

Applying the Standard Method to the South Downs National Park Area and overlapping Local Authorities

October 2025

Quality information

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Revision History

Revision	Revision date	Details	Authorised	Name	Position
V1	July 2025	First Draft	KP	Kerry Parr	Associate Director
V2	August 2025	Revised following client comments	KP	Kerry Parr	Associate Director
V3	October	Final Report	KP	Kerry Parr	Associate Director

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Table of Contents

List of acronyms:

ADC	Adur District Council
ARDC	Arun District Council
BHCC	Brighton & Hove City Council
CDC	Chichester District Council
EBC	Eastbourne Borough Council
EHDC	East Hampshire District Council
HDC	Horsham District Council
HRF	Housing Requirement Figure
LDC	Lewes District Council
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LHNF	Local Housing Need Figure
LPA	Local Planning Authority
LSOA	Lower Layer Super Output Area
MHCLG	Ministry of Housing, Communities, and Local Government
MSDC	Mid Sussex District Council
MSOA	Middle Layer Super Output Area
NPPF	National Planning Policy Framework
OA	Output Area
ONS	Office for National Statistics
OS	Ordnance Survey
PPG	Planning Practice Guidance
SDLP	South Downs Local Plan
SDNP	South Downs National Park
SDNPA	South Downs National Park Authority
WBC	Worthing Borough Council
WCC	Winchester City Council
WDC	Wealden District Council

1. Executive Summary

Objectives and Context

- 1.1 This study aims to develop a consistent and fair approach to estimating and apportioning housing need for the local authority areas which have a proportion of their land area within the South Downs National Park (SDNP).
- 1.2 AECOM were commissioned by Chichester District Council, East Hampshire District Council, Lewes District Council, the South Downs National Park Authority, and Winchester City Council. The study was also shared with Adur District Council, Arun District Council, Brighton & Hove City Council, Eastbourne Borough Council, Horsham District Council, Mid Sussex District Council, Worthing Borough Council, and Wealden District Council. All of these authorities have reviewed the interim findings and attended a meeting (July 2025) to discuss the scenarios and methodology outlined in this report.
- 1.3 This study is concerned with the calculation and apportionment of housing need and not the housing requirement for each local authority (part in and outside the SDNP), or the housing requirement for the SDNP as a whole.
- 1.4 The new NPPF and PPG (published in December 2024) included an updated Standard Method for calculating housing need at the local authority level. The Standard Method is designed for local authorities and its data inputs are available only at the local authority level. As the SDNP boundary does not align with local authority boundaries and statistical geographies (known as Output Areas) it is not automatically possible to carry out the Standard Method calculation for the SDNP or the constituent parts of the park which fall within each local authority area.
- 1.5 This report undertakes the Standard Method calculation for all of the authorities and parts within and outside the SDNP. To achieve this, it addresses two key questions relating to the two steps in the calculation:
 - Step 1: Dwelling stock - what is the dwelling stock within the SDNP and the parts of local authorities inside the SDNP?
 - Step 2: Affordability uplift - what is the affordability ratio in the parts of the local authorities in the SDNP?
- 1.6 This report presents two scenarios for the calculation and apportionment of housing need for the SDNP and the authorities which have a proportion of their land within the SDNP. First, it sets out Scenario 1 which apportions the local authority calculation to parts of each authority area inside and outside of the SDNP on the basis of its share of the dwelling stock. It then sets out Scenario 2, which applies a customised affordability uplift for parts of the local authorities within and outside the SDNP. The purpose of this second scenario is to test whether affordability is better or worse within the SDNP and whether this would

result in a different affordability uplift and different Standard Method calculation to Scenario 1.

Standard Method Scenario 1: Dwelling Stock with Local Authority Affordability Uplift

1.7 Table E-1 shows the Standard Method output for each of the local authorities, apportioned to the area inside and outside the SDNP based on the proportion of dwellings in each area (as estimated in Section 4 of this report). This estimate concludes:

- The overall standard method need for the SDNP would be 1,048 per annum, with the figure for each authority area outside the SDNP as set out in Table E-1.
- The standard method need within the parts of the SDNP for the authorities with the largest land area within the park's boundary would be 332 (rounded) dwellings per annum in Chichester, followed by 296 (rounded) dwellings per annum in East Hampshire, 194 (rounded) dwellings per annum in Lewes and 108 (rounded) dwellings per annum in Winchester.
- There is modest need in within the SDNP in Arun (39 dwellings per annum), Horsham (31 dwellings per annum) and Wealden (32 dwellings per annum) on the basis of this method, with more limited need inside the SDNP identified in Brighton & Hove, Adur, and Mid Sussex, ranging from 2 to 11 dwellings per annum.
- There is negligible need within the parts of Eastbourne and Worthing that fall within the SDNP (less than 1 dwelling per annum).

Table E-1: Standard Method Apportioned Inside/Outside SDNP by Dwelling Stock

Local Authority	Total LHN (pa)*	LHN Inside SDNP (pa)	LHN Outside SDNP (pa)
Adur	549.16	2.75	546.42
Arun	1,458.08	39.37	1,418.72
Brighton & Hove	2,486.99	2.49	2,484.50
Chichester	1,323.08	332.09	990.98
East Hampshire	1,123.80	295.56	828.24
Eastbourne	714.25	0.00	714.25
Horsham	1,338.46	30.78	1,307.68
Lewes	875.61	193.51	682.10
Mid Sussex	1,358.06	10.86	1,347.20
Wealden	1,456.78	32.05	1,424.73
Winchester	1,147.63	107.88	1,039.75
Worthing	854.45	0.85	853.59
Total	14,686.35	1,048.19	13,638.15

Source: MHCLG Dwelling Estimates by Local Authority Table 125, OS Building Count Feb 2025 (for % apportionment), AECOM Calculations. *Figures inside/outside may not add exactly to the total due to rounding.

Developing Bespoke Affordability Ratios

- 1.8 Table E-1 provides estimates of need for the parts of local authorities that fall within the SDNP and for the SDNP as a whole on the basis of the best available dwelling stock data (Scenario 1). There is no attempt in Scenario 1 to account for any differences in affordability that may arise inside and outside of the SDNP (Step 2 in the Standard Method calculation in PPG).
- 1.9 This report develops a customised affordability ratio for the areas of the local authorities inside and outside of the SDNP. There are serious data limitations associated with estimating affordability at the localised level and therefore for parts of authorities inside and outside of the SDNP, mainly concerning the lack of availability of the required earnings (and therefore affordability) data at smaller than local authority scale. Data limitations need to be borne in mind when considering Scenario 2 and are discussed in full in the relevant section, including the methodology used to calculate the bespoke affordability ratios required for the areas in this study.
- 1.10 On the whole, the local authority areas within the SDNP tend to have a higher affordability ratio (poorer affordability) than the area outside the SDNP in the same local authority. However, there are exceptions, with higher affordability ratios in the areas of Wealden and Adur outside the SDNP rather than inside the SDNP.

Scenario 2 – Standard Method with Bespoke Affordability

1.11 Table E-2 shows the standard method calculation for the areas of the local authorities *inside* the SDNP. This method is also applied to the areas of the local authorities *outside* of the SDNP and presented in Section 6 (Table 6-2).

1.12 In step 1, the 2024 MHCLG dwelling stock figures for each local authority have been pro-rated to the areas inside the SDNP based on the OS building count (dwellings) as discussed above and presented in Table E-1. The bespoke affordability ratios (2024) are then applied in step 2.

1.13 The final local housing need for the areas of the local authorities *inside* the SDNP vary from 0.32 dwellings per annum (Eastbourne) to 398.53 dwellings per annum (Chichester). The LHN figures for the areas *outside* of the SDNP range from 546.79 per annum (Adur) to 2,483.98 per annum (Brighton & Hove).

Table E-2: Standard Method for Parts of Local Authorities Inside SDNP

Local Authority	Step 1		Step 2		Final LHN (pa)
	2024 Dwelling Stock ¹	x0.8%	Affordability ratio (custom, 2024)	Adjustment factor	
Adur	138	1.10	10.40	2.0251	2.23
Arun	2,117	16.93	16.24	3.1353	53.09
Brighton & Hove	163	1.30	14.04	2.7169	3.54
Chichester	15,579	124.63	16.57	3.1977	398.53
East Hampshire	14,748	117.99	14.97	2.8951	341.58
Eastbourne	18	0.14	11.67	2.2680	0.32
Horsham	1,544	12.36	15.65	3.0239	37.36
Lewes	10,533	84.27	13.83	2.6768	225.57
Mid Sussex	578	4.62	19.53	3.7609	17.39
Wealden	1,676	13.41	11.33	2.2022	29.53
Winchester	5,418	43.35	13.63	2.6396	114.42
Worthing	56	0.45	11.66	2.2650	1.02
SDNP					1,224.5

Source: ONS, MHCLG, AECOM Calculations

1.14 Overall, this shows that using the bespoke affordability ratios leads to a greater local housing need inside the SDNP than simply apportionment based on dwelling stock, at 1,224.57 dwellings per annum compared to 1,048.19 dwellings per annum.

