordable Housing Programme – this (adminsted by the HCA) provides fuding to support Registered Providers in delivering new housing including on sites owned by RPs;
- Building Council Homes – following reform of the HRA funding system, Councils can bring forward affordable housing themselves. Guildford for instance is planning to deliver new affordable housing itself.
- Empty Homes Programmes – where local authorities can bring properties back into use as affordable housing. These are existing properties, and thus represent a change in tenure within the current housing stock;
- Rural Exception Site Development – where the empasis is on delivering affordable housing to meet local needs.

3.16 Funding for specialist forms of affordable housing, such as extra care provision, may also be available from other sources; whilst other niche agents, such as Community Land Trusts, may deliver new affordable housing. Net changes in affordable housing stock may also be influenced by estate regeneration schemes, as well as potentially by factors such as the proposed extension of the Right to Buy to housing association properties.

3.17 The above points highlight that affordable housing need can be influenced by changes in the ownership of existing housing stock, not just by new-build development.

3.18 As the Planning Practice Guidance sets out, the calculation of affordable need involves *"adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable stock."* The affordable housing need does therefore not represent an assessment of what proportion of additional households might require affordable housing. Instead the model considers:

- What need can be expected to arise from both existing and newly-forming household who require financial support to access suitable housing;
- This is then compared with the projected supply of affordable housing expected to arise from the turnover of existing stock, and affordable housing in the development pipeline.

3.19 Firstly, we should recognise that **the affordable housing model includes supply-side factors. The net need figures derived are influenced by the current stock of affordable housing and turnover of this**, together with pipeline supply. This has been influenced by past policies and investment decisions (at both the national and local levels). Funding mechanisms for affordable housing have influenced past delivery, which in turn influence the need today. This is essentially a

key reason why the figures derived from the model are relatively substantive. The projected supply of affordable housing would for instance be greater (and the identified affordable housing need lower) if greater public resources had been devoted to delivering affordable housing and more had been built over the last decade, or no properties lost through right-to-buy sales.

Figure 4: Need from Households Requiring Support (2013 – 2033)

Area	Backlog need	Newly forming households	Existing households falling into need	Total Need	Re-let Supply	Pipeline Supply	Net Need
Guildford	66	589	209	863	385	23	455
Waverley	36	374	89	499	163	22	314
Woking	64	439	139	642	247	20	375
West Surrey	166	1,402	436	2,004	795	65	1,144

3.20 The SHMA analysis indicates that 1,144 additional households per year will require support in meeting their housing needs across the HMA with 314 affordable dwellings per annum required in Waverley.

3.21 The affordable need is around 63% of the need identified in the demographic projections in for Waverley. These figures are however calculated in different ways and are not strictly comparable. Firstly, we should recognise that the affordable housing model includes supply-side factors. The net need figures derived are influenced by the current stock of affordable housing and turnover of this, together with pipeline supply. Secondly and perhaps more critically, it is important to recognise that the model includes needs arising from both new households and existing households. Part of the needs included are from households who might require an additional home, such as:

- Newly-forming households;
- Those in temporary accommodation;
- Concealed households; and
- Homeless households.

3.22 But the figures also include needs arising from households who will require a different form of home, but who – by moving to another property – would release an existing property for another household. These households do not generate a need for more dwellings overall. They include households who need to move as they are:

- Overcrowded;
- Coming to the end of a tenancy;
- Living in unsuitable housing; and
- Cannot afford to remain in their current home.

3.23 Some households do not generate a net need for additional homes, as by moving they would release a home for other households. In considering the overall need for housing, only those who are concealed or homeless would result in potentially an additional need for housing. Numbers of newly-forming households in the modelling are established specifically from the demographic projections. The need arising from these households are set out below:

Figure 5: Current Households without Housing

	Guildford	Waverley	Woking	HMA
Homeless households	0	0	0	0
Those in priority need who are currently housed in temporary accommodation	27	0	35	62
Concealed households	462	374	566	1,402
Total	489	374	601	1,464
Estimated affordability rate (can't afford)	82.5%	73.0%	83.0%	80.2%
Number in need	403	273	499	1,175
Annualised Need	20	14	25	59

3.24 As shown in Table above the overall need from concealed and homeless households is estimated at 1,175 dwellings. Assuming this need is met over the plan period then an uplift of 59 dwellings per annum would be required with 14 of those in Waverley.

