

Central Lancashire Housing Need

An assessment of housing need across Preston, South Ribble, and Chorley, covering affordable housing, specialist housing for older people, and employment-driven growth



Revision Schedule

Revision	Description	Author	Date	Quality Check	Date	Independent Review	Date
1	Draft	NF/RL	20/03/2025	NF/RL	20/03/2025	RB	21/03/2025
2	2 nd draft	RB	01/04/2025				
3	3 rd draft	RB/RL	04/04/2025				
4	Final	RB	08/04/2025				

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Executive Summary

The Central Lancashire Authorities (Preston, South Ribble, and Chorley) are currently consulting on the Publication (Regulation 19) draft of their Local Plan 2023-2041.

This report addresses housing need in the Central Lancashire Authorities and has been prepared on behalf of Story Homes, Wain Homes, Taylor Wimpey, and Persimmon Homes by Stantec Development Economics.

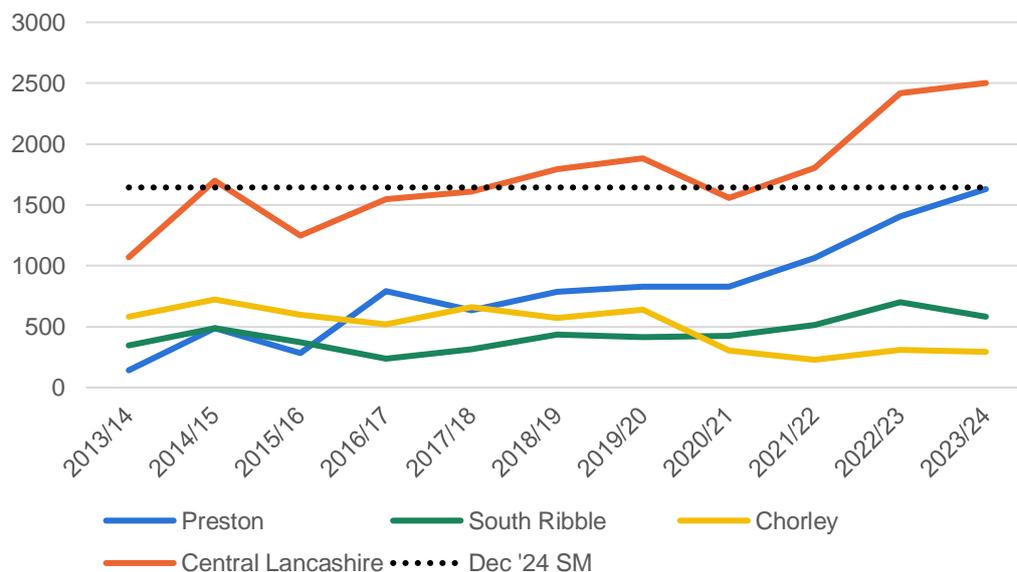
Local Plan Context

The draft Local Plan for the Central Lancashire Authorities has an overall housing requirement of 1,314 dwellings per annum. This is based on:

- A Housing Study Update produced by DLP, in which the preferred scenario gives a housing need of 1,237 dwellings per annum.
- An arbitrary 77 dwellings per annum adjustment to bring the number to 80% of standard method in NPPF2024 (at the time the draft Local Plan was produced), required for the plan to fall under its transitional provisions.

Housing delivery across the Central Lancashire Authorities has risen since 2020/2021, exceeding need identified by the standard method in NPPF2024 since 2021/2022.

Dwellings completion rates in Central Lancashire 2013-2024



Source: 2024 Housing Study Update, Stantec Analysis



Central Lancashire Housing Need Executive Summary

The Housing Study Update arrives at a similar distribution of need between the three authorities to that in standard method from the NPPF as published in December 2024, based on 2023 affordability ratios. This gives a total of 1,643 and was the standard method figure at the time the draft Local Plan was produced. Following the release of 2024 affordability ratios in March 2025, Central Lancashire's figure has slightly increased to 1,662 (reducing the Plan figure % of standard method from 80.0% to 79.1%). 80% of the new figure (1,662) would be 1,330 rather than 1,314.

The draft Local Plan redistributes need according to spatial strategy drivers. As shown below, this results in a substantially lower share of housing delivery in Chorley than implied by the standard method need figures; compared to the other two authorities, it has a much lower need figure than standard method – a 41% difference, with much smaller differences in the other two authorities.

Distribution of housing need comparison

	Preston	South Ribble	Chorley	Total
Standard method NPPF2024	590	489	564	1,643
	36%	30%	34%	
Housing Study Update	441	386	410	1,237
	36%	31%	33%	
Draft Local Plan	520	460	334	1,314
	40%	35%	25%	

Source: Housing Study Update 2024, draft Local Plan, Stantec analysis

Draft Local Plan housing need figures, % difference vs NPPF 2024

	Preston	South Ribble	Chorley	Total
Standard method NPPF2024	590	489	564	1,643
Draft Local Plan	520	460	334	1,314
<i>% difference vs NPPF2024</i>	-12%	-6%	-41%	-20%

Source: Housing Study Update 2024, draft Local Plan, Stantec analysis



Affordable Housing Need

Review of HNDA methodology

The 2022 Housing Need and Demand Assessments (HNDAs) produced by Arc4 for each of the Central Lancashire Authorities include estimates of affordable housing need. These estimates are shown below and give a net annual affordable need of 831 across the three authorities.

Gross and net affordable need summary, Central Lancashire Authorities, HNDA figures

	Preston	South Ribble	Chorley	Total
Current unmet gross need	11,477	1,937	5,511	18,925
After affordability test	6,747	1,937	4,755	13,439
Annualised need	675	387	951	2,013
Newly-arising affordable need	552	406	439	1,397
Total gross need	1,227	793	1,390	3,410
Total supply	831	471	1,277	2,579
Total net need	395	323	113	831

Source: 2022 HNDAs, Stantec analysis

Stantec Development Economics considers that the overarching approach taken to estimating net need – that is to say the steps taken, sources used, and the factors influencing need and supply included – is broadly reasonable. There are, however, some shortcomings. These are:

1. An error in the annualisation of existing households falling into need in Preston
2. The omission of existing households falling into need in South Ribble
3. An over-cautious estimate of demand for affordable home ownership, which excludes those who can afford to privately rent
4. Affordable dwellings vacated in Chorley are estimated using a different method (giving a much higher result) than the other two authorities
5. Non-inclusion of affordable housing stock losses in supply calculations

Adjustments are made to – in our view – improve these estimates. The impact of these adjustments is to increase net need for affordable housing from 831 to 1,364 dwellings per annum across Central Lancashire. Need generated by South Ribble and Chorley increases, and that from Preston decreases. They cover all the points identified above apart from (3), relating to affordable home ownership. Therefore, the updated estimates below still represent a cautious view of need.



Central Lancashire Housing Need Executive Summary

Gross and net affordable need summary, Central Lancashire Authorities, Stantec adjustments

	Preston	South Ribble	Chorley	Total
Current unmet gross need	11,477	1,937	5,511	18,925
After affordability test	6,747	1,937	4,755	13,439
Annualised need	675	387	951	2,013
Newly-arising affordable need	345	505	439	1,289
Total gross need	1,020	892	1,390	3,302
Total supply	794	455	689	1,938
Total net need	226	437	701	1,364
Difference vs. unadjusted	-169	114	588	533

Source: 2022 HNDAs, Stantec analysis

Implications for overall housing delivery

The proportion of affordable need achieved under eight different scenarios is reviewed for each authority individually, and for Central Lancashire overall (for which results are shown below). These scenarios relate to:

- **Affordable net need:** use of Arc4's estimates unadjusted, or Stantec's adjusted versions.
- **Level of overall housing delivery:** the target from the draft Local Plan, or standard method.
- **Affordable housing delivery %:** the historic rate achieved (24.9% across Central Lancashire) or the target rate from the Local Plan (30%).

Affordable net need achieved in Central Lancashire Authorities, for adjusted and unadjusted estimates, overall delivery, affordable delivery achieved

Affordable net need estimates		Overall delivery		Affordable % achieved		Delivered	
						No.	%
Unadjusted	831	Plan	1,314	Historic	24.9%	364	43.8%
				Target	30.0%	394	47.4%
		SM	1,643	Historic	24.9%	441	53.1%
				Target	30.0%	493	59.3%
Adjusted	1,364	Plan	1,314	Historic	24.9%	364	26.7%
				Target	30.0%	394	28.9%
		SM	1,643	Historic	24.9%	441	32.3%
				Target	30.0%	493	36.1%

Source: 2022 HNDAs, Stantec analysis



Looking at the percentage of affordable need met, we see that:

- Using Stantec’s **adjusted** estimates, it’s **between 26.7% and 36.1%** – so in the worst case, a little over a quarter of need is addressed.
- If Arc4’s **unadjusted** estimates are maintained, the picture improves significantly, to **between 43.8% and 59.3%**; though this means that at best, under two-thirds of need is addressed.
- Meeting **standard method** need rather than the Local Plan figure leads – unsurprisingly – to higher proportions of need being met in all cases. For the unadjusted need estimates, and assuming that target delivery rate is achieved, this difference is **11.9% of total need (59.3% compared to 47.4%)**.
- Whether **historic or target** delivery rates are achieved has a significant bearing. At most – using unadjusted estimates and standard method delivery – the difference is **6.3% of total need (59.3% compared to 53.1%)**.

Specialist Housing for Older People Need

The HNDAs estimate need for specialist housing for older people in Central Lancashire. These estimates are summarised below.

2022 HNDA figures for C3 Housing Need

	Preston	South Ribble	Chorley	Total
75+ resident population 2021	9,582	24,415	10,916	44,913
C3 units 2021	3,078	1,508	848	5,434
C3 units/75+ residents in 2021	0.321	0.062	0.078	0.121
75+ resident population 2038	12,913	31,503	16,747	61,163
2021 ratio applied to 2038 75+	4,148	1,946	1,301	7,395
Net need 2021-2038	1,070	438	453	1,961

Source: 2022 HNDAs, Stantec analysis

Stantec Development Economics considers the approach used to be highly simplistic, and flawed in three respects:

1. No evidence-based requirements are used – the HNDAs simply take the current rate of provision and apply it to the future older population. PPG suggests that need can be obtained from online toolkits provided by the sector.
2. Population data for South Ribble appears to have erroneously used those aged 65+ rather than 75+. When applying the 2021 ratio of housing to older residents under the HNDA methodology, this leads to an underestimate of requirement.
3. No housing type or tenure breakdown is included, e.g. between those which do and do not include care services, or those to own or rent.



Central Lancashire Housing Need Executive Summary

Stantec has therefore produced alternative estimates, based on the 'Housing in Later Life' toolkit, which provides suggested prevalence rates per 1,000 people aged 75+ by tenure and broad type. These are shown below, summarising current provision and prevalence, relevant target from Housing in Later Life, and required increase in provision/number of units¹.

Net need to 2038 is 7,409, almost four times higher (or 5,448 more) than the HNDA estimate.

Current and Future Requirements for Specialist Housing for Older People in Central Lancashire

2021					
Specialist Housing Type and Tenure	Current provision (number of units)	Current units per 1,000 residents aged 75+	Target units per 1,000 residents aged 75+	Required Increase or decrease	Resulting number of units
		per 1,000 residents aged 75+			
Rental 'Retirement Housing'	2,695	84	60	0	1,926
Owner Occ. 'Retirement Housing'	957	30	120	2,896	3,853
Rental 'Housing with Care'	259	8	25	544	803
Owner Occ. 'Housing with Care'	92	3	40	1,192	1,284
2038					
Rental 'Retirement Housing'	2,695	58	60	330	2,768
Owner Occ. 'Retirement Housing'	981	21	120	4,555	5,536
Rental 'Housing with Care'	382	8	25	771	1,153
Owner Occ. 'Housing with Care'	92	2	40	1,753	1,845

Source: EAC (2025 Q1), Mid-Year Population Estimates 2022 and Stantec analysis

¹ For all three areas, retirement housing for rent exceeds the housing in life target rates in 2021, however as the demolition of homes would be inappropriate, for the Central Lancashire total this has been represented with 0 as 0 retirement housing for rent is needed. For 2038, retirement housing for rent exceeds the housing in life target rates in South Ribble and Preston. However, as 330 units are required to meet target rates in Chorley the total net need for South Lancashire is 330 for this tenure.



Stantec and Arc4 Gross and Net Specialist Housing Need Figures 2038

	2038 Gross Need			2021 - 2038 Net Need		
	Arc4	Stantec	Difference	Arc4	Stantec	Difference
Preston	4,148	3,303	-845	1,070	2,014	944
South Ribble	1,946	3,905	1,959	438	2,435	1,997
Chorley	1,301	4,094	2,793	453	2,960	2,507
Central Lancashire	7,395	11,302	3,908	1,961	7,409	5,448

Source: 2022 HNDAs, Stantec analysis

Employment-Driven Growth

Employment Scenarios

The Housing Study Update draws heavily on employment forecasts from Cambridge Econometrics in reaching its preferred option. Stantec Development Economics consider this to be a very pessimistic view of growth, as demonstrated by comparison with forecasts for the same period from Oxford Economics. These are higher for all three authorities and show growth of nearly 10,000 more jobs across Central Lancashire between 2023 and 2041.

Jobs growth projections, Cambridge Econometrics and Oxford Economics (2023 – 2041)

Local Authority	2023 - 2041			
	Cambridge Econometrics		Oxford Economics	
	Growth (N)	CAGR Growth (%)	Growth (N)	CAGR Growth (%)
Chorley	5,675	0.60%	5,420	0.65%
Preston	5,493	0.30%	12,070	0.62%
South Ribble	5,492	0.60%	9,060	0.79%
Total	16,660	0.45%	26,550	0.67%

Source: Central Lancashire Housing Study (2024) and Oxford Economics (2025)

Both sets of forecasts are trend-based, and do not include major planned projects – for example the establishment of the National Cyber Force (NCF) headquarters in Samlesbury. They do not therefore account for the additional jobs that would be based in Central Lancashire as a result of such investment, with the area clearly having the opportunity to retain a substantial proportion of the 3,120 jobs estimated to be directly or indirectly created throughout the North West.

Ignoring these jobs equally fails to recognise the need for housing generated by the individuals who fill them, with Turley considering it reasonable to assume that 1,500 of the jobs created by the NCF will be filled by people needing a home nearby.



Dwellings requirements are calculated to support jobs growth under three scenarios:

- Low: Cambridge Econometrics projections
- Mid: Oxford Economics projections
- High: Oxford Economics projections, plus 1,500 workers to fill jobs directly or indirectly created by the NCF

Dwellings increase estimates from job growth projections (2023 – 2041)

	Assumption	Low (Cambridge)	Mid (Oxford)	High (Oxford + 1,500 (NCF))
Increased employment	N/A	16,660	26,550	28,050
Working in Central Lancs/ From Home	97%	16,092	25,645	27,145
Unemployment Rate	3%	16,519	26,325	27,865
Economically Active Ratio	77%	21,442	34,170	36,169
Dependency Ratio	61%	35,028	55,822	59,087
Residents per dwelling	2.22	15,747	25,094	26,562
Vacancy Rate	3.7%	16,335	26,032	27,555
Local Plan period (per annum) Dwellings per annum	18	907	1,446	1,531

Source: Various, Stantec analysis

The 'Mid' scenario produces annual housing need well in excess of the 1,314 dpa from the draft Local Plan. The 'High' scenario, accounting for the establishment of the NCF, increases it to more than 200 dpa above that requirement.

Property Market Analysis

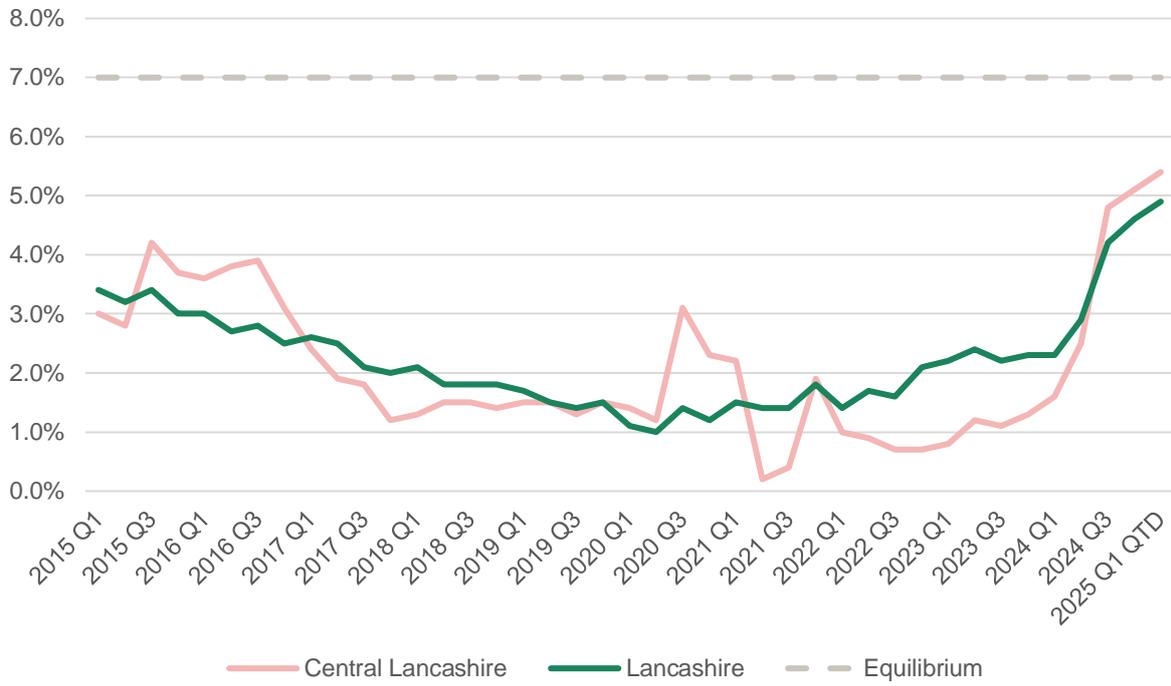
Using CoStar Analytics, we have examined key characteristics of Central Lancashire's property market.

