

# **Warwick District Local Plan Examination**

## **Warwick District Council**

### **Response to Inspector's Initial Matter and Issues**

#### **Matter 2**

#### **Overall provision for housing**

April 2015



## **Matter 2 – Overall provision for housing**

**Issue** Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the overall provision for housing.

### **Questions**

#### *1. What is the position of the authorities in the HMA regarding OAN?*

- 1.1 This is set out in Doc LP20 and in responses to Matter 1. The authorities endorsed the findings of HO08, agreeing an Objectively Assessed Need of 4004 dwellings per annum (dpa) for the HMA (2011-2031). The figure for Warwick District is 606 dpa.
- 1.2 There is agreement (see Doc LP20) to a process of plan review to ensure the HMA's OAN continues to be delivered.

#### *2) What do population and household projections indicate?*

- 2.1 The projections for the HMA and Warwick are examined in Doc HO04 section 7, Doc HO08 sections 2 & 3 and Doc Exam 4.
- 2.2 HO04 (Section 7) takes ONS Interim Sub-National Household Projections (2011-2021) projected forward to 2031 using 2010 Sub-National Population Projections. This indicates a need for 3,981 homes across the HMA. PROJ 1A reviews this, taking account of the latest demographic information including regarding Unattributable Population Change. This results in a housing need for 3,981 homes across the HMA. Two further demographic projections are developed based on 5 year migration trends (3,271 homes pa) and 10 year trends (3,509 homes pa).
- 2.3 The Joint SHMA (HO04) concluded that the most appropriate population projection to use is PROJ 1A, but that headship rates should be remodelled to track rates from the 2008-based projections post 2021 (the 'indexed approach'). This approach has been endorsed by a number of local plan inspectors, such as at Derbyshire Dales, Lichfield and South Worcestershire.
- 2.4 The equivalent projections for Warwick District are set out in Table 49 in the Joint SHMA.
- 2.5 Although the Joint SHMA (HO04) is a useful starting point with much up-to-date evidence, more recent evidence now exists. ONS published Sub-National Population Projections in May 2013. In February 2014, CLG published associated Household Projections.
- 2.6 ONS 2012-based Sub-National Population Projections [SNPP] are the first population projections to take full account of the 2011 Census. The Coventry and Warwick Local Planning Authorities (LPAs) therefore commissioned a SHMA Addendum (Doc HO08) to consider:

- Impact of new projection/derive updated OAN from it
  - Potential implications of different levels of employment growth on housing provision/its distribution
- 2.7 The Addendum (Doc HO08) makes clear (paragraph 1.8) that it should be viewed alongside, and not replace, the Joint SHMA report (Doc HO04) and that the Joint SHMA remains an important part of the evidence base.
- 2.8 HO08 (fig 1 & 2) sets out the implications for population growth in the HMA as:
- Slight increase above SHMA/H004 population growth
  - Noticeably lower population increase than the old SNPP suggests (fig 1)
  - SNPP fits well with 2003-13 & 2008-13 trends (fig 1)
  - A full return to 2008-based headship rates is not expected
  - More growth in Coventry but less in districts (although it should be borne in mind that para 7.44 of Doc HO04 notes that predicting population for Coventry is less certain than the shires because of significant swings in migration)
- 2.9 HO08 (fig 1 & 2) sets out the implications for population growth in Warwick as:
- Population growth falls by 7,104 to 16,745
  - OAN identified as 606dpa minimum
  - Sensitivity analysis shows that higher household formation in younger age groups could increase OAN to 660dpa
- 2.10 The HO08 projections do not include any adjustment for Unattributable Population Change.

