



Milton Keynes City Council: Housing and Economic Development Needs Assessment Update 2025

Summary Report of Findings
October 2025

Opinion Research Services, The Strand, Swansea SA1 1AF
Jonathan Lee, Nigel Moore, Scott Lawrence, Michael Bayliss, Hugo Marchant
enquiries: 01792 535300 · info@ors.org.uk · www.ors.org.uk

Hardisty Jones, 10th Floor, Brunel House, 2 Fitzalan Road, Cardiff, CF24 0EB
Stuart Hardisty, Joshua Harding-Jones
enquiries: 029 2150 8950 · stuart@hardistyjones.com · www.hardistyjones.com

© Copyright October 2025

The below copyrights acknowledge the open source data that is provided by the respective bodies and is used throughout this document

Contains Ordnance Survey data © Crown copyright and database right 2025
Contains Royal Mail data © Royal Mail copyright and database right 2025
Contains National Statistics data © Crown copyright and database right 2025
Contains public sector information licensed under the Open Government Licence v3.0

Contents

Introduction	4
Housing Workstream Update.....	5
Household and Population Projections.....	6
Projected Population Age Profile	8
Household Projections by Age	9
Affordable Housing Need	11
Needs of Households Unable to Afford to Rent or Buy	13
Needs of Households Aspiring to Homeownership	15
Overall Housing Mix	16
Other Housing Needs	18
Housing for People with Disabilities.....	19
Assessing need for M4(2) Category 2: Accessible and adaptable dwellings	19
Housing for Wheelchair Users	21
Employment Workstream Update	24
FEMA Review.....	24
Updated Position.....	24
Jobs and Worker Balance	25
How many jobs can the local housing need support?	25
How does this compare to the 2024 HEDNA economic scenarios?.....	25
Implications.....	26
Future Office Requirements.....	26
Commercial Market Commentary	27
Latest Evidence	27
Implications for Assessment	29
Modelling and Assumption Adjustments.....	30
Future Industrial and Warehouse Requirements.....	30
Commercial Market Commentary	31
Latest Evidence	31
Implications for Assessment	32
Future Employment Sites and Premises Requirements.....	32
Detailed Methodological Updates	33
Quantitative Updates.....	37
Revisions to the NPPF.....	40
Laboratories, Science, Technology and Innovation	40
Gigafactories	40
Digital Infrastructure (including Data Centres)	41
Freight and Logistics.....	42
Implications.....	42
Comparing Demand and Supply.....	42
Updated Supply Position.....	42
Comparison Analysis	45
Table of Figures.....	47
References	49

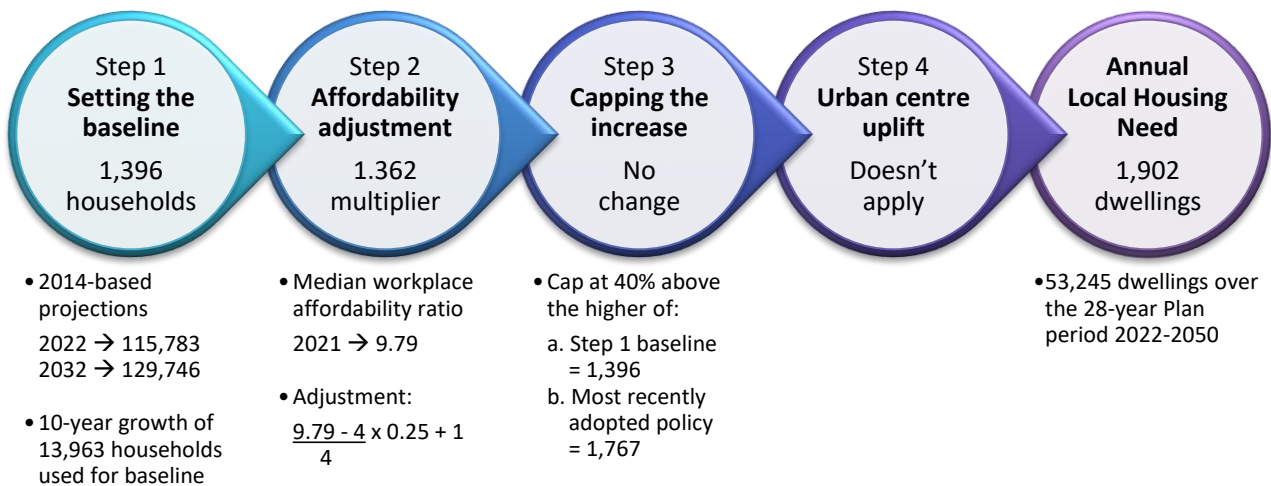
Introduction

1. Milton Keynes City Council appointed Opinion Research Services (ORS) and Hardisty Jones Associates (HJA) to jointly prepare a Housing and Economic Development Needs Assessment (HEDNA) that was completed in March 2024. The HEDNA provided a robust assessment of the need for housing (both market and affordable) and employment over the period 2022-2050 and formed part of the evidence base supporting the draft Milton Keynes City Plan 2050 (MKCP 2050).
2. The Council consulted on the draft MKCP 2050 between July and October 2024 and received a number of representations about the planned growth for housing and employment. The Council also received feedback from the Planning Inspectorate following an advisory meeting with an experienced Inspector in January 2025.
3. The HEDNA Update has considered the original HEDNA assumptions in the context of all comments received to ensure that the evidence continues to be robust when supporting the submission version of the Plan. The HEDNA Update also takes account of changes to the National Planning Policy Framework (NPPF) published in December 2024. Furthermore, the analysis has been updated to take account of data sources that have been revised where more up-to-date information is now available.
4. The first section of this summary report sets out the key outputs that have been updated in relation to the Local Housing Needs Assessment. These include:
 - » The annual Local Housing Need (LHN) figure based on the standard method calculation that was introduced in December 2024
 - » Implications of the revised LHN figure on household and population growth, taking account of revisions and updates to the mid-year population estimates released by the ONS, and more detailed Census data that was not available when the original HEDNA analysis was undertaken
 - » Impact of the latest population data on the overall level of housing delivery that would be necessary to achieve the Council's aspiration for Milton Keynes to reach half a million residents (including a population of 410,000 living within the local authority area) by 2050
 - » Likely increase in the number of resident workers based on the latest Local Housing Need figure and the housing delivery associated with the Council's aspiration for growth
 - » Overall mix of housing, including the balance between market and affordable housing, taking account of the most up-to-date data relating to house prices and rents, housing benefit, household incomes, and housing affordability
5. The second section of the report sets out the outputs from the Economic Development Needs Assessment that have been reviewed and updated, including:
 - » A high-level review of the Functional Economic Market Area (FEMA)
 - » Likely increase in overall employment and the number of additional jobs that could be supported based on the identified growth in resident workers
 - » Review of issues relating to future office accommodation and industrial and logistics issues, taking account of the feedback received
 - » Update of future employment sites and premises requirements
 - » Overall balance of future supply and demand

Housing Workstream Update

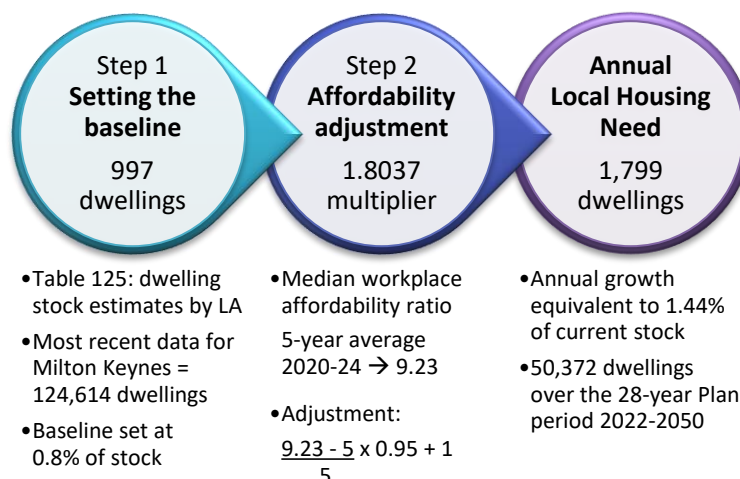
6. The July 2018 version of the National Planning Policy Framework (NPPF) introduced a “*standard method in national planning guidance*” to establish the annual Local Housing Need (LHN) figure for each local area, based on a formulaic approach with prescribed inputs. Therefore, whilst each local planning authority is responsible for establishing the housing need for their area, this is constrained to a figure that is determined centrally by the Government. At the time that the HEDNA was prepared, the standard method set out in Planning Practice Guidance (PPG) identified an annual LHN figure of 1,902 dwellings based on the inputs for Milton Keynes as set out below.

Figure 1: Annual Local Housing Need for Milton Keynes based on the previous standard method calculation at the time that the HEDNA analysis was undertaken in Autumn 2022



7. The December 2024 version of the Framework changed the standard method calculation. Instead of using household projections to set the baseline, a fixed proportion (0.8%) of the current dwelling stock is now used. There is also a new calculation used for the affordability adjustment, whilst the step 3 cap and the step 4 urban centre uplift have both been removed. Based on the current inputs, the new method identifies a lower annual LHN figure of 1,799 dwellings for Milton Keynes as set out below.

Figure 2: Annual Local Housing Need for Milton Keynes based on the latest inputs to the current standard method



Household and Population Projections

8. The HEDNA tested three primary scenarios for population growth:
 - » Scenario 1: demographic baseline, based on the household projection-based housing need
 - » Scenario 2: standard method calculation, based on 1,902 dwellings each year
 - » Scenario 3: aspirational growth, based on reaching 410,000 persons resident in the LA by 2050.
9. It is important to recognise that dwelling-led projections can result in a larger or smaller resident population, depending on the assumptions taken about household formation and the resulting average household sizes. In other words, the same number of homes could accommodate fewer people living in smaller households, or more people as larger households. The HEDNA tested two secondary scenarios based on the standard method local housing need:
 - » Scenario 2a: increased household formation for residents aged under 45, assuming that household representative rates are no lower than the rates recorded in 2001 for each age group
 - » Scenario 2b: household formation based on the household representative rates projected by the official ONS 2018-based household projections, which assumed past trends would continue for the initial 5-year period 2018-2023 with all rates then held constant from 2023 onwards.
10. Both scenarios were based on delivering the same number of homes (1,902 dpa) but the differing assumptions about household formation impact on the projected population in terms of the number of persons and the associated number of workers (i.e. the economically active population). Given the local context, the HEDNA used Scenario 2b as the preferred scenario: housing need based on the standard method with household formation rates held constant.
11. Although the standard method calculation no longer uses household projections to set the baseline, it is still important to establish future household and population growth to assess the type of housing that will need to be planned for. Given this context, household and population projections have been developed for the HEDNA Update based on two scenarios:
 - » Scenario A: standard method calculation based on 1,799 dwellings each year, with household formation rates held constant (equivalent to HEDNA Scenario 2b)
 - » Scenario B: aspirational growth, based on reaching 410,000 persons resident in the LA by 2050 (equivalent to HEDNA Scenario 3).
12. The key outputs from each of the housing need scenarios are set out in Figure 3.

Figure 3: Key outputs from the HEDNA housing need scenarios (Source: ORS model)

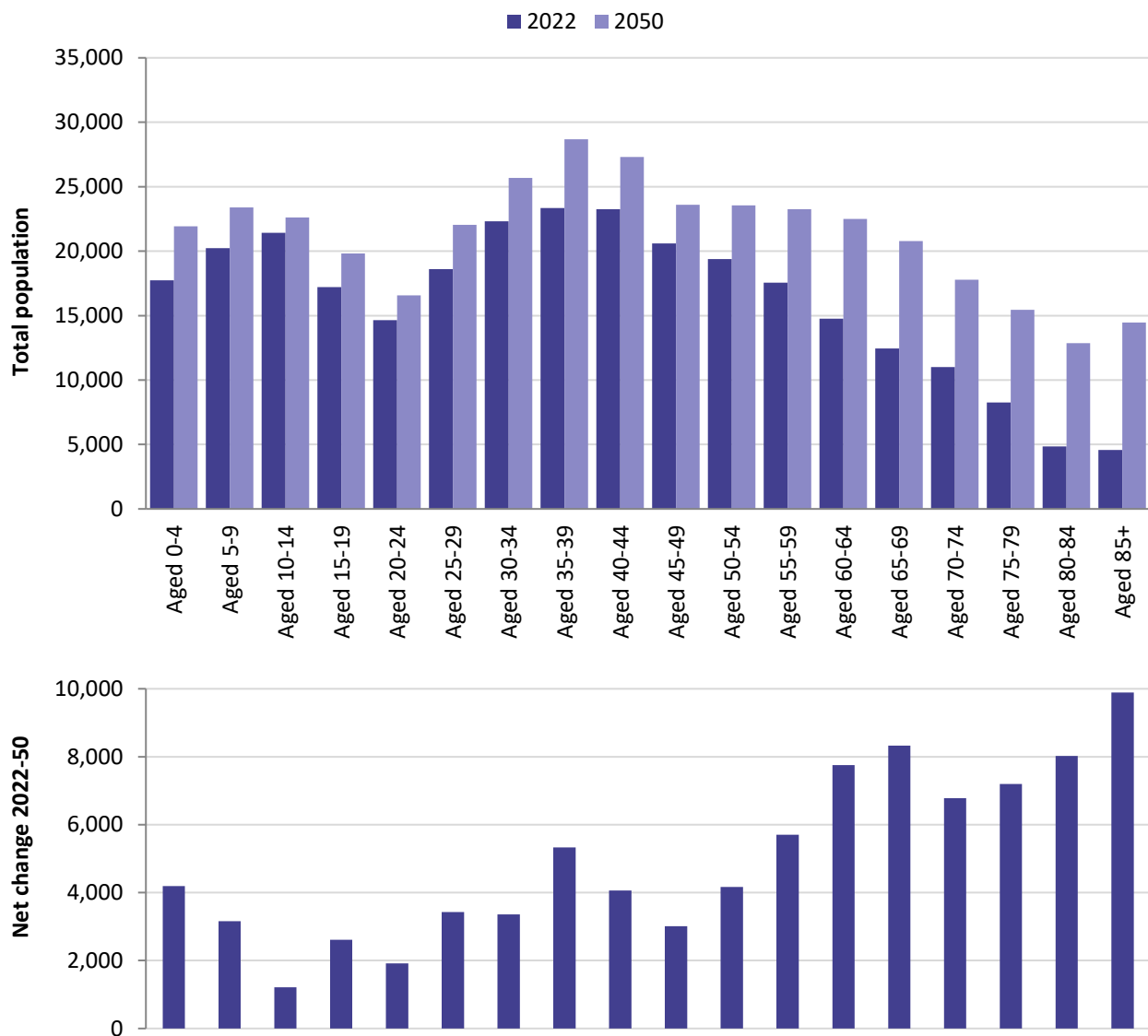
	Standard method LHN figure		MK2050 target	
	Original HEDNA Scenario 2b	HEDNA Update Scenario A	Original HEDNA Scenario 3	HEDNA Update Scenario B
Annual average dwelling growth	1,902	1,799	2,265	2,204
Total 28-year dwelling growth	53,245	50,372	63,421	61,715
Population projected in 2050	384,425	382,297	410,000	410,000
Economically active population growth	49,052	44,112	63,118	59,335
Supported jobs growth	61,718	54,903	79,416	73,849