3.25 This is not an uplift in its own right but we should ensure that the uplift to improve affordability reaches this level as a minimum.

3.26 As shown in Table above the overall need from concealed and homeless households is estimated at 1,175 dwellings. Assuming this need is met over the plan period then a uplift of 59 dwellings per annum would be required. There is therefore justification for considering an adjustment to the assessed housing need to address the needs of these households. We return to consider the scale of adjustment appropriate later in the report, taking account of the evidence herein and from analysis of market signals.

Evidence from Market Signals

3.27 The NPPF[4] sets out that plans should take account of market signals, such as land prices and housing affordability. The Planning Practice Guidance clarifies this and outlines that "*the housing need number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance of the demand for and supply of dwellings. Prices or rents rising faster than the national/ local average may well indicate particular market undersupply relative to demand.*" Relevant market signals identified include land prices, house prices, rents, affordability ratios, levels of development compared to targets, as well as levels of overcrowded, shared or concealed households. The Government's Guidance outlines

[4] CLG (2012) *National Planning Policy Framework, Paragraph 17*

that where market signals indicate a worsening trend, a reasonable upward adjustment to planned housing numbers compares to those based on household projections should be made.

3.28 The SHMA evidence indicates that affordability pressures in the West Surrey HMA are significant. House prices are substantially above the South East average. Entry level house prices in Waverley are 12.2 times the typical earnings of younger households compared to a ratio of 7.8 nationally[5]. Over the 2001-11 decade, housing costs increased relative to earnings; whilst household formation and home ownership both fell.

[5] CLG Lower Quartile House Price to Earnings Ratio, 2013

3.29 The table below considers relative market signals relating to the West Surrey HMA:

Figure 6: Review of Market Signals

Signal	Commentary
House Prices	Median house prices are significantly higher in West Surrey in comparison to the wider South East, particularly in Waverley & Guildford. There has also been a significant growth in house price in all three areas since 1998.
Rents	Since 2011 rents have increased significantly in Woking and Guildford although there has been a decline in Waverley. Local rental data is not published pre-2011.
Affordability Ratios	Affordability across the HMA has been decreasing significantly since 1997. Lower quartile and median property values are now more than 10 times the lower quartile and median earnings respectively in all of the Boroughs.
Rates of Development	Development has slowed considerably since the 2005/06 peak. Although across the HMA as a whole housing targets have been met over the 2001-13 period, these targets reflect land supply and suitability constraints rather than housing need.
Overcrowding & HMOs	Overcrowding and the number of HMOs increased significantly between 2001 and 2011.
Tenure Change	There was a significant shift towards the private rental sector across the HMA. We have also seen a decline in the number of people who own their own home through the help of a mortgage.

3.30 Taking account of the evidence relating to affordable housing need and market signals there is justification for considering an adjustment to the assessed housing need to address the needs of these households. We return to consider the scale of adjustment appropriate later in the report,

3.31 The evidence from market signals indicates that market housing is relatively unaffordable. This is also borne out in clear evidence of a significant number of households who cannot afford market housing without support. In such circumstances, the Planning Practice Guidance sets out that the assessment of overall housing need should be adjusted upwards – in effect seeking to improve housing affordability.

3.32 The Planning Practice Guidance sets out that the scale of adjustment should relate to the evidence of market demand and of affordability constraints. It is not specific in how this should be calculated.

3.33 GL Hearn consider that the key impacts of improving affordability would be to improve younger people's ability to form a household, reducing the numbers of younger people forced to live with parents or in shared accommodation. The impact of this has been modelled by adjusting household formation rates of those aged 25-34, increasing levels of household formation for this age group over time such that it reaches the 2001 levels (in each authority) by 2033.