*3) How do the recently published 2012-based household projections affect the situation?*

- 3.1 The Council has commissioned a note (Doc Exam4) on the *recently published 2012-based household projections* to ensure that OAN is based on the latest demographic data. For the HMA, this showed minimal change in the OAN between the 2012 population based projection and 2012 household based projection. Comparing the two data sets show;
- Household growth for HMA is 4,100dpa - only 2% different to SHMA Addendum
  - Most of the increase is in Coventry with the City accounting for slightly more of the HMA proportion
  - Warwick projections fall slightly from 606dap to 592dpa.
- 3.2 The modest differences principally reflect the impacts of household formation rates in the new projections.

*4) Does the Coventry and Warwickshire Joint SHMA 2013 and Addendum of 2014 provide a robust evidence base for OAN in the HMA and individual*

*authorities? What factors were taken into account and is the methodology appropriate?*

- 4.1 The Joint SHMA 2013 (HO04) and Addendum 2014 (HO08) defined OAN, following the approach set out in Planning Practice Guidance. In deriving conclusions the Joint SHMA took account of:
  - The latest official population and household projections;
  - An interrogation of demographic dynamics, using the latest data;
  - Economic performance and forecasts;
  - An assessment of affordable housing need; and
  - Market signals.
- 4.2 Section 7 of the Addendum (Doc HO08) draws the evidence together to define OAN.
- 4.3 Its conclusions are based on PROJ 1A from the Joint SHMA (Doc HO04) which used the latest demographic data available at the time of preparation. Table 35 of the Joint SHMA shows that for the HMA as a whole, this results in a need for 3,335dpa using 2011-based headship rates and 4,094dpa using 2008-based rates. The Joint SHMA determined that modelling 2011 headship rates to 2021, and then 2008-based headship rates (on an indexed basis) beyond this was appropriate. This was used as the basis for the OAN for the HMA. As set in paragraph 2.3 above, this approach has been endorsed by a number of local plan inspectors
- 4.4 Taking account of market signals and the affordable housing needs evidence, the SHMA concluded that it would be appropriate to adjust upwards household formation relative to recent trends. Further, the evidence suggested that provision of 3,750dpa would support forecasted employment growth.
- 4.5 The Joint SHMA then suggested a further upwards adjustment of the assessed need in North Warwickshire and Stratford-on-Avon to enhance affordability and workforce growth. These district-specific adjustments were based on local evidence relating to these areas.
- 4.6 The Joint SHMA (Doc H004 Para 6.2) makes a thorough analysis of HMA population change 2001-11 showing 37% of HMA population is in Coventry - 317,000 with differentials in the distribution in population growth ranging from 15% in Rugby to almost static in Coventry (0.5%). Warwick level of growth was 9.2% increase. It is also interesting to note that post 2006, a significant proportion of the HMA's growth was in Coventry. The population dynamics of the HMA are greatly influenced by what happens in Coventry (See Para 6.9 of Doc HO04). Growth in Coventry's population is sensitive to changes in migration which has been quite variable in the past.
- 4.8 The Joint SHMA Addendum (Doc HO08) examines the 2012 based SNPP and considers additional econometric forecasts. It also provides a sensitivity analysis considering household formation for younger households.

- 4.9 The projections indicated that 3,906-4,004dpa would be needed for the HMA based on demographic trends. Projections based on economic forecasts varied from 3,636dpa (Experian forecasts) to 4,546dpa (Cambridge Econometrics forecasts).
- 4.10 Based on these projections and forecasts, the Addendum recommended minimum housing provision of 4,000 homes across the HMA. It set out that at a local level, figures may require adjustment in bringing together evidence, particularly in regard to economic growth potential/ strategy.
- 4.11 For Warwick District, the Addendum (Doc HO08) suggested that 606dpa would be needed. The Addendum ran a sensitivity test regarding the impact of changes to household formation within younger age groups. However, the breakdown of population cohorts in Warwick District means that this is unlikely to be significant factor – as borne out by the 2012 based household projections.
- 4.12 An OAN of 606dpa would support the expected growth in workforce based on the Experian projections considered in this report. Further, the Council consider that Experian forecasts have better reflected recent changes in employment in the District. Cambridge Econometrics forecast appear optimistic and are likely to require policy interventions to achieve the associated level of growth. So although neither of the economic forecasting models used in the Joint SHMA should be used exclusively, the evidence suggests that a “policy-off” OAN of 606 dpa is appropriate.

