Notes on Build out rates from Strategic Sites (July 2013)

- There will be many influences on a forecast housing trajectory from a strategic site. It will essentially be dictated by the rate of sales that the site's developers want and are able to achieve in light of site conditions, business strategies and wider market demand.
- These notes are focussed on greenfield urban extension/new settlement type projects as opposed to inner urban high density flat/apartment type schemes which have particular build and purchaser considerations. The key influences on greenfield sites include:
    - The location, nature and scale of the site, as well as it's layout and phasing approach. This will influence how many separate housebuilders could be on site at any one time;
    - The scale of demand within the wider housing market, General economic conditions such as job security and job mobility, and general consumer confidence about buying/moving, as well as mortgage availability;
    - The business strategy and physical capacity of the homebuilder, Each housebuilder would build out units at a rate that fits their business plan, and short/long term approach to their strategic land portfolios; and
    - The type and variety of products, pricing, and extent of competition from other properties for sale both within the site itself and wider geographic area.
- A large site would typically involve multiple developers who would be active at any one time. The precise number of active sales outlets at any one time could vary, but would typically start with a few (especially when creating a new 'place') and increase over time to a steady state. How many active outlets exist on one site will vary depending on the influences set out above. For well established sites in strong areas this could get as high as 10-15. Some of the larger national builders can even operate more than one outlet off a single site, and running these as entirely separate construction and sales outlets under different brands or aimed at different market segments.
- As the number of separate sales outlets grow, the overall build rate will increase. However, doubling the size, the number of outlets or the number of developers may not directly lead to a doubling of the build rate. Ultimately, there will be a finite number of purchasers able and willing to purchase properties in any particular geographic location irrespective of the degree of range and choice of product that can be made available.
- Recent activity has seen developers limiting the number of unit completions from a single outlet to around 30 units per annum, as this allows them to sustain quality and prices and reduce prelim costs by having a single site team. When the market was stronger the figure may have been more within the 40-50 range. Whether the market goes back to these levels is debatable. Recent annual reports from the housebuilders have talked about a focus on "margin not volume" and they appear to now take a more measured approach to new supply. However, this approach could change in light of anticipated increase in demand due to measures in the 2013 Budget such as Help to Buy, and the ongoing role of Funding for Lending to stimulate greater bank lending and mortgage availability.
- Our experience indicates that developers and promoters often tend to overstate trajectories and underestimate the timescales required to bring sites forward. Forecasts could be based upon an ambitious "best case scenario" and/or presented in a positive way to fit to Local Authority land/housing supply needs and aspirations. Care is needed to independently verify whether forecast trajectories would be realistic.
- There is available evidence of large site build out rates to enable a considered and reasonable position to be adopted. Current evidence suggests that annual completions on any one site have very seldom gone higher than 500 units pa even under very strong market conditions.
- It is impossible to provide a standard average rate, but evidence would suggest that forecast trajectories for the very largest sites (say 4,000 units+) may be in the range of 300-500 units pa, and for the smaller strategic sites could be more in the range of 150-300 units pa.
- Some specific examples are set out below and in the table at the end of this document.

East of England Research

- A useful research study by Colin Buchanan in 2005 provides a good overview of the progress of large sites (over 1,000 units) across the East of England from 1980 to 2005. This research was commissioned by Countryside Properties and investigated the length of time required to obtain planning permission and begin construction, the time required to fully develop sites, and the maximum delivery rates at specific locations.
- The research showed a very varied picture. The best performing site was Chafford Hundred in Thurrock which peaked at 677 units in 2002/03, albeit the average over that development's lifetime was only 300 pa. Cambourne peaked at 620 units in 2003/04 with an average of 243 pa.
- The report concluded that the overall rate of development from strategic sites overall was only around 200 dwellings per annum across all the identified individual sites.

Broughton Gate, Milton Keynes

- MK has several large expansion areas that have been building out over recent years and will continue to going forward. It's Core Strategy was examined in July 2012, with Inspectors Report issued May 2013. Information on trajectories for strategic sites was produced for and debated at the Examination.
- Of particular note, the Broughton Gate (and adjoining Brooklands) strategic sites with a combined total of 4,000 units, showed average annual completions of 248 pa with a peak o**f 439 pa,** when there were 15 active outlets on site**.** Future forecasts set out a peak of max 400 pa.

The Wixams, Bedford

- Wixams is a planned new settlement of 4,500 units being built on the former Elstow Storage Depot, straddling the Borough boundaries of Bedford and Central Bedfordshire Council areas. The proposals comprise of four new interlinked villages, each retaining its own local village character and feel..
- Gallagher Estates are the master developers for the site. The first village under development is known as Lakeview with active developers including Bloor Homes, Careys New Homes, Lagan Homes, Leech Homes, Miller Homes and Taylor Wimpey.
- In terms of completions to date - 8 dwellings completed in 2008/09. 189 dwellings completed in 2009/10. 159 in 2010/11, and 138 in 2011/12. Future completions forecast approx. 200 per year thereafter.

