

Housing Topic Paper (February 2025)

1 Introduction

- 1.1 Three Rivers District Council is preparing a new Local Plan, which will guide development up to 2041. In order to explain and support many of the themes in the emerging Local Plan, the Council will produce a number of topic papers, which present background information and evidence to set the scene for discussion and engagement.
- 1.2 The topic papers are intended to be 'living' documents, which will be updated throughout the plan-making process in order to reflect updated evidence, changes to the policy context, and the outcomes of the various stages of consultation and engagement. The topic papers do not contain any policies, proposals, or site allocations.
- 1.3 This Housing Topic Paper aims to provide a holistic overview of the important subject of housing, an integral element of the emerging Local Plan. The topic paper briefly discusses the affordability issues the District faces, primarily as a result of high house prices. A summary of relevant national and local policy as well as local context is provided, including a review of previous housing supply. Finally, a review of the current and future evidence base guiding the emerging Local Plan is undertaken, with specific regard being given to the findings of the south-west Hertfordshire Local Housing Needs Assessment Update (2024), prepared by Icen.
- 1.4 Due to the District's close proximity to London, Three Rivers has traditionally been situated within a high house price area. According to data published by the Office of National Statistics (ONS), the lowest quartile house price in Three Rivers in September 2022 was £400,000¹. The lowest quartile house price of £400,000 places Three Rivers as the third most expensive local authority area in England and Wales (excluding London), out of a total of 303 local authority areas. Three Rivers' position has worsened and the lowest quartile house price has risen by £75,000 from 2016 to 2022, demonstrating an ongoing worsening affordability position.
- 1.5 Lowest quartile earnings in Three Rivers in 2016 were £24,518.00 and £28,876.00 in 2022², 13.26 times worsening to 13.85 times below the lowest quartile house prices (ratio of lower quartile house prices to lower quartile gross annual, residence based earnings). In a mortgage market where lenders are traditionally willing to lend 3-4 times a person's income, a lending requirement of 13 to 14 times such an income means that most first time buyers are simply unable to purchase a dwelling in the District. Such a lending ratio would have required a first-time buyer in 2022 to have a deposit of £284k - £301k or (with a 5% deposit of £20,000) to earn £95,000.00 per annum to get onto the lowest/cheapest rung of the property ladder. An additional Stamp Duty payment would also have been due (subject to COVID related temporary relaxation).

¹ ONS (2023) Dataset: House price to residence-based earnings ratio Table 6a

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

² Office for National Statistics (2023) Dataset: House price to residence-based earnings ratio Table 6b

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

- 1.6 Over the period 2016 to 2021, the median quartile house affordability ratio in Three Rivers has worsened with a rise from 13.77 in 2016 to 14.99 in 2022³. Three Rivers maintains the fourth worst affordability ratio in England and Wales (excluding London), the median affordability ratio has worsened (by 1.22), demonstrating a lack of improvement in Three Rivers' affordability position nationally.

2 Policy Context

National Planning Policy Framework

- 2.1 The National Planning Policy Framework (NPPF) published in December 2024 sets out the Government's planning policies for England and how these should be applied. It provides a framework within which Local plans must be produced.

- 2.2 As set out in paragraph 11 of the NPPF, plans should apply a presumption in favour of sustainable development. For plan-making this means that:

a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;

b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

2.3 Delivering a Sufficient Supply of Homes

- 2.3.1 Paragraph 61, which relates to boosting the delivery of homes states:

“To support the Government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay. The overall aim should be to meet an area’s identified housing need, including with an appropriate mix of housing types for the local community.

- 2.3.2 Paragraph 62 which sets out how to identify local housing need states:

“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance. In addition to the local housing need figure,

³ Office for National Statistics (2023) Dataset: House price to residence-based earnings ratio Table 5c <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoresidencebasedearningslowerquartileandmedian>

any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for”.

2.3.3 Paragraph 63 of the NPPF goes on to explain that “*within this context of establishing need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies*”. These groups include (but are not limited to):

- *Those who require affordable housing (including Social Rent)*
- *Families with children*
- *Looked after children*
- *Older people (including those who require retirement housing, housing-with-care and care homes)*
- *Students*
- *People with disabilities*
- *Service families*
- *Travellers*
- *people who rent their homes and people wishing to commission or build their own homes*

2.3.4 With regards to tenure, paragraph 66 of the NPPF sets out “*where major development involving the provision of housing is proposed, planning policies and decisions should expect that the mix of affordable housing required meets identified local needs, across Social Rent, other affordable housing for rent and affordable home ownership tenures*”.

2.3.5 Below are some relevant definitions as set out within the glossary of the NPPF:

Affordable housing: housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

- a) **Social Rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for Social Rent; (b) the landlord is a registered provider; and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision.
- b) **Other affordable housing for rent:** meets all of the following conditions: (a) the rent is set in accordance with the Government’s rent policy for affordable Rent, or is at least 20% below local market rents (including service charges where applicable); (b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and (c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes

affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

- c) **Discounted market sales housing:** is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.
- d) **Other affordable routes to home ownership:** is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts to be recycled for alternative affordable housing provision, or refunded to Government or the relevant authority specified in the funding agreement.

2.4 Five Year Housing Land Supply

2.4.1 Paragraph 78 of the NPPF sets out that “*local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old*”.

2.4.2 Paragraph 78 also sets out:

“The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:

- a) *5% to ensure choice and competition in the market for land; or*
- b) *20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply; or*
- c) *From 1 July 2026, for the purposes of decision-making only, 20% where a local planning authority has a housing requirement adopted in the last five years examined against a previous version of this Framework, and whose annual average housing requirement is 80% or less of the most up to date local housing need figure calculated using the standard method set out in national planning practice guidance”.*

2.4.3 As set out in the Council’s Housing Land Supply Update (December 2024), the Council can show 1.7 years supply of deliverable housing.

2.5 Housing Delivery Test

2.5.1 Paragraph 79 of the NPPF relates to the Housing Delivery Test (HDT) and sets out the different policy consequences if the HDT indicates that delivery has fallen below the local planning authority’s housing requirement over the previous three years.

2.5.2 The Housing Delivery Test is the Government’s annual measurement of housing delivery in the area of relevant plan-making authorities. The HDT is a percentage

measurement of the number of net homes delivered against the number of homes required over a rolling three-year period.

- 2.5.3 Three Rivers' most recent HDT measurement (2023) was 30%. As such, paragraph 79(c) of the NPPF applies, which sets out that "*where delivery falls below 75% of the requirement over the previous three years, the presumption in favour of sustainable development applies, as set out in footnote 8 of this Framework, in addition to the requirements for an action plan and 20% buffer*". The 20% buffer relates to the 5 year supply of specific deliverable sites.

2.6 Green Belt

- 2.6.1 Paragraphs 145-149 of the NPPF relate to altering Green Belt boundaries. Paragraph 145 states that "*once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified through the preparation or updating of plans...*".

- 2.6.2 Following on from this, paragraph 146 states:

"Exceptional circumstances in this context include, but are not limited to, instances where an authority cannot meet its identified need for homes, commercial or other development through other means. If that is the case, authorities should review Green Belt boundaries in accordance with the policies in this Framework and propose alterations to meet these needs in full, unless the review provides clear evidence that doing so would fundamentally undermine the purposes (taken together) of the remaining Green Belt, when considered across the area of the plan".