This analysis demonstrates the area's strong economic growth – for example, industrial vacancy and availability rates are both below equilibrium levels, suggesting strong demand for employment space.



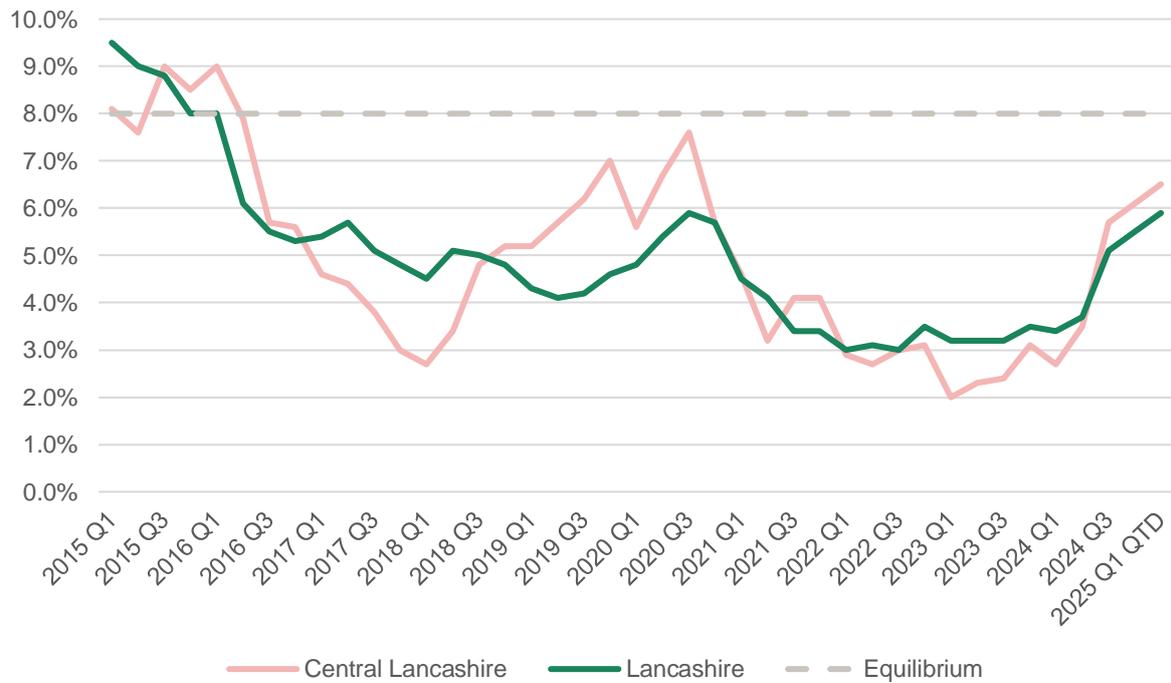
Central Lancashire Housing Need
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Industrial Vacancy Rates Q1 2015 to Q1 2025 QTD



Source: CoStar 2025

Industrial Availability Rates Q1 2015 to Q1 2025 QTD



Source: CoStar 2025



Indicative Housing Need Conclusions

Stantec Development Economics consider that at least NPPF2024 standard method need should be delivered. This is **1,643 dwellings per annum** (split by authority: 590 in Preston, 489 in South Ribble, and 564 in Chorley) or **29,574 over the 18-year plan period**.

Delivering this level of housing would: allow a higher proportion (though still not all) of affordable housing need to be met; ease delivery of specialist housing requirements within overall need; and support continued, sustainable growth of high-tech employment in Lancashire.

Taking forward the lower figure from the draft Local Plan would compromise these objectives as follows:

- A significantly lower proportion of affordable housing need would be met.
- Accommodating the identified need for specialist housing for older people (which we consider to be a cautious minimum) within overall housing delivery would be more challenging.
- Dwellings growth would not be sufficient to accommodate even the growth scenario based on Oxford Economics forecasts alone, let alone the higher scenario which accounts for the impacts of the NCF. This would result in increased unsustainable commuting and/or suppressed employment growth.
- Government policy is to significantly increase housebuilding and improve affordability, with a target of 1.5 million new homes over the course of this parliament². Local targets under standard method have been set to meet these policy goals, so delivering less makes their achievement less likely.

Therefore, NPPF2024 standard method need should be met.

² [Planning overhaul to reach 1.5 million new homes - GOV.UK](https://www.gov.uk/government/news/planning-overhaul-to-reach-1-5-million-new-homes)



1 Introduction

This report addresses housing need in the Central Lancashire Authorities – Preston, South Ribble, and Chorley – and has been prepared on behalf of Story Homes, Wain Homes, Taylor Wimpey, Persimmon Homes, and Northern Trust by Stantec Development Economics.

1.1 Purpose and approach

The Central Lancashire Authorities are currently consulting on the Publication (Regulation 19) draft of their Local Plan 2023-2041³.

This report assesses housing need across the Central Lancashire Authorities. It will be informed by a critical review of the December 2024 Central Lancashire Housing Study Update produced by DLP Planning, as well as take account of and respond to other relevant evidence and topic papers (e.g. the 2022 Housing Need and Demand Assessments for each district produced by Arc4). It will be informed by further desk research, for example statistics from the ONS and CoStar.

1.2 Structure

The remainder of this report is structured as follows:

- Local Plan Context
- Affordable Housing Need
- Specialist Housing for Older People Need
- Employment-Driven Growth
- Indicative Housing Need Conclusions

³ [Home - Central Lancashire Local Plan](#)



2 Local Plan Context

2.1 The New NPPF

The Publication draft of the Central Lancashire Authorities' Local Plan 2023-2041 is currently being consulted on. Owing to the time of its publication, the plan is proposed to fall under the transitional provisions of the new NPPF, which came into force in December 2024.

Paragraph 234 states⁴:

For the purpose of preparing local plans, the policies in this version of the Framework will apply from 12 March 2025 other than where one or more of the following apply:

a. the plan has reached Regulation 19 (pre-submission stage) on or before 12 March 2025, and its draft housing requirement meets at least 80% of local housing need; (...)

The rest of the paragraph details other circumstances in which the policies do not apply, however it is 234a which is relevant in this case. The plan reached Regulation 19 stage prior to 12 March 2025, and the proposed housing requirement is 80% (when rounded up) of local housing need as defined by the standard method in NPPF2024, when combining the figures for all three LPAs. This choice of requirement is discussed later in this chapter.

2.2 Central Lancashire Housing Study Update

The Housing Study Update⁵, prepared in December 2024 by the Strategic Planning Research Unit, DLP Planning, forms part of the evidence base for the Local Plan. Crucially, it informs the housing requirement. This section reviews relevant parts of the study.

The study notes, based on Authority Monitoring Reports, that housing delivery across the Central Lancashire Authorities has risen since 2020/2021, with Preston and South Ribble experiencing rising completions, but rates in Chorley declining in recent years. Figures from Table 3 of the study are shown in Figure 2-1, along with the current (December 2024) combined standard method housing need for the Central Lancashire Authorities.

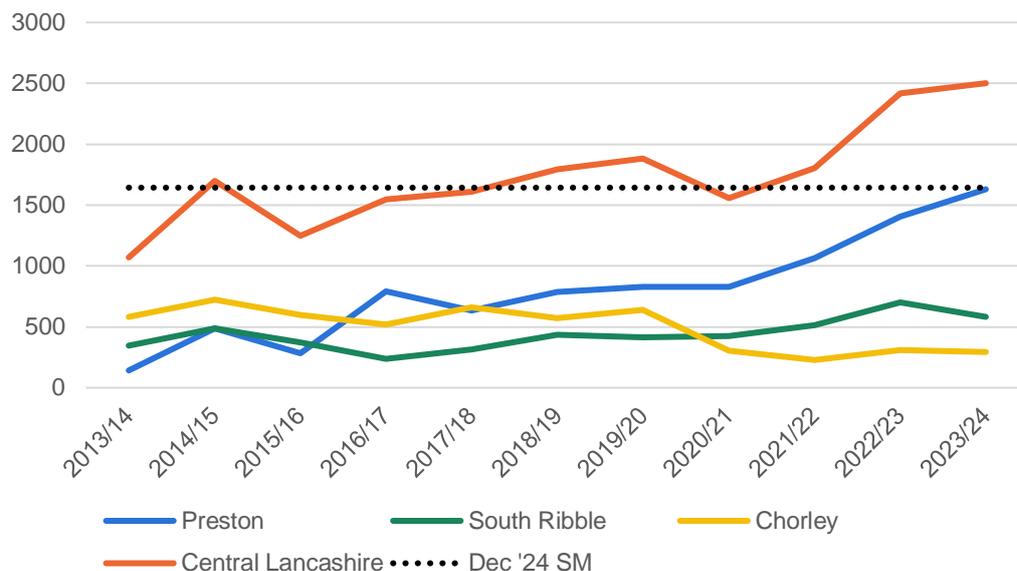
⁴ [National Planning Policy Framework - Annex 1: Implementation - Guidance - GOV.UK](#)

⁵ [ho9-central-lancashire-housing-study-update.pdf](#)



Central Lancashire Housing Need
2 Local Plan Context

Figure 2-1: Dwellings completion rates in Central Lancashire 2013-2024



Source: 2024 Housing Study Update, Stantec Analysis

The NPPF2023 standard method is used as a starting point for housing need. This gave local housing need figures of 269 for Preston, 169 for South Ribble, and 506 for Chorley. This gives a Central Lancashire total of 944, 57% of the figure in the NPPF2024 standard method.

A range of demographic scenarios were developed to determine whether or not alternative approaches would be appropriate.

These include dwelling-led and employment-led scenarios. The latter use Jobs Growth Employment Forecasts from Cambridge Econometrics, which are provided for all three authorities to 2036 and 2041. Relative to the forecasts in a 2022 version of the study, these are somewhat lower for all authorities. Economic activity rates for the scenarios are from the 2021 Census – though the authors note that, given the potential for impacts of Covid-19 to pass, these rates may increase in future. 2011 Census commuting ratios are applied; given the issues with the 2021 Census these were deemed the most robust measure. Alternative figures with a 1:1 commuting ratio, rather than that based on the Census, are also provided.

The 9 scenarios included give dwellings requirements per year ranging from 705 (SNPP-2014: replicating the government’s 2014-based projections) to 1,313 (PG-5yr: using a 2022 base year, with 5-year periods used to inform migration, fertility, and mortality assumptions). Standard method need, under the version in NPPF2023, was 944 dwellings per year.

The option preferred by DLP is the Employment-led CE (CR 2011 1-to-1) projection. In this scenario, population growth is driven by employment growth from Cambridge Econometrics forecasts, and a 1:1 commuting ratio is assumed. This results in a housing need of 1,237 dwellings per annum. DLP note that a 1:1 commuting ratio had not been achieved in recent delivery trends, so a reliance on the NPPF2023 standard method alone had the potential to increase unsustainable patterns of commuting.



2.3 Local Plan Housing Requirement

The draft Local Plan draws on the Housing Study Update in its choice of overall housing delivery requirement. It takes the preferred option from the study, redistributes need between the three authorities to reflect spatial strategy drivers, and then increases the requirement by 77 dwellings per annum.

The purpose of this adjustment to the overall requirement is to increase it to 1,314 dwellings per annum, which is 80% of the standard method requirement in NPPF2024. Under the transitional arrangements discussed previously, this means that the plan would not need to be updated to reflect the revised local need figure in full or the new NPPF. In this sense it is arbitrary rather than a purely evidence-based figure driven by genuine economic factors and has been adjusted to meet a threshold. A later chapter of this report explores whether or not it is indeed sufficient to meet Central Lancashire's employment growth aspirations.

The distribution of housing need under the standard method, the preferred option from the Housing Study Update, and the draft Local Plan is summarised in Table 2-1. The draft Local Plan has a housing requirement below standard method for all three authorities, but the most drastic reduction is for Chorley. Its requirement is 25% of the total, compared to 34% in standard method (or 33% in the Housing Study Update, which produces a very similar distribution to that in standard method). This distribution may pose challenges for the achievement of sufficient housing delivery, particularly affordable and/or specialist, in Chorley.

Table 2-1: Distribution of housing need comparison

	Preston	South Ribble	Chorley	Total
Standard method NPPF2024	590 36%	489 30%	564 34%	1,643
Housing Study Update	441 36%	386 31%	410 33%	1,237
Draft Local Plan	520 40%	460 35%	334 25%	1,314

Source: Housing Study Update 2024, draft Local Plan, Stantec analysis

Table 2-2 complements this distributional analysis, looking at the differences between the draft Local Plan and standard method. Chorley's figure is 41% lower, with the other two authorities seeing much smaller reductions to keep the overall difference to 20%.

Table 2-2: Draft Local Plan housing need figures, % difference vs NPPF 2024

	Preston	South Ribble	Chorley	Total
Standard method NPPF2024	590	489	564	1,643
Draft Local Plan	520	460	334	1,314
% difference vs NPPF2024	-12%	-6%	-41%	-20%

Source: Housing Study Update 2024, draft Local Plan, Stantec analysis



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2 Local Plan Context

The NPPF2024 figure of 1,643 refers to standard method at the time the draft Local Plan was produced, i.e. it is the December 2024 figure. Following the release of 2024 affordability ratios in March 2025, Central Lancashire's figure has slightly increased to 1,662 (reducing the Plan figure % of standard method from 80.0% to 79.1%). It is expected to increase again later in the year following the release of new dwelling stock estimates.



3 Affordable Housing Need

This chapter reviews the HNDA approach to estimating affordable need for the Central Lancashire Authorities and suggests adjustments to them based on the evidence presented and analysis conducted by Stantec.

The percentage of affordable need met under various scenarios for need, overall delivery, and the percentage of delivery which is affordable is then assessed.

3.1 HNDA Approach

The approach taken by Arc4 to calculating affordable housing need is set out in Appendix C of each of the three HNDAs. It is characterised by four steps, which are summarised in turn below. There then follows commentary on the methodology and a summary of the statistics.

3.1.1 Existing households in need

Following PPG 2a-021-20190220, Arc4 sets out components of gross unmet need, namely:

- Homeless households and those in priority need or temporary accommodation from DLUHC (now MHCLG) live tables
- Overcrowded and concealed households from the 2011 Census (the most recent available at the time of the HNDAs being produced) and a 2021 household survey
- Existing affordable tenants and those in other tenures in need from a 2021 household survey

All households which are homeless, in priority need, or temporary accommodation are assumed to be unable to afford to buy or rent. For those in other categories, the affordability of open market options was tested using the household survey, to remove from gross need those able to afford them. In South Ribble, this test was not applied due to a lack of data on incomes.

3.1.2 Future households in need

New household formation is assessed using two different sources:

- Household growth projections for each district (DLUHC 2014-based and ONS 2018-based) from 2021 to 2031
- Average gross household formation rate nationally, from the English Housing Survey (2014-based and 2018-based projections) over the period 2021-2031

For all districts, an average of the national formation rates from English Housing Survey is used to provide a projection for annual household formation.

The household survey analyses the incomes of households which formed in the last 5 years to estimate the proportion of newly-forming households which will not be able to afford lower quartile properties to buy or rent.



A further component of future need is existing households falling into need. For Preston and Chorley, the household survey identifies households who have fallen into need over the past 5 years, and it is assumed that this annual rate will continue. For South Ribble, the HNDA simply states that *'Households falling into need are assumed to be included in the housing register figures.'*

3.1.3 Affordable supply

Five components of affordable supply are summarised for each authority, namely:

- Affordable dwellings vacated for use by other households in need (Registered Provider lettings data over last 3 years, other evidence from Registered Providers)
- Suitable surplus stock, i.e. vacant affordable dwellings *in excess of 2% of affordable stock* (DLUHC vacant dwelling statistics). For all three authorities, this is 0 as vacancies are below this 'transactional rate'.
- Committed supply of new net affordable homes (Council data), or the average supply of new affordable homes over the last 5 years (DLUHC).
- Estimated supply of affordable home ownership through resales (English Housing Survey).
- Units taken out of management (Local authority data) – none identified for any of the three authorities.

