Strategic Development Plan

Proposed Plan - Background Report

January 2016

Beyond the Housing Need
and Demand Assessment

Clydeplan
Glasgow and the Clyde Valley
Strategic Development Planning Authority

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Strategic Development Planning Authority

BACKGROUND REPORT 8

BEYOND THE HOUSING NEED AND DEMAND ASSESSMENT

January 2016

Contents

Supporting Documents (available at www.clydeplan-sdpa.gov.uk/proposedplan2016)

Clydeplan SDP, Main Issues Report Monitoring Statement 2015
Clydeplan SDP, Main Issues Report 2015
Housing Need and Demand Assessment 2015, Glasgow and the Clyde Valley Housing Market Partnership (May 2015) including:

- HNDA Technical Report 06 (TR06) 'The Approach to Existing Need'.
- HNDA Technical Report 07 (TR07) 'Strategic Housing Estimates - Methodology and Results'

CHMA Clydeplan Appraisal (5th March 2015)
Clydeplan SDP, Background Report 7, Land Supply for Housing Monitoring Report 2013
Clydeplan SDP, Background Report 9, Urban Capacity Study 2013

Commonly Used Abbreviations

CHMA	Centre for Housing Market Analysis
GCV	Glasgow and the Clyde Valley
HNDA	Housing Need and Demand Assessment
HLA	Housing Land Audit
HLR	Housing Land Requirement
HST	Housing Supply Targets
HMP	Housing Market Partnership
LDP	Local Development Plan
LHS	Local Housing Strategy
SDP	Strategic Development Plan
SR&BMR	Social Rented and Below Market Rent
UCS	Urban Capacity Study

1 Introduction

1.1 This report accompanies the Proposed Strategic Development Plan (SDP) for the Glasgow and the Clyde Valley area published in January 2016. The purpose of this report is to describe the translation of the outputs from the Housing Need and Demand Assessment (May 2015), Background Report 2, and their use within the Proposed Plan. This report also provides a context for how the key matters identified in the Housing Need and Demand Assessment (HNDA) are being taken forward within the eight local authority local development plans (LDP) and local housing strategies (LHS). This exercise has been undertaken under the auspices of Clydeplan and the Glasgow and the Clyde Valley Housing Market Partnership (GCVHMP).

1.2 Matters detailed include the approach to the translation of the Housing Estimates/Adjusted Housing Estimates derived from the HNDA, to Housing Supply Targets (HST) and the Housing Land Requirement (HLR). Additionally this report provides a summary of the key issues identified in the HNDA in relation to matters such as housing need, specialist provisions, intermediate housing products and their implications for housing policy. An important part of the context for this report is the appraisal of the HNDA undertaken by the Centre for Housing Market Analysis (CHMA) dated 5th March 2015 (CHMA - Clydeplan Appraisal 5th March 2015) which summarised key findings of the HNDA and identified potential considerations for Local Housing Strategies and Development Plans.

1.3 The principal policy and guidance context is provided by:

- Scottish Planning Policy (2014);
- Circular 6/2013: Development Planning
- HNDA Practitioners and Manager Guide (2015), and,
- Local Housing Strategy Guidance (August 2014).

1.4 Key evidence sources include:

- Clydeplan SDP, Main Issues Report Monitoring Statement 2015;
- Clydeplan SDP, Main Issues Report 2015;
- Housing Need and Demand Assessment 2015 including
  - HNDA Technical Report 06 (TR06) 'The Approach to Existing Need'.
  - HNDA Technical Report 07 (TR07) 'Strategic Housing Estimates - Methodology and Results'
- CHMA Clydeplan Appraisal (5th March 2015)
- Housing Land Audit 2013
- Urban Capacity Study 2013

2 Comparison with Previous Housing Need and Demand of June 2011 (HNDA1)

2.1 The previous HNDA of June 2011 was undertaken under the policy and guidance regime at that time and utlised an approach which differs from HNDA2 in a number of respects.

2.2 Whilst HNDA2 utilised the HNDA Tool developed by the CHMA, HNDA1 used a 'gross stock flows approach' that considered market demand and social need sectors separately; a behavioural affordability model developed by economic consultants, Tribal/Optimal Economics; an approach to existing (backlog) need founded in a traditional housing need assessment that measured needs that could be met in situ as well as those requiring a net addition to the housing stock; and an established GCV population and household projection model.

2.3 The resulting estimates produced by HNDA1, particularly in respect of existing need, differ significantly from those produced by HNDA2. HNDA1 produced an estimate of existing need which included in situ need of 85,000 whilst HNDA2 estimated existing need requiring a net new unit at 11,700.

2.4 Using the HNDA Tool estimates to develop the required HSTs for this plan exercise, the authorities have developed significant comfort and joint support for the resulting targets which are considered realistic and deliverable.

2.5 Although HNDA1 and HNDA2 differed in the above respects, there were also many similarities in the identification of themes in HNDA1 that have been borne out in HNDA2 on matters such as the economy, demographics, social trends and tenure (refer Conclusions).

3 Estimating Housing Need and Demand

3.1 In relation to the estimation of housing need and demand, the relevant time periods for the SDP are, from the base year of the projection 2012, to years seven, twelve and twenty from SDP approval in 2017, i.e. to 2024, 2029 and 2037, respectively. The years 2024 and 2029 are key as it as at these years that a 5 and 10 year land supply for the Local Development Plans (LDPs), is required. The SDP also gives consideration to the general direction for the longer term recognising that the SDP and related HNDA are reviewed every 5 years with an updated assessment of housing requirements.

3.2 The HNDA Tool developed by the CHMA has been used to produce "broad long run estimates" using the 2012-based NRS Household Projections and a range of economic and demographic assumptions about the likely future performance of the housing market evidenced through an analysis of market conditions described within the HNDA report. In this context HNDA Chapter 3, *'Key Housing Market Drivers'* is particularly relevant, along with the approach to existing need described in the HNDA Technical Report 06 (TR06) '*The Approach to Existing Need'*.

3.3 The housing estimates produced for this HNDA differ significantly from the previous HNDA as a result of:

- the use of the most up to date National Records of Scotland population and household forecasts which reflect changes in the economy;
- the use of the HNDA Tool provided by the CHMA which estimates future housing need and demand based on factors including household formation, income and house prices; and,
- the adoption of a different approach to backlog need as an input to the model to reflect only that need which requires a new house.

3.4 These key differences have resulted in overall lower estimates of need and demand and a different tenure balance. The lower estimates are primarily due to much lower estimated backlog need whilst the tenure balance reflects the way that the model operates, producing higher estimates of social and below market rent relative to owner occupation, compared with existing tenure balances.

3.5 The full detail of estimating need and demand is described in the HNDA Chapter 5, *'Estimating the Need and Demand for New Housing'* and the following summarises the estimates of need and demand that have been derived and how these were utilised to set the Housing Supply Targets, and the Housing Land Requirement.

4 Tenure

4.1 Throughout this report, the tenure splits presented are for the private and social sectors. The private sector comprises owner occupied and private rent, whilst the social sector comprises social rented plus below market rent. These categories align with the CHMA HNDA Tool outputs and terminology. For the purposes of consistency with Scottish Planning Policy, the private and social sectors can be taken to broadly align with market and affordable respectively. However the social category does not include some private sector affordable products such as shared equity and low cost home ownership. For this reason the term "social and affordable" is used to capture social housing and private sector affordable housing.

4.2 Different analytical approaches have been developed to reflect the different geographical frameworks for private and social sector housing. The social sector is based on Local Authority boundaries, which is the geography within which this housing need generally presents and is met. The private sector is based on a Housing Market Area framework (Diagram 2) which reflects how housing choices are exercised across administrative boundaries.

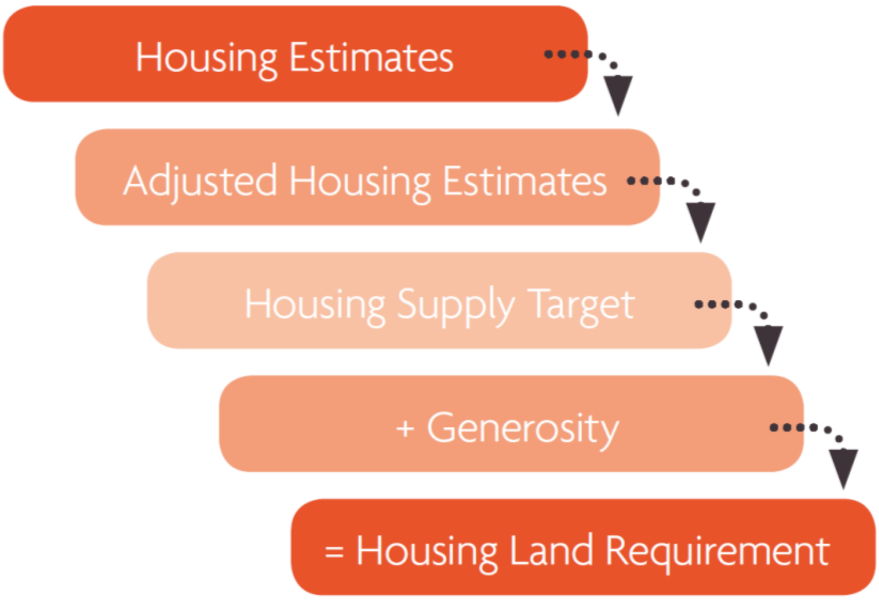
5 Setting the Housing Land Requirement

5.1 Within the aforementioned policy context, the GCV Housing Market Partnership (HMP) and the SDPA, have prepared and jointly agreed the HSTs and set the HLR including the addition of generosity. The HLR is now reflected in the SDP Proposed Plan and will become the basis for the land supplies and related provisions for the LDPs and LHSs. This exercise was undertaken during 2015, reflecting the feedback from stakeholders through the Main Issues Report consultation early in 2015 and reported to Clydeplan Joint Committee in June 2015.