- 2.6.3 Additionally, paragraph 148 states:

"Where it is necessary to release Green Belt land for development, plans should give priority to previously developed land, then consider grey belt which is not previously developed, and then other Green Belt locations. However, when drawing up or reviewing Green Belt boundaries, the need to promote sustainable patterns of development should determine whether a site's location is appropriate with particular reference to paragraphs 110 and 115 of this Framework...."

- 2.6.4 In relation to affordable housing within the Green Belt, paragraph 67 of the NPPF states:

"..A specific affordable housing requirement (or requirements) should be set for major development involving the provision of housing, either on land which is proposed to be released from the Green Belt or which may be permitted on land within the Green Belt. This requirement should:

a) be set at a higher level than that which would otherwise apply to land which is not within or proposed to be released from the Green Belt; and

b) require at least 50% of the housing to be affordable, unless this would make the development of these sites unviable (when tested in accordance with national planning practice guidance on viability)".

Planning Practice Guidance (PPG)

- 2.7 The PPG provides additional guidance on how to apply NPPF requirements. The guidance is updated more regularly than the framework, with further updates to the PPG expected over the coming months. It contains further detailed advice on the

matters covered by the NPPF relating to the housing need and supply and delivery. Some relevant paragraphs are listed below.

2.8 *“Housing need is an unconstrained assessment of the minimum number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations” (Paragraph:001 Reference ID: 2a-001-20241212).*

2.9 *“The National Planning Policy Framework expects strategic policy-making authorities to follow the standard method in this guidance for assessing local housing need.*

The standard method uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures to identify the minimum number of homes expected to be planned for.

The standard method set out below identifies a minimum annual housing need figure, and ensures that plan-making is informed by an unconstrained assessment of the number of homes needed in an area. It does not produce a housing requirement figure” (Paragraph:002 Reference ID: 2a-002-20241212).

2.10 *“The standard method should be used to assess housing needs. However it is recognised that there are some specific circumstances in which an alternative approach could be justified, for example as explained at paragraph 014 below” (Paragraph: 003 Reference ID: 2a-003-20241212).*

2.11 *“Where strategic policy-making authorities do not align with local authority boundaries (either individually or in combination), or the data required for the model are not available such as in National Parks and the Broads Authority, or local authority areas where the samples are too small, an alternative approach may have to be used...” (Paragraph:014 Reference ID: 2a-014-20241212).*

2.12 *“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” (Paragraph: 040 Reference ID: 2a-040-20241212).

2.13 *“The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and then converting total net need into an annual flow based on the plan period.*

The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by

eligible market housing led developments. An increase in the total housing requirement included in the plan may need to be considered where it could help deliver the required number of affordable homes” (Paragraph 008 Reference ID: 67-008-20190722).

Local Context

2.14 South-West Hertfordshire Joint Strategic Plan

2.14.1 The South-West Hertfordshire Joint Strategic Plan (JSP) will cover the area covered by the South-West Hertfordshire partner authorities. These are Dacorum Borough Council, Hertsmere Borough Council, St Albans City and District Council, Watford Borough Council and Three Rivers District Council.

2.14.2 As set out on its website, the South-West Hertfordshire Joint Strategic Plan will *“provide a long-term blueprint for the south-west Hertfordshire area to 2050. It will consider and address issues that cross council boundaries and will set out a strategic vision for the area. It will also help guide future Local Plans and strategies by setting out high level policies on topics such as climate change, net zero carbon, infrastructure provision, environmental protection, employment and housing. Once approved, the Joint Strategic Plan will provide a coordinated overarching framework that will guide local decision making on planning matters”.*

2.14.3 In the summer of 2022, a formal public consultation (Regulation 18) was carried out. In August 2023, a “shared vision” and set of principles used to inform progress of the JSP was published. The next stages of the JSP involve consultation on options for the scale and pattern of growth.

2.15 Three Rivers’ Current Development Plan

2.15.1 Three Rivers District Council adopted the “Core Strategy” on 17th October 2011 and this document forms part of the Local Development Framework. As the Council’s Core Strategy was adopted in 2011 it is considered out-of-date (over 5 years from adoption).

2.15.2 The Core Strategy set a target of 180 dwellings per annum between the plan period of 2001-2026. Between 2001-2018, the average number of new dwellings delivered each year was 207 (resulting in an over delivery of 460 dwellings), which exceeded the 180 target set out in the Core Strategy. However, in July 2018, the standard method was introduced by the NPPF as the means for calculating housing need, which raised housing targets significantly. As such, the Council was retrospectively judged against a target it was not aware of at the time.

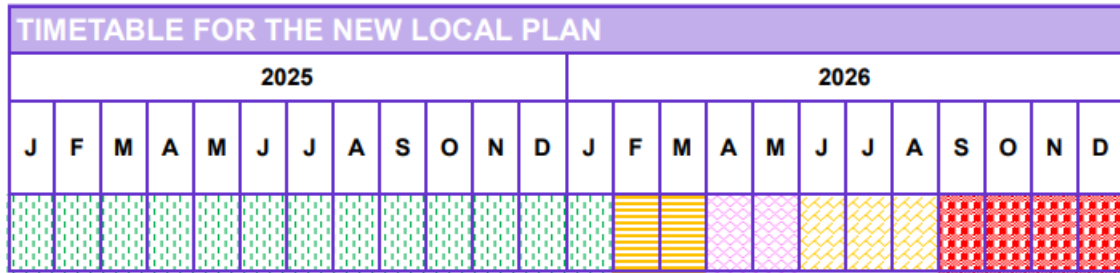
2.16 Three Rivers’ Emerging Local Plan

2.16.1 The Council have undertaken the following consultations with regards to its emerging Local Plan:

- Local Plan ‘Issues & Options and Call for Sites Consultation Document’, July 2017
- Local Plan ‘Potential Sites Consultation’, October 2018
- Local Plan ‘Preferred Policy Options’ (Part 1) and ‘Sites for Potential Allocation (Part 2)’ Regulation 18 Consultation, June 2021

- Local Plan 'Additional Sites for Potential Allocation' (Part 3) Regulation 18 Consultation, January 2023
- Local Plan 'Three Rivers' Preferred Local Plan Lower Housing Growth Option Protecting More Green Belt Land' (Part 4) Regulation 18 Consultation, October 2023

2.16.2 The adopted Local Development Scheme which was formally adopted at Full Council on 10th December 2024 sets out the timetable for the Local Plan. The timetable can be seen below:



	Preparation
	Publication Stage (Regulation 19)
	Submission Stage (Start of Examination Process)
	Examination
	Adoption

Document	Local Plan	Policies Map
Description	Will update the strategic planning policies for the District, allocate land for housing and employment and update Development Management Policies	Will show policy designations and sites with specific allocations
Area	District	District
Publication Date	February / March 2026	Alongside Local Plan
Submission to Secretary of State	April / May 2026	Alongside Local Plan
Adoption	September / October 2026	Alongside Local Plan
Review	Annual Monitoring Report	Alongside Local Plan

2.17 However, it must be noted that following the Extraordinary Full Council Meeting on 7th January 2025, Members have agreed that officers should aim to publish the Regulation 19 by 7th November 2025.

