



Leeds

Demographic Review

September 2016

For the attention of:

Martin Elliot

Group Manager

(Policy & Plans)

edgeanalytics

Leeds Innovation Centre | 103 Clarendon Road | Leeds | LS2 9DF

0113 384 6087 | www.edgeanalytics.co.uk

Acknowledgements

Demographic statistics used in this report have been derived from data from the Office for National Statistics licensed under the Open Government Licence v.3.0.

The authors of this report do not accept liability for any costs or consequential loss involved following the use of the data and analysis referred to here; this is entirely the responsibility of the users of the information presented in this report.

Table of Contents

Acknowledgements	i
Table of Contents	ii
1 Introduction	1
2 Evidence Timeline	3
3 Population Change	5
4 Household Change	11
5 Economic Change	13
6 Summary	15

I. Introduction

Context

- 1.1 Leeds City Council is considering a full update to its Strategic Housing Market Assessment (SHMA). The most recent SHMA, completed in 2011 and published in 2012¹ provided the evidence base for Core Strategy development and for the identification of a housing growth requirement for the Leeds local authority district: **4,375** new housing units per year for the 2012–2028 plan period. Formulating the demographic evidence for the SHMA was a challenging proposition, with historical inaccuracies associated with the true scale and distribution of Leeds' population growth, plus uncertainties relating to the longer-term impact of prevailing economic conditions.
- 1.2 Since publication of the SHMA, a range of new demographic evidence has been made available, including output from the 2011 Census, revisions to population estimates, plus new population and household projections. In addition, economic forecasts for Leeds and its City Region have continued to be published on a periodic basis, reflecting the changing outlook for global, national and regional growth across industry sectors.
- 1.3 Since 2012, the Leeds' Core Strategy has been subject to public examination whilst the National Planning Policy Framework (NPPF)² and Planning Practice Guidance (PPG) have provided new guidance on the objective assessment of housing need. In addition, the Planning Advisory Service (PAS)³ has published additional practical advice on the derivation of housing growth targets for local authority areas.
- 1.4 In the objective assessment of housing need, demographic evidence is a key input. The PPG states that the Department for Communities and Local Government (DCLG) household projections should provide the “*starting point estimate of overall housing need*” (PPG paragraph 2a-015). Local circumstances, alternative assumptions and the most recent demographic evidence, including Office for National Statistics (ONS) population estimates, should also be considered (PPG paragraph 2a-017). Evidence that links demographic change to forecasts of economic growth should also be assessed (PPG paragraph 2a-018).
- 1.5 The choice of assumptions used for demographic forecasting has an important impact on scenario outcomes. This is particularly the case when trend projections are considered alongside employment forecasts. The scrutiny of demographic assumptions is now a critical component of the public examination process, providing much of the debate around the appropriateness of a particular objective assessment of housing need.

¹ Leeds Strategic Housing Market Assessment Update, Leeds City Council, May 2011.

http://www.leeds.gov.uk/docs/FPI_SHMA_001%20SHMA%202010%20Final%20Report.pdf

² <http://planningguidance.planningportal.gov.uk/blog/policy/>

³ <http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvicenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d>

Requirements & Approach

- 1.6 Leeds City Council has requested an initial review of Leeds' current demographic evidence, providing a summary for Officers and Members to consider in advance of a more complete refresh of its SHMA.
- 1.7 Section 2 of this document provides a summary of the historical schedule of official statistics and how their timing has coincided with the production of Leeds' demographic evidence. Section 3 examines population change in the city, illustrating how successive official projections have varied and how the 'components' of population change are expected to contribute towards population growth. Section 4 summarises the evidence on projected household growth, driven by the changing population but also dependent upon future rates of household formation. Section 5 provides a brief summary of changing economic evidence and highlights key issues to consider in the alignment of employment growth and demographic change. Section 6 concludes with a number of key points for Leeds City Council Members and Officers to consider in advance of the development of a new SHMA.

2. Evidence Timeline

- 2.1 In the absence of a population register, the UK continues to rely on the ten-yearly Census for a definitive count of population within its constituent local authority areas. Between Censuses, mid-year estimates are calculated, using data on births, deaths, internal and international migration to quantify annual population growth (Figure 1).

