



Town and Country Planning Act 1990 Section 78

Appeal by Marden Homes Ltd against non-determination
of planning application

APP/A1530/W/21/3278575

**Land adjoining The Gables, Kelvedon Road,
Tiptree, Essex**

**Rebuttal evidence of Cristina Howick
On behalf of Colchester Borough Council**

March 2022

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Appendix A	Reading: appellant's evidence
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1 Introduction

- 1.1 This rebuttal proof is submitted on behalf of the Council, in response to Sam Hollingworth's proof of evidence on Housing Need, Requirement and Supply. Specifically, it responds to two of the points in Mr Hollingworth's proof:
- i That Colchester's Local Housing Need, calculated by the current standard method, is greater than the housing requirement in the Adopted Local Plan¹.
 - ii That, if Colchester's Objectively Assessed need were recalculated today, using the old method but the latest data, the result would be more than 920 new dwellings per year (dpa)².
- 1.2 The first of these points was already in the appellant's Statement of Case. It is discussed in my main proof of evidence, which concludes that Mr Hollingsworth's calculation is correct, but the result has no relevance to this appeal. But in the intervening time there has been a new appeal decision in Reading that addresses the same issue. I discuss this briefly in section 2 below. My conclusion³ is unchanged:
- 1.3 Mr Hollingworth's second point is new, and I discuss it in Section 3 of this rebuttal.

¹ Sam Hollingworth proof, para 6.3 and elsewhere

² Sam Hollingworth proof, para 6.2 and elsewhere

³ Cristina Howick proof, para 4.1 and elsewhere

2 The standard-method Local Housing Need

- 2.1 The issue of standard-method housing need versus adopted plan requirement was recently addressed by an appeal decision at 55 Vastern Road, Reading (APP/E0345/W/21/3276463, decision date 17th March 2022).
- 2.2 Reading's adopted housing requirement is based on Objectively Assessed Need calculated by the old method, like Colchester's, and for the same reason – the Local Plan was submitted during the transition period between the two methods. But Reading's Local Plan was adopted in November 2019, some 14 months earlier than Colchester's (February 2021). Also, in Reading the difference between the two methods is greater than in Colchester, as the plan requirement is 689 dpa (based on need of 699 dpa), while the standard-method need is 872 dpa – 27% above the requirement (and 25% above the need). In Reading, as in Colchester, it was common ground that based on the adopted requirement the Council could demonstrate a five-year land supply.
- 2.3 Nevertheless, the appellant's evidence (reproduced at Appendix A of this rebuttal) claimed that the standard-method housing need '*support[ed] the case for the appeal proposal to be approved*'. The reason was that from the fifth anniversary of the plan's adoption, November 2024, the borough would probably be required to meet the standard-method need; and on the appellant's analysis the land supply identified in the plan would not meet that requirement over the plan period, although it would still pass the five-year test.
- 2.4 In rebuttal evidence (reproduced at Appendix B), the Council disagreed with this view, for '*three main reasons*':
- *It does not reflect the content of the NPPF and Planning Practice Guidance;*
 - *Figures generated by the standard methodology are almost certain to have changed by the time the Local Plan review takes place; and*
 - *It would pre-empt the outcome of both the Local Plan review and any subsequent plan-making process.'*
- 2.5 This is also a summary of my own reasons for regarding the standard-method need as irrelevant. See para 4.1 of my main proof for this appeal.
- 2.6 The Reading appeal decision is reproduced at Appendix C below. Its verdict on the relevance of the standard method is as follows:
- '187. It is a matter of common ground that the Council can demonstrate a supply of housing land in excess of five years. This is based on the objectively assessed housing need examined as part of the LP, adopted in November 2019. The resulting housing requirement remains current for a period of five years, or longer if reviewed and found not to require updating. In circumstances other than this housing land supply must be calculated using the standard method set out in the Planning Practice Guidance (PPG).*

188. These circumstances are at least several years away. There is therefore no policy basis for applying the standard method to the current situation. As such, these provisions are of limited relevance to the determination of this appeal...

190. That said, the direction of travel is that pressure to deliver housing will continue. The Government priority of significantly boosting the supply of housing (Framework paragraph 60) is supported by LP Policy H1 which sets the housing requirement at a minimum level, that is at least an additional 15,847 homes. Whilst there may be speculation around the impacts of Brexit, and a greater prevalence of working from home following Covid, there is nothing before me to indicate any change in this overriding priority.

191. It may well be that at this point in time the appeal site does not need to be developed for the Council to meet its housing requirement figures. Nonetheless, it has the potential to accommodate a significant number of much needed new homes in a highly sustainable location, with associated environmental benefits. Whether or not the appeal scheme is required to meet the totality of supply across the wider plan period, it remains that securing a policy compliant housing scheme is of benefit to supply right now. Therefore this consideration should be afforded significant weight.'

- 2.7 In paras 187-188 of her decision, the Reading Inspector is agreeing with the Council's case, which is also my case in the current appeal. She contemplates that the Council may need (not *will* need) to identify more land in future, but that future is 'at least several years away', and therefore '*there is no policy basis for applying the standard method to the current situation*'
- 2.8 From this finding, the Inspector concludes that the standard-method Local Housing Need is '*of limited relevance*' in the appeal. In my opinion, '*of no relevance*' would be a more appropriate conclusion, because the Inspector does not mention any reason why the standard-method figure should have any relevance at all.
- 2.9 In paras 190-191 of her decision, the Reading Inspector goes on to consider the benefits of housing provision generally. Those paragraphs are nothing to do with the standard method. Nevertheless are of interest, as they set the appeal in its wider policy context. Here, the Inspector's point is that under current national policies additional housebuilding always counts as a positive benefit, even if it is above the amount required. But whether that benefit exceeds any harms caused, and hence whether permission should be granted, depends on specific circumstances. At 55 Vastern Road, Reading, those circumstances are favourable, in that the appeal site is highly sustainable and the appeal scheme is environmentally beneficial and policy-compliant. At The Gables, Tiptree, in the Council's view is that the development proposal is contrary to policy and not sustainable.
- 2.10 I do acknowledge that the Reading decision is not a binding precedent, as Inspectors must base their decisions on the specific circumstances of each case. Nevertheless, it is a material consideration that weighs in favour of my position - that the standard-method housing number is irrelevant to this appeal. This is because the relevant circumstances in the two appeals are very similar. Indeed, the case for that position is stronger for Colchester than for Reading, for two reasons:

-
- The difference between the standard-method need and the plan requirement is less for Colchester (15%) than in Reading (27%).
 - The fifth anniversary of the plan's adoption – when the standard method is triggered – is some 14 months later for Colchester (February 2026) than for Reading (November 2024).