2.18 Neighbourhood Plans

2.18.1 There are currently two adopted Neighbourhood Plans within the District (Croxley Green Neighbourhood Plan and Chorleywood Neighbourhood Plan). Three other Parish/Community Councils (Batchworth, Sarratt and Abbots Langley) are also currently producing Neighbourhood Plans. In their current iterations, neither the adopted nor any of the emerging Neighbourhood Plans include specific site allocations for housing development.

2.19 Neighbouring Local Plans

2.19.1 The other south-west Hertfordshire authorities and other adjoining authorities (outside of south-west Hertfordshire) are at different stages of the Local Plan process. A summary of these different stages can be seen below:

Watford Borough Council:

2.19.2 The Watford Local Plan was adopted on 17th October 2022. The Plan sets out that *“at least 13,328 net additional homes, equivalent to at least 784 new homes per year, will be delivered in Watford between 2021 and 2038”*. This met Watford’s standard method requirement in full at the time.

St Albans City and District Council:

2.19.3 The St. Albans City & District Local Plan was submitted to the Secretary of State for Independent Examination on 29 November 2024. The submitted Local Plan states that *“following the Government’s required ‘Standard Method’ for calculating local housing need, the Council will identify and allocate land for the delivery of at least 14,603 net additional new houses, or 885 per annum in the period 1 October 2024-31 March 2041”*. As such, the St Albans Local Plan is meeting the relevant standard method figure at the time it was submitted for examination.

Dacorum Borough Council:

2.19.4 Dacorum Borough Council have undertaken a Regulation 19 Consultation and are preparing to submit their Local Plan to the Secretary of State for public examination. The pre-submission version of the Plan sets out that *“Strategic Policy H1 (Delivering the Housing Strategy) sets a strategy that meets the standard method figure of 1,016 dwellings per annum in full through a mixture of site allocations, commitments and a windfall allowance”*. As such, the Dacorum Local Plan is planning to meet the relevant standard method figure when it is submitted for examination.

Hertsmere Borough Council:

2.19.5 The most recent Regulation 18 Consultation took place between May and June 2024. This Regulation 18 Consultation set out a target of delivering 9,396 dwellings, meeting just over 75% of the standard method figure which was in force at the time of publication of the consultation.

London Borough of Harrow:

2.19.6 The London Borough of Harrow have undertaken a Regulation 19 Consultation. A further update on next steps will be provided in early 2025. The Regulation 19 version of the Plan sets out that the Plan *“proposes to adopt a housing requirement/target of*

16,040 homes between 2021-41 (being the annualised London Plan target of 802 homes per year over the 20-year plan period), in compliance with the London Plan". As such, the Harrow Local Plan is planning to meet the relevant London Plan target at the time when it is submitted for examination. The London Plan sets out that "because of London's ability to plan strategically, boroughs are not required to carry out their own housing needs assessment but must plan for, and seek to deliver, the housing targets in this Plan". When assessed under previous versions of the NPPF (which the Harrow Local Plan will be), it was accepted that London Boroughs derive their housing targets from the London Plan, rather than needing to individually derived housing targets from the standard method.

London Borough of Hillingdon:

- 2.19.7 The call for views consultation (Regulation 18) finished on Monday 24 June 2024. The Local Development Scheme (July 2024) sets out that the Regulation 19 Consultation will take place from March 2025 to April 2025, with submission to the Secretary of State in May/June 2025.

Buckinghamshire Council:

- 2.19.8 According to their website, Buckinghamshire Council are at an early stage of their plan-making process. Buckinghamshire Council have undertaken an early engagement questionnaire, vision and objectives consultation and a call for sites. The LDS sets out that publication and submission will take place between January 2026 and August 2026. There are no further details on housing levels.
- 2.19.9 In this context, it is important to note paragraph 62 of the NPPF which sets out that "in addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for". Duty to Co-operate meetings to discuss housing matters have been and will continue to be undertaken between Three Rivers and neighbouring areas.

3 Historic Housing Supply

- 3.1 During the Local Plan process, past delivery of housing will be considered when formulating policies (including housing mix and affordable housing mix). However, past under delivery is already factored into the standard method calculation so it is not a consideration in the Local Housing Need figure.

3.2 Completions

- 3.2.1 Figure 1 below shows the Housing Trajectory against Three Rivers Housing Target to the end of the Core Strategy (2011) plan period in 2026. It shows that from the beginning of the plan period to the last monitoring year (2023/2024) that 4723 net dwellings were completed, 4886 when including C2 completions (dwelling equivalent).

	01/02 - 08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24 Cur	24/25	25/26	Total
Completions (Net)	1926	48	107	185	176	142	285	215	144	264	149	406	99	154	204	219			4723
C2 Completions (Dwelling Equivalent)¹⁰	163*																	163	
C2 Extant Planning Permission *																	0	39	39
Projected Supply – Extant Planning Permission *																	241	387	628
Projected Supply – Windfall Allowance *																	63	63	126
Site Allocations**																	0	0	0
Cumulative additions	1926	1974	2081	2266	2442	2584	2869	3084	3228	3492	3641	4047	4146	4300	4504	4765	5069	5558	5558
Cumulative target	1440	1620	1800	1980	2160	2340	2520	2700	2880	3060	3240	3420	3600	3780	3960	4140	4320	4500	4680

Figure 1 - Housing Trajectory against Three Rivers Housing Target to the end of the Core Strategy (2011) plan period in 2026 (Source: AMR 23/24)

3.2.2 Figure 2 below shows a breakdown of gross dwelling completions by size across the plan period, comparing against the Core Strategy target.

	Gross Dwelling Completions	1 bed	2 bed	3 bed	4 bed+	Not known	C2 Comp.
Core Strategy Target	4,500	30%	35%	34%	1%	0%	N/A
2001 to 2024	5,749 ¹¹	1053	2,066	1,121	1,008	317	184
		18.3%	35.9%	19.5%	17.5%	5.5%	3.2%

Figure 2 - Gross Dwelling Completions by Size (Source: AMR 23/24)

3.3 Windfall

3.3.1 Previous delivery has shown that 63 dwellings per annum are completed on windfall sites (including both major and non-major applications). A windfall allowance based on past delivery can be taken from the overall housing requirement across the last 10 years of the plan period. This would equate to 63 dwellings per annum or 630 dwellings across the plan period.

3.4 Affordable Housing

3.4.1 As set out in the Annual Monitoring Report (AMR), during the 2023/24 monitoring year, 3 affordable dwellings were completed. This amounts to 1.1% of the total completions (276 dwellings) in the 2023/24 monitoring year. Since the start of the plan period in 2001, 1,226 gross affordable homes have been completed, which amounts to 21.6% of a total 5,664 gross dwelling completions. This is a significant

under delivery against the 45% affordable housing requirement in extant local plan policy.

3.5 Other Provision

3.5.1 Across the plan period 309 C2 bedrooms were completed, equating to 163 total dwellings (when using the C2 to C3 conversion ratio of 1.9).

3.6 Local Housing Need Figure

3.6.1 Following the publication of the most recent version of the NPPF in December 2024, the standard method for calculating Local Housing Need now uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures. The Local Housing Need figure for Three Rivers is now 832 dwellings per annum. Over a 16 year plan period this equates to a total of 13,312 dwellings. (the plan period is calculated using the current year as the starting point and we must plan for 15 years post adoption which is expected in 2026).