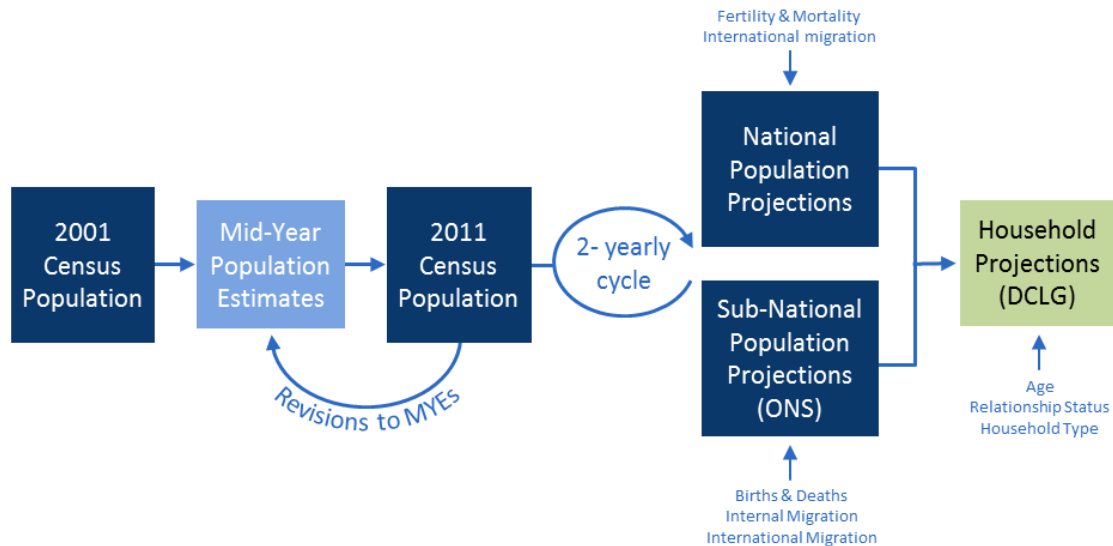


Figure 1: Official Statistics – population and households

- 2.2 Every two years, ONS publishes its national population projections (NPP), setting key assumptions on the likely long-term effects of fertility, mortality and international migration to estimate population growth outcomes for England, Wales, Scotland and Northern Ireland.
- 2.3 The national projection informs the sub-national population projections (SNPPs) for English local authorities, also published on a bi-yearly cycle. The latest, 2014-based SNPPs use a combination of national and local assumptions on births, deaths and migration to formulate a 25-year projection for each local authority area.
- 2.4 The SNPPs provide the key population input to the DCLG household projections. The latest 2014-based household projection model provides a 25-year projection of household growth for each of the English local authorities and the “starting point estimate of overall housing need” (PPG paragraph 2a-015). Table 1 provides a timeline to illustrate how the publication of official statistics and important methodological changes underpinning these statistics, have coincided with the production of evidence to support Leeds’ housing growth strategy.
- 2.5 The 2011 SHMA was completed prior to the collection and release of 2011 Census statistics and was largely completed using 2009-based demographic data. The demographic analysis formulated to support the SHMA required significant adjustments to Leeds’ base population.

- 2.6 These adjustments sought to correct both the over-estimation of (pre-Census) population growth, and the inaccuracies in the distribution of this growth between the twelve housing market areas that provided the sub-district focus of the SHMA analysis.

Table 1: Demographic evidence timeline

Year	Official Statistics					Leeds Evidence
	Mid-Year Population Estimates (ONS)	National Population Projections (ONS)	Sub-national Population Projections (ONS)	Sub-national Household Projections (DCLG)	ONS-DCLG Methodological Revisions	
	MYEs	NPP	SNPP	SNHP		
2006	MYE 2005					
2007	MYE 2006	NPP 2006		SNHP 2004		SHMA
2008	MYE 2007		SNPP 2006	SNHP 2004 (revised)		
2009	MYE 2008	NPP 2008		SNHP 2006		
2010	MYE 2009		SNPP 2008	SNHP 2008	Household Model & MYE 2002–2008	
2011	MYE 2010	NPP 2010			MYE 2006–2010	SHMA
2012	2011 Census MYE 2011		SNPP 2010 SNPP 2011 (interim)			
2013	MYE 2012	NPP 2012		SNHP 2011	MYE 2002–2010	Demographic Update
2014	MYE 2013		SNPP 2012			
2015	MYE 2014	NPP 2014		SNHP 2012	Household Model Assumptions	
2016	MYE 2015		SNPP 2014	SNHP 2014		

Note: the year suffix relates to the base year of the estimate or projection

- 2.7 The 2011 SHMA incorporated the DCLG's 2008-based household model and its assumptions for the estimation of household and dwelling growth statistics. The DCLG methodology was subject to substantial revision in the 2008-based release, with a larger number of household types and household headship rate projections that suggested relatively high rates of household formation compared to subsequent household models (2012-based and 2014-based).
- 2.8 Following publication of the SHMA, the ONS released a revised population estimates series for 2002–2010, accounting for mis-estimation between Censuses with the application of an Unattributable Population Change (UPC) adjustment to Leeds population, effectively removing in excess of 40,000 from Leeds' population estimate. This adjustment vindicated the approach taken in the SHMA.
- 2.9 In parallel with the release of new demographic evidence, the Regional Econometric Model (REM) has continued to provide an updated outlook on likely economic growth in Leeds. Economic forecasting has had to contend with the fall-out of the financial crash in 2007/08 and, more recently, the uncertainty surrounding the UK's exit from the European Union.

3. Population Change

Changing Evidence

- 3.1 The production of demographic evidence to support housing growth strategies requires robust population estimates and projections. The ONS series of population projections for Leeds illustrates how changes to the drivers of population growth, both through demographic change and methodological adjustments to data, have influenced projection outcomes (Figure 2).