13. The updated projections take account of more detailed Census data that was not available when the original HEDNA analysis was undertaken, including household formation rates for each age group. The HEDNA was based on rates from the ONS 2018-based household projections, which were projected forwards from the 2001 and 2011 Census estimates. The 2021 Census provides more accurate figures, which have been used for the HEDNA Update.
14. The updated projections also incorporate the latest revisions and updates to the ONS mid-year population estimates. This updated data has led to a small increase in the population estimated to be resident at the start of the Plan period in 2022. Given this higher starting point, there has been an equivalent reduction in the growth needed to reach the 410,000 person target in Scenario B, resulting in a lower number of dwellings than was identified by HEDNA Scenario 3 (61,715 cf. 63,421 dwellings).
15. Finally, the updated projections take account of Census data on economic activity rates by sex and age group. Overall, these rates suggest slightly lower levels of economic activity which has led to a lower growth of economically active residents being projected by both HEDNA Update scenarios when compared with the equivalent HEDNA scenarios. Nevertheless, it is important to recognise that these differences will have also been impacted by the reduced number of dwellings in both pairs of scenarios:
 - » Scenario A is based on around 2,900 fewer dwellings than Scenario 2b over the 28-year period due to the lower annual LHN figure identified by the new standard method
 - » Scenario B is based on around 1,700 fewer dwellings than Scenario 3 over the 28-year period mainly due to the higher population at the start of the plan period, though also changes to the age structure and age-specific household formation rates.
16. Based on the current standard method LHN figure (Scenario A) the identified population growth is likely to support around 54,900 additional jobs over the 28-year Plan period 2022-2050, equivalent to an average of 1,900-2,000 jobs per year, which is within the range of jobs growth identified by the HEDNA (1,600 to 2,700).
17. Delivering sufficient homes to meet the Council's aspiration for Milton Keynes to reach half a million residents (including a population of 410,000 living within the local authority area) by 2050 (Scenario B) is likely to support around 78,800 additional jobs over the 28-year Plan period 2022-2050, equivalent to an average of 2,600-2,700 jobs per year, which continues to align with the upper end of the HEDNA jobs growth range. The Employment Workstream Update section of this report considers the alignment between the planned housing and jobs growth in further detail.
18. When establishing the minimum housing requirement, it will be important for the Council to ensure that the Plan will deliver at least the 50,372 dwellings identified by the standard method LHN figure (Scenario A). However, in the context of the Council's growth aspirations, it would be appropriate for the Plan to include sufficient supply to deliver the 61,716 dwellings identified to accommodate the growth target (Scenario B). The Regulation 18 plan identified a proposed land supply to deliver around 62,800 homes, which would be sufficient to meet the Council's strategic ambitions.
19. For the purposes of the Housing Workstream Update, the analysis for the Local Housing Need Assessment has maintained the standard method LHN figure (Scenario A) as the basis for assessing future housing need. This assumes the current standard method local housing need figure of 1,799dpa and accepts that future household formation is most likely to reflect the current rates identified by the 2021 Census. The following analysis is therefore based on the dwelling-led household and population projections based on the assumptions previously set out for Scenario A.

Projected Population Age Profile

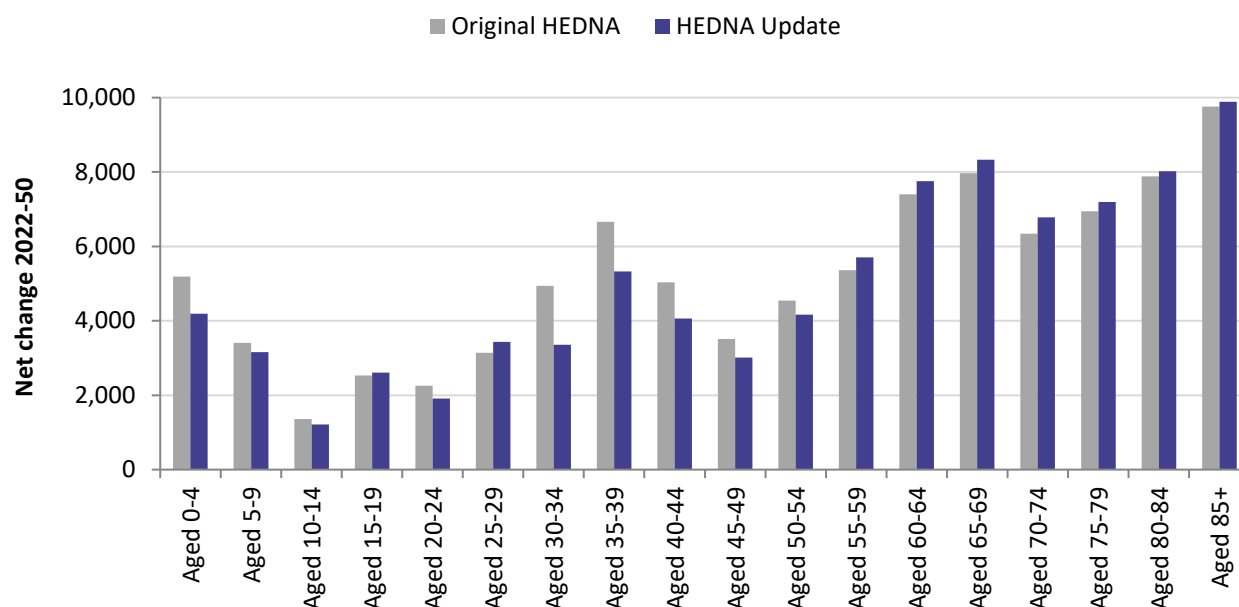
20. Figure 4 shows the projected change in Milton Keynes population by 5-year age band for the 28-year period 2022-50 based upon the updated demographic growth as set out in Scenario A.
21. At the time of the HEDNA, the overall population in 2022 was estimated to be around 290,200 persons, but revised figures from the ONS have increased this estimate to around 292,200 persons. From this baseline, delivering 1,799 dwellings per year is likely to yield a population of around 382,300 persons by 2050, which represents a growth of 90,200 persons (31%) over the 28-year period.
22. The older age groups account for a significant proportion of the overall growth: the population aged 65 to 74 is now projected to increase by 15,100 persons with an increase of 25,100 persons aged 75 or over (including 9,900 aged 85+), which collectively represent 45% of the overall growth. The original HEDNA identified that this was particularly important when establishing the types of housing required and the need for housing specifically for older people, and whilst the HEDNA Update has not revisited the needs of most specific groups, the conclusions from the original HEDNA will continue remain very relevant.

Figure 4: Population projections 2022-50 by 5-year age group for Milton Keynes (Source: Milton Keynes HEDNA Update demographic modelling)



23. Figure 5 compares the population growth that was projected by Scenario 2b of the original HEDNA with the Scenario A outputs from the HEDNA Update. It is evident that the distribution of projected population growth has remained relatively consistent, with the only notable change being the smaller growth now projected for those aged 30-44 and an associated reduction of dependent children. This is largely due to the reduction in the LHN figure resulting in a lower level of overall housing growth, leading to fewer migrant households (many of which would be young families) moving to the area.

Figure 5: Projected population growth 2022-50 by 5-year age group for Milton Keynes (Source: Milton Keynes HEDNA and HEDNA Update demographic modelling)



Household Projections by Age

24. Figure 6 summarises the updated number of households in Milton Keynes in 2022 and 2050 in terms of the age of household representatives (the eldest economically active person in the household) together with the change in the number of households in each category over the period 2022-50.

Figure 6: Total projected households in Milton Keynes for 2022 and 2050 and summary of 28-year change by age of household representative (Note: Figures may not sum due to rounding. Source: Milton Keynes HEDNA Update demographic modelling)

Age of Household Representative	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2022	2,300	16,700	25,300	24,500	20,100	13,900	9,000	3,300	115,000
2050	2,600	19,400	30,400	29,000	28,400	22,900	19,600	10,400	162,700
TOTAL CHANGE 2022-50	+300	+2,700	+5,100	+4,400	+8,400	+9,000	+10,600	+7,100	+47,600

25. Considering this growth in terms of the age of household representatives, it is evident that the increase in older people is also reflected in terms of households. The increase in households aged 65+ represents over half (56%) of the overall household growth. Many of these older households will already be established and living in existing homes; they will simply get older during the 28-year period. It is therefore also important to consider household growth in relation to age cohorts.

26. Figure 7 shows the projected number of households in each cohort, showing their age in 2022 and 2050.

Figure 7: Total projected households in Milton Keynes for 2021 and 2050 and summary of 28-year change by age cohort of household representative (Note: Figures may not sum due to rounding. Source: Milton Keynes HEDNA Update demographic modelling)

Age in 2022	-	0-6	7-16	17-26	27-36	37-46	47-56	57+	
Age in 2050	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
2022	-	-	200	3,700	17,500	25,300	24,100	44,200	115,000
2050	2,600	19,400	30,400	29,000	28,400	22,900	19,600	10,400	162,700
TOTAL CHANGE 2022-50	+2,600	+19,400	+30,200	+25,200	+10,900	-2,400	-4,500	-33,800	+47,600

27. The data shows a total of 3,700 households aged 17-26 in 2022. The same households would be aged 45-54 by 2050 and the projection identifies that total number of households aged 45-54 in 2050 would total 29,000; therefore, an extra 25,200 households: partly due to new household formations and partly due to net migration. These formations are in addition to those households aged 15-24, 25-34 and 35-44 in 2050: 2,600, 19,400 and 30,200 household formations respectively. Based on the cohort analysis, it is apparent that a total of around 88,300 extra households aged under 65 (in 2050) will be likely to form in Milton Keynes over the 28-year period 2022-50.
28. However, this growth is offset against a reduction of 40,700 households aged 65 or over (in 2050) mostly due to household dissolution following death (although some may result from net migration); for example: around 44,200 households were aged 57+ in 2022, who would be aged 85+ by 2050 if they were survive to that age; however, by 2050 the number of households aged 85+ is projected to be around 10,400 (after allowing for deaths) which represents a reduction of 33,800 households.
29. The projected increase of 47,600 households is a function of the 88,300 household formations offset against the 40,700 household dissolutions. Therefore, the overall number of new households will be considerably higher than the net household growth; and most new households will be in their twenties and thirties at the time that they form, despite the overall increases being largely within those groups aged 65 or over.
30. Figure 8 compares the projected change in households by age based on the original HEDNA analysis and the HEDNA Update. It is apparent that the overall distribution has not changed significantly, but consistent with the population projections there is a marginally lower growth of younger households. Changes to the cohort analysis are primarily driven by the use of the newer household representative rates from the 2021 Census.

Figure 8: Projected 28-year change in household representatives by age group and age cohort (Note: Figures may not sum due to rounding. Source: Milton Keynes HEDNA and HEDNA Update demographic modelling)

TOTAL CHANGE 2022-50	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+	TOTAL
By Age Group									
Original HEDNA	+300	+3,200	+6,800	+5,100	+7,800	+8,600	+11,000	+7,300	+50,100
HEDNA Update	+300	+2,700	+5,100	+4,400	+8,400	+9,000	+10,600	+7,100	+47,600
Difference	-	-500	-300	-700	-600	+400	+400	+200	-2,500
By Age Cohort									
Original HEDNA	+2,700	+18,100	+32,400	+25,100	+10,600	-3,300	-3,600	-31,900	+50,100
HEDNA Update	+2,600	+19,400	+30,200	+25,200	+10,900	-2,400	-4,500	-33,800	+47,600
Difference	-100	+1,300	-2,200	+100	+300	+900	-900	-1,900	-2,500

Affordable Housing Need

31. In order to assess the need for affordable housing, it is necessary to consider current unmet housing need and the projected future housing need in the context of the existing affordable housing stock.
32. To assess the current need for affordable housing, the number of households who are not suitably housed and who are unable to afford market housing must be identified. Figure 9 sets out the current need for affordable housing in Milton Keynes based on the data that was available at the time of the original HEDNA alongside the data now available for the HEDNA Update.

Figure 9: Assessing current unmet need for affordable housing in Milton Keynes in 2022 (Sources: CLG P1E returns; Census; English Housing Survey; CLG Local Authority Housing Statistics)

Current unmet housing need from households unable to afford to rent or buy market housing	Source	Original HEDNA	HEDNA Update	Change
HOUSEHOLDS WITHOUT A PERMANENT HOME				
Homeless households in priority need Currently in temporary accommodation in B&B or Hostels	CLG P1E returns	0	142	+142
Homeless households in priority need Households accepted as homeless but without temporary accommodation provided	CLG P1E returns	0	6	+6
Concealed households Growth in concealed families aged under 55	Census data	480	863	+383
Sub-total: Households without a permanent home		480	1,011	+531
HOUSEHOLDS CURRENTLY OCCUPYING MARKET HOUSING				
Homeless households in priority need Currently in temporary accommodation in market housing (Private sector leased or Private landlord)	CLG P1E returns	892	1,003	+111
Overcrowding based on the bedroom standard Households living in overcrowded private rented housing	Census and EHS data	823	1,412	+589
Other households living in unsuitable housing People who need to move on medical or welfare grounds or where failure to meet that need would cause hardship	CLG LAHS	319	130	-189
Sub-total: Households occupying Market Housing		2,034	2,545	+511
HOUSEHOLDS CURRENTLY OCCUPYING AFFORDABLE HOUSING				
Homeless households in priority need Currently in temporary accommodation in LA or RSL stock	CLG P1E returns	0	1	+1
Overcrowding based on the bedroom standard Households living in overcrowded social rented housing	Census and EHS data	1,386	2,134	+748
Other households living in unsuitable housing People who need to move on medical or welfare grounds or where failure to meet that need would cause hardship	CLG LAHS	27	13	-14
Sub-total: Households occupying Affordable Housing		1,413	2,148	+735
TOTAL CURRENT UNMET NEED		3,927	5,704	+1,777

33. The original HEDNA identified 3,927 households that were living in unsuitable housing and unable to afford suitable housing. This was based on a reference date of 2021, however data from the 2021 Census had not been published at that time. The HEDNA Update has identified 5,704 households living in unsuitable housing taking account of the latest information with a reference date of 2022 (aligned to the base date of the Plan). This represents an additional 1,777 households, of which the majority are associated with revised estimates based on the detailed data now available from the 2021 Census.

Future Need from Households Unable to Afford to Rent or Buy

34. To assess the projected future affordable housing need, it is necessary to consider need from new households (in particular the proportion of newly forming households unable to buy or rent in the market area) as well as the number of existing households falling into need.
35. The ORS Housing Mix Model establishes future affordable housing need based on the household projections that have been developed to align with the LHN figure (Scenario A). The Model uses a range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population. The Model provides robust and credible evidence about the required mix of housing over the full plan period and recognises how key housing market trends and drivers are likely to impact on the appropriate housing mix.
36. The Model recognises that the proportion of households unable to buy or rent in the market area will not be the same for all households, so the appropriate proportion is determined separately for each household type and age group. The affordability percentages in Figure 10 are calculated using detailed information on existing households living in Milton Keynes from the Census alongside administrative data published by DWP about housing benefit claimants. For each type of household in each age group, the table identifies the percentage of households unable to afford their housing costs based on them either occupying affordable housing or receiving housing benefit to enable them to afford market housing.
37. The affordability percentages identified by the HEDNA Update analysis are generally consistent with the rates from the original HEDNA. However, based on the latest data, the percentage of lone parents unable to afford has increased across all groups aged 35 or over, whilst there has been some reduction in the proportion of couples with children, particularly those aged under 35.