*5) What are the assumptions in terms of population change, migration, household size and household formation rates? Are these justified?*

- 5.1 For the Joint SHMA Addendum (Doc HO08), population projections are based on the 2012-based Sub-National Population Projections. The only adjustment made to these is to update this to take account of ONS 2013 Mid-Year Population Estimates, as recommended in the PPG. The migration assumptions in the SNPP are used. These are based on internal migration trends over the previous 5 years; and international migration over the previous 6 years. The PPG recommends use of the latest official projections. No adjustments are made for Unattributable Population Change.
- 5.2 Sensitivity testing around migration is included within the Joint SHMA (Doc HO04).
- 5.3 Two scenarios for household formation are modelled in Addendum (Doc HO08). The first uses 2011-based headship rates to 2021, with 2008-based rates applied on an indexed basis thereafter. This approach has been accepted in a range of local plan examinations. The second, which results in higher household growth, is based on modelling a ‘part return to trend’ which seeks to consider the reasons why household formation rates on an age-specific basis may have moved away from trends in the 2008-based household projections, and adjusts these. It is this later, more positive scenario on which the OAN conclusions are based.

- 5.4 The headship rates adopted in HO08 are supported by the Inspector's Interim Conclusions on the Stratford-on-Avon Core Strategy (Exam 8).
- 5.5 HO08 additionally considered economic forecasts, and issues relating to market signals and affordability. It did not find conclusive evidence of a need to adjust housing provision to take these into account but does set out that authorities may need to adjust housing provision in aligning with their economic evidence. For Warwick an analysis of the market signals suggested in the National Planning Guidance shows that there is not a need to do so. Alignment with economic evidence has already been discussed in response to question 4 above.
- 5.6 The robustness of the modelling is supported by the 2012-based Household Projections. These show a need across the HMA which is 2% different from that derived in HO08. For Warwick District the assessed need shown is lower, at 592 dwellings per annum.
- 5.7 The Joint SHMA (Doc HO04, Table 107) shows a range of projected household sizes based on different headship rates. The projected household sizes vary from 2.19 to 2.26 persons with 2.22 used based on applying midpoint headship rates. Sensitivity testing (see Matter 2 Q6 Appendix A) of the assumption against a suit of other projections shows it fits well with trends/closely matches the SNPP. The Mid-point projection is below the SNPP Household size trend providing an element of contingency regards the OAN and housing affordability for Warwick.
- 5.8 See Appendix 2.1 for further details regarding trends for household sizes in Warwick District.