3.1.4 Annual need for affordable housing

This step calculates gross and net annual affordable need based on the above. Current gross unmet need (after affordability test) is annualised – over 10 years for Preston and 5 for the other districts. Newly-arising annual need is added to give gross need. Net need is gross need less annual affordable housing supply.

Arc4 breaks these estimates down by size (based on housing register statistics) and tenure (drawing on the household survey).

3.1.5 Review and summary

Stantec Development Economics considers that the overarching approach taken to estimating net need – that is to say the steps taken, sources used, and the factors influencing need and supply included – is broadly reasonable. We have identified some issues, however, which are discussed below. As the subsequent analysis demonstrates, the impact of addressing these issues is to substantially increase net need above the estimates generated by Arc4.

3.1.5.1 Annualisation of existing households falling into need in Preston

Table C5 of the Preston HNDA (copied below) sums newly-forming households in need and existing households falling into need. The preceding section, 'Existing households expected to fall into need', reads, *'The 2021 household survey identifies 259 households who have fallen into need in the past 5 years and require affordable housing or 52 each year.'* (our emphasis)



Table C5 Total newly-arising affordable housing need

Households	Percentage	Number
A. Number of newly-forming households	-	859
B. Proportion unable to afford market housing	34.1%	293
C. Existing households falling into need	-	259
Total newly arising affordable need (B+C) each year	-	552

Source: 2022 HNDA

Therefore, a 5-year figure has erroneously been used in Table C5 instead of the annual figure. Using 52 instead of 259 would reduce newly-arising affordable need from 552 to 345. Other things being equal, this is a reduction in overall need and implies a shift in the balance of delivery away from Preston to the other two authorities.

3.1.5.2 Omission of existing households falling into need in South Ribble

As mentioned above, existing households falling into need are estimated for Preston and Chorley using the results of the household survey. For South Ribble, these households are assumed to be included in the housing register figures. This difference in approach isn't explained in the HNDA.

We note that in Table C1 of the South Ribble HNDA, the 2022 housing register is given as the source for 'A5 Existing affordable tenants in need' and 'A6 Other tenures in need', whereas for the other two authorities the source is the household survey. Nevertheless, one would only expect a housing register to include *current* need, not *future* need – i.e. households who currently can meet their housing costs but will be unable to do in future.

Had a separate figure for existing households falling into need been included, it would increase need for affordable housing in South Ribble.

3.1.5.3 Partially omitted demand for affordable home ownership

Arc4's methodologies for identifying current and future need both concern households unable to *buy or rent* in the market area. The point at which a household is able to rent and that at which it is able to buy are not the same, as the tests applied are different. As confirmed in paragraph C.8 (in all three HNDAs), the benchmarks used are:

- For buying, up to 3.5x gross household income;
- For renting, up to 25% of gross household income.

PPG quoted by Arc4 includes in its definition of unmet (gross) need for affordable housing:

'the number of households from other tenures in need and those that cannot afford their own homes, either to rent or to own if that is their aspiration' (our emphasis) (PPG 2a-021-20190220)

There is, therefore, an additional source of demand for affordable home ownership – those who:

1. Can afford market rents
2. Aspire to own their own home



3. Cannot afford market ownership

We have not estimated the size of this group, but its non-inclusion in this methodology means that the HNDA estimates are too cautious.

3.1.5.4 Higher estimate of affordable dwellings vacated in Chorley

The main component of Table C6 (Affordable housing supply) in all three HNDAs is the number of affordable dwellings expected to be vacated by occupiers that are fit for use by other households in need. For Preston and South Ribble these figures (622 and 372 respectively) are simply an annual average of general needs affordable dwellings let from 2017/18 to 2019/20, using data from Registered Providers.

For Chorley, Table C6 says:

'Annual average of 579 general needs affordable dwellings have been let 2017/18 to 2019/20.

Evidence from local RP lettings data indicates a much higher level of turnover of 1,155 each year.' (our emphasis)

No further detail is given on this evidence, nor any reason as to why it is used for Chorley only. Whilst projecting forward a recent average is clearly a reasonable approach, this alternative figure represents a doubling of the 2017/18-2019/20 average that would otherwise be used. Using the simple annual average instead would reduce total annual supply for Chorley from 1,277 to 701, with significant consequences for the overall need position.

3.1.5.5 Non-inclusion of affordable housing stock losses

As a result of Right to Buy / Right to Acquire, plus demolitions, there is significant potential for the stock of affordable housing to fall. This should be reflected as a deduction from supply but is not in the Arc4 analysis – though it does note below Table C6 in each HNDA:

'stock losses through right to buy are not referenced in PPG and not included in this table. Any losses through right to buy would increase the shortfall.'

Whilst PPG does not specifically reference Right to Buy, it does say that *'units to be taken out of management'* should be deducted from supply⁶. Units sold by local authorities or Registered Providers cease to be under management.

In Stantec's experience, affordable housing losses can be equivalent to a significant proportion of need, so disregarding them can result in underestimating net need. This is explored further in Stantec's analysis of affordable housing stock and delivery.

⁶ PPG Paragraph: 022 Reference ID: 2a-022-20190220



3.1.5.6 Summary figures

Table C7 in each HNDA summarises the need and supply situation. These are combined for the purposes of comparison in Table 3-1. On the HNDA figures

Table 3-1: Gross and net affordable need summary, Central Lancashire Authorities, HNDA figures

	Preston	South Ribble	Chorley	Total
Current unmet gross need	11,477	1,937	5,511	18,925
After affordability test	6,747	1,937	4,755	13,439
Annualised need	675	387	951	2,013
Newly-arising affordable need	552	406	439	1,397
Total gross need	1,227	793	1,390	3,410
Total supply	831	471	1,277	2,579
Total net need	395	323	113	831

Source: 2022 HNDAs, Stantec analysis

3.2 Stantec Analysis

In this section, we build on the findings of the HNDA with:

- Analysis of government data on affordable housing stock lost (i.e. to Right to Buy/Acquire or to demolitions)
- Analysis of historic rates of affordable housing delivery
- Adjustments to affordable need figures from the HNDAs following our review of the methodology
- Implications of the level of housing delivery overall on how much of the affordable need is met

3.2.1 Affordable housing stock losses and delivery analysis

To calculate the rate of affordable housing loss Stantec Development Economics has completed the following process:

- The tenure of those living in each local authority (Preston, Chorley and South Ribble) is taken from the 2011 and 2021 Censuses.



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- The proportions of residents living in houses of each tenure from the 2011 and 2021 Census data are applied to the total number of dwellings for both 2011 and 2021 respectively, from the Ministry of Housing, Communities and Local Government (MHCLG)⁷.
- The number of vacant homes of both private and social tenures are stripped from these figures using further data from MHCLG⁸. From this we are left with figures for non-vacant homes of each tenure for 2011 and 2021.
- Data for the intermediate years is interpolated, resulting in estimates of the number and proportion of all non-vacant homes within the local authority of each tenure from 2011 to 2021.
- The proportion of all private homes which are owner occupier, rented and shared ownership is estimated, as well of the proportion of affordable homes which are affordable rented and 'lives rent free'.

The next component of the analysis looked at gross additions to the housing stock in each local authority. The goal of this is to estimate the total number of affordable additions as well as the affordable additions as a proportion of total additions annually and over the period 2012 – 13 to 2022 – 23. We take further data from MHCLG⁹ on new builds, net conversions, net change of use, other gains and losses and demolitions as well as MHCLG data¹⁰ on affordable additions to the housing stock by year.

The data on housing for each local authority calculated in the first portion of our analysis is combined with data from Live Table 100 and aggregated into affordable and private stock that each local authority has, annually from 2011 to 2022. The reason why both data sources have been combined is that shared ownership is included within the stock of private homes within Live Table 100, while we consider shared ownership as an affordable tenure. We have therefore subtracted it from the private stock and added to the affordable stock. Shared ownership additions for each local authority are obtained from Live Table 1011C for 2022 as no census data is available for this year.

Through this process we can calculate the net year on year change in affordable stock from 2011 to 2022. We obtain gross additions of affordable stock from Live Table 1011C and sum both over the 10-year period. We divide the 10-year net change in affordable stock by the 10-year sum of gross affordable additions to obtain net additions per gross. This gives us losses of affordable stock as a percentage of additions in a particular local authority, as well as the average number of affordable units lost each year.

⁷ MHCLG Live Table 100

⁸ MHCLG Live Table 615

⁹ MHCLG Live Table 123

¹⁰ MHCLG Live Table 1011C



3.2.2 Adjustments to net annual affordable need calculations

In light of our review of the HNDA methodology, we consider that some adjustments should be made to more fully capture the extent of affordable need. Table 3-2 more fully breaks down the HNDA figures, with table references identified for each row and a totals column added.

Where figures have been adjusted subsequent to our review and analysis, these are indicated in white on an orange background. Subsequent calculations affected by these changes are on a pale orange background. The changes made are as follows:

- **Existing households falling into need, Preston**
Adjusted from **259** to **52**. This corrects the 5-year figure incorrectly included in the HNDA to the annual figure given by Arc4, reducing newly-arising need.
- **Existing households falling into need, South Ribble**
Adjusted from **0** to **99**. These households were assumed to be included in the housing register figures by Arc4, but we do not consider this to be case. To produce a central estimate, we have looked at existing households falling into need as a percentage of all households for the other two districts, taken an average, and applied this to South Ribble¹¹.
- **Affordable dwellings vacated, Chorley**
Adjusted from **1,115** to **579**. The higher figure is justified on the basis of local Registered Providers' letting data, but this is not provided or explained in any further detail. Therefore, the recent average, in line with the other two districts, has been used instead.
- **Affordable stock losses**
Subsequent to Stantec's analysis, a new row for affordable stock losses has been added. These losses reflect a deduction from total supply.

¹¹ Total households by district used by Arc4 were derived from figures in Table C1 of the HNDAs for all households in need and households in need as a % of all households. Existing households falling into need as a proportion of all households was 0.09% in Preston (52/58,556) and 0.32% in Chorley (166/51,991). Therefore, the average of these, 0.20%, was used for South Ribble. With 48,425 households in the district, this amounted to 99.



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Table 3-2: Gross and net affordable need breakdown, Central Lancashire Authorities, HNDA figures with Stantec adjustments

	HNDA table	Preston	South Ribble	Chorley	Total
<i>Current unmet gross need (total)</i>					
A1 Homeless	C1	569	186	54	809
A2 Priority need/temp. accomm.	C1	662	386	780	1,828
A3 Overcrowded	C1	1,423	921	388	2,732
A4 Concealed	C1	1,668	444	1,294	3,406
A5 Existing affordable in need	C1	2,317	527	610	3,454
A6 Other tenures in need	C1	5,288	748	2,691	8,727
A7 = sum A3 to A6	C1	10,696	2,640	4,983	18,319
A8 = A7 minus double counting	C1	10,246	1,365	4,677	16,288
A9 = A1 + A2 + A8 (All in need)	C1	11,477	1,937	5,511	18,925
<i>As % of all households</i>	C1	19.6%	4.0%	10.6%	11.9%
<i>% of A8 unable to afford</i>	C3	53.4%	100.0%	56.8%	58.3%
No. of A8 unable to afford	C3	5,476	1,365	2,658	9,499
Total unable to afford	C3	6,747	1,937	4,755	13,439
<i>Future households in need (annual)</i>					
Gross household formation	C5	859	707	775	2,341
<i>% unable to afford</i>	C5	34.1%	57.4%	35.2%	41.5%
Newly-forming unable to afford	C5	293	406	273	972
Existing falling into need	C5	52	99	166	317
Newly-arising affordable need	C5	345	505	439	1,289
<i>Affordable housing supply (annual)</i>					
Affordable dwellings vacated	C6	622	372	579	1,573
Surplus stock	C6	0	0	0	0
Committed net new supply	C6	183	86	110	379
Affordable ownership resales	C6	26	13	12	51
Taken out of management	C6	0	0	0	0
Affordable stock losses	N/A	37	16	12	65
Total supply	C6	794	455	689	1,938
<i>Total annual need</i>					
Current unmet gross need	C7	11,477	1,937	5,511	18,925
After affordability test	C7	6,747	1,937	4,755	13,439
Annualised need	C7	675	387	951	2,013
Newly-arising affordable need	C7	345	505	439	1,289
Total gross need	C7	1,020	892	1,390	3,302
Total supply	C7	794	455	689	1,938
Total net need	C7	226	437	701	1,364
<i>Difference vs. unadjusted</i>		-169	114	588	533

Source: 2022 HNDAs, Stantec analysis



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The impact of these adjustments is therefore to increase net need for affordable housing from 831 to 1,364 dwellings per annum across Central Lancashire. Need generated by South Ribble and Chorley increases, and that from Preston decreases. This shifts the overall share of need sharply from Preston to Chorley, as shown in Table 3-3. In the unadjusted estimates, nearly half of net need arises from Preston; in the adjusted estimates, over half is from Chorley. Across Central Lancashire, net need increases by 533 per annum.

Table 3-3: Adjusted and unadjusted net affordable need, share of total by authority

	Preston	South Ribble	Chorley
Unadjusted net need	395	323	113
% of total	47.5%	38.9%	13.6%
Adjusted net need	226	437	701
% of total	16.6%	32.0%	51.4%
Difference	-169	114	588
	-31.0%	-6.8%	37.8%

Source: 2022 HNDA, Stantec analysis

One significant component of our review of the HNDA methodology has not been reflected here, namely the partially omitted demand for affordable home ownership. This would increase gross and therefore net need across all three authorities, so we consider these estimates to still be cautious.



3.2.3 Implications for overall housing delivery

Implications of overall housing delivery for affordable housing delivery are now reviewed. This analysis is summed up in Table 3-4. For each authority individually, and the three combined, we show the proportion of affordable need achieved for eight different scenarios, which vary the following:

- **Affordable net need:** use of Arc4's estimates unadjusted, or Stantec's adjusted versions.
- **Level of overall housing delivery:** the target distribution of housing requirements by district from Policy HS1 of the Local Plan¹², or standard method figures as updated in December 2024.
- **Affordable housing delivery %:** the historic rate achieved, as shown in our analysis, or the target rate from the Local Plan. Policy HS7 confirms that for sites of 10 dwellings or 0.5ha and above, the affordability target is 30% in Tiers 1, 2 and 3 of the settlement hierarchy and 35% in other locations (i.e. Tiers 4 and 5). Policy SS2: Settlement Hierarchy confirms that Tiers 4 and 5 are 'Rural Local Service Centres' and 'Smaller Rural Villages and Hamlets' respectively. Both will accommodate limited new development, so we assume the 30% rate overall¹³.

Focusing on the results for affordable need met in Central Lancashire overall, we see that:

- Using Stantec's **adjusted** estimates, it's **between 26.7% and 36.1%** – so in the worst case, a little over a quarter of need is addressed.
- If Arc4's **unadjusted** estimates are maintained, the picture improves significantly, to **between 43.8% and 59.3%**; though this means that at best, under two-thirds of need is addressed.
- Meeting **standard method** need as per NPPF2024 rather than the Local Plan figure leads – unsurprisingly – to higher proportions of need being met in all cases. For the unadjusted need estimates, and assuming that target delivery rate is achieved, this difference is **11.9% of total need (59.3% compared to 47.4%)**.
- Whether **historic or target** delivery rates are achieved has a significant bearing. At most – using unadjusted estimates and standard method delivery – the difference is **6.3% of total need (59.3% compared to 53.1%)**.

There are similar patterns for South Ribble and Chorley. In Preston, however, Stantec's adjustments lower affordable net need rather than increase it, and historic affordable delivery is higher than the Local Plan target, not lower than it – so the results look rather different.

¹² Policy HS1 is on page 52.

¹³ Policy HS7 is on page 70. Policy SS2 is on page 25.