Figure 10: Assessing affordability by household type and age for Milton Keynes (Source: Census; DWP Housing Benefit)

Percentage of households unable to afford to rent or buy market housing in Milton Keynes	Under 25	25-34	35-44	45-54	55-64	65+
ORIGINAL HEDNA						
Single person household	44%	19%	29%	33%	39%	39%
Couple family with no dependent children	15%	5%	9%	9%	9%	17%
Lone parent family with 1 or more dependent children	83%	87%	65%	49%	46%	40%
Couple family with 1 or more dependent children	50%	30%	17%	14%	17%	22%
Other household type	45%	17%	24%	23%	22%	16%
HEDNA UPDATE						
Single person household	38%	16%	25%	30%	37%	36%
Couple family with no dependent children	23%	6%	12%	11%	10%	20%
Lone parent family with 1 or more dependent children	88%	86%	71%	57%	53%	48%
Couple family with 1 or more dependent children	40%	18%	12%	9%	12%	20%
Other household type	42%	16%	25%	25%	25%	19%
CHANGE						
Single person household	-6%	-3%	-4%	-3%	-2%	-3%
Couple family with no dependent children	+8%	+1%	+3%	+2%	+1%	+3%
Lone parent family with 1 or more dependent children	+5%	-1%	+6%	+8%	+7%	+8%
Couple family with 1 or more dependent children	-10%	-12%	-5%	-5%	-5%	-2%
Other household type	-3%	-1%	+1%	+2%	+3%	+3%

38. The HEDNA Update analysis identifies that there will be an annual need from 2,471 new households unable to afford to rent or buy market housing and a further 599 existing households falling into need each year. Together, these yield an annual projected new need from 3,070 new and existing households unable to afford to rent or buy market housing in Milton Keynes.
39. This increase must be offset against the overall level of need reducing as a result of household dissolutions, households moving away from the area, and improved circumstances for some existing households which meant that they are now able to afford suitable housing. On this basis, the HEDNA Update analysis has identified a net annual need of 429 households which represents the future increase in households likely to need affordable housing each year.

Figure 11: Summary annual components of Household Growth in Milton Keynes 2022-50 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Projected future need from households unable to afford to rent or buy market housing	Original HEDNA	HEDNA Update	Change
Need from new households unable to afford	2,452	2,471	+19
Need from existing households falling into need	582	599	+17
ANNUAL PROJECTED NEW NEED from new and existing households unable to afford to rent or buy	3,033	3,070	+37
Household dissolutions following death	571	599	+28
Households moving out of the area	1,269	1,311	+42
Improved circumstances for existing household which have enabled them to afford suitable market housing	855	731	-124
NET ANNUAL NEED based on the increase in households needing affordable housing	337	429	+92

40. The net annual need identified by the HEDNA Update analysis (429 households) is 27% higher than the original HEDNA (337 households) due to small increases in the need from new and existing households, together with fewer existing households expected to have sufficiently improved circumstances for them to be able to afford suitable market housing. These changes are offset to an extent by small increases in the projected number of household dissolutions and households likely to move away from the area.

Needs of Households Unable to Afford to Rent or Buy

41. For the base date of the Plan, the HEDNA Update identifies a current unmet need of 5,704 households living in unsuitable housing and unable to afford to rent or buy market housing in Milton Keynes. Some of these households currently occupy Affordable Housing, and taking account of those properties results in a net current need of 3,556 households at the start of the Plan period in 2022.
42. Over the 28-year Plan period, there will be a projected new need from 3,070 new and existing households each year who are unable to afford to rent or buy market housing in Milton Keynes. However, this must be offset against reductions to the overall level of need. The HEDNA Update identifies a net annual need of 429 households based on the increase in households needing affordable housing each year. This represents a net future need of 12,021 households over the 28-year period 2022-2050.
43. On this basis, Figure 12 brings together the information to identify that there will be a need to provide affordable housing for a total of 15,576 households over the 28-year Plan period 2022-50, which equates to an average of 556 households per year.

Figure 12: Overall need from households unable to afford to rent or buy market housing in Milton Keynes 2022-2050
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

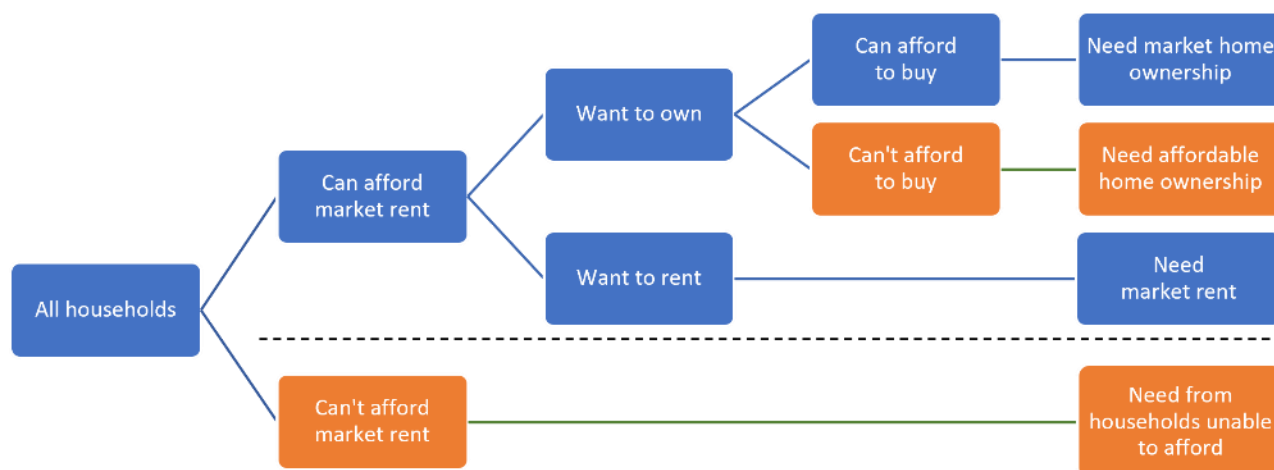
Total need from households unable to afford to rent or buy market housing	Step	Source	Original HEDNA	HEDNA Update	Change
CURRENT NEED					
Total current unmet need	A	Figure 9	3,927	5,704	+1,777
Less households occupying Affordable Housing	B	Figure 9	1,413	2,148	+735
Net current need in 2022	C	A - B	2,514	3,556	+1,042
FUTURE NEED					
Annual projected new need	D	Figure 11	3,033	3,070	+37
Net annual need	E	Figure 11	337	429	+92
Net future need over the 28-year period 2022-50	F	E × 28	9,450	12,021	+2,571
TOTAL NEED 2022-50	G	C + F	+11,964	+15,576	+3,612
Average annual need	H	G ÷ 28	+427	+556	+129

44. The total need identified by the HEDNA Update analysis (15,576 households, 556 per year) is 30% higher than the original HEDNA (11,964 households, 427 per year) due to increases in the estimates of current need (mainly as a consequence of detailed information from the 2021 Census) and also increases in many of the components of the net annual need.
45. Consistent with the original HEDNA analysis, it is important to recognise that these are net figures and therefore any future losses from the current stock (such as demolition, or sales through Right to Buy) would increase the number of affordable dwellings needed by an equivalent amount. The analysis also assumes that the level of housing benefit support provided to households living in the private rented sector remains constant.
46. Private rented housing (with or without housing benefit) does not meet the definitions of affordable housing and is not counted as affordable housing supply; however, households in receipt of housing benefit are assumed to be able to afford their housing costs, so they are not counted towards the need for affordable housing. Nevertheless, if housing benefit support was no longer provided (or if there was not sufficient private rented housing available at a price they could afford) then this would increase the need for affordable housing.
47. As policy decisions about housing benefit support provided to households living in the private rented sector are determined by the Government, it will be necessary for the local planning authorities to consider the possible impact of any changes when determining the most appropriate affordable housing targets for the area. Furthermore, given the net current need from 3,556 households needing affordable housing at the start of the Plan period, it would seem appropriate to maximise affordable housing delivery in the early years of the Plan and ensure that the Affordable Housing Need analysis is routinely updated, providing that this does not unduly compromise overall levels of housing delivery in the area.

Needs of Households Aspiring to Homeownership

48. The definition of affordable housing in the NPPF was revised in 2019 to reflect Government concerns that the proportion of owner occupiers has reduced nationally over the last 20 years. A specific emphasis is now placed on affordable homeownership (AHO) and Figure 13 illustrates the different groups of households to be considered when assessing the need for affordable housing.

Figure 13: Establishing the need for market and affordable housing



49. The needs of those households who can afford market rent should be counted as affordable housing need where they aspire to homeownership but cannot afford to buy. This need is additional to those households who cannot afford to rent or buy market housing that were identified in the previous section.
50. The HEDNA Update has replicated the methodology used for the original HEDNA based on the updated demographic projection (Scenario A) and the most up-to-date data relating to house prices and rents, household incomes, and housing affordability.
51. Figure 14 sets out the key stages of the analysis alongside the equivalent outputs from the original HEDNA.

Figure 14: Need from households that aspire to homeownership but cannot afford to buy market housing in Milton Keynes
(Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Projected future need from households that aspire to homeownership but cannot afford to buy	Original HEDNA	HEDNA Update	Change
Households renting privately that aspire to own but cannot afford to buy	13,509	18,359	+4,849
Less households unable to afford 50% of newbuild lower quartile price	7,202	10,045	+2,844
Less households with savings of less than £5,000	4,076	6,000	+1,925
HOUSEHOLDS THAT ASPIRE TO OWN BUT CANNOT AFFORD TO BUY that are likely to form an effective demand for AHO products	2,233	2,313	+80

52. Based on the 2021 Census estimates, the updated analysis identifies a larger number of households that are renting privately that aspire to own but cannot afford to buy. However, the analysis also identifies that the majority of these additional households would either be unable to afford 50% of the lower quartile price for a newly built dwelling or will have limited savings available. The ORS Model therefore assumes that these households would continue to need market rent (despite their aspiration to own) as it is unlikely that they could afford Affordable Home Ownership. On this basis, there is only a small increase in the identified need.

Overall Housing Mix

53. Figure 15 provides a summary of the overall housing mix, comparing the HEDNA Update with the outputs from the original HEDNA.
- » The total housing need is based on the annual LHN figure as determined by the standard method calculation for the 28-year period 2022-2050 as summarised in Figure 3.
 - » The affordable housing need is based on the number of dwellings needed for those households unable to afford to rent or buy market housing (Figure 12) and those who aspire to homeownership but cannot afford to buy (Figure 14) with a small allowance for vacancies.
 - » As the household projections establish the number of communal establishment residents using percentages for those aged 75 or over, the projected increase in care home residents (and associated bedspaces in Use Class C2) are equivalised at a ratio of 1.81 bedspaces per dwelling.
54. The C2 need of 873 dwellings is much lower than in Original HEDNA. It is based on the projected increase in residents living in communal establishments, as this is additional to the projected household growth. The methodology is the same as used for the official household projections, which is that for residents aged under 75, the number of communal establishment residents is held constant (so there is no increase) but for the sex/age groups for those aged 75 and over it is the percentage of all residents in the group that is held constant as a rate.
55. For the Original HEDNA, the communal establishment rates were based on the data for Milton Keynes from the ONS 2018-based household projections, which in turn was based on Census data from 2001 and 2011. For the HEDNA Update, the rates were based on data from the 2021 Census. Whilst there are some differences between the projections in terms of the total number of persons at the start and end of the period in each sex/age group, the primary reason for the change in the C2 allowance is the assumed proportion of residents aged 75+ living in communal establishments. The data from the 2018-based projections was 8.1% whereas the Census was 5.1% and the 3% point difference has resulted in the lower level of growth.

Figure 15: Summary of market and affordable housing need in Milton Keynes 2022-2050 (Source: ORS Housing Model.

Note: Figures may not sum due to rounding)

Total Dwellings 2022-2050	Original HEDNA	HEDNA Update	Change
MARKET HOUSING	37,554	31,438	-6,116
AFFORDABLE HOUSING	14,331	18,061	+3,730
Social Rent for households unable to afford Affordable Rent	8,929	12,087	+3,158
Affordable Rent for households unable to afford Market Rent	3,148	3,638	+490
Affordable Home Ownership for households who cannot afford to buy	2,255	2,336	+81
TOTAL DWELLINGS	51,885	49,499	-2,386
Allowance for C2 bedspaces (equivalised to dwellings) for projected increase in residents living in communal establishments	1,360	873	-487
TOTAL HOUSING NEED	53,245	50,372	-2,873

56. Over the 28-year period 2022-2050 there is an identified need for around 50,400 dwellings, equivalent to an average of 1,799 dwellings each year. This includes around 12,100 homes for Social Rent, 3,600 homes for Affordable Rent, and 2,300 homes for Affordable Home Ownership, together representing 36% of the overall housing need.
57. The AHO need is established based on an income based affordability analysis, and the threshold has been set at purchasing equity based on 50% of the lower quartile price for a newly built home. On that basis, we have identified households with incomes that are high enough to purchase a 50% equity share, but below the income needed to purchase an existing dwelling at the lower quartile price
58. There will inevitably be a spread of different incomes (ranging from those only just able to afford a 50% share, up to those with incomes only just below what would be needed for market homeownership) and it would therefore be reasonable to consider a mix of AHO products (including Shared Ownership) to meet that need. The key consideration is that the income needed for the product is lower than would be needed to buy a property of an equivalent size in the market (taking account of mortgage costs, plus any rent, service charges, etc).
59. Figure 16 provides a further breakdown of the housing mix identified by the HEDNA Update, setting out the number of bedrooms for each type of housing.

Figure 16: Mix of market and affordable housing need in Milton Keynes 2022-2050 by tenure and size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Total Dwellings 2022-2050	Market Housing	Social Rent	Affordable Rent	Affordable Home Ownership	TOTAL
1 bedroom	1,550	2,651	383	590	5,175
2 bedrooms	4,541	3,695	1,200	1,028	10,464
3 bedrooms	16,393	4,251	1,589	717	22,950
4+ bedrooms	8,954	1,490	466	-	10,910
TOTAL DWELLINGS	31,438	12,087	3,638	2,336	49,499
<i>Percentage of dwellings</i>	64%	24%	7%	5%	100%

Other Housing Needs

60. The Original HEDNA identified a range of other housing needs across Milton Keynes, including;
- » The total housing need is based on the annual LHN figure as determined by the standard method calculation for the 28-year period 2022-2050 as summarised in Figure 3.
 - » The affordable housing need is based on the number of dwellings needed for those households unable to afford to rent or buy market housing (Figure 12) and those who aspire to homeownership but cannot afford to buy (Figure 14) with a small allowance for vacancies.
 - » As the household projections establish the number of communal establishment residents using percentages for those aged 75 or over, the projected increase in care home residents (and associated bedspaces in Use Class C2) are equivalised at a ratio of 1.81 bedspaces per dwelling.
 - » 2,500 bedspaces for residential institutions (C2) such as care homes;
 - » Around 5,800 sheltered homes for older people (4,500 owned and 1,300 rented);
 - » Around 2,100 extra care homes for older people (1,500 owned and 600 rented);
 - » Around 500 adults with severe mental illness at risk of requiring supported housing or housing with support;
 - » Around 700 people with a learning disability who are at risk of requiring supported housing or housing with support;
 - » Around 1,450 places for young people leaving care.
 - » Between 9,680 and 22,400 of all homes to be built to Building Regulations Part M4(2) standards for accessible and adaptable dwellings;
 - » 5% of all market homes built to Building Regulations Part M4(3) wheelchair accessible standard; and
 - » 10% of all affordable homes built to Building Regulations Part M4(3) wheelchair accessible standard.
61. As noted above, the 2021 Census shows a falling demand for C2 bedspaces and our updated modelling shows a need of around 1,400 bedspaces. However, for most of the other groups, the population projections in the HEDNA update are so similar to those in the original HEDNA that no major changes will have occurred, so the conclusions from the original HEDNA will continue remain very relevant and have not been revisited in the HEDNA update.
62. However, the 2021 Census did indicate that the number of households experiencing health problems has fallen in almost all local authorities, so we have fully reconsidered the need for M4(2) and M4(3) housing below.