3 Reviewing and updating the OAN

The appellant's case and national policy

Mr Hollingworth says that, if Colchester's Objectively Assessed Housing Need (OAN) were calculated today, using the old method but the latest data, the result would be more than the 920 dpa in the adopted plan. In his view, this is because on current evidence a market signals uplift should be applied to the 'demographic starting point'; whereas the OAN Study that informed the plan made no such uplift. Mr Hollingworth concludes that

'4.40... it is of course not possible to change the housing requirement established through the [adopted plan] at this juncture. However, [current market signals] are material in considering the weight to be applied to any measurement of housing supply against such a requirement.'

- 3.1 Mr Hollingworth's evidence does not explain clearly why his updated OAN calculation is a material consideration – i.e. how it should impact on the outcome of this appeal. The passage above is the nearest I can find to an explanation. The suggestion is that, in the light of the analysis, the benefit of additional housing provision should weigh more heavily in the planning balance than it would otherwise do.
- 3.2 Regardless of the calculation itself, this is wrong in my view, because it is inconsistent with national policy and guidance. It is common ground in this appeal that the current housing requirement is 920 dpa, as set out in the adopted Local Plan. This requirement remains in force until either the plan is reviewed, or it reaches its fifth anniversary, and the standard method comes into force.
- 3.3 Mr Hollingworth is not proposing that the plan be reviewed now, as is clear from the extract above, and also his para 4.10. In the absence of such review, there is nothing in the Framework or Guidance to suggest that development management decisions should be based on mid-course, ad hoc adjustments to the plan requirement. A system that allows such adjustments would undermine the certainty and stability that planning should provide.

The Local Plan examination

- 3.4 A separate, and fundamental, flaw in Mr Hollingworth's position is his view that the Local Plan's supporting evidence is out of date. He sets this out at paras 4.4-4.5 of his proof, which show the age of various data used in the 2016 OAN Study. This is badly misleading, because since the study was completed its findings were updated twice, in response to requests for evidence from the examining Inspector.
- 3.5 This process is described in my main proof of evidence (para 2.18 onwards). Its final stage took place in late 2020, when the Inspector asked the Councils and stakeholders whether there had been a meaningful change in the housing situation since he had last considered the evidence. One of the representations made in response was by Sam Hollingworth, on behalf of Bloor Homes, dated October 2020. The document is

reproduced at Appendix D below⁴. Among other things, it concluded that Colchester's market signals had got worse, and therefore a market signals uplift should be applied. This conclusion is identical to Mr Hollingworth's proof in the present appeal, and the market signals analysis behind it is almost identical – in that the present proof uses the same method, but more recent data.

- 3.6 The Inspector rejected Mr Hollingworth's argument. As noted in my main proof, his report, dated 10th December 2020, concluded that the plan's housing requirement remained sound, in the light of the latest evidence available at the time. The plan was adopted just under eight weeks later.
- 3.7 In short, Mr Hollingworth's view that the Local Plan is based on out-of-date evidence is factually wrong, because that evidence was updated more than once after the study was completed, and the last update was just weeks before the plan was adopted. The Inspector endorsed Colchester's housing requirement because he found that it was sound, based on the latest evidence available just before adoption. For the purposes of this appeal, his judgment must be accepted and there is no basis at all to do otherwise.
- 3.8 Mr Hollingworth analyses Colchester's market signals in section 4 of his proof. It considers in turn different signals, or indicators, such as affordability and house prices. For each indicator, Mr Hollingworth compares the data in the original OAN Study – which related to 2015 or 2016 - with the latest available – relating to 2020 or 2021. From each comparison, he concludes that Colchester's position has got worse, and therefore the Local Plan requirement – which is based on the study – is now too low.
- 3.9 This approach is misleading, because the change between the OAN study and today's data is made up of two phases, with different implications:
- i Firstly, change between the study and the newer data that informed the adopted plan
 - ii Secondly, change between those newer data and today's data.
- 3.10 For the purpose of planning, these two components of change have different implications:
- i In reconsidering the first phase of change, Mr Hollingworth is *reviewing, or correcting*, the Inspector's verdict on housing need and requirement. This is not legitimate; as mentioned earlier. For the purpose of development management the Inspector's view is final.
 - ii In considering the second phase, Mr Hollingworth is *updating* the Inspector's verdict, in the light of subsequent evidence. Again, this is not legitimate: as discussed earlier, for the purpose of development management the plan requirement remains valid until it is either reviewed or replaced by the standard method.

⁴ The document's front cover, shows Strutt and Parker as the author. Mr Hollingworth's name appears on the inside cover, under 'Prepared by'.

- 3.11 In short, whether or not Mr Hollingworth's analysis is technically correct, it cannot be relevant to this appeal. That is because a S78 appeal is not the right place either to review or update the planned housing requirement.
- 3.12 In the next section I temporarily set aside this question of relevance, and assess that analysis in detail. My assessment has two objectives. First, I separate the change charted by Mr Hollingworth into the two phases defined earlier. Second, I consider the true implications of change for Objectively Assessed Housing Need.