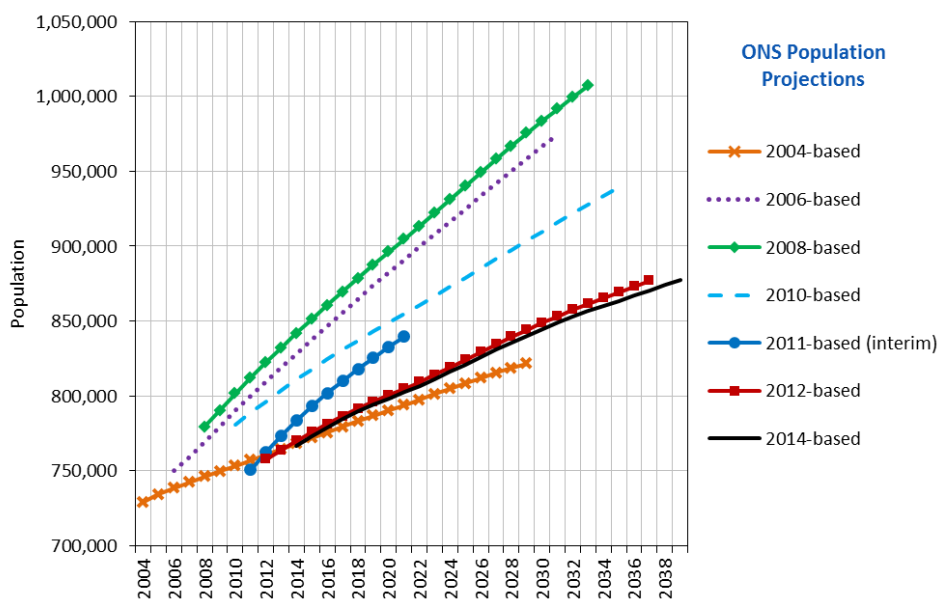


Figure 2: Leeds' ONS projections

- 3.2 The 2008-based population projections provided the ONS benchmark for the 2011 SHMA. This projection suggested a 29% population growth rate over a 25-year period, with Leeds' population estimated to exceed 1 million by 2033. In the latest, 2014-based projection, a lower level of population growth is estimated, at 14.5% growth over its 25-year horizon, achieving a population of 857,000 by 2033.

Components of Change

- 3.3 A components-of-change chart illustrates how Leeds' population has and is expected to change over the 2001–2039 time-period (Figure 3). The significant adjustments made to the population estimates following the 2011 Census are reflected in the UPC component of the chart. Looking at the history of change since 2001, natural change (the difference between the number of births and deaths) has increased in importance since 2001; internal migration has had only a marginal impact upon annual growth; and international migration has had a consistently positive impact upon growth.

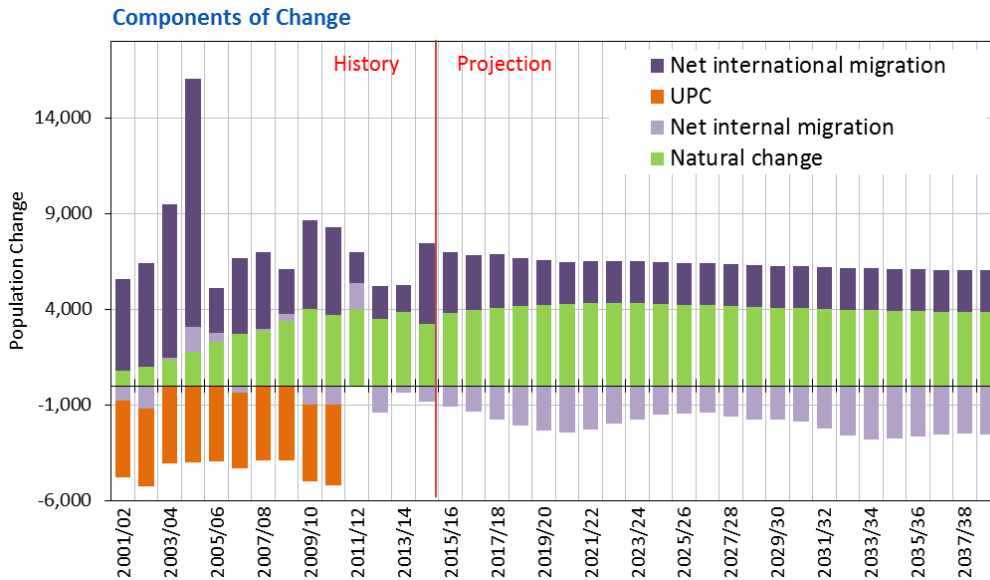


Figure 3: Leeds components of change, historical and 2014-based projection (Source: ONS)

3.4 Looking forward, the components of change for the 2014-based projection suggest a continuation of growth through natural change, an increasing net outflow due to internal migration and a positive net inflow due to international migration. Underpinning the projected growth in population are changes to the age profile, with the 1940s, 1950s and 1960s birth cohorts increasing the size of the older age-groups over the 25-year horizon (Table 2).

Table 2: Leeds: 2014-based projection population age profile (Source: ONS)

Age Group	2014	2039
Aged 65+	15%	19%
Aged 80+	4%	6%

3.5 Table 3 compares the 2014-based population growth assumptions with those evident from both a short-term (last 6-years) and longer-term (last 14-years) history. The future assumption on natural change exceeds both the short-term and longer-term average for Leeds. In contrast, the average net outflow through internal migration is approximately 2,000 per year in the projection, significantly higher than historical evidence has recorded. The projection assumptions for international migration are lower than the most recent short-term average for Leeds (ignoring any previous UPC adjustments).

3.6 In terms of actual population change, the 2014-based projection estimates an average annual increase of 0.58% over its 25-year horizon, consistent with the long-term average (0.58%) but below the most recent short-term trend (0.68%) historical perspective. The following sections provide further detail on how the individual components of change are estimated to contribute to Leeds population growth profile.