Housing for People with Disabilities

63. The Government's reform of Health and Adult Social Care is underpinned by a principle of sustaining people at home for as long as possible. This is reflected in the Building Regulations for new developments which cover the following three standards:¹
- » M4(1) Category 1: Visitable dwellings – Mandatory, broadly about accessibility to ALL properties;
 - » M4(2) Category 2: Accessible and adaptable dwellings – Optional, similar to Lifetime Homes;
 - » M4(3) Category 3: Wheelchair user dwellings – Optional and further divided into wheelchair adaptable and wheelchair accessible homes.
64. In terms of new developments, Part M states that: *"Where no condition is imposed, dwellings only need to meet requirements M4(1)"* (Paragraph 0.3). Local authorities should identify the proportion of dwellings in new developments that should comply with the requirements for M4(2) Category 2 and M4(3) Category 3 as part of the Local Plan, based on the likely future need for housing for older and disabled people (including wheelchair user dwellings) and taking account of the overall impact on viability.
65. For this section we have considered existing propensity rates for people who have their housing needs affected by health problems to consider the need for adapted homes.

Assessing need for M4(2) Category 2: Accessible and adaptable dwellings

66. In establishing the need for M4(2) Category 2 housing it is important to consider the population projections and health demographics of the area.
67. The ORS Model uses the national English Housing Survey together with data about relative levels of limiting long-term illness and disability in Milton Keynes to estimate the number of households likely to require adaptations or needing to move to a more suitable home.

Figure 17: Households with a long-term illness or disability in Milton Keynes in 2022 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

MILTON KEYNES	Number of households
Households with one or more persons with a limiting long-term illness or disability	32,184
Does not affect their housing need	23,257
Current home suitable for needs	7,199
Current home requires adaptation	873
Need to move to a more suitable home	854
Total households where a limiting long-term illness or disability affects their housing need:	8,926

68. The model (Figure 17) identifies that there were 32,184 households living in Milton Keynes in 2022 with one or more persons with a limiting long-term illness or disability. In 23,257 of these households, this does not affect their housing need, but in 8,926 households an illness or disability does impact on housing need.

¹ <https://www.gov.uk/government/publications/access-to-and-use-of-buildings-approved-document-m>

69. Amongst those households where it does affect housing needs, 7,199 households are already living in a suitable home. This leaves 873 households needing adaptations to their current home and 854 households needing to move to a more suitable home. These households needing to move represent an existing **unmet need** for M4(2) housing and some may actually be wheelchair users needing M4(3) housing.
70. Based on household projections and the overall dwelling-led housing need, we can establish the future need for adapted housing based on the projected household growth and the changing demographics of the area. Figure 18 shows our calculation that there will be an additional 13,447 households either needing adaptations to their existing housing or suitable new housing provided by the end of the period in question.
71. To provide M4(2) housing for all of the identified need would require housing for up to 14,302 households to be provided. However, not all households will want to move to new housing – some will adapt their current homes and others will move to another dwelling which can be adapted to the standard required.
72. Although some households would prefer not to move, the EHS identifies that many existing homes are not suitable for adaptation to meet the M4(1) Category 1 standard and others would require major works and therefore these households would require to move to meet their housing needs. Still fewer dwellings would be adaptable to the M4(2) Category 2 standard given the additional requirements. Based on the housing mix in B Milton Keynes in combination with this EHS data, a robust estimate of the number of dwellings that could be converted to meet the M4(1) standard can be derived.
73. This provides a reasonable upper estimate of the number of households likely to be able to adapt existing homes rather than move to new housing. On this basis, we can calculate the need for adapted housing that could not be met by adaptation of existing homes; these households should be added to the households identified as needing to move at the start of the period (Figure 18). This figure clearly has a significant overlap with the need for older persons dwellings set out in the preceding section of this report. Therefore, there is a need for a high number of homes which can be used to accommodate people as their health deteriorates.

Figure 18: Households with a long-term illness or disability in Milton Keynes by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

MILTON KEYNES	Affordable	% of Total Affordable Rent	Home Ownership	% of Total Home Ownership	TOTAL	% of Total LHN
Existing need in 2022						
Households where an existing illness or disability affects their housing need and need to move in 2022	509		345		854	-
Projected future need 2022-50						
Additional households in 2050 where illness or disability affects their housing need or will develop within 10 years	6,173	-	7,274	-	13,447	-
Maximum need for adapted housing 2022-50 (households)	6,682	37%	7,620	25%	14,302	29%
Less households living in dwellings adaptable to M4(1) standard	3,665		4,319		7,984	
Minimum need for adapted housing 2022-50 (households)	3,017	17%	3,300	11%	6,317	13%

74. Therefore, the need for adapted housing 2022-50 can be expressed as a range between 6,317 and 14,302 dwellings (between 226 and 511 dwellings per annum). There is inevitably uncertainty about how many households will be able to meet their housing needs without moving and how many will move to existing homes rather than new housing. This is a much lower figure than the 9,680 to 22,411 from the original HEDNA is due to lower reported health problems in the 2021 Census.
75. Given the number of households likely to need to move due to a limiting long-term illness or disability affecting housing need (a significant proportion when compared to the LHN, see Figure 18), the evidence supports consideration of a high proportion of affordable homes being built to at least M4(2) standards.
76. It is important to recognise that the range presented in Figure 18 represents the combined need for both M4(2) Category 2 and M4(3) Category 3 housing; for households with a wheelchair user would be included within those households counted as having a health problem or disability that affects their housing need.
77. It should be noted that the Government have stated in their response to the September 2020 consultation on raising accessibility standards of new homes: “Raising accessibility standards for new homes: summary of consultation responses and government response”² that their intent is to change the building regulations so that M4(2) is the default minimum standard for new homes. M4(1) will apply by exception only:

73. Government proposes that the most appropriate way forward is to mandate the current M4(2) (Category 2: Accessible and adaptable dwellings) requirement in Building Regulations as a minimum standard for all new homes – option 2 in the consultation. M4(1) will apply by exception only, where M4(2) is impractical and unachievable (as detailed below). Subject to a further consultation on the draft technical details, we will implement this change in due course with a change to building regulations.

Raising accessibility standards for new homes: summary of consultation responses and government response

78. The timescale for this proposed change has not yet been released, with no response from the new Government on this issue. Therefore, it is currently not appropriate to assume that all properties must be delivered to M4(2) standard until further policy clarifications are issued.

Housing for Wheelchair Users

79. Building Regulations for M4(3) Category 3: Wheelchair user dwellings state that reasonable provision should be made for people to gain access to and use the facilities of the dwelling and that:

“The provision made must be sufficient to-
(a) allow simple adaptation of the dwelling to meet the needs of occupants who use wheelchairs, or;
(b) to meet the needs of occupants who use wheelchairs.” (Page 23)

80. In establishing the need for M4(3) Category 3 housing it is again important to consider the population projections and health demographics of the area, but with specific reference to households with wheelchair users.

² Raising accessibility standards for new homes: summary of consultation responses and government response – updated July 2022: <https://www.gov.uk/government/consultations/raising-accessibility-standards-for-new-homes/outcome/raising-accessibility-standards-for-new-homes-summary-of-consultation-responses-and-government-response#government-response>

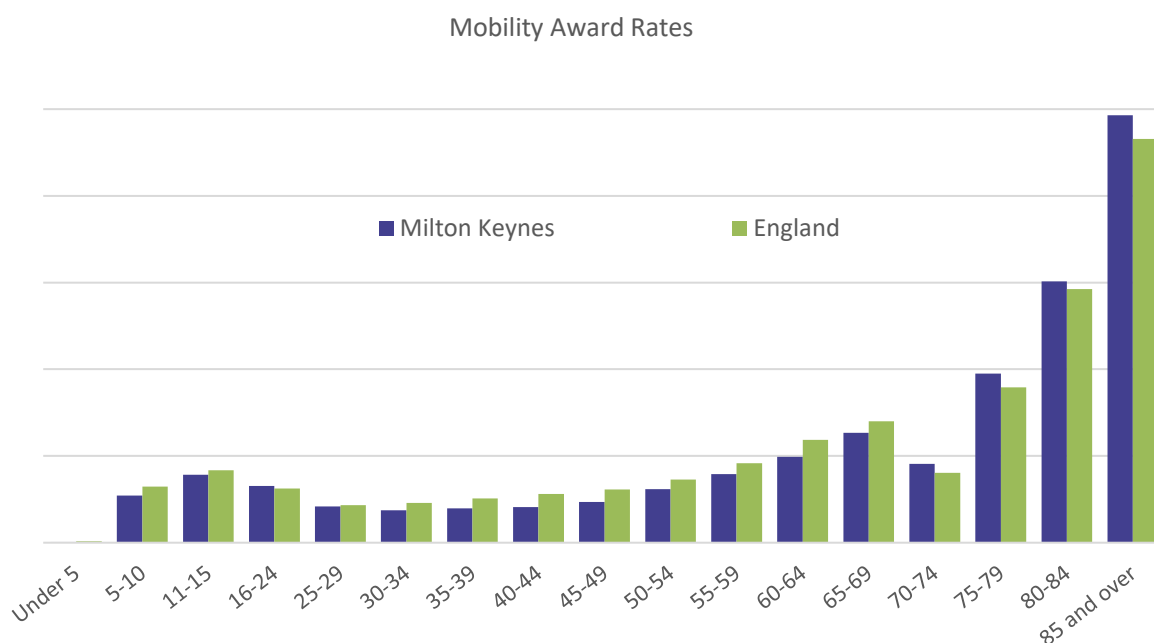
81. The CLG guide to available disability data³ referenced by PPG^{4 5} shows that around one in thirty households in England (3.3%) currently has at least one wheelchair user, although the rate is notably higher for households living in Affordable Housing (7.1%). The rates are also higher for older households. Figure 19 identifies the proportion of households in England with a wheelchair user currently living in Market Housing and Affordable Housing by age of household representative. The data relates to 2013/14 when the issue was explored in the English Housing Survey.

Figure 19: Percentage of households with a wheelchair user by type of housing and age of household representative
(Source: English Housing Survey 2013-14)

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Housing type								
Market Housing	< 0.1%	0.4%	1.0%	1.6%	3.0%	4.0%	6.1%	9.3%
Affordable Housing	0.3%	2.0%	2.9%	6.0%	6.0%	10.3%	12.7%	19.9%

82. To get a better understanding of the data for the local area, Figure 20 compares the proportion of disability benefit claimants in receipt of mobility award for Milton Keynes (the majority of whom will be wheelchair users) against the figures for England.

Figure 20: Disability benefit claimants in receipt of mobility award by age (Source: DWP 2024)



³ <https://www.gov.uk/government/publications/building-regulations-guide-to-available-disability-data>

⁴ [Housing: optional technical standards - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/housing-optional-technical-standards)

⁵ PPG ID 56-007-20150327

83. Through combining the information on local rates with the national data, we can establish the proportion of households in Milton Keynes likely to have a wheelchair user by the age of the household representative in Market Housing and Affordable Housing (Figure 21).

Figure 21: Percentage of households with a wheelchair user by type of housing and age of household representative

Housing Type	Age of Household Representative							
	15-24	25-34	35-44	45-54	55-64	65-74	75-84	85+
Milton Keynes								
Market Housing	< 0.1%	0.4%	0.9%	1.6%	2.9%	4.0%	6.2%	9.9%
Affordable Housing	0.3%	2.0%	2.9%	5.9%	5.9%	10.2%	12.9%	20.9%

84. If we apply these proportions to the population and household data for the area then we can identify the net change in the number of households with a wheelchair user over the period 2022-2050. (Figure 22). Using this approach we calculate the number of households likely to need wheelchair adapted housing is likely to increase by 3,130 over the 28-year period. These are very similar figures to the original HEDNA, so the conclusions that 10% of all affordable homes and 5% of all market homes should be built to Building Regulations Part M4(3) wheelchair accessible standard remains.

Figure 22: Households needing Wheelchair Adapted Housing Using Standard Method Housing Need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	2022	2050	Net change 2022-50
Market Housing	2,060	3,390	+1,330
Affordable Housing	1,650	3,450	+1,810
Total	3,710	6,840	+3,130

85. Importantly, as the model has included household age, it is possible to identify that two thirds (64%) of this increase comes from households which are aged over 75 years as a consequence of the large growth that is projected for this age group. This can be seen in Figure 23:

Figure 23: Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)

Modelled Need for Wheelchair Adapted Housing	Households aged under 75			Households aged 75+		
	2022	2050	Net change 2022-50	2022	2050	Net change 2022-50
Market Housing	1,420	1,910	+490	640	1,480	+840
Affordable Housing	1,140	1,790	+660	510	1,660	+1,150
Total	2,560	3,700	+1,150	1,150	3,140	+1,990

86. Whilst not all over 75 households needing wheelchair adapted housing will live in specialist older person housing, it is likely that many of those living in specialist older housing will need wheelchair adapted homes. It is also likely that some older households will progress to using a wheelchair whilst living in specialist housing due to a deterioration in their health. On that basis, seeking to deliver as much of the identified older person housing need, particularly the extra care need, as possible in the form of M4(3) dwellings will help to meet the needs of the ageing population. However, there will still be a need for M4(3) dwellings in the general housing stock as well.

Employment Workstream Update

87. The HEDNA Employment Workstream update covers each of the following sections in turn:
- » A high level review of the Functional Economic Market Area (FEMA)
 - » Alignment of jobs and homes resulting from the updated analysis of local housing need
 - » Issues raised by consultees in respect of future office requirements
 - » Issues raised by consultees in respect of future industrial and warehousing requirements
 - » Updated assessment of future employment sites and premises requirements
 - » High-level consideration of the implications of revisions to the NPPF
 - » Updated employment land supply compared with future requirements to identify any potential issues of over or under supply.

FEMA Review

88. The original HEDNA report set out a detailed assessment of functional economic market areas (FEMAs) relevant to Milton Keynes. The assessment found that Milton Keynes was part of multiple FEMAs which had 'fuzzy' boundaries.
- » Milton Keynes forms part of a large strategic FEMA including London, Oxford, Cambridge and Birmingham. The M1 is a key driver of the London to Birmingham linkage. Milton Keynes is also a key location within the Oxford to Cambridge corridor.
 - » Milton Keynes plays a key role as a service and economic centre in the South East Midlands region, it has the largest office market in this region, as well as a substantial role in the industrial and logistics market.
 - » Milton Keynes has very strong travel to work linkages within its own local authority boundaries, but also connections to towns in the surrounding area.

89. The conclusion of the analysis was that for the purposes of Local Plan preparation the Milton Keynes FEMA should be primarily focused on the local authority area of Milton Keynes. Whilst there were some strong linkages to other settlements, the nature of administrative boundaries does not suggest any other areas should reasonably form part of the Milton Keynes FEMA. However, the wider strategic linkages should be acknowledged in how data is interpreted. Larger than local studies (such as undertaken for the warehousing and logistics market) were helpful to understand the wider regional market.

Updated Position

90. As part of this update a high-level review to assess whether the FEMA remains relevant has been undertaken. No new guidance relevant to defining FEMAs has been issued since the original report was published. The key changes relate to various administrative structures. This includes:
- » The functions of the South East Midlands Local Enterprise Partnership (SEMLEP), including strategic economic planning, transferring to West Northamptonshire Council.
 - » The Oxford to Cambridge Pan-Regional Partnership has not had funding renewed for 2025/26.

91. UK Government is seeking to establish strategic authorities across the whole of England. At present there is no clarity on the arrangements that will cover Milton Keynes, with two alternative proposals submitted – one covering the former SEMLEP area and one covering Milton Keynes, Luton, Bedford and Central Bedfordshire. Whilst the strategic authority debate will, in time, provide an umbrella administrative geography including Milton Keynes, the current situation is less clear than at the time of the original HEDNA report.
92. Whilst the Oxford to Cambridge PRP has been discontinued, UK Government has confirmed the final phase of East West Rail amidst other infrastructure investments to strengthen the growth potential of the area.
93. Overall, there is no strong evidence to suggest any change of FEMA definitions at the current time. There continues to be the potential for the Oxford to Cambridge axis to become a stronger influence than at present. However, development of East West Rail will continue well into the 2030s as a minimum. On this basis, no change to the approach set out in the 2024 HEDNA is recommended. Therefore, Milton Keynes will continue to be considered as a single local authority area, with recognition of the strategic linkages with both its near neighbours, and across a larger area.

