

Topic Paper 20: Housing Trajectory



Topic Paper 20: Housing Trajectory (2016)

Background

This is one of a range of topic papers prepared to offer more detailed information and explain the approach of the Plan to different topics and issues affecting the Joint Local Development Plan Area. This paper will look specifically at the delivering a supply of land for housing over the Plan period – **the Housing Trajectory**. It will explain the background which will help to identify how the Plan's housing requirement could be delivered over the Plan period.

The Deposit Plan is the second statutory stage in the preparation of the Joint Local Development Plan (JLDP). The JLDP shapes the future growth of communities in the Joint Local Development Plan Area and will set out the policies and land allocations against which planning applications will be assessed.

The Deposit Plan and the schedule of Focussed Changes will be submitted to the Welsh Government, which will appoint an independent inspector to assess the soundness of the Plan in the Examination in Public. If the inspector considers the Plan to be sound it will be recommended for adoption. When adopted the JLDP will supersede the Gwynedd Unitary Development Plan (2009) for the Gwynedd Local Planning Authority Area and the Gwynedd Structure Plan (1993) and Ynys Môn Local Plan (1996) for the Ynys Môn Local Planning Authority.

This topic paper can be read in isolation or in conjunction with the other Topic Papers and Background Papers that have been prepared to give a full picture the Joint Local Development Plan Area.

If you have any questions or would like to discuss any of the Topic Papers or Background Papers with a member of the Joint Planning Policy Unit you can [contact us](#):

Uned Polisi Cynllunio ar y Cyd / Joint Planning Policy Unit,
Llawr 1af Swyddfa Cyngor Dinas Bangor / 1st Floor Bangor City Council Offices,
Bangor,
Gwynedd,
LL57 1DT

01286 685003 or 01766 771000
planningpolicy@gwynedd.gov.uk

1 Introduction

- 1.1 The amount and location of housing development in the Plan area is a key topic and has generated many comments during the Plan preparation process. There is rarely any consensus in the views expressed. The views can be categorised as residents, development interests and landowners promoting greater housing provision, generally or in specific locations, with special interest groups (e.g. linguistic, amenity, conservation interests) and residents seeking reduced provision, again either generally or in specific locations.
- 1.2 Against this background it is clear that the Plan could never satisfy all stakeholders, although the Councils have sought to achieve better understanding of the issues through the analysis of publications, stakeholder engagement and consultation exercises that have been undertaken. The issue of housing provision has, therefore, been subject to intense scrutiny during the Plan preparation process and the Councils have always sought to ensure that their approach is justified, reflects prevailing local and government policy and is evidence-based.
- 1.3 There is a clear expectation through policy, guidance and practice that plans should include a numerical target for housing provision, sub-divided into spatial areas as necessary, and that there is provision for adequate housing land to be maintained over the Plan period. New housing up to 2026 (the Plan period) in a Plan area such as Anglesey and Gwynedd is seen as linked to economic prosperity and community/individual wellbeing.
- 1.4 Paragraph 9.2.3 of Planning Policy Wales (8th Edition 2016) requires local planning authorities to identify and update annually a supply of deliverable sites sufficient to provide five years' worth of housing against their housing requirements, as set out in the adopted development plan.
- “Local planning authorities must ensure that sufficient land is genuinely available or will become available to provide a 5-year supply of land for housing
- This means that sites must be free, or readily freed, from planning, physical and ownership constraints, and economically feasible for development.
- 1.5 Technical Advice Note 1 (TAN1) Joint Housing Land Availability Studies (2015) places a requirement on local planning authorities to assess their housing land supply, in consultation with specific stakeholders, on an annual basis. The results of the assessment process should be published in a report. Whilst TAN 1 indicates that local planning authorities should not undertake a Joint Housing Land Availability Study at the Local Development Plan examination, it is appropriate for evidence based assumptions about housing land availability to be included in a Plan's supporting documents. Given the time frame covered by a local development plan (15 years) and that measuring the availability of land for development is measured on an annual basis, local planning authorities at a development plan stage in essence need

to demonstrate that a Plan provides a supply of land that is both 'deliverable' (short term) and 'developable' (mid to long term) during the Plan period. These terms are described below:

- i. 'Deliverable' sites should be available now and be achievable with a realistic prospect that housing will be delivered on the site within five years. Sites with planning permission can be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example, they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.
- ii. 'Developable' sites can be described as sites in a suitable location for housing development (i.e. allocated in a plan or windfall sites that accord with the Plan) and there should be a reasonable prospect that they are available and could be viably developed at the point envisaged.