Table 3: Leeds – components of change (Source: ONS)

Component of Change	Historical		Projected
	6-year average (2009/10–2014/15)	14-year average (2002/03–2014/15)	2014-based SNPP average (2014/15–2038/39)
Natural Change	3,771	2,778	4,056
Net Internal Migration	-300	-127	-1,988
Net International Migration (+UPC)	1,558	1,524	2,378
Net International Migration (-UPC)	2,918	4,381	
Annual Population Change	5,029	4,175	4,447
Annual Population Change (%)	0.68%	0.58%	0.58%

Births & Deaths

3.7 Since 2001 there has been a significant growth in the number of live births recorded in Leeds, reaching a peak in 2011/12, reducing thereafter. Births are estimated to remain in excess of 10,000 per year in the 2014-based projection. Variations in the number of deaths has been less evident, with a long-term assumptions of just over 6,000 per year, rising in later years as the population profile ages.

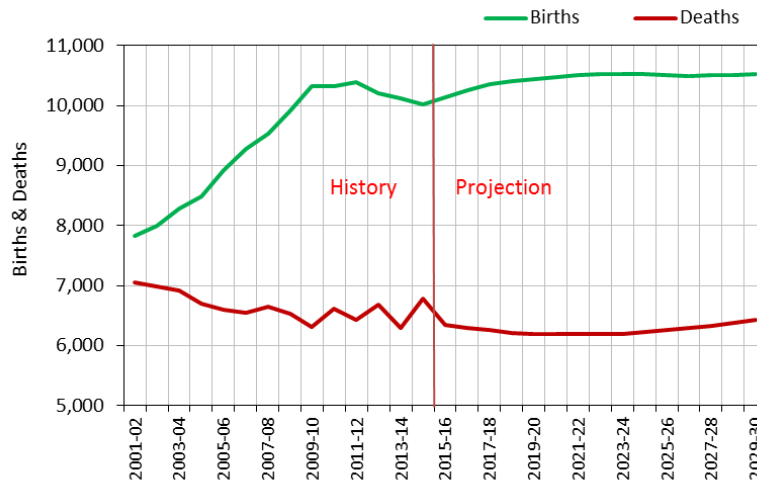


Figure 4: Leeds – births and deaths (Source: ONS)

Internal Migration

3.8 The relatively small impact of net internal migration upon Leeds’ population growth conceals what are two very large migration inflow and outflow effects. During the period 2008–2015, an average annual migration inflow of 37,000 people has been balanced by an equivalent outflow of 37,000 (Figure 5). However, within the 2014-based projection, there is an expectation that the migration outflow will differ more substantially from the corresponding inflow, with a resulting net out-migration picture that is very different from historical patterns.

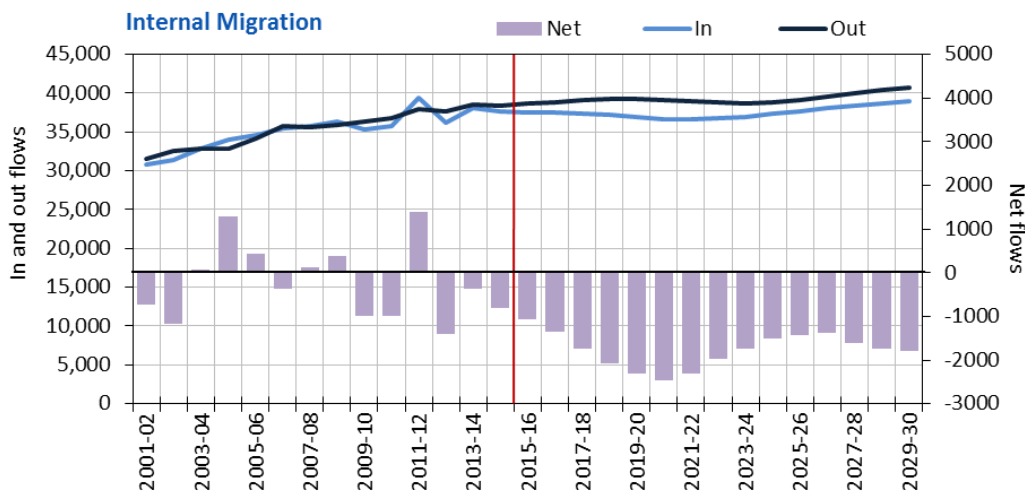


Figure 5: Leeds internal migration profile, 2001/02–2014/15 (source: ONS)

3.9 With three universities within its borders, the dominant annual migration inflow to Leeds is associated with students arriving from across England and Wales (Table 4). This net inflow contrasts with a net outflow both in the 20–24 age-group (as students complete their studies), and across all other age-groups.

3.10 The exchange of migrants between Leeds and the regions of the UK illustrates the continued draw of London and the continued net outflow of non-student migration to other parts of the Yorkshire and Humber region.