Jobs and Worker Balance

How many jobs can the local housing need support?

94. Analysis within the housing workstream of the HEDNA update has considered the implications of the new standard method for assessing housing needs. This establishes a local housing need (LHN) of 1,799 dwellings per annum for Milton Keynes, around 50,400 homes over the 28-year plan period of 2022-50 (Figure 2).
95. Demographic analysis aligned to the LHN has identified a workforce to support 2,000 jobs per annum (jpa) (Figure 3).

How does this compare to the 2024 HEDNA economic scenarios?

96. Figure 24 sets out the number of jobs per annum from each of the 2024 HEDNA scenarios to set the new LHN scenario in context.

Figure 24: Jobs Growth Scenarios for Milton Keynes

	Jobs Per Annum	Plan Period Total
Actual historic (ONS, 10-year trend, 2013-23)	2,900	81,200
Actual historic (ONS, 20-year trend, 2003-23)	2,900	81,200
Baseline (OE)	400	11,200
Baseline (Experian)	2,700	75,600
Low (HEDNA 2024)	1,600	43,600
Medium (HEDNA 2024)	2,100	59,600
High (HEDNA 2024)	2,700	75,700
MK 2050 Economic Ambition (Low)	1,700	48,200
MK 2050 Economic Ambition (High)	3,100	86,800
MK 2050 Population Ambition (410,000)	2,700	75,600
Local Housing Need (HEDNA Update 2025)	2,000	54,900

97. Historic jobs growth in Milton Keynes over the long term and medium term has been strong, at 2,900 jobs per annum. This is well above the level of growth supported by the LHN scenario reflecting the changing demographics. In particular the Milton Keynes population is ageing. As a new town, Milton Keynes has had a disproportionately young population when compared to wider regional and national averages; this has fuelled very strong economic and jobs growth. As the Milton Keynes population matures there is reduced capacity for jobs growth. The reduced capacity for growth is also being experienced across many other parts of the UK as the general population ages.
98. The baseline economic projections which informed the 2024 HEDNA demonstrated a very wide variation in expectations between the two sets of forecasters – Oxford Economics and Experian. Both were anticipating growth below the historic averages. The Oxford Economics figures were assessed as an unreasonably low level for planning purposes and a range of employment growth scenarios were developed.
99. The LHN 2,000 jpa figure is marginally below the level of jobs growth in the Medium economic scenario in the 2024 HEDNA and therefore clearly below the High scenario, it sits above the Low economic scenario.
100. The MK 2050 strategy sets a range of job growth ambition, as well as a clear population growth ambition, to reach a population of 410,000 in Milton Keynes and 500,000 in the wider area. The low end of the MK 2050 jobs ambition is in the region of 1,700 jobs per annum, which falls below the LHN supported level of growth. The upper end of the ambition range is well above the LHN 2,000 jpa. When taking a population driven approach, using the same methodology as applied to estimate the LHN jobs figures indicates some 2,700 jpa could be supported, above the LHN scenario.
101. Overall, the LHN jobs scenario is above the lower end of the range of scenarios considered, but well below the upper end of the range. It might reasonably be considered to be on the low side of medium. In order to achieve the upper end of the MK 2050 job ambition would require additional workforce, either through adjustments to commuting patterns, increasing economic activity rates, or supporting additional growth in the local working age population.

Implications

102. We will develop a slightly amended version of the previous Medium scenario, to align to the LHN workforce analysis. This will enable the 2,000 jpa scenario to be tested in terms of the implications for future employment sites and premises.

Future Office Requirements

103. The primary issues raised with the 2024 HEDNA assessment of office requirements in the consultation responses and feedback from PINS included:
- » The impact of changing working practices, specifically hybrid working, and the extent to which these have been addressed in the 2024 HEDNA.
 - » A questioning of the overall volume of office space needed over the plan period given the commercial challenges that are facing the sector and the perceived significant level of vacancy, as well as the impacts of hybrid and home working.
 - » A critique of the ambition for CMK and whether there is sufficient evidence to support the policy approach that has been adopted in the draft Plan.

Commercial Market Commentary

104. The commercial market commentary that was prepared for the 2024 HEDNA identified a strong office market in Milton Keynes prior to the COVID-19 pandemic. It was identified as one of the major office locations in the M1 corridor and north M25 region.
105. It was noted that the pandemic had a big impact, but that the office market in Milton Keynes held up better than most areas. Take up was recognised to have been more muted, with a lack of Grade A availability impacting this.
106. It was also noted that Milton Keynes had a stock of ageing buildings that will require refurbishment or repurposing. Permitted Development had already led to the removal of a proportion of the secondary stock in CMK, and out of town (OOT) stock was being repurposed for other uses.
107. From a development perspective, a lack of speculative office development had limited the supply of Grade A floorspace coming to the market. It was noted that this would inhibit the ability of Milton Keynes to attract new occupiers. However, it was also noted that challenging development viability would likely continue.
108. In combination, it was noted that there was uncertainty over the future of the office market. It was recognised that occupiers were taking differing decisions about the speed and scale of the return to the office after enforced homeworking during the pandemic. It was clear that it was too early to be definitive. It was also highlighted that the quality of office supply, along with the amenity offering would be important to attract staff to the office.

Latest Evidence

109. A range of recent commercial market research has been reviewed. A list of sources is set out at Appendix 1.

Economic and Policy Environment

110. Overall, the fundamental challenges and drivers that were present at the time of the 2024 HEDNA remain, but there is greater clarity on some of the post pandemic trends. However, the wider economic environment has continued to be relatively volatile with a series of international conflicts, global economic weakness as a result of higher interest rates, significant cost inflation, and international policy uncertainty. In combination this has led to overall levels of office take-up being reduced whilst a 'new normal' was established.
111. At the UK level there is a high priority policy commitment to delivering economic growth, and Milton Keynes, at the heart of the Oxford Cambridge corridor is located in one of the prime growth areas identified by UK Government. This is important context for assessing future requirements.

Changing Working Practices

112. There is now greater evidence on the return to the office since the pandemic. There is broad agreement that hybrid working is here to stay in office-based sectors, with larger employers the most likely 'hybrid adopters' (JLL, 2024). The majority of businesses are settling around three days per week in the office (LSH, 2024), although there are examples of companies requiring four- and five-day attendance and some willing to accept lower office attendance. The drift has generally been towards increasing amounts of time in the office, and this may continue to creep up over the coming years.

113. There are reports that demand in the office sector is rebounding, with take up levels recovering in many markets. However, the nature of requirements is different to the pre-pandemic period. The picture remains complex with opposing forces at work.
- » There is some evidence that offices are de-densifying in terms of how spaces are occupied (i.e. more space per worker). This is reflected in updated guidance from the British Council of Offices, increasing the minimum space per employee from 8 to 10 sq m (BCO, 2025).
 - » With fewer workers in the office on a day-to-day basis this is causing some occupiers to reduce their footprints. There is also a strong emphasis on flexibility (Savills, 2025).
114. There are some reports that suggest minimal impact on overall levels of demand due to the ongoing need to accommodate peak occupancy (NatWest, 2025). This reflects the focus on using office attendance to drive interaction and team work. Where occupiers are requiring all staff to be in the office on certain days there is a need for sufficient space to accommodate the whole team, even if space is lying vacant at other times during the week. However, research by LSH found that 41% of survey respondent organisations had reduced office occupation compared to five years earlier, 37% were broadly unchanged and 22% had increased their requirement. The largest employers are more likely to be the occupiers looking to either reduce or expand their office space.
115. Overall, there is clearly a mixed picture, and there isn't a common response that can be applied across all office occupiers. On balance the pressure is slightly downward, but not to the extremes that may have been anticipated at the height of the pandemic.

Flight to Quality

116. The over-riding message from across the market analysis is of the need to provide the best quality stock in order to attract occupiers. The 'flight to quality' as it is typically referred to, has only heightened since the 2024 HEDNA was prepared. This is being driven by both the need to offer exceptional working environments to staff in order to attract them to the office and retain them within the organisation, but also to demonstrate the ESG (environmental, sustainability and governance) credentials to clients. As well as the quality of the premises themselves, this also relates to the setting, providing excellent amenities and public transport access for workers in the immediate vicinity – often referred to as prime supply where Grade A stock is coupled with excellent amenity and strong environmental credentials. It is reported that Grade A stock now accounts for around two thirds of demand, whereas it was less than half pre-pandemic. This is continuing a locational shift that was present pre-pandemic with a strong occupier and investor focus towards central locations and increasing weakness in out of town markets.
117. This trend presents a challenge for poorer quality, secondary stock which is subject to much lower levels of demand, particularly in out of town locations with poorer surrounding amenities. It is anticipated there will be a need for major refurbishment, or pressure for change of use. LSH indicate accelerated obsolescence of poorer quality offices. The second challenge is that where there is insufficient prime Grade A stock demand will be weaker as occupiers look elsewhere to achieve the product that meets their requirements.
118. The challenge for Milton Keynes is that whilst vacancy may rise, particularly in secondary stock, this does not diminish the need for developing new Grade A prime product in order to meet modern occupier requirements, particularly within CMK. Any downward pressure on the total stock of offices required in Milton Keynes as a result of changing working practices is therefore expected to manifest in an increased level of losses of poorer quality floorspace, especially outside CMK, not a reduced need for new development in central locations.

Milton Keynes Position

119. Analysis by LSH found that the supply of office space in Milton Keynes is equivalent to only two years of take up, and of this, only 16% is Grade A, where demand is focused. It is expected that Milton Keynes will experience rental increases of 20% and above by the end of 2026, double the regional average. Significant rental growth has the potential to improve development viability which has been a real challenge in enabling development. However, investment yields have increased further challenging viability.

Implications for Assessment

120. What does the latest evidence mean for future office requirements in Milton Keynes?
121. Fundamentally one should expect ongoing demand, particularly for Grade A offices. Milton Keynes is a key location in the London to Birmingham and Oxford to Cambridge corridors. It has delivered strong growth in recent history and has ongoing ambitions to deliver growth through the plan period. Notwithstanding, there may be some continued short term weakness due to global economic uncertainty.
122. The commercial market has changed as a result of the pandemic. However, the evidence does not indicate hugely reduced volumes of stock as a result of hybrid working are likely in the long term, due to the need to accommodate peak occupancy and the move towards de-densifying offices. The key pattern that is widely reported is away from poorer quality secondary stock and locations with limited amenity towards prime Grade A stocks in central locations.
123. Nevertheless, there has been a period of caution as the market adjusts to a 'new normal' post pandemic and dealt with a volatile economic backdrop. On balance, pressure on total requirements is likely to be downward rather than upward.
124. Whilst viability has impacted development activity, coupled with wider economic uncertainty, the clear market trend is demand for prime Grade A stocks, of which Milton Keynes has a very limited supply. Market evidence indicates that where prime product is not available market activity will not be realised, as lower grade stock is not attractive. This is creating increasing levels of vacancy across secondary stock in out of town locations.
125. The lack of Grade A supply is expected to drive very significant rental growth in Milton Keynes which has the potential to improve viability and start to unlock new development. For Milton Keynes to remain competitive it needs to ensure an ongoing supply of Grade A offices that are attractive to modern occupiers. The evidence supports the focus on CMK for office development.
126. The demand for Grade A space is evidence of the need for replacement of secondary stocks, the alternative is substantial refurbishment activity. It is possible that refurbishment will become increasingly attractive as the embedded carbon in existing buildings becomes increasingly recognised. This is now beginning to be noted in commercial market analysis reports. This could put downward pressure on replacement rates. This will be further supported where it is financially preferable to refurb rather than develop new stock. However, it will require buildings to be appropriately located with access to amenities.
127. The policy to develop offices within CMK, leading to a more concentrated focus for offices than the previously more dispersed approach across the wider Milton Keynes area, will create its own need for higher levels of replacement. Refurbishment of stocks in OOT locations will not meet the needs of the policy, and the additional amenity benefits of CMK, particularly clustered around the rail station, will be attractive to occupiers.

128. Densification of CMK, with increased building heights will allow for less total land use to achieve the same scale of floorspace development, but again, will necessitate redevelopment/replacement unless additional floors can be added to existing buildings.
129. Broadly, the policy ambition to make CMK the key office location within Milton Keynes will drive up levels of replacement activity.

Modelling and Assumption Adjustments

130. The overall scale of future office requirements will be impacted by a slight downward revision of the Medium employment growth scenario as a result of alignment to the LHN.
131. Where there is a reduction on the total office stock required due to changing working practices this will be primarily through removal of older obsolete stock, not reduced development of new supply. As a result there is a change to the hybrid working sensitivity assumption used in the 2024 HEDNA to reflect the new evidence in this regard.
132. Office occupation density assumptions are potentially leading to a less dense profile (i.e. increased space per worker). However, the assumptions used in the 2024 HEDNA drew primarily on the HCA Employment Density Guide rather than BCO minimum thresholds. As the original assumption was already higher than the revised BCO minimum no change is made. They are not reduced to align with the BCO figures as these are stated as a minimum level.
133. High replacement rates were sensitivity tested in the 2024 HEDNA due to the specific characteristics of Milton Keynes as a new town, with a lot of older office stock all reaching the end of its functional and economic life within the plan period. The sensitivity tests could have been higher than necessary, so the methodology for setting the rate of floorspace replacement has been strengthened and updated.
134. The implications of higher density development within CMK could reduce the overall land requirement to accommodate the identified level of floorspace. The primary metric for office requirements is better expressed as floorspace given the wide variety of development densities that can be achieved, particularly in a location such as Milton Keynes that will have a range of business park and central business district settings.
135. The results of this analysis are set out at Chapter 6 of this report. Unless specified all other assumptions remain as per the 2024 HEDNA assessment.

Future Industrial and Warehouse Requirements

136. The primary issues raised with the 2024 HEDNA assessment of industrial and warehouse requirements⁶ in the consultation responses and feedback from PINS included:
 - » The draft Local Plan does not identify sufficient supply to meet the identified requirement;
 - » Warehouse allocations need M1 access. Allocations without this are vacant;
 - » Demand for logistics space is now slower than when the 2024 HEDNA was prepared, this has resulted in a lot of empty warehousing; and
 - » Automation within the logistics sector conflicts with the high skill employment ambition for Milton Keynes.

⁶ Including Use Classes E(g)(iii) light industrial processes, B2 general industry and B8 storage or distribution.

137. Many of the relevant responses relate to the supply side or policy position rather than the demand side i.e. whether there is appropriate and sufficient supply to meet the identified requirement. This is largely a separate issue from the assessment of requirements – although not entirely.
138. The issues raised primarily take the view that the assessment of requirements is too high, with a particular note on current vacancy as a result of the glut of new development which took place in response to a peak in demand around the time of the COVID-19 pandemic and shortly afterward.

Commercial Market Commentary

139. Stakeholder consultations that were undertaken for the 2024 HEDNA highlighted the strength of the logistics sector and the excellent location and strategic access of Milton Keynes, with two motorway junctions. This was reported to be creating almost insatiable demand.
140. There was some concern that logistics could crowd out tech and manufacturing firms due to rising land values and the extent of land take.
141. Research by the South East Midlands LEP (SEMLEP) into the logistics requirements across the wider south east midlands area was expecting higher levels of logistics demand, in comparison to past trends, under all scenarios.
142. Consultees also noted that there was a lot of ageing commercial property in Milton Keynes that is often unviable to upgrade. On this basis there will be substantial replacement requirements.
143. The 2024 HEDNA acknowledged there was a degree of uncertainty inherent in the modelling and it was appropriate to keep this under review.