5.2 The process by which the Housing Land Requirement has been derived is represented in Diagram 1. Each of these stages is described in the following sections 6-11 with the resultant Housing Land Requirement set out in Figure 6.

5.3 Using the HNDA Tool, Stage 1 Housing Estimates were produced at local authority geography. These Stage 1 estimates were then adjusted to account for how private sector movers exercise choice within the HMA which produced Stage 2 adjusted results. The Stage 2 adjusted results were then used as the input to develop the Housing Supply Targets which set out the estimated level of additional housing aimed to be delivered on the ground, over the period of the plan.

Diagram 1 – Housing Land Requirement Process



NB: (Adjusted Housing Estimates and Generosity applies to the private sector only)

6 Housing Estimates (Stage 1)

6.1 The HNDA Tool for the city region produces estimates at local authority geography for four tenure categories: owner occupied, private rent, below market rent and social rent. These four categories have been grouped into two principal categories of private and social sectors.

6.2 Three demographic scenarios were considered for the future growth of the city region: Low Migration, High Migration and Sustained Growth and through the HNDA Tool these scenarios produced a range of Housing Estimates as detailed in Figure 1.

Figure 1 - Housing Estimates by Tenure 2012-2029

Scenario	Tenure				
	Social Sector (Social Rented and Below Market Rent)	**%**	**Private Sector** (Owner Occupied and Private Rent)	**%**	**Total**
Sustained Growth	**39,400** **2,300 pa**	**43**	**52,500** **3,100 pa**	**57**	**91,900** **5,400 pa**
High Migration	38,300 2,300 pa	36	69,000 4,000 pa	64	107,300 6,300 pa
Low Migration	33,600 2,000 pa	44	42,400 2,500 pa	56	76,000 4,469 pa
pa: per annum					

Totals may vary due to rounding

6.3 Based on the economic and demographic drivers impacting on the city region as documented in the economic outlook report (Background Report 1) and the HNDA (Background Report 2), particularly in relation to the assumptions of modest economic growth and modest increases for incomes and house prices a number of the economic indicators pointed towards more muted growth than proposed under the previous SDP.

6.4 Taking this evidence into account, along with the feedback from the Main Issues Report Consultation, the Sustained Growth scenario, based on the NRS 'Principal Projection', is considered to provide the most reasonable and realistic scenario upon which to base the future planning for the strategic housing land requirements for the city region and will enable Clydeplan to plan for more ambitious growth than the evidence suggests may occur i.e. a number of the economic forecasts suggested lower growth than the Principal Projection. However the Sustained Growth Scenario was used as the basis upon which to set the Housing Supply Targets and Housing Land Requirement and that process enabled additional allowances for ambition and growth to be factored in (see HSTs).

6.5 The Sustained Growth scenario includes an estimate of 11,700 households in existing need and uses assumptions on house prices and incomes as an affordability input to the Tool, in order to model a set of household projections by tenure. This estimate of existing need (11,700) is higher than the Tool default using the Homelessness and Temporary Accommodation Pressure (HaTaP) method at just over 4,000. Therefore this has resulted in an increase in the estimation of new households of over 7,000 units to 91,900 (see HNDA Technical Report 06 (TR06) 'The Approach to Existing Need')

6.6 These estimates were regarded as the Stage 1 estimates for the private sector. Details of the Stage 2 adjustment are provided in Section 7, *Private Sector Adjusted Housing Estimates (Stage 2).*

6.7 Housing need in the social and below market rent sector, presents and is administered at local authority geographies. It is at this scale that this need generally is met through local authority housing services, strategies and related budgetary provisions. For the social sector therefore, estimates of housing need from the HNDA Tool, are presented at local authority geography as are the targets and the land requirement for this sector. The social estimates including the 11,700 estimated in existing need and unable to meet their needs in the market, results in a total estimate of need of 39,400 in the GCV area over the 2012-29 period.

6.8 Stage 1 (refer Figure 2) produces an all-tenure estimate of need and demand for the period, 2012 to 2029 of 91,900 units, approximately 5,400 per annum over 17 years: 52,500 in the Private sector and 39,400 in the Social Rented and Below Market Rent sector (SR&BMR).

Figure 2: Stage 1, HNDA Tool Housing Estimates by Local Authority

	Household Change by Tenure								
Source: HNDA Fig 5.4	**2012-2024**			**2024-2029**			**2012-2029**		
LA	SR&BMR	Private	Total	SR&BMR	Private	Total	SR&BMR	Private	Total
East Dunbartonshire	626	916	1,542	-7	-14	-21	619	902	1,521
East Renfrewshire	910	1,976	2,886	281	696	977	1,191	2,672	3,863
Glasgow City	17,964	18,931	36,895	5,712	7,950	13,662	23,676	26,881	50,557
Inverclyde	-134	-602	-736	-280	-584	-864	-414	-1,186	-1,600
North Lanarkshire (BN 10 years)	4,699	7,255	11,954	770	2,045	2,815	5,469	9,300	14,769
Renfrewshire	2,138	3,949	6,087	375	871	1,246	2,513	4,820	7,333
South Lanarkshire	4,774	6,823	11,597	763	1,798	2,561	5,537	8,621	14,158
West Dunbartonshire	748	557	1,305	-21	-32	-53	727	525	1,252
GCV Total	**31,725**	**39,805**	**71,530**	**7,593**	**12,730**	**20,323**	**39,318**	**52,535**	**91,853**

Source: HNDA Figure 5.4, HNDA Tool results 2014, including net increase in households 2012-29 (80,125) and existing need (11,727)
SR&BMR - Social Rented and Below Market Rent
Private - Private Rented Sector plus Owner Occupied
Private Figures were subject to a Stage 2 adjustment as described in the following.
Totals may vary due to rounding

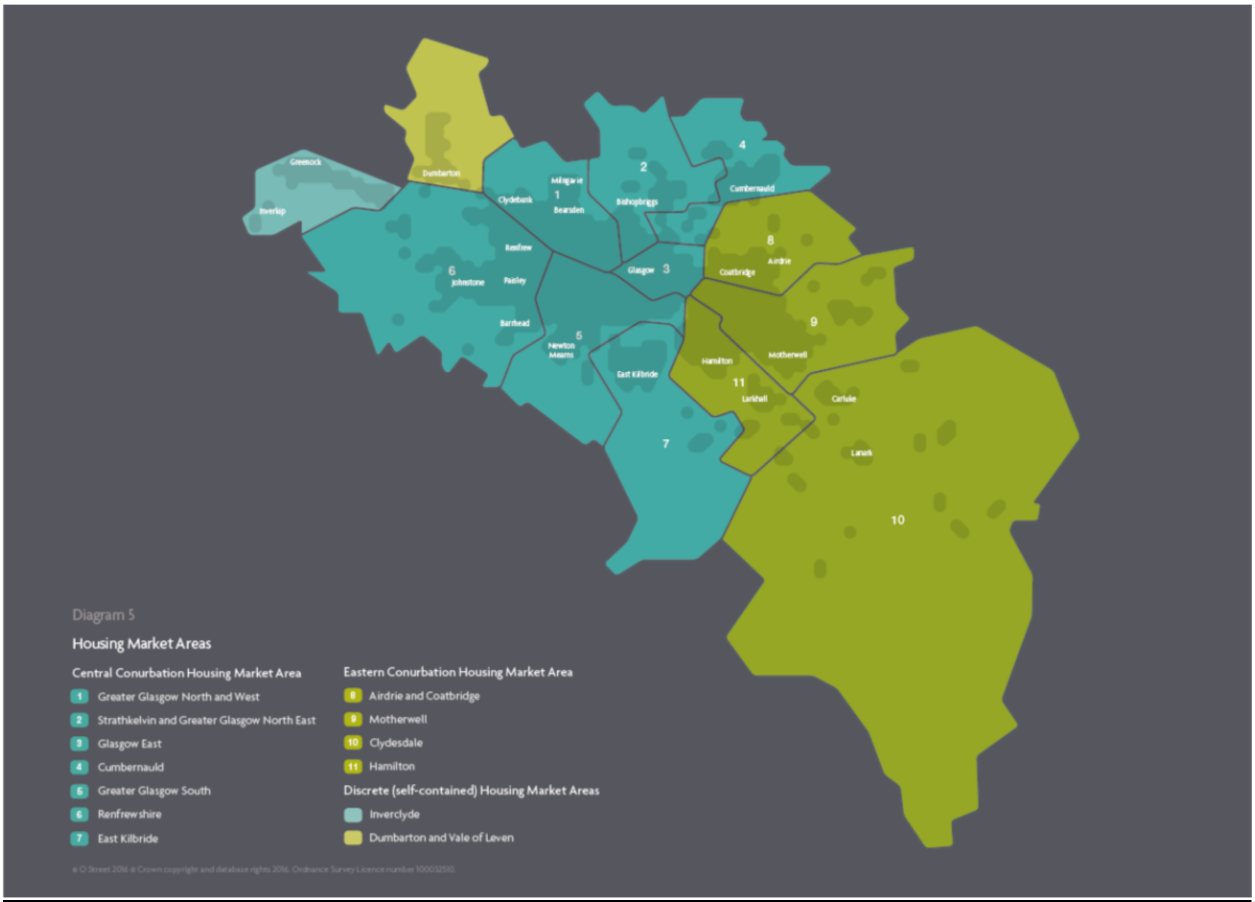
7 Private Sector Adjusted Housing Estimates (Stage 2)