¹ Percentage of dwellings inside SDNP (OS, February 2025) applied to local authority housing stock (MHCLG, 2024)

- 1.15 This is not a blanket trend across all of the local authorities however, with the local housing need using the bespoke affordability ratios decreasing in the parts of Adur and Wealden inside the SDNP.

Conclusions

- 1.16 The new Standard Method figures following the publication of the new NPPF and PPG in 2024 are substantially higher than under the previous approach for most authorities and for the SDNPA.
- 1.17 The local housing need figure for the SDNP would be 1,048 per annum based on its share of each local authority's figure based on apportionment according to dwelling stock (Scenario 1 in this report). The LHN for each local authority plan area (excluding parts within the SDNP) would be as in Table E-1.
- 1.18 Using the dwelling stock as the basis to apportion need is likely to be a robust basis for establishing SDNP need and need in the parts of authorities within the park in each LA because the dwelling stock can be accurately aligned with the SDNP boundaries.
- 1.19 Cross checking this apportionment approach with the share of population/households living in the SDNP is less robust because it is not possible to obtain accurate data for each that aligns with the SDNP boundaries in each authority and must be done on a 'best fit' of Output Areas.
- 1.20 However, there are some parts of local authorities and the SDNP which have higher proportions of unoccupied dwellings which may raise policy questions around the most appropriate locations to deliver housing to meet local needs. Delivery of dwellings in areas where there is a higher proportion of unoccupied dwellings may not meet need as effectively as delivery in areas where there is a closer match between households² and dwellings. Again, it is not possible to match precisely these unoccupied dwellings with the SDNP boundaries so some caution must be attached to these conclusions.
- 1.21 The use of a bespoke affordability scenario (Scenario 2) to reflect apparent poorer affordability within the SDNP generally would increase the SDNP's figures by around 17% (to 1,225 dwellings per annum) compared to the estimate above (Scenario 1). Scenario 2 would on the whole result in a lower local housing need figure for the local authority plan areas outside of the SDNP (with the exception of Adur and Wealden) because the bespoke affordability ratios are generally lower (resulting in a smaller uplift).
- 1.22 This is outlined in full in Table 6-3, with comparisons of housing need figures inside and outside the SDNP using both Scenario 1 and Scenario 2. Scenario 2 adds up to the same overall figure for each local authority area as Scenario 1 but

² The ONS defines a household as "one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area". A household "must contain at least one person whose place of usual residence is at the address".

with the need shifting towards the parts in the SDNP because of affordability differences.

1.23 There are limitations to the bespoke affordability scenario because of data constraints:

- The need to use income data to estimate workplace earnings because earnings data is only available at the local authority level.
- The need to use MSOAs as a best fit to the SDNP areas because this is the smallest available geography for incomes (translated to earnings) and at which it is possible to align median house price data.
- The limited availability of MSOA income data means that the bespoke affordability scenario uses data from 2020 and then applies the uplift (or variance) to present day.
- It is not possible to establish whether the pattern of affordability has changed over time but there is no clear indication from price changes at the MSOA level 2020-2024 that the parts of authorities within the park have increased in price to a greater or less extent than outside. In any case this would need to be compared to income/ earnings to assess whether such changes have worsened or improved affordability.
- The variance in affordability inside and outside of the SDNP compared to affordability in the local authority as a whole is developed for the year 2020 and applied to the latest year (2024) to align with the Standard Method. It cannot be guaranteed that the applied variances remain the same in 2024, or indeed in future years.

1.24 Overall, Scenario 1 is considered the most robust estimate of local housing need using the Standard Method at present. This is because it uses the best available data on the dwelling stock to apportion housing need to areas of local authorities inside and outside of the SDNP. This approach could also provide a starting point for the 5-year housing land supply calculation and Housing Delivery Test³, where Local Plans are more than 5 years old, until a new housing requirement is determined through a new Local Plan.

1.25 Whilst Scenario 2 includes a bespoke estimate of affordability with the aim of achieving an affordability uplift which is more appropriate for the parts of local authorities inside and outside of the SDNP, the data limitations suggest this cannot be considered the most robust approach. Furthermore, there is uncertainty about whether the data inputs used will be updated in the future.

³ Note that the Housing Delivery Test does not apply to National Park Authorities

2. Objectives and Outline

2.1 Chichester District Council, East Hampshire District Council, Lewes District Council, the South Downs National Park Authority, and Winchester City Council have commissioned AECOM to undertake a study to develop a consistent and fair approach to apportioning housing need for the local authority areas which have a proportion of their land area within the South Downs National Park (SDNP). This includes the following local authorities:

- Adur District Council (ADC);
- Arun District Council (ARDC);
- Brighton & Hove City Council (BHCC);
- Chichester District Council (CDC);
- Eastbourne Borough Council (EBC);
- East Hampshire District Council (EHDC);
- Horsham District Council (HDC);
- Lewes District Council (LDC);
- Mid Sussex District Council (MSDC);
- South Downs National Park Authority (SDNPA);
- Worthing Borough Council (WBC);
- Winchester City Council (WCC); and
- Wealden District Council (WDC).

2.2 The commissioning authorities wish to develop an objective approach which is in line with National Planning Policy Framework and Planning Practice Guidance on Housing and Economic Development Needs Assessment which were published in December 2024 and include an updated approach to assessing housing need using the Standard Method.

2.3 At the outset it is important to clarify that this study is concerned with the calculation and apportionment of housing need and not the housing requirement for each local authority (part in and outside the SDNP) or the SDNP as a whole.

2.4 The new NPPF and PPG (published in December 2024) included an updated Standard Method for calculating housing need at the local authority level. The new Standard Method uses the housing stock in a local authority area as the starting point for calculating housing need and then an affordability uplift is applied to produce the housing need figure. The Government has also published current Standard Method figures for each authority area based on the new method.

- 2.5 The Standard Method is designed for local authorities and its data inputs are available at the local authority level. As the SDNP boundaries do not align with local authority boundaries and statistical geographies (known as output areas) it is not automatically possible to carry out the Standard Method calculation for the SDNP or the constituent parts of the park which fall within each local authority area.
- 2.6 The two steps in the Standard Method calculation raise two key issues for the SDNP and LAs with part in their area:
- What is the dwelling stock in the parts of the local authorities in the SDNP?
 - What is the affordability ratio in the parts of the local authorities in the SDNP?
- 2.7 This report addresses these two questions in order to estimate housing need, in line with the Standard Method approach, for the SDNP and the constituent parts of the park which fall within each local authority area.

Relevant Data

- 2.8 This study draws on a range of evidence to ensure its findings are robust for the purposes of developing Local Plan policies.
- 2.9 This includes data from a range of data sources, including:
- 2021 Census data on population and households;
 - Ordnance Survey (OS) Building Count data (February 2025) on dwelling stock;
 - Office for National Statistics (ONS) data on incomes, earnings, and affordability;
 - Ministry of Housing, Communities, and Local Government (MHCLG) data on dwelling stock.

Report Outline

- 2.10 The rest of this report is structured as follows:
- **Section 3: Context** reviews the South Downs National Park area and the overlaps with the relevant local authorities. It also examines national and local policy and guidance on applying housing need figures to areas inside and outside of National Parks.
 - **Section 4: Standard Method Scenario 1 – Dwelling Stock with Local Authority Affordability Uplift** undertakes the Standard Method for all local authority areas and the parts of the local authorities inside and outside of the SDNP by apportioning the dwelling stock using data accurate to the National Park boundary.

- **Section 5: Developing Bespoke Affordability Ratios** explores the potential differences in the affordability ratio to be applied in the Standard Method in areas inside and outside of the National Park.
- **Section 6: Standard Method Scenario 2 – Dwelling Stock with Bespoke Affordability Uplift** undertakes the Standard Method with the bespoke affordability ratios developed in Section 5 for areas of the local authorities inside and outside of the SDNP.
- **Section 7: Conclusions** summarises the study findings and assesses the robustness of the two scenarios.

3. Context

Geographical Context

- 3.1 This report focusses on the South Downs National Park Authority's area and the local authorities (listed in Section 2) which have land within the National Park. These are shown in Figure 3-1, with the SDNP stretching from Winchester down to the south coast in Wealden and Eastbourne.
- 3.2 There are 12 local authority areas that include part of the SDNP and therefore have part of their land area covered by SDNPA. There are a number of existing LHNAs covering these authorities and the SDNP also has its own Housing and Economic Development Needs Assessment (2023). All existing studies pre date the December 2024 NPPF, PPG and Standard Method changes. Each authority will need to update its housing need figure as its Local Plan is developed or reviewed. For five year housing land supply purposes, where a plan is older than 5 years old, a locally derived housing requirement figure can be used.
- 3.3 It should be noted that the land area of the local authority within the SDNP does not necessarily correspond to the number of dwellings or people, with areas of the SDNP largely unoccupied. For example, Figure 3-1 shows that a significant proportion of Eastbourne's land area is within the SDNP, although less than 1% of the Borough's dwellings are located within the National Park. Table 4-2 in Section 4 outlines the dwelling split within each local authority inside and outside the SDNP area.

