



Value My Land

Maximising Returns for Landowners

Housing Need & Housing Targets in England

A Practical Guide for Landowners

How the standard method, Local Plan housing requirement, five-year supply and delivery evidence can influence development land opportunities.



Value My Land

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Housing Need & Housing Targets

Housing numbers influence how much development land councils need to identify, but the expression “housing target” can refer to several different figures. Local housing need is the unconstrained minimum annual figure produced through the national standard method.

The Local Plan housing requirement is a separate plan-making outcome. It is set after the authority considers land availability, constraints, infrastructure, unmet need and the spatial strategy. Five-year supply and the Housing Delivery Test then monitor different aspects of supply and delivery.

Local housing need is not the same as an adopted housing requirement - and neither figure allocates land or grants planning permission.

Why do councils assess housing need and set requirements?

Councils need a clear evidence-based housing strategy so that sufficient land, infrastructure and delivery options can be planned over the Local Plan period.

- Identify the minimum number of homes expected to be planned for
- Set a Local Plan requirement and distribution of growth
- Assess housing mix, tenure and the needs of different groups
- Identify a varied supply of suitable and deliverable sites
- Monitor five-year supply, completions and the need for plan review

How do the figures fit together?

Standard method → local housing need → Local Plan housing requirement → site allocations → five-year supply → delivery monitoring

[Read the full online Housing Need & Targets Guide](#)

Why Landowners Should Pay Attention

Housing requirements influence the scale and location of development that a council must plan for. A materially higher figure can create pressure to identify more land, review settlement strategies or reconsider sites that were previously discounted.

Landowners should engage while the council is gathering evidence and testing options. By the time preferred allocations are published, important decisions about growth locations, site assessment and infrastructure may already have been made.

Housing figures and plan procedures can change

Housing-stock and affordability inputs are normally updated each year. Councils may also be progressing under different Local Plan transition arrangements, so the current timetable, evidence base and plan-making system should be checked.

Need can create pressure for additional sites

Where the adopted plan no longer provides enough homes, strategic sites are delayed or delivery is below expectations, the authority may need a broader and more flexible land supply. Smaller and medium sites can also help diversify delivery.

A higher figure does not remove site constraints

Housing need strengthens the strategic case for development, but each site must still demonstrate a suitable location, safe access and a credible response to flood risk, drainage, ecology, landscape, heritage, infrastructure and viability.

The best time to promote land is while the council is gathering evidence and testing spatial options - not after preferred allocations are fixed.

Check Current Local Plan Opportunities in England

Which Housing Figures Should Be Checked?

The correct planning assessment distinguishes the main housing figures, identifies when each was calculated and explains the question that each one answers.

Local Housing Need The standard method produces the minimum annual homes expected to be planned for before land constraints are assessed.	Adopted Housing Requirement The development plan sets the minimum homes to be provided over the plan period and normally includes a housing trajectory.
Emerging Plan Requirement A Local Plan review may propose a different figure as updated need, constraints, unmet need and strategic objectives are considered.	Five-Year Housing Land Supply A forward-looking test of whether enough specific deliverable sites exist against the applicable requirement or need figure.
Housing Delivery Test A backward-looking comparison of completed homes with the number required over the relevant rolling period.	Housing Mix & Tenure Evidence also considers affordable housing, dwelling sizes, specialist housing and the needs of different groups.

What should a landowner review?

- The latest standard-method figure and the date of its input data
- The adopted housing requirement, plan period and housing trajectory
- The emerging Local Plan figure, timetable and transition position
- The current five-year housing land supply and applicable buffer
- The latest Housing Delivery Test result and action plan
- Any unmet need, strategic redistribution or wider-area requirement
- Call for Sites, HELAA or SHLAA opportunities and site-specific deliverability

A published housing number should never be read in isolation. Its source, purpose, date and relationship with the Local Plan, supply and delivery evidence all matter.

