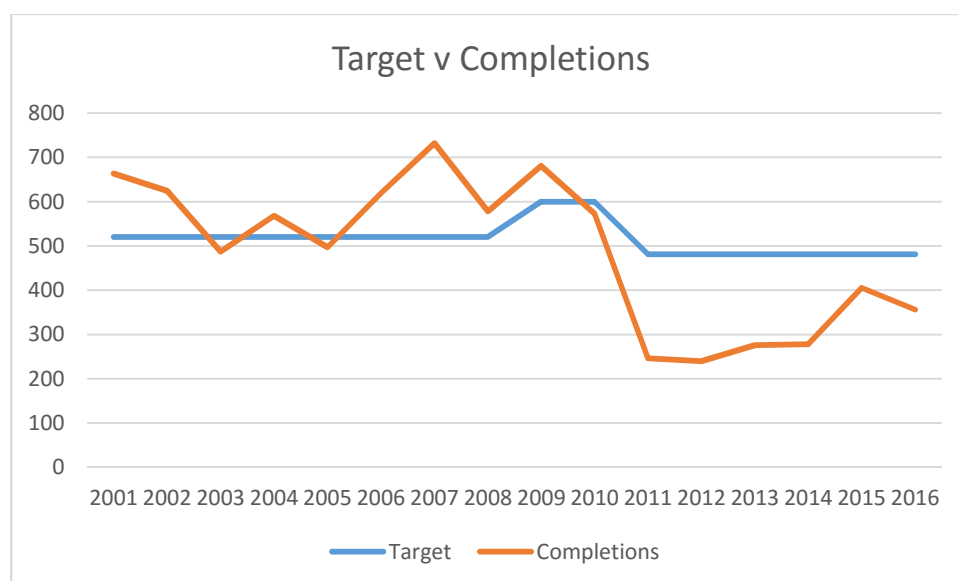


**ADDITIONAL INFORMATION FOR MATTER 8 – HOUSING SUPPLY, INCLUDING THE 5 YEAR SUPPLY OF DELIVERABLE SITES (POLICIES SP3 AND THE SECTION ON HOUSING GROWTH AND THE LOCATION OF INLAND GROWTH.**

During the Examination Hearing on the 13<sup>th</sup> July it was requested that a table be supplied setting out past delivery targets against completions going back to 2001. The Council has also investigated further the supply situation with regard to whether 5 or 20% should be added onto the 5 year supply.

Please see the table and graph below;