Figure 3-1: Map of local authorities and South Downs National Park



National Policy and Guidance

- 3.4 The 2024 National Planning Policy Framework (NPPF)⁴ outlines 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 national planning practice guidance” (paragraph 62). The basis of this study is therefore the standard method for determining housing need.
- 3.5 Paragraph 62 goes on to note 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”. This relates to the development of local housing requirements for the SDNPA and the local authorities which overlap with the National Park. It is not within the scope of this study to advise on housing requirements but it is relevant to keep this ultimate plan making objective in mind.
- 3.6 There is now very limited scope to use an alternative method to assess housing need. However, paragraph 014 of the revised Planning Practice Guidance provides some scope for alternative methods to assess housing need specifically within National Parks.
- 3.7 ‘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.
- 3.8 Such authorities may continue to identify a housing need figure using a method determined locally. In doing so authorities should take into consideration the best available evidence on the amount of existing housing stock within their planning authority boundary, local house prices, earnings and housing affordability. In the absence of other robust affordability data, authorities should consider the implications of using the median workplace-based affordability ratio for the relevant wider local authority area(s).
- 3.9 For local authorities whose boundaries cross National Parks or Broads Authority areas, the proportion of the local authority area that falls within and outside the National Park or Broads Authority area should also be considered – for example where only a minimal proportion of the existing housing stock of a local authority falls within the National Park or Broads Authority area it may be appropriate to continue to use the local housing need figure derived by the standard method for the local authority area.’ Paragraph: 014 Reference ID: 2a-014-20241212
- 3.10 Paragraph 014 makes it clear that an alternative method may need to be used within National Park areas, and potentially for local authorities which have a proportion of their land within National Parks. It outlines that authorities should

⁴https://assets.publishing.service.gov.uk/media/67aafe8f3b41f783cca46251/NPPF_December_2024.pdf

take into consideration the best available evidence on key data – such as the size and affordability of the housing stock – although it does not explicitly limit an alternative approach to these factors.

3.11 The starting point for determining local housing need (LHN), the Standard Method, can be considered the baseline expression of the scale of need, which may be subject to other factors applied when policies are developed for Local Plans. As noted in PPG, it is not a housing requirement, but rather the first step in the process of deciding how many homes need to be planned for.

3.12 The LHN is a ‘policy-off’ figure. This means that, while it takes account of the factors as set out in the NPPF, it is an expression of total potential housing need unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local Plan objectives and policies, and the unmet needs of neighbouring authorities to formulate a ‘policy-on’ housing requirement.

4. Standard Method Scenario 1: Dwelling Stock with Local Authority Affordability Uplift

4.1 This section calculates the standard method housing need figure for each local authority area. It calculates:

- The figure for whole local authorities following the standard method.
- The dwelling stock in each local authority in the part of its area within SDNP and the part outside SDNP. It then produces standard method housing need figures for these parts by apportioning need on the basis of the proportion of dwellings inside and outside of the SDNP.
- The combined standard method housing need figure for the SDNP by adding the standard method figures for the parts of each local authority that fall within the park.

Standard Method for Whole Local Authorities

4.2 The housing need figure for the whole of the local authorities (including parts within the SDNP) is calculated using the Standard Method outlined in PPG in December 2024 and updated (in part) in February 2025⁵. The methodology is outlined below, with the calculations for each local authority shown in Table 4-1.

4.3 Step 1 is to set the baseline, which is 0.8% of the existing housing stock for the local authority. The most recent dwelling stock estimates by local authority, published by the ONS⁶, are to be used. At the time of writing, the most recent dwelling stock estimates are accurate to 2024 and were published in May 2025.

4.4 Step 2 is to adjust this baseline based on the affordability of housing in the area. The relevant indicator is the median workplace-based affordability ratios, published by the ONS⁷. The mean average affordability ratio over the five most recent years for which data is available should be used. The latest ONS affordability ratios are accurate to 2024, and were published in March 2025.

4.5 An adjustment to affordability is then applied in some circumstances. Where the ratio is 5 or below, no adjustment is applied. For each 1% the ratio is above 5,

⁵<https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

⁶<https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>

⁷<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

the housing stock baseline should be increased by 0.95%. The precise formula is shown in Figure 4-1.

Figure 4-1: Standard Method Affordability Adjustment

$$\text{Adjustment factor} = \left(\frac{\text{five year average affordability ratio} - 5}{5} \right) \times 0.95 + 1$$

Source: MHCLG

- 4.6 In previous versions of the Standard Method, a final step applied a cap to limit the affordability adjustment. This is no longer part of the approach.
- 4.7 Table 4-1 shows the calculations and final results of the Standard Method for the entirety of the local authorities which have part of their land area within the SDNP.

Table 4-1: Standard Method for Whole Local Authorities with Part of Land Area in the South Downs National Park

Local Authority	Step 1		Step 2		Final LHN (pa)
	2024 Dwelling Stock	x0.8%	Affordability ratio	Adjustment factor	
Adur	29,012	232.10	12.19	2.3661	549.16
Arun	79,323	634.58	11.83	2.2977	1,458.08
Brighton & Hove	134,188	1,073.50	11.93	2.3167	2,486.99
Chichester	62,072	496.58	13.76	2.6644	1,323.08
East Hampshire	56,040	448.32	12.93	2.5067	1,123.80
Eastbourne	50,026	400.21	9.13	1.7847	714.25
Horsham	66,392	531.14	13.00	2.5200	1,338.46
Lewes	47,635	381.08	11.83	2.2977	875.61
Mid Sussex	69,459	555.67	12.60	2.4440	1,358.06
Wealden	74,857	598.86	12.54	2.4326	1,456.78
Winchester	57,621	460.97	12.84	2.4896	1,147.63
Worthing	52,325	418.60	10.48	2.0412	854.45

Source: ONS, MHCLG, AECOM Calculations

Dwelling Stock within the SDNP

- 4.8 A key focus of this study is to determine a consistent and fair approach to calculating the Standard Method for the areas inside and outside of the SDNP for each of the local authorities which have overlapping land with the SDNP.
- 4.9 The first step in the Standard Method calculation is the estimate of the dwelling stock for an area. The dwelling stock estimates provided by MHCLG (latest data published in 2025 and relating to the year 2024) are not available for the exact geographical area relating to the park (and the part of the park in each local authority).

4.10 The best available data to estimate the number and proportion of dwellings within the SDNP and each part of it within different local authorities is to use the Ordnance Survey Building Count. This data is compiled from local authority local land and property gazetteers (LLPGs) and other data sets to develop a complete and robust picture. This data records the precise location of dwellings and then these can be assigned, using GIS boundaries, to the parts of local authorities inside and outside the SDNP.

4.11 The latest data available is from February 2025. Whilst this is not the same date as the ONS dwelling stock figures for local authorities, it is broadly aligned at the local authority level and the proportion of dwellings inside/outside of the SDNP is unlikely to have changed meaningfully between the MHCLG dwelling stock data (end 2024) and OS Building Count (Feb 2025).⁸ Note that the OS building count data is used only to provide a percentage apportionment figure which is applied to the MHCLG dwelling stock (Table 125) which is the official starting point for the standard method.

4.12 Table 4-2 shows the proportion of dwellings within and outside of the SDNP for each local authority using this data. An important factor to note about this data is that it aligns with the exact boundaries of the SDNP, which is not possible to recreate with many other datasets.

Table 4-2: Proportion of Dwellings Inside/Outside SDNP for each Local Authority

Local Authority	% of dwellings inside SDNP	% of dwellings outside SDNP
Adur	0.5%	99.5%
Arun	2.7%	97.3%
Brighton & Hove	0.1%	99.9%
Chichester	25.1%	74.9%
East Hampshire	26.3%	73.7%
Eastbourne	0.0%	100.0%
Horsham	2.3%	97.7%
Lewes	22.1%	77.9%
Mid Sussex	0.8%	99.2%
Wealden	2.2%	97.8%
Winchester	9.4%	90.6%
Worthing	0.1%	99.9%

Source: SDNPA, Ordnance Survey Building Count Feb 2025, AECOM Calculations

4.13 Table 4-2 shows that Chichester (25.1%), East Hampshire (26.3%), Lewes (22.1%), and Winchester (9.4%) have the greatest proportion of dwellings inside the SDNP boundary, with the remaining local authorities all having fewer than 3% of their dwellings inside the SDNP boundary. Although Eastbourne shows as

⁸ SDNPA GIS team provided AECOM with the data and the AECOM team examined the source, checked the figures and determined it was likely to be the best available source to achieve an accurate estimate of the dwelling stock.

having 0.0% of dwellings inside the SDNP, there are 18 dwellings recorded in the Eastbourne area of the SDNP, too few to be reflected in the proportion shown in the table.