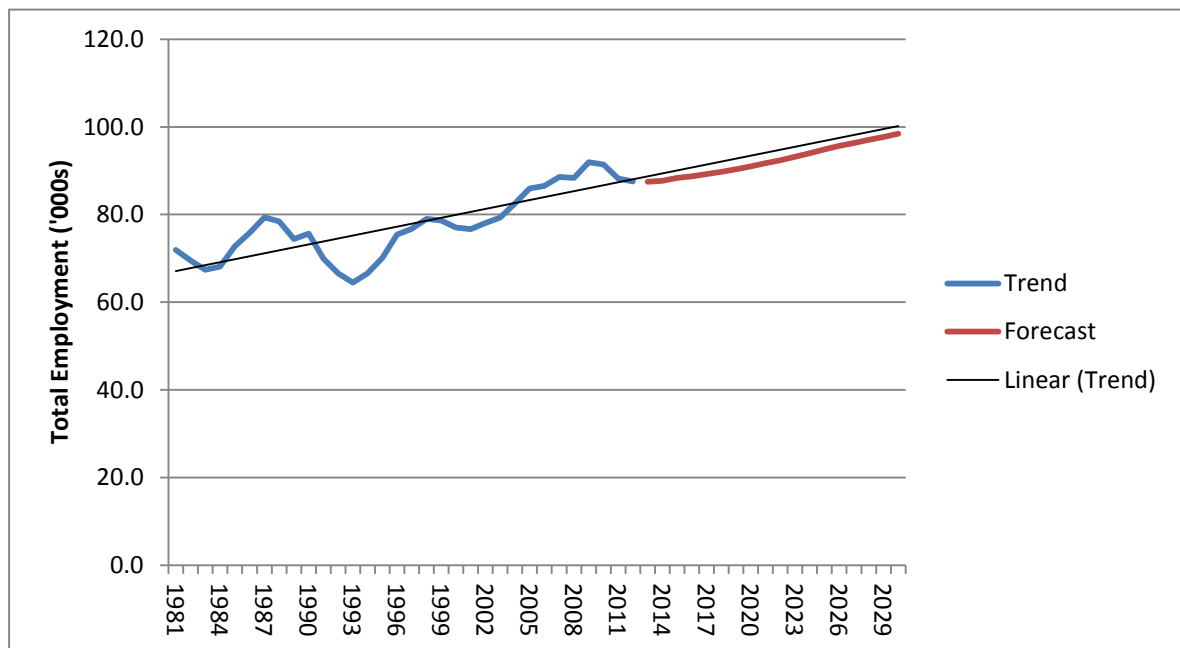
*6) How has the issue of unattributable population change been dealt with and is this justified?*

- 6.1 A number of the projections in the Joint SHMA (Doc HO04) included adjustments for Unattributable Population Change (UPC). The Council's consultants, GL Hearn, reviewed the approach to UPC taking account of the approach now adopted by ONS. UPC is discussed in Paragraphs 2.15 – 2.20 in the Addendum (Doc HO08).
- 6.2 There remains some evidence that population growth in Coventry was over-estimated between 2001-11. It should be recognised that because of this it is more difficult to accurately project population growth in the City.
- 6.3 In the Addendum (Doc HO08), the consultants concluded that there is not a clear, defensible justification for making adjustments to the SNPP to reflect UPC. The conclusions on which the OAN for the HMA (and Warwick District) has been defined therefore do not make any adjustments for UPC.

*7) What are the assumptions regarding economic/employment growth and are these justified?*

- 7.1 The assumptions for employment growth on which the plan is based are derived from the Council’s 2013 Employment Land Review Update (EC03). This report included a detailed interrogation of economic dynamics, and was based on forecasts for economic growth. It drew together a range of evidence to consider economic growth potential.
- 7.2 The forecasts are of employment growth of 10,300 between 2011-30 (9,500 over the 2011-29 period) – an average of 530 additional jobs per year. The chart below indicates that this represents a continuation of long-term trends in employment growth in the District.

Appraisal of CE 2012 Forecasts



- 7.3 The scale of employment growth shown in these forecasts is similar to those from Experian considered in the Joint SHMA (Doc HO04 Para 6.43).
- 7.4 The Council has sought to consider other forecasts, including the CE 2013 forecasts considered in the Strategic Employment Land Study (EC01) and in the Joint SHMA Addendum (HO08). Detailed interrogation of these forecasts for Warwick District suggest some errors in the estimation of employment growth between 2011-13. The forecasts show employment growth of 5,700 in the District between 2011-13 which is inconsistent with wider evidence, including ONS jobs estimates and BRES data (including data published since the forecasts were prepared) which show that employment in the District fell over this period.
- 7.5 The scale of employment growth forecast in the Employment Land review and supported by Experian forecasts, aligns with the labour force growth expected. Therefore no adjustments are necessary to take account of changes to commuting dynamics.

