# Housing Land Monitor

30 September 2010

## 1. PURPOSE OF REPORT

1.1 This is the September update of a bi-annual monitoring report that summarises data on housing land supply in Leeds. Housing land supply information is published twice yearly in the Housing Land Monitor relating to the position at 31 March and 30 September. These documents cover rates of housebuilding, the stock of outstanding land available, the amount of brownfield and greenfield development and other matters relevant to the housing land supply. This report charts the current position in housing land terms as at 30 September 2010.

1.2 The report does not consider the possible delivery of future housing land. Calculations of the land supply for the next 5 years and beyond are reviewed through the technical exercise of the Strategic Housing Land Availability Assessment (SHLAA) and set out in the Housing Trajectory and Five Year Housing Land Supply statements. The SHLAA is a review exercise which differs in scope from this report including, for example, unallocated sites without planning permission whilst also excluding sites less than 0.4 hectares. The Housing Trajectory and Five Year Housing Land Supply aim to assess deliverability of housing land based on a set of criteria established through Planning Policy Statement 3 (PPS3) and other national guidance. These were updated as part of the Annual Monitoring Report (AMR) publication in December 2010.

1.3 The purpose of this report is to fulfill the Council's requirement under Policy H2 of the Unitary Development Plan (UDP) Review to monitor and report on housing development and land supply. This is to assess whether Policy H1 requirements have been met and can continue to be met in line with the sequential approach. Monitoring information is used to help manage the phased release of land. The report also records the brownfield land supply as part of the planning application process in support of UDP Review Policy H4.

1.4 The Government's revocation of regional plans has been declared unlawful by a High Court judge following the decision to abolish Regional Strategies including the current Regional Spatial Strategy for the Yorkshire and Humber Region (RSS) on 6 July 2010 with immediate effect. The Government is still very much committed to the abolition of Regional Strategies and have been clear that they will be bringing forward the appropriate legislation, which is due to be in place by the end of 2011.

## 2. HOUSING PERFORMANCE

2.1 Table 1 summarises recent housebuilding performance and makes comparisons to the RSS targets. During 2004-8, RSS required average net increases of 2260 dwellings per year, 9040 in total. Actual net output in this period totalled 12972, 43% in excess of the requirement. This was a period of buoyant housebuilding performance in Leeds. A combination of strong demand and abundant land supply raised output to levels not seen in the city since the mid 1970s.

2.2 From 2008-26, RSS expected net increases to average 4300 per year. Since this is an 18 year average, the requirement does not necessarily have to be achieved in the first or any single year of the period. RSS Policy H1B and Table 12.2 specifically envisage below average performance in the early years. In 2008-9, a net increase of 3828 was achieved. In the period to year end at March 2010, overall provision was still in surplus against RSS requirement.

2.3 Growth of the housing stock has also been assisted by less than anticipated levels of dwelling loss. RSS assumed that 440 dwellings per year would need replacing but the annual average rate of loss between 2005 to 2010 has been 231 dwellings. If this continues, it will moderate the gross housebuilding requirement in future years. In the Core Strategy Preferred Approach, an average rate of loss was assessed at 250 units per annum.

2.4 A very high proportion of development has occurred on brownfield land, which dates back to the introduction of the sequential test in the March 2000 publication of Planning Policy Guidance 3 (PPG3) and the Council's sequential approach to greenfield development introduced in July 2000. Over 80% of development has been brownfield in every quarter since March 2002 and more recently the proportion has exceeded 90%.

2.5 Housing starts decreased sharply in early summer 2008. Since July 2008, the rate of new starts has averaged 80 units a month, equivalent to an annual completion rate below 1000 units and compared to a monthly average of 330 in the four preceding years. In the six months up to the end of September 2010, 629 units were started.