Latest Evidence

144. There is wide acknowledgment that there was a pandemic and Brexit driven peak in demand for logistics space. This led to a glut of speculative building. There has been a slow down in occupier demand, partly driven by the relatively volatile economic context as well as mergers and acquisition activity in the logistics sector. In combination this has led to a rise in vacancy levels in the logistics sector within the UK, and Milton Keynes is no exception. However, it is also widely recorded that the long term fundamentals of logistics demand in the UK remain, and the position of Milton Keynes and the wider south east midlands area as a prime location for logistics is unquestioned.
145. Increasing vacancy has led to a slow down in speculative development and it is widely anticipated that vacancy rates will peak in 2025 as excess supply is taken up. This pattern is fairly typical and the 2024 HEDNA noted the lumpy nature of commercial property development. Assessing needs over the lengthy plan period for Milton Keynes requires a longer term view and not over reaction to short term fluctuations, either upward or downward. In keeping with the office sector, demand for Grade A logistics space is important. This will continue to drive demand for new development and/or major refurbishment activity.
146. Changes to occupier requirements are reported in the evidence. Access to power is becoming increasingly important, in order to support automation activities and electric vehicle (EV) fleet charging. Automation is also driving a requirement for taller buildings. It is reported that this could reduce building footprints, although increased parking and vehicle movement space can have the opposite effect on plot ratio, leaving a broadly net neutral position for site needs.

Implications for Assessment

147. There are some issues of circularity in terms of the matters raised around insufficient supply to meet identified needs. Strategic logistics requires large flat sites with excellent strategic access. If these cannot be provided it is reasonable to expect footloose demand to look for alternatives that can offer these essential characteristics. Any quantitative assessment of demand can only be realised if supply is forthcoming, as well as commercial viability enabling development to be undertaken. For the purposes of the HEDNA the assessment is considering what level of requirement is appropriate in an unconstrained context.
148. For logistics, this issue is further impacted by the SEMLEP logistics study, which identified significant strategic requirements across the south midlands area, but without any agreed framework for how this could be apportioned across the constituent local authority areas. Occupiers for strategic logistics are generally able to consider a wide area of search, demand is not therefore tied to very specific locations. Therefore, if appropriate sites and premises are not available in any given locality the search will focus on locations that can offer suitable product to meet occupier needs.
149. The implications of this are that the assessment of requirements will continue to be undertaken on the basis of unconstrained supply, but there should be a recognition that if there are not suitable sites to meet such levels of requirement this will displace demand to other locations.
150. The evidence is clear that the fundamental demand drivers remain and therefore Milton Keynes should expect ongoing demand from logistics operators and developers over the long term. The short term peak in vacancy is expected to be corrected over the next 12 months.
151. Levels of replacement activity assessed in the 2024 HEDNA were sensitivity tested at high levels. This analysis has been reconsidered to ensure it aligns with the latest market position and is not influenced unduly by the very positive market sentiment at the time of the 2024 HEDNA.
152. No changes are made to occupation density or development density assumptions.

Future Employment Sites and Premises Requirements

153. This chapter updates the analysis of future sites and premises requirements set out in the 2024 HEDNA. This update takes into account:
- » Aligning the original Medium (Mid) growth scenario to the revised LHN;
 - » Adjustments to assumptions within the modelling for future office requirements; and
 - » Adjustments to assumptions within the modelling for general industrial and warehousing and logistics requirements.
154. The scenarios set out within this update are :
- » **Mid:** the mid-point between the High and Low scenarios in the 2024 HEDNA;
 - » **Hybrid working sensitivity** (office only): Mid scenario with discount applied to account for reducing office demand resulting from increase hybrid working;
 - » **High replacement sensitivity:** Mid scenario with uplifted replacement rate;
 - » **High on-site redevelopment sensitivity:** Mid scenario with 40% on-site redevelopment; and
 - » **Combined sensitivity:** Mid scenario with all sensitivity testing scenarios above applied.

Detailed Methodological Updates

155. The methodology that underpins the above analysis to estimate the employment floorspace requirement was set out in Chapter 9 and Appendix D of the 2024 HEDNA. However, the following section sets out those parts of the methodology which have been updated for the HEDNA Update.

Replacement

156. The methodology adopted for estimating replacement demand assumes that a proportion of the total existing stock of employment property needs to be replaced each year. This is to ensure the overall stock of premises is sufficient and appropriate for modern needs, in terms of both building quality and site characteristics.
157. A replacement allowance seeks to account for commercial buildings at risk of functional or physical obsolescence, or change of use:
- » **Functional obsolescence:** buildings that are beyond their usable life as commercial premises;
 - » **Physical obsolescence:** buildings that are derelict to the point it is no longer possible to utilise them for commercial operations; and
 - » **Change of use:** buildings that have been subject to change of use to non-commercial uses.
158. The approach is predicated on estimating an annual replacement rate, which can then be applied to Milton Keynes' existing employment stocks to determine replacement requirements over the Plan period. To begin with, a default replacement allowance is estimated based on industry standards and best practice guidance. This is followed by a consideration of the following interrelated factors of replacement within the applied context of Milton Keynes:
- » **Market conditions:** stakeholder consultation inputs and agent's assessment of commercial property market conditions, and the demand for employment premises.
 - » **Historic replacement:** consideration of historic replacement rates based on Annual Monitoring Report (AMR) data.
 - » **Age of stock:** older premises are more likely to become functionally or physically obsolete.
 - » **Heritage:** development constraints associated with conservation areas and listed status.
 - » **Quality of stock:** lower quality premises are more likely to become functionally or physically obsolete.

Default Replacement Allowance

159. The RICS guide to life cycle costing⁷ sets a lower threshold of 30 years as the age at which a building is likely to become functionally obsolete without investment to upgrade or refit the building. A 30-year replacement rate equates to replacing 3.3% of the total employment stock on a rolling annual basis, or effectively replacing 100% of the total employment stock every 30 years⁸.

⁷ RICS (2016) Life cycle costing, 1st edition.

⁸ Acknowledging that some premises will not be replaced at all, whilst other may be replaced more than once.

160. Based on DESNZ (2023) data⁹, it is evident the significant majority of office (72%), factory (81%), and warehouse (70%) floorspace is aged over 30 years. Therefore, it is clear that many buildings have a lifetime beyond 30 years, and it is unfeasible to assume a 30-year replacement rate as standard for the purposes of this assessment.
161. British Standard EN 1990:2002, Eurocode – Basis of structural design (Eurocode 0) states that building structures should be designed to last 50 years. A 50-year replacement rate equates to replacing 2% of the total employment stock on a rolling annual basis, or effectively replacing 100% of the total employment stock every 50 years.
162. DESNZ (2023) data does not provide a building age breakdown which allows for separate consideration of office, factory, and warehouse uses. However, the generalised non-domestic premises data indicates that around 39% of all commercial floorspace was constructed over 50 years ago.
163. Building Research Establishment Environmental Assessment Method (BREEAM) life cycle assessments indicate the service life of a building is considered to be 60 years. A 60-year replacement equates to replacing 1.67% of the total employment stock on a rolling annual basis, or effectively replacing 100% of the total employment stock every 60 years.
164. The generalised non-domestic premises data indicates that around 31% of all commercial floorspace was constructed over 60 years ago.
165. Based on the DESNZ (2023) data considered thus far, a replacement rate between 50 and 60 years is a reasonable standard assumption. Local areas with strong demand for new premises should be assumed to require the higher 50-year replacement rate (2% per annum), whereas local areas with lower demand for new premises should be assumed to require the lower 60-year replacement rate (1.67% per annum). Areas where there is no evidence of especially high or low demand should be assumed to require the mid-point rate (1.82% per annum).
166. The difference between the two standard rates should be considered when adjusting local area assumptions – there is 0.33% percentage points (pp) between both positions. As such, increments of $\pm 0.1\%$ pp are considered suitable for local area adjustments.

Market conditions

167. As previously set out, demand for new office, general industrial, and warehousing and logistics floorspace is expected to be high. This is expected to drive up replacement rates, where older stock is replaced with new higher quality stock.
168. Given the reported strong demand for new commercial floorspace, the higher replacement rate of 2% is most appropriate across all employment use classes.

Historic office replacement

169. Milton Keynes City Council AMR data indicates that approximately 151,000 sq m of office floorspace was lost between 2012–2024.

⁹ Department for Energy Security & Net Zero (2023) Non-domestic Building Stock in England and Wales. Part 1: Stock Description.

170. Valuation Office Agency (VOA) records indicate there was approximately 634,000 sq m of office floorspace in Milton Keynes in 2012.
171. Assuming that AMR data on floorspace losses is a suitable indicator of the level of floorspace that has been replaced over the period since 2012, this provides an indicative historic replacement rate of around 1.8% per annum, or effectively replacing 100% of the total office stock every 55 years
172. This aligns with a medium level of replacement according to industry standards and best practice guidance.
173. An indicative historic replacement rate of 1.8% suggests that a default assumption of 2%, having taken into account evidence on current and future market conditions, is a reasonable default replacement assumption.

Historic industrial replacement

174. Milton Keynes City Council Annual Monitoring Record (AMR) data indicates that approximately 200,000 sq m of industrial floorspace was lost between 2012–2024.
175. Valuation Office Agency (VOA) records indicate there was approximately 2,690,000 sq m of industrial floorspace in Milton Keynes in 2012.
176. Again, assuming that AMR data on floorspace losses is a suitable indicator of the level of floorspace that has been replaced over the period since 2012, this provides an indicative historic replacement rate of around 0.6% per annum, or effectively replacing 100% of the total industrial stock every 175 years.
177. This is substantially below the expected 'low' replacement rate, according to industry standards and best practice guidance. Industrial floorspace replacement in the period under consideration has also fallen well below a 100-year replacement rate, which has for many years been considered as the absolute minimum threshold for the most conservative replacement assumptions. It is highly likely this under-replacement of industrial floorspace is a major contributing factor to the build-up of an ageing industrial stock reported by stakeholders.
178. A default assumption of 2% replacement per annum is well above recent historic rates. However, a high default replacement assumption allows for (a) current and future market demand (as previously identified) to be met, and (b) substantial historic under-replacement to be compensated for.

Age of stock

179. As set out in the original study, given Milton Keynes' historic context as a New Town founded in the 1960s, there is a very low proportion of its commercial stock that was built pre-1940 as the UA area did not include a major urban settlement before the town was established – this is reflected by comparison with the England-average age distribution of commercial stocks (set out in original study).
180. Milton Keynes' property stocks do not include the much older (typically Victorian) buildings that last well beyond the usual 25–35 year time horizon for a typical commercial unit. Subsequently, there is justification to test a requirement for Milton Keynes to have a higher rate of replacement, as increasing quantities of its 'original' stock dating from the inception of the city falls out of usefulness and becomes no longer fit for purpose.
181. As such, it is reasonable to adjust the default replacement assumption upwards. Therefore, a local adjustment of +0.1% is made to account for potentially higher rates of replacing stock becoming functionally or physically obsolete.

Heritage

182. Department for Energy Security and Net Zero (DESNZ, 2023) research provides data on the heritage status of non-domestic floorspace, recording where buildings are located within Conservation Areas or have listed status. This is useful to understand the extent to which employment premises may be more or less constrained with regards to redevelopment and retrofit.
183. Where heritage constraints exist, in the event that employment floorspace becomes functionally obsolete, it is more likely that a new site would be required for the provision of replacement floorspace, as redevelopment or retrofit of the existing site would be constrained. This will increase off-site replacement demand.
184. There are a number of Conservation Areas in Milton Keynes. However, all Conservation Areas are small, and none cover large areas. Conservation Area account for around 1.5% of Milton Keynes' land area.
185. The median coverage of Conservation Areas across local authorities in England is 3.4%. Milton Keynes is within the 23rd percentile of local authorities for Conservation Area coverage.
186. Overall, where employment premises become functionally or physically obsolete, Conservation Area status is unlikely to present a constraint to on-site replacement in most cases. Therefore, no local adjustment is made to the replacement rate to account for Conservation Area Status.

Quality of stock

187. Occupiers' focus on the Environmental, Social and Governance (ESG) credentials of office space has increased substantially over the period since the COVID-19 pandemic, with occupiers placing far greater emphasis on building credentials such as Energy Performance Certification (EPC) ratings, Building Research Establishment Environmental Assessment Method (BREEAM) rating, Minimum Energy Efficiency Standards (MEES), and other measures such as wellness and energy efficiency.
188. As a result, many occupiers are now looking at new or newly refurbished space which can offer such credentials at the right level. This has the potential to increase replacement demand where a growing proportion of existing premises fall beneath the required standards, becoming functionally obsolete.
189. The proportion of Milton Keynes' commercial building stock (where an EPC has been obtained) that falls below the current requirements is 6.3%. The proportion of Milton Keynes' commercial building stock that falls below the 2030 requirement is 78%¹⁰.
190. Given the high proportion of Milton Keynes' commercial building stock likely to fall below the 2030 EPC requirements, a local adjustment of +0.1% is made to account for potentially higher rates of replacing stock becoming physically obsolete.

Summary

191. Consideration has been given to a suitable default replacement allowance based on industry standards and best practice guidance. Given the evidence on market conditions set out within Chapter 4 and Chapter 5, a high default replacement rate of 2% per annum has been identified as most appropriate for the Plan period.

¹⁰ Live tables on Energy Performance of Buildings Certificates. <https://www.gov.uk/government/statistical-data-sets/live-tables-on-energy-performance-of-buildings-certificates#epcs-for-non-domestic-properties>

This replacement rate is equivalent to effectively replacing 100% of the total employment stock every 50 years.

- ^{192.} Consideration has also been given to a locally adjusted replacement rate to allow for factors such as age of stock, heritage, and quality of stock. This analysis has identified a reasonable basis on which to increase the default allowance of 2% per annum to a higher rate of 2.2% per annum during the Plan period. This replacement rate is equivalent to effectively replacing 100% of the total employment stock every 45 years.

Quantitative Updates

- ^{193.} The rationale for the changes is discussed in the preceding sections. The changes that have been applied are summarised in Figure 25.

Figure 25: Summary of Changes to Modelling Methodology

Topic	Changes
Economic scenarios	Reducing the Mid scenario by 100 jobs per annum across the economy to align to the number of jobs supported by the LHN scenario.
Office requirements (including E(g)(i) and E(g)(ii))	Adjusted additional requirements as a result of reduced Mid scenario . Updated existing stock input to replacement analysis to reflect latest available data. Adjustment to Hybrid working sensitivity scenario in light of latest evidence. Move away from simple 10% reduction in stock adjustment to more nuanced adjustment to reduced additional requirement (by 10%) and reduced replacement calculation (reducing starting stock by 10%). This makes appropriate adjustment to new requirements whilst acknowledging the primary reduction of stock will be through obsolete secondary space. The 10% assumption is also in line with the latest LSH survey evidence. Adjustment to High replacement sensitivity scenario. Reduced from 3% per annum to 2.2% per annum.
Industrial and warehouse requirements (including E(g)(iii), B2 and B8)	Adjusted requirements as a result of reduced Mid scenario . Adjustment to High replacement sensitivity scenario. Reduced from 3% per annum to 2.2% per annum.

- ^{194.} The following tables set out the gross and net future estimated floorspace requirements (sq m) for office, general industrial, and warehousing and logistics uses, as follows:

- » **Gross requirement:** this represents the sum of additional requirements and replacement demand, and includes an allowance for choice and flexibility. This is effectively the gross amount of floorspace that will need to be newly developed, upgraded, retrofitted, or refurbished during the Plan period to meet the estimated level of demand.
- » **Net requirement:** This represents gross requirement (above) less provision from re-use of existing employment sites. This is effectively the net amount of floorspace that will need to be

delivered on new sites (previously undeveloped for employment uses) within the Local Plan period.