4.14 Table 4-3 below shows the Standard Method output for each of the local authorities, apportioned to the area inside and outside the SDNP based on the proportion of dwellings in each area highlighted in Table 4-2. This estimate concludes:

- The overall standard method need for the SDNP would be 1,048 per annum, with the figure for each authority area outside the SDNP set out in Table 4-3.
- The standard method need for the authorities with the largest land area within the SDNP boundary would be 332 (rounded) dwellings per annum in Chichester, followed by 296 (rounded) dwellings per annum in East Hampshire, 194 (rounded) dwellings per annum in Lewes and 108 (rounded) dwellings per annum in Winchester.
- There is modest need in Arun (39 dwellings per annum), Horsham (31 dwellings per annum), and Wealden (32 dwellings per annum) parts within the SDNP on the basis of this method, with more limited need inside the SDNP identified in Brighton & Hove, Adur, and Mid Sussex, ranging from 2 to 11 dwellings per annum.
- There is negligible need (less than 1 dwelling per annum) within the parts of Eastbourne and Worthing that fall within the SDNP.
- The final column in Table 4.3 presents the Standard Method need figure for the Local Plan areas of each authority (excluding the National Park).

Table 4-3: Standard Method Apportioned Inside/Outside SDNP by Dwelling Stock (Per Annum)

Local Authority	Total LHNF (pa)*	LHNF Inside SDNP (pa)	LHNF Outside SDNP (pa)
Adur	549.16	2.75	546.42
Arun	1,458.08	39.37	1,418.72
Brighton & Hove	2,486.99	2.49	2,484.50
Chichester	1,323.08	332.09	990.98
East Hampshire	1,123.80	295.56	828.24
Eastbourne	714.25	0.00	714.25
Horsham	1,338.46	30.78	1,307.68
Lewes	875.61	193.51	682.10
Mid Sussex	1,358.06	10.86	1,347.20
Wealden	1,456.78	32.05	1,424.73
Winchester	1,147.63	107.88	1,039.75
Worthing	854.45	0.85	853.59
Total	14,686.35	1,048.19	13,638.15

Source: MHCLG Dwelling Estimates by Local Authority Table 125, OS Building Count Feb 2025 (for % apportionment), AECOM Calculations. *Figures inside/outside may not add exactly to the total due to rounding.

4.15 Table 4-3 provides estimates of need for the parts of local authorities that fall within the SDNP and for the SDNP as a whole on the basis of accurate dwelling stock data. There is no attempt in this scenario to account for any differences in affordability that may arise inside and outside of the SDNP (Step 2 in the Standard Method calculation in PPG). This is the focus of Section 5 and 6 in this report. However, it is useful to consider whether there are any limitations to the apportionment based on dwelling stock.

4.16 AECOM has considered the following:

- The proportion of dwellings not usually occupied by households and whether there are different rates of vacant dwellings within and outside of the SDNP.
- The proportion of people and households living within and outside of the SDNP.

4.17 Note that in both of these considerations, it is not possible to recreate the SDNP boundaries using standard statistical areas (Output Areas) available for Census and other data. As such, it is necessary to create a 'best fit' of the SDNP using OAs. The analysis can only give an indication of differences between parts of the local authority areas within and outside of the SDNP, unlike the dwelling stock data used above which is accurate to the boundary.

Unoccupied Dwellings

4.18 Table 4-4 shows the proportion of unoccupied dwellings in each local authority, including both inside and outside the SDNP. This is calculated by taking the difference between the number of dwellings and the number of households at the time of the 2021 Census. This approach is based on best-fit geographies as it uses Census data.

4.19 Table 4-4 shows that 5 local authorities had a greater proportion of unoccupied dwellings outside of the SDNP (Adur, Brighton & Hove, Chichester, Eastbourne, Worthing), with 7 local authorities having a greater proportion of unoccupied dwellings inside the SDNP (Arun, East Hampshire, Horsham, Lewes, Mid Sussex, Wealden, and Winchester). The greatest proportion of unoccupied dwellings were in Chichester, in the area outside of the SDNP, at 9.5%.

4.20 Across all of the local authorities, 5.6% of dwellings had no usual resident, 6.3% inside the SDNP and 5.5% outside the SDNP. This suggests that, in very broad terms, dwellings within the SDNP are more likely to be unoccupied than those outside of the SDNP. It is not possible to confirm why a greater proportion are unoccupied using this data but the existence of second homes and holiday lets is likely to play a large part.

4.21 It is worth noting that the proportion of unoccupied dwellings within England as a whole in 2021 was 6.0%. As such, the SDNP area as a whole and the constituent local authorities are not substantially different to the national picture. However, slightly higher rates in some parts of local authorities which fall within the park (e.g Winchester (6.2%) and Wealden (8.7%)) may have implications for

emerging Local Plan policies including the housing requirement for different areas as well as policies relating to second homes and holiday lets such as Principal Residence policies.

Table 4-4: Proportion of Unoccupied Dwellings across Local Authorities and Inside/Outside SDNP

Local Authority		Proportion Unoccupied Dwellings
Adur	Inside SDNP	2.1%
	Outside SDNP	3.6%
	Total	3.5%
Arun	Inside SDNP	7.5%
	Outside SDNP	5.2%
	Total	5.3%
Brighton & Hove	Inside SDNP	5.8%
	Outside SDNP	7.3%
	Total	7.2%
Chichester	Inside SDNP	8.7%
	Outside SDNP	9.5%
	Total	9.3%
East Hampshire	Inside SDNP	4.5%
	Outside SDNP	3.3%
	Total	3.6%
Eastbourne	Inside SDNP	6.6%
	Outside SDNP	7.8%
	Total	7.8%
Horsham	Inside SDNP	7.3%
	Outside SDNP	3.7%
	Total	3.8%
Lewes	Inside SDNP	5.9%
	Outside SDNP	5.1%
	Total	5.3%
Mid Sussex	Inside SDNP	5.7%
	Outside SDNP	4.0%
	Total	4.1%
Wealden	Inside SDNP	8.7%
	Outside SDNP	5.2%
	Total	5.3%
Winchester	Inside SDNP	6.2%
	Outside SDNP	4.9%
	Total	5.0%
Worthing	Inside SDNP	2.1%
	Outside SDNP	3.8%
	Total	3.8%

Source: Census 2021, AECOM Calculations

Population and Households

4.22 An alternative method of apportioning the Standard Method to the areas of the local authorities inside/outside the SDNP would be to use the number of people and households living in each area rather than the number of dwellings.

4.23 This might appear to represent a fairer method than using dwelling stock in instances where the proportion unoccupied dwellings is high. However, there are two main difficulties with this approach:

- It is no longer consistent with the standard method. The Government introduced dwelling stock as the baseline for calculating need because it provided a more stable and predictable indicator than household projections.
- It is not possible to provide an accurate count of people and households in the parts of the local authorities that fall within the SDNP because the SDNP boundary does not align with statistical areas (Output Areas).

4.24 This study has used population and households as a cross check to the dwelling stock apportionment but these limitations need to be borne in mind.

4.25 A GIS mapping exercise was undertaken to assign OAs which overlapped both the SDNP and local authority either to the National Park or to the wider local authority. OAs were assigned to the National Park area of local authority areas based on 'majority overlap', so if more than 50% of the OA's area falls within either the National Park or local authority, it is assigned to that area.

4.26 Table 4-5 shows the proportion of the population and proportion of households inside and outside the SDNP for each local authority areas, from 2021 Census data based on the best-fit OA boundaries. Whilst the proportion of population and households in each area is broadly similar, they are not the same, due to differing household sizes, hence the apportionment being undertaken on the basis of both population and households.

4.27 Table 4-5 shows that the same local authorities have the largest share inside the SDNP as when apportioning according to dwelling stock (OS Building Count). There are notable differences between the proportion of dwellings, people and households in some cases and this can be attributed largely to the difficulty in matching the SDNP boundary to statistical areas to collect accurate demographic data:

- Chichester – 25.1% of dwellings, 26.2% of population, and 26.3% of households inside SDNP.
- East Hampshire – 26.3% of dwellings, 28.3% of population, and 28.6% of households inside SDNP.
- Lewes – 22.1% of dwellings, 30.8% of population, and 30.4% of households inside SDNP.

- Winchester – 9.4% of dwellings, 12.5% of population, and 12.5% of households inside SDNP.