Analysis: market signals and housing delivery

Demographic starting point and uplifts

- 3.13 If we were to recalculate the OAN today, using the old method, the 'demographic starting point' would be the latest ONS household projection – which is the 2018-based release, published in June 2020. For Colchester over the plan period, that projection shows 849 net additional household p.a. As noted by the Local Plan Inspector's report (para 51), this is only 18 households, or 2%, above the 2014-based projection that underpinned the OAN Study and hence the adopted housing requirement⁵.
- 3.14 This change is insignificant, and Mr Hollingworth rightly ignores it. To show that an updated OAN would be above the plan requirement, he considers the adjustments, or uplifts, that turn the demographic starting point into housing need. Specifically, as mentioned earlier, his focus is on market signals⁶. I will discuss his evidence below, taking each indicator in turn. I expand Mr Hollingworth's analysis to compare Colchester with other geographies and to add historical context. Like the original OAN study, my approach is based on the PPG applicable at the relevant time, which advised:

'Appropriate comparisons of indicators should be made. This includes comparison with longer term trends (both in absolute levels and rates of change) in the: housing market area; similar demographic and economic areas; and nationally.'

Affordability

- 3.15 In the table below, I repeat Mr Hollingworth's data on median affordability - the ratio of median house prices to median earnings - for Colchester and England, in 2015, as used in the OAN study, and 2020 (the latest data available when Mr Hollingworth was writing his proof. To set those data in context, I have added comparisons with the rest of the HMA and the East of England region. I have also added affordability data for two further years: 2019, the latest release considered by the Local Plan Inspector⁷, and 2021, as released by ONS on 23rd March 2022. (2021 is likely to be an untypical year, due to Covid; I have included it in tables and charts for completeness, but do not

⁵ Projected household growth is a little lower than the 'demographic starting point' housing need, because to translate households into dwellings we apply a small adjustment for vacant and second homes

⁶ Mr Hollingworth does not mention other adjustments, such as future jobs.

⁷ Those 2019 data were included in the final round of Local Plan representations in late 2020, including those by Mr Hollingworth, see Appendix D below.

discuss it in the text). Dotted vertical lines separate the data available to the Local Plan Inspector from more recent releases.

- 3.16 The chart that follows (Figure 3.1) shows a long time series, including the same information, plus data for the rest of Essex, year by year since 2004.

Table 3.1 Ratio of median house prices to median workplace earnings, 2015 and 2019=20

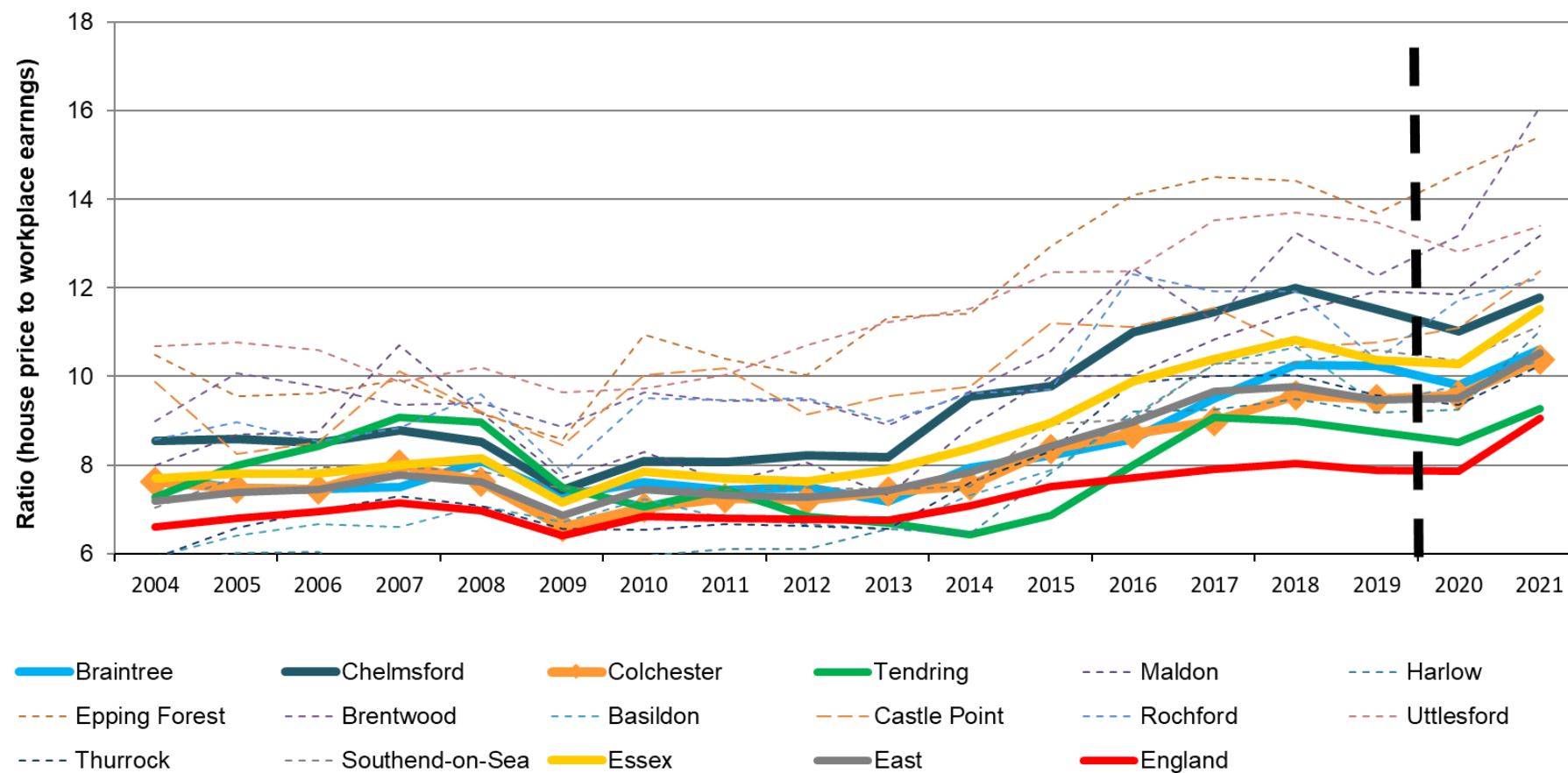
Year to Sept	2015	2019	2020	2021
Braintree	8.23	10.23	9.81	10.60
Chelmsford	9.79	11.52	11.02	11.78
Colchester	8.36	9.50	9.58	10.38
Tendring	6.87	8.75	8.52	9.28
East of England	8.42	9.47	9.51	10.53
England	7.52	7.88	7.86	9.05
Colchester / England	111%	121%	122%	115%
Colchester / East region	99%	100%	101%	99%
East region / England	112%	120%	121%	116%

