

# **Shropshire Strategic Housing Land Availability Assessment**

## **Final 2009 Update Report Executive Summary**

**August 2010**

## Executive Summary

### 1 Background

- 1.5 This report is the 2009 update to the initial (2008) Strategic Housing Land Availability Assessment (SHLAA) for Shropshire Council.
- 1.5 The SHLAA provides an informed estimate of land availability for housing at a given point in time, to inform plan-making and to ensure that councils maintain a five-year supply of housing land.
- 1.5 However, the SHLAA does not in itself determine whether a site should be allocated for housing development or all locations where future housing growth will occur. The SHLAA set out information on developable land availability for growth options for the identified settlements to be investigated further through the plan-making process.
- 1.4 This 2009 update has been carried out solely by the officers of Shropshire Council following the same methods that were introduced to them by Baker Associates.
- 1.5 This document forms part of the wider evidence base for the Shropshire Local Development Framework (LDF) but cannot be construed as committing the Council to allocate any particular parcel of land for a particular use, nor approve any application for development.

### 2 Study methodology

- 2.5 In July 2007, Communities and Local Government (CLG) published the Practice Guidance 'Strategic Housing Land Availability Assessment'. The Guidance provides the Government's view on how it considers SHLAA should be undertaken and therefore provides the basis for conducting such studies. All the relevant stages of the SHLAA process, as outlined in the guidance, have been followed in this study.
- 2.5 The project commenced with an Inception Meeting in May 2008. Letters were sent to key stakeholders setting out the proposed methodology for consultation. In parallel with this key documents were reviewed and sites from published sources identified.
- 2.5 Letters were sent to landowners, developers and agents seeking the identification of sites which might be suitable for housing development. This is referred to as the "call for sites". Respondents were asked to identify sites which might come forward for housing within Shropshire, in 61 settlements identified from an initial assessment of potentially sustainable settlements. Respondents were given four weeks to reply.
- 2.5 In June 2008 the Steering Group met to agree the methodology and discuss the programme for the SHLAA. This was followed by a Market Assessment Review Panel at which developers, land agents and representatives of other

organisations discussed the Shropshire housing market and study assumptions including issues of viability.

- 2.5 Through the summer, officers from the Shropshire Councils and Baker Associates carried out detailed surveys of sites identified for assessment and assessed whether sites were suitable, available and achievable.
- 2.5 Following receipt of all site information, Baker Associates reviewed the assessments for consistency and identified sites as being deliverable, developable or not currently developable. These initial results were then discussed and reviewed by officers from the Councils.
- 2.5 Following further assessment of sites and the inclusion of deliverability statements for sites with planning permission, an initial review was undertaken which indicated a shortfall of sites against the requirements of the emerging West Midlands Regional Spatial Strategy (RSS). At this point it was agreed at a meeting of the Steering Group that further work regarding sites outside settlement boundaries and windfall should be undertaken.
- 2.8 The SHLAA is an on-going process that will be annually updated to reflect changes in the supply of housing land. The initial (2008) version was available for comment and clarification with many landowners or promoters wishing to insert new sites, providing updated information or responding to the conclusion for their site. A number of the responses received resulted in individual sites being reviewed and it was these sites along with some 77 new sites which formed the basis of the 2009 review.

### **3 Market assessment**

- 3.5 Section 3 sets out a review of the housing market in Shropshire which has been prepared in consultation with developers and agents in the study area. The market appraisal is an important element of the SHLAA, providing the basis for understanding the local housing market.
- 3.5 Due to the current market downturn resulting from the reduced availability of credit apparent since September 2007, developers, agents and private housing developers confirm a significantly downturned local housing market. The large volume housebuilders have temporarily stopped land acquisition in response to reduced demand for new housing, preferring instead to rely on their current land banks.
- 3.5 Developers are in particular wary of large schemes of flats, volume sales of which were highly dependent upon the buy to let market that relies on short-term capital growth, and which were frequently financed by mortgage schemes that would no longer be viable. No one can predict the length or severity of the current downturn, but its effect will evidently be to limit market capacity in the short term.
- 3.5 Currently, many sites are not viable. Most professionals agree that there will be a recovery within about two years. When that takes place, land values will recover, and in those circumstances, it is unlikely that any competing

uses or abnormal development costs would adversely affect the economic viability for housing of any of the identified sites.