7.1 Using the above Stage 1 housing estimates from the HNDA Tool, the demand estimated for private sector housing has been considered against an estimate of all future stock and supply, enabling a comparison of future estimated demand with all future estimated stock. This is sometimes referred to as an all stock/all households method. This calculation was undertaken within the housing market area framework to reflect how in reality the private sector operates, with home buyers moving house and exercising choice irrespective of local authority boundaries. Within those house movers, some are fully mobile and prepared to move across housing market areas and this is known as mobile demand.

7.2 A key purpose of this Stage 2 adjustment is to apportion that mobile demand within the housing market area framework (Diagram 2) and this resulted in:

- the apportionment of over 6,000 units of mobile demand away from Glasgow and added to neighbouring authorities within the connected HMAs;
- adjusted estimates which are higher for the private sector than the housing estimates from the Tool (55,407 compared with 52,535 for the 2012-29 period, this being a 5% increase from the Tool housing estimates); and
- an overall increase in All Tenure figure for the 2012-29 period from 91,853 units to 95,139 units (this being a 3.6% increase).

Diagram 2: Housing Market Area Framework



7.3 The adequacy of the private effective stock (including the projected land supply), was compared with the estimated local and mobile demand within the city region HMA framework at the time periods 2024 and 2029. The results of this exercise are provided in Appendix A, and demonstrate surpluses of land in all tiers of the market area framework. This exercise was undertaken during the preparation of the Main Issues Report and enabled the conclusion to be drawn, that there was sufficient land available and that no significant alteration to the Plan strategy was required, subject to further review following the Main Issues Report consultation responses and the setting of the final Housing Supply Targets. A further assessment of the adequacy of the land supply when compared against the Housing Supply Targets was undertaken to inform the Proposed Plan (Refer Section 12, The Strategic Land Supply).

7.4 The results generated from the all stock/all households method, within the HMA Framework, were then estimated to local authority geography (TR07, Annex 4), and are presented below (Figure 3) and it was these adjusted housing estimates that were utilised as the basis for the development of the Housing Supply Targets.

7.5 No adjustment for mobile demand was applied to the social sector and the estimates of need at Local Authority geography from the Tool (i.e. the Stage 1 estimates) were used apart from in the case of Inverclyde where positive adjustments were made to the negative Tool estimates (arising from the NRS Projections) to reflect Inverclyde's repopulation agenda. This increased the social sector estimates from 39,318 to 39,732 for the 2012-29 period.

7.6 For full details of the adjustments, refer to the HNDA 2015 and its Technical Report 07 (TR07) Strategic Housing Estimates - Methodology and Results.

Figure 3: Stage 2, Adjusted Housing Estimates by Local Authority

	Household Change by Tenure								
Source : HNDA Fig 5.13	**2012-2024**			**2024-2029**			**2012-2029**		
LA	SR&BMR	Private	Total	SR&BMR	Private	Total	SR&BMR	Private	Total
East Dunbartonshire	626	1,608	2,234	-7	23	16	619	1,631	2,250
East Renfrewshire	910	2,035	2,945	281	560	841	1,191	2,595	3,786
Glasgow City	17,964	15,008	32,972	5,712	5,619	11,331	23,676	20,627	44,303
Inverclyde	0	29	29	0	-2	-2	0	27	27
North Lanarkshire (BN 10 years)	4,699	8,963	13,662	770	3,579	4,349	5,469	12,542	18,011
Renfrewshire	2,138	4,967	7,105	375	814	1,189	2,513	5,781	8,294
South Lanarkshire	4,774	7,921	12,695	763	2,733	3,496	5,537	10,654	16,191
West Dunbartonshire	748	1,229	1,977	-21	321	300	727	1,550	2,277
GCV Total	**31,859**	**41,760**	**73,619**	**7,873**	**13,647**	**21,520**	**39,732**	**55,407**	**95,139**

Source: HNDA Figure 5.13
SR&BMR - Social Rented and Below Market Rent
Private - Private Rented Sector plus Owner Occupied
Totals may vary due to rounding
NB: The SR&BMR are not adjusted from the Stage 1 estimates apart from in the case of Inverclyde where positive adjustments were made to the negative Tool estimates (arising from the NRS Projections) to reflect Inverclyde's repopulation agenda.

8 Housing Supply Targets (HST)

8.1 The Stage 2 Adjusted Housing Estimates for the Private Sector, and Stage 1 Housing Estimates for the Social Sector, in the above Figure 3 were utilised as the starting point for the development of the Housing Supply Targets

8.2 Scottish Planning Policy at Paragraph 115 defines the HST as, "…..*a policy view of the number of homes the authority has agreed will be delivered in each housing market area over the periods of the development plan and local housing strategy…"* and that the target, *"should be reasonable, should properly reflect the HNDA estimate of housing demand in the market sector, and should be supported by compelling evidence."*

8.3 The HNDA Managers Guide, Section 13 'Beyond the HNDA - Housing Supply Targets' indicates that local authority housing and planning departments should work within the Housing Market Partnership to jointly agree the HST. The guidance provides eight examples of factors to be taken into account in setting targets that are "deliverable on the ground". It states that 'Consideration of these types of factors could result in a HST figure which may be lower or higher than the housing estimate in the HNDA.' The GCV have taken the eight factors into account and added two additional criteria these being environmental and social considerations. The full list of factors is therefore:

- *Environmental factors;*
- *Social factors;*
- *economic factors which may impact on demand and supply*
- *capacity within the construction sector*
- *the potential inter-dependency between delivery of market and affordable housing at the local level*
- *availability of resources*
- *likely pace and scale of delivery based on completion rates*
- *recent development levels*
- *planned demolitions*
- *planned new and replacement housing or housing brought back into effective use.*

9 Implications of Factors in setting Housing Supply Targets

9.1 In order to consider the implications of these factors, and to develop a consistent methodology across the eight local authorities of the GCVHMP, a template (Figure 4) was developed to identify the likely influences on the Private and Social sectors separately, reflecting the different way in which they operate. The template allowed the recording of whether a factor was likely to increase, decrease or have a neutral impact on the Housing Estimates and the reasons for this.

9.2 The key considerations and their impact on the Adjusted Housing Estimates is provided in the following the tables.

Figure 4: Housing Supply Target Template

Factors	Description	Private sector* (+/-)	Evidence	SR&BMR Sector (+/-)	Evidence
Housing Estimates (social sector) /Adjusted Housing Estimate (private sector)					
Judgement-based factors	**1.** environmental factors				
	2. social factors				
	3. economic factors which may impact on demand and supply				
	4. capacity within the construction sector				
	5. the potential inter-dependency between delivery of market and affordable housing at the local level				
	6. availability of resources				
	7. likely pace and scale of delivery based on completion rates				
	8. recent development levels				
Stock Projection factors	**9.** Planned demolitions				
	10. Housing brought back into effective use				

Implications of Factors 1-10

Factor 1: environmental factors	
Key Considerations and Evidence:	• SDP and LDP Strategies • Strategic Environmental Assessments • State of Environment Reports • Sustainable Development Strategies • Capability of area to absorb development • Flooding and Drainage Considerations • Green Belt Boundary Reviews
Significance of impact on the Housing Estimates	SR&BMR Mainly neutral impact Private Mainly neutral impact

Factor 2: social factors	
Key Considerations and Evidence:	• Single Outcome Agreements • Demographics and the Ageing Population • Repopulation Agenda • Policies on Housing Mix • Policies on Affordable Housing • Stock pressures • Welfare Reform • Settlement profiles
Significance of impact on the Housing Estimates	SR&BMR Positive impact Private Significant positive impact for authorities promoting repopulation and growth agendas higher than estimates using the HNDA Tool and NRS household forecasts.

