

Crest Nicholson Strategic Land and Planning

Horsham Local Plan Examination

Hearing Statement (Matter 1: The Housing Requirement)

Date of report: April 2026

Response ID: 1197217

PREPARED FOR



savills

Matter 1: The Housing Requirement

- 1.1 This Hearing Statement is submitted by Savills Planning on behalf of Crest Nicholson Strategic Land and Planning (herein after 'Crest') in relation to its land interest at Land West of Kilnwood Vale in response Matter 2 (Housing Supply and Headroom). The statement expands upon Crest's Regulation 19 representations and Hearing Statements submitted for the Examination in Public Hearings in December 2024.
- 1.2 In accordance with the Inspectors Guidance Notes (IDJB02) this Statement responds to the matters identified in the Draft Hearings Agenda (IDJB03 v2). Each issue is covered in turn below.

a. The identification of the appropriate basic local housing need figure for the purposes of the plan

- 1.3 Crest acknowledge that the Horsham District Local Plan 2023-2040 ("HDLP") is being brought forward under the transitional arrangements for plan-making of the December 2023 National Planning Policy Framework (NPPF). In this context, the HDLP is being examined under the September 2023 version of the NPPF and the Standard Method calculation in effect at that point applies.
- 1.4 Adjusting for housing needs within the South Downs National Park Authority ("SDNPA") gives an annualised HDC Need Figure of **890 dpa** (15,130 over the plan period).
- 1.5 The use of the standard method is welcomed, however, this should be seen as a minimum figure, and local evidence, as well as the strategies contained within local and national policies (namely the December 2024 NPPF), indicate that a higher figure would be appropriate for the plan period.
- 1.6 The Planning Practice Guidance (PPG) clearly states that the standard method identifies a minimum number of homes to be planned for (paragraph 001 Reference ID: 68-001-20240205). The PPG continues by stating:

"The housing requirement is the minimum number of homes that a plan seeks to provide during the plan period.

Once local housing need has been assessed, as set out in this guidance, authorities should then make an assessment of the amount of new homes that can be provided in their area. This should be justified by evidence on land availability, constraints on development and any other relevant matters.

The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The National Planning Policy Framework explains that the housing requirement may be higher than the identified housing need, and authorities should consider the merits of planning for higher growth if, for example, this would seek to reflect economic growth aspirations. Where authorities plan for higher growth this should not normally have to be thoroughly justified at examination."

[040 Reference ID: 2a-040-20241212, Savills emphasis].

- 1.7 The reasons why Crest consider that a requirement above the 2023 standard method is appropriate are explained below.

The New Standard Methodology

- 1.8 On 12 December 2024 the Government adopted an updated NPPF. The updated NPPF contains a number of key amends, principally related to focusing on a bold strengthening of drive to meet housing and other development needs. This includes a revision as to how the standard methodology is calculated.
- 1.9 For Horsham, the revised standard methodology formula results in a per annum requirement of 1,357

dwellings, a c.49% increase from 910 dwellings based on the 2023 standard methodology. Using the proposed 17 year plan period (2023/24 to 2039/40) the LP requirement would be **23,069 dwellings**. This is an increased need of **7,939 dwellings** from that proposed in the R19 LP. These figures are noted to be before any unmet need allowance is added.