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Table 3-4: Affordable net need achieved by authority, for adjusted and unadjusted estimates, overall delivery, affordable delivery achieved

Affordable net need estimates		Overall delivery		Affordable % achieved		Delivered	
						No.	%
Preston							
Unadjusted	395	Reg 19 Plan	520	Historic	44.2%	230	58.2%
				Target	30.0%	156	39.5%
		NPPF 2024	590	Historic	44.2%	261	66.0%
				Target	30.0%	177	44.8%
Adjusted	226	Reg 19 Plan	520	Historic	44.2%	230	101.7%
				Target	30.0%	156	69.0%
		NPPF 2024	590	Historic	44.2%	261	115.4%
				Target	30.0%	177	78.3%
South Ribble							
Unadjusted	323	Reg 19 Plan	460	Historic	16.0%	74	22.8%
				Target	30.0%	138	42.7%
		NPPF 2024	489	Historic	16.0%	78	24.2%
				Target	30.0%	147	45.4%
Adjusted	437	Reg 19 Plan	460	Historic	16.0%	74	16.8%
				Target	30.0%	138	31.6%
		NPPF 2024	489	Historic	16.0%	78	17.9%
				Target	30.0%	147	33.6%
Chorley							
Unadjusted	113	Reg 19 Plan	334	Historic	18.1%	60	53.5%
				Target	30.0%	100	88.7%
		NPPF 2024	564	Historic	18.1%	102	90.3%
				Target	30.0%	169	149.7%
Adjusted	701	Reg 19 Plan	334	Historic	18.1%	60	8.6%
				Target	30.0%	100	14.3%
		NPPF 2024	564	Historic	18.1%	102	14.6%
				Target	30.0%	169	24.1%
Central Lancashire							
Unadjusted	831	Reg 19 Plan	1,314	Historic	24.9%	364	43.8%
				Target	30.0%	394	47.4%
		NPPF 2024	1,643	Historic	24.9%	441	53.1%
				Target	30.0%	493	59.3%
Adjusted	1,364	Reg 19 Plan	1,314	Historic	24.9%	364	26.7%
				Target	30.0%	394	28.9%
		NPPF 2024	1,643	Historic	24.9%	441	32.3%
				Target	30.0%	493	36.1%

Source: 2022 HNDAs, Stantec analysis



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Table 3-5 explores the relationships between affordable and overall need by authority, calculating the former as a percentage of the latter according to:

- Overall need figures from current standard method (**NPPF 2024**), the preferred option from the Housing Study Update (**HSU 2024**), or the draft Local Plan (**Reg 19 Plan**).
- **Unadjusted** or **adjusted** figures for affordable need, as calculated above.

These figures show the proportion of overall delivery that would need to be affordable in order to exactly meet the relevant affordable net need each year. For example, for Preston the unadjusted figure for affordable net need from the HNDA is 395. Standard method (NPPF 2024) gives an overall housing need figure of 590. Therefore 67% (395/590) of overall delivery would need to be affordable for need to be met – i.e. it is theoretically possible but unlikely to be achievable in practice.

The most interesting results relate to Chorley:

- The unadjusted affordable need figure (113) is well within all overall need figures – as low as 20% for NPPF 2024.
- The adjusted affordable need figure (701) is, however, above all the overall need figures. Even in the exceedingly unlikely event that all housing in Chorley were delivered as affordable units, net need would not be met.
- The Reg 19 Plan has Chorley taking significantly less housing in both absolute and relative terms. Therefore, while adjusted net affordable need is 124% of standard method (NPPF 2024) overall need, it rises to 210% of the figure in the draft plan.

The spatial distribution in the draft Local Plan therefore makes it likely that very little of Chorley's affordable need will be delivered.

Table 3-5: Affordable net need as a percentage of overall need

Overall need		Affordable net need	
		Unadjusted (HNDAs)	Adjusted (Stantec)
Preston		395	226
NPPF 2024	590	67%	38%
HSU 2024	441	90%	51%
Reg 19 Plan	520	76%	43%
South Ribble		323	437
NPPF 2024	489	66%	89%
HSU 2024	386	84%	113%
Reg 19 Plan	460	70%	95%
Chorley		113	701
NPPF 2024	564	20%	124%
HSU 2024	410	28%	171%
Reg 19 Plan	334	34%	210%

Source: 2022 HNDAs, Stantec analysis



4 Specialist Housing for Older People Need

This chapter reviews the HNDA approach to estimating need for specialist housing for older people in the Central Lancashire Authorities and contrasts them with alternatives estimated by Stantec.

4.1 HNDA Approach

The approach taken by Arc4 in the HNDA for all three local authorities that comprise Central Lancashire is the same, as set out in Chapter 4 of each document (with additional details in Appendix D). It is characterised by 4 steps. These steps are detailed below and can be summarised as:

1. establishing the current and future (2038) older population
2. establishing the existing stock of specialist accommodation
3. calculating the current ratio of C3 and C2 housing per resident aged 75+ within each area
4. using the ratio calculated in (3) to estimate future housing need in 2038.

Stantec Development Economics commentary on HNDA statistics and methodology is set out thereafter. The definitions of C3 accommodation are slightly different than those used by Stantec Development Economics as the HNDAs class Extra Care Housing as C3 while Stantec recognises this housing type as C2. Nonetheless Stantec Development Economics includes extra care housing within its analysis, therefore the two sets of analyses are comparable with one another with respect to what is in scope.

4.1.1 Current and Future Older Population

All three HNDAs have used the 75 and over age cohort as a measure of the older population in each authority. Arc4 utilises ONS 2018-based population projections to establish the number of residents aged 75+ in each area in 2021 (current) and then in 2038.

4.1.2 Existing Stock

Data on the existing stock of specialist housing is obtained from the Elderly Accommodation Council (EAC) for 2021. The specialist housing stock is then divided into C2 and C3 use classes, and from there by type. C3 specialist housing is split into Age-Exclusive Housing, Sheltered, Retirement Housing, Enhanced Sheltered and Extra Care Housing. Descriptions of each of these housing types are provided in Table 4.3 of each HNDA. C2 specialist housing is divided into Care Homes and Care Homes with Nursing.

4.1.3 Future Need

To calculate future need, the total number of C3 units in each of the three local authorities in 2021 is divided by the number of residents in that area aged 75+ to obtain the current ratio of specialist housing units to older persons. This ratio is applied to the number of residents aged 75+ projected in 2038 for each area. The resulting number of C3 units is the future need figure for 2038. The same process is followed for C2 accommodation.



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Table 4-1, Table 4-2, and Table 4-3 display the C3 specialist housing need figures within the HNDAs for Preston, Chorley and South Ribble. Table 4-4 totals figures across Central Lancashire (and calculates the resulting overall ratio of dwellings to residents). This gives a net need figure of 1,961.

Table 4-1: Preston 2022 HNDA C3 Housing Need

Preston	75+ resident population 2021	75+ resident population 2038
	9,582	12,913
Number of C3 units 2021	Ratio C3 units per resident aged 75+	2021 C3 Ratio applied to 75+ population 2038
3,078	0.321	4,148
Net need 2021 - 2038	1,070	

Source: Preston 2022 HNDA Table 4.4

Table 4-2: South Ribble 2022 HNDA C3 Housing Need

South Ribble	75+ resident population 2021	75+ resident population 2038
	24,415	31,503
Number of C3 units 2021	Ratio C3 units per resident aged 75+	2021 C3 Ratio applied to 75+ population 2038
1,508	0.062	1,946
Net need 2021 - 2038	438	

Source: South Ribble 2022 HNDA Table 4.4

Table 4-3: Chorley 2022 HNDA C3 Housing Need

Chorley	75+ resident population 2021	75+ resident population 2038
	10,916	16,747
Number of C3 units 2021	Ratio C3 units per resident aged 75+	2021 C3 Ratio applied to 75+ population 2038
848	0.078	1,301
Net need 2021 - 2038	453	

Source: Chorley 2022 HNDA Table 4.4

Table 4-4: Central Lancashire 2022 HNDA C3 Housing Need

Central Lancashire	75+ resident population 2021	75+ resident population 2038
	44,913	61,163
Number of C3 units 2021	Ratio C3 units per resident aged 75+	2021 C3 Ratio applied to 75+ population 2038
5,434	0.121	7,395
Net need 2021 - 2038	1,961	

Source: 2022 HNDAs, Stantec analysis



4.1.4 Review and Summary of HNDA

Stantec Development Economics has three concerns with the HNDA methodology, detailed below.

4.1.4.1 No Evidence-based Requirements

The HNDA methodology takes the current rate of provision and applies this to the population in 2038, effectively assuming that the current rate of provision is correct and ensuring that it is maintained. It does not investigate whether specialist housing is under- or over-provided in these areas. Furthermore, it does not utilise requirements derived from evidenced online toolkits designed to inform housing need assessments of the appropriate level and type of specialist housing for a population.

Planning Practice Guidance (PPG) states that:

*The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and **can be obtained from a number of online tool kits provided by the sector**, for example the Strategic Housing for Older People Analysis Tool (SHOP@), which is a tool for forecasting the housing and care needs of older people.*

(PPG Reference ID: 63-004-20190626; our emphasis)

Therefore, if specialist housing is under- or over-provided in any area, this imbalance will be carried forward into the future, resulting in an inappropriate use of housing land that does not best serve the local population.

4.1.4.2 Population Data

While the population figures within the HNDAs for both Preston and Chorley align with the ONS 2018-based population projections, those for South Ribble are far larger. Table 4.4 of the South Ribble HNDA states the 2021 75+ population as 24,415 while ONS population projections present a figure of 11,204. Similarly, the South Ribble HNDA estimates that the 75+ population will reach 31,503 by 2038, while ONS population projections show a figure of 15,926.

The HNDA 75+ population figures are very similar to those of the 65+ population presented within the ONS 2018-based population projections, 24,417 in 2021 and 31,501 in 2038. It appears that the 65+ figures have been used by mistake in South Ribble.

The number of C3 specialist housing units in South Ribble in 2021, presented in the HNDA and obtained from the EAC data base, is 1,508. Using the HNDA figure for population in 2021 of 24,415 gives a rate of 62 C3 units per 1,000 residents aged 75+. Applied to the HNDA 2038 75+ population estimate, this gives a gross figure of need for C3 units of 1,946, and net need of 438.

When using the HNDA methodology on ONS population projection figures for the South Ribble 75+ population, however, the 1,508 C3 units gives a rate of 135 units per 1,000 75+ residents. Carrying this rate forwards on to the 2038 75+ population of 15,926 gives a gross need figure of 2,144 and a net need figure of 636. Therefore, this mistake has led the HNDA specialist housing net need figure for South Ribble to be 198 units (31%) lower than it should be, using the HNDA methodology. This is because as the population ages the number aged 75+ grows more quickly than that aged 65+.



4.1.4.3 No Housing Type or Tenure Breakdown

As mentioned in 4.1.2 'Existing Stock', C3 specialist housing for older people is split into different types, as older people require differing levels of care, community and independence. While the HNDA identifies the current stock of these different types, it does not provide a breakdown of C3 housing need into these types, i.e. between those which do and do not include care services, or by tenure. This leaves ambiguity over which types of C3 housing will be provided in each area, and whether each type will be provided such that the needs of the local older population are met.

4.2 Stantec Analysis

In this section we provide Stantec Development Economics' methodology for determining specialist housing need and apply this to all three Central Lancashire Authorities.

National health and social care policy, enacted locally, promotes independent living to enable living well in old age. This has filtered into national planning policy, which calls for a mix of housing, including housing for older people, for which the Government's planning practice guidance states there is a critical need¹⁴. The methodology used in Stantec's analysis and assessment is derived from the 'Housing in Later Life' report, published in 2012¹⁵. 'Housing in Later Life' provides a toolkit for local authorities in England when planning for specialist housing for older people.

4.2.1 Housing in Later Life

The Housing in Later Life approach involves an examination of local factors, including the size and makeup of the local older population and how it is projected to change, prevalence of ill health and support needs, the existing supply of specialist housing for older people, and the tenure of older households. The approach culminates in a set of requirements for specialist housing by type and tenure, for the older population of an area.

Following the approach set out in 'Housing in Later Life' and applying the recommended specialist housing provision rates¹⁶, is consistent with achieving outcomes pursued by national planning policy¹⁷ and guidance¹⁸ – to boost the supply of specialist housing for older people; planning practice guidance describes this need as *critical*.¹⁹ It is for this reason that the specialist housing (market Extra Care) provision rates recommended by 'Housing in Later Life' have been endorsed at appeal and at local plan examination, albeit with the caveat that they should be far more ambitious.

¹⁴ PPG ID 63-001-20190626.

¹⁵ Housing in later life; planning ahead for specialist housing for older people: National Housing Federation, Housing LIN, McCarthy & Stone, Contact Consulting, Tetlow King Planning (December 2012), pages 1 to 3.

¹⁶ The recommend provision rates are expressed as units of accommodation per thousand of the population age 75 and over.

¹⁷ 3 NPPF 2021, paragraph 62.

¹⁸ PPG, ID 63, Housing for Older and Disabled People.

¹⁹ PPG, ID 63, Housing for Older and Disabled People.



4.2.2 Housing in Later Life Target Provision Rates

The Housing in Later Life target provision rates for each specialist housing type are set out below (Table 4-5), alongside the aggregated position for 'Retirement Housing' ('Age Exclusive' and 'Sheltered Housing') and 'Housing with Care' ('Enhanced Sheltered' and 'Extra Care').

Table 4-5: Target Specialist Housing Rates per Thousand Aged 75 and Over

	For sale	For rent		For sale	For rent
Age Exclusive	120	60	'Retirement Housing'	120	60
Sheltered					
Enhanced sheltered	10	10	'Housing with Care'	40	25
Extra Care	30	15			
ALL TYPES	160	85	ALL TYPES	160	85

Source: Housing in Later Life, Planning Ahead for Specialist Housing for Older People, December 2012

The extent to which the provision rates recommended by 'Housing in Later Life' address critical need at the local level, or whether, in fact, they should be more ambitious is best understood by reference to local factors, such as the scale of the older population indicators of need, tenure preference, household composition and the housing stock profile.

4.2.3 Local Drivers of Need

This section aims to provide a picture of local need for and supply of specialist housing for older people across Central Lancashire. To that end, we address the following:

- i. The scale of and projected change in the older population
- ii. Older households and their living arrangements (state pension age and above)
- iii. The balance between the demand for and supply of specialist housing for older people in Preston, South Ribble, and Chorley.

4.2.4 The scale and projected change of the older population

To make our analysis comparable to that of the HNDA, we have estimated the population of all three areas in 2021 and 2038. For 2021 figures we use data directly from the Mid-Year Population Estimates (MYPE), produced by the ONS²⁰. For 2038 population estimates, we take the percentage growth of the 75+ population (males and females separately) between 2021 and 2038 from the ONS 2018-based population estimates and apply this to the 2023 MYPE figures for 2021. This gives a more up to date

²⁰ 2013 Mid-Year Population Estimates, downloaded from NOMIS on 11/03/2025



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estimate than the population projections as the MYPE figures were recorded in 2023 and reflect demographic changes that may have occurred between 2018 and 2023.

Figure 4-1 shows the estimated size of the 75+ populations of the Central Lancashire Authorities.

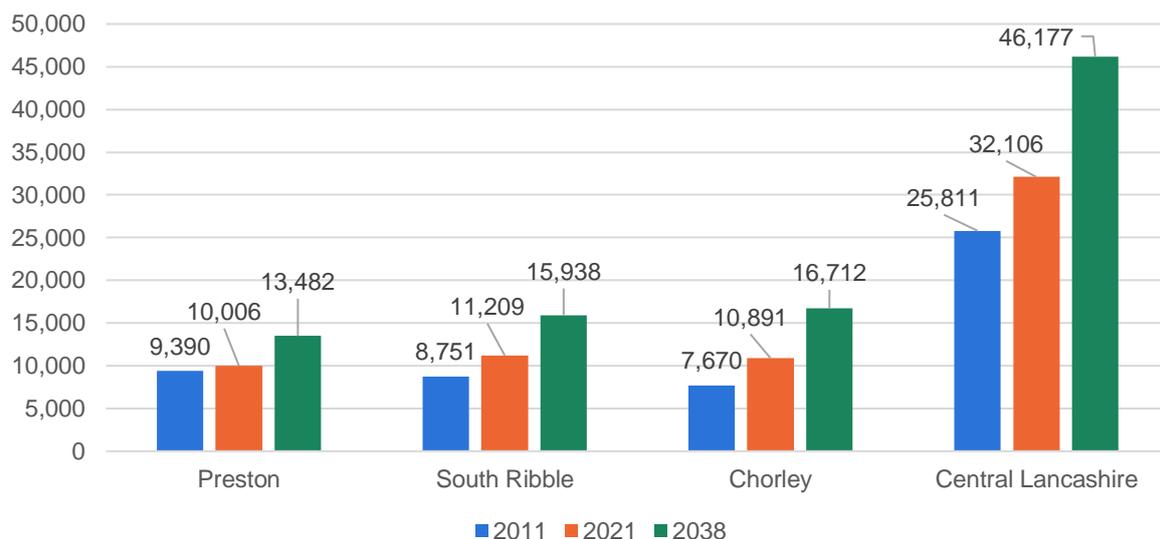
In Preston, the 75+ population grew by 6.6% from 2011 to 2021 reaching 10,006. It is expected to grow by a further 3,476 (34.7%) by 2038, reaching 13,482.

For South Ribble, the 2021 75+ population is estimated to be 11,209, increasing by 4,729 (42%) to 15,938 by 2038.

In Chorley, the 75+ population is estimated at 10,891 in 2021 and projected to grow by 5,821 by 2038 (53.4%) reaching 16,712.

Combined, these figures give estimates for the older population of Central Lancashire. The 2021 75+ population is estimated at 32,106 in 2021 and projected to increase by 14,071 (43.8%) to reach 46,177 in 2038.