1.6 Various respondents at the Deposit Plan public consultation stage argue that housing provision will not be adequate to maintain a 5-year land supply. The Councils address this point in this Topic Paper. The purpose of this Topic Paper is to set out the likely delivery of new housing in next 5 years (2015/16 – 2019/2020) and the likely availability of new housing in each year in the rest of the Plan period (2020/2021 – 2025/2026). The best information available has been used to produce this high level assessment. Assumptions have had to be made and, depending on the site's location, an allowance for policy requirements in terms of phasing has been applied.

1.7 It is important to note that this Topic Paper provides an overall picture and should be regarded as indicative and not prescriptive. In interpreting this Paper regard should be had to pertinent policies of the Plan including those relating to phasing, the Welsh language, infrastructure etc, and the Plan's evidence base, which is set out in a number of Topic and Background Papers.

1.8 The requirements for a 5 year land supply relate to the short-term monitoring of housing delivery, not the setting of the overall Plan housing target. Following adoption of the Joint Local Development Plan, anticipated early 2017, the assessment of housing land supply within Anglesey and the Gwynedd Local Planning Authority area will be undertaken through the annual Joint Housing Land Availability Studies for each Authority area. The Studies will then inform the annual monitoring of the Joint Local Development Plan and its review.

2 The housing market

2.1 The Councils' Housing and Planning Policy Services have produced or commissioned various documents to inform their understanding of our housing markets, e.g. Housing Needs Studies, Affordable Housing Viability Study, Topic Paper 3 Population

and Housing (which, for example, records information from the Census). The overarching local approach to housing is set out in each Council's corporate strategies and Housing Strategies.

2.2 The housing markets in the Plan area experience the peaks and troughs in building rates that are traditionally associated with the provision of new housing. The following tables provide information about the completion rates in both Local Planning Authority areas since 2005. The housing market has slowed over recent years as reflected in generally lower completion rates since 2010 (particularly in Anglesey), which includes the first four years of the Plan period.

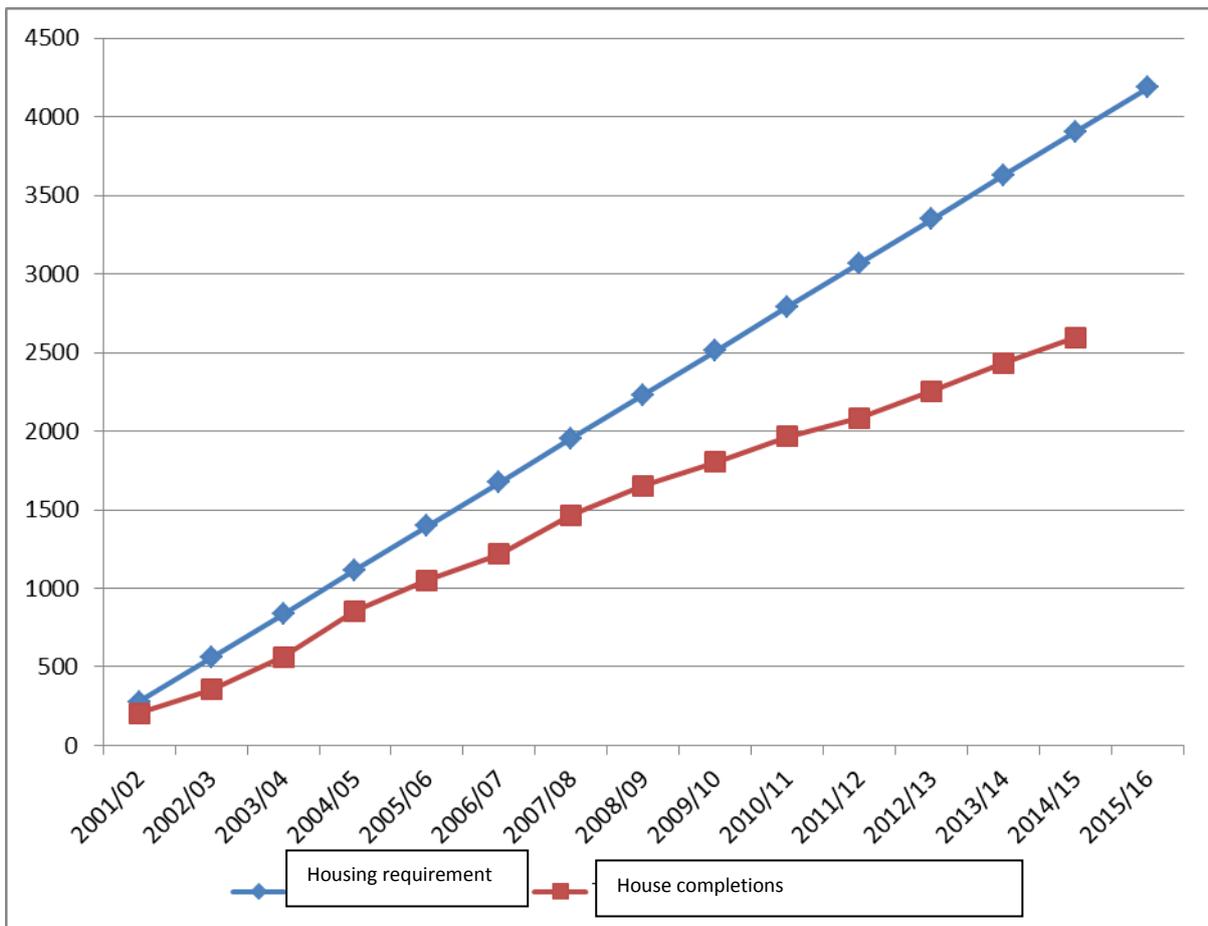
Table 1: Number of Housing Units Completed (Anglesey)			
Year	Large Sites (5 or more housing units)	Small Sites (less than 5 housing units)	Total Completions
2005-07 (2 years)	290	191	481
2007-08	153	125	278
2008-09	177	119	296
2009-10	104	121	225
2010-11	80	63	143
2011-12	45	74	119
2012-13	135	88	223
2013-14	80	81	161
2014-15	44	95	139

