Housing Land Monitor

31 March 2011

1. PURPOSE OF REPORT

1.1 This is the March 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 31 March 2011.

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. 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 primary 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 and to support the future policy formulation. The report also records the brownfield land supply as part of the planning application process in respect 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. The recent (May 2011) High Court Ruling in the 'Cala II' case has clarified that the abolition of RSS can not be taken into consideration in plan making. Therefore until an SEA has been undertaken and RSS formally revoked, RSS will remain as part of the development plan process.

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.

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 2006 to 2011 has been 207 dwellings, with just 140 in 2010/11. 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. Following July 2008, the rate of new starts dropped to an averaged 80 units a month in March 2010, equivalent to an annual completion rate below 1000 units and compared to a monthly average of 330 in the four preceding years. However, in the twelve months up to the end of March 2011, 1456 units were started which indicates some uplift in development in recent months.

2.6 Completions over the past three years highlight the extent to which the development industry has slowed due to the recession. Dwellings under construction dropped continually from 5900 in June 2008 to 1792 in September 2010, but have recently picked up slightly to 1919 in March 2011. As a result of this and the relatively low level of recent starts, completions are set to remain low 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	2518	281	2238	4300
2010-11	1408	90	1564	140	1379	4300
Total	**20738**	**94**	**22047**	**1586**	**20417**	**21940**
Last 4 quarters						
Apr - Jun 2010	604	96	630			
Jul - Sept 2010	240	76	316			
Oct – Dec 2010	244	92	266			
Jan – Mar 2011	320	91	352			
Annual averages to March 2011						
Last 10 years	2896	94	2983			
Last 5 years	2725	91	3086			

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 31 MARCH 2011

3.1 This section summarises the outstanding capacity of land allocated or with planning permission for housing at 31 March 2011. 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 31 March 2011

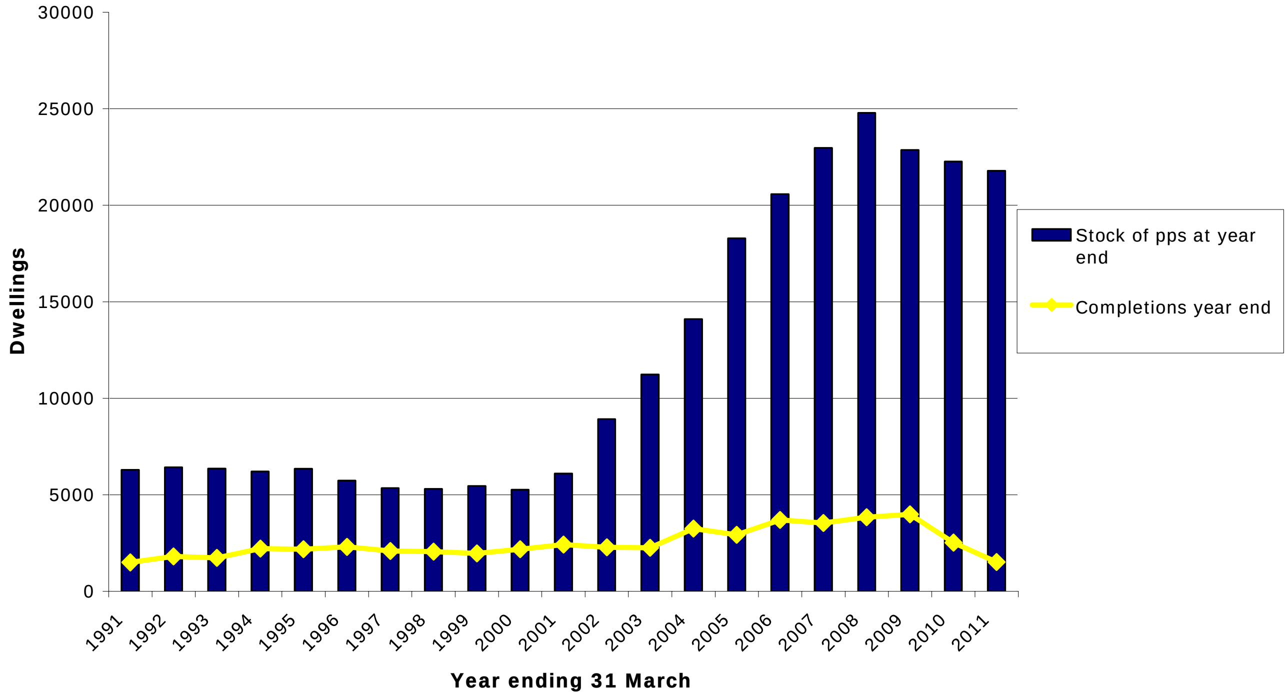
Site	Planning Permission			Development Status		Previous Use		Total
	None	Outline	Detailed	Under con	Not yet started	B'field	G'field	
H4 city centre	0	3003	2306	146	5163	5309	0	5309
H4 rest of MUA	0	6437	5346	1246	10462	11492	291	11783
H4 outside MUA	0	142	930	155	911	870	202	1066
Total	**0**	**9582**	**8582**	**1547**	**16536**	**17671**	**493**	**18158**
H3-1	266	149	3160	365	3210	2932	643	3575
H3-2	1641	51	11	0	1703	11	1692	1703
H3-3	5659	197	52	7	5901	0	5908	5908
Total	**7566**	**397**	**3223**	**372**	**10814**	**2943**	**8243**	**11186**
Total land	**7566**	**9979**	**11805**	**1919**	**27350**	**20589**	**8736**	**29344**

3.4 Table 2 highlights the important role of UDP Review Policy H4 in generating land supply. 62% of all identified land is currently on H4 sites. A declining proportion of this, now 29%, 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 16536 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, 10:1 in 2010 and 14:1 in 2011. The decline in 2009/10 and 2010/11 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 1991-2011



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 found in PPS3, which states that Local Authorities must demonstrate a five year supply of land to a housing requirement.

