Campaign to Protect Rural England Sussex

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Examination of the Horsham Local Plan 9 April 2026

Matter 2 Wednesday 22 April 2026: Housing supply and headroom: a, b, c, d, e, f, g, and h.

CPRE Sussex asks that the realities summarised below be considered in the determination of the local-plan housing target for Horsham District.

1. The actual supply trajectory/actual delivery trajectory will be determined by building out rates, actual market demand and whether developers have the capacity to deliver.

2. Developers/builders are commercial entities. They will not build more houses than can be sold at an acceptable-to-them profit and, responding to market demand, they will adjust build rates as necessary. When demand and sales diminish, developers/builders will reduce build rates regardless of the district's formula-determined housing needs and requirements.

3. Topic Paper 2: Housing Supply and Headroom, paragraph 13: Table 2: Strategic Site Allocation delivery reveals that:

- Land North of Horsham (Mowbray), which was allocated to the 2015 HDPF, has delivered only 211 of the 2750 homes allocated to the site.

- Land West of Southwater (Broadacres), also allocated to the 2015 HDPF, has delivered only 424 of the 660 required for that site.

4. Factors that have impacted housing delivery at these two strategic sites and across Horsham District in the recent past include the Covid pandemic and the requirement for water neutrality (no longer required), and now mortgage availability and rising borrowing costs, increasing construction costs, skills shortages, and prevailing fiscal and economic uncertainties, exacerbated by war in the Middle East.

5. Andrew Bailey, Governor of the Bank of England, has warned that the war risks triggering a 2008-style financial crisis.

6. The Royal Institution of Chartered Surveyors (RICS) UK Residential Survey for March 2026 reported that "the market losing momentum as rising borrowing costs and wider geopolitical uncertainty weighed heavily on buyer confidence and sales activity.

New buyer enquiries fell to a net balance of -39%, down from -29% in February, marking the weakest reading since August 2023. Agreed sales also deteriorated, dropping to a net balance of -34% from -13% the previous month.

The survey points to a market increasingly pressured by inflationary concerns and higher mortgage costs. Short-term sales expectations fell sharply to -33%, compared with -4% in February, suggesting respondents expect activity to weaken further over the coming months. Looking 12 months ahead, sales expectations slipped to -1%, indicating a broadly flat market rather than the modest recovery view seen previously.

Tarrant Parsons, RICS Head of Market Research and Analysis, said: "The mood across the UK housing market has shifted markedly over the past couple of months. What had been a cautiously improving picture for activity has been knocked of course by the wider macro fallout from the Middle East conflict, as the renewed deterioration in the mortgage rate outlook has proved particularly challenging. Indeed, with average fixed rates climbing back above 5% according to some sources, it is unsurprising that buyer demand has softened". https://www.rics.org/news-insights/uk-housing-market-slows-as-ongoin

7. Build News.co.uk reported in September 2025:

"The UK government's target to build 1.5 million new homes faces mounting threat. Shortages in trades like bricklaying, carpentry, and electrical work—and delays in attracting younger workers—could hinder delivery timelines and inflate costs.

"With labour accounting for up to 40% of construction costs, shortages have overtaken materials as the sector's primary bottleneck. Persistent recruitment challenges—from demog**raphic decline to low apprenticeship uptake—continue to squeeze SME construction firms and threa**ten project viability.

"Labour scarcity has added financial pressure across the sector: Wages surged, driven by supply-demand distortions in the labour market. Tender prices rose faster than base building costs, pushing project bids upward. Contractors handling green building tasks like insulation or heat-pump installations saw wage inflation of more than 20%". https://www.buildnews.co.uk/labour-shortages-threaten-uk-construction-recovery-report-claims/

8. Allocating additional sites to increase' headroom' would not increase the likelihood of the formula-determined housing needs and requirements being met over the plan period. After all, actual market demand determines total house sales, not formula-determined housing need and requirements.

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