Table 2: Number of Housing Units Completed (Gwynedd)			
Year	Large Sites (5 or more housing units)	Small Sites (less than 5 housing units)	Total Completions
2005-07 (2yrs)	114	225	339
2007-08	131	119	250
2008-09	57	130	187
2009-10	77	72	149

2010-11	96	66	162
2011-12	47	74	121
2012-13	92	79	171
2013-14	111	65	176
2014-15	163	75	238

2.3 Anglesey is covered by the Gwynedd Structure Plan (adopted in 1993) and a Local Plan (adopted in 1996), an unadopted Unitary Development Plan and some Interim Planning Policies. It is therefore appropriate to compare these Plan's housing trajectories with housing delivery. In Gwynedd the completion rate has been lower than planned for in the Gwynedd Unitary Development Plan, as is shown in the following graph:

Graph 1: Number of housing units completed in Gwynedd compared with the requirements of the Gwynedd Unitary Development Plan (since 2001, i.e. the UDP base date)



2.4 Historically, there are examples of sites that have had the benefit of planning consent in each Council area, but the consent has been allowed to lapse. Table 3 below provides an overview of such sites as recorded in recent Joint Housing Land Availability Studies. It is considered reasonable to link this with the continued effects of the recession and it isn't expected to be a significant long term feature of development in the plan period.

Table 3: No. units not implemented – lapsed planning consent.

Gwynedd		Anglesey	
Year	No. units	Year	No. units
2012 – 2013	88	2012 – 2013	108
2013 – 2014	183	2013 – 2014	93
2014 – 2015	81	2014 – 2015	87

2.5 Part of the Joint Housing Land Availability Study process involves contacting landowners/ developers who own a site that has planning consent and/ or is allocated in the Ynys Môn Local Plan, or the Gwynedd Unitary Development Plan. The aim is to help officers gauge when a site is likely to be developed. Some common themes emerge, which are:

- (i) Degree of uncertainty surrounding the local housing market that still prevails
- (ii) Generally weak land/ housing market
- (iii) Limited market interest
- (iv) Associated costs of providing affordable housing