4 Current and Future Evidence Base

4.1 Green Belt Review

4.1.1 A Stage 1 Green Belt Review (August 2017) was undertaken which strategically reviewed Green Belt purposes, looking at 83 strategic parcels. It also considered the character and role of villages within the Green Belt to assess the suitability of continued and potential in-setting of villages within the Green Belt, as required by the NPPF.

4.1.2 A Stage 2 Green Belt assessment (October 2019) considered the effect of releasing Green Belt land for development purposes. A total of 152 parcels of land were assessed.

4.1.3 A Stage 3 Green Belt study (January 2020) analysed variations in harm to Green Belt purposes that could result from the creation of new inset settlements, distinct from any existing inset areas.

4.1.4 Given that our housing (and other) needs cannot be met in full we have to undertake a further Green Belt Review to assess whether altering Green Belt boundaries would fundamentally undermine the purposes (taken together) of the remaining Green Belt, when considered across the area of the plan. If it is considered that Green Belt land should be released, this would be undertaken using a sequential approach. The NPPF sets out that plans should give first consideration to previously developed land, then consider grey belt land which is not already previously-developed, and then consider other Green Belt locations. As such, if need can still not be met on previously developed land and grey belt locations, other more sustainable sites in the Green Belt may have to be considered.

4.1.5 At the time of writing, the Government has said that it will release updated Planning Practice Guidance (PPG) relating to Green Belt reviews in January 2025 and that Green Belt reviews will be informed by this. As such, until this guidance is published, it is difficult to confidently set out the methodology of the Green Belt review. However, officers initial view is that given the phrase “remaining greenbelt across the area of the plan”, we need to formulate a list of suitable sites that are then fed into the Green Belt review, as only then would we know the impact of these sites on the remaining Green Belt. We would then remove the sites that undermine the remaining Green

Belt. In this case we will need to do our call for sites and come up with a draft list of sites before we can proceed with the Green Belt review.

4.2 Strategic Housing & Employment Land Availability Assessment

4.2.1 The Strategic Housing & Employment Land Availability Assessment (SHELAA) (PDF) was conducted to quantify the future supply of housing and employment land in line with the national Planning Practice Guidance. It assessed the land supply in the district to help us ensure sufficient land is identified for new housing and employment uses for the plan period. The study contained detailed site assessments of all sites put forward by land owners/promoters, or identified by the Council. The methodology we used was aligned with the Sustainability Appraisal Framework at a level appropriate to the early consideration of site options. Various addendums have been added along the Local Plan process, as more sites have been identified or come forward and will continue to be a “live” document.

4.3 Sustainability Appraisal

4.3.1 The Sustainability Appraisal Scoping Report (2017) identified the scope and level of detail of the information to be included in the final Sustainability Appraisal Report. It set out the context, objectives and approach of the assessment and identifies relevant environmental, economic and social issues and objectives. Several “working notes” have been published with the different consultations, as well as an interim Sustainability Appraisal (June 2021) which was published alongside the “Preferred Policy Options” (Part 1) and “Sites for Potential Allocation (Part 2)” Regulation 18 Consultations.

4.3.2 The Sustainability Appraisal provides an assessment of the environmental, social and economic effects that would be likely to result from the implementation of strategies, policies and sites included in the Local Plan, along with the consideration of wider cumulative effects associated with the Plan as a whole. Topics such as the level of housing growth and specific housing related policies are assessed.

4.3.3 Given the above, it is imperative to note the importance of the Sustainability Appraisal as a decision-making tool during the Local Plan process.

4.4 Urban Capacity Study

4.4.1 The Urban Capacity Study (August 2020) assessed urban settlements to identify urban sites. Sites assessed as suitable through a preliminary assessment were included in the SHELAA. Sites excluded showed constraints relating to inappropriate size and/or context within the urban setting. A size threshold of 5 dwellings was introduced to filter smaller sites. A total of 341 sites were surveyed and subject to an initial suitability assessment. Following the initial sites assessments, 69 sites were identified for inclusion in the SHELAA.

4.4.2 As set out in the Part 4 Regulation 18 Consultation document only 988 dwellings could be found on brownfield sites. As such, the Council will be undertaking an update to the Urban Capacity study to try and identify any additional brownfield sites.

4.5 Edge of Settlement & New Settlement Scoping Study

4.6 The Edge of Settlement & New Settlement Scoping Study (March 2020) was conducted to identify potential locations at the edge of existing settlements that were not considered in the SHELAA. The study also sought to identify potential locations

away from existing settlements that could accommodate a new settlement should insufficient urban, edge of settlement sites be identified.

4.7 Gypsy and Traveller Accommodation Assessment

4.7.1 Opinion Research Services (ORS) are in the process of undertaking a Gypsy and Traveller Accommodation Assessment (GTAA). The primary objective of this Gypsy and Traveller Accommodation Assessment (GTAA) is to provide a robust assessment of current and future need for Gypsy, Traveller and Travelling Showpeople accommodation within the District. The outcomes of this study will supersede the outcomes of the previous GTAA for Three Rivers Council, which was undertaken in February 2017.

4.7.2 Currently the study is being finalised, with drafts being exchanged between the policy team and ORS. We hope to be able to formally publish the study in the next couple of months. It must be noted that in December 2024, the planning definition of a traveller expanded to include “all other persons with a cultural tradition of nomadism or living in a caravan”. This may affect the results of the GTAA. Figures 3 and 4 below are summaries of the interim findings.

Status	2024-2040
Meeting Planning Definition	41
Undetermined	3
Do not Meet Planning Definition	5
Total	49

Figure 3 - Need for Gypsy and Traveller households in Three Rivers (2024-40)

Status	2024-2040
Meet Planning Definition	6
Undetermined	10
Do not Meet Planning Definition	0
Total	16

Figure 4 - Need for Travelling Showpeople households in Three Rivers (2024-40)

4.8 South-West Hertfordshire Strategic Housing Market Assessment (January 2016)

4.9 The South-West Hertfordshire Strategic Housing Market Assessment (SHMA) published in January 2016 considered the overall housing need; need for different sizes of homes and housing needs of different groups across south-west Hertfordshire. This assessment was superseded by the south-west Hertfordshire Local Housing Needs Assessment (2020) and then the updated to the Local Housing Needs Assessment (2024).

- 4.10 The report identified an Objectively-Assessed Need for housing over the 2013-36 period. For Three Rivers, this need was 514 dwellings per annum. In terms of affordable housing need, the report set out that between 2013-2036, Three Rivers had a need of 357 affordable housing dwellings per annum.
- 4.11 It is important to note that the SHMA was undertaken and published prior to the first introduction of the standard method in 2018. However, the report identified a clear need for housing significantly exceeding the Core Strategy target of 180 dwellings per annum. The report highlighted that the annual need for affordable housing alone was almost double the Core Strategy's overall housing target.
- 4.12 South-West Herts Local Housing Needs Assessment Update (March 2024)
- 4.12.1 The Local Housing Needs Assessment (LHNA) builds on previous housing evidence which had been prepared for south-west Hertfordshire, including a Strategic Housing Market Assessment (SHMA) 2016 and a Local Housing Needs Assessment (2020)
- 4.12.2 The LHNA is intended to provide an updated evidence base on housing needs for local authorities in south-west Hertfordshire. It considers and provides an up-to-date and consistent evidence base on:
- Overall housing needs – the report considers overall housing needs on an objective and policy off basis. It does not set housing targets, but provides an input to doing so;
 - The need for different types/sizes of homes – including an updated assessment of the needs for affordable housing and the need for different sizes of homes;
 - The housing needs of specific groups within the population, such as older people and those with disabilities, and students;
 - Specific housing market segments – the report considers the demand for self- and custom-build housing; build to rent and co-living and wider private rental market dynamics