Table 4-5: Best-fit population and households split inside/outside SDNP

Local Authority	Inside/Outside SDNP	Population	Households
Adur	Inside SDNP	4.8%	4.1%
	Outside SDNP	95.2%	95.9%
Arun	Inside SDNP	3.2%	3.4%
	Outside SDNP	96.8%	96.6%
Brighton & Hove	Inside SDNP	5.8%	4.0%
	Outside SDNP	94.2%	96.0%
Chichester	Inside SDNP	26.2%	26.3%
	Outside SDNP	73.8%	73.7%
East Hampshire	Inside SDNP	28.3%	28.6%
	Outside SDNP	71.7%	71.4%
Eastbourne	Inside SDNP	2.4%	2.3%
	Outside SDNP	97.6%	97.7%
Horsham	Inside SDNP	4.0%	4.1%
	Outside SDNP	96.0%	95.9%
Lewes	Inside SDNP	30.8%	30.4%
	Outside SDNP	69.2%	69.6%
Mid Sussex	Inside SDNP	2.1%	2.1%
	Outside SDNP	97.9%	97.9%
Wealden	Inside SDNP	2.5%	2.7%
	Outside SDNP	97.5%	97.3%
Winchester	Inside SDNP	12.5%	12.5%
	Outside SDNP	87.5%	87.5%
Worthing	Inside SDNP	2.3%	2.1%
	Outside SDNP	97.7%	97.9%

Source: Census 2021, AECOM Calculations

- 4.28 Table 4-6 shows the standard method housing need figure for each local authority (as per Table 4-1) alongside figures apportioning this on the basis of the proportion of the population inside/outside the SDNP for each local authority and the proportion of households inside/outside the SDNP.
- 4.29 Overall, apportionment by population would see a greater local housing need for the areas inside the SDNP (1,448.74 per annum) than apportioning by households (1,408.88 dwellings per annum inside the SDNP). However, this varies by local authority – for example, apportionment by household would see a greater LHN (49.78 per annum) than apportionment by population (46.87 per annum) in Arun.
- 4.30 In comparison, apportionment by dwelling stock (Table 4-3) would produce a total standard method housing need across the SDNP of 1,048.19 dwellings per

annum, below levels if apportioned by population or households on a best fit basis.

Table 4-6: Standard Method Apportioned Inside/Outside SDNP by Population and Households Based on Output Area 'Best Fit' of the SDNP

Local Authority	Total SM (pa)*	SM Inside SDNP (population)	SM Outside SDNP (population)	SM Inside SDNP (household)	SM Outside SDNP (household)
Adur	549.16	26.30	522.86	22.41	526.75
Arun	1,458.08	46.87	1,411.22	49.78	1,408.30
Brighton & Hove	2,486.99	143.50	2,343.49	100.51	2,386.48
Chichester	1,323.08	346.70	976.38	348.13	974.94
East Hampshire	1,123.80	317.62	806.18	321.04	802.76
Eastbourne	714.25	17.41	696.84	16.75	697.50
Horsham	1,338.46	53.81	1,284.65	54.75	1,283.72
Lewes	875.61	269.45	606.15	265.87	609.73
Mid Sussex	1,358.06	27.94	1,330.12	28.30	1,329.77
Wealden	1,456.78	35.92	1,420.86	39.52	1,417.25
Winchester	1,147.63	143.97	1,003.66	143.68	1,003.95
Worthing	854.45	19.25	835.20	18.13	836.31
Total	14,686.35	1,448.74	13,237.60	1,408.88	13,277.46

Source: ONS, MHCLG, 2021 Census, AECOM Calculations. *Figures inside/outside may not add exactly to the total due to rounding.

4.31 Although all 3 of the apportionment methods outlined could be used to determine the LHN for the parts inside and outside the SDNP for the overlapping authorities, apportionment by dwelling stock (Table 4-3) appears to be the fairest and most robust. This is due to two key factors:

- The starting point for the Standard Method is dwelling stock, and so apportionment on this basis is consistent with the methodology; and
- It is not possible to exactly map the areas inside and outside of the SDNP for each local authority using OAs in the Census. The apportionments based on population and households are therefore a best-fit approach and are likely to over-estimate the population within the park. The dwelling stock data is an accurate count of dwellings inside and outside the SDNP for each local authority, and so relates more precisely to the geographies.

5. Bespoke Affordability Ratios

- 5.1 This section develops a customised affordability ratio for the areas of the local authorities inside and outside of the SDNP. This reflects the fact that the second step in the Standard Method calculation is the affordability uplift, but that this is based on an affordability ratio at the local authority level which may not be appropriate for the SDNP or parts of local authorities that fall within it.
- 5.2 The Standard Method affordability ratio compares median house prices to median (workplace) earnings. The final ratio used in the calculation is an average of the affordability ratio over the last 5 years.
- 5.3 There are two key limitations in replicating the affordability ratio used in the Standard Method calculation at the localised level.
- 5.4 First, earnings data is not available at the localised level. As such, the approach developed in this section, and applied in Section 6, takes a number of steps and makes a range of assumptions in order to estimate affordability for the areas within the park.
- 5.5 The closest proxy are household income estimates produced by ONS which is available at MSOA level at the smallest scale. MSOAs do not align to the boundaries of the SDNP but it is possible to use a 'best-fit' approach to make the SDNP and parts of the SDNP within each local authority.
- 5.6 As MSOA level data is the smallest scale available for income data, it is most appropriate to use house price data at the same scale so that the two inputs to the affordability ratio are aligned in terms of their geographies.
- 5.7 Second, the latest available ONS household income estimates at MSOA level are for 2020. As such, the approach used here focuses on establishing whether there is a difference between affordability within and outside of the SDNP and, if so, applying this difference to future years.
- 5.8 The rest of this section outlines the stages in establishing bespoke affordability ratios as well as the assumptions made and limitations to the methodology, reflecting the data constraints outlined above. The steps in our approach are as follows:
- Converting median household incomes to median workplace earnings at MSOA level in 2020.
 - Collating median house prices at MSOA level, consistent with MSOA income data in 2020.
 - Calculating the affordability ratio at MSOA level using median house prices and estimated median workplace earnings at MSOA level in 2020.

- Calculating the affordability ratio for the parts of local authorities inside and outside of the SDNP (combining MSOAs) in 2020.
- Demonstrating how affordability varies from the part inside and outside the SDNP compared to the local authority ratio (establishing variance in 2020)
- Applying the affordability variance from 2020 for the parts inside/outside the SDNP to the latest Standard Method affordability ratio for each authority area 2024.

Converting Incomes to Earnings

5.9 As discussed above, income data is available at MSOA level at the smallest scale, with the latest data available for 2020. The Standard Method input for affordability is median workplace-based earnings, with workplace based earnings only available at local authority level. In order to understand earnings at a smaller scale for the basis of this study, the following steps are taken to convert 2020 household income data to 2020 workplace-based earnings data:

- 2020 median workplace based earnings⁹ for each local authority is established;
- 2020 MSOA gross household income data¹⁰ is converted to 2020 local authority level income data using a weighted average of the MSOA data for each local authority;
- The difference between 2020 household income and 2020 median workplace based earnings is calculated for each local authority, providing a multiplier that can be used at the MSOA level; and
- The multiplier for each local authority is applied to the 2020 MSOA household income for the corresponding local authority to establish an estimated workplace based earnings figure for each individual MSOA.

Median House Prices

5.10 Figure 5-1 shows the 2020 median house prices across the local authorities and SDNP by MSOA. This shows that there is variation in the locations of highest house prices (dark blue areas), with some local authority areas having highest house price areas outside of the SDNP, such as in Wealden and Horsham, whilst in other local authority areas highest house prices were recorded in MSOAs which straddle areas inside and outside of the SDNP area (e.g. Mid Sussex, Chichester, Winchester, and East Hampshire). This demonstrates that is not

⁹ ASHE Table 7 – Earnings and hours worked, place of work by local authority

¹⁰ Income estimates for small areas, England and Wales: Financial year ending 2020.

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/bulletins/smallareamodelbasedincomeestimates/financialyearending2020>

necessarily appropriate to work on a blanket assumption that house prices inside the SDNP are greater than those outside.

5.11 Median prices are not mix adjusted and so higher prices in some areas may reflect a different mix of properties being sold in that year and this will reflect the make-up of the housing stock e.g. more larger detached properties in rural areas which tend to have higher average prices. The same is true for median prices at the local authority level but because these are drawn from a larger area they usually reflect a mix of different dwelling types and sizes. In smaller areas such as MSOAs, the dominance of particular property types and sizes can impact on median prices and will therefore feed into affordability measures.

5.12 Although the first stage of establishing a bespoke affordability ratio for the areas inside and outside of the SDNP is to compare 2020 earnings and house prices, it is useful to look at how house prices have changed since 2020.