Table 4: Leeds – average net migration by age and region (Source: ONS)

Region	Average net migration balance 2008-2015			
	Age 15-19	Age 20-24	Other Ages	Total
East	640	(211)	(114)	316
East Midlands	694	(82)	(122)	491
London	569	(1,116)	(1,106)	(1,653)
North East	284	80	72	436
North West	1,616	(585)	(307)	725
South East	636	(232)	(324)	79
South West	222	(19)	(203)	(0)
Wales	92	6	(30)	68
West Midlands	495	(145)	(139)	210
Yorkshire & the Humber	842	64	(1,103)	(198)
Northern Ireland	48	1	(9)	40
Scotland	(4)	(10)	(145)	(160)
Total	6,133	(2,248)	(3,531)	354

International Migration

3.11 The historical and continuing effects of international migration upon population growth are the most difficult components to estimate robustly. Much of Leeds’ UPC adjustment after the 2011 Census is likely to have been associated with the mis-estimation of international migration. There remains considerable uncertainty over future immigration to the UK following the EU

referendum decision.

3.12 Figure 6 illustrates the estimated annual net impact of international migration upon population change in Leeds since 2005/06. The historical data excludes any UPC adjustment, with the projection statistics assuming a long-term average net effect that is broadly consistent with the 10-year historical picture.

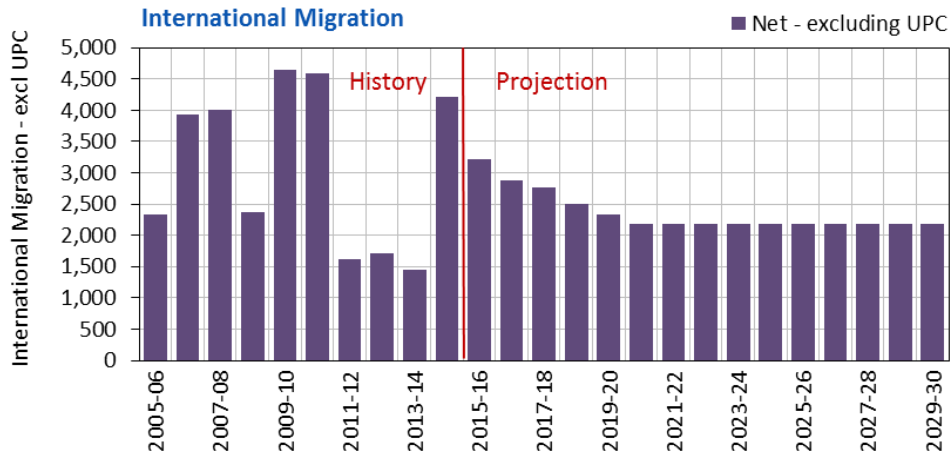
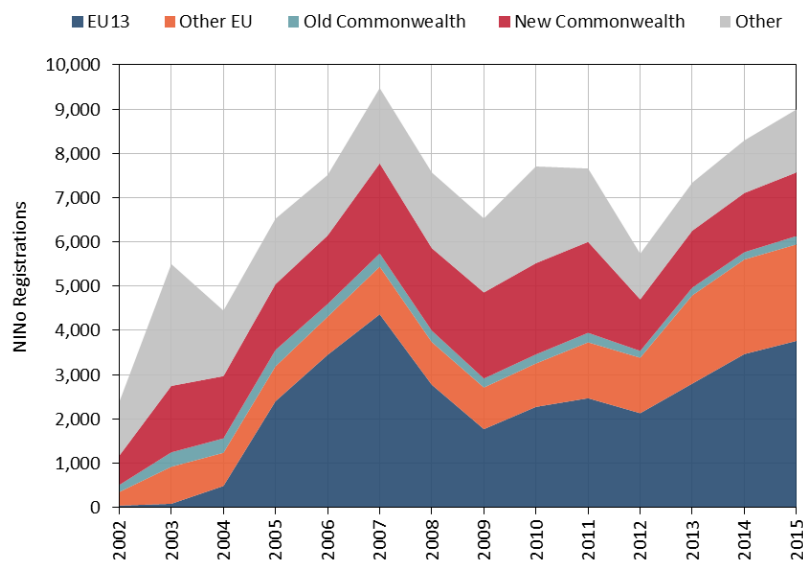


Figure 6: International Migration (Source: ONS)

3.13 The disaggregation of Leeds’ international migration flows into sub-groups is not possible from ONS statistics, but National Insurance Number (NINo) registrations provide an alternative measure of immigration, albeit for ‘working adults’ only. The peak in NINo registrations following EU Accession in 2004–2006 was followed by lower registration rates to 2012. As a consequence of deteriorating economic conditions in much of Europe, and with Bulgaria and Romania acquiring freedom-of-movement status, NINo registrations in Leeds have increased thereafter (Figure 7).



EU13 refers to countries that joined the European Union since 2004. Other EU refers to all other European Union countries

Figure 7: NINo Registrations in Leeds, 2002–2015 (Source: DWP)

Student Population

- 3.14 Table 4 has illustrated the significant impact of students upon Leeds’ migration profile. The annual variation in the scale of the inflow and outflow (and therefore ‘net’ flow) of students can have an important influence on population growth assumptions. The net migration balance will be determined by the degree to which the city ‘retains’ its students following graduation and by the degree to which Leeds’ Universities vary their respective intakes (undergraduate and postgraduate, domestic and international students) year-on-year.
- 3.15 Data from the Higher Education Statistics Agency (HESA) provides an indication of how student numbers have varied since 2001/02 for the three Leeds Universities (Figure 8). UK students comprise approximately 87% of the total, and the remaining 13% come from outside the UK to study at Leeds Universities each year.