5 Findings of Local Housing Needs Assessment

5.1 Housing Stock and Tenure Dynamics

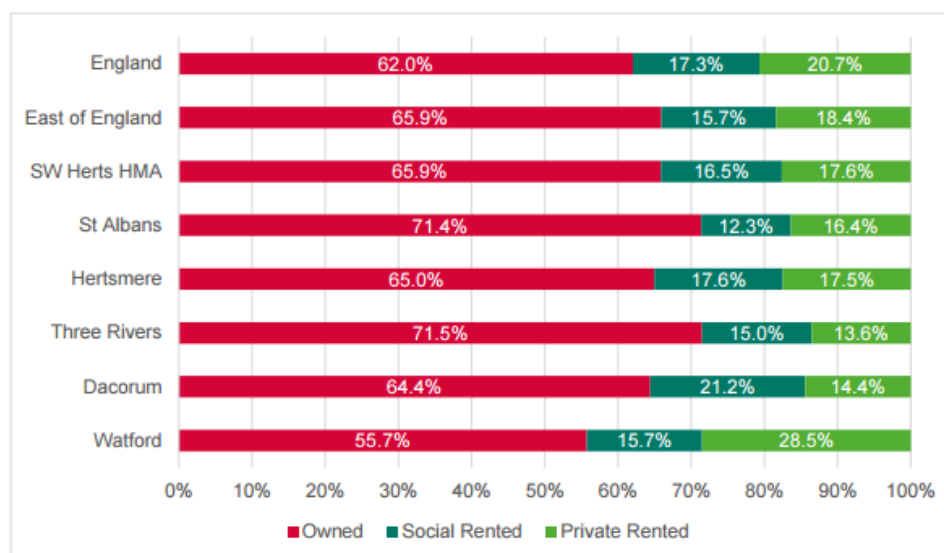
- 5.1.1 Housing stock growth in south-west Hertfordshire has been below average, influenced by strategic development constraints and a lack of up-to-date local plans in some parts of the area. Figure 5 below sets out the dwelling stock change (2011-2021) within south-west Hertfordshire. It shows that within south-west Hertfordshire, Three Rivers has both the lowest number of housing units and the smallest percentage increase in housing numbers between 2011-2021.

	2011	2021	% increase
Watford	37,404	41,412	10.7%
Dacorum	61,942	65,989	6.5%
Three Rivers	36,155	38,422	5.9%
Hertsmere	40,993	44,926	8.8%
St Albans	57,891	62,022	6.7%
SW Herts HMA	234,385	252,771	7.3%
East of England	2,531,907	2,762,294	8.3%
England	22,976,066	24,927,591	7.8%

Source: ONS, 2021 Census

Figure 5 – Dwelling Stock Change, 2011-2021

- 5.1.2 In terms of vacancy within the District, Three Rivers has the lowest number of vacant dwellings across south-west Hertfordshire (899). This also equates to the lowest percentage of total dwelling stock which is vacant at 2.0% and long-term vacancies (vacancy period over 6 months) at 0.6%.
- 5.1.3 Owner occupation is most prevalent tenure type across south-west Hertfordshire, with Three Rivers having the highest levels of home ownership in the sub-region at 72%.
- 5.1.4 Figure 6 below sets out the households by tenure across south-west Hertfordshire. Three Rivers has the lowest percentage of private rented dwellings across the sub-region as well as the second lowest percentage of socially rented dwellings. As set out in the LHNA, the proportion of social rented properties can influence the ability of each authority to meet affordable housing need.



Source: 2021 Census

Figure 6 – Households by tenure across south-west Hertfordshire

- 5.1.5 Figure 7 shows the low-cost homeownership stock by authority across the sub-region and highlights that 0.8% of the total housing stock of Three Rivers consists of low-cost home ownership (292 dwellings).

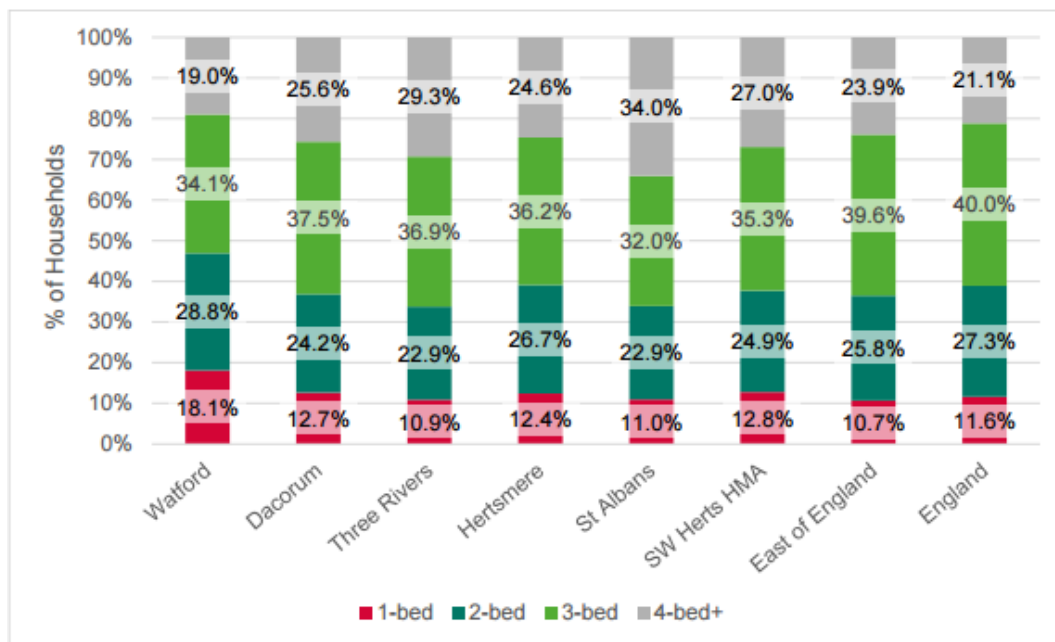
	Low Cost Home ownership stock (2023)	% of total housing stock (as at Census 2021)
Dacorum	439	0.7%
Hertsmere	533	1.3%
St Albans	283	0.5%
Three Rivers	292	0.8%
Watford	446	1.1%
Total SW Herts Authorities	1,993	0.8%

Source: Regulator of Social Housing Data 2023 and Census 2021

Figure 7 - Low-cost Homeownership Stock by Authority

5.1.6 The relative size of the social rented sector has fallen across the sub-region, with the private rented sector seeing the strongest growth.

5.1.7 Figure 8 below illustrates the dwelling stock by number of bedrooms. It shows that within Three Rivers, 3-bedroom dwellings are the most common, followed by 4-bedroom+, 2-bedroom and lastly 1-bedroom. The LHNA's analysis suggests that the greatest growth in the total housing stock between 2011-21 has been in 4+ bed dwellings (reflecting trends in rises of extensions to properties).