How the Standard Method Is Calculated

Current national guidance uses a formula based on existing housing stock and local affordability. The calculation produces a minimum annual local housing need figure, not an adopted Local Plan requirement.

- 1. Use the latest housing stock** - Start with the most recent published dwelling-stock figure for the local authority area, including vacant dwellings where included in the official table.
- 2. Calculate the 0.8% baseline** - Multiply the housing-stock figure by 0.008. This provides a baseline proportionate to the size of the existing housing market.
- 3. Find the affordability average** - Use the mean of the five most recent median workplace-based affordability ratios published for the authority.
- 4. Apply the threshold** - No affordability uplift applies where the five-year average ratio is 5 or below. Ratios above 5 receive a progressively larger adjustment.
- 5. Apply the national formula** - The adjustment factor is $((\text{ratio} - 5) / 5) \times 0.95 + 1$. Multiply the 0.8% baseline by that factor.
- 6. Treat the output correctly** - The result is the minimum annual need used at the start of plan-making. Land, constraints and the spatial strategy are considered later.

Illustration: 80,000 dwellings produce a 640-home baseline. An affordability ratio of 8 gives a factor of 1.57 and a need of about 1,005 homes a year.

Is My Land Suitable for Development?

Evidence That Can Strengthen the Planning Case

The most useful evidence connects the strategic housing position with the qualities and deliverability of the individual site. The level of work should remain proportionate to the stage of plan-making.

Standard-Method Calculation Confirm the latest housing-stock and affordability inputs and the resulting minimum annual need figure.	Local Plan & Trajectory Review the adopted requirement, emerging strategy, annual trajectory and the intended role of existing allocations.
Five-Year Housing Supply Test whether identified sites are genuinely deliverable and whether the authority applies the correct requirement and buffer.	Housing Delivery Test Consider the latest result, policy consequence, action plan and the causes of persistent under-delivery.
HELAA / SHLAA Evidence Review how candidate sites are assessed for suitability, availability, achievability, capacity and timing.	Settlement & Infrastructure Explain access to services, transport, schools, utilities and the relationship with existing communities.
Technical Site Evidence Address access, flood risk, drainage, ecology, landscape, heritage, ground conditions and other material constraints.	Masterplan & Viability Show realistic capacity, net developable area, infrastructure, mitigation, affordable housing and a credible delivery route.

The strongest case does more than identify a housing shortfall: it demonstrates that the land is a suitable, available and achievable way to help meet it.

How Housing Need Becomes a Local Plan Requirement

The standard method is the starting point. The council then prepares evidence, tests options and translates need into a deliverable requirement and spatial strategy through the applicable Local Plan process.

1. Need is calculated - The latest housing stock and affordability data are used to establish minimum annual local housing need.

2. Housing mix is assessed - Evidence considers affordable housing, tenure, dwelling size, specialist accommodation and different household groups.

3. Land and constraints are reviewed - Urban capacity, brownfield land, candidate sites, infrastructure and environmental constraints are assessed.

4. The strategy is prepared - The authority proposes a housing requirement, distribution of growth, trajectory and infrastructure approach.

5. Sites are selected - Potential allocations are compared for suitability, availability, achievability, capacity and contribution to the strategy.

6. The plan is examined and adopted - The evidence and strategy are tested through the relevant plan-making, gateway and examination procedures.

7. Supply and delivery are monitored - Five-year supply, completions and changing evidence can lead to action, additional sites or an earlier plan review.

The standard method identifies need. The Local Plan decides how that need will be met and which sites form part of the development strategy.

Read: [What Is the Housing Delivery Test?](#)

Read: [What Is a 5-Year Housing Land Supply?](#)

What If the Council Says No More Land Is Needed?

A council may conclude that its adopted allocations, permissions, windfall allowance and strategic sites provide sufficient housing land. That conclusion should be tested against the latest need, plan status, supply evidence and actual delivery.

