



## HORSHAM LOCAL PLAN EXAMINATION: MATTER 1 THE HOUSING REQUIREMENT (OUR PLACE REF 1198209)

### MATTER 1: THE HOUSING REQUIREMENT

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- 1.1 This statement has been prepared on behalf of Our Place Sustainable Development Limited ('Our Place'). It follows the Inspector's Notes IDJB02 (Inspector's Guidance Note) and IDJB03 (Inspector's Draft Hearing Agenda/Programme) and considers the soundness of the approach to identifying the Council's housing requirement as set out in the Council's Housing Requirement Topic Paper (HDCJB04).
- 1.2 This Statement comments on the proposed approach and provides recommendations to ensure that the process of identifying a suitable housing requirement is carried out in a sound manner.
- a. The identification of the appropriate basic local housing need figure for the purposes of the plan**
- 1.3 The identification is currently unsound. The Council's standard method calculation of its local housing need figure for 2023 and 2024 is 911 and 917 dwellings per annum (dpa) respectively. The Council's proposed approach, however, projects forward the housing need as only calculated for 2025 which was lower (838 dpa) as being that for the remainder of the plan period. 2025 in isolation also anomalously and artificially suggests a lower affordability ratio, but this was simply the result of very particular macroeconomic circumstances that have led to house prices stagnating while wages increase due to inflation. That affordability ratio, however, only looks at the median house price against the median salary. It does not account for increased cost of borrowing (i.e. mortgages) which have risen in recent years. Taking that into account, the amount being spent on mortgage payments is in fact the highest it has been in 18 years.<sup>1</sup>
- 1.4 The Council has therefore used an unrepresentative and anomalous year of affordability data as the basis for calculating a housing requirement for the entirety of the remainder of the plan period. In doing so it fails to take into account actual rising housing unaffordability and in turn it will suppress the supply of new housing which could help to tackle that unaffordability.
- 1.5 A sound, and more robust and positive, approach would at the very least to be to take the average housing requirement of the last three years as calculated using the standard method and use that as the basis for calculating the housing requirement for the remainder of the plan period.<sup>2</sup> Some of that requirement can then be apportioned to the South Downs National Park Authority along the lines the Council suggests. The results of that exercise are summarised in **Table 1** below, which is a re-creation of Table 4 of the Council's Housing Requirement Topic Paper.

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<sup>1</sup> ONS. English Housing Survey 2024 to 2025 headline findings on demographics and household resilience (published 4<sup>th</sup> December 2025). Annex Table 2.3.

<sup>2</sup> Average of 911, 917 and 838 being 889.



## Note continued

Table 1 - 'Table 4 Housing need over plan period' (revised)

Year of Plan	SM baseline	2.3% for SDNPA	Total HDC Need
2023 x 1 year	911	21	890
2024 x 1 year	917	21	896
2025 x 1 year	838	19	819
2026-42 avg. x 16 years*	889	20	869
<b>Plan period housing need</b>	<b>14,398 16,885</b>	<b>327 388</b>	<b>14,071 16,496</b>

\*See below for requirement to extending the plan period

### b. The relationship of this figure to the base date of the plan

- 1.6 The plan period should be extended up to 2042 to be sound and compliant with national policy.
- 1.7 The NPPF is clear that strategic policies should look ahead over a minimum 15 year period from adoption.<sup>3</sup> Given, therefore, that the plan is not likely to be adopted until 2027, the strategic local plan policies must look ahead to at least 2042.

### c. The amount of unmet housing need from nearby districts to be accommodated

- 1.8 The Housing Requirement Topic Paper identifies that there is an unmet need of 5,812 homes from Crawley Borough Council, this being the total unmet need (7,505) less the contribution Mid Sussex District Council can make towards meeting this (1,693).
- 1.9 However, the Council's assumption that it should only meet up to 50% of Crawley's unmet need is unevidenced. This also relates to the highly unusual approach of the Council not to identify specific sites to allocate at this stage but to do that later (as will be addressed in Matter 2). That so-called assumption is not predicated on a process of assessment of site availability and consequential allocation. The plan therefore begins with an artificial and unevidenced assumption from the outset which builds in unsoundness to the approach. The assumption is specifically referenced as being a "very rough basis" on which to calculate an appropriate contribution to Crawley's unmet needs.<sup>4</sup> This is inherently unsound as an approach. It is not apparent that consideration has been given providing a higher percentage having regard to the actual opportunities within Horsham District taking into account its physical and policy constraints.

