

## NOTES ON FIVE YEAR HOUSING LAND SUPPLY – NEWCASTLE

### IHD 2

**“At the hearing session for Matter 4 the Inspector will be examining the deliverability of the 5 year housing supply for each authority.**

**She will be looking for evidence (for sites with a remaining capacity of 10 or more dwellings in 2008/9) that there has been a realistic assessment of deliverability in terms of up to date discussion with developers, reconsideration of housing type (for example where demand is no longer so strong for a particular type of housing) and monitoring of whether there is still activity on sites that have started. It will not be sufficient merely to say that permission has been granted (para 58 of PPS3).**

**The Councils are asked to ensure that a member of their team for Matter 4 is able to comment in detail on these points. While this can be dealt with orally, it would assist everyone if a brief note were available to put round the table giving the site reference and an indication of the current situation.”**

The trajectory supplied with CCD4 attempted to indicate a possible outcome in terms of phasing of housing completions. Thus the sites listed in the first five year tranche did not include all the current sites with planning permission and did not comprise exclusively sites with planning permission. The sites were selected specifically for the purpose.

In terms of the five year supply that is monitored and reported annually as part of the AMR and for National Indicators, the Borough Council has traditionally only used sites with planning permission for the calculation. The reason for this is that these are regarded as the best indication of readiness to develop, and for very many years, there has been no need to look beyond these sites to establish an adequate supply. However, when the calculation is made, sites are looked at individually and those where it is considered that there remain barriers to development are removed from the calculation.

To answer the Inspector’s question directly, therefore, this method has been used. Set out below are four stages of the assessment:

- Stage 1: Calculation of what would constitute a five year supply
- Stage 2: A simple arithmetic calculation of the theoretical land supply
- Stage 3: A revision of that calculation, assessing each site in turn
- Stage 4: Information on other site(s).

There has been no specific exercise carried out of contacting developers as a matter of routine to ascertain their expectations, but notes on the current situation are supplied for each site.

## Stage 1

RSS allocation for period 2006 to 2026	5700
Completions 2006/07	204
Completions 2007/08	142
Completions 2008/09	277
Therefore remaining allocation	5077
Period within which to be provided	17 years
Therefore annual completion rate required	299
Therefore number of potential new dwellings required for five year period	<b>1245</b>

## Stage 2

Number of dwellings currently under construction	244
Number of dwellings with planning permission	1724
Number of dwellings subject to S106 Agreement	1
Total	<b>1969</b>

1969 committed dwellings represents a theoretical 6.58 year supply (1969/299)  
This is 724 greater than required for a five year supply.

Attached are three spreadsheets showing individual sites providing under constructions and OPPs as at end of March 2009, and three other sites without permission considered for inclusion. A comment is appended to each analysing its likelihood of delivery in the time frame required.

(Note that these do not reach the totals given in the calculation above as they contain only the large sites - 10 or more dwellings. Note also that the first table, under constructions, also includes OPPs.)

## Stage 3

### **How likely are these sites likely to deliver within five years?**

#### ***Under constructions***

It is rare for developers to abandon a site under construction, as most of the investment has already taken place. In the current climate, however, a deliberate delay may be resorted to, in order to wait until prices pick up. On the other hand, there have been cases locally where developments have been completed with vigour and offered to RSLs.

In other words, developers have looked to obtain a short term lesser return rather than wait for a better one.

It is also clear that on the larger sites developers are responding to the changed circumstances by regular submissions for changes of house types, which indicates that they are continuing to build and to market. See appendix.

In the list, comments have been supplied for each site. There are none where it is considered that completions will not fulfil expectations within the five years. (This includes the OPPs on these started sites.)

### ***Planning permissions***

The current economic situation is severe, but it is critical rather than chronic. The forecasts of "experts" vary considerably but all believe that the situation will improve significantly in time. Hardly any believe that the current crisis will last for five years.

In very few cases will residential development, once permitted, be simply delayed for over five years and then take place. More likely is that a site with permission may instead be developed within that period for a different use. These matters are taken into account in the comments added to the second table. This results in 5 sites being removed from the calculation, and one further site having a reduced number. (It should be noted that 2 of the deleted sites were not in the trajectory presented in CCD4 Appendix 2 because it was not expected at that time that they would deliver within five years).

### ***Conclusions of the analysis***

The results of the reductions and adjustments, is that 433 should be subtracted from the calculation under stage 2. (No adjustment is assumed for the remaining sites of under ten dwellings each).

### **Stage 4 – other sites.**

Three other sites without permission have been assessed for inclusion. Two of these were in the trajectory prepared in February. It is now considered safe to include one of them.

Wilmot Drive, Cross Heath – 240

These are being driven by Renew as part of the activities in the Knutton and Cross Heath Area of Major Intervention. Given the close support of Renew, Aspire Housing and the Borough Council it is inconceivable that development will not take place here in the short term.

## Conclusions

The analysis above shows a healthy five year supply of land with a comfortable margin. It is quite conceivable that some of those sites excluded will in fact come back into the frame within the next twelve months.

It is still possible to doubt or debate whether the market and the building industry can within the five year period return to sufficient health to deliver the required rate (of 299 per annum) particularly if a greater rate is required in the latter two/three years to compensate for a low start. However, this is an issue that will prevail in all areas and will not be affected by the amount of land available. What can fairly be asserted is that availability of land in the Borough is no barrier to housing development.

## Final Calculation

### Unadjusted figures, for comparison:

Total no. of dwellings with planning permission	1724
No. of dwellings on sites over 10 with planning permission	1206
No. of dwellings on sites with planning permission	518

### Adjusted figures

No. of dwellings with OPP <i>likely</i> to be built on large sites (1206 – 433)	773
Plus no. of dwellings likely to commence on site without permission	240
Plus no. of dwellings on small sites	<u>518</u>
	Sub-Total 1531
Plus no. of dwellings currently under construction	244
Plus no. of dwellings subject to S.106 Agreement	<u>1</u>
	Total 1776
Annual average net housing requirement to 2026	299
No. of years supply (1776/299)	5.9

## **APPENDIX - Substitution of House Types on two major sites**

Two major sites feature in the trajectory, both brought about through the previous adopted local plan. These are the only sites mentioned in the trajectory where house type substitutions have been sought. It suggests that the larger developers are keen to continue building through these troubled times but realise that the aspirations of homebuyers have now changed (albeit temporarily) and that it is in their best interests to attempt to cater for this.

### **Keele Road**

There have been 4 applications in all for changes to house types at Keele Road. The most recent proposal was submitted by Barratt Homes in February this year and was permitted 21<sup>st</sup> April.

This latest application relates to only part (48 dwellings) of the site, the whole site being currently divided into 3 parts controlled by different developers.

The changes proposed include reducing the number of apartments and providing a mix of housing incorporating detached, semi-detached and terrace housing where the original permission was for mainly 4 bedroom detached homes.

### **Grange Lane, Wolstanton**

There have been 4 applications for substitutions of house types on this site also. The most recent significant change was permitted in February 2009. This proposal also reduced the number of apartments on this site as well, increased the number of 3 bedroom homes and reduced the number of 4 and 5 bedroom homes.

22<sup>nd</sup> April 09