The first step is to identify which housing figure the authority has used and whether the assumptions remain current. A strategy can appear numerically sufficient while depending on delayed infrastructure, optimistic build-out rates or sites that no longer have a realistic delivery route.

A focused response can include:

- Comparing current local housing need with the adopted requirement
- Reviewing the age, status and transition position of the Local Plan
- Testing allocated-site trajectories, lead-in times and windfall assumptions
- Examining five-year supply and Housing Delivery Test weaknesses
- Showing how the site can provide a different scale, location or delivery profile
- Submitting updated evidence through a Call for Sites or Local Plan consultation

The existing strategy may change

Updated need, stalled allocations, infrastructure delays, unmet neighbouring need or a revised settlement strategy can alter the amount and location of land required. Continued promotion should respond to the evidence rather than depend on one assessment or consultation stage.

A conclusion that sufficient land already exists should be tested against the latest need, supply, delivery and site-specific evidence.

How Can Housing Targets Affect Development Land Value?

A higher housing figure does not itself create development value. Its importance is that the council may need to identify more land, reconsider its growth strategy or give greater attention to sites capable of contributing homes within the plan period.

As land progresses through Calls for Sites, HELAA or SHLAA assessment, Local Plan consultation, allocation and planning permission, purchasers may place greater weight on its development prospects. Each stage can improve certainty, but detailed capacity and delivery issues remain important.

The value outcome is site-specific

Location, settlement relationship, development capacity, access, infrastructure, affordable housing, technical constraints, abnormal costs, market conditions and planning risk all influence value. A headline housing shortfall cannot be converted into a standard value per acre.

Understand the evidence before agreeing terms

Selling or entering a long-term agreement before the planning position is understood can transfer the benefit of future policy progress to another party. The landowner should understand what promotion may achieve and how planning costs, obligations and deductions will be treated.

For many landowners, the important question is not simply “has the housing figure increased?” but “can this site credibly help meet the requirement and secure planning support?”

Find Out What Your Land May Be Worth

How Value My Land Can Help

Value My Land can review the housing evidence, Local Plan position and site-specific planning considerations affecting your land. The aim is to identify the most appropriate route and present a clear, evidence-based case for a realistic and deliverable development opportunity.

Housing Evidence Review We identify the current need, adopted and emerging requirements, five-year supply and Housing Delivery Test position.	Local Plan & Site Promotion We monitor the plan timetable, Calls for Sites and assessment stages and prepare a consistent case for the land.
Supply & Delivery Analysis We review the authority's trajectory, deliverability assumptions, stalled sites, action plans and potential need for flexibility.	Technical Team Management We can coordinate access, drainage, ecology, landscape, heritage, utilities, masterplanning and other proportionate evidence.
Representations & Updates We respond to consultation stages, adverse assessments and changing evidence as the Local Plan and housing position evolve.	Landowner-Focused Strategy The approach is tailored to the individual site, landowner objectives, timescale, risk and realistic planning potential.

Promotion Agreements

Where we enter into a Promotion Agreement, we fund and manage the agreed planning process at our own cost and risk. This can include policy promotion, representations, technical evidence and planning work needed to pursue an appropriate development strategy. If permission is not secured, the agreed promotion costs are written off.

The landowner retains ownership and control of the land throughout the promotion process. Because our return is linked to the sale proceeds, our objective is aligned with securing a deliverable planning position and maximising the value achieved for the land.

[Request a Free Housing Need & Land Review](#)



Could Changing Housing Requirements Affect Your Land?

If you own land and would like to understand whether housing need, a Local Plan review, five-year supply or delivery evidence may create a development opportunity, contact Value My Land for a free, no-obligation initial assessment.

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Delivering Sustainable Development

Further reading: [Housing Need & Targets Guide](#) | [5-Year Housing Land Supply](#) | [Housing Delivery Test](#) | [Local Plan Allocation Guide](#)

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