Source: ONS House price to workplace earnings ratio series 23rd March 2022. House prices are year to September, earnings are for April. The latest release includes some minor corrections to the historical data, which are too small to affect our findings.

- 3.17 From the table, the main points are as follows⁸:
- i As Mr Hollingworth correctly points out, Colchester's median affordability ratio increased from 8.36 in 2015 to 9.58 in 2020.
 - ii Colchester's ratio also increased relative to England. In 2015 it was 11% above the national benchmark. By 2020 it had risen to 22%.
 - iii Virtually all of the above increases had occurred by 2019 – the latest year which was considered by the Local Plan Inspector.
 - iv Thus, in 2019, Colchester's median affordability relative to England was virtually the same as in 2020 – the date used in Mr Hollingworth's analysis. This relative position is part of the evidence base that informed the adopted housing requirement of 920 dpa.
 - v In each of the years shown, Colchester's ratio is virtually identical to the East region. Ratios for the borough and the region have grown in tandem, faster than England.
 - vi Within the HMA, Chelmsford is consistently the least affordable district, and Tendring the most affordable. Colchester and Braintree lie between those extremes and are similar to each other.

⁸ It should be borne in mind that a high ratio indicates bad affordability, and vice-versa.

Figure 3.1 Ratio of median house prices to median workplace earnings, 2004-21



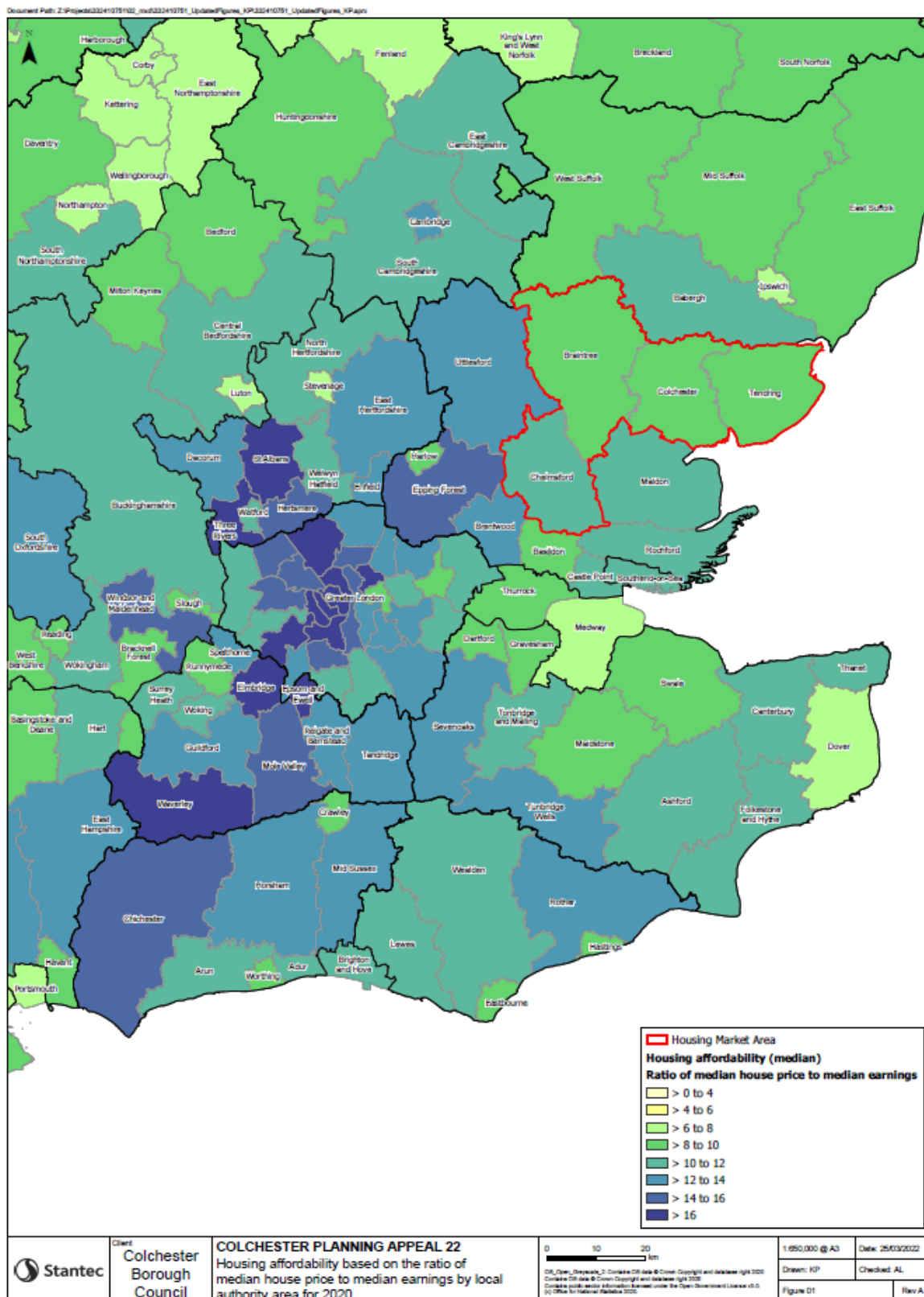
Source: ONS House price to workplace-based earnings ratio series. 23rd March 2022. House prices are year to September, earnings are for April. The latest release includes some minor corrections to the historical data, which are too small to affect our findings.