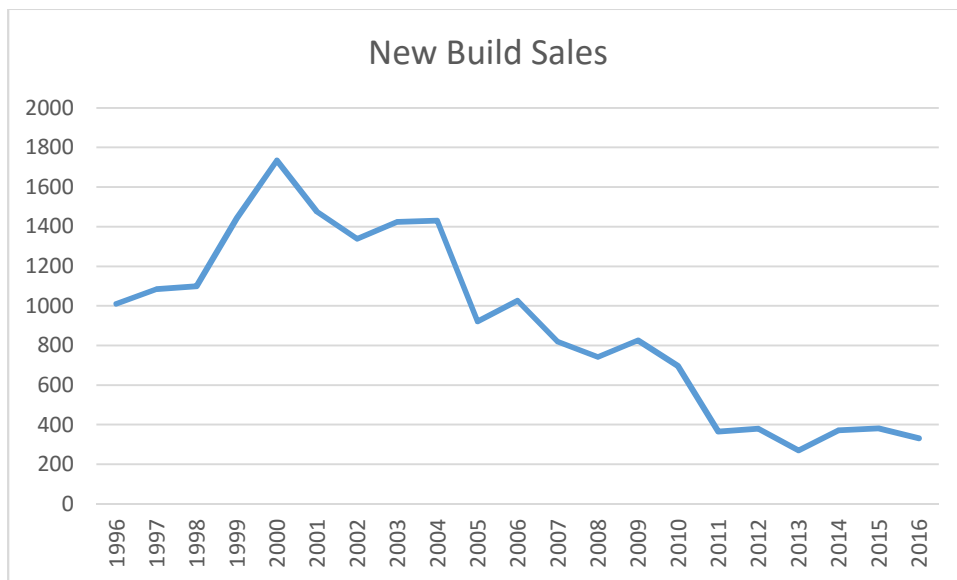
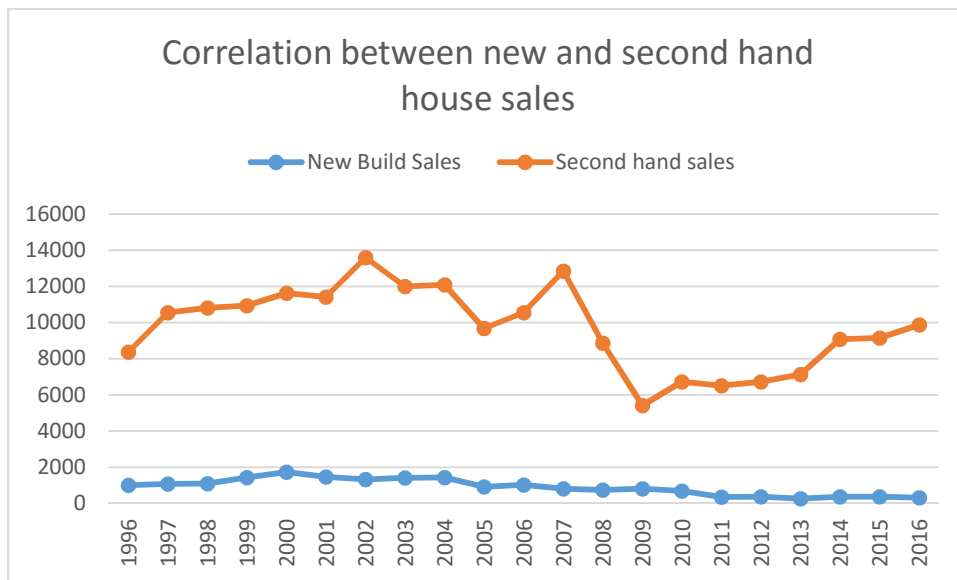
Year of Target and Plan	Target	Completions	+ or -
2001 – Adopted Lincolnshire Structure Plan ran from 2001 - 2021	520	663	+143
2002	520	624	+104
2003	520	487	-33
2004	520	568	+48
2005	520	497	-23
2006	520	619	+99
2007	520	732	+212
2008	520	578	+58
2009 – Adopted Regional Plan	600	681	+81
2010	600	573	-27
2011 – Start period for the Local Plan	481	246	-235
2012	481	240	-241
2013	481	276	-205
2014	481	278	-203
2015	481	405	-76
2016	481	356	-125
Total	8246	7823	-423



The Council would advocate that the above table and graph shows that over a 16 year period there has not been a persistent under-delivery of housing. The table

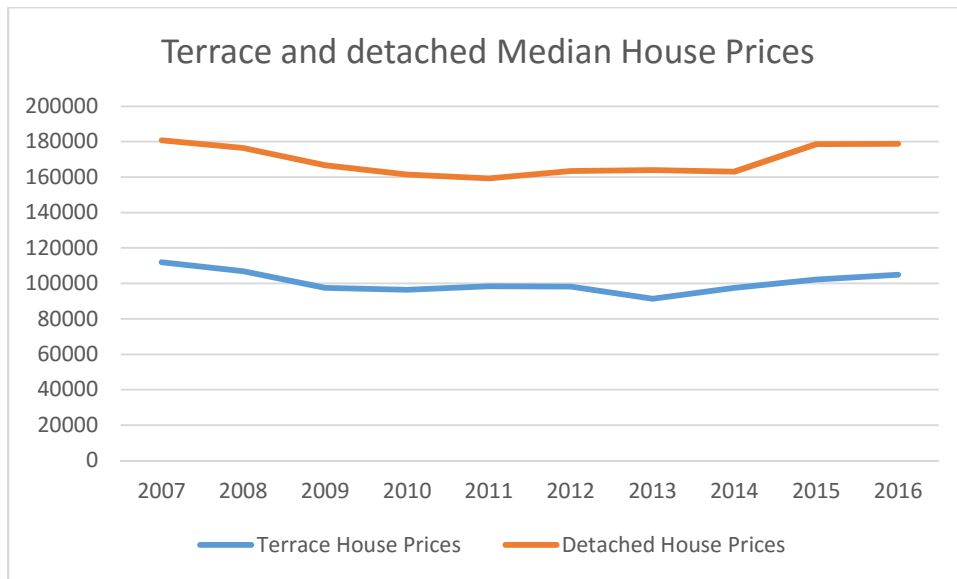
shows that under-delivery only really started to occur after the recession hit the District when the whole housing market nationally was effected by outside economic factors.