Figure 4-1: 75+ population in Preston, South Ribble, Chorley, Central Lancashire, 2011, 2021, 2038



Source: MYPE, Population Projections, Stantec Analysis

Table 4-6 shows the number of 75+ residents of all three authorities who live in communal establishments and households in 2021. Communal establishments refer principally to care homes and nursing homes.



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Table 4-6: 75+ Population in Communal Establishments 2021

	Preston	South Ribble	Chorley	Central Lancashire
Communal Establishments	756	445	695	1,897
Household Residents	9,250	10,764	10,196	30,209
% of all residents in Communal Establishments	7.6%	4.0%	6.4%	5.9%

Source: 2021 Census, 2023 MYPE, ONS Population Projections, Stantec Analysis

4.2.5 Older households and their living arrangements

18% of all homes in Preston are occupied exclusively by those of retirement age (66 and over). This figure is 16% for South Ribble, 24% for Chorley, and 18% across Central Lancashire. In comparison, 2.4% of homes in Preston, 1.4% in South Ribble, 2.1% in Chorley, and 1.8% of homes across Central Lancashire are specialist accommodation for older people.

Table 4-7 displays the number of retirement age residents of the three authorities estimated to live in communal establishments and households in 2021 and 2038. It also shows, of those who live in households, the number who live in households comprised exclusively of those aged 66+.

Table 4-7: Residence of 66+ Population, 2021, 2038

		Communal Establishments	66+ in Households	66+ in Households comprised only of 66+
Preston	2021	910	19,700	14,730 (75%)
	2038	1,170	25,520	19,060 (75%)
South Ribble	2021	480	22,390	17,870 (80%)
	2038	620	29,220	23,300 (80%)
Chorley	2021	890	22,070	17,600 (80%)
	2038	1,250	30,960	24,700 (80%)
Central Lancashire	2021	2,250	64,250	50,250 (78%)
	2038	3,100	88,000	67,050 (78%)

Source: 2021 Census, 2023 MYPE, ONS Population Projections, Stantec Analysis. Figures have been rounded and therefore may not add to the total.



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In Preston, 75% of retirement aged household residents live in households comprised only of those aged 66 and over in both 2021 and 2038. In both Chorley and South Ribble this figure is 80%. Across Central Lancashire 78% of 66+ residents living in households, reside in households comprised exclusively of 66+ residents.

Table 4-8 shows how the population of 'State Pension Age only' households breaks down by those living alone and living in couples, overall and by tenure. It also shows those defined as disabled, based on Census 2021 data.

Table 4-8: 'State Pension Age only' households, by population and tenure, Central Lancashire, 2021²¹

	Owners		Social Renters		Private Renters		Total
Single family household, one or more disabled	6,642	88%	599	8%	274	4%	7,516
Single family household population, disabled	9,409	88%	948	9%	389	4%	10,746
Single family household, no one disabled	8,231	95%	255	3%	215	2%	8,700
Single family population, not disabled	22,050	94%	836	4%	635	3%	23,522
Total single-family households	14,874	92%	854	5%	489	3%	16,217
Total single family (couples) population	31,459	92%	1,785	5%	1,024	3%	34,268
One person household, disabled	4,039	67%	1,549	26%	459	8%	6,047
One person household, not disabled	7,090	78%	1,354	15%	596	7%	9,040
Total one-person households	11,129	74%	2,903	19%	1,055	7%	15,087
Total households	26,002	83%	3,757	12%	1,544	5%	31,304
<i>With one or more disabled residents</i>	10,681	41%	2,149	57%	733	47%	13,563
Total household population	42,688	85%	5,085	10%	2,475	5%	50,248
<i>Of which disabled</i>	13,180	31%	2,626	52%	932	38%	16,739
<i>Average household size</i>	1.64		1.35		1.60		1.61
Total households (66+ only) as a % of all households	70%		75%		25%		64%

Source: ONS, Census 2021, Mid-Year Population Estimates 2022 and Stantec analysis

²¹ All rows sum to 100% with the exception of rows referring to disabled residents as these are calculated as a percentage of population or households by tenure from the rows above.



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The 2021 Census categorises people who assessed their day-to-day activities as limited by long-term physical or mental health conditions or illnesses as disabled. This definition of a disabled person meets the harmonised standard for measuring disability and is in line with the Equality Act (2010). Census 2021 rates are applied to recent population figures in order to produce up-to-date estimates.

Increasing the supply of specialist housing for older people, which is designed to overcome the barriers to 'independently living well' that many of Central Lancaster's 'State Pension Age and over' will currently face, should reflect tenure preference, if it is to be an attractive potential move for older people.

We estimate that approximately 15,980 retirement aged residents of Central Lancashire live alone in 2021, comprising 32% of the 66+ population. The significance of the number of older people living alone is at least three-fold:

- Although many older people who live alone will remain well-connected and integrated with family, friends and their community a significant proportion²² will not.
- The UK Government has compiled a cross-sectional evidence base to support the association between loneliness and a range of psychiatric disorders, including anxiety, depression²³.
- The number of those living alone will also, in the majority of cases, contribute to the inefficient use of the current stock of general housing through under-occupation.

On the reasonable assumption that the prevalence of living alone and the tenure balance recorded by the 2021 Census persists, and projected (ONS) population growth is realised, we can predict the number of older residents living alone and as part of households, by tenure in 2038. We estimate that the number of households in Central Lancashire comprised only of those aged 66+ will increase by 12,050 by 2038 to 43,350. Of them, those of owner occupier tenure are estimated at 35,970, while those who socially rent number 5,240 and 2,150 who rent privately.

4.2.6 Housing in Later Life Requirements

This section of the report applies the Housing in Later Life target rates of specialist housing per 1,000 residents aged 75+, presented in Table 4-5, to the 75+ populations of Preston, Chorley, South Ribble and Central Lancashire in 2021 and 2038. This provides gross and net specialist housing need figures than can be directly compared to those produced by Arc4 and presented in the HNDAs.

Table 4-9 shows the 2021 (current) and 2038 (future) requirement for specialist housing in Preston, in accordance with the Housing in Later Life prevalence rates. Current provision has been sourced from the EAC database (2025 Q1). For 2021 supply, all units built after 2021 were excluded while for 2038 supply all units with planning permission to date have been included.

²² All the Lonely People: Loneliness in Later Life, Age UK 2018

²³ <https://www.gov.uk/government/publications/tackling-loneliness-evidence-review/tackling-loneliness-evidence-review-full-report#mental-health-and-loneliness>



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This shows that in Preston, there is a current gross need for 2,451 units of specialist housing in 2021 which increases to 3,303 in 2038 given the projected increase in the 75+ population. For net need, these figures are 1,456 for 2021 and 2,014 for 2038²⁴.

Table 4-9: Current and Future Requirements for Specialist Housing for Older People in Preston

2021					
Specialist Housing Type and Tenure	Current provision (number of units)	Current units per 1,000 residents aged 75+	Target units per 1,000 residents aged 75+	Required Increase or decrease	Resulting number of units
		per 1,000 residents aged 75+			
Rental 'Retirement Housing'	1,046	105	60	-446	600
Owner Occ. 'Retirement Housing'	323	32	120	878	1,201
Rental 'Housing with Care'	72	7	25	178	250
Owner Occ. 'Housing with Care'	0	0	40	400	400
2038					
Rental 'Retirement Housing'	1,046	78	60	-237	809
Owner Occ. 'Retirement Housing'	347	26	120	1,271	1,618
Rental 'Housing with Care'	133	10	25	204	337
Owner Occ. 'Housing with Care'	0	0	40	539	539

Source: EAC (2025 Q1), Mid-Year Population Estimates 2022 and Stantec analysis

²⁴ Net need sums only the positive requirements; doing otherwise would imply demolitions of housing types where Housing in Later Life requirements are exceeded, in this case Rental Retirement Housing.



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Table 4-10 presents the 2021 (current) and 2038 (future) requirement for specialist housing in South Ribble, in accordance with Housing in Later Life.

This shows that in South Ribble, there is a current gross need for 2,746 units of specialist housing in 2021 which increases to 3,905 in 2038 given the projected increase in the 75+ population. For net need, these figures are 1,560 for 2021 and 2,435 for 2038.

Table 4-10: Current and Future Requirements for Specialist Housing for Older People in South Ribble

2021					
Specialist Housing Type and Tenure	Current provision (number of units)	Current units per 1,000 residents aged 75+	Target units per 1,000 residents aged 75+	Required Increase or decrease	Resulting number of units
		per 1,000 residents aged 75+			
Rental 'Retirement Housing'	976	87	60	-303	673
Owner Occ. 'Retirement Housing'	408	36	120	937	1,345
Rental 'Housing with Care'	44	4	25	236	280
Owner Occ. 'Housing with Care'	62	6	40	386	448
2038					
Rental 'Retirement Housing'	976	61	60	-20	956
Owner Occ. 'Retirement Housing'	408	26	120	1,505	1,913
Rental 'Housing with Care'	44	3	25	354	398
Owner Occ. 'Housing with Care'	62	4	40	576	638

Source: EAC (2025 Q1), Mid-Year Population Estimates 2022 and Stantec analysis



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Table 4-11 presents the 2021 (current) and 2038 (future) requirement for specialist housing in Chorley, in accordance with Housing in Later Life.

This shows that in Chorley, there is a current gross need for 2,668 units of specialist housing in 2021 which increases to 4,094 in 2038 given the projected increase in the 75+ population. For net need, these figures are 1,616 for 2021 and 2,960 for 2038.

Table 4-11: Current and Future Requirements for Specialist Housing for Older People in Chorley

2021					
Specialist Housing Type and Tenure	Current provision (number of units)	Current units per 1,000 residents aged 75+	Target units per 1,000 residents aged 75+	Required Increase or decrease	Resulting number of units
		per 1,000 residents aged 75+			
Rental 'Retirement Housing'	673	62	60	-20	653
Owner Occ. 'Retirement Housing'	226	21	120	1,081	1,307
Rental 'Housing with Care'	143	13	25	129	272
Owner Occ. 'Housing with Care'	30	3	40	406	436
2038					
Rental 'Retirement Housing'	673	40	60	330	1,003
Owner Occ. 'Retirement Housing'	226	14	120	1,779	2,005
Rental 'Housing with Care'	205	12	25	213	418
Owner Occ. 'Housing with Care'	30	2	40	638	668

Source: EAC (2025 Q1), Mid-Year Population Estimates 2022 and Stantec analysis



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Table 4-12 presents the 2021 (current) and 2038 (future) requirement for specialist housing across Central Lancashire, in accordance with Housing in Later Life.

Table 4-12: Current and Future Requirements for Specialist Housing for Older People in Central Lancashire

2021					
Specialist Housing Type and Tenure	Current provision (number of units)	Current units per 1,000 residents aged 75+	Target units per 1,000 residents aged 75+	Required Increase or decrease ²⁵	Resulting number of units
		per 1,000 residents aged 75+			
Rental 'Retirement Housing'	2,695	84	60	0	1,926
Owner Occ. 'Retirement Housing'	957	30	120	2,896	3,853
Rental 'Housing with Care'	259	8	25	544	803
Owner Occ. 'Housing with Care'	92	3	40	1,192	1,284
2038					
Rental 'Retirement Housing'	2,695	58	60	330	2,768
Owner Occ. 'Retirement Housing'	981	21	120	4,555	5,536
Rental 'Housing with Care'	382	8	25	771	1,153
Owner Occ. 'Housing with Care'	92	2	40	1,753	1,845

Source: EAC (2025 Q1), Mid-Year Population Estimates 2022 and Stantec analysis

²⁵ For all three areas, retirement housing for rent exceeds the housing in life target rates in 2021, however as the demolition of homes would be inappropriate, for the Central Lancashire total this has been represented with 0 as 0 retirement housing for rent is needed. For 2038, retirement housing for rent exceeds the housing in life target rates in South Ribble and Preston. However, as 330 units are required to meet target rates in Chorley the total net need for South Lancashire is 330 for this tenure.



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Across Central Lancashire, there is a current gross need for 7,868 units of specialist housing in 2021 which increases to 11,302 in 2038 given the projected increase in the 75+ population in all three areas. For net need, these figures are 4,632 for 2021 and 7,409 for 2038. Table 4-13 puts these housing need figures in context with the recommendations of the HNDAs.

Table 4-13: Stantec and Arc4 Gross and Net Specialist Housing Need Figures 2038

	2038 Gross Need			2021 - 2038 Net Need		
	Arc4	Stantec	Difference	Arc4	Stantec	Difference
Preston	4,148	3,303	-845	1,070	2,014	944
South Ribble	1,946	3,905	1,959	438	2,435	1,997
Chorley	1,301	4,094	2,793	453	2,960	2,507
Central Lancashire	7,395	11,302	3,908	1,961	7,409	5,448

Source: 2022 HNDAs, Stantec analysis

4.2.7 Could Central Lancashire's Housing requirements be more ambitious?

The NPPF Annex 2 defines older people as 'people over or approaching retirement age, including the active, newly – retired through to the very frail elderly; and whose housing can encompass accessible, adaptable general needs housing through to the full range of retirement and specialist housing for those with care and support needs.' Following this definition, we compare the supply of specialist housing to the number of households comprised exclusively of state pension age residents.

The scope to increase supply for specialist housing beyond those arrived at using 'Housing in Later Life' benchmark provision rates is illustrated by the total number of state pension aged only households who do not have any specialist housing options open to them currently (2021) and the number projected to have none in the future (2038). We have made the reasonable assumption that households will seek homes of the same tenure they already have, so this analysis considers owner occupiers and renters separately.



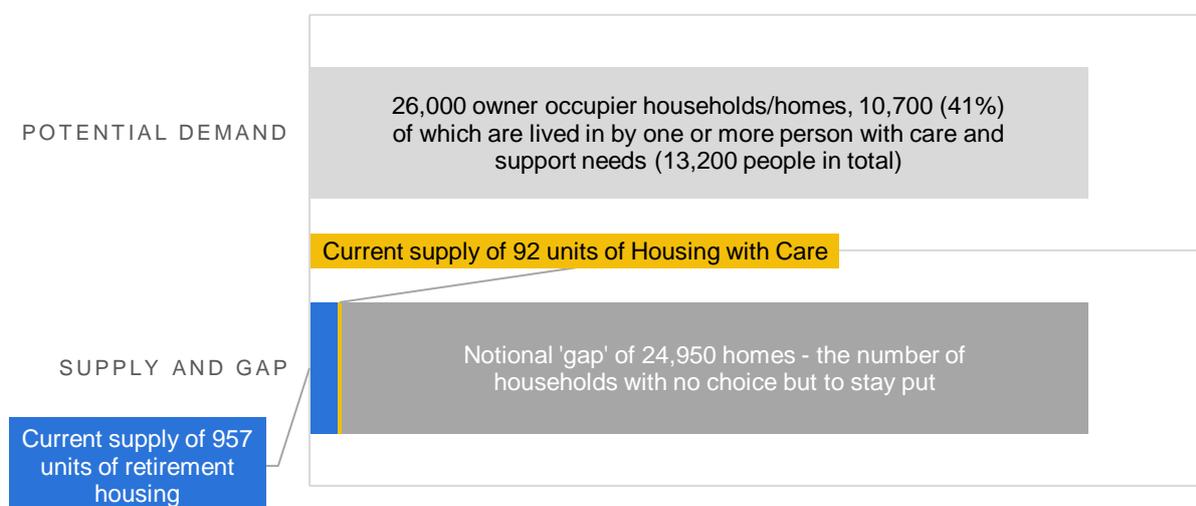
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Figure 4-2 shows the current (2021) gap between the supply of specialist owner occupier homes across Central Lancashire using data on the number of owner occupier specialist homes built no later than 2021 from the EAC database, and potential demand, for which we have used the number of owner occupier households comprised only of those aged 66 and over in 2021.

In 2021, there were 92 owner occupier units of housing with care, and 957 units of owner occupier retirement housing, totalling 1,049 units of owner occupier housing. Across Central Lancaster there were approximately 26,000 owner occupier households comprised totally by those aged 66 and over. This leaves 24,950 owner occupier pension aged households with no specialist housing options open to them.