<sup>3</sup> NPPF (September 2023), paragraph 22.

<sup>4</sup> Report on the Examination into Horsham District Planning Framework, Geoff Salter BA MRTPI. 8<sup>th</sup> October 2015.



## Note continued

- 1.10 HDC should, therefore, actively assess whether it can accommodate more or even all of the residual unmet need from Crawley Borough Council (5,812 dwellings) not simply assume on a “*very rough basis*” that it cannot.
- 1.11 The Housing Requirement Topic Paper also goes on to assert that it is “*very unlikely to be able to meet any additional unmet need*” from other neighbouring authorities within Coastal West Sussex (i.e., Worthing Borough Council, Adur Borough Council Arun District Council, and Chichester District Council) but this is similarly unevidenced and must be justified. Taking one example, Chichester District Council has an unmet need of 1,134 dwellings over the plan period.<sup>5</sup> Horsham’s position in June 2024 was that “*taking account of Horsham’s own high housing targets and accommodating some of the unmet needs of the authorities with whom Horsham have a very direct relationship in housing market terms, it was considered Horsham would not be in a position to accommodate CDC unmet needs.*” Again, this is unevidenced and the ability of HDC to accommodate unmet needs from neighbouring authorities should be revisited particularly given the relative lack of constraints in HDC following Natural England’s water neutrality position statement. At present, the plan therefore fails to be positively prepared and justified.
- 1.12 HDC have claimed that there is relatively weaker relationship between Horsham District and the Coastal West Sussex authorities. This misapplies paragraph 11(b) of the NPPF which requires strategic policies to provide for, as a minimum, “*...any needs that cannot be met within neighbouring areas...*” (emphasis added) Two qualifications are added to that requirement at parts (i) and (ii). Neither relate to the strength or otherwise of the housing market relationship between the areas, nor has HDC provided an updated statement of common ground with Coastal West Sussex Authorities in respect of not meeting these unmet needs (see footnote 6 of the NPPF).

### **d. Whether any other factor should influence the housing requirement**

- 1.13 As set out above, an assessment of the District’s availability of housing land and any physical constraints to meeting unmet needs arising from neighbouring authorities should necessarily influence the housing requirement. Currently, HDC have arbitrarily capped the amount of unmet need that it is seeking to accommodate from neighbouring authorities in a way that is contrary to national policy.

### **e. The appropriate housing requirement arising from a. to d.**

- 1.14 The Council have indicated in their Housing Requirements Topic Paper that they will seek to meet a requirement for 17,828 homes between 2023-2040, this being a combination of they have calculated as their own assessed housing requirement (14,071 – a figure which is significantly too low for the reasons summarised above) and a portion of Crawley Borough Council’s unmet needs (3,753 – a figure which is artificially capped for the reasons summarised above).

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<sup>5</sup> Statement of Common Ground between Chichester District Council and Horsham District Council (DC05) Paragraph 6.6.



## Note continued

1.15 This should, however, be significantly higher for at least the following reasons:

- the plan should not seek to perpetuate the particular economic circumstances that led to a lower housing affordability ratio in 2025 and then erroneously treat that as the basis for a housing requirement for the rest of the plan period;
- the plan period should extend to 2042 to ensure that strategic policies look forward at least 15 years from adoption;
- the ability to accommodate unmet needs from neighbouring authorities should not be limited to those neighbouring authorities with whom there is a strong shared housing market; and
- the ability to accommodate unmet needs from neighbouring authority should be assessed based on physical constraints and availability of land, rather than applying unjustified and arbitrary caps.

**1.16 HDC's housing requirement should be at least 16,496 dwellings, as per Table 1 above. Adding Crawley's unmet needs increases this to a minimum of 20,249, but in reality up to at least 22,308 dwellings. This is before one gives proper consideration to meeting any other unmet needs.**