2.6 Actual completions over the past year highlight the extent to which the development industry has slowed due to the recession. Dwellings under construction have dropped from 5900 in June 2008 to 2400 in September 2009 and now stand at 1792. As a result of this and the low level of recent starts, completions are set to drop in the next few years and it may be much longer before output returns to pre-recession levels. It is inevitable that there will be a period of some years in which the housing stock will not increase to or beyond the 2008/09 completion levels.

**Table 1: Net and gross housebuilding in Leeds**

| Financial year | Gross building* | | | Housing loss* | Net building | RSS annual average net additions |
|---|---|---|---|---|---|---|
| | On PDL | % PDL* | Total | | | |
| 2004-5 | 2704 | 92 | 2924 | 291 | 2633 | 2260 |
| 2005-6 | 3555 | 96 | 3694 | 258 | 3436 | 2260 |
| 2006-7 | 3428 | 97 | 3538 | 211 | 3327 | 2260 |
| 2007-8 | 3515 | 92 | 3833 | 257 | 3576 | 2260 |
| 2008-9 | 3787 | 95 | 3976 | 148 | 3828 | 4300 |
| 2009-10 | 2341 | 93 | 2519 | 281 | 2238 | 4300 |
| **Last 4 quarters** | | | | | | |
| Oct - Dec 2009 | 312 | 86 | 361 | | | |
| Jan - Mar 2010 | 232 | 87 | 267 | | | |
| Apr - Jun 2010 | 604 | 96 | 629 | | | |
| Jul - Sept 2010 | 240 | 76 | 317 | | | |
| **Annual averages to September 2010** | | | | | | |
| Last 10 years | 2776 | 91 | 3058 | | | |
| Last 5 years | 3781 | 94 | 3981 | | | |

**Source : Leeds City Development & Regional Spatial Strategy**

*Gross housebuilding includes new build completions plus the net gain from the conversion of existing dwellings and other formerly non-residential buildings to residential use.

*PDL is previously developed brownfield land.

*Housing loss includes dwellings demolished or converted to non residential use.

## 3.0 HOUSING LAND SUPPLY AT 30 SEPTEMBER 2010

3.1 This section summarises the outstanding capacity of land allocated or with planning permission for housing at 30 September 2010. These are current sites which can be described as being available in planning terms. The capacity is summarised by UDP Review plan policy head in the table below. A full list of sites is given in Appendix 1. The table and schedule cover all outstanding allocations and permissions on sites for 5 or more new or converted dwellings. Outstanding dwellings include those under construction.

3.2 Capacities are as specified in planning permissions or as otherwise estimated. Capacity estimates take account of the density guidance that was contained in PPS3 before it was updated in June 2010 and it has also been used to determine previous use. In the few cases where the previous use was mixed, sites have been assigned to the majority use. For more details on how the future developments will be classified in accordance to updated PPS3, please see the Appendix to this document.

3.3 The table and schedule show outstanding capacity by planning status, development progress and previous use. H4 sites are split into those in the City Centre, in the rest of the Main & Smaller Urban Areas (MUA) or elsewhere.

