### SADC Minimum annual local housing need (September 2017) – 2016 base date

#### St Albans Housing OAN (September 2017)

<table>
<thead>
<tr>
<th>Households 2016</th>
<th>Households 2026</th>
<th>Total Change (2016-2026)</th>
<th>Average Annual Change</th>
<th>Affordability Ratio 2016</th>
<th>Uplift</th>
<th>Adjustment Factor</th>
<th>OAN Uncapped (dpa)</th>
<th>OAN Capped (40% Cap) (dpa)</th>
</tr>
</thead>
<tbody>
<tr>
<td>59,043</td>
<td>65,565</td>
<td>6,522</td>
<td>652</td>
<td>16.76</td>
<td>80%</td>
<td>180%</td>
<td>1,172</td>
<td>913</td>
</tr>
</tbody>
</table>

#### Step 1 – Setting the baseline

Baseline: SADC – National household growth projections (2014-based)

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Number of Households</td>
<td>59,043</td>
<td>59,703</td>
<td>60,383</td>
<td>61,063</td>
<td>61,719</td>
<td>62,367</td>
<td>63,008</td>
<td>63,651</td>
<td>64,294</td>
<td>64,923</td>
<td>65,565</td>
</tr>
<tr>
<td>Annual household growth</td>
<td>660</td>
<td>680</td>
<td>680</td>
<td>656</td>
<td>648</td>
<td>641</td>
<td>643</td>
<td>643</td>
<td>629</td>
<td>642</td>
<td></td>
</tr>
</tbody>
</table>

SADC projected annual household growth (2016-2026) = 65,565 – 59,043 = 6,522

SADC projected average annual household growth = \( \frac{6,522}{10} = 652 \)
Step 2 – An adjustment to take account of affordability

SADC median workplace-based affordability ratio (2016) = 16.76

\[
\text{Adjustment factor} = \left( \frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1
\]

\[
\text{SADC Adjustment factor} = \left( \frac{16.76 - 4}{4} \right) \times 0.25 + 1
\]

\[
\text{SADC Adjustment factor} = \left( \frac{12.76}{4} \right) \times 0.25 + 1
\]

\[
\text{SADC Adjustment factor} = 3.19 \times 0.25 + 1
\]

\[
\text{SADC Adjustment factor} = 1.7975
\]

SADC projected average annual household growth (step 1) = 652

\[
\text{Minimum annual local housing need} = \text{Adjustment factor} \times \text{projected household growth}
\]

\[
\text{SADC Minimum annual local housing need figure} = 1.7975 \times 652
\]

\[
\text{SADC Minimum annual local housing need figure (uncapped)} = 1,172
\]
**Step 3 – Capping the level of any increase**

Where the relevant strategic policies for housing were adopted *more than 5 years ago* (at the point of making the calculation), the local housing need figure capped at 40% above whichever is the higher of:

a. The projected household growth for the area over the 10 year period identified in step 1; or

b. The average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists)

- SADC average annual household growth over 10 years (2018 to 2028) is 652 (as per step 1)

- SADC minimum annual local housing need figure is 1,172 (as per step 2)

- The cap is set at 40% above the higher of the most recent average annual housing requirement figure or household growth:

  $$Cap = 652 + (40\% \times 652)$$

  $$Cap = 652 + 261$$

  $$Cap = 913$$

The capped figure (913) is lower than the minimum annual local housing need figure (1,172) and therefore limits the increase to the local authority’s minimum annual housing need figure. The minimum figure for SADC is therefore 913.