3.18 From the chart, we can also see that:

- The close similarity between Colchester and the East region is of long standing: the two ratios have been almost identical almost every year, since at least 2004.
- The divergence between England and the region is more recent, having started around 2014.
- While the region has had worse affordability than England throughout the period, from that year onward the gap between the region widened dramatically.
- Essex as a whole, and most districts within Essex, are less affordable than Colchester. The gaps between Colchester and these areas have been widening in the last 10 years or so.

3.19 To place Chelmsford in its wider context, the map below pictures 2020 affordability ratios across the wider South East of England, loosely defined. The map updates Figure 5.11 of the OAN study. It confirms the conclusions we drew at the time from that table, showing that Colchester still provides some of the most affordable housing in the wider South East, especially for a place that is so well connected to London by both rail and road.

Figure 3.2 Ratio of median house prices to median earnings, wider South East, 2020



House prices

Mean house prices

3.20 The table and chart below show mean house prices from 2014 to 2021. As before, vertical dotted lines separate the data available to the Local Plan Inspector from more recent releases.

Table 3.2 Mean house prices, 2014-21, £

Year to Q1	2014	2015	2016	2017	2018	2019	2020	2021	2021 (yr to June)
Braintree	£226,981	£244,007	£265,894	£288,090	£304,565	£313,716	£317,110	£341,051	£343,642
Chelmsford	£266,393	£294,696	£320,791	£366,757	£385,910	£390,620	£400,851	£425,223	£463,216
Colchester	£213,751	£226,218	£247,200	£270,160	£289,726	£292,909	£294,805	£328,608	£334,507
Tendring	£174,162	£186,208	£200,103	£225,514	£246,904	£253,877	£260,018	£280,264	£285,736
East of England	£246,189	£265,857	£288,227	£311,090	£328,403	£334,352	£337,916	£373,179	£379,918
England	£254,085	£268,076	£282,679	£288,801	£301,322	£303,392	£312,099	£346,965	£354,199
Ratios									
Colchester / England	84%	84%	87%	94%	96%	97%	94%	95%	94%
Colchester / East region	87%	85%	86%	87%	88%	88%	87%	88%	88%
East region / England	97%	99%	102%	108%	109%	110%	108%	108%	107%

Source: ONS Mean house prices for administrative geographies: HPSSA dataset 12 Released on 1 February 2022

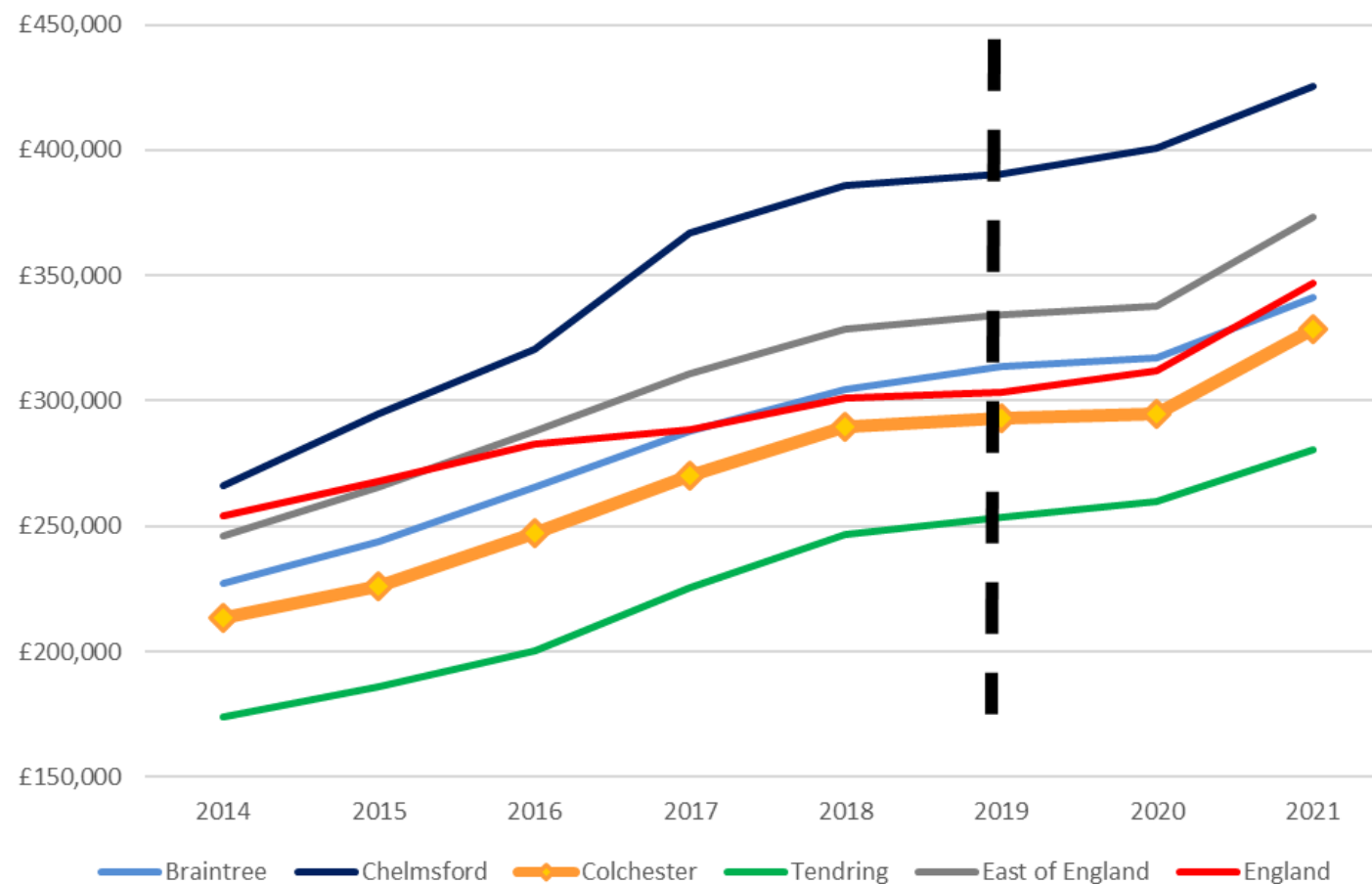
The table shows annual data for years to the end of March, 2014-21. In the last column we have added data for the year to end of June. These are included for comparison, as they are used in Mr Hollingworth's table.