The Council also believes that the period of recession most likely correlated with the period when the churn of second hand homes made vacant by the high number of deaths in the larger older population of the District started to take effect on the District`s housing market. The table below sets this out in terms of market sales of housing from 1996 to 2016.



Separating out the new build sales it can be seen that the peaks and troughs of sales between new build and second hand housing sales do approximately follow each other until around 2009 when the new build rate falls with a slight rise in 2013 and then is falling again, whereas the second hand market appears to be on a continuous rise from 2009. The population projections show that the population is still continuing to rise, mainly through the in migration of older persons. The fact that this is continuing but the new build market sales appear to be falling supports the fact that the second hand housing market must be

taking up any slack in supply and must be robust enough to do so without prices rising sharply. Looking at median price rises from the ONS, there appears to be no major sign of rises above the norm one would expect to see with prices only just reaching 2007 values and terrace houses still coming in under those values.



The Council has records of planning commitment numbers going back to 1981 and detailed records back to 2006, we have looked at the correlation between the total number of commitments, planning permissions and starts on site from 2006 (see table below). It would appear that starts were reasonably steady until 2013 and then from this time the more permissions the Council grants the less starts on site and they are not translating into completions. There could be some time lag between permissions granted and starts on site, this will have to be monitored further. However, in 2008 when the total number of commitments and starts was not too dissimilar from 2016 the difference in starts is 10% less in 2016.

This could be another indication that new house sales are not as vigorous as second hand house sales and another marker around the impact the population churn of older people leaving many second hand houses up for sale is having on the housing market.

Looking at the 104 windfall sites inland with outline permission, 26 are up for sale, all of them granted permission during and before 2015. Of the 20 largest sites (over 10 units) as far as the Council knows, 7 sites are up for sale. Out of the 103 sites with a start on them only 4 are over 10 units, one of those gained permission in 2013.

The table below examines the figures in relation to commitments, starts and completions;

Year	Total	No of PP	Starts	% of starts to PPs	Completions
2006	3502	2849	653	23	619
2007	3840	3156	684	22	732
2008	4039	3150	889	28	578
2009	3514	2554	960	38	681
2010	3144	2372	772	33	573
2011	2467	1943	524	27	246
2012	2649	1900	749	39	240
2013	2789	1995	794	40	276
2014	2836	2264	572	25	278
2015	3474	2832	642	23	405 (100 were housing capital houses)
2016	4085	3449	636	18	356

The Council cannot definitively know why the housing market is performing as it is but strongly suspects, given the evidence above that it could be because the second hand housing market is stronger than the new build market. The high population churn of older persons leaving second hand houses for sale is feeding this market and soaking up any supply issues in the District. Given this, it appears as if the new build housing market in terms of completions is only recovering very slowly after the recession and this is not translating into new build house sales as yet; the second hand housing market for sale being more robust. The Council would therefore advocate that the District has not had a persistent under-delivery of housing over the 16 year period set out above. Firstly because it was meeting targets prior to the recession and secondly because there are other factors within the housing market which are effecting the ability of the new builds to come forward and the Council believes meeting any supply issues which may be arising as set out above.

These matters are going to be investigated in more detail and monitored in the 5 year review to see if the trends in both the new build and second hand markets continues and if there are other implications for the market, such as over competition driving down land values, and then affecting viability and whether the churn in the older population is growing and having a greater effect on the market. What the Council needs is a robust baseline in the Local Plan from which to carry out this work, and monitor the market from, the Council believes the target already discussed at the Examination will achieve this.