**Table 2: Outstanding capacity at 30 September 2010**

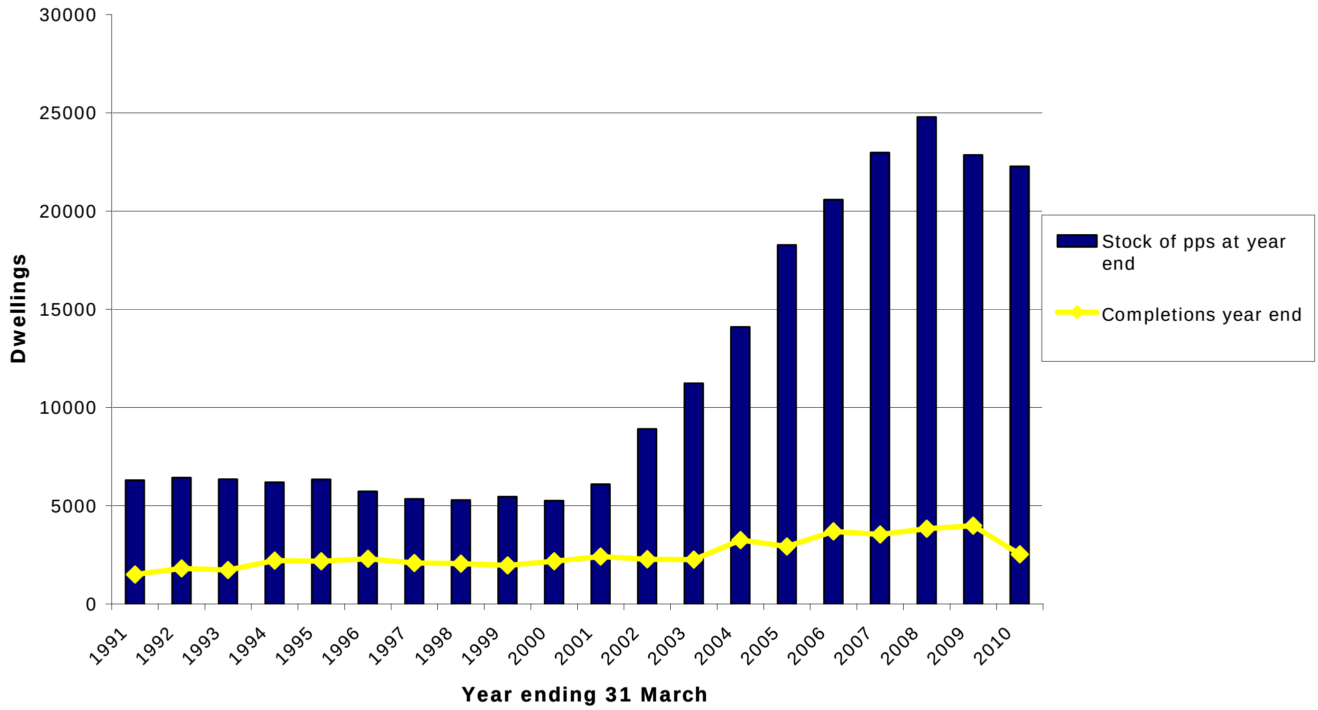
| Site | Planning Permission | | | Development Status | | Previous Use | | Total |
|---|---|---|---|---|---|---|---|---|
| | None | Outline | Detailed | Under con | Not yet started | B'field | G'field | |
| H4 city centre | 0 | 1410 | 2511 | 146 | 3775 | 3727 | 194 | 3921 |
| H4 rest of MUA | 0 | 4665 | 5054 | 1098 | 8624 | 9421 | 301 | 9722 |
| H4 outside MUA | 0 | 17 | 931 | 143 | 805 | 880 | 68 | 948 |
| **Total** | **0** | **6092** | **8496** | **1387** | **13204** | **14028** | **563** | **14591** |
| | | | | | | | | |
| H3-1 | 266 | 149 | 3088 | 398 | 3105 | 2797 | 706 | 3503 |
| H3-2 | 1641 | 40 | 11 | 0 | 1703 | 11 | 1692 | 1703 |
| H3-3 | 5654 | 197 | 52 | 7 | 5896 | 0 | 5903 | 5903 |
| **Total** | **7561** | **397** | **3151** | **405** | **10704** | **2808** | **8301** | **11109** |
| | | | | | | | | |
| **Total land** | **7561** | **6489** | **11647** | **1792** | **23908** | **16836** | **8864** | **25700** |

3.4 Table 2 highlights the important role of UDP Review Policy H4 in generating land supply. 57% of all identified land is currently on H4 sites. A declining proportion of this, now 27%, is in the City Centre. In March 2008, over 45% of permissions were in the City Centre. A large proportion of the supply of H4 sites with outstanding planning permission which are ready for development have not yet started. These have capacity for 13204 dwellings.