Factor 3. economic factors which may impact on demand and supply	
Key Considerations and Evidence:	• SDP and LDP Strategies • Local Economic Strategies • GCV CPP Economic Strategy • HNDA, TR03 Oxford Economics Report • City Deal • Census 2011 • SLIMS • Recent development activity/housing completions and outlook • Housing Land Audits • Incomes and house prices • Right to Buy • Tenure Estimates
Significance of impact on the Housing Estimates	SR&BMR Mainly neutral impact Private Positive impact particularly in areas where housing completion rates were improving and City Deal is expected to have a positive impact, improving economic performance particularly in the longer term period 2024-29.

Factor 4: capacity within the construction sector	
Key Considerations and Evidence:	• Housing Land Audit • Past Completions • Scottish Government statistics • CHMA bulletins
Significance of impact on the Housing Estimates	SR&BMR Mainly neutral impact Private Mainly neutral impact

Factor 5: the potential inter-dependency between delivery of market and affordable housing at the local level	
Key Considerations and Evidence:	• SDP and LDP strategies • LHS • Strategic Housing Investment Plan • Strategic Local Programme • Housing Land Audit • Affordable Housing Policies • Development Briefs and Masterplans
Significance of impact on the Housing Estimates	SR&BMR Mainly neutral impact Private Mainly neutral impact

Factor 6: availability of resources	
Key Considerations and Evidence:	• SDP and LDP • Action Programmes • Development Briefs and Masterplans • Developer Contributions • Affordable Housing Policies • LHS • Strategic Housing Investment Plan • Strategic Local Programme • Resource Planning Assumptions • City Deal • Housing Land Audit • Past Completions
Significance of impact on the Housing Estimates	SR&BMR Significant negative impact for most authorities based on the likely availability of resources and the need to reflect realistic and deliverable Private Significant positive impact for most authorities who having reduced the social sector targets, made a consequential increase to the private sector target.

Factor 7: likely pace and scale of delivery based on completion rates	
Key Considerations and Evidence:	• Housing Land Audit • Recent and longer term completions • Planning Applications • Developer Interests • Masterplans and Development Briefs • Strategic Housing Investment Plan • Strategic Local Programme
Significance of impact on the Housing Estimates	SR&BMR Mainly neutral impact Private Mainly positive impact based on views on past performance and likely future performance

Factor 8: recent development levels	
Key Considerations and Evidence:	As for Factor 7
Significance of impact on the Housing Estimates	SR&BMR Mainly neutral impact Private Mainly positive impact

Factor 9. Planned demolitions	
Key Considerations and Evidence:	• LHS • SHIP • Social housing planned demolitions
Significance of impact on the Housing Estimates	SR&BMR Slight positive impact Private No impact as already accounted for in arriving at the Adjusted Housing Estimates which accounted for projected stock (See HNDA 2015, TR07)

Factor 10. Housing brought back into effective use	
Key Considerations and Evidence:	• LHS • LDP • SHIP • Social housing programme • Empty Homes Schemes • Specific local re-provisioning programmes
Significance of impact on the Housing Estimates	SR&BMR Slight positive impact Private No impact as already accounted for in arriving at the Adjusted Housing Estimates which accounted for projected stock (See HNDA 2015, TR07)

10 Summary and Resultant Housing Supply Targets

10.1 Taking the above factors into consideration has resulted in overall negative adjustments to the social sector to adjust for the likely availability of resources, a more even spread of the social sector across the planning periods, positive adjustments to the private sector and a consequential positive adjustment to the overall all tenure housing supply targets (See Figure 5). Again there are differences in how the social and private tenures are treated.

Social Sector

10.2 Housing Supply Targets are set for the social sector at local authority geography and reflect realistic and deliverable estimates taking account of Local Housing Strategies, Strategic Housing Investment Plans and related resource planning assumptions. Given that the HNDA Tool estimates for this sector were a high proportion of the total housing estimates, 43% of GCV Totals (refer Figure 1), the setting of realistic and deliverable HSTs means that the social sector is nearly 8,500 units lower than the HNDA Tool estimates for the 2012 to 29 period. These units have generally been transferred to the private sector in the expectation that other affordable products and unmet social need will be delivered by the private sector. The scale of need continues to justify the application of interventions such as affordable housing policies.

10.3 These adjustments have resulted in a reduction from the estimates in the social sector targets, and contributed to an increase in the private sector targets.

Private Sector

10.4 HSTs for the private sector have been developed at the market area geography in addition to local authority geography. A number of adjustments have been applied to the HNDA Stage 2 adjusted housing estimates for the private sector including:

- Transfer of need from the social to the private sector described above;
- Increases in the private sector to better reflect past completions, anticipated levels of delivery and the recognition of the important contribution that housing makes to the city region's communities and economy;
- Increases to reflect population and economic growth ambitions.

10.5 All of the foregoing adjustments, have had the combined effect of increasing the HNDA Stage 1 Housing Estimates for the private sector by 33% from 52,500 to 69,700 for the 2012-29 period.

10.6 For ease of reference the Stage 1 Housing Estimates and Stage 2 Adjusted Housing Estimates are repeated overleaf, together with Figure 5 showing the resultant Housing Supply Targets.

For ease of reference the Stage 1 and Stage 2 Estimates are repeated here.

Stage 1, HNDA Tool Housing Estimates by Local Authority (Figure 2)

Source: HNDA Fig 5.4	Household Change by Tenure								
	2012-2024			2024-2029			2012-2029		
LA	SR&BMR	Private	Total	SR&BMR	Private	Total	SR&BMR	Private	Total
East Dunbartonshire	626	916	1,542	-7	-14	-21	619	902	1,521
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GCV Total	**31,725**	**39,805**	**71,530**	**7,593**	**12,730**	**20,323**	**39,318**	**52,535**	**91,853**

Source: HNDA Figure 5.4
HNDA Tool results 2014, including net increase in households 2012-29 (80,125) and existing need (11,727)
SR&BMR - Social Rented and Below Market Rent
Private - Private Rented Sector plus Owner Occupied
Private Figures were subject to a Stage 2 adjustment as described in the following.
Totals may vary due to rounding

Stage 2, Adjusted Housing Estimates by Local Authority (Figure 3)

Source : HNDA Fig 5.13	Household Change by Tenure								
	2012-2024			2024-2029			2012-2029		
LA	SR&BMR	Private	Total	SR&BMR	Private	Total	SR&BMR	Private	Total
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East Renfrewshire	910	2,035	2,945	281	560	841	1,191	2,595	3,786
Glasgow City	17,964	15,008	32,972	5,712	5,619	11,331	23,676	20,627	44,303
Inverclyde	0	29	29	0	-2	-2	0	27	27
North Lanarkshire (BN 10 years)	4,699	8,963	13,662	770	3,579	4,349	5,469	12,542	18,011
Renfrewshire	2,138	4,967	7,105	375	814	1,189	2,513	5,781	8,294
South Lanarkshire	4,774	7,921	12,695	763	2,733	3,496	5,537	10,654	16,191
West Dunbartonshire	748	1,229	1,977	-21	321	300	727	1,550	2,277
GCV Total	**31,859**	**41,760**	**73,619**	**7,873**	**13,647**	**21,520**	**39,732**	**55,407**	**95,139**

Source: HNDA Figure 5.13
SR&BMR - Social Rented and Below Market Rent
Private - Private Rented Sector plus Owner Occupied
Totals may vary due to rounding

NB: The SR&BMR are not adjusted from the Stage 1 estimates apart from in the case of Inverclyde where positive adjustments were made to the negative Tool estimates (arising from the NRS Projections) to reflect Inverclyde's repopulation agenda.

Figure 5: All Tenure Housing Supply Targets by Local Authority

	Household Change by Tenure								
	2012-2024			2024-2029			2012-2029		
LA	SR&BMR	Private	Total	SR&BMR	Private	Total	SR&BMR	Private	Total
East Dunbartonshire	626	1,608	2,234	-7	23	16	619	1,631	2,250
East Renfrewshire	540	2,269	2,809	225	752	977	765	3,021	3,786
Glasgow City	12,000	17,972	29,972	5,000	7,581	12,581	17,000	25,553	42,553
Inverclyde	1,100	2,050	3,150	400	850	1,250	1,500	2,900	4,400
North Lanarkshire	2,640	10,080	12,720	1,100	4,200	5,300	3,740	14,280	18,020
Renfrewshire	1,800	6,047	7,847	750	1,264	2,014	2,550	7,311	9,861
South Lanarkshire	2,640	9,120	11,760	1,100	3,335	4,435	3,740	12,455	16,195
West Dunbartonshire	960	1,800	2,760	400	750	1,150	1,360	2,550	3,910
GCV Total	**22,306**	**50,946**	**73,252**	**8,968**	**18,755**	**27,723**	**31,274**	**69,701**	**100,975**

Source: GCVHMP
SR&BMR - Social Rented and Below Market Rent
Private - Private Rented Sector plus Owner Occupied
Totals may vary due to rounding

11 Generosity and the Strategic Housing Land Requirement (HLR)

11.1 As indicated in SPP, plans should indicate the number of new homes to be built over the plan period. This figure should be increased by a margin of 10 to 20% to establish the housing land requirement, in order to ensure that a generous supply of land for housing is provided. SPP states that the exact extent of the margin will depend on local circumstances, but a robust explanation for it should be provided in the plan.