7.6 The Plan includes provision for a sub-regional employment site. This represents a “policy on” position. The Council has sought to assess the potential impacts of this on the housing market. Evidence presented to the Public Inquiry by GL Hearn estimated that the site would provide c.7,650 jobs. The site’s location adjoins Coventry and is accessible from a range of area’s across the sub-region. Based on the gravity model set out in the Transport Assessment supporting the application, 57% of the workforce were expected to be drawn from Coventry; and 77% from across the LEP area. The assessment expected 9.8% of the workforce to be drawn from Warwick District. On this basis around 750 persons working at the site could be Warwick District residents. The Council considers that the employment growth associated with this is unlikely to all be additional to that in the forecasts in EC03. The impact on housing demand in Warwick District is therefore likely to be small and as the Plan is based on housing provision of 714 homes per annum, compared to the OAN of 606 homes pa, the additional 108 homes per annum will provide flexibility to accommodate any additional growth in employment over and above past trends.

*8) How have market signals and affordable housing needs been taken into account?*

8.1 Doc H004 provides a full assessment of affordable housing needs in line with the government guidance known as the Basic Needs Assessment Model. Warwick has the second biggest supply of rented property in the HMA. The net need for affordable housing for the HMA is 1356dpa with 268dpa in Warwick.

8.2 The Study notes that these needs are aspirational dependant on the Council’s ability to provide funding for affordable housing by the use of S106 agreements. Warwick District has a 40% affordable housing requirement on suitable sites, proposes to allow cross-subsidy on rural exceptions outside the Green Belt and will utilise its own building programme of affordable homes agreed with the HCA. If 40% homes built were affordable housing, 286 affordable homes would be delivered per annum.

8.3 At the HMA level, the affordable housing need represents a third of the OAN of 4,004 homes identified. The evidence provides no basis for seeking higher overall housing provision either across the HMA or in Warwick District.

8.4 In respect of market signals, the Joint SHMA (HO04) identified that:

- Whilst house prices increased notably between 2002-6, they have remained relatively stable over the last five years. In real terms the value of market homes has fallen since 2007. Furthermore sales volumes (indicative of effective demand) remain notably below long-term pre-recession trends.
- There has been little growth in land values post 2010 based on the data available.
- Whilst the lower quartile house price to income ratio in Warwick is above the County and national level, entry-level house prices across



the HMA and in the District had been relatively static since 2007. The evidence suggested that affordability ratios had improved in all parts of the HMA, with the lower quartile price-income ratio falling by 11% in Warwick between 2007-12.

- 8.5 The Joint SHMA summarises the Warwick market housing size mix/housing offer as well balanced with a prevalence of semi-detached but also smaller and larger properties providing a reasonable housing offer (para 9.52). Providing smaller/medium sized properties will help meet local needs. Coventry has a much narrower housing offer focused on lower value properties and would benefit from larger homes especially to encourage better skilled to live and work in the city (para 9.52).
- 8.6 Table 11 in the Joint SHMA (Doc HO04) shows in Warwick 3% of households are overcrowded. This is below the regional average of 4.6% and the national average of 4.8. Current overcrowding levels do not suggest any stress on this issue. Changes in overcrowding levels reflect national trends while greater occupancy levels would be expected with more students (4.28). Overcrowding has increased in the last decade slightly but from a low base and below the West Midlands average increase (para 4.28). This shows little evidence to suggest suppressed household formation or worsening affordability in Warwick.
- 8.7 Overall the evidence base provided no justification for adjusting housing provision upwards in order to improve affordability.