3.5 The prevalence of planning permissions in the land supply is a relatively recent trend. For a decade until March 2001, stocks of permissions were within a range of between 5300 and 6300 dwellings. Then there was a seven year period of expansion, reaching a peak of 24800 dwellings in March 2008. After exhibiting two years of decline, the stock increased in the final six months of year ending 2010. These trends are illustrated in the chart below.

3.6 The chart also includes completion figures and shows that although these have also increased since 2001, the rate of increase has not kept pace with the growth in permissions. The stock of permissions has grown around 400% since 2001, whereas completions have not reached 200%. It is particularly striking that the ratio of permissions to completions has expanded from 3:1 or less in the 1990s to approximately 6:1 in 2008 and 10:1 in 2010. However, the decline in 2009/10 completions will account for much of this increase and it is anticipated that as housing completions level out, this ratio will decrease.

**Figure 1: Stocks of planning permissions and completions 1991-2010**




3.7 The main factor contributing to the growth in permissions was the priority given to brownfield development by PPG3. This established a presumption in favour of housing development on many brownfield sites and opened up the process of housing land release. In large urban areas like Leeds, with substantial reserves of brownfield land, it has released landowners and developers from dependence on the planning authority to allocate land and given them a principal role in site selection.

3.8 The trigger mechanism outlined in the UDP Review is now redundant following the decision of the Yeadon High Court Challenge. The measurement of housing supply is now based on national policy and guidance following the Government's proposed revocation of regional policy.

3.9 Whilst it is made clear that RSS remains part of the development plan, the intention to abolish RSS must be taken into account in Council's decision making as declared by the Court on 7 February 2011. In the absence of an RSS target, local planning authorities are responsible for establishing the right level of local housing in their area. It is important to note in this context that national guidance on this issue remains and PPS 3 Housing is the main source of guidance, which states that Council's need to maintain a five-year supply of deliverable sites

3.10 The Conservative Party Green Paper No. 14: Open Source Planning (OSP) states that there is general acceptance that a five-year land supply provides a good baseline from which to work. The Planning Inspectorate points to OSP as generally establishing the Government`s proposed approach in the absence of more formal transitional arrangements and guidance. OSP believes that local authorities had estimated their own housing requirements in the form of the so called Option 1 numbers before the Government imposed higher figures. For a transitional period, OSP suggests Option 1 numbers be used as the provisional numbers.

3.11 The Option 1 figures for Leeds was set out in the Draft RSS at 2260 net dwellings per annum. The Council agreed to adopt the annual requirement of 2,260 net as the Interim Housing Policy (IHP).

3.12 Based on the IHP target of 2260 dwellings per annum, the five-year housing land requirement for supply is 11,300 dwellings. The 2010 AMR identifies 12,466 net units available for the period 2011 to 2016, which includes 2500 windfall units. In light of the above, Leeds has enough housing supply to meet it’s requirements and it is therefore not necessary to release further land for housing at this time.

## 4.0 HOUSING LAND RELEASE

4.1 This section of the report looks at the dynamics of housing land release by trends of new dwellings given planning permission. It highlights any new permissions on H3 proposal sites since the previous update and then looks at the flow of H4 sites coming forward. It distinguishes between sites in the City Centre, in the rest of the main urban area and outside the urban area.

### H4 windfall sites

4.2 There are two routes by which land is brought forward for housing development. Either it is identified as allocated for that purpose in development plan documents prepared by the local planning authority, or it is presented through the planning application process by landowners and developers as windfall. Windfall is a regular, mainstream source of supply.

4.3 Windfall supply overwhelmingly consists of plentiful small brownfield sites. 95% of capacity since 1991 has been on brownfield sites, 69% of which were under 0.4 hectares. There has been an average of around 100 new windfall sites per year given permission since mid 2001. Small numbers of larger sites, however, account for the bulk of capacity many of which have formerly been in industrial or commercial use.