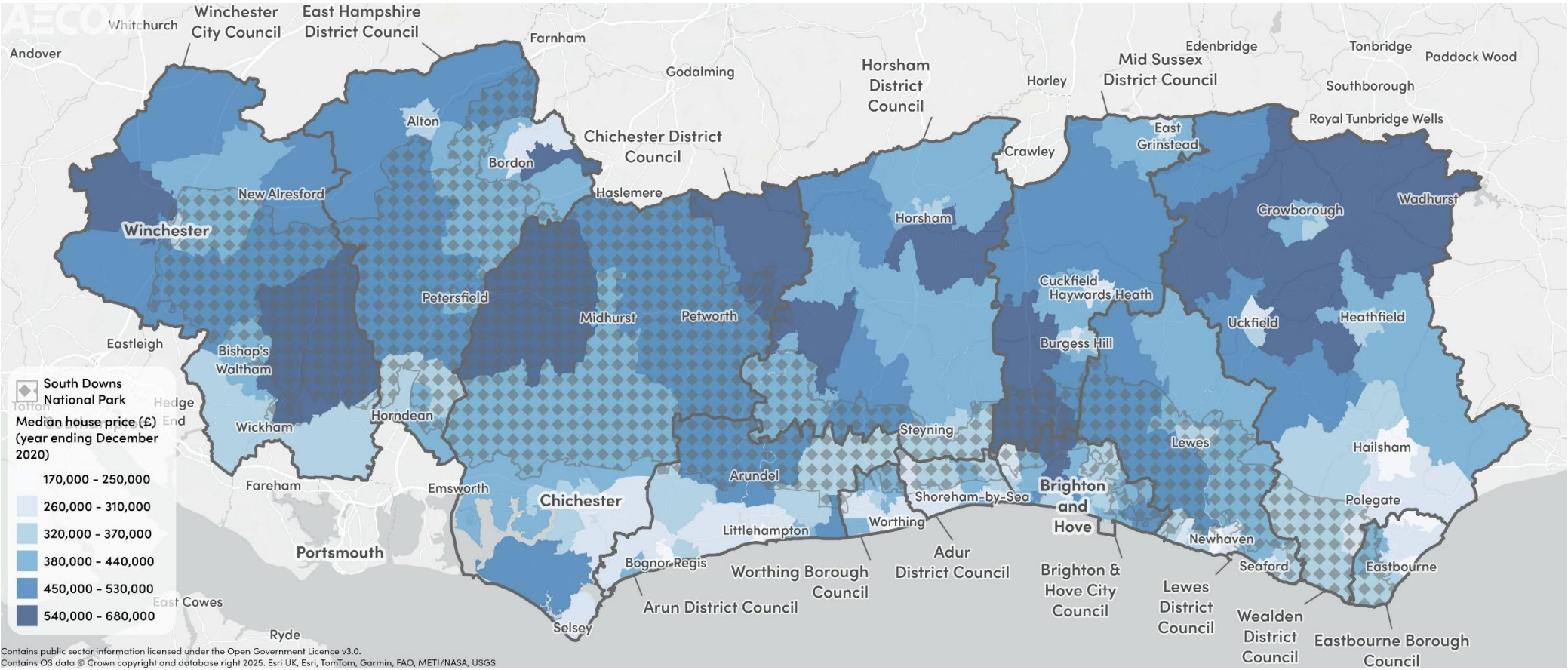
5.13 Figure 5-2 shows, by MSA, how house prices have changed between 2020 and 2024:

- Higher price increases in areas covered by the SDNP in Winchester, East Hampshire, and Chichester.
- In Mid Sussex, Horsham, Arun, Wealden, and Brighton & Hove the greatest price increases were in areas outside of the SDNP.
- The most significant area of house price decline in the SDNP was in Mid Sussex District, whereas the majority of SDNP areas experiencing price growth or relatively stable prices.
- There was no clear difference in price changes within or outside the SDNP in Adur and Worthing.

5.14 As noted above, these price changes can reflect changes in the mix of properties sold in any one year in small areas. Furthermore, as many MSOAs straddle the SDNP boundary, the pattern of price changes within and outside the park is less clear on this measure.

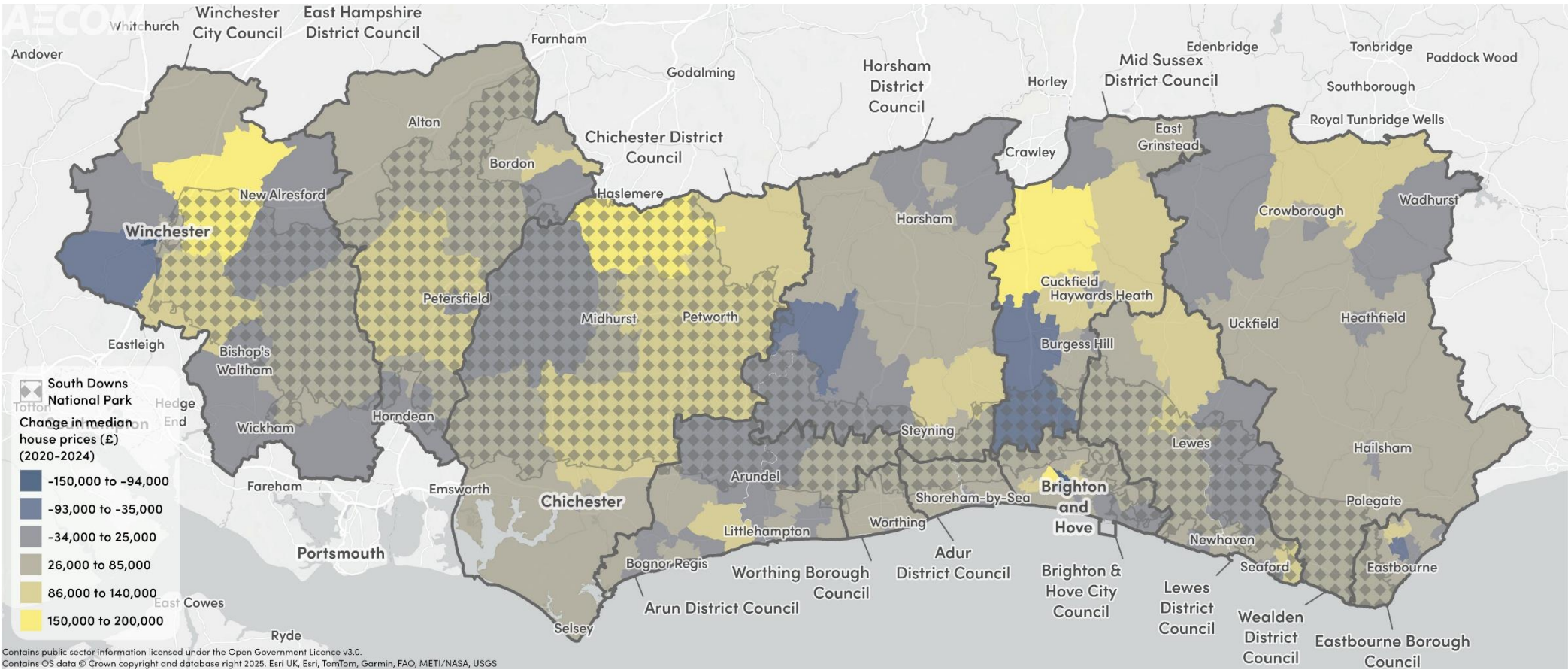
5.15 Broadly, these patterns would appear to indicate that some MSOAs within the SDNP have experienced greater house price growth than those outside but there is not a consistent pattern either within the core authorities with land inside the SDNP or across the SDNP as a whole. This means that it is not possible to draw a robust conclusion about whether affordability might be different in 2024 compared to 2020.

Figure 5-1: Median House Prices by MSOA, 2020



Source: ONS, AECOM Calculations

Figure 5-2: Median House Price Change 2020-2024



Source: ONS, AECOM Calculations

Affordability Ratio

5.16 The next step is to establish the 2020 affordability ratio for each MSOA in all of the individual local authorities. This involves taking the 2020 median house price by MSOA¹¹ and dividing it by the calculated estimated MSOA 2020 workplace based earnings.

5.17 In order for the affordability ratios to be used in the Standard Method, there needs to be an affordability ratio for the part of each local authority inside and outside the SDNP, rather than an affordability ratio by MSOA. Each area (part inside and part outside the park) has been built up using MSOAs. This required a weighting exercise which was based on the OS dwelling stock figures¹², inside and outside the SDNP, for each MSOA¹³. The number of dwellings in each MSOA inside and outside the SDNP are presented in Table 5-1 below, with these figures used to weight the affordability ratios for each MSOA within the corresponding local authority. This gives individual affordability ratios for the area inside and outside the SDNP for each local authority.

5.18 An example is shown for Lewes in Table 5-1. Greater weighting for the inside SDNP affordability ratio is given to the affordability ratios for MSOA E02004381 and E02004383 as the dwelling stock in these MSOAs is within the SDNP.