*9) What effect have all of these factors had on the figures for OAN in individual authorities and the HMA as a whole? i.e. how have household/population projections been adjusted?*

- 9.1 The Joint SHMA (Doc HO04 - section 7) comprehensively considers a range of factors in drawing conclusions on OAN. This included adjustments to figures for Stratford-on-Avon and North Warwickshire to support workforce growth and improve affordability.
- 9.2 The SHMA Addendum (Doc HO08) reassessed OAN. On the basis of updated demographic information, this increased the OAN figure further to 4,004dpa for the HMA. This is set out as a minimum figure, and advises Councils to consider the alignment of housing need with their economic evidence/strategy and if necessary adjust upwards housing provision.
- 9.3 For Warwick District, an OAN of 606dpa is likely to support employment forecasts and there is no evidence of a need for uplift to take account of affordability issues and market signals. The proposed housing requirement of 714dpa therefore has potential to support unmet housing need arising elsewhere and if necessary to provide growth potential to support policy interventions to drive growth above projected/forecast levels.
- 9.4 Doc HO04 at para 7.7 notes that 720 dpa equates to a 1.2% annual increase in the dwelling stock. This dwelling change is above other districts with Coventry & Nuneaton 0.8% and Stratford 0.9%. Taking this,

and all other factors into account there is strong evidence to support the suggested OAN and housing requirement.

9.5 However, the Council recognises that factors do change over time and identifies the requirement as a minimum to provide flexibility to accommodate higher housing provision is necessary. The plan takes account of this in Policy DS6 in making the housing requirement a minimum. It also includes a review mechanism in DS20 and a clear approach to monitoring and plan review if required.

9.6 The Inspector of Stratford's Core Strategy in his Interim Report (Doc Exam 8) has found the Joint SHMA (Doc H004) and the Addendum (Doc H008) to be sound evidence.

*10) Will there be unmet needs? Specifically what is the situation in Coventry?*

10.1 This is addressed comprehensively in responses to Matter 1 and specifically in response to Questions 10, 11, 13 and 14.

10.2 Warwick District's Local Plan is providing in full for its housing requirement (see responses to Matter 3). In addition it will be providing substantial housing (108dpa) to meet potential unmet need arising in Coventry. This provision will meet functional needs of Coventry while avoiding unsustainable commuting.

10.3 With regard to unmet need arising elsewhere, the response to Matter 1, Question 12 addresses this. In addition, it is worth noting the the Inspector for Stratford's Core Strategy found in his Interim Report (Doc Exam 8) that the Memorandum of Understanding between Stratford and Birmingham was an acceptable mechanism for dealing with unmet needs (para 65). The inspector also rejected developers assertions that unmet need should be met now when the shortfall has still to be agreed for districts (para 76). The current unmet need from Coventry is only equivalent to 14 months' worth of supply, which in the context of a 10-20 year plan across 6 authorities is modest at most or minimal if Stratford provides more as proposed.

*11) Will these needs be met elsewhere in the HMA? Is this clear?*

11.1 This is addressed comprehensively in responses to Matter 1 and specifically in response to Questions 10, 11, 13 and 14.

11.2 As described above, Warwick District is already making provision for 108 homes per annum to meet the Coventry shortfall and Doc LP20 sets out the process and commitment to meeting OAN in full across the HMA.

*12) What is the approach of the authorities in the HMA to addressing this issue? What additional work needs to be undertaken and over what timescale?*

12.1 See answer to Matter 1, Question 16.

*13) Is the approach of the Local Plan to this issue (in particular Policy DS20) appropriate? What are the implications of this approach in terms of soundness?*

13.1 See also response to Matter 1, Qs 12, 13 and 14.

13.2 Policy DS20 helps address the issue of meeting local and wider needs by providing a review mechanism to deal with future unmet housing needs in an appropriate and planned way. The approach accords with the proposals put forward by Stratford District Council and is supported by all the LPAs in the HMA.

13.3 The approach set out in Policy DS20 is similar to approaches that have been found sound in other Local Plans such as Dacorum and North Somerset (see response to Matter 1, Question 14 for further details)

*14) What is the specific basis for the figure for OAN in Warwick District? Is it justified and appropriate?*

14.1 The specific basis of the OAN of 606 dpa is the projections in The Joint SHMA Addendum (Doc HO08). These use 2012-based Sub-National Population Projections and assume a 'part return to trend' in household formation rates. They are above the 2012-based Household Projections for the District (592dpa).