Figure 4-2: Central Lancashire Demand and Supply Older Owner Occupiers 2021



Source: 2021 Census Custom Dataset, ONS 2018-based Population Projections, EAC 2025 Q1 and Stantec analysis



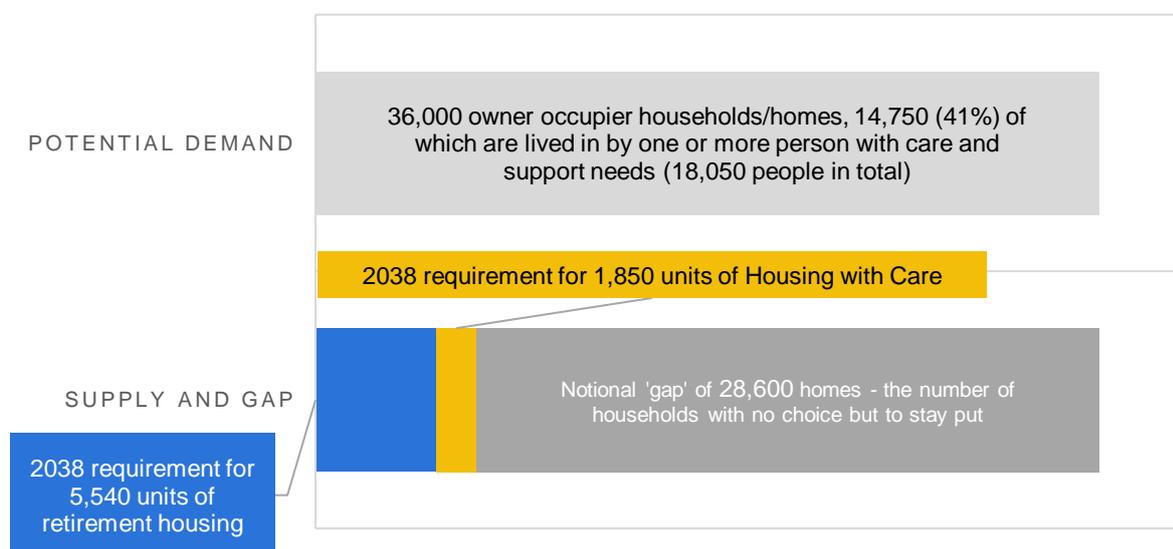
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Figure 4-3 presents the supply and potential demand situation projected for 2038 on the basis that Housing in Later Life requirements are achieved. With a projected 75+ population of 46,132 across Central Lancashire in 2038, meeting Housing in Later Life requirements requires a supply of 5,536 owner occupier retirement units and 1,845 owner occupier units of housing with care.

Stantec Development Economics estimates the number of 66+ Central Lancashire residents will reach 91,100 in 2038, 88,000 of which will live in households. Of them, 68,800 will reside in households comprised completely of those aged 66 and over, making up 43,400 such households. Of these, 36,000 are expected to be owner occupiers, 28,600 of which will be left with no specialist housing options in 2038 even if Housing in Later Life requirements are met, as shown in Figure 4-3. While the ratio of specialist housing to owner occupier 66+ households falls from 25 to 1 to 5 to 1 in this scenario, the number of 66+ owner occupier households increases by 3,650 (15%), indicating that growth in potential demand is outstripping supply.

Figure 4-3: Central Lancashire Demand and Supply Older Owner Occupiers 2038



Source: 2021 Census Custom Dataset, ONS 2018-based Population Projections, EAC 2025 Q1 and Stantec analysis

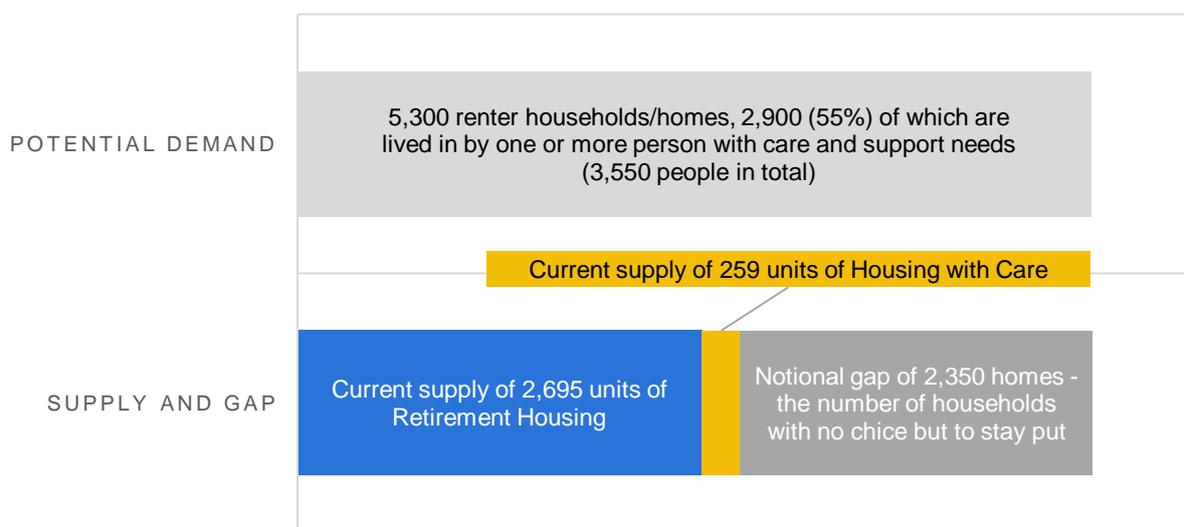


Central Lancashire Housing Need

4 Specialist Housing for Older People Need

Figure 4-4 and Figure 4-5 show the supply and demand picture for renters in Central Lancashire in 2021 and 2038 (assuming Housing in Later Life requirements are met) respectively. In 2021 the number of renting households aged 66+ is estimated at 5,300, 2,900 of which are lived in by at least one person with care and support needs. There are 2,954 units of specialist housing as of 2021, and therefore a notional gap of 2,350 households with no appropriate specialist housing options to move into.

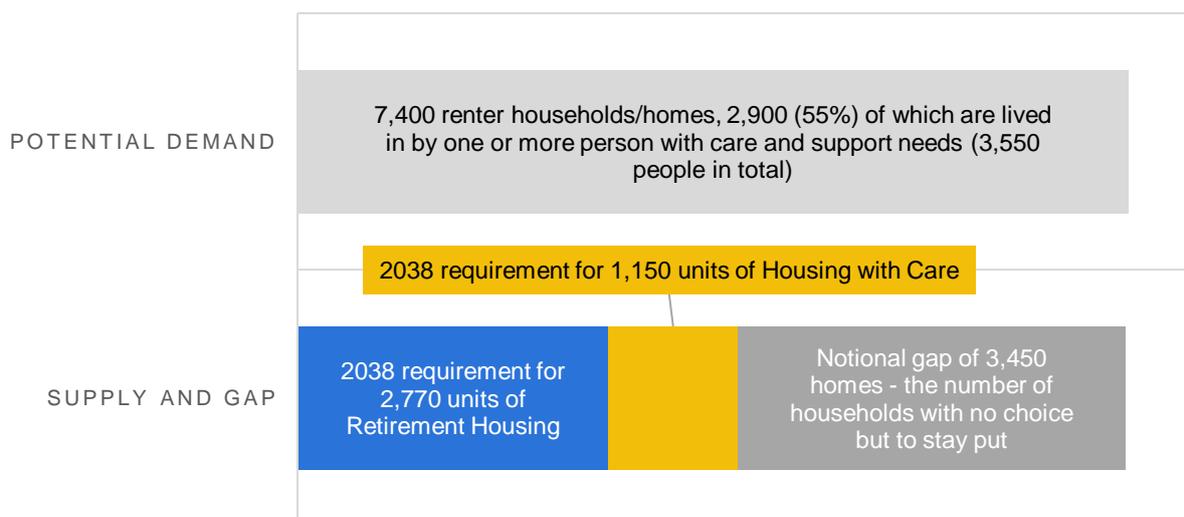
Figure 4-4: Central Lancashire Older Renting Households 2021



Source: 2021 Census Custom Dataset, ONS 2018-based Population Projections, EAC 2025 Q1 and Stantec analysis

The number of renting households aged 66+ is projected to increase to 7,400 by 2038. If Housing in Later Life requirements are met, there will be a supply of 2,770 units of rental retirement housing and 1,150 units of housing with care for rental. This will leave 3,450 older renting households with no specialist housing options open to them, an increase of 1,100 (47%).

Figure 4-5: Central Lancashire Older Owner Occupier Households 2038



Source: 2021 Census Custom Dataset, ONS 2018-based Population Projections, EAC 2025 Q1 and Stantec analysis



4.3 Specialist Housing Key Findings

It is the opinion of Stantec Development Economics that there are several problems with the analysis used by Arc4 for calculating specialist housing need in the HNDAs of the Central Lancashire Authorities. Firstly, there appears to be a mistake in the population data used to calculate specialist housing need in South Ribble which has led to an under estimation of gross and net need. Secondly, the Arc4 methodology calculates the current rate of provision and assumes this is appropriate without consulting established evidence on what a desirable provision rate is. It then extends this rate into the future, baking in under provision. Finally, the HNDAs do not provide any breakdown of housing type within the overall umbrella of specialist housing. The older population covers a diverse group of people with varying levels of required support and tenure preferences. Therefore, the mix of specialist housing must reflect this variation to be considered appropriate and to best serve residents.

Table 4-14 displays the results of both Stantec’s and Arc4’s analysis for 2038. The differences in the need figures are largely due to the different provision rates required per resident aged 75 and over. Stantec Development Economics calculates that gross need for specialist housing across Central Lancashire is 11,302 in 2038 while Arc4’s figure for gross need is 7,395. Net need, from the current (2021) position, is 7,409 from Stantec Analysis while that of Arc4 is 1,961 – a roughly fourfold difference.

Table 4-14: Stantec and Arc4 Gross and Net Specialist Housing Need Figures 2038

	2038 Gross Need			2021 - 2038 Net Need		
	Arc4	Stantec	Difference	Arc4	Stantec	Difference
Preston	4,148	3,303	-845	1,070	2,014	944
South Ribble	1,946	3,905	1,959	438	2,435	1,997
Chorley	1,301	4,094	2,793	453	2,960	2,507
Central Lancashire	7,395	11,302	3,908	1,961	7,409	5,448

Source: 2022 HNDAs, Stantec analysis

While Stantec’s specialist housing need figures, derived from Housing in Later Life evidence, are significantly higher than Arc4’s, evidence suggests that there is scope to increase the stock of specialist housing even further. Meeting the housing need figures presented by Stantec Development Economics will result in 28,450 pension aged households with no specialist housing options, an increase of 15% from current levels. The equivalent figure for renting pension aged households is 3,450, an increase of 47%. As such, the Housing in Later Life requirements should be seen as a floor and not a ceiling on development.



5 Employment-Driven Growth

This section comprises a review of the economic and employment land needs growth and the impact this has on housing demand. The local property market is analysed to provide an overview of how this may affect employment growth.

5.1 Employment Scenarios

Stantec have looked at Cambridge Econometrics and Oxford Economics jobs projections over the plan period for Central Lancashire. The Cambridge Econometrics projection is set out in the Central Lancashire Housing Study 2024. It shows a pessimistic expectation of total jobs growth over this period across all three authorities, particularly in the early years. This is due to the impact of inflation and labour market constraints seen across the country. It also excludes employment projects in the region such as the National Cyber Force which will be located in South Ribble. Turley have noted that the NCF has the potential to directly or indirectly create 3,120 jobs throughout the North West over ten years from 2025, with Central Lancashire having the opportunity to retain a substantial proportion²⁶.

Table 5-1 shows the jobs projections as forecast by Cambridge Econometrics and Oxford Economics over the plan period 2023 to 2041.

Table 5-1: Jobs growth projections, Cambridge Econometrics and Oxford Economics (2023 – 2041)

Local Authority	2023 - 2041			
	Cambridge Econometrics		Oxford Economics	
	Growth (N)	CAGR Growth (%)	Growth (N)	CAGR Growth (%)
Chorley	5,675	0.60%	5,420	0.65%
Preston	5,493	0.30%	12,070	0.62%
South Ribble	5,492	0.60%	9,060	0.79%
Total	16,660	0.45%	26,550	0.67%

Source: Central Lancashire Housing Study (2024) and Oxford Economics (2025), Stantec analysis

As displayed on Table 5-1, Cambridge Econometrics forecast total jobs growth in Central Lancashire to be 16,660 between 2023 and 2041, a CAGR (compound annual growth rate) of 0.45%. Oxford Economics portray a more optimistic view of employment growth in Central Lancashire, forecasting a 26,550 increase in jobs between 2023 and 2041, 0.67% CAGR.

²⁶ The 1,500 estimated is a figure for direct and indirect jobs in Central Lancashire, and is based on a total direct jobs figure of 2,000 from [The Lancashire Growth Plan 2025 to 2035](#) (Consultation Version published February 2025).



5.1.1 Household Estimates

Stantec has produced housing estimates based on the above job projections using the following assumptions set out in Table 5-2.

Table 5-2: Dwellings Estimate Assumptions

Parameter	Note	Ratio
Increased employment	Cambridge Econometrics and Oxford Economics Projections	N/A
Working in Central Lancs/ From Home	Proportion of increased employment to be met by Central Lancashire residents	0.97
Unemployment Rate	Unemployment as a proportion of economically active	0.03
Economic Activity	Ratio of people of working age in employment	0.77
Dependency Ratio	Current ratio of working age population	0.61
Residents per dwelling	ONS Household Projections (2041)	2.22
Vacancy Rate	To convert inhabited to total dwellings	0.37
Local Plan Period	To convert total to annual figures	18

The analysis includes:

- Jobs projection numbers from Cambridge Econometrics and Oxford Economics.
- Commuting rates, taken from Census figures. Census commuting rates are the proportion of the local authority that live and work in that local authority. It also includes those that mostly work from home²⁷.
- Unemployment Rate, derived from number in employment and number economically active in the Annual Population Survey.
- Nomis data taken from the Annual Population Survey on economic activity rates for those aged 16-64.
- Census data on age of household members are used to give a proportion of the population for each local authority which is of working age (assumed to be 16-64).
- The population associated with dwellings provided is based on ONS projections for average household size by local authority for 2041 (the end of the plan period).
- Vacancy rate taken from MHCLG Live Table 100 and Live Table 615 to determine percentage of vacant dwellings as a proportion of all dwellings.

The analysis displayed in Table 5-3 concludes that the expected level of employment increase in Central Lancashire will see an increase in housing need of between 16,335 and 27,555 households

²⁷ This adjustment has not though been made when accounting for the NCF, since it has been separately estimated by Turley that around 1,500 workers in Central Lancashire could be needed to fill jobs that it will directly or indirectly create – i.e. there was no need to make a further commuting rate adjustment to this figure.



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over the plan period 2023 to 2041 depending on the scenario followed. This equates to 907, 1,446 and 1,531 houses per annum respectively for the low, mid and high scenarios over the plan period 2023-2041.

We note that for the Low scenario, the 907 dwellings per annum is lower than the estimate of 1,237 presented in the Housing Study Update, also based on the Cambridge Econometrics forecasts. We do not have access to the Edge Analytics modelling used to generate these estimates, so it is not possible to identify what has led to this difference (other than the 1-to-1 commuting assumption made in the Housing Study Update, which would only explain a small part of it). Nevertheless, it is notable that different assumptions could lead to the same employment growth figures generating a higher housing requirement.

The 'Mid' scenario produces annual housing need well in excess of the 1,314 dpa from the draft Local Plan. The 'High' scenario, accounting for the establishment of the NCF, increases it to more than 200 dpa above that requirement.

Table 5-3: Dwellings increase estimates from job growth projections (2023 – 2041)

	Assumption	Low (Cambridge)	Mid (Oxford)	High (Oxford + 1,500 (NCF))
Increased employment	N/A	16,660	26,550	28,050
Working in Central Lancs/ From Home	97%	16,092	25,645	27,145
Unemployment Rate	3%	16,519	26,325	27,865
Economically Active Ratio	77%	21,442	34,170	36,169
Dependency Ratio	61%	35,028	55,822	59,087
Residents per dwelling	2.22	15,747	25,094	26,562
Vacancy Rate	3.7%	16,335	26,032	27,555
Local Plan period (per annum)	18	907	1,446	1,531
Dwellings per annum				

Source: Various, Stantec analysis

5.2 Central Lancashire Property Market Analysis

5.2.1 Industrial

The data we have used is derived from a single source, CoStar's Commercial Real Estate Market Analytics (CoStar Analytics). CoStar Commercial Real Estate is a global real estate information and analytics company that provides comprehensive data on property markets. This provides access to an extensive and comprehensive database of verified property-level data, including type, status, floorspace, use and year built or renovated.

CoStar Analytics collates, categorises and aggregates the property data, updates it on a quarterly basis, and provides a platform for bespoke area analysis, by property type and size, of relevant metrics such as floorspace inventory, deliveries, leasing activity and vacancy rates.

For this review, we have analysed CoStar Analytics data tagged as relating to the Industrial and Light Industrial property type, hereafter referred to as Industrial property / floorspace. In addition, we have



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filtered the data by the following secondary building types; distribution (including light distribution) warehouse and no secondary type.

The characteristics we have examined are:

- a) Change in floorspace inventory and characteristics of the existing stock,
- b) Vacancy rates (across the inventory) and availability (of floorspace to potential occupiers, whether presently vacant or not),
- c) Floorspace delivery (of new buildings or additional space), gross absorption (move-ins) also known as take-up, and net absorption (move-ins less move-outs) also known as net take-up.