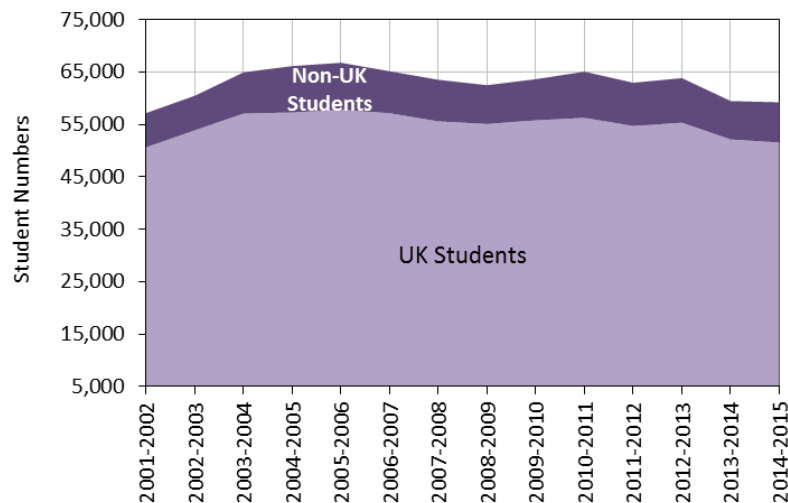


Figure 8: Leeds student numbers (part-time and full-time) 2001–2015 (Source: HESA)

- 3.16 Student numbers have fallen in recent years, with particular reductions in the number of part-time students and the number of UK students. The sharpest drop in numbers has been experienced since 2012, a likely consequence of significant changes to University tuition fees.
- 3.17 The variation in the student intake will have affected the city’s annual population growth (students are recorded at their term-time address in the mid-year population estimate) and, as a consequence, the annual migration profile. The recent fall in overall student numbers will likely have contributed to the lower growth outcomes of the 2014-based population projection.

4. Household Change

- 4.1 The 2014-based household projection model, which is underpinned by the 2014-based population projection, was released by the DCLG in July 2016, superseding the 2012-based household projection model. The methodological basis of the new 2014-based model is consistent with that employed in the previous 2008-based and 2012-based household projections, providing estimates of future household growth by type of household and age.
- 4.2 The 2014-based household headship rates (also referred to as household representative rates) have changed little from the 2012-based model, with only small adjustments made to account for new evidence arising from the latest Labour Force Survey (LFS) extracts. As a result, **the 2014-based household projection for Leeds differs from the 2012-based version primarily on the basis of a different underpinning population projection.**
- 4.3 The 2014-based DCLG household projection for Leeds estimates that the number of households will increase by 61,456 over the 2014–2039 projection period, equivalent to an additional 2,458 households per year, compared to 2,796 per year under the 2012-based model (Figure 9).

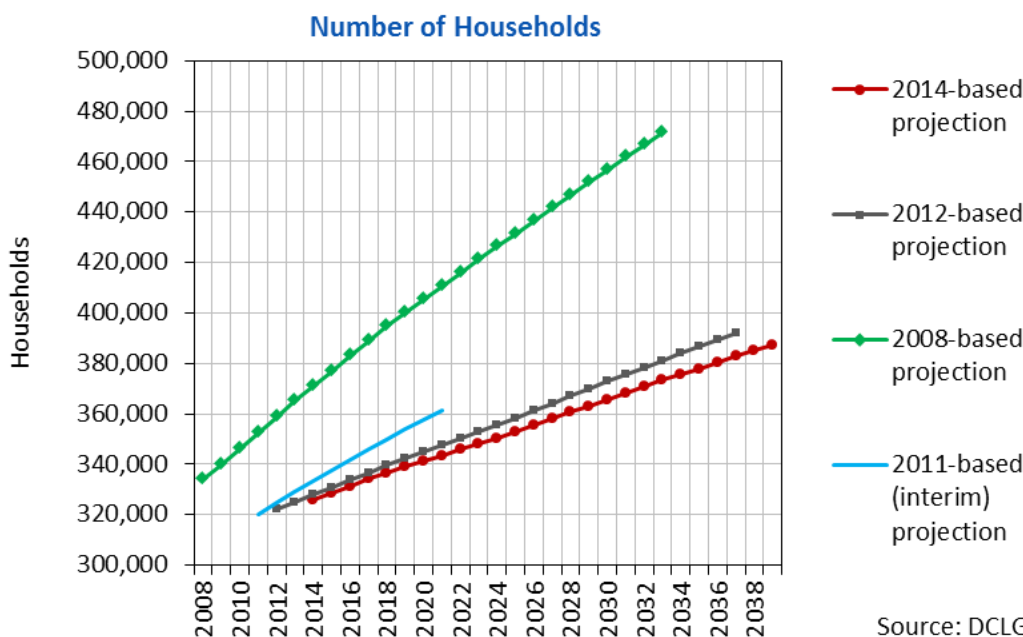


Figure 9: Household growth 2014 based DCLG household projections for Leeds

- 4.4 A significantly larger population growth expectation in the 2008-based household projection, coupled with household headship rates that suggested a more rapid reduction in average household size, resulted in an average annual household growth estimate of 5,503 per year under the 2008-based model alternative.
- 4.5 Whilst the differences between population projections is driving much of the variation between the 2008-based and 2014-based household growth outcomes, the differences between household headship rates are also an important consideration. For Leeds (and in many other

parts of the UK) household growth in young adult age-groups (ages 25–34 in particular) are *lower* in the later household models, a likely reflection of a structural change in the housing market following the financial crisis of 2007/08. Improved affordability would be the key driver of any reversal of this trend, and any future housing requirements analysis should ideally examine the potential for a return to higher rates of household formation amongst young adults.