3.21 The main points are as follows⁹:

- i The mean house price in Colchester in 2021, at around £329,000-335,000 (depending on the quarter) is 95% -94% of that for England.
- ii But, as pointed out by Mr Hollingworth, prices in Colchester increased faster, so the gap between Colchester and England shrank. In 2016, the time of the OAN Study, the figure for Colchester was 87% of the national benchmark.
- iii This change in Colchester's relative position is more than accounted for by the period to 2019 the latest year which was considered by the Local Plan Inspector. In 2019, the mean house price in Colchester was 97% of the national average; in the following two years it declined slightly relative to England.
- iv Thus, in 2019, Colchester's median affordability relative to England was the same as was virtually the same as in 2021 – the date used in Mr Hollingworth's analysis. This relative position was part of the evidence base that informed the adopted housing requirement of 920 dpa.
- v Relative to the East region, unlike England, Colchester's mean house price has been flat since 2014 . The Colchester figure, as a percentage of the East region benchmark, has been at around 87% each year, with small fluctuations.
- vi The region in turn has seen steady price growth relative to England.

⁹ It should be borne in mind that a high ratio indicates bad affordability, and vice-versa.

Figure 3.3 Mean house prices, 2014-21, £



Source: ONS Mean house prices for administrative geographies: HPSSA dataset 12 Released on 1 February 2022. The data is year ending March for each year, for consistency with the data used in Mr Hollingworth's proof

- 3.22 In short, the recent history of house prices mirrors the history of affordability discussed earlier. (This is not surprising, as affordability is the ratio of prices to earnings, and change in affordability is mainly driven by change in prices). The increase in Colchester's house prices relative to England's exactly reflects the regional trend. Compared to the rest of the East region, Colchester's position did not change between 2015 and 2020 – unlike other parts of Essex, such as Chelmsford, where prices rose much faster than the region, let alone England.
- 3.23 The other salient fact about the mean house price in Colchester is that in absolute terms it is significantly below the regional average.

Median house prices

- 3.24 Mr Hollingworth also considers median house prices, which the OAN Study did not cover. At para 4.19 of his proof and the following table he shows that Colchester's median house price was slightly above England's, both in 2015 (by 2%) and 2020 (by 7%).
- 3.25 In the table below, again I have extended Mr Hollingworth's analysis, to compare change in Colchester between 2016 and 2021 with other areas:
- In terms of the level of median prices, Colchester is slightly above the national benchmark, but below the regional one.
 - In terms of change, the result is similar to affordability and mean house prices: relative to England Colchester became more expensive, but relative to the East region it stayed the same; while relative to England the region became more expensive.
 - Again, all of those relative changes had occurred by 2019, the latest year considered by the Local Plan Inspector.

Table 3.3 Median house prices, 2016, 2019 and 2021, £

Year to	2016 Q1	2019 Q4	2021 Q2
Braintree	235,000	290,000	305,000
Chelmsford	279,995	350,000	375,000
Colchester	220,000	270,000	300,000
Tendring	175,000	240,000	255,000
East of England	240,000	289,000	324,850
England	215,000	245,000	280,000
Colchester / England	102%	110%	107%
Colchester / East region	92%	93%	92%
East region / England	112%	118%	116%

Source: ONS Median house prices for administrative geographies: HPSSA dataset 9 Released on 1 February 2022