Office requirements

195. Figure 26 sets out the gross and net future estimated office floorspace requirements under each scenario. In this analysis office and research and development (E(g)(i) and E(g)(ii)) are both included as a result of the way VOA data amalgamates Use Classes in its data which is used as part of the replacement analysis calculations.
196. The estimate under the updated Mid scenario sets out a gross requirement for 610,000 sq m office floorspace, and a net requirement for 430,000 sq m. This equates to 89% of the estimate set out in the 2024 HEDNA.
197. The estimate under the updated Combined sensitivity testing scenario sets out a gross requirement for 590,000 sq m office floorspace, and a net requirement for 350,000 sq m. This equates to 72% of the estimate set out in the 2024 HEDNA.

Figure 26: Gross and net future estimated office floorspace requirements (sq m) – all scenarios 2022–2050 – update to Figure 125

Note ¹¹	Mid	Hybrid working	High replacement	High on-site redevelopment	Combined sensitivity testing
(E) Gross requirement	610,000	550,000	650,000	610,000	590,000
Per annum (gross)	21,700	19,700	23,100	21,700	20,900
(G) Net requirement	430,000	390,000	460,000	370,000	350,000
Per annum (net)	15,400	14,000	16,400	13,000	12,600

Industrial requirements

198. Figure 27 sets out the gross and net future estimated industrial floorspace requirements under each scenario. This includes light industrial (E(g)(iii)) and general industry (B2) Use Classes.

Figure 27: Gross and net future estimated general industrial floorspace requirements (sq m) – all scenarios 2022–2050

Note ¹²	Mid	High replacement	High on-site redevelopment	Combined sensitivity testing
(E) Gross requirement	430,000	480,000	430,000	480,000
Per annum (gross)	15,500	17,300	15,500	17,300
(G) Net requirement	290,000	320,000	260,000	290,000
Per annum (net)	10,400	11,600	9,300	10,400

199. The estimate under the updated **Mid scenario** sets out a gross requirement for 430,000 sq m general industrial floorspace, and a net requirement for 290,000 sq m. This equates to 97% of the estimate set out in the 2024 HEDNA.

¹¹ Letters in parentheses correspond to those set out in Column 2 of Figure 125 of the 2024 HEDNA.

¹² Letters in parentheses correspond to those set out in Column 2 of Figure 128 of the 2024 HEDNA.

- ^{200.} The estimate under the updated **Combined sensitivity testing** scenario sets out a gross requirement for 480,000 sq m general industrial floorspace, and a net requirement for 290,000 sq m. This equates to 69% of the estimate set out in the 2024 HEDNA. This change is mainly due to the reduced replacement rate assumption applied within the **High replacement** scenario.

Warehouse and logistics requirements

- ^{201.} Figure 28 sets out the gross and net future estimated warehousing and logistics floorspace requirements under each scenario (Use Class B8).
- ^{202.} The estimate under the updated **Mid scenario** sets out a gross requirement for 2 million sq m warehousing and logistics floorspace, and a net requirement for 1.3 million sq m. This equates to 99% of the estimate set out in the 2024 HEDNA.
- ^{203.} The estimate under the updated **Combined sensitivity testing** scenario sets out a gross requirement for 2.1 million sq m warehousing and logistics floorspace, and a net requirement for 1.3 million sq m. This equates to 78% of the estimate set out in the 2024 HEDNA. This change is mainly due to the reduced replacement rate assumption applied within the **High replacement** scenario.

Figure 28: Gross and net future estimated warehousing and logistics floorspace requirements (sq m) – all scenarios 2022–2050

Note ¹³	Mid	High replacement	High on-site redevelopment	Combined sensitivity testing
(E) Gross requirement	2,000,000	2,100,000	2,000,000	2,100,000
Per annum (gross)	70,800	76,000	70,800	76,000
(G) Net requirement	1,300,000	1,400,000	1,200,000	1,300,000
Per annum (net)	47,000	51,000	42,000	46,000

Summary of overall requirements

- ^{204.} Figure 29 sets out the net future sites requirements for office, general industrial, and warehousing and logistics uses in Milton Keynes during the Plan period.

Figure 29: Estimated net future sites requirements (ha) – all scenarios 2022–2050

Note	Mid	Hybrid working	High replacement	High on-site redevelopment	Combined sensitivity testing
Offices	76	68	80	64	62
Industrial	78	N/A	87	70	78
Warehousing	380	N/A	410	340	370

¹³ Letters in parentheses correspond to those set out in Column 2 of Figure 131 of the 2024 HEDNA.

Revisions to the NPPF

205. The December 2024 National Planning Policy Framework (NPPF) included revisions to Chapter 6 'Building a strong, competitive economy'. In particular, references to meeting the needs of a modern economy were added. Whilst not exhaustive, the supporting text included uses such as laboratories, gigafactories, datacentres, digital infrastructure, freight and logistics.
206. The following section provides a high-level review of these uses to identify whether the assessment of future requirements should be adjusted.

Laboratories, Science, Technology and Innovation

207. In February 2025 the Oxford to Cambridge Pan Regional Partnership published Oxford to Cambridge: Science, Innovation, and Technology Business Premises Study (iceni with Carter Jonas and HDR) which sets out a larger than local perspective, with specific commentary around strengths and opportunities for Milton Keynes in respect of many of the modern economy uses around science and technology related activities.
208. This research highlights the strength of the Digital Tech sector in Milton Keynes, with large data science and AI (artificial intelligence) capabilities. The Milton Keynes Digital Tech sector is noted as the largest in the Oxford to Cambridge area and has a very high location quotient (LQ) indicating it is a high concentration location for the sector. There is also a strong advanced manufacturing cluster identified. The life sciences sector is identified as more modest in comparison to other centres in the region, with a low LQ in terms of employment, but a lot of laboratory type premises.
209. The report notes that overall Milton Keynes has considerable potential to accommodate new development on the basis of the amount of land allocated or proposed for employment related development. In conjunction with the wider findings of the HEDNA assessment there is no justification for increasing the assessed level of need for Milton Keynes, but policies should be supportive of science, technology and innovation uses. A key focus identified for Milton Keynes to support science, innovation and technology growth is development of an undergraduate university. Land availability is not cited as a limiting factor.

Gigafactories

210. A gigafactory is a facility to manufacture batteries for electric vehicles and a range of other applications at scale. Gigafactories are notable for their intensive energy requirements due to high-demand manufacturing processes that operate continuously. Power and energy demand in these facilities can exceed hundreds of megawatts (MW) to support processes such as electrode production, battery assembly, and quality control.
211. Some important considerations in determining gigafactory location include:
- » Grid capacity: gigafactories require robust grid connectivity with high-capacity infrastructure capable of meeting sustained power demand. Substantial investment in new grid infrastructure would be required in locations where this does not currently exist.
 - » Renewable energy sources: gigafactories can incorporate on-site renewables or partner with local renewable energy providers to provide the required capacity.
 - » Proximity to supply chain: battery production requires specific raw materials, and proximity to suppliers and distribution networks can mitigate costs associated with transportation and logistics.

- » The UK Battery Strategy states that gigafactories require "a contiguous, flat site of over 300 acres [i.e. 120+ hectares] with access to a sufficiently powerful electrical connection" [pg. 46]. Additional locational requirements are noted:

- Close to transport (road, rail, sea and air) for supply chain movements
- Close to specialised labour
- Ability to store dangerous substances on site

- ²¹². Savills have noted that the locational requirements of gigafactories are so specific that there are few places in the UK where it would be possible to develop them, at least in the short term.
- ²¹³. Agratas, a subsidiary of Tata Group, specialises in advanced battery technologies for electric vehicles and energy storage solutions. The company is constructing a 40 GWh gigafactory at the Gravity Smart Campus near Bridgwater, Somerset, which is projected to become the UK's largest battery manufacturing facility, creating up to 4,000 high-skilled green tech jobs and supplying nearly half of the UK's automotive battery capacity by the early 2030s. The large flat Gravity site benefits from its proximity to the Hinkley Point C new nuclear power station.
- ²¹⁴. The Faraday Institution (2024) estimates that by 2040, demand for batteries in the UK will require ten gigafactories with an average capacity of 20 GWh. Agratas will account for approximately two such factories (given its 40 GWh capacity). This leaves a requirement for a further eight gigafactories nationally by 2040.
- ²¹⁵. Due to the low number of likely developments and the scale and nature of site requirements, locations that can offer site opportunities to match the requirements may be considered for future investments.

Digital Infrastructure (including Data Centres)

- ²¹⁶. The UK has the largest number of data centres in Western Europe, with 80% located in London. However, a lack of suitable sites in London has been pushing demand further outside of the M25. Depending on the size and use of the data centre it is possible to locate in diverse places. However, a review conducted in Scotland focused on two particular requirements:
- » Hyperscale data centres: These are large scale data centres which generally take up at least one million sq ft (~100,000 sqm) of space. They run over 5,000 servers and so require significant levels of power. They often locate close to renewable energy sources.
 - » Regional data centres: There are typically enterprise (for a particular business) or colocation (multiple businesses rent out space) data centres. Small data centres can operate at scales below 10,000 sq ft (~1,000 sqm) but are often larger.
- ²¹⁷. Key location determinants for data centres include:
- » Stable power supply: data centres require stable, uninterrupted power to support 24/7 operations. Redundant power sources, such as uninterruptible power supplies (UPS) and backup generators, are necessary to ensure resilience in case of grid disruptions.
 - » Cooling infrastructure: energy-intensive cooling systems are important for maintaining safe operating conditions.
 - » Access to renewable energy: data centres can utilise on-site renewable energy to reduce their grid connection requirements.

218. Data centre developers are often interested in capacity for expansion as well as sufficient space to meet existing requirements.
219. Data centres are highly energy-intensive due to the continuous operation of computing equipment and the need for cooling systems to manage heat. UK data centres generally have substantial energy requirements, with larger facilities consuming between 50 to 200 MW.
220. Subject to power supply and data connectivity considerations, locations in Milton Keynes may be considered for this if suitable sites were available. The key factor would be availability of supply that meets the necessary criteria.

Freight and Logistics

221. The freight and logistics sector has already been considered within the 2024 HEDNA and this update, with larger than local considerations set out within the September 2022 Warehousing and Logistics in the South East Midlands (iceni) for SEMLEP.

Implications

222. Overall there is no justification for uplifting any of the figures within the quantitative assessment of requirements.

Comparing Demand and Supply

223. This section provides an update to the employment sites and premises supply position, and compares this with the re-assessed future requirements as set out in the previous section.

Updated Supply Position

224. The employment land supply within the 2022-2050 plan period comprises:
- » Completions in the period April 2022 - March 2025
 - » Commitments (extant consents) at April 2025 (either under construction or not yet started); and
 - » Vacant sites (including allocated sites and proposed allocations).
225. Details of each are set out below.

Completions in Plan Period

226. Monitoring data supplied by Milton Keynes City Council (MKCC) enables analysis of employment premises completions within the plan period to date. Office development within Central Milton Keynes (CMK) is recorded separately to remainder of the MKCC area. Completed floorspace gains are summarised in Figure 30.
227. The completions figures are directly comparable to the gross floorspace requirements set out in Figure 26 to Figure 28.

Figure 30: Employment floorspace completions (gains) during plan period to end of March 2025

	2022-23	2023-24	2024-25	Total
Offices (CMK)	1,100	51,227	No data	52,327
Offices (Other)	4,273	8,933	159	13,365
Industrial	6,611	31,245	8,652	46,508
Warehousing	41,277	61,974	13,587	116,838
Total	52,161	102,152	22,398	229,038

Source: Milton Keynes Council. *Note:* CMK data to 1 August 2024.

- ²²⁸ A total of approximately 230,000 sq m of employment floorspace has already been completed within the first three years of the plan period. Around half of the completed floorspace is for warehouse use. Around 30% is office floorspace, and approximately 20% industrial floorspace.

Commitments (Extant Permissions)

- ²²⁹ Figure 31 summarises the extant permissions as at end of March 2025, counted as commitments within the plan period. There is more than 275,000 sq m of employment floorspace commitments, with the vast majority (75%) within the warehousing and logistics category. There are very few commitments for office development either in CMK or the wider authority area.

Figure 31: Employment floorspace commitments (gains) during plan period to end of March 2025

	Under Construction	Not Yet Started	Total
Offices (CMK)	-	2,001	2,001
Offices (Other)	1,886	3,027	4,913
Industrial	10,622	51,684	62,306
Warehousing	8,587	198,972	207,559
Total	21,095	253,683	276,779

Source: Milton Keynes Council. *Note:* CMK data to 1 August 2024.

Total Completions & Commitments

- ²³⁰ Figure 32 sets out the combined position of completions and commitments which will contribute to future employment supply in Milton Keynes. These total more than half a million square metres of floorspace, of which around 65% is warehouse and logistics space, a little over 20% industrial and the remainder office floorspace.

Figure 32: Total employment floorspace completions and commitments (gains) during plan period to end of March 2025

	Completions	Commitments	Total
Offices (CMK)	52,327	2,001	54,328
Offices (Other)	13,365	4,913	18,278
Industrial	46,508	62,306	108,814
Warehousing	116,838	207,559	324,397
Total	229,038	276,779	505,817

Source: Milton Keynes Council. *Note:* CMK data to 1 August 2024.

Residual Estimate of Requirements

- ²³¹ Figure 26 Figure 29 summarised the estimated future requirements across a number of scenarios. Figure 33 to Figure 36 provide an update to those tables, deducting the total completions and commitments from the requirement. The residual net requirements are those that should be considered when assessing the level of provision to be made within the MK City Plan 2050.

Figure 33: Gross and net future estimated office floorspace requirements (sq m) – all scenarios 2022–2050 after deducting completions and commitments to end of March 2025

	Mid	Hybrid working	High replacement	High on-site redevelopment	Combined sensitivity testing
(E) Gross requirement	530,000	470,000	570,000	530,000	510,000
Per annum (gross)	18,900	16,800	20,300	18,900	18,100
(G) Net requirement	380,000	330,000	400,000	320,000	300,000
Per annum (net)	13,400	11,900	14,400	11,300	10,800

Figure 34: Gross and net future estimated general industrial floorspace requirements (sq m) – all scenarios 2022–2050 after deducting completions and commitments to end of March 2025

	Mid	High replacement	High on-site redevelopment	Combined sensitivity testing
(E) Gross requirement	310,000	360,000	310,000	360,000
Per annum (gross)	11,200	13,000	11,200	13,000
(G) Net requirement	210,000	240,000	190,000	220,000
Per annum (net)	7,500	8,700	6,700	7,800

Figure 35: Gross and net future estimated warehousing and logistics floorspace requirements (sq m) – all scenarios 2022–2050 after deducting completions and commitments to end of March 2025

	Mid	High replacement	High on-site redevelopment	Combined sensitivity testing
(E) Gross requirement	1,600,000	1,800,000	1,600,000	1,800,000
Per annum (gross)	58,000	63,300	58,000	63,300
(G) Net requirement	1,100,000	1,200,000	1,000,000	1,100,000
Per annum (net)	39,000	42,000	35,000	38,000

Figure 36: Estimated net future sites requirements (ha) – all scenarios 2022–2050 after deducting completions and commitments to end of March 2025

	Mid	Hybrid working	High replacement	High on-site redevelopment	Combined sensitivity testing
Offices	66	59	71	56	53
Industrial	57	N/A	65	51	58
Warehousing	310	N/A	340	280	300

Vacant Sites (Allocated and Proposed Allocations)

- ²³² Current estimates of provision to be made within the MK City Plan are set out below. This comprises 300,000 sq m of office development within CMK, and a further 207.5 hectares of development land across the wider Milton Keynes area (summarised in Figure 37¹⁴).
- ²³³ The indicative office land estimates set out in Figure 36 are based on an average of the high (100%) and low (40%) development density assumptions. For comparison purposes, the 300,000 sq m capacity in CMK is converted to a land estimate of 42.8 ha, using the same assumptions. This is purely for comparison purposes, with the potential for much higher density development within CMK and the CMK BD in particular.