Table 5-1: Example Affordability Ratio Calculation and Weighting Inside and Outside the SDNP

Local Authority	MSOA	Estimated median workplace earnings (2020)	Median house prices (2020)	Affordability Ratio	Dwellings Inside SDNP (OS Feb 25)	Dwellings Outside SDNP (OS Feb 25)	Inside SDNP Affordability Ratio	Outside SDNP Affordability Ratio
Lewes	E02004379	£28,167	£425,000	15.09	89	3,348	16.86906	14.307
	E02004380	£29,709	£479,778	16.15	1,959	2,323		
	E02004381	£21,845	£350,500	16.04	4,737	0		
	E02004382	£23,644	£390,000	16.49	373	2,763		
	E02004383	£27,499	£515,000	18.73	3,214	0		
	E02004384	£24,312	£328,750	13.52	22	3,334		
	E02004385	£22,153	£289,998	13.09	0	3,657		
	E02004386	£21,074	£284,000	13.48	13	3,295		
	E02004387	£21,948	£235,000	10.71	25	2,650		
	E02004388	£21,794	£327,500	15.03	4	3,728		
	E02004389	£24,466	£375,000	15.33	42	4,330		
	E02004390	£22,976	£342,000	14.89	9	3,818		
	E02004391	£19,121	£258,500	13.52	0	3,692		

Source: ONS, OS, MHCLG, AECOM Calculations

¹¹ Median house prices by MSOA (released March 2025) - <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/medianhousepricesbymiddlelayersuperoutputarea>. Data is year ending December 2020.

¹² February 2025

¹³ Weighting achieved by multiplying affordability ratio by number of dwellings for each MSOA and then dividing by total dwellings. This means that MSOAs with fewer dwellings in the area have a more limited influence of the resulting ratio.

5.19 This calculation was also undertaken to get an affordability ratio for the entirety of each local authority area, based on the MSOA weighting methodology. Table 5-2 shows the bespoke affordability ratio for each local authority as well as the areas inside and outside the SDNP, based on 2020 earnings and price data at MSOA level.

Table 5-2: Affordability Ratios, 2020, Local Authorities and Areas Inside and Outside the SDNP

Local Authority	Inside SDNP Affordability Ratio (2020)	Outside SDNP Affordability Ratio (2020)	Local Authority Affordability Ratio (2020), MSOA based
Adur	12.7308	14.5342	14.5257
Arun	20.2099	15.6809	15.8017
Brighton & Hove	16.8633	14.7542	14.7568
Chichester	21.5956	17.8479	18.7886
East Hampshire	20.1960	17.4218	18.1518
Eastbourne	13.9944	11.4496	11.4506
Horsham	19.6573	16.9418	17.0050
Lewes	16.8691	14.3070	14.8735
Mid Sussex	21.6470	14.6580	14.7161
Wealden	14.6877	15.9280	15.9003
Winchester	17.8681	16.9965	17.0785
Worthing	13.6044	12.4255	12.4267

Source: AECOM Calculations

5.20 The bespoke affordability ratio figures in Table 5-2 are notably high when compared to the standard method affordability ratio from the same year. This is because higher house prices are recorded in the MSOA level data when compared to local authority median prices used in the standard method inputs. However, the absolute ratios are not the output of this exercise, it is the *variance* in the ratio between the parts inside/outside of the SDNP and the local authority ratio that is required.

5.21 The level of variance established in 2020 between the part inside and part outside of the SDNP in each local authority (see Table 5-3) is then applied to up to date affordability ratios for the local authority in 2024 (see bold columns in Table 5-4). These affordability ratios are then taken forward into the Scenario 2 Standard Method Bespoke Affordability calculation in Section 6.

Table 5-3: Variance of Affordability Ratio Inside and Outside SDNP to Local Authority (2020)

Local Authority	Inside SDNP Variance to LA	Outside SDNP Variance to LA
Adur	-1.7949	+0.0086
Arun	+4.4082	-0.1209
Brighton & Hove	+2.1065	-0.0026
Chichester	+2.8070	-0.9407
East Hampshire	+2.0441	-0.7300
Eastbourne	+2.5438	-0.0009
Horsham	+2.6523	-0.0632
Lewes	+1.9955	-0.5665
Mid Sussex	+6.9309	-0.0582
Wealden	-1.2125	+0.0278
Winchester	+0.7896	-0.0820
Worthing	+1.1776	-0.0013

Source: AECOM Calculations: difference between local authority ratio in final column of Table 5-2 and the areas inside and outside of the park in same table

5.22 Table 5-4 shows that, on the whole, the areas inside the SDNP had a higher affordability ratio and were therefore less affordable than the areas outside the SDNP, with the exception of Adur and Wealden. The area of Mid Sussex inside the SDNP had the highest affordability ratio (19.53), followed by Chichester inside the SDNP (16.57) and Arun inside the SDNP (16.24).

5.23 Higher affordability ratios in the areas of the local authorities that overlap with the SDNP are likely to be due to a number of reasons, including:

- Additional demand from 2nd home buyers and holiday lets within the SDNP;
- Willingness from buyers to pay higher prices for attractive or popular locations;
- The mix of available properties (the size mix of dwellings and overall plot size); and
- More restrictive supply of land within the SDNP, potentially increasing land values and impacting on the price of homes.

5.24 The lowest affordability ratio, and therefore the most affordable location, was Eastbourne outside of the SDNP (9.13), with the vast majority of Eastbourne's dwellings (100.0% according to Table 4-3, although this is due to rounding, as there are a small number of dwellings inside the SDNP in Eastbourne) located outside of the SDNP.

Table 5-4: Affordability Ratios, 2020 and 2024, for Local Authorities, including Inside and Outside SDNP

Local Authority	Inside SDNP Affordability Ratio (2020)	Outside SDNP Affordability Ratio (2020)	Local Authority Affordability Ratio (2020), MSOA based	Local Authority Affordability Ratio (2024 – used in SM)	Inside SDNP Affordability Ratio – post-variance, 2024	Outside SDNP Affordability Ratio – post-variance, 2024
Adur	12.7308	14.5342	14.5257	12.19	10.40	12.20
Arun	20.2099	15.6809	15.8017	11.83	16.24	11.71
Brighton & Hove	16.8633	14.7542	14.7568	11.93	14.04	11.93
Chichester	21.5956	17.8479	18.7886	13.76	16.57	12.82
East Hampshire	20.1960	17.4218	18.1518	12.93	14.97	12.20
Eastbourne	13.9944	11.4496	11.4506	9.13	11.67	9.13
Horsham	19.6573	16.9418	17.0050	13.00	15.65	12.94
Lewes	16.8691	14.3070	14.8735	11.83	13.83	11.26
Mid Sussex	21.6470	14.6580	14.7161	12.60	19.53	12.54
Wealden	14.6877	15.9280	15.9003	12.54	11.33	12.57
Winchester	17.8681	16.9965	17.0785	12.84	13.63	12.76
Worthing	13.6044	12.4255	12.4267	10.48	11.66	10.48

Source: AECOM Calculations, ONS. Green shading denotes highest ratio within the local authority area.

- 5.25 Figure 5-3 maps the variation in bespoke affordability ratios across the local authorities and in the areas inside and outside the SDNP. This highlights a clear area of higher affordability ratios (dark blue) in the central authorities of Chichester, Arun, Horsham, and Mid Sussex, with high affordability ratios both inside and outside the SDNP.
- 5.26 On the whole, the local authority areas within the SDNP tend to have a higher affordability ratio than the area outside the SDNP in the same local authority. However, there are exceptions, in particular Adur and Wealden have higher affordability ratios outside the SDNP than inside the SDNP.



6. Scenario 2 – Standard Method with Bespoke Affordability

- 6.1 This section estimates the Local Housing Need (LHN) of the local authorities in this study, including for the areas inside and outside of the South Downs National Park within each local authority area, using the bespoke affordability ratios (Table 5-4) within the Standard Method calculation.
- 6.2 Table 6-1 shows the standard method calculation for the areas of the local authorities *inside* the SDNP. In step 1, the 2024 MHCLG dwelling stock figures for each local authority have been pro-rated to the areas inside the SDNP based on the OS building count (dwellings) as discussed in Section 4 (see Table 4-3). The bespoke affordability ratios (2024) are then applied in step 2. The final LHN for the areas of the local authorities *inside* the SDNP vary from 0.32 dwellings per annum (Eastbourne) to 398.53 dwellings per annum (Chichester).

Table 6-1: Standard Method for Parts of Local Authorities Inside SDNP

Local Authority	Step 1		Step 2		Final LHN (pa)
	2024 Dwelling Stock ¹⁴	x0.8%	Affordability ratio (custom, 2024)	Adjustment factor	
Adur	138	1.10	10.40	2.0251	2.23
Arun	2,117	16.93	16.24	3.1353	53.09
Brighton & Hove	163	1.30	14.04	2.7169	3.54
Chichester	15,579	124.63	16.57	3.1977	398.53
East Hampshire	14,748	117.99	14.97	2.8951	341.58
Eastbourne	18	0.14	11.67	2.2680	0.32
Horsham	1,544	12.36	15.65	3.0239	37.36
Lewes	10,533	84.27	13.83	2.6768	225.57
Mid Sussex	578	4.62	19.53	3.7609	17.39
Wealden	1,676	13.41	11.33	2.2022	29.53
Winchester	5,418	43.35	13.63	2.6396	114.42
Worthing	56	0.45	11.66	2.2650	1.02
SDNP					1,224.5

Source: ONS, MHCLG, AECOM Calculations

- 6.3 Table 6-2 takes forward the same approach as Table 6-1, but instead for the areas of each local authority outside of the SDNP. The LHN figures for the areas *outside* of the SDNP range from 546.79 per annum (Adur) to 2,483.98 per annum (Brighton & Hove).