2.6 The current planned investment in infrastructure around the Plan area, and gaps in provision, have been considered throughout the preparation of the Plan, including the selection of sites. In this respect reference should be made to the Candidate Sites Assessment Topic Paper 1B. The Community Infrastructure Topic Paper 13 provides further detail of specific matters. It is important to note that gaps in infrastructure may be met by many different organisations, both public and private (including developers). The objective of the Plan in this context was therefore to attempt to ensure that the sites allocated were in principle deliverable. It should be noted that whilst developers can contribute to meeting shortfalls in infrastructure provision as part of new developments, and can contribute to wider infrastructure investments, (where justified and be related in scale and kind to the development) this has not nor should not be taken for granted. It is however acknowledged that their ability to

make such contribution can play an important role in bringing investment forward. Reference should be had to the provisions of Policy ISA1 in relation to the availability of infrastructure. The Policy also provides for the use of Planning Obligations and planning conditions to ensure new or improved facilities are provided to serve a new development.

- 2.7 Having had regard to the evidence, the Joint Local Development Plan makes provision for new housing at locations distributed across the Plan area in accordance with the Plan's Distribution Strategy, which incorporates the Settlement Hierarchy. It should be noted that the housing trajectory information is indicative only and should not be used for Development Management purposes with regard to individual sites.

3 Housing Land Supply in the Deposit Plan (incorporating Focussed Changes)

- 3.1 The basic housing requirement (the target) for the Plan area is 7,184. To meet this requirement, completions would need to be at an average of 479 housing units per annum during the Plan period. The development of land is generally complex with a number of factors affecting the release of land for development. This basic housing requirement reflects what the housing market is likely to deliver during the Plan period. It would not be reasonable to expect an even distribution of new housing units either on a year by year basis or indeed in spatial terms.

- 3.2 Adopting a conventional approach to measuring the housing requirement and therefore the supply of land could immediately place one or both the Councils in a vulnerable position regarding their 5 year housing land supplies. Accordingly, a graduated approach to the housing requirements over the Plan period has been adopted. The graduated approach means that two periods are identified in Policy PS13, i.e. 2011/12 – 2017/18 and 2018/19 – 2025/26. These periods link back to an analysis of different scenarios and factors that influence the housing market in the Plan area (see Topic Paper 4B). This objective analysis showed that a combination of the housing- led and employment- led scenarios provides the most realistic and desirable approach in terms of delivering the required level of housing over the Plan period, taking account of the current and anticipated economic conditions. The graduated approach to housing requirements means that there is a step change in requirements from a lower 'non-strategic' requirement during the earlier stage of the Plan period to a higher level of requirement from the mid to latter Plan period. The 2018/19 monitoring year has been selected as the appropriate year for the step change in the level of new housing units required as this is when it is anticipated that the larger allocations will come 'on stream'. It is an indication that the Plan is planning for growth linked to the delivery of large infrastructure projects, most notably Wylfa Newydd. Policy PS13 provides a benchmark against which progress towards meeting the Plan's vision and objectives can be measured.

3.3 To ensure that the housing supply has the flexibility necessary for the continued delivery of new housing, even if unpredictable changes to the effective land supply occur during the Plan period, a 10% slippage allowance has been added to the overall target. Therefore, the overall housing land supply stands at 7,902 for the Plan area during the Plan period (2011 – 2026).

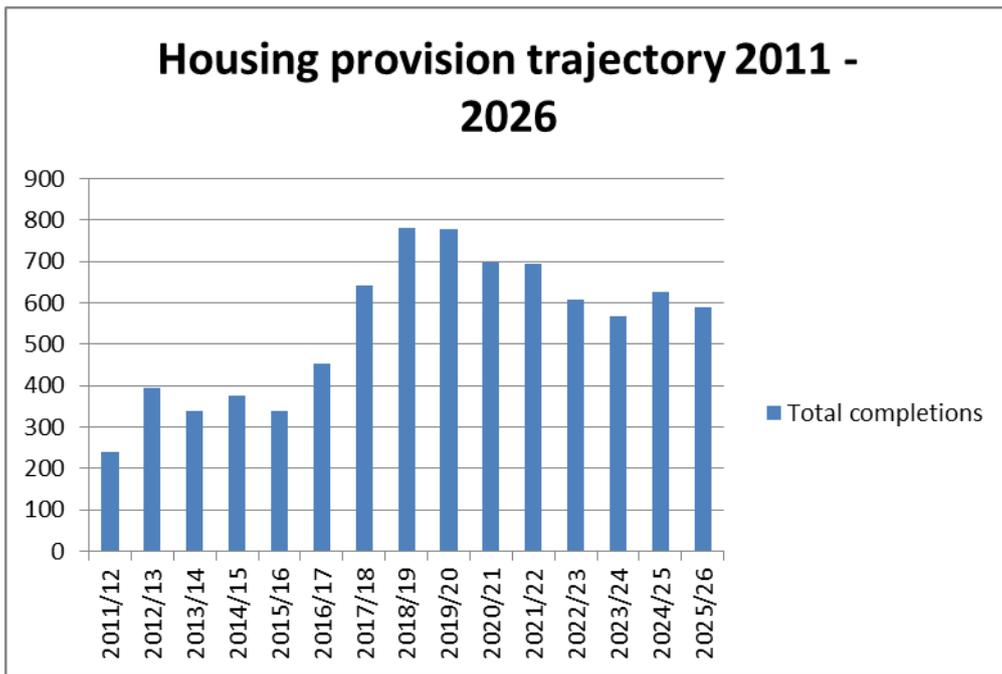
3.4 The overall housing land supply consists of various sources that will provide the required housing units. The sources are described in the next table.

