

# Mendip District Council Area :Calculation of Local Housing Need using the Standard Method

**Source of Guidance** <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

**Source Data** Table 406 - 2014-based household projections. (Published 12.07.16)

Table 5c - Ratio of median house price to median gross annual workplace based earnings by District 1997-2017 - Published 28th March 2019

**Will this data change ?** A new affordability ratio will be published in March or April 2020  
Standard method formula due to be reviewed in late 2020

**Inputs to this calculation?**

Household Growth - start figure in 2019	49717
Household Growth - start figure in 2029	54028
Affordability Ratio	10.99 - 2018 figure

Step 1

**Household Growth over 10 Years**

(a)	(b)	(b) - (a)	divide/10
49,717	54,028	4311	431.1
<b>Annual HH Growth (2019-2029)</b>			431.100

**Affordability Adjustment**

2018 ratio	Aff Ratio	10.99	4	6.99
	divide by 4			1.7475
	x0.25			0.436875
	plus 1			1.436875

**Minimum annual Local Housing Need Figure (LHN).....>** 619

Step 3

**Applying the 'cap'**

**Plan >5 years from adoption**      The cap is the higher of annual HH growth (step 1) plus 40%

But if the 'cap' is above the min LHN - you then use the LHN figure instead.  
 or most recent plan figure (plus 40%)

The most recent plan housing requirement (HR) is 420

Average annual household growth over 10 years is 431.1

The minimum local housing need figure (LHN) is 619

3.1 calculate HH growth plus 40%

Hh Growth	40%	Final
431.1	172.44	604

3.2 calculate plan HR plus 40%

Requirement	40%	Final
420	168	588

3.3 check which is higher cap figure

HH Growth plus 40% 604 is higher than plan HR plus 40% 588

The cap figure is 604

3.4 compare 'cap' with min LHN

The cap figure of 604 is lower than the minimum LHN 619

The cap figure is lower than LHN and therefore has an effect in constraining the LHN.  
 The cap figure is applied in this case

conclusion **The minimum local housing need figure (from 14 December) is 604**