4.4 The largest source of windfall is in large urban areas where the scope for change of land use is greater. In Leeds, windfall has been monitored continuously since the 1980s and for much of this time has been more important than the development plan route as a source of land. Between mid 1991 and mid 2000, before the revision of PPG3, windfall sites already accounted for 56% of new permissions. The brownfield priority introduced in 2000 greatly increased that dominance. Since mid 2000, windfall has generated 88% of new permissions and 96% since mid 2005.

4.5 Annual windfall totals since 1991 are shown in Table 4 for sites in the City Centre, in the rest of the main urban area and outside the urban area as defined in the UDP Review. The figures given are for permissions that were live at the reporting date or had been implemented. Dwellings are assigned to the year in which permission was first given on each site. Averages are given for the whole period and for before and after 2001.

4.6 The table shows that since 1991 windfall permissions have averaged 2269 units per year. The figures before and after mid 2001 are distinctly different. Before mid 2001 windfall averaged 1154 per year and afterwards it increased to 3443 per year, not far short of the RSS dwelling requirement. However, there was quite a sharp drop in the 9 months following June 2009 as a result of the housing market decline which resulted in the year total for 2009/10 as the lowest since PPG3 was published in 2000.

4.7 Analysis of the figures by area shows that a large part of the post 2001 rise was accounted for by sites in the City Centre. Permissions rose to an average of nearly 1600 per year in the period 2000 to 2009. This yearly average has now dropped to 1098 per year for the period 2001 to 2011, which signals a shift away from the City Centre housing proposals.

4.8 There has also been significant growth in windfall permissions outside the City Centre. In this area, windfall has always been an important feature of the land market, with permissions averaging 868 per year even before 2001. The post 2001 figure stands at 2325 dwellings but has seen a recent decline having risen to an average of around

2500 in 2008. The stock of outstanding windfall permissions continues to fall. Dwelling numbers fell from 9200 in September 2007 to 7360 in September 2009 and stand at 3921 at September 2010.