5.2.1.1 Floorspace Inventory

Table 5-4 shows the industrial floorspace inventory across Central Lancashire in relation to Lancashire. The floorspace inventory in Central Lancashire equates to 26.7 million sq. ft of industrial floorspace, which is 23% of the floorspace across Lancashire (113.9 million sq. ft).

Table 5-4: Industrial Floorspace Inventory (Q1 2025 QTD)

Inventory (all units)	Central Lancashire	Lancashire
2025 Q1 QTD	26,673,632	113,850,368

Source: CoStar 2025

Central Lancashire has seen an 11% increase in industrial floorspace over the last 10 years (Table 5-5) which equates to around 2.6 million sq. ft. Lancashire which has seen an 8% increase in industrial floorspace (8.6 million sq. ft) increase; therefore, Central Lancashire accounted for 30% of the increase in floorspace across Lancashire in the past 10 years.

Table 5-5: Change in Inventory Q1 2015 to Q1 2025 QTD

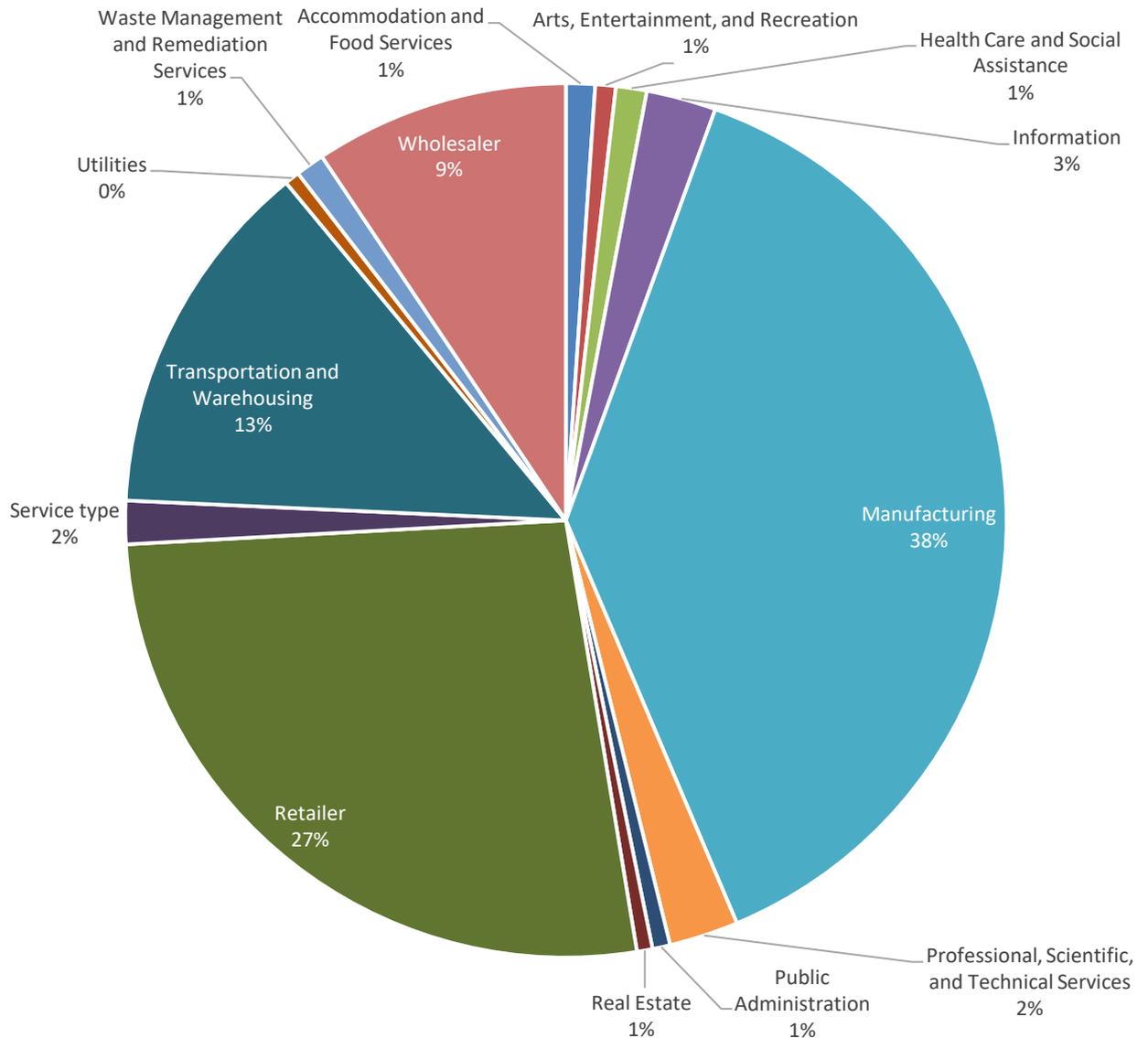
Change in inventory	Central Lancashire	Lancashire
Q1 2015 to Q1 2025 QTD	11%	8%
Sq. ft	2,612,054	8,564,865

Source: CoStar 2025



5.2.1.2 Existing Tenants

Figure 5-1: Existing Tenants in Central Lancashire



Source: CoStar 2025

The largest proportion of industrial and logistics tenants in Central Lancashire are within the retail industry (30%), following by the manufacturing industry (25%) and transportation and warehousing industry (15%). The largest occupier in Central Lancashire is Paccar a truck manufacturer who occupy 795,000 sq. ft in Leyland, South Ribble. Other large occupiers include InBev, Victorian Plumbing and Waitrose and Partners. This highlights the range of employment opportunities in Milton Keynes and shows the need for housing to allow employees to live within close proximity to their workplace to ensure they have a beneficial work life balance.



5.2.1.3 Vacancy Rates and Availability

Vacancy Rates are a measure of floorspace utilisation. If the vacancy rate falls below circa 7% there is an imbalance in the market and demand outstrips supply. The 7% equilibrium is a commonly accepted national benchmark in real estate economics and is often cited based on historical data and industry experts. This is the rate below which rental growth, as a result of a tightening of supply, can become unaffordable for occupiers. Figure 5-2 illustrates the vacancy rate in Central Lancashire and Lancashire over the past 10 years.

Figure 5-2: Industrial Vacancy Rates Q1 2015 to Q1 2025 QTD



Source: CoStar 2025

The vacancy rate has remained below the 7% equilibrium across Central Lancashire and Lancashire. Currently the vacancy rate in Central Lancashire is 5.4% and 4.9% in Lancashire which has increased since 2023, albeit remaining under the equilibrium, this is owing to the recent deliveries of new floorspace that has quickly been absorbed, indicating a growing job market. The low vacancy rate that has been seen over the period indicates a lack of space for current or potential businesses to move into. It is expected new vacancies will be quickly moved into after the current spike in vacancy; indeed, this is already happening as the vacancy rate is beginning to level out.

In addition to vacancy levels, we also assess the availability rate. The availability rate is a measure of all available floorspace. It differs from the vacancy rate in that the availability rate includes floorspace that is available by way of a sub-lease and buildings under construction that are available to pre-let when the building is complete. Figure 5-3 illustrates the availability rate in Central Lancashire and Lancashire over the last 10 years.

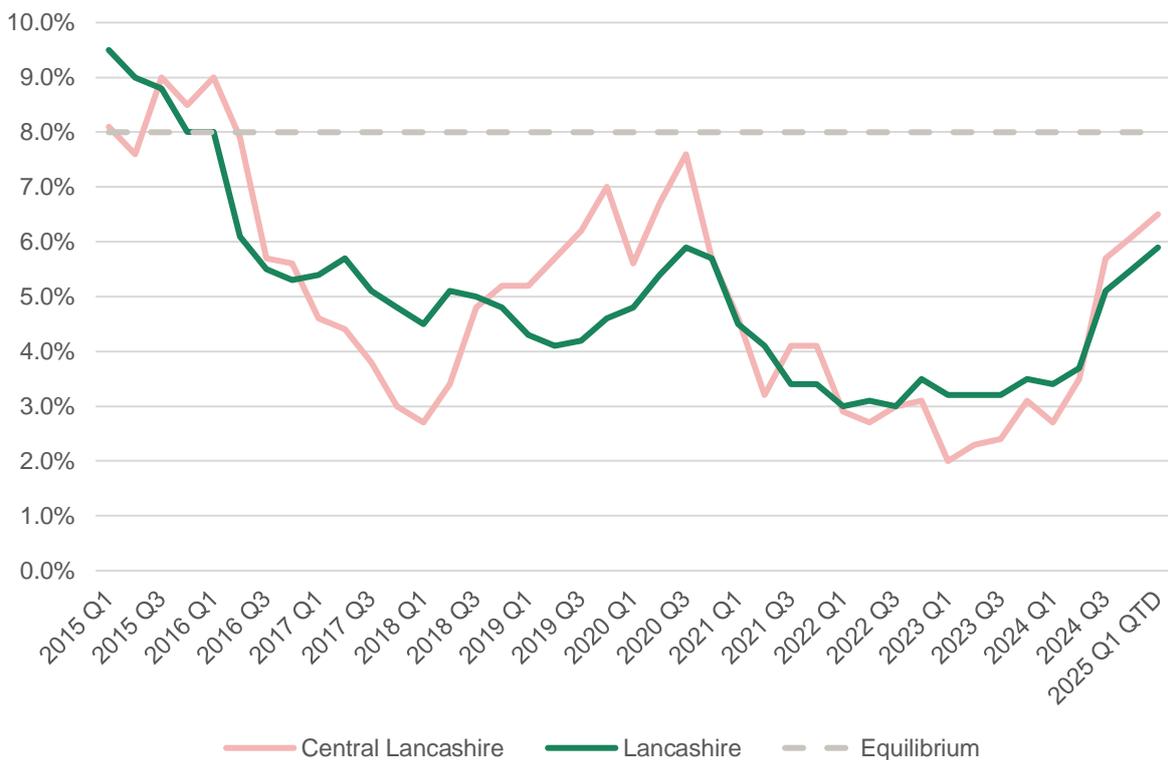


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The equilibrium availability rate is circa 8%. Similar to the vacancy rate, this is a nationally recognised benchmark used in real estate economics derived from historical data and industry experts. If the availability rate falls below this rate there is an excess of demand over supply in the market. This leads to some demand being suppressed as the current supply in the market cannot fulfil demand needs. The equilibrium for availability rates is slightly higher than that of vacancy rates given the inclusion of floorspace available by way of a sub-lease and buildings that have not yet reached practical completion.

The current availability rate in Central Lancashire is 6.5% and 5.9% in Lancashire. The availability rate for both has therefore been under the 8% equilibrium since around 2017.

Figure 5-3: Industrial Availability Rates Q1 2015 to Q1 2025 QTD



Source: CoStar 2025

5.2.1.4 Current and Future Stock

Table 5-6 and Figure 5-4 show the current and future pipeline stock in Central Lancashire that measure over 100,000 sq. ft. Overall, there is a total of 2.2 million sq. ft available to occupiers; 1.1 million sq. ft of existing space and 1.1 million sq. ft of space in the pipeline (under construction and existing).

New employment sites such as Central 600 and Aptus, as well as major employers moving to the area like National Cyber Force, will need an increased number of employees and will attract new employees looking for work in the area. As a result, it is important there is appropriate, affordable housing stock available to ensure residents are living and working in close proximity to ensure they have a good work life balance and aren't enduring long commutes.

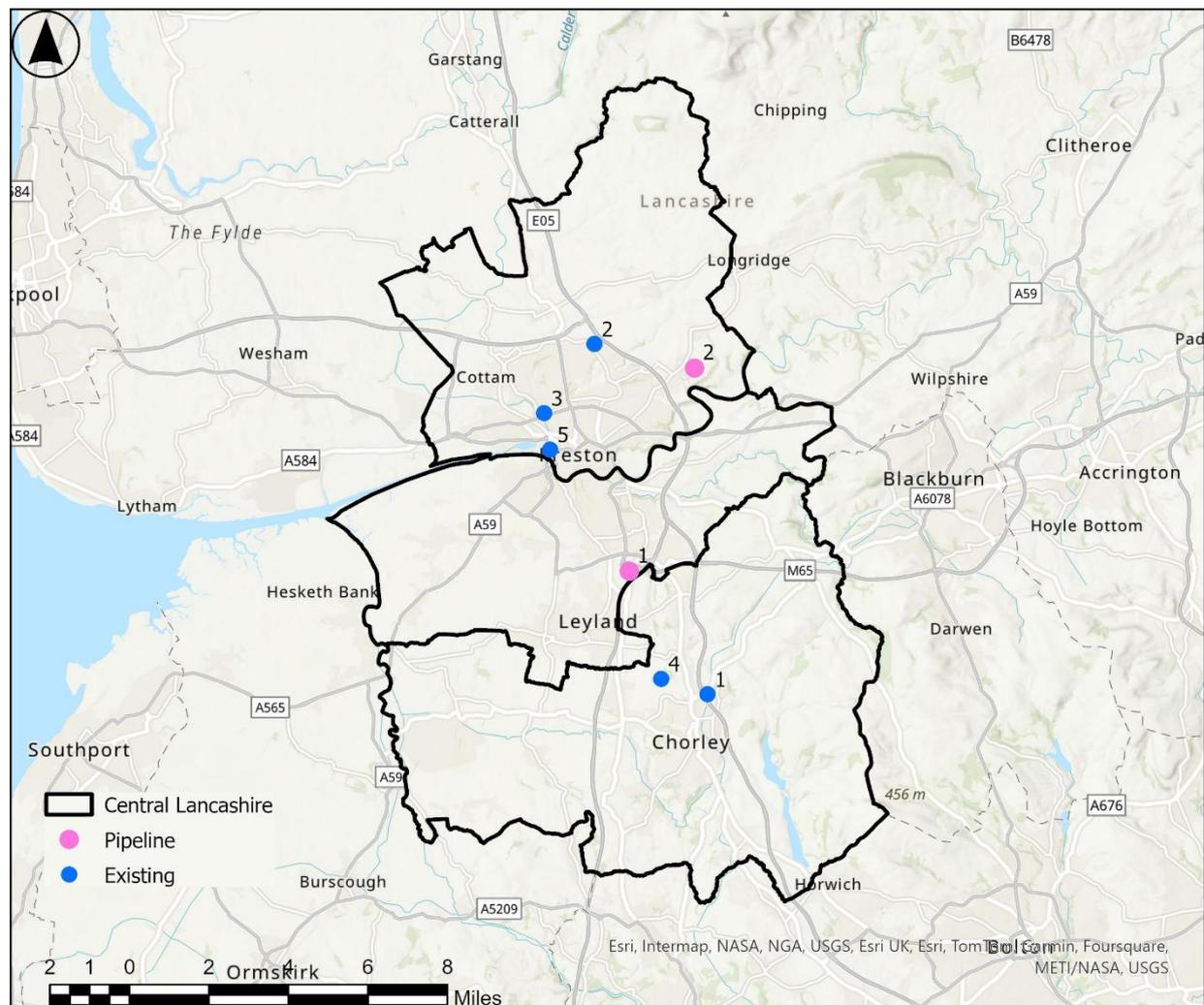


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Table 5-6: Existing and Pipeline Stock in Central Lancashire (100,000 sq. ft plus)

Address	Size	Year built	Comments
Existing			
Botany 158, Botany Bay Business Park	158,360	2024	New build unit.
1 Oliver's Place	152,878	1979	Aged. End of economic life.
Tulketh Mill	299,622	1907	End of economic life.
Revolution185	185,191	2015	Relatively new build.
Channel Way Business Park	290,000	1980	Aged. End of economic life.
Pipeline			
Central 600	605,976	New build.	
Aptus	500,000	New build.	Under construction.
Existing Total	1,086,051		Outline planning consent.
Pipeline Total	1,105,976		
Overall Total	2,192,027		

Figure 5-4: Existing and pipeline stock in Central Lancashire (100,000 sq. ft plus)



5.2.1.5 Gross and Net Absorption

Net absorption is the measure of the total space occupied less the total space vacated over a given period of time. If net absorption is positive, it means move-ins have been greater than move-outs over the period and vice versa.

Over time, positive net absorption is indicative of increasing demand. Of course, occupiers can only move into space that is available, which means that it is wholly undesirable to have no space available, which would only serve to suppress demand and create a barrier to economic growth.

Studied over time, net absorption and change in availability provides a basis for concluding whether the market is under supplied or not and for making floorspace demand projections based on past trends. All things being equal, net absorption (net take up) is a leading indicator of the market appetite for industrial floorspace.

The 10-year average net absorption across Central Lancashire was 366,000 sq. ft, with peaks in 2022 and 2023 equalling 623,000 and 567,000 sq. ft respectively. This indicates high demand in Central Lancashire given move-ins massively outstripped move-outs. This implies significant growth in industrial floorspace therefore employment growth facilitated by an affordable housing stock is imperative to allowing such economic growth to occur. Positive net absorption is in the context of historically low availability and vacancy rates in Central Lancashire, contributing to significant under supply of industrial space.