Source: 2021 Census

Figure 8 - Dwelling Stock by Number of Bedrooms Across South-West Hertfordshire

5.1.8 Figure 9 sets out a comparison of the annualised net housing completions (dpa) of the authorities across south-west Hertfordshire. Three Rivers completed the fewest amount of dwellings in each of the four time periods. However, it must be noted that housing delivery will be influenced by past Local Plan targets and standard method figures which vary across the authorities.

	2003-7	2007-12	2012-17	2017-22
Dacorum	373	461	499	657
Hertsmere	273	302	356	548
St Albans	389	345	349	455
Three Rivers	186	185	192	215
Watford	384	478	392	431
SW Herts	1,604	1,771	1,788	2,306

Figure 9 - Comparison of the Annualised Net Housing Completions (dpa)

5.1.9 Across south-west Hertfordshire, approximately 21% of homes delivered over the last 5 years have been affordable housing. As set out earlier, within Three Rivers approximately 21.6% of gross dwellings delivered have been affordable housing. Analysis of the types of affordable homes being delivered across south-west Hertfordshire indicates around 78-80% of affordable delivery has been of social/affordable rented homes. Intermediate housing provision has been focused on shared ownership homes.

5.1.10 Housing growth has been focused towards flatted accommodation in the sub-region, with 69% of new-build homes completed being of 1- and 2-bed properties. However, the supply of larger properties is being supported by extensions of homes. It should be noted that these figures include the larger towns/cities such as Watford, Hemel Hempstead and St Albans.

5.2 Housing Market Dynamics

5.2.1 In the year to September 2022 the median house price across south-west Hertfordshire was £513,000, with it being £560,000 in Three Rivers.

5.2.2 Across the sub-region the long-term trend has been of significant and sustained increases in house prices, with prices growing on average by £24,500 per year in Three Rivers over the last 10 years.

5.2.3 There are particular affordability pressures in south-west Herts with the entry-level house prices for first-time buyers more than 14 times earnings, with particular barriers for younger buyers in saving sufficient funds for a deposit; and rising interest rates in the short-term may affect households' ability to secure and service mortgage finance. This is feeding through into a strong lettings market.

5.2.4 Targeted telephone engagement with local estate agents in south-west Hertfordshire took place in June 2023. Whilst the views are anecdotal, agents generally reported that highest demand was for one and two bedroom flats.

5.3 Overall Housing Need

5.3.1 The LHNA summarises that "*household growth has been lower than in the 2014-based Projections, with both lower natural change and net migration to the area, resulting in 7.6% population growth over the 2011-21 decade compared to 11.0% in the 2014-based projections. However lower change is not a factor which is specific to south-west Hertfordshire: it is seen nationally and is not exceptional in these terms. Lower net migration correlates closely to housing delivery, with the evidence*

indicating that this has been influenced by a lack of up-to-date local plans which provide for objectively assessed housing needs”.

5.3.2 The LHNA sets out that “the assessment does not find that exceptional circumstances exist to justify housing need below the standard method. Expected job creation locally and infrastructure investment have also been considered; however the evidence does not suggest that housing need is higher than the standard method figures”. The report goes on to state that “the standard method figures should therefore be taken forwards as providing an appropriate assessment of housing need”.

5.3.3 However, it is important to note that the LHNA was written when the December 2023 version of the NPPF was in force. As such, the LHNA does not take into account the wording of the December 2024 NPPF, specifically paragraphs 145 and 146 which relate to altering Green Belt boundaries and the requirement to meet needs (homes, commercial or other development) in full, “unless the Green Belt review provides clear evidence that doing so would fundamentally undermine the purposes (taken together) of the remaining Green Belt, when considered across the area of the plan”.

5.3.4 Whilst it is important to note that the evidence from the Local Housing Needs Assessment did not suggest that housing need is higher than the standard method figures which were in place at the time of writing of the study (640 dwellings per annum in the case of Three Rivers), this conclusion was partly based off the fact that household growth has been lower than in the 2014-based Projections (which the previous iterations of the standard method was based on). Following the publication of the most recent version of the NPPF in December 2024, the standard method now uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures.

5.4 Affordable Housing Need

5.4.1 At £900-£1,075 per calendar month, lower quartile rent levels in south-west Hertfordshire are above average in comparison to those seen nationally (a lower quartile rent of £610 for England in the year to September 2022). This would suggest that a proportion of income to be spent on housing is approximately 30% (or higher). As such, to afford a £1,000 pcm rent would imply a gross household income of about £40,000 (and in net terms the rent would likely be around 38% of income).

5.4.2 Figure 10 below shows the estimated incomes required to both buy and rent (privately) in each local authority. The analysis shows that households in south-west Hertfordshire generally need an income of over £40,000 to rent without financial support, and in some areas over £80,000 to buy a home. Across the authorities, Three Rivers is the second highest to buy and highest to rent.

	To buy	To rent (privately)	Income gap
Dacorum	£66,400	£36,000	£30,400
Hertsmere	£79,000	£42,000	£37,000
St Albans	£84,600	£40,000	£44,600
Three Rivers	£82,000	£43,000	£39,000
Watford	£61,600	£40,000	£21,600

Figure 10 - Estimated Incomes Required to Buy and Rent Privately Across South-West Herts

5.4.3 Figure 11 below sets out the annual affordable housing need per annum of the authorities within south-west Herts.

	Rented Affordable Need	Affordable Home Ownership Need	Total Affordable Need
Dacorum	494	243	737
Hertsmere	433	156	590
St Albans	449	353	802
Three Rivers	364	163	527
Watford	518	150	668
SW Herts	2,258	1,056	3,324

Figure 11 - Annual Affordable Housing Need of the Authorities within South-West Herts.

5.4.4 Typically, there are two main types of rented affordable accommodation (social and affordable rented). Figure 12 below sets out the estimated percentage of households able to afford rented affordable accommodation (if not able to afford market rent). The LHNA sets out that *“there are therefore policy choices to be made by individual authorities around how policies are crafted ... the analysis is however clear that there is need for both social and affordable rented homes”*. The LHNA further adds that *“decisions should be influenced by individual authorities’ priorities, the results of viability evidence and funding availability”*.

	Afford affordable rent	Afford social rent	Need benefit support	All unable to afford market
Dacorum	12%	29%	59%	100%
Hertsmere	14%	26%	60%	100%
St Albans	16%	33%	51%	100%
Three Rivers	25%	24%	51%	100%
Watford	13%	32%	55%	100%
SW Herts	15%	29%	55%	100%

Figure 12- Estimated Percentage of Households able to Afford Rented Affordable Accommodation

5.4.5 In terms of affordable rent discount, the LHNA sets out that *“on the basis of this analysis, and taking into account the likelihood that the open market rent of new-build homes is likely to be at or above the median, where Councils seek to set rents at levels which are ‘genuinely affordable’ having regard to local incomes, the evidence suggests that rental costs at 60% of market values (inclusive of service charges) would be a sensible starting point”*. However, it is important to note that viability considerations need to also be considered.

5.4.6 The LHNA discusses Affordable Private Rent which does not require a registered provider and would primarily be provided by Build to Rent Schemes. The LHNA sets

out that “rent levels expected for affordable private rent should be set out in policies in terms of the percentage discount to market rents (inclusive of service charge). Whilst the affordability analysis above could support discounts of 40% or more on market rents to make properties ‘genuinely affordable’, this needs to be balanced against what can viably be supported”.