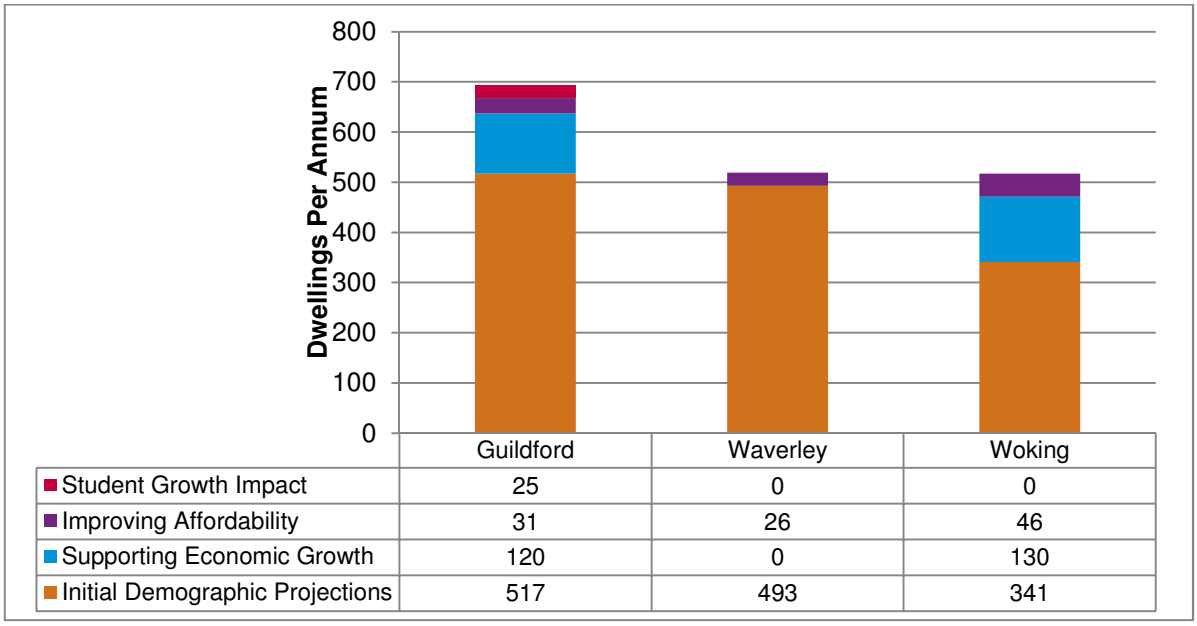
3.34 **Taking account of these adjusted household formation rates for younger households, the SHMA draws the following conclusions on the overall need for housing across the HMA to be at 1,729 dwellings per annum with need in Waverley at 519 dpa.**

4 OBJECTIVELY ASSESSED NEED

4.1 Drawing this evidence together we can see that the need for housing across the HMA is 1,729 dwellings per annum with Waverley having a need of 519 dwellings per annum. In accordance with the Planning Practice Guidance, this takes account of the level of housing provision which is expected to be needed to support economic growth and improve affordability.

4.2 The uplift in affordability in each Borough reflects the level to which household formation for the key age group within the Borough has been constrained and the size of that particular age group. We have also ensured that the level of uplift exceeds the level of concealed and homeless households in each Borough.

Figure 7: Conclusions on Objectively-Assessed Housing Need by Authority



4.3 While there is some merit in looking at the sensitivity analysis around migration from London returning to pre-recession levels this would only have a minimum impact on Waverley's OAN. The conclusions on OAN for Guildford and Woking are based on higher migration than shown in the 2012-based Population Projections. This would enable higher levels of out-migration from London but also growth in the resident workforce in these Boroughs. Similarly across the HMA the OAN figure set out above is some 23% higher than the need calculated through London sensitivity analysis.

4.4 Where development constraints influence the ability to meet housing need in full, we would recommend that any shortfall in housing provision is measured against the demographically-assessed need (together with the adjustment associated with expected student growth) as in these

circumstances it would be unlikely that affordability would improve; and housing provision could constrain economic growth. In these circumstances, policies for economic growth would need to take into account the expected growth in the workforce. This represents what we would consider to be a minimum level of housing need, leaving aside at this stage any constraint-based factors - as the Planning Practice Guidance requires.

4.5 The National Planning Policy Framework sets out that local authorities should seek to meet housing need within their areas where it is sustainable to do so and consistent with policies within the Framework. The Framework however affords significant protection to Green Belt and other environmental constraints including land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park (or the Broads Authority) SSSI, SPA, SAC and RAMSAR.

5 MIX OF HOUSING NEEDED

5.1 In addition to considering the overall need for housing, the SHMA considers what types and sizes of homes – both market and affordable – will be needed.

5.2 There were just over 148,000 homes in the West Surrey Housing Market Area in 2011. 71% of households owned their own home, with 14% renting privately and 12% living in social rented housing. The remaining 3% were living rent free or in shared ownership accommodation.

5.3 Within Waverley home ownership is around 73.7% with 11.3% renting privately and 12.3% living in social rented housing. The remaining 2.7% were living rent free or in shared ownership accommodation.