11.2 Given that the social sector target has already been substantially reduced from the housing estimate based on the authorities' views on resource planning assumptions, there was a consensus that no generosity should be added to that target. To do so was considered artificial and would not reflect the intention that the Housing Supply Targets are to be "deliverable". This results in a housing land requirement, which is the same as the housing supply target for this tenure.

11.3 In the private sector, generosity has been added to the housing supply target at 10% resulting in a housing land requirement set out in Figure 6 below. This target was set and agreed by the eight authorities mindful of the context which includes a generous existing all tenure land supply of over 117,000 units for the 2012-29 period (which provides 16% flexibility on the HST), combined with an agreed need to redouble the focus on the regeneration agenda supported by the introduction of the City Deal funding.

11.4 The private sector total land supply (99,735) is significantly higher (43%) than the housing supply target (69,701), and therefore land is not cnsidered a significant impediment to delivery in the GCV area. In this context a 10% generosity level has been agreed by the Clydeplan authorities and is considered will provide additional flexibility within the private sector housing land requirement, whilst not detracting from the urban regeneration strategy and delivery focus of the Plan.

11.5 Having made all of the adjustments described in the foregoing, which have involved reductions and adjustments to the social sector, increases to the private sector (including the 10% generosity added to the HST), the all tenure land requirement is set out in Figure 6 below. The resultant Housing Land Requirement is higher than the High Migration Scenario for the private and all tenure totals 2012-29. The total existing land supply for the plan period to 2029 is provided in Figure 6 and further detail is provided in Section 12. The breakdown by local authority is provided in Figure 7 although for the private sector, the requirement should be met across functional market areas as detailed in Figure 9.

Figure 6 City Region Housing Supply Targets and Housing Land Requirement

Clydeplan Totals		2012-2024			2024-2029			2012-2029		
		SR&B MR	Private	Total	SR&B MR	Private	Total	SR&B MR	Private	Total
Housing Estimates Sustained Growth Scenario	Total	31,725	39,805	71,530	7,593	12,730	20,323	39,318	52,535	91,853
	pa	2,644	3,318	5,962	1,519	2,546	4,065	2,314	3,090	5,404
Adjusted Housing Estimates	Total	31,859	41,760	73,619	7,873	13,647	21,520	39,732	55,407	95,139
	pa	2,655	3,480	6,135	1,575	2,731	4,306	2,338	3,260	5,598
Housing Supply Targets	Total	22,306	50,946	73,252	8,968	18,755	27,723	31,274	69,701	100,975
	pa	1,859	4,246	6,105	1,794	3,751	5,545	1,839	4,101	5,940
Housing Land Requirement (inc.10% generosity Private)	Total	22,306	56,041	78,347	8,968	20,631	29,599	31,274	76,671	107,945
	pa	1,859	4,670	6,529	1,794	4,126	5,920	1,839	4,510	6,350
Housing Land Supply (See Figure 8)	Total	**15,702**	**70,834**	**86,536**	**2,171**	**28,901**	**31,072**	**17,873**	**99,735**	**117,608**
	pa	1,309	5,903	7,211	434	5,780	6,214	1,051	5,867	6,918

SR&BMR - Social Rented and Below Market Rent
Private - Private Rented Sector plus Owner Occupied
Totals may vary due to rounding

Figure 7 City Region Housing Land Requirement by Local Authority (including a 10% adjustment to the Private Housing Supply Target)

Housing Land Requirement by Local Authority Including a 10% adjustment to the Private Sector HSTs										
		2012-2024			2024-2029			2012-2029		
Local Authority		SR&BMR	Private	Total	SR&BMR	Private	Total	SR&BMR	Private	Total
East Dunbartonshire		626	1,769	2,395	-7	25	18	619	1,794	2,413
East Renfrewshire		540	2,496	3,036	225	827	1,052	765	3,323	4,088
Glasgow City		12,000	19,769	31,769	5,000	8,339	13,339	17,000	28,108	45,108
Inverclyde		1,100	2,255	3,355	400	935	1,335	1,500	3,190	4,690
North Lanarkshire		2,640	11,088	13,728	1,100	4,620	5,720	3,740	15,708	19,448
Renfrewshire		1,800	6,652	8,452	750	1,390	2,140	2,550	8,042	10,592
South Lanarkshire		2,640	10,032	12,672	1,100	3,669	4,769	3,740	13,701	17,441
West Dunbartonshire		960	1,980	2,940	400	825	1,225	1,360	2,805	4,165
GCV Total	**Totals**	**22,306**	**56,041**	**78,347**	**8,968**	**20,631**	**29,599**	**31,274**	**76,671**	**107,945**
	P/A	**1,859**	**4,669**	**6,528**	**1,794**	**4,126**	**5,920**	**1,839**	**4,510**	**6,349**

SR&BMR - Social Rented and Below Market Rent
Private - Private Rented Sector plus Owner Occupied
Totals may vary due to rounding

12 The Strategic Land Supply

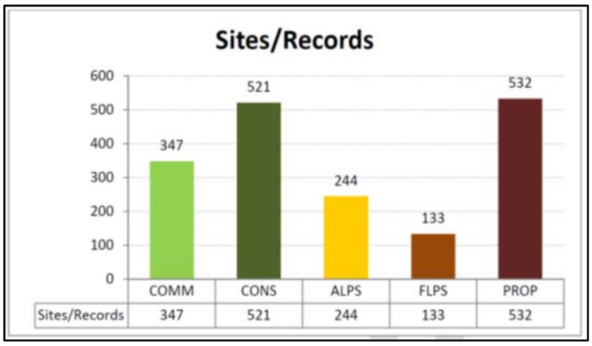
12.1 For the purposes of strategic planning, it is necessary to consider the longer term supply of land available to meet housing need and demand for the planning periods from the base year of 2012 to 2024 and 2029. Housing Land Audits in the GCV area estimate the programming of housing sites for a seven year period. To consider the longer term programming of existing housing sites and potential new sites, an urban capacity study was undertaken in 2013. The urban capacity study programmes the residual capacity of HLA sites in the post 7 year period and identifies additional new potential housing land sites. The two sources together, the HLA and the UCS, provide an estimate of the future existing planned supply as detailed in Figure 8.

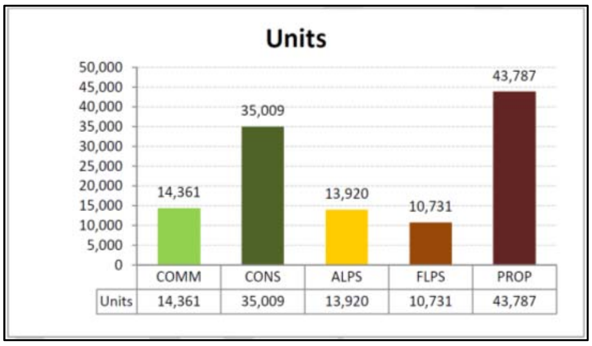
Figure 8: Combined All Tenure Land Supply 2013

Source	2012-13 Completions	2013-20	2020-24	2025-29	Total 2012-29	2029-37	Total 2012-37
HLA Totals	4,510	45,768	0	0	50,278	0	50,278
UCS: HLA Sites		0	26,634	20,488	47,122	21,835	69,022
UCS: Non HLA Sites		3,484	6,140	10,584	20,208	12,446	32,589
HLA + UCS Totals	**4,510**	**49,252**	**32,774**	**31,072**	**117,608**	**34,281**	**151,889**
	86,536						

Source:
Background Report 7, Land Supply for Housing Monitoring Report 2013
Background Report 9, Urban Capacity Study 2013

12.2 There is a substantial supply of land for housing in the Clydeplan area, with just under 118,000 all tenure units (social and private) programmed in the 2012-29 period and more than 34,000 additional units identified into the longer term to 2037. The land supply comprises committed sites where a start has been made (350 sites, 14,350 units), uncommitted sites with planning permission (520 sites, 35,000 units), sites in Local Development Plans (240 sites, 13,900 units) and other proposed housing sites (665 sites, 54,500 units).





