Matter 7 Evidence / 521642
Libra Homes

CHRISTCHURCH & EAST DORSET CORE STRATEGY
EXAMINATION IN PUBLIC

MATTERS & ISSUES 7B/1, 7C/1-5

HOUSING SPACE STANDARDS
AFFORDABLE HOUSING

AUGUST 2013

Goadsby Planning & Environment
99 Holdenhurst Road, Bournemouth
Dorset, BH8 8DY

1.0 INTRODUCTION

1.1 This statement comprises a response to the issues identified by the Inspector for the Examination in Public (EIP) into the soundness of the Christchurch & East Dorset Core Strategy (CS). This submission is on behalf of Libra Homes. ("Libra"), the owners at Holmwood Park, Ferndown. It is one of a number of submissions, the objective of which is set out at the commencement of our statement in respect of Matter and Issues 1.

2.0 MATTER & ISSUE 7B/1

2.1 ARE MINIMUM SPACE STANDARDS JUSTIFIED (LN 1)

2.2 Policy LN 1 is justified in the CS on the basis that over crowded conditions result in poor health, family conflict, poor educational attainment and anti-social behaviour. However, there is no actual evidence to prove that this is the case in Christchurch or East Dorset. Most of the settlements in the area covered by the CS are essentially suburban and have historically been developed at medium to low densities. There are no very high density, inner urban areas where over crowding, and the social characteristics that go with it, exist.

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2.5 On the 20th August the Government commenced consultation on a review of housing standards. Part of the review deals with internal space standards. The consultation does not seek a preferred approach, but instead seeks responses as to the degree to which they should be developed or mandated. The outcome of this consultation may inform the ultimate decision as to whether Policy LN 1 is sound.

3.0 MATTER & ISSUE 7C/1

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1.0 INTRODUCTION

1.1 This statement comprises a response to the issues identified by the Inspector for the Examination in Public (EIP) into the soundness of the Christchurch & East Dorset Core Strategy (CS). This submission is on behalf of Libra Homes. ("Libra"), the owners at Holmwood Park, Ferndown. It is one of a number of submissions, the objective of which is set out at the commencement of our statement in respect of Matter and Issues 1.

2.0 MATTER & ISSUE 7B/1

2.1 ARE MINIMUM SPACE STANDARDS JUSTIFIED (LN 1)

2.2 Policy LN 1 is justified in the CS on the basis that over crowded conditions result in poor health, family conflict, poor educational attainment and anti-social behaviour. However, there is no actual evidence to prove that this is the case in Christchurch or East Dorset. Most of the settlements in the area covered by the CS are essentially suburban and have historically been developed at medium to low densities. There are no very high density, inner urban areas where over crowding, and the social characteristics that go with it, exist.

2.3 Policy LN 1 is at conflict with CS Policy LN 2, which seeks a density of development of 30 dwellings per hectare. The consequence of developing at this density is that houses (or flats) and their associated garden areas will be small, when compared to many of the existing properties in the area.

2.4 The first two bullet points of Paragraph 50 of the NPPF require housing to be based on future demographic needs, and to be of an appropriate size, type and tenure. However, it does not endorse the use of space standards. For open market housing, space standards were abolished over thirty years ago. To introduce them again will impose requirements to construct dwellings that will, in many cases, be larger than needed. Construction costs will increase, with the cost burden being passed on to the purchaser. This will adversely impact on the affordability of housing.

2.5 On the 20th August the Government commenced consultation on a review of housing standards. Part of the review deals with internal space standards. The consultation does not seek a preferred approach, but instead seeks responses as to the degree to which they should be developed or mandated. The outcome of this consultation may inform the ultimate decision as to whether Policy LN 1 is sound.

3.0 MATTER & ISSUE 7C/1

3.1 ARE THE PERCENTAGE REQUIREMENTS FOR AFFORDABLE HOUSING SET OUT IN LN 3 JUSTIFIED BY THE VIABILITY EVIDENCE?

3.2 The most recent viability evidence is set out in the consultancy report of Peter Brett Associates (PBA) dated January 2013; 'Community Infrastructure Viability Testing' (ED 23). For East Dorset, this concludes that to set a Community Infrastructure Levy (CIL) of £100.00 per m^2, the affordable housing quota should be set at 30%. The report highlights the fact that this potential charge is well under the viability ceiling. It therefore follows that there may be scope to increase the affordable housing quota without undermining viability.