- 3.5 Despite the recent downturn, agents, private housing developers and housing associations confirm a medium to long-term strong underlying local market for both open market and affordable housing, which is temporarily depressed, but which is anticipated to be relatively strong again in the foreseeable future.
- 3.5 The Council will need to monitor carefully the housing market over the coming years in order to be able to respond in whatever way they can to assist in the provision of housing across the County, and this may require a re-consideration of the basis upon which legal agreements accompanying planning permissions are negotiated.

#### **4 Sites with planning permission for housing**

- 4.5 Section 4 provides the first of the findings of the study, which is the stock of sites with planning permission at the base date, which is 1st April 2009. Details of all of these sites are included in Appendix 1.
- 4.5 A deliverability statement has been completed for large sites (5 dwellings or more) with planning permission and those that are unlikely to come forward have been excluded from the total figures.
- 4.5 Analysis indicates that a total of 6,285 dwellings have planning permission for development as at 1 April 2009 and are considered deliverable.

#### **5 Site specific sources within settlements**

- 5.5 Section 5 includes a summary of the assessment of site specific opportunities for housing within settlements across the study area. The summary findings are based on an assessment of identified sites arising from all sources.
- 5.5 Sites which have been assessed but are judged not currently developable are listed in Appendix 2, including a reason for their rejection. Summaries of all of the sites which are considered to provide potential housing land within the study period are included in Appendix 3 and the detailed assessments of each of those sites are included in Appendix 4.
- 5.5 The analysis of sites indicates that from a total of 182 sites identified across the study area, a total of 5,532 dwellings could potentially be developed in the period to 2026. The majority of these are considered likely to be developed in the period before 2019, within the next 10 years.

#### **6 Review of assessment**

- 6.5 Section 6 draws all of the previous information together to provide a review of the current situation and indicate the level of housing land from within settlements which is likely to be developable within the plan period.

- 6.5 A total supply of 15,732 dwellings has been identified from within settlements in Shropshire for the period 2006-2026, including 3,966 dwellings in Shrewsbury.
- 6.5 The review of the study results indicates that there is a shortfall of 11,768 dwellings against the levels indicated by the draft West Midlands RSS Phase 2 Revision Draft Submission (Preferred Option) and subsequent options report scenario, respectively.
- 6.5 As a result it has been necessary to consider site specific opportunities identified outside but adjoining the study settlements and other potential sources of supply set out in the final two stages of the Practice Guidance, Stages 9 and 10 and how the shortfall of housing land might be met.
- 6.5 However, the review of the study results also shows that there is more than a 5 year land supply of ready to develop land within settlements within Shropshire at the current time. There is therefore no immediate requirement to identify additional land and planning applications for development for housing can continue to be determined having regard to PPS3 (in particular paragraph 69), the Development Plan and other material considerations.

## **7 Sites outside settlements and broad locations**

- 7.5 Section 7 sets out an assessment of sites outside but adjacent to the study settlements and potential broad locations for development. This assessment has been based on a review of designations and physical constraints, landscape appraisal and an assessment of the relative accessibility of areas.
- 7.5 Broad locations for development are discussed for each settlement. For the specific identified sites outside settlement boundaries which have been promoted, there is a summary of our conclusions in the table located in Appendix 7. The location of these sites is also identified on the settlement maps in Appendix 5.
- 7.5 It became apparent after the analysis of all settlement edges that there were many broad locations which had potential for development. However, the study has not considered all relevant planning issues in detail. The findings of the broad locations effectively represents the starting point from which further analysis can be undertaken through the LDF process and a spatial strategy for Shropshire can emerge.

## **8 Housing potential from windfall**

- 8.5 Section 8 considers the opportunity for the provision of windfall sites to come forward.
- 8.5 Windfall provision within the Shropshire area has traditionally provided a significant percentage of the housing supply. Therefore it is considered that it would be appropriate to include, within the figures for future housing provision, a figure for windfall provision to come forward on sites within the urban area on previously developed land beyond the next 10 years.

- 8.5 Based on an analysis of past rates and future expectation, an average of 254 dwellings per annum from small sites and 320 dwelling per annum from large sites could be achieved for the rest of the Plan period after the next 10 years.

## **9 Summary**

- 9.5 Section 9 provides a summary of the findings of the study.
- 9.5 A key element of this study will be its updating “at least annually” (Practice Guidance para 17) and it is through this monitoring that Shropshire Council will identify how specific sites progress towards development, what other sites come into the system and how progress is being made towards achieving the requirements of the RSS.