Source: 2013 Housing Land Audit

12.3 The Community Growth Areas, largely greenfield releases released through the 2006 Structure Plan, are an element of the longer term supply but comprise only a small proportion (11%) of land regarded as effective in the shorter term period. The total supply regarded as effective is 45,800 which is supplemented by an estimated 3,500 units that may come forward through the UCS and there is a range and choice of brownfield and green field sites in a variety of locations around the city region.

12.4 Further to the initial test of the land supply at the Main Issues Report stage using the all stock/all households method (refer Section 7, Private Sector Adjusted Housing Estimates), to inform the Proposed Plan a further test of the adequacy of the land supply has been undertaken using the Housing Supply Targets (plus generosity) at Housing sub market area and at Local Authority Level.

12.5 The private sector Housing Land Requirement should be met at Housing Sub-Market Area to provide for local and mobile housing demand as set out in Figure 9. To undertake the assessment of the adequacy of the land supply compared with the Land Requirement, the HSTs plus 10% generosity were aggregated to Housing Sub Market Area geography. The results are provided in Figures 9 and 10 indicate no shortfalls at local authority level but a potential shortfall emerging in the Airdrie and Coatbridge sub market area which will require to be addressed through the emerging Local Development Plan for that area.

12.6 Figure 6 outlines a potential shortfall of land for social housing of over 13,400 units i.e. 2012-29 Housing Land Supply minus Housing Land Requirement (31,274 - 17,873). However, there is a surplus in the private sector of over 23,000 units (99,735 -76,671) and in the all tenure land supply overall, of over 9,600 units (117,608 - 107,945). There is a more than adequate supply of housing land across all the SDPA area. The potential shortfall in the social sector will be met through the private sector land supply including through the application of affordable housing policies, along with sites that come forward to meet the social sector requirement as detailed in the following.

12.7 From the experience of the GCVHMP gained from monitoring previous Housing Land Audits, the land supply for the social sector is known to be windfall and resource driven. It is under-reported, being often limited to known sites in the land supply for the shorter term period for which funding for social housing exists. Programming of sites in the social sector, particularly for the medium to longer term, is at lower levels than is likely to be delivered. This sector is often reliant on windfall sites which enter Housing Land Audits closer to the point of delivery as a result of a number of factors including: the effect of the five year horizon used for resource planning in Strategic Housing Investment Plans; sites negotiated through planning permissions which are originally private tenure but for which the tenure may switch to social and affordable; and sites identified through public sector asset management such as school closures, again often not identified until closer to the point of delivery.

12.8 The GCVHMP and Clydeplan SDPA therefore concluded and unanimously agreed that the land supply is more than adequate to provide for future housing need in all tenures over the Plan periods and that no strategic scale additions to the supply are required.

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Figure 9, Private Housing Land Requirement by Housing Sub-Market Area		Land Supply from HLA and UCS			Housing Land Requirement (Housing Supply Targets+10%)			Surplus/Shortfall (Land Supply minus HSTs)		
		2012-24	*2024-29*	*2012-29*	*2012-24*	*2024-29*	*2012-29*	*2012-24*	*2024-29*	*2012-29*
Greater Glasgow North and West		*8,542*	*4,633*	*13,175*	*7,115*	*3,506*	*10,621*	*1,427*	*1,127*	*2,555*
Strathkelvin and Greater Glasgow North East		*4,299*	*1,434*	*5,733*	*3,156*	*991*	*4,147*	*1,143*	*443*	*1,586*
Glasgow East		*8,831*	*3,130*	*11,961*	*7,315*	*2,422*	*9,737*	*1,516*	*708*	*2,224*
Cumbernauld		*5,033*	*1,208*	*6,241*	*2,772*	*1,155*	*3,927*	*2,261*	*53*	*2,314*
Greater Glasgow South		*10,863*	*3,618*	*14,481*	*8,923*	*2,925*	*11,848*	*1,940*	*693*	*2,633*
Renfrewshire		*9,245*	*2,592*	*11,837*	*7,807*	*1,943*	*9,749*	*1,438*	*649*	*2,088*
East Kilbride		*3,426*	*1,723*	*5,149*	*3,010*	*1,100*	*4,110*	*416*	*623*	*1,039*
Central Conurbation		***50,239***	***18,338***	***68,577***	***40,097***	***14,042***	***54,139***	***10,142***	***4,297***	***14,438***
Airdrie and Coatbridge		*3,592*	*1,322*	*4,914*	*3,881*	*1,617*	*5,498*	*-289*	*-295*	*-584*
Motherwell		*5,568*	*4,280*	*9,848*	*4,435*	*1,848*	*6,283*	*1,133*	*2,432*	*3,565*
Hamilton		*3,819*	*1,394*	*5,213*	*3,010*	*1,100*	*4,110*	*809*	*294*	*1,103*
Clydesdale		*2,325*	*1,307*	*3,632*	*1,505*	*732*	*2,236*	*820*	*576*	*1,396*
Eastern Conurbation		***15,304***	***8,303***	***23,607***	***12,830***	***5,297***	***18,127***	***2,474***	***3,007***	***5,480***
Conurbation		***65,543***	***26,641***	***92,184***	***52,928***	***19,338***	***72,266***	***12,615***	***7,303***	***19,918***
DMA Dumbarton and Vale of Leven		***2,387***	***592***	***2,979***	***990***	***413***	***1,403***	***1,397***	***180***	***1,577***
DMA Inverclyde		***2,904***	***1,668***	***4,572***	***2,123***	***880***	***3,003***	***781***	***788***	***1,569***
GCV Totals	Total	***70,834***	***28,901***	***99,735***	***56,041***	***20,631***	***76,671***	***14,793***	***8,271***	***23,064***
	per annum	***5,903***	***5,780***	***5,867***	***4,670***	***4,126***	***4,510***	***1,233***	***1,654***	***1,357***

Figure 10, Private Housing Land Requirement by Local Authority		Land Supply from HLA and UCS			Housing Land Requirement (Housing Supply Targets+10%)			Surplus/Shortfall (Land Supply minus HSTs)		
		2012-24	*2024-29*	*2012-29*	*2012-24*	*2024-29*	*2012-29*	*2012-24*	*2024-29*	*2012-29*
East Dunbartonshire	Total	*2,547*	*185*	*2,732*	*1,769*	*25*	*1,794*	*778*	*160*	*938*
East Renfrewshire	Total	*3,223*	*1,122*	*4,345*	*2,496*	*827*	*3,323*	*727*	*295*	*1,022*
Glasgow City	Total	*23,766*	*10,775*	*34,541*	*19,769*	*8,339*	*28,108*	*3,997*	*2,436*	*6,433*
Inverclyde	Total	*2,950*	*1,668*	*4,618*	*2,255*	*935*	*3,190*	*695*	*733*	*1,428*
North Lanarkshire	Total	*14,193*	*6,810*	*21,003*	*11,088*	*4,620*	*15,708*	*3,105*	*2,190*	*5,295*
Renfrewshire	Total	*7,866*	*1,815*	*9,681*	*6,652*	*1,390*	*8,042*	*1,214*	*425*	*1,639*
South Lanarkshire	Total	*12,544*	*5,297*	*17,841*	*10,032*	*3,669*	*13,701*	*2,512*	*1,629*	*4,141*
West Dunbartonshire	Total	*3,745*	*1,229*	*4,974*	*1,980*	*825*	*2,805*	*1,765*	*404*	*2,169*
GCV Totals	**Total**	***70,834***	***28,901***	***99,735***	***56,041***	***20,631***	***76,671***	***14,793***	***8,271***	***23,064***
	P/A	***5,903***	***5,780***	***5,867***	***4,670***	***4,126***	***4,510***	***1,233***	***1,654***	***1,357***

13 Housing Need and Demand – Other Policy Considerations

13.1 In addition to the quantification of need from the HNDA Tool and its translation to Housing Supply Targets and Land Requirements, a number of other key matters were identified in the HNDA and through the CHMA appraisal process, which require to be considered through Development Plans, local housing strategies and other related strategies.

13.2 Themes identified in HNDA1 that have been borne out in HNDA2 include: the growing population but slowing rates of household formation; ageing of the population; problems of access to mortgage finance and a reduction in the long term rate of growth of owner occupation; the likelihood of greater demand for private renting but a slowing in the growth of the private sector generally; increased need for social housing and a levelling-off of the longer term decline in the social rented sector.

13.3 Within these broad trends there are many local variations relevant to each local authority area. In general terms however the key additional matters for consideration include the following.

13.4 **Economic and Fiscal Context**

- Total employment has fallen by 9% since 2008, equivalent to 86,000 job losses in the GCV area, with the general economic outlook muted.