Comparison Analysis

- ²³⁴ Figure 36 shows an indicative requirement for 53 to 71 hectares of office development. On a comparable basis the CMK area has capacity to meet approximately 43 ha of this requirement, some 60-80% of the total office need. With higher density development the capacity of CMK could be much greater. Figure 37 identifies a number of sites suitable for delivering E(g) and ancillary E(g)(i) development, suggesting no shortage of supply.
- ²³⁵ Figure 28 identified a range of 331 to 405 hectares of industrial and warehousing requirements. This exceeds the total area set out Figure 37, particularly if some of the capacity may be utilised for office development, although this could be ancillary offices attached to industrial and warehouse premises.

¹⁴ Figure 30 is based on Proposed MK City Plan 2050 Policy GS3 Table 4.

- ^{236.} Whilst this analysis shows a potential shortfall of land for industrial and warehouse development, it is important to note that there is an element of circularity in such analysis. Demand will only emerge where suitable sites are available. For logistics uses in particular, the necessity for large flat sites with excellent strategic transport access is typically more important than immediate location. Occupiers will consider an area of search much larger than a single local authority area. If suitable sites do not exist the selection of alternatives will likely involve looking farther afield for sites which meet the requisite criteria, rather than considering a site in a specific location (i.e. Milton Keynes) that fails the criteria test.
- ^{237.} In addition, this analysis is based on a point in time estimate of future requirements over a long time horizon, alongside a current estimate of available supply. The appetite and ability of the commercial market to deliver the level of requirements is a separate issue. Whilst the assessment has sought to reflect the relevant drivers of future requirements in the commercial market, there are a range of factors affecting development viability (rents, yields, appetite for risk, availability of finance, site ownership etc) which will fluctuate.

Figure 37: Vacant employment land in the MKCC area as at September 2025

Site	Use	Total Area Remaining (hectares)
Crownhill	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	1.4
Eastern Strategic City Extension	E(g)(ii), E(g)(iii), with ancillary E(g)(i) and/or B8	40
Elfield Park	E(g)(ii), B2, with ancillary E(g)(i) and/or B8	6.8
Fox Milne	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	1.0
Kiln Farm	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	2.3
Knowlhill	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	2.9
Linford Wood	E(g)(ii), E(g)(iii), with ancillary E(g)(i)	2.7
Milton Keynes East	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	86.1
Pineham	B2, B8	10.9
Shenley Wood	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	3.7
Snelshall West	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	3.1
South Caldecotte	B2, B8	23.6
Walton	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	1.8
Western Expansion Area	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	15.5
Wolverton	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	2.6
Wolverton Mill East and South	E(g)(ii), E(g)(iii), B2, B8 with ancillary E(g)(i)	3.1
Total		207.5

Source: Milton Keynes Council.

Table of Figures

Figure 1:	Annual Local Housing Need for Milton Keynes based on the previous standard method calculation at the time that the HEDNA analysis was undertaken in Autumn 2022.....	5
Figure 2:	Annual Local Housing Need for Milton Keynes based on the latest inputs to the current standard method	5
Figure 3:	Key outputs from the HEDNA housing need scenarios (Source: ORS model)	6
Figure 4:	Population projections 2022-50 by 5-year age group for Milton Keynes (Source: Milton Keynes HEDNA Update demographic modelling)	8
Figure 5:	Projected population growth 2022-50 by 5-year age group for Milton Keynes (Source: Milton Keynes HEDNA and HEDNA Update demographic modelling).....	9
Figure 6:	Total projected households in Milton Keynes for 2022 and 2050 and summary of 28-year change by age of household representative (Note: Figures may not sum due to rounding. Source: Milton Keynes HEDNA Update demographic modelling)	9
Figure 7:	Total projected households in Milton Keynes for 2021 and 2050 and summary of 28-year change by age cohort of household representative (Note: Figures may not sum due to rounding. Source: Milton Keynes HEDNA Update demographic modelling).....	10
Figure 8:	Projected 28-year change in household representatives by age group and age cohort (Note: Figures may not sum due to rounding. Source: Milton Keynes HEDNA and HEDNA Update demographic modelling)	10
Figure 9:	Assessing current unmet need for affordable housing in Milton Keynes in 2022 (Sources: CLG P1E returns; Census; English Housing Survey; CLG Local Authority Housing Statistics)	11
Figure 10:	Assessing affordability by household type and age for Milton Keynes (Source: Census; DWP Housing Benefit)	12
Figure 11:	Summary annual components of Household Growth in Milton Keynes 2022-50 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	13
Figure 12:	Overall need from households unable to afford to rent or buy market housing in Milton Keynes 2022-2050 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	14
Figure 13:	Establishing the need for market and affordable housing	15
Figure 14:	Need from households that aspire to homeownership but cannot afford to buy market housing in Milton Keynes (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	15
Figure 15:	Summary of market and affordable housing need in Milton Keynes 2022-2050 (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	16
Figure 16:	Mix of market and affordable housing need in Milton Keynes 2022-2050 by tenure and size (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	17
Figure 17:	Households with a long-term illness or disability in Milton Keynes in 2022 by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	19
Figure 18:	Households with a long-term illness or disability in Milton Keynes by effect on housing need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	20
Figure 19:	Percentage of households with a wheelchair user by type of housing and age of household representative (Source: English Housing Survey 2013-14).....	22
Figure 20:	Disability benefit claimants in receipt of mobility award by age (Source: DWP 2024)	22
Figure 21:	Percentage of households with a wheelchair user by type of housing and age of household representative	23
Figure 22:	Households needing Wheelchair Adapted Housing Using Standard Method Housing Need (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	23
Figure 23:	Households needing Wheelchair Adapted Housing by age (Source: ORS Housing Model. Note: Figures may not sum due to rounding)	23
Figure 24:	Jobs Growth Scenarios for Milton Keynes	25
Figure 25:	Summary of Changes to Modelling Methodology	37

Figure 26: Gross and net future estimated office floorspace requirements (sq m) – all scenarios 2022–2050 – update to Figure 125	38
Figure 27: Gross and net future estimated general industrial floorspace requirements (sq m) – all scenarios 2022–2050	38
Figure 28: Gross and net future estimated warehousing and logistics floorspace requirements (sq m) – all scenarios 2022–2050	39
Figure 29: Estimated net future sites requirements (ha) – all scenarios 2022–2050	39
Figure 30: Employment floorspace completions (gains) during plan period to end of March 2025.....	43
Figure 31: Employment floorspace commitments (gains) during plan period to end of March 2025	43
Figure 32: Total employment floorspace completions and commitments (gains) during plan period to end of March 2025	44
Figure 33: Gross and net future estimated office floorspace requirements (sq m) – all scenarios 2022–2050 after deducting completions and commitments to end of March 2025	44
Figure 34: Gross and net future estimated general industrial floorspace requirements (sq m) – all scenarios 2022–2050 after deducting completions and commitments to end of March 2025	44
Figure 35: Gross and net future estimated warehousing and logistics floorspace requirements (sq m) – all scenarios 2022–2050 after deducting completions and commitments to end of March 2025	45
Figure 36: Estimated net future sites requirements (ha) – all scenarios 2022–2050 after deducting completions and commitments to end of March 2025	45
Figure 37: Vacant employment land in the MKCC area as at September 2025	46

References

- ASDA, 2024. A message from Stuart and Rob - Putting Ourselves back in the Service of our Customers. Available at: <https://corporate.asda.com/20241105/a-message-from-stuart-and-rob-putting-ourselves-back-in-the-service-of-our-customers>
- Avison Young, 2019. The rising warehousing. Available at: <https://www.avisonyoung.co.uk/documents/38901/59345308/The+rising+warehouse+-+man+and+machine.pdf>
- Bidwells, 2025. M1 South Offices and Labs, Arc Market Databook.
- Bidwells, 2025. M1 South Industrial, Arc Market Databook.
- BCO, 2025. BCO launches new guidance for office design reflecting hybrid working patterns and net zero transition. Available at: <https://www.bco.org.uk/bco-launches-new-guidance-for-office-design-reflecting-hybrid-working-patterns-and-net-zero-transition?utm>
- BDO, 2024. 2025 Predictions for the Transport and Logistics Industry. Available at: <https://www.bdo.co.uk/en-gb/insights/advisory/risk-and-advisory-services/2025-predictions-for-the-transport-and-logistics-industry>
- CBRE, 2024. The future of AI and the impact on demand for workspace. Available at: <https://www.cbre.co.uk/insights/articles/the-future-of-ai-and-the-impact-on-demand-for-workspace>
- CIPD, 2022. Trends in flexible working arrangements. Available at: <https://www.cipd.org/uk/knowledge/reports/flexible-working-trends>
- Forbes, 2025. UK Remote and Hybrid Working Statistics 2025. Available at: <https://www.forbes.com/uk/advisor/business/remote-work-statistics/>
- Glynn, Ó, 2025. Flexible working in the UK: Trends, Employee Attitudes and Future Outlook. Available at: <https://www.softworks.com/blog/flexible-working-in-the-uk-trends-employee-attitudes-and-future-outlook/#:~:text=According%20to%20a%202024%20survey,their%20preferred%20flexible%20working%20arrangements>
- Guardian Staff and Agencies, 2024. Amazon mandates five days a week in office starting next year. Available at: <https://www.theguardian.com/technology/2024/sep/16/amazon-in-person-office-policy>
- Hill, E, 2024. Tesco ups office days for staff to three days per week. Available at: <https://www.retailgazette.co.uk/blog/2024/07/tesco-hybrid-working-change/>
- Iceni, 2022. Warehousing and Logistics in the South East Midlands.
- Iceni, Carter Jonas, HDR, 2025. Oxford to Cambridge: Science, Innovation, and Technology Business Premises Study.
- JLL, 2025. Logistics activity slows in 2024 as occupiers delay decisions. Available at: <https://www.jll.com/en-uk/insights/market-perspectives/global-logistics>
- JLL, 2025. Logistics activity slows in 2024 as occupiers delay decisions. Available at: <https://www.jll.com/en-uk/insights/market-perspectives/global-logistics>
- JLL, 2024. The Future of Work Survey 2024. Available at: <https://www.jll.com/en-uk/insights/future-of-work-survey>
- JLL, 2024. Office life has changes: How are firms responding? Available at: <https://www.jll.com/en-uk/insights/office-life-has-changed-how-are-firms-responding>
- JLL, 2024. Positive outlook for regional office market as leasing activity rebounds to post-pandemic highs. Available at: <https://www.jll.com/en-uk/newsroom/positive-outlook-for-regional-office-market-as-leasing-activity>
- Knight Frank, 2025. Reflecting on the UK Industrial and logistics market in 2024 & looking forward to 2025. Available at: <https://www.knightfrank.com/research/article/2025-02-05-reflecting-on-the-uk-industrial-and-logistics-market-in-2024-looking-forward-to-2025>
- Knight Frank, 2024. Industrial & Logistics Market Outlook: Five predictions for 2025. Available at: <https://www.knightfrank.com/research/article/2024-12-13-uk-industrial-market-dashboard-november-2024>
- Knight Frank, 2024. Leading Indicators: Inflation stability, office revival, and the UK's misery index. Available at: <https://www.knightfrank.com/research/article/2024-09-24-leading-indicators-inflation-stability-office-revival-and-the-uks-misery-index>

Kollewe, J, 2024. UK Factory orders 'collapse' to four-year low, CBI says inflation rises to 2.6% - as it happened. Available at: <https://www.theguardian.com/business/live/2024/dec/18/uk-inflation-forecast-climbed-further-above-bank-england-target-federal-reserve-business-live?utm>

Lambert Smith Hampton, 2025. Industrial and Logistics Market Report 2025: Keeping the faith. Available at: <https://www.lsh.co.uk/explore/research-and-views/research/2025/march/industrial-and-logistics-market-report-2025>

Lambert Smith Hampton, 2024. Office Occupier Survey: Staff Attendance Improves. Available at: <https://www.lsh.co.uk/explore/research-and-views/view-points/2024/july/office-occupier-survey-2024>

Lambert Smith Hampton, 2024. Thames Valley and South East Office Market Report. Available at <https://www.lsh.co.uk/explore/research-and-views/research/2024/june/thames-valley-and-south-east-office-market-report-2024>

Moss, C, 2024. British Council for Offices Density Recommendations: How much office space do I need per person? Available at: <https://www.interaction.uk.com/insight/articles/how-much-office-space-do-i-need-per-person/?utm>

NatWest Group, 2025. UK Real Estate Digest February 2025 - Offices vs WFH: A tale of sound and fury signifying nothing. Available at: <https://www.natwestgroup.com/enotes/email/email-20250224-33057880-real-estate-nw.html>

ONS, 2024. Who are the hybrid worker? Available at: <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/whoarethehybridworkers/2024-11-11#:~:text=More%20than%20a%20quarter%20of,in%20the%20autumn%20of%202024>

Partridge, J, 2025. Half of UK professionals might quit if ordered back to the office full time, poll shows. Available at: <https://www.theguardian.com/business/2025/mar/31/half-of-uk-professionals-might-quit-if-ordered-back-to-the-office-full-time-poll-shows?utm>

RICS, 2024. The future of the office space in the era of hybrid working: Navigating the new norm. Available at: <https://www.rics.org/news-insights/wbef/the-future-of-the-office-space-in-the-era-of-hybrid-working-navigating-the-new-norm>

Salesforce, 2024. Salesforce's Hybrid Work Guidelines. Available at: <https://www.salesforce.com/news/stories/hybrid-work-guidelines/>

Savills, 2025. Industrial & Logistics take-up reaches 27.97m sq ft as sector continues to stabilise. Available at: <https://www.savills.co.uk/insight-and-opinion/savills-news/371417/industrial-and-logistics-take-up-reaches-27.97m-sq-ft-as-sector-continues-to-stabilise#:~:text=According%20to%20Savills%20latest%20Big,above%20the%20pre%2Dcovid%20average.>

Savills, 2025. Central London Office Market Watch. Available at: https://www.savills.co.uk/research_articles/229130/374427-0

Savills, 2025. Occupiers: Market conditions. Available at: https://www.savills.co.uk/research_articles/229130/371870-0

Savills, 2025. Occupiers: Network evolution. Available at: https://www.savills.co.uk/research_articles/229130/371872-0

Savills, 2024. South East & Greater London office market records 2.7 million sq ft of take up in 2024. Available at: <https://www.savills.co.uk/insight-and-opinion/savills-news/371721-0/south-east-and-greater-london-office-market-records-2.7-million-sq-ft-of-take-up-in-2024>

Savills, 2024. The impact of hybrid working models. Available at: https://www.savills.co.uk/research_articles/229130/365756-0

Stratton, H, 2025. 5 for 2025: Five themes shaping UK Logistics real estate. Available at: <https://www.tritaxbigbox.co.uk/news/5-for-2025-five-themes-shaping-uk-logistics-real-estate/>

Tindley, J, 2024. The UK Growth in Warehouse Automation. Available at: <https://blog.lpcinternational.co.uk/the-uk-growth-in-warehouse-automations>

Topham, G, 2024. Santander to insist UK workers are in office three days a week. Available at: <https://www.theguardian.com/business/article/2024/sep/08/santander-to-insist-uk-workers-are-in-office-three-days-a-week>

Vodafone, 2025. Hybrid working. Available at: <https://careers.vodafone.com/uk/whyvodafone/hybrid-working/>

Wildbrook Commercial Real Estate, 2024. Industrial and Logistics: Confidence is back in the market. Available at: <https://www.wildbrookcre.co.uk/2025/02/25/industrial-and-logistics-confidence-is-back-in-the-market/>

Work Life, 2025. Workspace Solutions after COVID-19. Available at: <https://work.life/blog/workspace-solutions-after-covid-19/>