14.2 The evidence base suggests that the housing provision is sufficient to deliver affordable housing need in full; and that there is no basis from market signals evidence for adjustment of the housing need.

14.3 Further, the OAN aligns well with Experian economic forecasts (as well as earlier Cambridge economic Forecasts) and suggest that a good balance will be achieved between housing to support growth in labour supply and future jobs growth.

14.4 Finally this OAN is supported by all the authorities within HMA as demonstrated by Doc LP20. This OAN aligns with the an OAN of 4004 for the HMA as a whole.

*15) Is the level of housing planned in the Local Plan sufficient to meet OAN in the District? And in the HMA?*

15.1 The Local Plan housing requirement of 714dpa is more than sufficient for the OAN of the district. It also contributes 108dpa to meeting the potential unmet needs of Coventry.

*16) What would be the implications for population change, migration and employment growth?*

16.1 The implications for population change, migration and employment growth have been described above in the response to questions 5 and 7. Further details are as set out in the Joint SHMA (Doc HO04) and the Addendum (Doc HO08).

*17) Is the level of housing planned appropriate? Should it be increased or decreased? If so to what level and on what basis?*

17.1 The Council believes that the level of housing proposed in the Local Plan is appropriate. It takes account of:

- Up to date data on demographic projections and household projections (Doc HO08 and EXAM 4)
- A detailed analysis of market signals and affordability issues in the Joint SHMA (Doc HO04)
- Employment forecasts and the need to align jobs growth with potential growth in the workforce
- Agreements with other Local Authorities within the HMA and beyond and specifically addresses potential unmet need arising elsewhere within the HMA
- The requirement of the NPPF paragraph 47 in seeking to boost housing supply in the District

*18) Is the plan period to 2029 appropriate? Should it be extended?.*

18.1 Paragraph 157 of the NPPF states that Local Plans should: “be drawn up over an appropriate time scale, **preferably** a 15-year time horizon, take account of longer term requirements, and be kept up to date;” (WDC’s emphasis). It is not a requirement of the NPPF to have a 15 year plan period rather the test is that it is appropriate. The NPPF allows flexibility on the plan period where this:

- is in-line with NPPF
- would not prejudice delivery of the plan/objectives
- provides sufficient certainty.

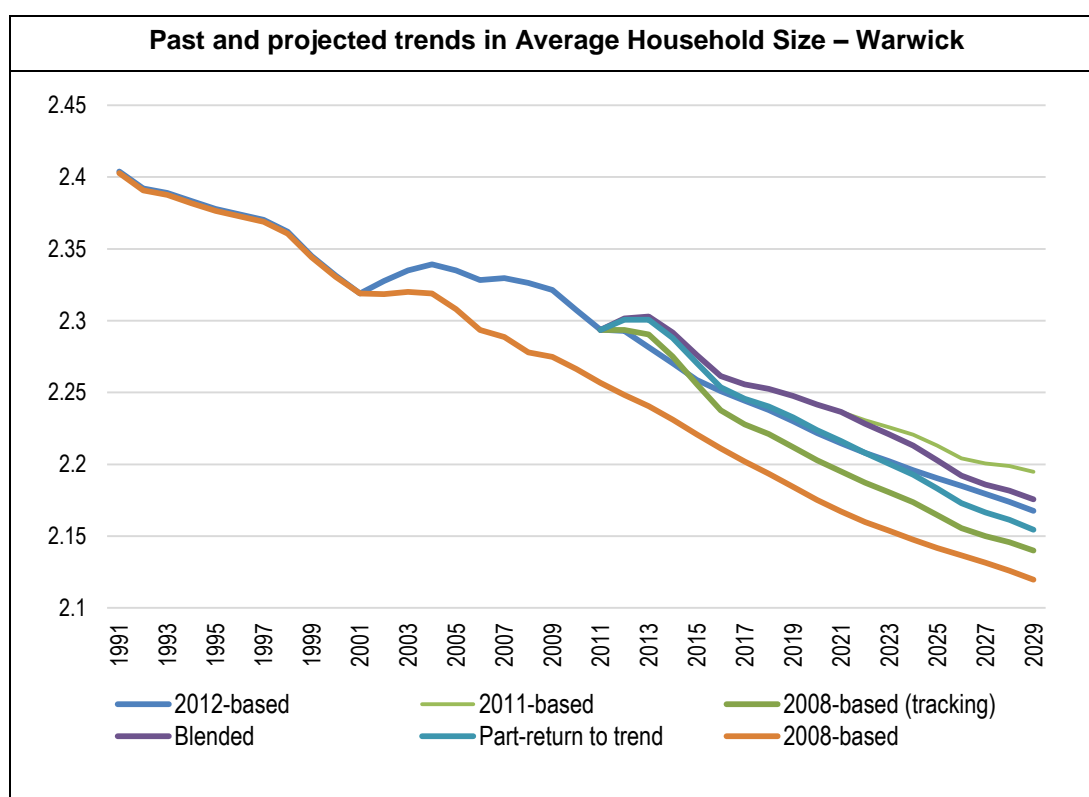
18.2 The Warwick District Local Plan has a 14 year time horizon as from April 2015. This is considered to be appropriate in the local circumstances for the following reasons:

- There is considerable uncertainty regarding the scale and distribution of unmet need within the HMA. This is likely to result in an early Plan review, particularly in the context of so much of the District being covered by Green Belt.
- Significant steps have already been taken delivering the Plan’s proposals, specifically many of the major allocated sites lying outside of the Green Belt have already been granted planning permission and many of these are already delivering development.
- The Plan’s sites can be delivered within the timeframe of the plan as shown in the trajectory.

18.3 The North Warwickshire District Council Core Strategy was recently approved 9<sup>th</sup> October 2014. Further, the Plan does provide a longer framework than 2029 in terms of the spatial vision which does not specify an end date but rather refers to “our vision of the future”..

18.4 The Council considers that in the light of the recent and on-going economic challenges it is prudent to maintain the existing plan period with the commitment of undertaking a review of the Plan within the criteria agreed with other LPA's. This review is supported by the Councils.

Trends in Average Household Size – Warwick



Source: Derived from ONS and CLG data

What does the data tell us:

- Trends in average household size made a fairly abrupt change in 2001 – having been decreasing over the previous decade we saw a period where there was an increase (to about 2004) followed by decreasing sizes at a rate lower than seen in the 2001-11 decade
- Overall in the 2001-11 period, there was a modest decline in average household sizes, this may suggest that Warwick was a less constrained area (in household formation terms) than other parts of the Country (where household sizes show little change in the 2001-11 period)
- However, the decline in household sizes over the decade to 2011 was at a lower rate than had been expected in the 2008-based CLG projections – the 2008-based projections did not include analysis of any recessionary trends, being largely based on trends observed in the 1971-2001 period
- Moving forward it can be seen that all of the projections are expecting there to be some decline in average household sizes with the new 2012-based projections looking to see a decline which is in excess of that observed over the previous decade and overall at a rate in line with that seen in the 1991-2011 period (which would cover a time of both greater and lesser constraints in the housing market)
- The core projection in the SHMA update of 2014 was a part-return to trend methodology, which sought to quantify the extent to which movement away from longer-term trends was due to housing market factors, and how much due to changes in the population structure (linked to international migration and growth in BME communities). This projection shows a slightly more rapid decrease in average household sizes than the 2012-based CLG

projections, but less of a decline in comparison with the rates of change in the 2008-based data

Overall, the 2012-based CLG projections look on this basis to be fairly sound, they are projecting for a significant decrease in average household sizes, and at a rate which is in-line with longer-term trends. The alternative (part-return to trend) is also fairly sound – broadly tracking the 2012-based projections and showing a slight acceleration in the decrease in household sizes towards the end of the projection period.