13.5 **Demographics and Social Trends**

- Within an overall picture of population and household growth to 2029, population growing at 3,500 per annum and households at 4,700 per annum. Household size continues to reduce but the rate of household formation is slowing. Marked differences are projected across the city region, including stabilisation and decline in some areas.
- The projected population growth of 60,000 in 2012-2029 is mainly due to the rise in the elderly population. Over that period the population age 65+ is projected to rise by 113,000 and within that, sizeable increases in the 75+ age group are projected. The population age 0 to 64 is projected to fall by 53,000.
- There is an estimated housing need and demand of 5,400 per annum to 2029 comprising 2,300 in the social sector and 3,100 in the private sector.

13.6 **Tenure**

- Owner occupation is out of reach for many potential first time buyers.
- There has been substantial growth in private renting which now accounts for 13% of all GCV homes and there is a requirement for commensurate policy responses to improve the quality of that tenure in relation to both stock and management.
- The potential for large scale investment in the private rented tenure merits further exploration.
- The decline in the social rented sector has plateaued: Right to Buy sales have decreased substantially over recent years and new build and acquisition programmes in the local authority and RSL sectors are now close to compensating for stock lost through the RTB, regenerations programmes and so on. There remains continuing high need and demands within this sector.
- There have been substantial reductions in private sector new build completions which represent a declining proportion of total completions.

13.7 **Stock Profile, Pressures and Management Issues**

- The range of issues associated with rebalancing the social housing stock to meet current and forthcoming needs and demands, together with the challenges of addressing the housing quality and environmental agenda, are explored in detail in the HNDA and its related appendices and technical reports.
- Social stock is in high demand and around 26,000 households are currently overcrowded with around 7,000 households both overcrowded and concealed.
- Further initiatives and resources require to be directed to address fuel poverty and the energy efficiency of stock, particularly older stock, in order to meet the Energy Efficiency Standard for Social Housing (EESSH) and assist in achieving the Climate Change (Scotland) Act 2009 target of reducing carbon emissions by 42 per cent by 2020 and 80 per cent by 2050. Although the forthcoming building regulations will improve the sustainability of new build housing, the need to retrofit existing older stock highlighted in Scotland's Sustainable Housing Strategy 2013, remains a policy challenge.
- Housing quality and the related health and wellbeing of householders, remains an issue particularly where it combines with wider area renewal and regeneration concerns, including low demand stock and issues around void management.
- 49% of households in the city region live in flats, of which over half reside in Glasgow.
- Stock restructuring e.g. in relation to high rise flatted development, may be required in some areas to address locally identified mismatch of demand and supply.
- There is an increasing demand for smaller properties due to the ageing population and welfare reform.
- In all areas but particularly where fewer smaller properties are available, Welfare Reform and the economic downturn are impacting on housing need and waiting list pressures.

13.8 **Specialist Provision**

- Projections for the period to 2029 suggest that the numbers of people and numbers of households headed by older people, and in particular the older age groups (75+), will grow at an increasing rate with some notable variations across the city region. Many authorities are likely to see growth in households headed by someone aged 75+ of around 50% between 2012 and 2029, a major consideration for local authorities and other housing and care providers.
- The prevalence of age related illness and the need for low, medium and high levels of housing and care support for the elderly is set to increase markedly. There is a presumption towards self directed support and personalised housing services.
- Older home owners may not be as able to maintain their properties, and measures are required to enable older households to finance and manage repairs and maintenance of their properties.
- In addition to the 2007 building standards, further measures may require to be taken to enable housing needs to be met, including through flexible design solutions facilitated through advances and innovation in building technology.
- None of the areas with local authority Gypsy/Traveller site provision recorded significant unmet need or demand for pitches. Anecdotal evidence suggests that the number of unauthorised encampments may be increasing in some areas during

the spring and summer, though recorded evidence is inconclusive.. There may be a case for these areas (possibly jointly) to review the number and level of encampments, with a view to reviewing the need for a transient site.

- The evidence base on Gypsy/Traveller and Travelling Showpeople dates from 2007. This evidence suggested no need for additional site or pitch provision, however, the current position is requires to be refreshed to establish whether this remains the case. The partner authorities are jointly developing a brief with a view to updating the findings of the 2007 study (based on secondary data) to provide a clearer understanding of housing needs and appropriateness of current provision.

13.9 **Affordability**

- Although house prices have declined since 2008, particularly lower quartile house prices, so have lower quartile incomes, leading to a reduction in affordability for those on lower incomes.
- House prices for lower quartile new build housing are very high when compared to lower quartile housing in the general market, making entry to new build housing for lower income earners increasingly challenging.
- Affordability is an acute issue in some localities where house prices are high.

13.10 First time buyers (FTB) are an important driver to enable sustainable housing market growth. The economic forecast, including moderate growth projections for house prices and household incomes, indicate measures to support FTB to enter the market, such as ‘Help to Buy (Scotland)’ and other schemes as Open Market Shared Equity and Mortgage to Rent, remain relevant and important local policy considerations.

13.11 **Affordable Housing Need**

13.12 SPP requires that where the housing supply target requires provision for affordable housing, strategic development plans should state how much of the total housing land requirement this represents. The original estimates of need from the Tool, indicated social housing needs in the order of 39,300 compared with total need of 91,800 in the 2012-29 period which is an average of 43% and the adjusted housing estimates did not vary significantly in proportion. However, when setting what are considered to be realistic and deliverable housing targets, the estimate and proportion of social housing was reduced from 39,330 to 31,200 Figure 6). Underlying that transfer of 8,000 units of need to the private sector, there is an implicit assumption that other affordable products and unmet social need will be delivered by the private sector. The scale of this need continues to justify the application of affordable housing policies and other similar interventions to deliver housing that meets needs.

13.13 As indicated in SPP, it will be for each authority to consider the detailed composition of housing need however given the HNDA estimates, there is currently some significant justification for retention of existing affordable housing policies.

13.14 Given the scale and nature of housing need identified in HNDA2, consideration should be given to the need for housing polices which may be required in a range of locations and circumstances, to address matters including affordability, demographics and the ageing population, specialist housing need, tenure composition, and house type and size.

13.15 **Delivery**

13.16 In the private sector where annual completions are running at around half of long term averages (3,000 as compared with 6,000), there is a need for a range of innovative measures to support and improve delivery, from both the public and private sector. Such measures will include the delivery of products which are affordable and meet the needs of the ageing population.

13.17 In the social sector, where delivery has remained relatively constant given funding availability, there is scope for further innovation and development of delivery models that meet a range of housing needs.

13.18 There is potential to develop and increase the delivery of affordable housing products such as low cost home ownership, shared equity and entry level housing for sale, which will assist in meeting those transferred housing needs noted above, particularly of first time buyers, and support delivery in the private sector.

13.19 Implementation of developer contribution policies, either for Affordable Housing Policies or other provision to meet identified needs, will require to be applied in a proportionate and flexible manner, taking due consideration of development viability

14 Conclusions

14.1 In meeting housing need and demand, both the public and private sector have a role to play. The focus of local authority and other public sector activity should be on those matters identified as priorities through the HNDA process. These include the ageing population, affordable and intermediate housing, support for first time buyers and younger households accessing housing, housing quality and fuel poverty, the need for stock restructuring and a focus on enhancing delivery of all housing.

14.2 The work undertaken to derive the HSTs and HLR, has confirmed the view at the Main Issues Report stage of this process that a sufficient land supply for future development exists to meet housing need and demand in the Clydeplan area, both a short term effective as well as a longer term established land supply, which enables the Clydeplan authorities to maintain an ambitious approach which supports economic growth through the delivery of new housing.

14.3 There are almost 100,000 units of private sector land supply available to 2029 which will enable delivery of 5,800 units per annum compared with the housing supply targets set at 4,100 per annum and the adjusted estimates of 3,300 per annum (Figure 6). There is sufficient existing land supply to deliver the levels of growth identified in the High Migration Scenario (Figure 1) which estimated approximately 4,100 units per annum in the private sector and 6,300 units per annum for all tenures. Recent completions in the Clydeplan area are however running at approximately 3,000 per annum in the private sector and 4,500 per annum for all tenures.

14.4 The support of an ambitious planning context provided by the Strategic and Local Development Plans in the Clydeplan area has resulted in substantially more land available than the private sector is currently delivering or capable of delivering. If private sector output is increased year on year by 10%, as Homes for Scotland suggests, (which at some point must plateau), starting from current levels of just over 3,000 per annum, it will take 4 years to reach the levels of delivery set in the housing supply targets averaging at 4,100 per annum. Also at 10% year on year growth there is a currently a sufficiency of land supply to meet private sector housing demand at Year 12 of the projection period (70,800 supply as compared with 69,800). (This calculation is for illustrative purposes only and does not allow for changes in the land supply as a result of annual completions and additions.).

14.5 With house sales and transactions still significantly lower than pre recessionary rates, house prices showing little signs of strengthening, and mortgage lending rates at their lowest in a generation (but likely to rise), the housing recovery seems currently fragile. Within this context Clydeplan will aim to promote development, further develop a focus on delivery and support a recovery in housebuilding and related economic activity.