## Table 4: H4 windfall dwelling permissions

| Mid-year | City Centre | | | Rest of urban area | | | Outside urban area | | | Outside City Centre | | | All locations | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Brown | Green | All | Brown | Green | All | Brown | Green | All | Brown | Green | All | Brown | Green | |
| **1991-2** | | | | 1048 | 170 | 1218 | 37 | 99 | 136 | 1085 | 269 | 1354 | 1085 | 269 | **1354** |
| **1992-3** | | | | 447 | 62 | 509 | 69 | 43 | 112 | 516 | 105 | 621 | 516 | 105 | **621** |
| **1993-4** | | | | 518 | 31 | 549 | 195 | 40 | 235 | 713 | 71 | 784 | 713 | 71 | **784** |
| **1994-5** | 7 | | 7 | 472 | 104 | 576 | 35 | 109 | 144 | 507 | 213 | 720 | 514 | 213 | **727** |
| **1995-6** | 21 | | 21 | 327 | 5 | 332 | 145 | 43 | 188 | 472 | 48 | 520 | 493 | 48 | **541** |
| **1996-7** | 54 | | 54 | 621 | 163 | 784 | 99 | 27 | 126 | 720 | 190 | 910 | 774 | 190 | **964** |
| **1997-8** | 88 | | 88 | 494 | 30 | 524 | 46 | 165 | 211 | 540 | 195 | 735 | 628 | 195 | **823** |
| **1998-9** | 572 | | 572 | 499 | 184 | 683 | 196 | 56 | 252 | 695 | 240 | 935 | 1267 | 240 | **1507** |
| **1999-2000** | 1310 | | 1310 | 920 | 31 | 951 | 351 | | 351 | 1271 | 31 | 1302 | 2581 | 31 | **2612** |
| **2000-1** | 803 | | 803 | 590 | 33 | 623 | 109 | 70 | 179 | 699 | 103 | 802 | 1502 | 103 | **1605** |
| **2001-2** | 2532 | | 2532 | 1002 | 228 | 1230 | 760 | 28 | 788 | 1762 | 256 | 2018 | 4294 | 256 | **4550** |
| **2002-3** | 1506 | | 1506 | 1760 | 120 | 1880 | 152 | 19 | 171 | 1912 | 139 | 2051 | 3418 | 139 | **3557** |
| **2003-4** | 1006 | | 1006 | 2637 | 17 | 2654 | 448 | 15 | 463 | 3085 | 32 | 3117 | 4091 | 32 | **4123** |
| **2004-5** | 1887 | | 1887 | 1860 | 8 | 1868 | 896 | | 896 | 2756 | 8 | 2764 | 4643 | 8 | **4651** |
| **2005-6** | 1274 | 194 | 1468 | 1450 | 64 | 1514 | 264 | 12 | 276 | 1714 | 76 | 1790 | 2988 | 270 | **3258** |
| **2006-7** | 1249 | | 1249 | 1943 | 13 | 1956 | 124 | | 124 | 2067 | 13 | 2080 | 3316 | 13 | **3329** |
| **2007-8** | 167 | | 167 | 3579 | | 3579 | 99 | 11 | 110 | 3678 | 11 | 3689 | 3845 | 11 | **3856** |
| **2008-9** | 92 | | 92 | 2156 | 74 | 2230 | 47 | 9 | 56 | 2203 | 83 | 2286 | 2295 | 83 | **2378** |
| **2009-10** | 716 | | 716 | 2072 | 14 | 2086 | 26 | 25 | 51 | 2098 | 39 | 2137 | 2814 | 39 | **2853** |
| **2010-11*** | | | | 140 | 11 | 151 | 5 | | 5 | 145 | 11 | 156 | 145 | 11 | **156** |
| **Total** | 13284 | 194 | 13478 | 24535 | 1362 | 25897 | 4103 | 771 | 4874 | 28638 | 2133 | 30771 | 41922 | 2327 | **44249** |
| | | | | | | | | | | | | | | | |
| **Annual Averages** | | | | | | | | | | | | | | | |
| **1991-2001** | 286 | 0 | 286 | 594 | 81 | 675 | 128 | 65 | 193 | 722 | 147 | 868 | 1007 | 147 | **1154** |
| **1991-2011** | 681 | 10 | 691 | 1258 | 70 | 1328 | 210 | 40 | 250 | 1469 | 109 | 1578 | 2150 | 119 | **2269** |
| **2001-2011** | 1098 | 20 | 1118 | 1958 | 58 | 2016 | 297 | 13 | 309 | 2255 | 70 | 2325 | 3353 | 91 | **3443** |

* to 30 September 2010

## Appendix 1 - Identified sites at 30 September 2010

This schedule lists sites of five or more dwellings that have been identified for housing in planning terms. These are sites that either had outstanding planning permission at 30 September 2010 or are proposed for housing in the UDP Review.

The sites are grouped by Review plan policy below.

| | |
|---|---|
| **H4** | Unallocated sites with permission in the City Centre |
| **H4** | Unallocated sites with permission in the rest of the Main & Smaller Urban areas |
| **H4** | Unallocated sites with permission outside the Main & Smaller Urban areas |
| **H3-1** | Phase 1 allocations |
| **H3-2** | Phase 2 allocations |
| **H3-3** | Phase 3 allocations |

The schedule shows the outstanding capacity on each site in under each policy. This is then broken down by planning status, development progress and former land use. The capacities are as specified in planning permissions or as otherwise estimated taking into account of the density guidance set out in PPG3.

The identification of brownfield and greenfield land is made according to the definition contained in Annex B to PPS3 and are based on available information on former land uses and interpretation of the definitional guidance. Sites with a mixed former land use are assigned to the category covering the majority of the site. The Council will revise individual site classifications in the light of new or more detailed information about former land use or revised interpretation of the definitional guidance. Land classifications are determined by the criteria at the time that the sites were identified.

Leeds
CITY COUNCIL