3.3 However, the PBA report contains, in Paragraph 6.57, a very strong recommendation to to set the CIL charge well under the viability ceiling because (i) costs and values will fluctuate over time; (ii) site specific issues may affect costs and values; and (iii) development appraisals invariably involve a margin of error. If it is assumed therefore that the £100.00 per metre ^{2} CIL charging rate is adopted, then a 30% affordable housing quota should be applied. There is no evidence to support a higher quota.

4.0 MATTER & ISSUE 7C/2

4.1 SHOULD THE PERCENTAGES REFLECT PROPERTY MARKET AREAS RATHER THAN A GREENFIELD/BROWNFIELD DIFFERENTIAL?

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4.2 There is clear evidence to support differential affordable housing rates on greenfield and brownfield sites. The economics of development vary substantially because greenfield land has an inherently lower Existing Use Value (EUV). Therefore, there is greater capacity for greenfield sites to absorb planning gain costs.

4.3 Our statement dealing with Matters and Issues 1 highlighted the fact that the delivery of housing from small, inner urban sites, is unlikely to come forward at the expected levels because the lowering of the affordable housing threshold adversely affects viability. This will apply equally across all property market areas. There may be some merit in reducing affordable housing thresholds in high value areas so as to make development more viable, but this would have the effect of delivering lower levels of affordable housing in areas that may have a high need for it.

4.4 The greenfield / brownfield differential is therefore endorsed, albeit at lower levels to those contained in Policy LN 3.

5.0 MATTER & ISSUE 7C/3

5.1 ARE VIABILITY TESTING ASSUMPTIONS REALISTIC WITH REGARD TO RESIDUAL LAND VALUES, DENSITY AND OTHER COSTS?

5.2 Some of the viability testing assumptions, in particular those contained within ED 23, are not considered to be sound. Our comments here are limited to residential development viability, as this is the sole concern of these representations.

5.3 ED 23 contains assumptions that are questionable. For example, Paragraph 5.9 quotes an opinion regarding land values from an estate agent that does not undertake land transactions. This cannot therefore be regarded as evidence as it is not based on transactional data. Also, there is no commentary as to whether the figure quoted, at £2,000.000.00 per hectare, includes or excludes an allowance for affordable housing. In our opinion, the quoted figure is excessive if the planning obligation costs have already been deducted.

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5.4 The PBA report does helpfully include a series of viability appraisals. However, many of the assumptions are falsely based. For example, the affordable housing quotas are set at 30%; as referred to earlier. However, Policy LN 3 increases this to 40% - and up to 50% on the urban extension sites. If the appraisals were run on the basis of the policy expectation, different conclusions would be drawn; i.e. there would be an adverse impact on the residual land value; and therefore site deliverability.

5.5 The evidence base sets the affordable housing quota at 30%. This is advocated to be the appropriate level for the urban extension sites.

6.0 MATTER & ISSUE 7C/4

6.1 WILL THE LOW TRIGGER FOR PROVIDING AH PREVENT DEVELOPMENT FROM COMING FORWARD?

6.2 It is considered that the low trigger, as set out in Policy LN 3, will act as a substantial disincentive for the owners of small sites to bring sites forward for development. In our response to the 2012 SHLAA, we used a typical inner urban site at Christchurch as an example of how the reduced affordable housing threshold would stop development coming forward in the manner suggested.

6.3 The adverse impact will result in the potential residential re-development site values failing to reach the EUV. The restriction on the supply of deliverable sites from within the urban area points to the need to maximise the number of dwellings to be constructed on the proposed urban extension sites, including FWP 3 – Holmwood Park.

7.0 MATTER & ISSUE 7C/5

7.1 DOES RECENT VIABILITY TESTING FOR CIL INDICATE THAT ANY CHANGES TO POLICY ARE NEEDED?

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7.2 As set out earlier, the future combination of CIL and affordable housing requirements will act as a deterrent to housing delivery. The representations in this statement do not suggest how Policy LN 3 should be amended to encourage the re-development of small sites. That is for others to advocate.

7.3 However, the PBA evidence suggests that for large sites, including the proposed urban extensions, a 30% quota would be appropriate. That is considered to be an acceptable policy objective for the development of the Holmwood Park site.

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