- 5.4.7 With regards to home ownership products, the evidence indicates that a discount of 30% to market values across south-west Hertfordshire as a whole and potentially 40% in Three Rivers (and St Albans), to make low cost market homes affordable for households, based on the income profile locally, but the case for higher discounts needs to be balanced against scheme viability and the potential knock on effect on other tenure types in the scheme. Indeed, the LHNA summarises that “the Councils could therefore investigate higher discounts, but it is not necessarily recommended to seek figures higher than 30%, unless this can be proven to not impact on overall affordable housing delivery”. Additionally, given the £250,000 cap, in high house price areas such as Three Rivers, it is likely that only 1 or 2 bedroom properties would qualify.
- 5.4.8 The LHNA sets out that there is a case for setting out policies in Local Plans which support provision of a range of affordable home ownership products. Such products include shared ownership and rent to buy. Additionally, The LHNA advises that essential local workers could be a potential target for affordable home ownership products.
- 5.4.9 Figure 13 below sets out the housing provision required to meet Affordable Housing need in full. The table shows that much higher levels of overall housing provision would be required to deliver in full the affordable housing need which the LHNA identifies. For Three Rivers to meet full affordable housing need, approximately 1317 dwellings would need to be delivered per annum (if 40% of all dwellings delivered were affordable housing products, in line with emerging policy).

Dwellings per annum	Total Annual Affordable Need	Delivery to Meet AHN in Full @ 35%	Delivery to Meet AHN in Full @ 40%	Standard Method Minimum LHN (dpa)
Dacorum	737	2,106	1,842	1,017
Hertsmere	590	1,685	1,474	726
St Albans	802	2,292	2,005	887
Three Rivers	527	1,505	1,317	637
Watford	668	1,909	1,670	778
SW Herts	3,324	9,496	8,309	4,046

Figure 13- Housing Provision required to meet Affordable Housing in Full across South-West Herts

- 5.4.10 Given the high overall need for affordable housing, the full need is unlikely to be met and therefore the prioritisation of certain types of affordable housing may be necessary. According to the LHNA “the evidence shows a sufficient affordable home ownership need to support this; albeit that there is a case for seeking to support

provision of a range of affordable home ownership products (beyond First Homes). However, the evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained to meet the needs of this group including those to which the authorities have a statutory housing duty”.

5.4.11 At a strategic level across south-west Herts, the LHNA recommends that 70% of affordable housing should be focused on rented provision, and 30% intermediate/low cost home ownership.

5.4.12 During the Local Plan process, the Planning Policy team at Three Rivers will refer to the evidence and analysis set out within studies such as the Local Housing Needs Assessment and the whole plan viability study, as well as past delivery trends within the District. Correspondence will also continue with relevant stakeholders such as the TRDC Housing Department to ensure that the recommended affordable housing mix brought forward within the emerging Local Plan’s planning and site allocation policies reflect the needs of the District.

5.5 Need for Different Sizes and Types of Homes

5.5.1 The LHNA has modelled the sizes and types of homes needed in south-west Herts “taking account of demographic changes, the prevalence of overcrowding and under-occupation of homes – whilst recognising that for market homes in particular some households will want and can afford additional bedrooms – as well as other factors such as space to work from home and the important contribution which house extensions are playing to the delivery of larger homes in the HMA”

5.5.2 The below table (figure 14) sets out the LHNA’s preferred housing mix for south-west Hertfordshire as a whole. However, it must be noted that site location, area character and the form of development are relevant considerations in identifying the appropriate mix of market housing on individual development sites.

	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	5%	20%	20%	50%
2-bedrooms	20%	40%	30%	50%
3-bedrooms	45%	30%	35%	
4+-bedrooms	30%	10%	15%	

Figure 14 – Recommended Housing Mix for South-West Hertfordshire

5.5.3 Figure 15 below sets out Three Rivers’ specific recommended housing mix.

	Market	Affordable home ownership	Affordable housing (rented)	
			General needs	Older persons
1-bedroom	4%	19%	20%	53%
2-bedrooms	21%	39%	32%	47%
3-bedrooms	42%	30%	35%	
4+-bedrooms	32%	13%	12%	

Figure 15 – Recommended Three Rivers Housing Mix

- 5.5.4 The LHNA explains that the prescriptive figures should not necessarily be included in the respective Local Plans as demand can change over time and authorities may have different policy aspirations. The LHNA further adds that the recommended housing mix can also be used as a set of guidelines to consider the appropriate mix on larger development sites and notes the importance of site location, area character and the form of development are also relevant considerations in identifying the appropriate mix of market housing on individual development sites. The Council's housing team are also an important stakeholder with regards to identifying an appropriate housing mix to be put forward in the emerging Local Plan and as such discussions will be had with the housing team during the Local Plan process.
- 5.5.5 In terms of the "house vs flat" discussion, 2-bedroom accommodation is key. The LHNA analysis would suggest that 2-bedroom homes might be expected to be split between houses (or bungalows) and flats.
- 5.5.6 A further mix consideration discussed in the LHNA is around the sizes of homes within bedroom size categories (e.g. the need for 2 bed 3 person homes versus 2 bed 4 person homes). The analysis suggests maximising sizes of homes in new properties, although viability and site considerations would still be applicable to any potential policy.
- 5.5.7 During the Local Plan process, the Planning Policy team at Three Rivers will refer to the evidence and analysis set out within studies such as the Local Housing Needs Assessment and whole plan viability study, as well as past delivery trends within the District. Correspondence will also continue with relevant stakeholders such as the Housing Department to ensure that the recommended housing mix brought forward within the emerging Local Plan's planning and site allocation policies reflect the needs of the District.
- 5.6 Housing for Older and Disabled People
- 5.6.1 South-west Hertfordshire's population is ageing, including a growth of 48,000 people aged 65+ projected to 2041 and a growth of 29,000 aged 75+. These demographic trends will result in an increasing need for specialist housing.
- 5.6.2 Hertfordshire County Council have indicated a need for additional market housing with support; for housing with care, which includes extra care housing; and for nursing care accommodation.
- 5.6.3 The LHNA expresses the need under two scenarios. The first scenario is based on the Housing Learning & Information Network's (SHOP@) modelling assumptions. The second scenario is an Enhanced Extra Care scenario which aligns with Hertfordshire County Council's Strategy to more strongly develop the provision of specialist housing, particularly for extra care (assisted living), as an alternative to providing care home bedspace (which is expected to reduce future needs for residential care accommodation).