Table 4: Sources of housing supply		
	Source	Description
1.	Completions	The first four years of the Plan period have passed and therefore the delivery within this period is made up of actual completions.
2.	Planning permissions (April 2015)	<p>These deliverable sites are split between (i) those sites up to 5 units, and (ii) sites of 5 units or more. This split aligns with the methodology applied in the annual housing land availability studies undertaken on behalf of both Local Planning Authorities (Anglesey and Gwynedd). The calculations that apply to this source are recorded in the published Gwynedd Joint Housing Land Availability Study (2015) and the Anglesey Housing Land Monitoring Statement (2015).</p> <p>https://www.gwynedd.llyw.cymru/en/Council/Documents--Council/Strategies-and-policies/Environment-and-planning/Planning-policy/Gwynedd-Joint-Housing-Land-Availability-Report-2015.pdf</p> <p>http://www.anglesey.gov.uk/Journals/s/j/z/Anglesey-Housing-Land-Monitoring-Statement-2015.pdf</p>
3.	Windfall on small sites (less than 5 housing units) in Service/ Rural/ Coastal/	As is shown in Tables 1 and 2 above, small sites have historically formed a significant proportion of all completions in both Local Planning Authority areas. Whilst the development of current permissions identified in 2 (i) above will produce completions on such sites over the next five years, it is important to recognise that such developable sites currently without permission within the development boundaries of Service/ Rural/ Coastal/ Local

	Local Villages & Clusters	Villages and on suitable sites in Clusters will continue to contribute to completions over the remaining years of the Plan period. This reflects the fact that once the Joint Local Development Plan is adopted, it is likely that the policy approach (Policy TAI 17 and Policy TAI 18) of facilitating suitable infill development in a wide range of Villages and Clusters will result in completions from this source. An assumption of 152 per year based on past trends has been applied to the first delivery period accompanied by a slight increase (+ 34 per year) during the rest of the Plan period, which aligns with what the Plan is trying to achieve: responding positively to the anticipated step change in the economy and aligning jobs and housing.
4.	Windfall sites in Local/ Urban/ Sub – regional Service Centres	An Urban Capacity Study calculated that there were a number of sites/ buildings within the Centres that were acceptable in broad terms/ in principle for housing development, i.e. developable sites. The yield from this source sites was reduced by 25% in many cases to reflect that they may not have developer interest and may not all come forward during the Plan period. Applying a standard 30 units per hectare development rate or a relevant figure provided by the Councils’ Planning Officers or Highway Officer, the potential yield from this source has been applied.
5.	Housing allocations in Local/ Urban/ Sub – regional Service Centres & Service Villages as set out in the Deposit Plan (as amended by Focused	A considerable amount of work has been undertaken to assess sites included on the Candidate Sites Register as well as other sites identified at officer level. The Housing Allocations represent the preferred sites. A standard 30 units per hectare development rate has been applied to identify an indicative yield from each individual site, unless the site already has planning consent and building work has already commenced. They can all deliver 5 or more housing units. They are generally required to fill the gap between the indicative housing requirement for the settlement and the combined total of completions + planning consents + windfall sites. They are considered to be developable sites.