5.4 Whilst almost 60% of homes across the HMA have two or three bedrooms, the HMA has a higher proportion of homes with 4 or more bedrooms, at 28.5%, than is the case across the South East region. Linked to this, it has a higher proportion of detached homes, and fewer terraced properties. Detached homes are the most prevalent house type in all three boroughs.

5.5 Waverley has the highest proportion of Detached housing (41.5% of homes) in the HMA with the remainder of the stock comprised of Semi-Detached (27.4%), Flats (16.0%) and Terraced 14.5%.

5.6 The SHMA identifies that there is a need for a mix of house sizes across the HMA, as Figure 8 indicates. This takes account of how the structure of the population and households are expected to change over the period to 2033 and how people occupy homes. Affordable homes are allocated based on the size of households and there is therefore a close relationship between household sizes and the sizes of homes needed. However for market housing, the sizes of homes people occupy is also influenced by their age, the equity they have in their current home (where applicable) and their wealth. Market demand is therefore focused more towards two- and three-bed properties. Differences in the profile of need across the three authorities are modest.

Figure 8: Need for Different Sizes of Homes - HMA

	1-bed	2-bed	3-bed	4+ bed
Market	10%	30%	40%	20%
Affordable	40%	30%	25%	5%
All dwellings	20%	30%	35%	15%

5.7 We have also calculated the outputs of this analysis in terms of the sizes of accommodation estimated to be needed in each of the affordable and market sectors for the three different local authority For Waverley this shows a slightly higher level of need for 1 bedroom affordable stock than the rest of the HMA.

Figure 9: Need for Different Sizes of Homes - Waverley

Area	1 bedroom	2 bedrooms	3 bedrooms	4+ bedrooms
Market	9.3%	32.1%	38.2%	20.4%
Affordable	47.3%	29.2%	21.9%	1.7%

5.8 Policies for what proportion of homes in new development schemes should be affordable need to take account of evidence both of housing need and of the viability of residential development. The NPPF sets out that percentage targets for affordable housing need to take account of viability evidence. The SHMA considers the need for different types of affordable housing. It indicates that, in delivering affordable units, a HMA-wide mix target of 29% intermediate and 71% social or affordable rented homes would be appropriate.

5.9 Within Waverley there should be a slightly higher amount of Intermediate (32%) and a lower amount of Social/Affordable Rent (68%). Intermediate housing includes shared ownership homes. Affordable rents are set at up to 80% of market rents (inclusive of service charges). The needs evidence should be brought together with other factors such as viability evidence and consideration of how the Councils wish to target affordable housing provision in setting policies for the tenure mix.

Figure 10: Mix of Affordable Housing Needed

	Intermediate	Social/ Affordable Rent
Guildford	29%	71%
Waverley	32%	68%
Woking	26%	74%
HMA	29%	71%

5.10 Over the period to 2033 the population of older persons in the HMA is expected to grow, with the population aged over 65 expected to increase by 48% (a growth of 31,200 persons). Many older

households will remain in homes which they have lived in for many years. However some may wish to downsize, and this has been taken into account in the conclusions drawn on the mix of homes needed in Figure 10.

5.11 Some older households will require specialist housing or support. Others may need to adapt their homes to meet their changing needs. It is expected that a growing older population may result in an increase in the number of people with dementia by around 4,000 between 2013-33, with growth in the number of persons with mobility problems of over 8,100 across the HMA.

5.12 Within Waverley it is expected that a growing older population may result in an increase in the number of people with dementia by around 1,800 between 2013-31, with growth in the number of persons with mobility problems of over 3,500.

5.13 Some older households will require specialist housing solutions. The SHMA identifies a need for over 3,950 additional specialist units of housing for older people between 2013-33, including sheltered and extra care homes across the HMA with 1,700 of those required in Waverley.

Figure 11: Need for Specialist Housing for Older Persons, 2013-33

2013-33	Market	Affordable	Total
Guildford	1,136	198	1,334
Waverley	1,442	260	1,703
Woking	962	-44	918
HMA	3,540	414	3,955

5.14 In addition, the SHMA indicates a need for 1,031 bedspaces in care homes of which 396 in Waverley. This does not form part of the household population and so is separate to the need identified for housing (and is not considered within the conclusions on overall housing need identified above).

5.15 These are the key needs for specialist housing considered in the SHMA. The main SHMA report deals with the needs of a number of other groups within the population including Black and Minority Ethnic households, younger people and families. It also considers the need for self- and custom-build homes and from service families.