¹⁴ Percentage of dwellings inside SDNP (OS, February 2025) applied to local authority housing stock (MHCLG, 2024)

Table 6-2: Standard Method for Local Authorities Outside SDNP

Local Authority	Step 1		Step 2		Final LHN (pa)
	2024 Dwelling Stock ¹⁵	x0.8%	Affordability ratio (bespoke, 2024)	Adjustment factor	
Adur	28,867	230.9355	12.20	2.3677	546.79
Arun	77,181	617.4502	11.71	2.2747	1,404.54
Brighton & Hove	134,054	1072.432	11.93	2.3162	2,483.98
Chichester	46,492	371.9354	12.82	2.4857	924.51
East Hampshire	41,301	330.4118	12.20	2.3680	782.41
Eastbourne	50,026	400.208	9.13	1.7845	714.18
Horsham	64,865	518.9199	12.94	2.5080	1,301.45
Lewes	37,108	296.8613	11.26	2.1901	650.14
Mid Sussex	68,903	551.2266	12.54	2.4329	1,341.11
Wealden	73,210	585.6812	12.57	2.4379	1,427.82
Winchester	52,205	417.637	12.76	2.4740	1,033.25
Worthing	52,273	418.1814	10.48	2.0410	853.49

Source: ONS, MHCLG, AECOM Calculations

6.4 Table 6-3 presents the local housing need for the areas inside the SDNP, outside the SDNP, and the entire district/borough for both scenarios. The first column for each geography shows the standard method pro-rated to the areas inside and outside of the SDNP based on dwelling stock (as per Table 4-1 and Table 4-3). The second column shows the standard method based on the calculations above, using the bespoke affordability ratios.

Table 6-3: Standard Method – Both Scenarios, Inside and Outside SDNP

Local Authority	SM Inside SDNP (pa)		SM Outside SDNP (pa)		SM Entire LA (pa) ¹⁶	
	Scenario 1	Scenario 2 - Bespoke Affordability	Scenario 1	Scenario 2 - Bespoke Affordability	Standard Method	Sum of Inside/Outside Bespoke Affordability
Adur	2.75	2.23	546.42	546.79	549.16	549.02
Arun	39.37	53.09	1,418.72	1,404.54	1,458.08	1,457.63
Brighton & Hove	2.49	3.54	2,484.50	2,483.98	2,486.99	2,487.51
Chichester	332.09	398.53	990.98	924.51	1,323.08	1,323.04
East Hampshire	295.56	341.58	828.24	782.41	1,123.80	1,123.99
Eastbourne	0.00	0.32	714.25	714.18	714.25	714.51
Horsham	30.78	37.36	1,307.68	1,301.45	1,338.46	1,338.81
Lewes	193.51	225.57	682.10	650.14	875.61	875.71
Mid Sussex	10.86	17.39	1,347.20	1,341.11	1,358.06	1,358.50
Wealden	32.05	29.53	1,424.73	1,427.82	1,456.78	1,457.34
Winchester	107.88	114.42	1,039.75	1,033.25	1,147.63	1,147.66
Worthing	0.85	1.02	853.59	853.49	854.45	854.51
SDNP	1,048.19	1,224.57	-	-	-	-

Source: ONS, MHCLG, AECOM Calculations

¹⁵ Percentage of dwellings outside SDNP (OS, February 2025) applied to local authority housing stock (MHCLG, 2024)

¹⁶ Slight discrepancies in the two totals are due to the MHCLG Standard Method datasets being rounded to two decimal places.

- 6.5 Overall, this shows that using the bespoke affordability ratios leads to a greater local housing need inside the SDNP than simply apportionment based on dwelling stock, at 1,224.57 dwellings per annum compared to 1,048.19 dwellings per annum.
- 6.6 This is not a blanket trend across all of the local authorities however, with the local housing need using the bespoke affordability ratios decreasing compared to Scenario 1 in the parts of Adur and Wealden inside the SDNP.

7. Conclusions

7.1 The key findings of this study are as follows:

- Using the dwelling stock (Scenario 1) as the basis to apportion need is likely to be a robust basis for establishing SDNP need and need in the parts of authorities within the park in each LA because the dwelling stock can be accurately aligned with the SDNP boundaries. This approach could also provide a starting point for the 5-year housing land supply calculation and Housing Delivery Test¹⁷, where Local Plans are more than 5 years old, until a new housing requirement is determined through a new Local Plan.
- The local housing need figure for the SDNP based on Scenario 1 would be 1,048 per annum based on its share of each local authority's figure based on apportionment according to dwelling stock. The figures for each individual authority both inside and outside the SDNP can be seen in Table 4-3.
- The use of a bespoke affordability (Scenario 2) to reflect apparent poorer affordability within the National Park would increase the SDNPA's figures by around 17% (to 1,225 dwellings per annum) compared to the Scenario 1 estimate above. However, there are limitations to the bespoke affordability scenario because of data constraints, including:
 - The need to use income data to estimate workplace earnings because earnings data is only available at the local authority level.
 - The need to use MSOAs as a best fit to the SDNP areas because this is the smallest available geography for incomes (translated to earnings) and at which it is possible to align median house price data.
 - The limited availability of MSOA income data means that the bespoke affordability scenario uses data from 2020 and then applies the uplift (or variance) to present day.
 - It is not possible to establish whether the pattern of affordability has changed over time but there is no clear indication from price changes at the MSOA level 2020-2024 that the parts of authorities within the park have increased in price to a greater or less extent than outside. In any case this would need to be compared to income/earnings to assess whether such changes have worsened or improved affordability.
 - The variance in affordability inside and outside of the SDNP compared to affordability in the local authority as a whole is calculated for the year 2020 and applied to the latest year (2024) to align with the Standard Method. It cannot be guaranteed that the applied variances remain the same in 2024, or indeed in future years. However, this is the best available and most

¹⁷ Note that the Housing Delivery Test does not apply to National Park Authorities

robust approach to determining bespoke affordability inside and outside the SDNP given the data limitations.

- Scenario 2 generally results in a lower local housing need for the parts of local authorities outside of the SDNP because the bespoke affordability ratios are lower (resulting in a smaller uplift). Scenario 2 adds up to the same overall figure for each local authority area as Scenario 1 (see Table 6-3) but with the need shifting towards the parts in the SDNP because of affordability differences.

7.2 Based on the above, and consultation undertaken with all of the authorities, Scenario 1 is likely to be the most appropriate and robust approach to establishing Standard Method housing need in the parts of local authorities inside and outside of the SDNP.

7.3 The data limitations around calculating bespoke affordability ratios in Scenario 2, and the difficulty in taking these forward or recalculating them in future years, means that this approach is likely to be less robust as a means for apportioning housing need between plan areas and could be subject to challenge.

7.4 It is important to note that this study is effectively 'policy-off', examining unconstrained need for housing within local authorities, both inside and outside the SDNP. The figures can then be used by each local authority to determine a housing requirement figure for their local plans, reviewing the need figures in light of evidence including land availability, environmental constraints, any relevant local plan objectives and policies, and the unmet needs of neighbouring authorities.

7.5 Across England, the total increase on the previous Standard Method amounts to +21% according to MHCLG analysis¹⁸. This significant increase reflects the intention of the latest (2024) version of the Standard Method to boost housing delivery across the country. Therefore, regardless of the apportionment of the current Standard Method to the SDNPA and overlapping local authorities, the figures are likely to be a notable increase on previous LHN figures.

7.6 There are other potential implications for future local plan policies which have been highlighted through the analysis but are beyond the scope of this study:

- Some parts of the local authorities have higher proportions of unoccupied dwellings than national levels. Delivery of dwellings in areas with higher proportions of unoccupied dwellings (e.g. second home or holiday lets) may not meet need as effectively as delivery in areas where there is a closer match between households and dwellings. However, it is not possible to match precisely these unoccupied dwellings with the SDNP boundary within each local authority, so caution should be attached to these conclusions.

¹⁸ <https://researchbriefings.files.parliament.uk/documents/CDP-2025-0100/CDP-2025-0100.pdf>

- There are likely to be implications for other Local Plan policy areas as well as local housing need and the development of appropriate housing requirements, including whether principal residence policies are needed in some areas and/or whether increased affordable housing requirements could be sought (with local connection policies) in order to ensure new dwelling supply addresses need.