Market rents

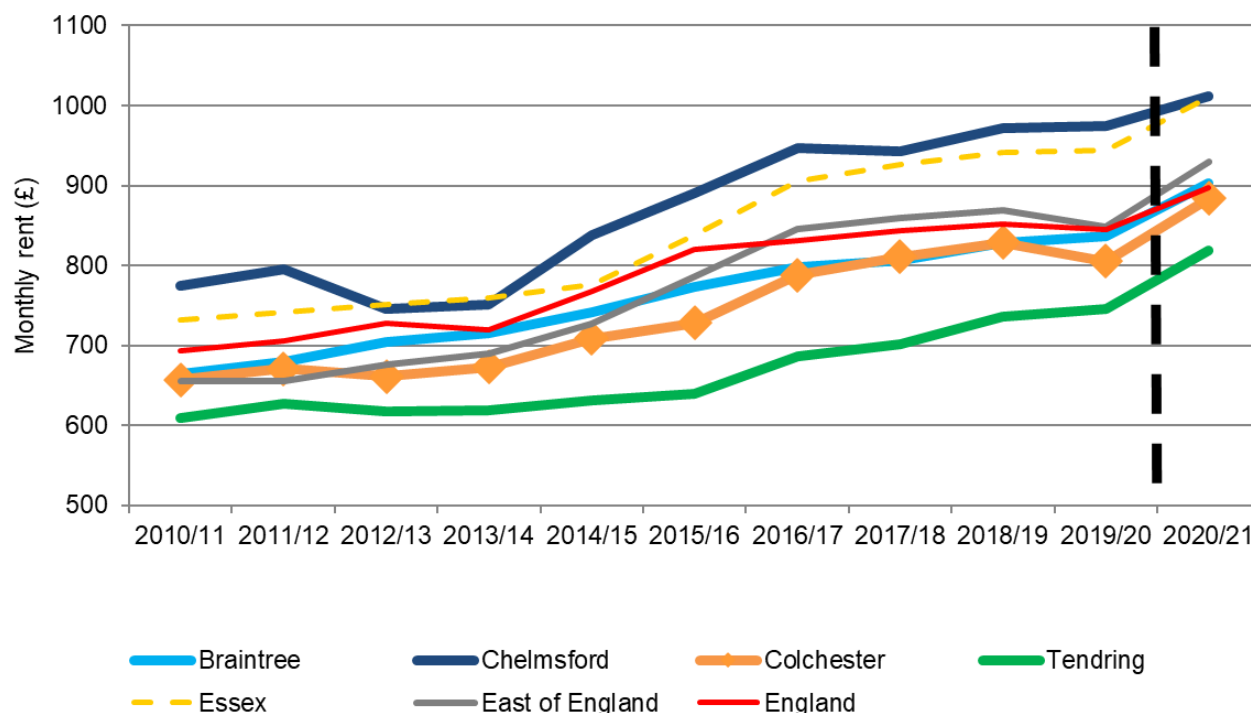
- 3.26 Mean market rents are shown in the table and chart below, and show similar patterns to the prices discussed earlier. In absolute terms, rents in Colchester are slightly below those in England. In terms of change, since the OAN study Colchester became more expensive relative to England, but relative to the East region it stayed the same; while relative to England the region became more expensive. Again, all of those relative changes had occurred by 2019, the latest year considered by the Local Plan Inspector.

Table 3.4 Mean monthly market rents, 2015/16, 2019/20 and 2020/21

	2015/16	2019/20	2020/21
Braintree	773	836	903
Chelmsford	891	974	1,012
Colchester	728	805	884
Tendring	640	746	819
East of England	786	848	930
England	820	845	898
Colchester / England	89%	95%	98%
Colchester / East region	93%	95%	95%
East region / England	96%	100%	104%

Source: 2010/11-15/16 Valuation Office Agency Private Rental Market Statistics - Table 2.7: Summary of monthly rents recorded by administrative area for England, 2016/17-20/21 ONS Private rental market summary statistics in England, Table 2.7: Summary of monthly rents for England, all biannual releases – latest release Dec 21

Figure 3.4 Mean monthly market rents, £, 2010/11-2020/21

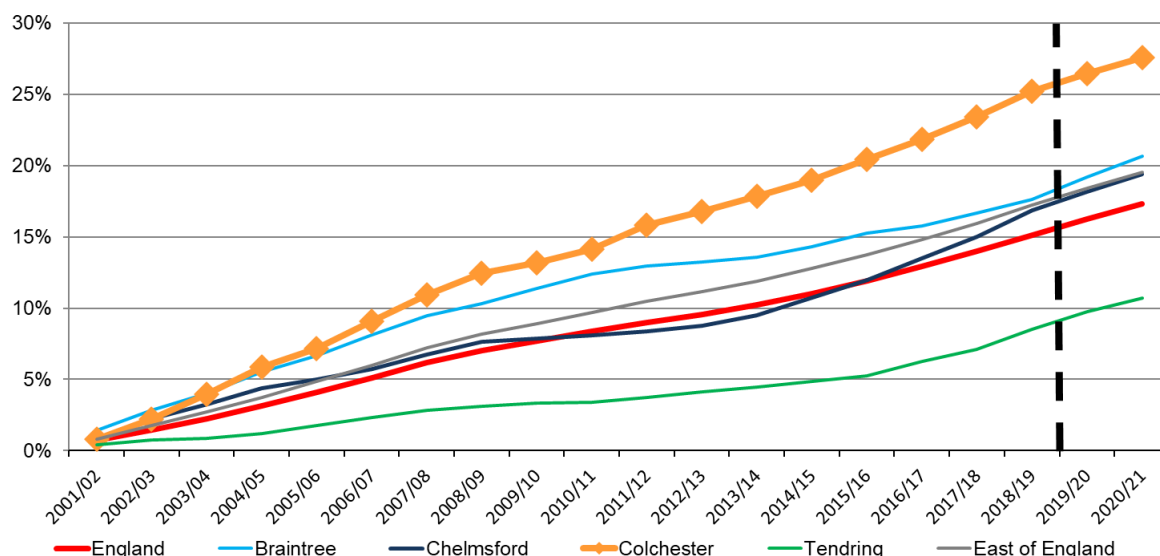


Source: 2010/11-15/16 Valuation Office Agency Private Rental Market Statistics - Table 2.7: Summary of monthly rents recorded by administrative area for England, 2016/17-20/21 ONS Private rental market summary statistics in England, Table 2.7: Summary of monthly rents for England, all biannual releases – latest release Dec 21. Data are for years ending in September, for consistency with Mr Hollingworth's data.

Housing delivery

- 3.27 Mr Hollingworth's proof discusses housing delivery at para 4.32 onward. It notes that since the start of the plan period housing completions have exceeded the requirement of 920 dpa, but despite this affordability has not improved, as discussed earlier. He concludes that Colchester has not been building enough homes, and for affordability to improve it needs to build more.
- 3.28 My own analysis confirms that Colchester has seen strong housing growth, and not only against plan targets, but also compared to other areas. The chart below shows cumulative net completions from 2001/02 to 2020/21, as a proportion of the housing stock at 31st March 2001. Colchester's stock grew by 28% in the 20-year period. For England, the East region, Braintree and Chelmsford growth was between 16% and 20%. For Tendring it was much less, at 6%.