- 4.6 Two additional variables which play an important part in the calculation of housing requirements based on the household estimates, are: the size of the institutional population (i.e. the population not living in households); and the relationship between occupied and unoccupied properties, a proxy dwelling ‘vacancy’ rate. For projection purposes, the size of the institutional population is typically held stable, with the exception of the 75+ age-group where it rises in line with population growth. Similarly, vacancy rate assumptions are typically held constant. The 2011 Census vacancy rate was estimated at 2.6% for Leeds.

5. Economic Change

- 5.1 In the assessment of housing need, the PPG states that *“plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area”* (PPG paragraph 2a-018).
- 5.2 Managed by the West Yorkshire Combined Authority, the Regional Econometric Model (REM) provides evidence on economic history and forecasts to support housing strategies. The REM’s economic forecasts combine a national and regional economic outlook, with data on the sectoral mix of businesses, to produce a forecast of employment growth for Leeds and other local authorities in the Yorkshire and Humber region.
- 5.3 The alignment of demographic forecasting methodologies with economic forecasting models presents a particular challenge when seeking to provide evidence for the assessment of housing need. REM forecasts typically incorporate the latest ONS population projection, balancing employment and population growth through key assumptions on economic activity (also referred to as economic participation) rates, unemployment rates and commuting.
- 5.4 The 2011 SHMA incorporated REM employment forecasts—measured as full-time equivalent (FTE)—from 2010, since when there has been a succession of new forecasts, driven by a changing economic outlook (Figure 10). Whilst considerable uncertainty remains over the likely impact of Britain’s exit from the EU, an updated REM forecast is due in Autumn 2016. This and subsequent iterations of REM output should provide the basis for any updated SHMA analysis.

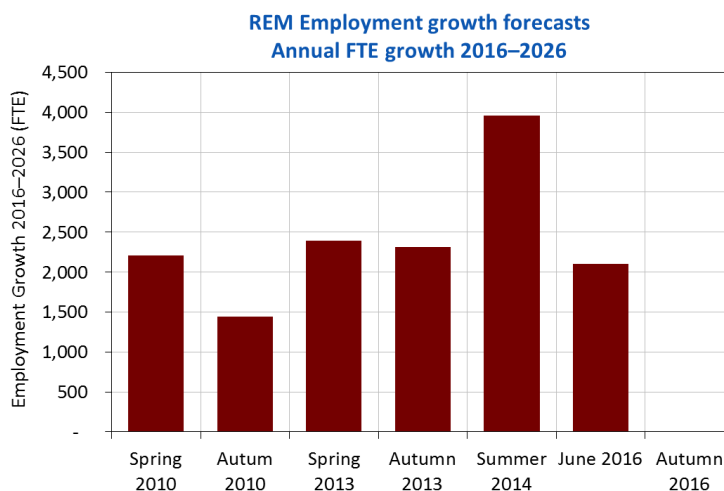


Figure 10: REM forecasts for Leeds – 2010–2016

- 5.5 Future changes to age-specific economic activity rates, a declining unemployment rate and potential adjustments to Leeds’ commuting balance will all require consideration in the alignment of demographic and economic evidence in a revised SHMA. These factors all contribute to the implied relationship between employment growth, the impact of migration in

maintaining an adequately-sized labour force and therefore the likely housing requirement for Leeds.

- 5.6 In the 2011 SHMA, relatively prudent assumptions on changes to age-specific economic participation were largely offset by high migration growth assumptions derived from the pre-Census population history. Trend projections provided a more-than-adequate labour force to meet employment growth forecasts and provided the basis for the SHMA's derived housing requirement of **4,375** per year.
- 5.7 In considering any new evidence from the Autumn 2016 REM, which will be underpinned by the lower-growth ONS 2014-based population projection, it will be necessary to understand how a current estimated economic activity rate of 70% for the Leeds population (aged 16–74) might be maintained to ensure sufficient growth of the labour force to meet employment growth outcomes. Maintaining higher rates of economic activity within the local labour force potentially reduces the requirement for higher net in-migration to support employment growth. Higher net in-migration would imply a higher housing growth requirement.
- 5.8 A declining unemployment rate for the city will contribute to employment growth in Leeds, as might changes to the city's commuting balance, although the latter is a fairly contentious component of any housing requirements analysis. At the 2011 Census, Leeds had a commuting ratio of 0.87 (the balance between employment and resident workers), indicating a significant net inflow to the city. In the ten years prior to 2011, the scale of net inflow reduced slightly, from 0.85 in 2001.
- 5.9 The latest 2014-based population projection from ONS suggests continued growth through international migration, but a much higher net outflow from internal migration. If Leeds is to continue to grow as the commercial hub of its City Region, a higher net migration outflow is likely to imply a reversal to higher numbers of in-commuters in the future. This would have implications for the estimation of the city's future housing requirements. If the ONS 2014-based projection were to incorporate a more balanced internal migration profile (i.e. a matched inflow and outflow, consistent with recent history), it is estimated that the annual housing requirement could be up to **4,000** units per year.
- 5.10 In the most recent REM output (Spring 2016), an average annual FTE jobs growth of approximately 2,800 per year for the period 2015–2030 was forecast. Assuming no change in current age-specific economic activity rates, unemployment and commuting ratios, it is estimated that this level of employment growth would imply a higher rate of growth through migration and a housing requirement in excess of **3,600** units per year.