14.6 A focused and ambitious Plan is only one of the tools required to support delivery. The issues surrounding the delivery of housing are more far reaching than the identification of land for housing and the debate and activity require to focus more fully on funding deficits, addressing infrastructure constraints, development viability, market interest and related issues.

14.7 The policy response required is therefore public sector interventions to support and encourage development delivery with an emphasis on the delivery of the established land supply. This agenda is strongly reflected in the Proposed SDP and the accompanying Action Programme. Innovation within the housing delivery organisations is also to be encouraged and supported.

14.8 The challenge for Clydeplan and its constituent local authorities is to provide the land and policy context, as well as an enabling culture, and to work with the development and house-building sector to achieve the housing delivery required to meet the estimated housing need and demand. The policy context must also aim to support sustainable development and secure quality housing in the right locations that fit with the SDP's Vision and Spatial Development Strategy.

14.9 Clydeplan will continue to work collaboratively with stakeholders and will seek to develop a consensus view of the issues and potential actions required to address such matters, both within the Proposed Plan and in the identification and implementation of the actions for the Action Programme and beyond.

15 Monitoring, Review and Delivery

15.1 The HNDA was prepared during 2014 and formed the foundation for the Main Issues Report consultation in January 2015. Clydeplan chose at this time to be consultative on its approach to the setting of HSTs and not to take a fixed view on the scale of HSTs at that early stage in the plan preparation. The results of the Main Issues Report consultation, combined with ongoing monitoring of trends in the wider economy and housing related trends during 2015, have informed the approach now being taken within Clydeplan's Proposed Plan.

15.2 During 2015, Clydeplan and Homes for Scotland have had productive dialogue around the issues relevant to the delivery of quality homes focussing on the land supply, its effectiveness, appropriate policy responses and delivery mechanisms, under the context provided by Clydeplan Policy 7, Joint Action Towards the Delivery of New Homes and this activity will be continued.

15.3 During 2016 the Clydeplan team will continue to facilitate the activities of the GCVHMP, including ongoing monitoring of trends relevant to the housing, the development of more effective methods of data collection and HNDA processes, and preparation of an HNDA3 project plan.

15.4 HNDA3 will be required in advance of the next SDP Main Issues Report required before January 2019.

15.5 In relation to the delivery of the Proposed Plan strategy, Clydeplan will continue to work with its partners and wider stakeholders, with a renewed focus around the activities identified in the Action Programme, which will be refreshed at least every two years. The new Planning Advice Note on Planning Delivery due in 2016 will be likely to influence the ongoing activities around the promotion of delivery and all of the aforementioned review processes will also take cognisance of the Scottish Government Planning Review currently in progress and due to report in May 2016.

Appendix A

Extracted from HNDA (May 2015),
Technical Report 07 (TR07) Strategic Housing Estimates - Methodology and Results.

	Table 8.7 Comparison of Private Sector Supply and Demand at 2024 - Planning Scenario				
	STAGE1				
	Housing Sub-Market Area	Locally Targeted Demand at 2024	Effective Stock at 2024	Local Shortfall	Local Surplus
		A	*B*	*C*	*D*
		(Tbl 8.5 I)	*(Tbl 7.2)*	*(=A-B)*	*(=B-A)*
1	Greater Glasgow North and West	98,303	102,563	0	4,260
2	Strathkelvin and Greater Glasgow North East	32,377	36,222	0	3,845
3	Glasgow East	38,248	45,533	0	7,285
4	Cumbernauld	30,031	33,735	0	3,704
5	Greater Glasgow South	122,664	126,913	0	4,249
6	Renfrewshire	74,574	80,690	0	6,116
7	East Kilbride	33,221	35,266	0	2,045
8	**Central Conurbation**	429,418	460,922	0	31,504
9	Airdrie and Coatbridge	33,764	35,086	0	1,322
10	Motherwell	42,520	47,106	0	4,586
11	Hamilton	36,752	39,737	0	2,985
12	Clydesdale	21,376	23,300	0	1,924
13	**Eastern Conurbation**	134,412	145,229	0	10,817
	STAGE 2				
	2nd Tier Market Area	Mobile Demand at 2024	Local Surpluses at 2024 (from Stage 1)	Mobile Shortfall	Mobile Surplus
		(Tbl 8.5 I15, I16)	*(Tbl 8.7 D8, D13)*	*(=A-B)*	*(=B-A)*
14	Central Conurbation	12,873	31,504	0	18,631
15	Eastern Conurbation	3,412	10,817	0	7,405
16		16,285	42,321	0	26,036
	STAGE 3				
	1st Tier Market Area	Mobile Demand at 2024	Mobile Surplus at 2024 (from Stage 2)	Mobile Shortfall	Mobile Surplus
		(Tbl 8.5 I17)	*(Tbl 8.7 F16)*	*(=A-B)*	*(=B-A)*
17	Conurbation	1,882	26,036	0	24,154
	Individual HMA	Demand at 2024	Effective Stock at 2024	Shortfall	Surplus
		(Tbl 6.3+ RTB Tbl 7.2)	*(Tbl 8.7 F16)*	*(=A-B)*	*(=B-A)*
18	Dumbarton and Vale of Leven	15,265	17,281	0	2,016
19	Inverclyde	24,549	27,768	0	3,219
	GCV-wide position (S/D Comparison at 2024)				
20	Projected completions (12-24) included in above projected stock figures	70,834	*(Completions+HLA +UCS Tbl 7.2)*		
21	Sum of above surpluses/shortfalls	29,389	*(=C8+C13+C16+C17+D17+C18+D18+C19+D19)*		
22	Required completions (12-24)	41,445	*(=A20-A21)*		
23	Required completions - annual	3,454	*(=A22/12)*		

Note: Table 8.7 provides the input for Core Output 2 in the HNDA 2015 Chapter 5, Figure 5.9.

Extracted from HNDA (May 2015),
Technical Report 07 (TR07) Strategic Housing Estimates - Methodology and Results.

	Table 8.8 Comparison of Private Sector Supply and Demand at 2029 - Planning Scenario				
	STAGE1				
	Sub-Market Area	Locally Targeted Demand at 2029	Effective Stock at 2029	Local Shortfall	Local Surplus
		A	*B*	*C*	*D*
		(Tbl 8.6 I)	*(Tbl 7.2)*	*(=A-B)*	*(=B-A)*
1	Greater Glasgow North and West	101,099	107,150	0	6,051
2	Strathkelvin and Greater Glasgow North East	32,727	37,641	0	4,914
3	Glasgow East	39,726	48,632	0	8,906
4	Cumbernauld	30,475	34,931	0	4,456
5	Greater Glasgow South	126,528	130,475	0	3,947
6	Renfrewshire	75,597	83,251	0	7,654
7	East Kilbride	33,751	36,972	0	3,221
8	**Central Conurbation**	439,903	479,052	0	39,149
9	Airdrie and Coatbridge	34,727	36,395	0	1,668
10	Motherwell	43,107	51,343	0	8,236
11	Hamilton	37,314	41,112	0	3,798
12	Clydesdale	21,706	24,594	0	2,888
13	**Eastern Conurbation**	136,854	153,444	0	16,590
	STAGE 2				
	2nd Tier Market Area	Mobile Demand at 2029	Local Surpluses at 2029 (from Stage 1)	Mobile Shortfall	Mobile Surplus
		(Tbl 8.6 I15, I16)	*(Tbl 8.8 D8, D13)*	*(=A-B)*	*(=B-A)*
14	Central Conurbation	13,212	39,149	0	25,937
15	Eastern Conurbation	3,467	16,590	0	13,123
16		16,679	55,739	0	39,060
	STAGE 3				
	1st Tier Market Area	Mobile Demand at 2029	Mobile Surplus at 2029 (from Stage 2)	Mobile Shortfall	Mobile Surplus
		(Tbl 8.6 I17)	*(Tbl 8.8 F16)*	*(=A-B)*	*(=B-A)*
17	Conurbation	1,926	39,060	0	37,134
	Individual HMA	Demand at 2029	Effective Stock at 2029	Shortfall	Surplus
		(Tbl 6.3+ RTB Tbl 7.2)	*(Tbl 8.8 F16)*	*(=A-B)*	*(=B-A)*
18	Dumbarton and Vale of Leven	15,247	17,867	0	2,620
19	Inverclyde	23,932	29,419	0	5,487
	GCV-wide position				
20	Projected completions (12-29) included in above projected stock figures	99,735	*(Completions+HLA +UCS Tbl 7.2)*		
21	Sum of above surpluses/shortfalls	45,241	*(=C8+C13+C16+C17+D17+C18+D18+C19+D19)*		
22	Required completions (12-29)	54,494	*(=A20-A21)*		
23	Required completions - annual	3,206	*(=A22/17)*		

Note: Table 8.8 provides the input for Core Output 2 in the HNDA 2015 Chapter 5, Figure 5.10

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