	Changes).	
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3.5 The phasing and delivery of allocated sites can be found in the schedule in Appendix 1 to this Topic Paper. When the data from the site schedule in Appendix 1 is displayed in the form of a chart, a trajectory of the scale and timing of new housing provision emerges.



3.6 The policy considerations in respect of phasing are set out within Policy TAI 1 and a new Policy inserted through Focussed Change NF62. The Councils are consulting on such Focussed Changes. The Policies recognise the role of phasing in the delivery of the Plan’s housing allocations and relevant windfall sites. There is also a recognition of phasing’s role in relation to considerations such as infrastructure and the Welsh language, as is the need to reflect the changing market conditions. The Policy where required provides for phased development in order to meet and manage the supply of housing and the rate of development within the Plan area across the Plan period.

4 Explanation

4.1 There are concerns across local planning authorities about using the residual method to demonstrate a 5 year supply of land. It is considered that it is unlikely to be a true reflection of the availability of land for housing in an area. It does not take account of economic factors that affect the building industry (both private sector and public sector) or the ability of local communities to obtain sufficient funding to buy or rent properties. Several

authorities advocate the completions method as a more suitable alternative measure of supply, as it is an indicator of the rate at which the housing industry build houses, thereby acting as a measure of performance of the building sector. Nonetheless, for the purpose of this exercise the methodology applied for calculating the land supply set out in Appendix 2 of this Topic Paper follows the established approach included in TAN1. The process involves comparing the amount of land that might be considered to be genuinely available for any given 5 year period with the amount of land that is needed for that period of time in the context of the remaining housing requirement identified in a local development plan.

- 4.2 Years 2011/12 – 2014/15 – the level of new housing provision for this period is recorded in the 2015 Gwynedd Joint Housing Land Availability Study and the 2015 Anglesey Housing Land Monitoring Statement (see web links below). Whilst no land supply calculations are provided in Appendix 2 for this period, it demonstrates the performance within the beginning of the first housing delivery period.

<https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Strategies-and-policies/Environment-and-planning/Planning-policy/Gwynedd-Joint-Housing-Land-Availability-Report-2015.pdf>

<http://www.anglesey.gov.uk/Journals/s/j/z/Anglesey-Housing-Land-Monitoring-Statement-2015.pdf>

- 4.3 Years 2015/16 – 2019/20 – It is considered that this calculation demonstrates a ‘deliverable’ supply of land for housing. This period covers both housing delivery periods. It will require a step change in building rates, particularly in Anglesey, compared to the first 5 years of the Plan period. However, this required step change aligns with the anticipated stronger market conditions.
- 4.4 Years 2020/21 – 2025/26 – for this latter part of the Plan period, providing a land supply calculation is problematic. This is the last five year period of the Plan. As we move through this period there will be less than 5 years of the Plan period remaining. Nonetheless a level of housing land would need to be calculated for a full 5 year period. This would ordinarily involve the level of housing need being extrapolated beyond the Plan period. However, the Plan is only seeking to identify land to meet a requirement arising up to 2026.
- 4.5 The trajectory assumes that small sites will continue to be implemented over the the Plan period. As demonstrated previously in this Topic Paper (Tables 1 and 2) previous housing land availability monitoring work has demonstrated that small sites are deliverable and form a reliable source of supply.

- 4.6 An Urban Capacity Study to identify potential windfall sources of land supply within the Sub-regional Centre, Urban Service Centres and Local Service Centres has been undertaken. Only sites (mainly previously used land) and other potential sources e.g. buildings or parts of buildings with development potential within existing defined built up areas, as defined by development boundaries within extant adopted or 'approved' development plans were considered, as any sites outside existing development boundaries would require a policy change within the emerging Plan for them to be brought forward, e.g. via a housing allocation.
- 4.7 Some objectors to the Deposit Plan suggest that windfall sites could 'dry up' over time. There are factors to suggest that there will be scope for a continued contribution from this source, not least:
- (i) the evidence provided by the Urban Capacity Study suggests that there continues to be a supply;
 - (ii) policy changes in the form of Policy TAI 17 and TAI 18 in the emerging Plan specifically only facilitate new housing on infill plots/ sites within or immediately adjacent the new development boundaries for the generally smaller rural settlement, or within or immediately adjacent to buildings that are coloured on the map for Clusters.
- 4.8 It is also reasonable to consider that many of the smaller sites within and near the Villages and Clusters are the sites that are able to deliver new homes in the first five years of the plan period after adoption. This is because of the historic role of small sites and the pace of development anticipated in the short-term. Larger sites can take longer to gain planning consent (up to 12 months) before delivery can commence on site; this very necessary delay allows time for detailed master planning and appropriate community engagement to take place and for key infrastructure to be provided. Delivery of some of the larger sites is more likely to require the 'stronger market conditions' anticipated in the Plan area post 2018, particularly within the larger Centres in Anglesey. The larger allocations will contribute significant numbers of homes in the mid to latter stages of the Plan period and make a valuable contribution to forming well balanced and integrated communities.
- 4.9 National planning policy as described at the beginning of this Paper requires local planning authorities to identify, and update annually, a supply of specific deliverable sites sufficient to provide 5 years worth of housing against their housing requirements. The Plan will therefore be subject to a rigorous annual monitoring regime that maintains contact with developers and agents to ensure that commitments will be brought forward in a timely manner.