6. Summary

- 6.1 This document has sought to review Leeds' current demographic evidence, providing a summary for City Council Officers and Members to consider in advance of a more complete refresh of its SHMA.
- 6.2 In formulating Leeds' 2011 SHMA, the benchmark DCLG evidence suggested an estimated housing requirement of **5,600** per year for the 2012–2028 plan period. Challenged by both unreliable and changing demographic evidence, and a volatile economic outlook, the SHMA provided key evidence to Leeds' adopted Core Strategy, identifying a future housing requirement of **4,375** new housing units per year for the plan period.
- 6.3 The latest DCLG household projections, providing the required 'starting-point' for any refresh of Leeds SHMA evidence, suggests a lower growth outlook, at approximately **2,600** housing units per year for an equivalent 2014–2030 plan period. The DCLG's model suggests household headship rates for young adults that are lower than those evident from pre-2008 statistics. Improved affordability would be the key driver of any reversal of this trend, and any future housing requirements analysis should ideally examine the potential for a return to higher rates of household formation amongst young adults. By way of illustration, under the ONS 2014-based population projection, the implied housing growth estimate would increase to an estimated **3,100** units per year if the full suite of headship rates from the previous SHMA's 2008-based household model were considered.
- 6.4 The latest population growth projections for Leeds are driven primarily by natural change (maintaining a high number of births relative to deaths) and international migration (higher immigration than emigration). Internal migration is projected to result in a higher net loss of population from the city.
- 6.5 Following the EU referendum outcome, the future impact of international migration on population growth in Leeds remains uncertain. The vote to leave the EU points towards a lower immigration effect across the UK, but the current ONS 2014-based projection already assumes a long-term reduction in international migration. In addition, as a University city, Leeds is likely to maintain its attractiveness as a destination for international migrants. Updated SHMA demographics should consider how adjustments to the international migration balance might influence housing growth outcomes.
- 6.6 With regard to the expectation of a net outflow of domestic migration, lower housing growth will reinforce this trend, but would likely conflict with future economic growth in Leeds, with consequences for the City Region's commuting dynamics. Updated SHMA demographics should consider the implications of higher population growth, driven by a more 'balanced' migration profile that is more consistent with the 2001–2015 historical evidence on internal migration. It is estimated that a housing requirement of **4,000** units per year would result from a population growth driven by a balanced internal migration flow.

- 6.7 Under any scenario of change, the birth cohorts of the 1940s, 1950s and 1960s will gradually increase the size of Leeds’ older age-groups over the 25-year horizon, with consequences for a range of public services, including housing.
- 6.8 Students continue to play a key role in the growth and development of Leeds. The most recent decline evident in overall student numbers will have had a knock-on effect to the current ONS population growth projection. Updated SHMA analysis should consider how future growth of the city’s Universities will impact upon population, housing and economic change.
- 6.9 The alignment of demographic and economic forecasts presents a particular challenge when seeking to provide evidence for the assessment of housing need. An updated SHMA will need to consider the latest REM forecasts, its underpinning population projection and the balance between employment and population growth that is implied by key assumptions on migration, age-specific economic activity rates, the unemployment rate and the city’s commuting balance.
- 6.10 To maintain the size of Leeds’ labour force, an ageing population profile will need to be countered by higher rates of economic participation in its older age-groups. In addition, it is likely that the projected increase in the net outflow of migrants suggested by the ONS 2014-based projection will need to be reversed to avoid significant changes to the city’s commuting dynamics as its economy develops.
- 6.11 In the most recent REM output (Spring 2016), an average annual FTE jobs growth of approximately 2,800 per year for the period 2015–2030 was forecast. Assuming no change in current age-specific economic activity rates, unemployment and commuting ratios, it is estimated that this level of employment growth would imply a higher rate of growth through migration and a housing requirement in excess of **3,600** units per year.
- 6.12 In summary, the latest demographic evidence for Leeds suggests a lower housing growth outcome than the adopted Core Strategy. However, this will need to be considered through a full SHMA in line with national guidance. Table 5 provides a summary of (in some cases relatively crude) estimates of estimated housing growth requirements for Leeds based on different evidence and assumptions.

Table 5: Housing growth alternatives

	16-year plan horizon	
	per year	total
ONS/DCLG 2008-based benchmark	5,600	89,600
Leeds Core Strategy	4,375	70,000
ONS/DCLG 2014-based benchmark, with balanced internal migration	*	4,000
REM Spring 2016, with <u>no change</u> in age-specific economic activity rates, unemployment or commuting	*	3,600
ONS/DCLG 2014-based benchmark, with 2008-based household assumptions	*	3,100
ONS/DCLG 2014-based benchmark	2,600	41,600

*These are relatively crude estimates, provided as part of this pre-SHMA review as guidelines only.

- 6.13 The discrepancy between previous and current SHMA evidence results from a mixture of demographic change and economic change. Any revision to future housing requirements for Leeds will need to consider these issues alongside key affordability metrics and current policy intentions.