Figure 3.5 Housing delivery
Net cumulative housing completions as % of 2001 stock



Source: net additional dwellings - DLUHC Live tables (tabs 122/118) Net additional dwellings by local authority district, England, 2001-02 to 2020-21, update 25 November 2021 Stock at March 2001 ONS Live tables on dwelling stock Table 125: Dwelling stock estimates by local authority district: 2001 - 2020

- 3.29 While I agree with Mr Hollingworth on the facts of housing growth, I disagree with his interpretation of those facts. The facts show that the medicine of local housebuilding is not curing the pain of expensive housing. Logically there are two possible conclusions: either the patient has been taking too little medicine and more is needed, or the medicine does not work, and we must try something else.
- 3.30 Mr Hollingworth opts for the first of these answers: as affordability in Colchester is not good enough despite it building many houses, to improve affordability it must build even more.
- 3.31 In my view this is wrong, because prices and hence affordability in Colchester do not just depend on supply in Colchester. Rather, prices are set in the wider regional and sub-regional market, because households are free to move between Colchester and other areas, choosing to live where they can find the housing most suitable for them at the best price. This is why house prices in different geographical area follow similar (though not identical) trajectories over time, as many of the charts above illustrate.
- 3.32 As Colchester has been building more housing than neighbouring areas and the region as a whole, it has been partly compensating for relative underdelivery in other areas (which Mr Hollingworth does not mention). But any impact on house prices will have been diluted as it spread over wider market areas of which Colchester is part. As Colchester can only be a small part of those wider market, it cannot be expected to reverse regional and sub-regional house price trends on its own, no matter how many houses it builds. For this, a different kind of medicine would be needed: increased delivery in neighbouring areas and the wider region, as well as the borough

itself. (It would also need macroeconomic policies that do not push house prices upwards, but planning cannot help with that.)

Summary and conclusion

- 3.33 Affordability – the ratio of median house prices to median earnings – is probably the most important market indicator in the present context.
- In terms of level, the latest data show that Colchester is less affordable than the England average.
 - But its affordability is virtually equal to the East of England region, and better than Essex as a whole and most Essex districts. Also, Colchester is one of the most affordable locations in the wider South east of England and within easy reach of London.
 - In terms of change since the data used in the OAN study, Colchester has become less affordable relative to England, but it has consistently been the same as the region – which in turn has become less affordable relative to England.
 - By contrast, other parts of Essex have been getting less affordable compared to the region.
- 3.34 Following Mr Hollingworth’s analysis, I have also looked at three further market indicators; mean house prices, median house prices and market rents. In terms of level, Chelmsford’s position against the England benchmark varies: rents are close to the national benchmark, and house prices are above or below it, depending whether we use mean or median averages. In terms of change, the pattern is the same as for affordability: since the OAN Colchester has become more expensive relative to England, but has stayed the same relative to the East region – which in turn has become more expensive relative to England. By contrast, other parts of Essex have been getting more expensive compared to the region.
- 3.35 Finally I have looked at housebuilding, noting that Colchester has a strong record, both against plan targets and compared to the nation, region and surrounding areas. Without this strong record of housing delivery, Colchester’s market signals might have done worse, as they have done in most of Essex. But Colchester on its own cannot be expected to reverse wider regional trends in house prices and hence affordability, no matter how many houses it builds, because it is a small part of a much bigger market.
- 3.36 In my view, this analysis confirms the finding of the original OAN study, which was supported by the Local Plan Inspector as recently as December 2020. Considered in their wider historical and geographical context, Colchester’s market signals would not justify a market signals uplift, even if the Local Plan were reviewed today in light of the latest evidence.
- 3.37 In regard to all these indicators, all the changes since the OAN that Mr Hollingworth has identified were already evident at the time that the Local Plan Inspector endorsed the housing requirement of 920 dpa. Therefore, Mr Hollingworth’s analysis does not update the plan in the light of evidence that has emerged since adoption. Rather, he

attempts to review, or revise, the existing plan – in effect re-running the plan examination.

4 Summary

- 4.1 This rebuttal proof is submitted on behalf of the Council, in response to Sam Hollingworth's proof of evidence on Housing Need, Requirement and Supply. Specifically, it responds to two of Mr Hollingworth's points:
- i That Colchester's Local Housing Need, calculated by the current standard method, is 15% above the housing requirement in the Adopted Local Plan.
 - ii That, if Colchester's Objectively Assessed Need were recalculated today, using the old method but the latest market signals evidence, the result would be more than 920 new dwellings per year (dpa).
- 4.2 The first of these points was already in the appellant's Statement of Case. It is discussed in my main proof of evidence, which concludes that Mr Hollingsworth's calculation is correct, but the result has no relevance to this appeal. But in the intervening time there has been a new appeal decision in Reading that addresses the same issue. The appeal Inspector was presented with similar arguments, in very similar circumstances, to the present case. She found that *'there is no policy basis for applying the standard method to the current situation'*. From this finding, the Inspector concludes that the standard-method Local Housing Need is *'of limited relevance'* in the appeal. In my opinion, 'no relevance' would be a more appropriate conclusion, because the Inspector does not mention any reason why the standard-method figure should have any relevance at all.
- 4.1 My analysis of market signals concludes that Mr Hollingworth's findings are not valid. Properly interpreted, current market signals would not justify a market signals uplift, even if the Local Plan were reviewed today in light of the latest evidence. It is true that housing in Colchester is unaffordable and expensive by national standards. But compared to the region, and to other places that offer similar advantages, Colchester it is neither unaffordable or expensive.
- 4.2 Even if Mr Hollingworth's analysis were correct, it would not be relevant to this appeal, because it amounts to revising the evidence supporting the Local Plan – which the Inspector re-evaluated and endorsed just before the plan was adopted in 2020. In effect, Mr Hollingworth is attempting to re-run the plan examination. This is not the role of a S78 inquiry.