Figure 5-5: Gross absorption, net deliveries and availability rate Q1 2015 to Q1 2025 QTD



Source: CoStar 2025



Gross absorption is another leading indicator of the market's appetite for industrial floorspace (Figure 5-5). Gross absorption differs from net absorption in that it doesn't consider floorspace that has been vacated. In the context of historically low availability and vacancy rates, under the equilibrium level that sees churn in the market, gross absorption doesn't account for moves out of the area. As previously discussed, occupiers may need to relocate to find space that better fits their business requirements. Figure 6.6 displays gross absorption alongside net deliveries and the availability rate.

Gross absorption over the last 10 years has averaged 540,000 sq. ft increasing to 566,000 sq. ft in the last 5 years indicating an uptick in demand in the past 5 years. At the same time, net deliveries have averaged 330,000 sq. ft per annum over the 10-year period increasing to 396,000 per annum. This highlights the relationship between net deliveries and absorption, showing that new space entering the market is in high demand and is being occupied quickly. For this to happen, the new space must attract residents from the surrounding area with attractive and affordable housing.

5.2.2 The North West Cyber Corridor

The North West Cyber Corridor in and around Lancashire is a significant hub for cyber security and digital innovation in the UK. The corridor benefits from the presence of major employers in the defence and intelligence sectors, such as BAE Systems, Raytheon, and Northrop Grumman, and hosts around 300 unique cyber security companies, contributing substantially to the local economy²⁸.

These companies play a crucial role in driving technological advancements and providing high-skilled employment opportunities. BAE Systems has a major presence in Samlesbury, and recently announced hundreds of new apprentice and graduate roles in Lancashire²⁹.

One of the most notable developments in the North West Cyber Corridor is the upcoming establishment of the National Cyber Force in Samlesbury. Set to open in 2025, the NCF is a partnership between the Ministry of Defence and intelligence agencies, aimed at enhancing the UK's cyber capabilities. As discussed above, Stantec understands that this is expected to create an estimated 1,500 direct and indirect jobs in Central Lancashire. The Lancashire Cyber Partnership will see the NCF collaborate with academic institutions and industry to support the Corridor's growth and success³⁰.

5.2.3 UCLan Expansion in Preston City Centre

UCLan (University of Central Lancashire) has undergone significant expansion in recent years to improve its facilities, campus, and student experience. Notable developments include the UCLan Student Centre, the Engineering Innovation Centre (EIC), and the Creative Arts Building. These projects provide state-of-the-art spaces for study, research, and creative work, while the Engineering and Health Building enhances training in healthcare and social work. The university has also prioritised

²⁸ The North West Cyber Corridor, Innovation Impact Study Evidence Base (2023), Perspective Economics [LancasterCyberCorridorImpactStudy.pdf](#)

²⁹ [BAE Systems reveals next recruitment drive in Lancashire | Lancashire Telegraph](#)

³⁰ [New Partnership for Cyber Collaboration - GOV.UK](#)



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sustainability, focusing on energy-efficient buildings and green spaces as part of a broader campus regeneration.³¹

Looking ahead, UCLan has ambitious plans for further campus development as part of its long-term masterplan. This includes building new academic buildings, student accommodation, and modern facilities to meet the needs of a growing student population. The university also aims to integrate better with the city centre by improving pedestrian access, fostering a more connected and vibrant community for students, staff, and local residents.³²

UCLan plans to expand its research and innovation hubs, particularly in engineering, health, digital technologies, and sustainability. The university seeks to collaborate with industry and regional partners to drive innovation and contribute to local economic growth. Additionally, UCLan is focusing on regional economic development by equipping students with skills in key sectors, including digital tech, engineering, and healthcare, thus strengthening its role in the local economy.³³

The university also has a strong focus on enhancing the student experience and its cultural and community engagement. This includes providing more student support services, improving mental health resources, and offering opportunities for extracurricular involvement. UCLan is committed to expanding its international presence, building global partnerships, and increasing its role as a cultural and educational hub in Preston, ultimately contributing to the city's growth and long-term success.

The expansion of UCLan in Preston significantly impacts both employment and housing needs. The growth of the university creates direct job opportunities within UCLan, such as academic, research, and support roles, while also driving local job creation in construction, retail, hospitality, and services. The increased student population raises demand for student accommodation, putting pressure on the local housing market and potentially driving up rents. This creates opportunities for the development of new student housing and residential properties, both on and off-campus, to meet the growing demand. Overall, UCLan's expansion stimulates economic growth, job creation, and housing development, although it also necessitates strategic planning to manage housing pressures.

5.3 Key Findings

Stantec analysed job projections for Central Lancashire from Cambridge Econometrics and Oxford Economics, with the former predicting 16,660 new jobs and the latter 26,550 between 2023 and 2041. It has been estimated that a further 1,500 workers could be needed in Central Lancashire to fill jobs directly or indirectly created by the National Cyber Force.

Using Census data and employment assumptions, Stantec estimated the resulting housing demand. Based on economic activity rates, job-to-worker ratios, and commuting trends, the expected

³¹ <https://www.uclan.ac.uk/news/uclan-takes-ownership-of-60-million-student-centre-and-university-square#:~:text=Now%20open%2C%20the%20University%20Square,various%20University%20and%20public%20events>.

³² <https://investprestoncity.com/article/2892/University-of-Central-Lancashire-UCLan-Masterplan>

³³ <https://clock.uclan.ac.uk/11463/>



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employment growth will require between 16,335 and 27,555 additional dwellings over the period (907 to 1,531 per annum) to accommodate the workforce.

The industrial floorspace inventory in Central Lancashire stands at 26.7 million sq. ft, representing 23% of Lancashire's total of 113.9 million sq. ft. Over the past decade, Central Lancashire's industrial floorspace has grown by 11% (2.6 million sq. ft), outpacing Lancashire's 8% increase (8.6 million sq. ft). This means that Central Lancashire has accounted for 30% of Lancashire's total growth in industrial floorspace over this period.

The region's largest industrial tenants are primarily in the retail (30%), manufacturing (25%), and transportation and warehousing (15%) industries. Major occupiers include Paccar, InBev, Victorian Plumbing, and Waitrose & Partners. With significant employment opportunities available, the report highlights the importance of affordable housing near workplaces to ensure a balanced work-life dynamic for employees.

Vacancy and availability rates remain below equilibrium levels, indicating strong demand for industrial space. The current vacancy rate in Central Lancashire is 5.4%, while the availability rate is 6.5%, both below the 7% and 8% industry benchmarks, respectively. Although new floorspace has been added, it is quickly absorbed, showing continued market demand. This suggests that sustained low availability could suppress demand and restrict business growth due to limited space options.

Net absorption, a key indicator of market demand, has averaged 366,000 sq. ft annually over the past decade, with peaks in 2022 and 2023. Gross absorption has also risen, reflecting increasing demand, while net deliveries have averaged 396,000 sq. ft per year in the last five years. This highlights the urgent need for new industrial space and a sufficient supply of affordable housing to accommodate the growing workforce and sustain economic expansion in the region.

In conclusion, the expansion of industrial floorspace in Central Lancashire is linked to job creation, as each new or expanded industrial facility requires employees to operate. As new developments like Central 600 and Alpus become occupied, workers will need housing close to their workplaces. It is clear that the continued industrial growth in Central Lancashire is likely to increase housing demand as new employees are drawn to the area.

UCLan's expansion enhances its facilities, including new buildings and research hubs, while increasing employment and supporting local economic growth. The growth drives higher demand for housing for both students and employees of the university.



6 Indicative Housing Need Conclusions

The Publication draft of the Central Lancashire Authorities' Local Plan 2023-2041 includes a housing requirement of 1,314 dwellings per annum. This is based on the Housing Study Update produced by DLP Planning in December 2024. On the basis of employment growth forecasts from Cambridge Econometrics, this study initially arrives at a housing need of 1,237 dwellings per annum (dpa) for the three authorities combined. This is above the requirement from standard method in NPPF2023, but below that from NPPF2024.

The housing need is then adjusted upwards by 77 dpa to 1,314 dpa (23,652 over the 2023-2041 plan period); this makes it 80% of standard method and therefore, given the timing of the local plan process, is proposed to be subject to the transitional provisions of the NPPF.

Standard method need was 1,643 dpa, or 29,574 over the plan period, at the time of the draft Local Plan. Following the release of 2024 affordability ratios in March 2025, Central Lancashire's figure has slightly increased to 1,662 (reducing the Plan figure % of standard method from 80.0% to 79.1%)³⁴. 80% of the new figure (1,662) would be 1,330 rather than 1,314.

Stantec Development Economics considers that there are clear reasons for exceeding the requirement identified by the Central Lancashire Authorities in the draft Local Plan, based on our analysis and reviews of the evidence.

Moreover, the allocation of housing requirements between the three authorities in the draft Local Plan substantially reduces the level and share assigned to Chorley – fully 41% lower than standard method. This may pose difficulties for delivering a sufficient level of housing, including affordable and specialist, there.

Draft Local Plan housing need figures, % difference vs NPPF 2024

	Preston	South Ribble	Chorley	Total
Standard method NPPF2024	590	489	564	1,643
Draft Local Plan	520	460	334	1,314
<i>% difference vs NPPF2024</i>	-12%	-6%	-41%	-20%

Source: Housing Study Update 2024, draft Local Plan, Stantec analysis

Affordable Housing

The HNDAs produced by Arc4 include estimates of affordable housing need. We have scrutinised these and consider that, while the approach taken is broadly reasonable, there are issues with their

³⁴ The 1,662 per annum breaks down to 616 in Preston, 492 in South Ribble, and 554 in Chorley and amounts to 29,916 over the plan period. Standard method figures will update again later in the year when new dwelling stock estimates are released (and will go up, outside the extremely unlikely case that there have been net demolitions).



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methodology which, if addressed, increase net affordable need per annum from 831 to 1,364 (and that this may still be a cautious estimate).

We then evaluated the percentage of affordable housing need delivered under a range of scenarios, covering:

- The level of need: Arc4's estimates, or those incorporating Stantec's adjustments.
- Overall housing delivery; the 1,314 dpa from the draft Local Plan, or housing need under the new standard method (as published in December 2024, using 2023 affordability ratios) of 1,643 dpa.
- Affordable housing delivery rate – the 30% target from the draft plan, or historic rates of delivery (24.9% across the three authorities).

On affordability grounds, there is a clear case for delivering *at least* standard method housing need. Even on the most generous assumptions, this will result in only 59.3% of need being met – compared to 47.4% if only the requirement suggested in the Local Plan is delivered. More pessimistic assumptions – i.e. using Stantec's higher requirement for affordable need and historic delivery rates – could bring the percentage of need met as low as 26.7%.

The most significant difference between the unadjusted and adjusted estimates is in Chorley. The adjusted estimates of need exceed all measures of *overall* housing requirement, including standard method. This imbalance is most extreme when considering the housing requirements proposed in the Local Plan, which allocates need away from Chorley and into the other authorities.

Specialist Housing for Older People

The HNDAs also consider the need for specialist housing for older people. Here, Stantec considers that the approach is more fundamentally flawed than that used for affordable need. Rather than applying any evidence on the provision rate of specialist housing required, it simply 'bakes in' the current rate of provision per head of older population and estimates additional provision that would be required. This results in a net need of just 1,961 to 2038 (slightly before the end of the plan period).

Stantec estimates requirements using the 'Housing in Later Life' toolkit; a highly-respected means of providing cautious minimum estimates of need. This results in a requirement nearly four times higher than Arc4's – of 7,409 specialist housing units to 2038. Moreover, on the basis of these figures, in 2021 there was a net need of 4,632 – not 0 as the HNDAs methodology implies.

Moreover, even meeting the Housing in Later Life requirements would leave roughly 4 in every 5 older households (all members aged 66+) without a specialist housing option. This underlines the point that these are minimum requirements and exceeding them could deliver positive outcomes – i.e. allowing older households to remain independent and safe for longer, and freeing up larger homes suitable for families.

The need for specialist housing is predominantly for market housing – therefore provision of it doesn't detract from affordable need (and some affordable need is affordable specialist, i.e. sheltered housing for social rent). Nevertheless, the extent of need supports higher delivery; the cautious net need of 7,409 units is nearly one third of the plan requirement, but only one quarter of standard method need.



Central Lancashire Housing Need

6 Indicative Housing Need Conclusions

Employment-Driven Growth

The housing requirement in the draft plan is based heavily on employment forecasts from Cambridge Econometrics. Stantec considers this to be relatively cautious; it forecasts jobs growth of 16,660 over the plan period, whereas Oxford Economics forecasts estimate an increase of 26,550 – almost 60% higher. Moreover, neither set of forecasts accounts for the planned establishment of the National Cyber Force headquarters in Samlesbury. They do not therefore account for the additional jobs that would be based in Central Lancashire as a result of this investment, with the area clearly having the opportunity to retain a substantial proportion of the 3,120 jobs estimated to be directly or indirectly created throughout the North West. Ignoring these jobs equally fails to recognise the need for housing generated by the individuals who fill them, with Turley considering it reasonable to assume that 1,500 of the jobs created by the NCF will be filled by people needing a home nearby.

Translating jobs growth into dwellings requirements, we estimate that:

- The 16,660 additional jobs in the Cambridge Econometrics forecast would require 16,335 additional dwellings, 907 dpa.
- The 26,550 additional jobs in the Oxford Economics forecast would require 26,032 additional dwellings, 1,446 dpa.
- Adding the 1,500 workers needed to fill jobs directly or indirectly created at the National Cyber Force HQ to the above would require 27,555 additional dwellings, 1,531 dpa.

The plan housing requirement is 1,314 dpa. Delivering this would therefore support only the most cautious employment growth scenario. Allowing for an alternative estimate of baseline employment growth results in housing need over 100 dpa higher. Meeting the plan requirement for housing only would either result in this growth being suppressed or in increased unsustainable patterns of commuting.

Moreover, the impact of the NCF HQ should be accounted for. This takes dwellings growth required to support employment growth further above the plan requirement. Delivering standard method need of 1,643 dpa would accommodate this requirement and leave a small amount of additional headroom for further growth.

The Consultation Version of The Lancashire Growth Plan notes that

*The LCCA [Lancashire Combined County Authority], in working in conjunction with local planning authorities, and by engaging key partners such as Homes England, creates the potential to substantially increase, renew, and diversify the housing stock within the county. It can help the pre-existing regional house building industry to do more and attract major investment to accelerate other forms of house building projects, such as large-scale urban regeneration and new settlements. The modern workforce that Lancashire aspires to increasingly requires a more diverse housing offer that aligns closely with the strengths and potential of the county. Deploying new and future devolved powers and resources are key to achieving the form of **joined-up economic and housing growth that can directly contribute to***



delivering the Government's growth missions and realising Lancashire's full potential.³⁵ (our emphasis)

There is a strong case for all Lancashire authorities to plan for growth given the county's distinctive strengths in growing sectors like cyber, defence, clean growth, and advanced engineering and manufacturing. Central Lancashire is no exception and delivering less than standard method need risks undermining its enormous growth potential.

Housing Need Conclusions

To summarise:

- The draft Local Plan uses an arbitrary adjustment to reach a housing requirement which is 80% of standard method (and therefore proposed to be subject to the transitional provisions of the NPPF 2024).
- The HNDAs estimate net annual affordable need to be 831. Stantec's adjustments increase this to 1,364.
- The HNDAs estimates of need for specialist housing for older people are flawed, and Stantec estimates a net need nearly four times higher (7,409 rather than 1,961).
- Employment forecasts informing the Local Plan are very pessimistic and 'policy-off'. Addressing this implies a housing need above that from the draft Local Plan.

Stantec Development Economics consider that at least NPPF2024 standard method need should be delivered. This is **1,643 dwellings per annum** (split by authority: 590 in Preston, 489 in South Ribble, and 564 in Chorley) or **29,574 over the 18-year plan period**.

Delivering this level of housing would: allow a higher proportion (though still not all) of affordable housing need to be met; ease delivery of specialist housing requirements within overall need; and support continued, sustainable growth of high-tech employment in Lancashire.

Taking forward the lower figure from the draft Local Plan would compromise these objectives as follows:

- A significantly lower proportion of affordable housing need would be met.
- Accommodating the identified need for specialist housing for older people (which we consider to be a cautious minimum) within overall housing delivery would be more challenging.
- Dwellings growth would not be sufficient to accommodate even the growth scenario based on Oxford Economics forecasts alone, let alone the higher scenario which accounts for the impacts of the NCF. This would result in increased unsustainable commuting and/or suppressed employment growth.

³⁵ [The Lancashire Growth Plan 2025 to 2035](#), page 32



Central Lancashire Housing Need

6 Indicative Housing Need Conclusions

- Government policy is to significantly increase housebuilding and improve affordability, with a target of 1.5 million new homes over the course of this parliament³⁶. Local targets under standard method have been set to meet these policy goals, so delivering less makes their achievement less likely.

Therefore, NPPF2024 standard method need should be met.

³⁶ [Planning overhaul to reach 1.5 million new homes - GOV.UK](#)



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