- 1.10 The 2024 NPPF reverses the changes made under the December 2023 NPPF to paragraph 61 (which is now paragraph 62), that the outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area is a positive step-forward to give certainty and clarity on the issue of planning for housing need and requirement. Furthermore, the reference to alternative approaches to assessing housing need have been removed. Crest express that this is critical for plan-making and decision making in the planning system if we are to achieve delivery of 1.5m new homes over the next 5 years (or 300,000 per annum).
- 1.11 The revised standard method produces an overall housing requirement for England of 371,000 homes per year, a 22% increase against the current method. While this is significantly higher than the 300,000 homes per year target, work undertaken by Savills Research has shown that approximately 25% of planning consents granted nationally over the past 10 years have not been implemented. To reach 300,000 homes while accounting for this fall through rate, each new home delivered would require 1.35 planning consents. The 371,000 home requirement is therefore needed to be embedded in local plan targets as quickly as possible to ensure that delivery volumes have a chance to reach 300,000 homes per year. The revised method broadly allocates homes in the areas where they are most needed, such as Horsham.
- 1.12 While Crest recognise the transitional arrangements, it is considered that ignoring the requirements to plan for increased growth of c. 8,000 more dwellings (within the current plan period) to avoid delivering the much-needed homes in an area with a growing affordability crisis is not in the spirit of the housing growth agenda being delivered by the new Government and is just “kicking the can” down the road for a number of years when HDC say they will start an early Review of the Local Plan. This decision means HDC will be failing the younger population at both a district and sub regional level. If HDC do choose to proceed on this basis, Crest consider that a strong review policy is required that set out clear dates as to when a new plan will be submitted, and the consequences should that plan not come forward in the agreed timescale.
- 1.13 Crest express that, even if the Local Plan is submitted to examination and is subsequently found unsound or has to be withdrawn, or HDC is required to begin immediately progressing a new Local Plan under the new plan making system, the transitional arrangements would delay the adoption of a new plan until at least 2029, compounding the identified shortfall. Therefore Crest consider that HDC should be proactively increasing their planned housing requirement in the current draft R19 LP, without these amends, **Crest objects to Policy 37** on the basis that it is not sound, as the Local Plan is not positively prepared and will not be consistent with national policy.

Affordability

- 1.14 The affordability of Horsham is one reason that a higher housing number should be sought in the emerging Local Plan. The affordability ratio, published by the Office for National Statistics (ONS) is based on the house price to workplace-based earnings for each LPA.
- 1.15 Horsham is one of the least affordable housing markets in the country with increasing house prices above the regional average. In 2025 the affordability ratio (median house price to median workplace based earnings, published in March 2024¹) was 10.98, which is in the highest sixty authorities in the country (330 in total). In comparison, the average 2024 affordability ratio for the South East was 9.43 and for England was 6.81.

¹ <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/housepriceexistingdwellingstoworkplacebasedearningsratio>

- 1.16 Therefore, whilst the use of the standard method is welcomed, there should be more emphasis that this is a minimum figure and a starting point. As a minimum, it is considered that an uplift should be applied to reflect the poor affordability in Horsham. HDC should proactively plan for a requirement nearer the draft standard methodology requirement to address this affordability crisis head on.

Soundness implications:

- ❖ **Positively Prepared** – Plans should provide a strategy which, as a minimum, seeks to meet the area's objectively assessed needs

The relationship of this figure to the base date of the plan

- 1.17 Crest do not wish to provide comment on Matter 1, Issue (b).

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

- 1.18 Crest do not wish to provide comment on Matter 1, Issue (c).

d. Whether any other factor should influence the housing requirement

- 1.19 There are no exceptional circumstances within Horsham which would justify an alternative approach to using the LHN as the minimum housing need. As set out in response to Issue (a) it is considered that the acute housing crisis which the Council face is sufficient evidence to enforce a higher housing requirement in line with the 2024/NPPF.

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

- 1.20 Crest acknowledge that the Local Housing Need, based on the NPPF/2023 standard methodology, requires **911 dpa**, totalling 15,487 dwellings over the proposed 17-year Plan Period (2023 – 2040). However, Crest consider this provision wholly inadequate due to the acute housing supply and affordability crisis in Horsham.
- 1.21 Given the acute housing supply and affordability crisis, we consider it critical for Horsham to proactively plan for a higher housing need than the 2023/NPPF SM indicates in order to address the crisis effectively. This will assist the Council in the process of bridging the gap between the 2023/NPPF SM (911) and the 2024/NPPF SM (1,357) – a c. 49% increase – which will be required under the immediate Local Plan review.

Soundness implications:

- ❖ **Positively Prepared** – Plans should provide a strategy which, as a minimum, seeks to meet the area's objectively assessed needs

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