Northstowe, South Cambridgeshire

- This example illustrates the need for caution on adopting an overly ambitious assumption. The original AAP (adopted 2008) included an anticipated housing trajectory of 150 units in year 1 (08/09), then 400 units, 600, then 650 for the following years, 750 for the following two years, then 850. On these assumptions Northstowe should have delivered approx. 2,500 units by 2013. To date it but has delivered none.
- An outline planning application for the first phase (for 1500 units) has recently been approved in 2013, and the accompanying planning statement makes reference to a completion rate of 100 units Yr1 (2014), then 175, then 275 then peak at 360 the following year, then reducing back down. The document acknowledges that as phase 2 comes forward this would maintain a steady level of provision, albeit this is not set out.

Peterborough

- Hampton is a newly developing township in Peterborough, England. There are currently two neighbourhoods within Hampton - Hampton Hargate and Hampton Vale, still growing. A third area, Hampton Hempsted is now under construction and a fourth, Hampton Leys, has been approved
- Analysis from Peterborough Council indicates that there have been a total of 3,793 unit completions in the period Apr 01 to March 12 (an average 345 pa), with 854 for the 3 years Apr 09 – March 12 (285 pa).

Homes & Communities Agency

Advisory Team for Large Applications (ATLAS)

Example Site Specific Housing Completions 1996/97 – 2011/12

Note each individual site will have unique locational, physical and delivery contexts. The information below sets out available data from a variety of sources. Users of this information should reflect carefully upon the specific circumstances influencing their local situation.

Local Authority	Site Name	Ref.	Capacity	Average pa	Highest pa	Start	End	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	010/11	2011/2012
Thurrock UA	Chafford Hundred	1	5307	205	677	1988	2005	198	177	356	492	489	675	677	262	163							
Peterborough	Hampton - Southern Township	1.2	5200	321	548	1996		149	95	192	356	456	347	340	378	212		548	265	442	498	210	212
Bedford [1]	Wixams	3	4500	265	496	2008														8	198	356	496
Milton Keynes	Broughton Gate & Brooklands	4	4000	281	439	2005											115	439	236	261	439	197	
Colchester	Highwoods	1	3910	77	257	1982	2004	173	252	257	156	88	70	196	40								
Basildon	The Wick, Wickford	1	3555	93	306	1990	2004	190	306	157	157	218	78	125	76								
Harlow	Church Langley	1	3528	167	513	1992	2004	397	466	513	316	158	66	49	35								
South Cambridgeshire	Cambourne	1,6	3300	234	620	1998				126	126	127	213	337	620	151	377	267	219	191	161	206	154
Suffolk Coastal	Grange Farm	1	3150	83	146	1990	2005	146	146	146	146	146	146	146	146								
South Glos	Emersons Green Village Area	5	2870	358	564	1996		161	508	524	564	564	242	160	142								
Broadland	Thorpe Marriot	1	2854	79	279	1988	2000	279	205	219	157	171											
Stevenage	Great Ashby	1	2191	184	319	1998	2005			30	204	319	310	246	100	81							
Braintree	Great Notley Garden Village	1	1766	131	282	1993	2004	195	215	133	84	271	193	282	70								
Huntingdonshire	Loves Farm, St Neots	6	1400	215	336	2008													34	186	336	302	216
Ipswich	Ravenswood	1	1200	136	226	1999	2005				5	200	60	226	145	182							
Aylesbury [3]	Fairford Leys (Coldharbour)	7	1200	133	349								50	220	349	285	170	105	10	6	1		

SOURCE REFERENCES:

1 Housing Delivery on Strategic Sites Research Study, Colin Buchanan, 2005
2 Planning Policy Monitoring, Peterborough Council (http://www.peterborough.gov.uk/planning_and_building/planning_policy/planning_policy_monitoring-1.aspx)
3 Annual Monitoring Report, BDC (https://www.bedford.gov.uk/environment_and_planning/planning_town_and_country/planning_policy/annual_monitoring_report.aspx)
4 Core Strategy: Housing Technical Paper, MKC, 2011. (http://www.milton-keynes.gov.uk/planning-policy/documents/Housing_Technical_Paper_24.3.2011.pdf)
5 Assessment of Deliverable Housing Sites, BNP Paribas for SCDC, 2013 (https://consultations.southglos.gov.uk/gf2.ti/f/251202/10215685.1/PDF/-/BNP_Paribas_Assessment_of_Deliverable_Housing_Sites.pdf)
6 Major Housing Development, Cambridgeshre CC (http://www.cambridgeshire.gov.uk/NR/rdonlyres/3506BA52-AC5F-436E-A562-D3DBCEEC4109/0/Mar13CambridgeshireMajorHousingCompletionsandCommitments.xls)
7 Housing Completions, AVDC (http://www.aylesburyvaledc.gov.uk/local-development-plans/planning-policy/monitoring-info/)