Net Need, 2021- 2041		Dacorum	Hertsmere	St Albans	Three Rivers	Watford	SW Herts
Housing With Support	Affordable	-1,282	-178	116	-281	-287	-1,913
	Market	1,509	1,144	1,253	975	445	5,326
	Total	227	965	1,369	693	158	3,413
Housing with Care	Affordable	233	11	14	109	37	404
	Market	413	443	688	473	-203	1,814
	Total	646	454	702	582	-166	2,218
Care/Nursing Home Bedspaces	Nursing	686	133	511	279	66	1,675
	Residential	734	280	612	399	201	2,226
	Total	1,420	413	1,123	678	267	3,901

Figure 16 – Net Need for Specialist Housing to 2041 – SHOP@ Scenario

Net Need, 2021 - 2041		Dacorum	Hertsmere	St Albans	Three Rivers	Watford	SW Herts
Housing With Support	Affordable	-874	-146	144	-257	-264	-1,397
	Market	1,671	1,270	1,419	1,084	524	5,968
	Total	797	1,124	1,563	827	260	4,571
Housing with Care	Affordable	337	75	71	157	84	724
	Market	737	696	1,019	693	-46	3,099
	Total	1,074	771	1,090	850	38	3,823
Care/Nursing Home Bedspaces	Nursing	686	133	511	279	66	1,675
	Residential	-229	-434	-260	-204	-257	-1,384
	Total	457	-301	251	75	-191	291

Figure 17 – Net Need for Specialist Housing to 2041 –Enhanced Extra Care Scenario

- 5.6.4 The LHNA notes that a negative need in the modelling does not necessarily imply that there is no need for new-build provision, given that there may be some existing stock which has become outdated and requires replacement or remodelling etc.
- 5.6.5 With regards to formulating policies for the provision of specialist older persons accommodation, the LHNA advises that Councils will need to consider a range of issues. These include the different use classes of accommodation (C2 vs. C3), requirements for affordable housing contributions (and associated viability considerations) and the practical implications of mixed tenure schemes given the way care and support services are paid for (through monthly services charges). Overall, however, the provision of a choice of attractive housing options to older households is a component of achieving a good housing mix.
- 5.6.6 With regards to affordable housing contributions from specialist accommodation, the LHNA analysis discusses that “*if policies in a new development plan are appropriately crafted and supported by the necessary evidence on need and viability, affordable housing contributions could be sought from a C2 use through policies in a new Local Plan*”, although there are a range of viability and practical issues to consider.
- 5.6.7 The LHNA sets out that there is a need for approximately 2000-3700 dwellings for wheelchair users (meeting technical standard M4(3)) across south-west

Hertfordshire. The LHNA advises that Councils consider requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes meeting M4(3) standards in the market sector and around 10% in the affordable sector.

- 5.6.8 During the Local Plan process the Planning Policy team at Three Rivers will refer back to the evidence and analysis set out within the Local Housing Needs Assessment and continue correspondence with Hertfordshire County Council and other relevant stakeholders to ensure that emerging planning policies and site allocation policies meet the housing needs of older people and disabled people.

5.7 Specific Market Segments

- 5.7.1 With regards to custom and self-build housing, the LHNA advises that these should be reflected in new local plan policies. It explains that a specific policy would typically express support for self-build and custom housebuilding and require that a minimum proportion of plots within development schemes (often over a certain size) are offered to self-builders or as custom-build plots. The LHNA advises that other local plans have required between 2% and 5% provision on strategic or greenfield sites of over 100 homes.
- 5.7.2 With regards to student housing, the evidence from the LHNA does not support site allocations for Purpose-Build Student Accommodation, although the assessment concludes that this should be kept under review.
- 5.7.3 The LHNA identified an emerging market for Build to Rent and the report summarises that *“it would be appropriate for Councils to include policies related to build-to-rent development within local plans which address their expectation for such development, such as common management of private rent and affordable products, provision for longer-term tenancies of 3+ years, policies regarding affordable housing provision and clawback provisions in the event of scheme disposal”*.
- 5.7.4 With regards to children’s home spaces, the LHNA sets out that given the limited number of children’s home spaces in south-west Herts (including in comparison to the wider county), that schemes coming forward (including through conversions of existing home, should be *“treated positively through the planning process”*, with engagement from Herts County Council. During the Local Plan process the Planning Policy team at Three Rivers will continue correspondence with Hertfordshire County Council and other relevant stakeholders to ensure that emerging planning policies and site allocation policies meet the housing needs of children in care.

6 Conclusions

- 6.1 This Housing Topic Paper provides a holistic overview of the important subject of housing, an integral element of the emerging Local Plan.
- 6.2 The District suffers with affordability issues primarily stemming from high property prices. Three Rivers has a lowest quartile house price of £400,000, which places the District as the third most expensive local authority area in England and Wales (excluding London). High and rising property prices result in a worsening median quartile house affordability ratio, which makes home ownership difficult to attain for many residents within the District.
- 6.3 In terms of national policy, the NPPF *sets out that to “determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method”*. In this context, the NPPF also

sets out that the *“need, the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies”*. With regards to Green Belt, the NPPF sets out that *“authorities should review Green Belt boundaries in accordance with the policies in this Framework and propose alterations to meet these needs in full, unless the review provides clear evidence that doing so would fundamentally undermine the purposes (taken together) of the remaining Green Belt, when considered across the area of the plan”*.

- 6.4 Following the publication of the most recent version of the NPPF in December 2024, the standard method now uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures. The Local Housing Need figure calculated using the standard method for Three Rivers is now 832 dwellings per annum. Over a 16 year plan period this equates to a total of 13,312 dwellings. (the plan period is calculated using the current year as the starting point and we must plan for 15 years post adoption which is expected in 2026).
- 6.5 In terms of past delivery, from the beginning of the plan period to the last monitoring year (2023/2024) 4,723 net dwellings were completed, increasing to 4,886 when including C2 completions (dwelling equivalent). In terms of affordable housing provision, during the 2023/24 monitoring year, 3 affordable dwellings were completed. This amounts to 1.1% of the total completions (276 dwellings) in the 2023/24 monitoring year. Since the start of the plan period in 2001, 1,226 gross affordable homes have been completed, which amounts to 21.6% of a total 5,664 gross dwelling completions.
- 6.6 The Local Housing Needs Assessment states that the standard method figures (at the time of the study) should be taken forwards as providing an appropriate assessment of housing need and that there were no exceptional circumstances to go either higher or lower than the standard method figure at the time (640). However, it must be noted that this conclusion was partly based off the fact that household growth has been lower than in the 2014-based Projections (which the previous iterations of the standard method was based on). Following the publication of the most recent version of the NPPF in December 2024, the standard method now uses a formula that incorporates a baseline of local housing stock which is then adjusted upwards to reflect local affordability pressures.
- 6.7 The Local Housing Need Assessment found that the total affordable housing need within Three Rivers is 527 dwellings per annum, comprising 364 rented dwellings and 163 home ownership dwellings. At a strategic level across south-west Herts, the LHNA recommends that 70% of affordable housing should be focused on rented provision, and 30% intermediate/low cost home ownership. The evidence points to a clear and acute need for rented affordable housing for lower income households, and it is important that a supply of rented affordable housing is maintained.
- 6.8 The Local Housing Needs Assessment suggested a recommended housing mix for south-west Hertfordshire as well as Three Rivers specifically, as set out in Figure 15.
- 6.9 The Local Housing Needs Assessment discussed the need for older and disabled people. Herts County Council's preference is for enhanced extra care to reduce the dependency on residential and care homes. However, the LHNA advises that Councils will need to consider a range of issues, including the different use classes of accommodation (C2 vs. C3), requirements for affordable housing contributions (and associated viability considerations) and the practical implications of mixed tenure schemes. The LHNA also advises that Councils consider requiring all dwellings (in all tenures) to meet the M4(2) standards and around 5% of homes

meeting M4(3) standards in the market sector and around 10% in the affordable sector.

- 6.10 In terms of other market segments, the LHNA identified an emerging market for Build to Rent. With regards to custom and self-build housing, the LHNA advises that these should be reflected in new local plan policies. Additionally, with regards to children home spaces, the LHNA advises that relevant applications are treated positively and advises engagement with Hertfordshire County Council.