3.9 The recent Cala II judgment has confirmed that 'it would be unlawful for a local planning authority preparing, or a Planning Inspector examining, development plan documents to have regard to the proposal to abolish regional strategies'. Consequently, in planning the Core Strategy, the Council is working on the basis that the plan will need to be in general conformity with RSS, taking into consideration up to date evidence. From 2004 – 2011, Leeds has had a shortfall of housebuilding of 1523 units, based on the RSS requirement. There are 15 years left in RSS, which means that an additional 102 units per annum must be added to the annual average if Leeds is to reach the RSS requirement. This brings the annual requirement up to 4402, and the five year requirement rests at 22,010 units.

3.10 The 2010 Annual Monitoring Report identified that the five year supply of land which was expected to be built between 2011 - 2016 was 12,466 units. This figure included 2500 'windfall' units, which inspectors have been reluctant to accept as part of the five year supply. Excluding windfall the five year supply figure for Leeds is approximately 9,966 units.

3.11 Based on the supply position, the Council's Executive Board agreed to release Phase 2 and 3 housing allocations in the UDP at it's meeting on 22 June, subject to proposals coming forward being acceptable in planning terms. These are greenfield sites that should be attractive to the market if housebuilding starts to recover and provide capacity for up to 7611 units. In seeking to tackle longer term housing land supply issues, the Council is continuing to progress the Core Strategy with a view to preparing a publication document by December 2011, to establish a new housing target and approach to delivery.

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. 98% of capacity since 1991 had been on brownfield sites, 67% of which were under 0.4 hectares. There has been an average of around 100 new windfall sites per year given permission between 2001 and 2008, which has reduced to 45 sites in 2010/11. 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. In the September 2010 report, windfall had generated 88% of new permissions since mid 2000 and 96% since mid 2005, which has now dropped to 86% since mid 2001 and 84% since mid 2006.

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 2401 units per year. The figures before and after mid 2001 are distinctly different. Before mid 2001 windfall averaged 1150 per year and afterwards it increased to 3652 per year, not far short of the RSS dwelling requirement. However, there was quite a sharp drop in the 9 months following June 2008 as a result of the housing market decline which resulted in the year total for 2008/09 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 approximately 1600 per year in the period 2000 to 2009. This yearly average has now dropped to 1201 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 865 per year even before 2001. The post 2001 figure stands at 2451 dwellings but has seen a recent decline having risen to an average of around 2500 in 2008.

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	0	0	0	1048	170	1218	37	99	136	1085	269	1354	1085	269	**1354**
1992-3	0	0	0	447	62	509	69	43	112	516	105	621	516	105	**621**
1993-4	0	0	0	510	31	541	195	40	235	705	71	776	705	71	**776**
1994-5	7	0	7	478	104	582	35	109	144	513	213	726	520	213	**733**
1995-6	21	0	21	327	5	332	145	43	188	472	48	520	493	48	**541**
1996-7	54	0	54	621	163	784	99	27	126	720	190	910	774	190	**964**
1997-8	88	0	88	494	30	524	46	165	211	540	195	735	628	195	**823**
1998-9	572	0	572	499	184	683	196	56	252	695	240	935	1267	240	**1507**
1999-2000	1310	0	1310	920	31	951	351	0	351	1271	31	1302	2581	31	**2612**
2000-1	803	0	803	558	33	591	109	70	179	667	103	770	1470	103	**1573**
2001-2	2532	0	2532	1046	228	1274	760	28	788	1806	256	2062	4338	256	**4594**
2002-3	1506	0	1506	1752	120	1872	152	19	171	1904	139	2043	3410	139	**3549**
2003-4	1006	0	1006	2643	17	2660	453	15	468	3096	32	3128	4102	32	**4134**
2004-5	1887	0	1887	1852	8	1860	896	0	896	2748	8	2756	4635	8	**4643**
2005-6	1274	0	1274	1639	64	1703	264	12	276	1903	76	1979	3177	76	**3253**
2006-7	1562	0	1562	1922	13	1935	124	0	124	2046	13	2059	3608	13	**3621**
2007-8	1433	0	1433	2873		2873	90	11	101	2963	11	2974	4396	11	**4407**
2008-9	92	0	92	2129	74	2203	47	9	56	2176	83	2259	2268	83	**2351**
2009-10	714	0	714	2220	14	2234	26	25	51	2246	39	2285	2960	39	**2999**
2010-11	5	0	5	2774	11	2785	45	134	179	2819	145	2964	2824	145	**2969**
2011-12*	0	0	0	79	0	79	0	0	0	79	0	79	79	0	**79**
Total	**14866**	**0**	**14866**	**26831**	**1362**	**28193**	**4139**	**905**	**5044**	**30970**	**2267**	**33237**	**45836**	**2267**	**48103**

Annual Averages

1991-2001	286	0	286	590	81	672	128	65	193	718	147	865	1004	147	**1150**
1991-2011	743	0	743	1338	68	1406	207	45	252	1545	113	1658	2288	113	**2401**
2001-2011	1201	0	1201	2085	55	2140	286	25	311	2371	80	2451	3572	80	**3652**

* to 31 March 2011

Appendix 1 - Identified sites at 31 March 2011

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 31 March 2011 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