5 Conclusion

- 5.1 It is, therefore, concluded that there are various sources of land supply which are deliverable and reliable and will adequately meet the Plan's housing requirement.

T52	Land near Maes Dulyrn	39	No			5	5	5	4	4	4	4	4	4	
T53	Sŵn y Tonnau	21	Yes	2	4	5	4	2	4						
T54	Garreglwyd	14	Yes				2	2	2	2	2	2	2	2	
T55	Land near the A5	28	No				4	4	4	4	4	4	4	4	
T56	Tyn Cae Estate	12	Yes		1	1	1	1	2	2	1	1	1	1	
T57	Land near Tyn y Fynnon	17	No				5	4	4	4					
T70	Land opposite Cremllyn Estate	28	No					4	4	4	4	4	4	4	
T71	Land opposite Rhoslan Estate	12	No				4	4	4						
T59	Land near Glanrafon Estate	26	Yes					8	0	4	4	4	4	2	
T60	Land near Pont Glan Beuno	10	No				5	5							
T61	Land near Cefn Capel	21	No				3	3	3	3	3	3	3	3	
T62	Land near Pentre	11	No								3	3	3	2	
T63	Land to rear of Madryn Arms	18	Yes			5	5	5	3						
T64	Land near Cae Capel	20	No				6	7	7						
T65	Land near Pentre Helen	30	Yes			9	9	9	3						
T66	Land near Maes Bleddyn	30	No					5	5	5	5	5	5	5	
T67	Land near Tyn Lôn	18	No						3	3	3	3	3	3	
T68	Land near the School	10	No				5	5							
T69	Land near Bro Gwystil	9	Yes		5	4									
Annual housing supply (expressed as no. of dwellings)					42	115	303	442	439	357	356	269	229	288	249

Appendix 2: Housing development indicative trajectory and housing land supply 2011 - 2026

LDP Year/ JHLAS period	JLDP housing requirement	Year end completions large sites*	Year end completions small sites**	Anticipated completions	Total completions	Total cumulative completions	JLDP years remaining	Residual housing requirement	5 year requirement	Annual building requirement	Total land available	Total land supply in years
	a					b	c	d = (a - b)	e = (d/c)*5	f = e/5	g	h = g/f
2011/12	7,184	92	148		240	240	15	6,944				
2012/13	7,184	227	167		394	634	14	6,550				
2013/14	7,184	191	146		337	971	13	6,213				
2014/15	7,184	207	170		377	1348	12	5,836				
2015/16	7,184			339	339	1687	11	5,497	2499	500	3130	6.263416
2016/17	7,184			454	454	2141	10	5,043	2522	504	3555	7.049375
2017/18	7,184			642	642	2783	9	4,401	2445	489	3864	7.90184
2018/19	7,184			781	781	3564	8	3,620	2263	453	3898	8.614365
2019/20	7,184			778	778	4342	7	2,842	2030	406	3617	8.908867
2020/21	7,184			696	696	5038	6	2,146	1788	358	3534	9.880708
2021/22	7,184			695	695	5733	5	1,451	1451	290	3426	11.80565
2022/23	7,184			608	608	6341	4	843	1054			
2023/24	7,184			568	568	6909	3	275	458			
2024/25	7,184			627	627	7536	2	-352	-880			
2025/26	7,184			588	588	8124	1	-940	-4700			

* JHLAS record of completions on large sites – 5 units or more

** JHLAS record of completions on small sites – less than 5 units