

Warning: Braintree District Council advises caution on “land for sale” schemes

Braintree District Council is advising people to exercise caution before buying land through internet “landbanking” schemes. These schemes offer plots of land for sale with promises of huge profits for buyers when the land gets planning permission for development, but there is no realistic prospect of permission being granted for development in the foreseeable future.

A BBC “Inside Out” investigation found that the websites often provide inaccurate and misleading information about the local area and the likelihood of the land being developed, investors are convinced into paying over the odds for sites that have little or no development potential, paying very high prices for land of little value.

Land at Oxford Lane, Sible Hedingham

The Council has become aware of a landbanking scheme currently being promoted in respect of land at Oxford Lane, Sible Hedingham. The land appears to have sold divided into small plots. The site is beyond the development boundary in the adopted Review Local Plan, and there is no realistic prospect of permission being granted for development of this site in the foreseeable future. The Council has set out below some of the claims made on the website, together with the Council’s response for clarification. The Council advises potential investors hoping for profits from development potential to check with the Planning Policy section for advice on the planning prospects of a site before deciding whether to invest in a particular scheme.

The website states:

“The Sible Hedingham plot is a fabulous piece of land in a prime location. Situated next to a large housing estate, the land benefits from being located adjacent to existing property which makes it *perfect for future development*”

Braintree District Council response:

In planning terms, this land is in the Rural Areas, beyond the village development boundary. Countryside policies apply to the site; in addition the land is defined as Special Landscape Area, and this means that particular protection against development applies. Being adjacent to existing development does not mean that the site is likely to be granted planning permission for development.

The website states:

The Braintree District Council has a dedicated strategy for locating and providing additional housing for their tenants. It clearly states in their Housing Strategy for 2001-2005 that it is their priority to identify sufficient building land to ensure opportunities for affordable housing.

Sible Hedingham is the second largest village in Essex, covering an area of over five thousand acres.

Local amenities within easy distance of the plot include a post office, banks, pharmacy, doctors surgery, dentists surgery, schools, churches, pubs and restaurants. The 2 secondary schools and 2 primary schools are within a mile of the site. Stansted airport is only 15 miles away and the closest train station is less than 8 miles.

Braintree District Council response:

Like many local authorities, Braintree District Council seeks to secure the provision of affordable housing on suitable sites. This is done by:

- A planning requirement for 30% of dwellings on larger sites (sites of 15 dwellings or more, or 0.5 hectares or more) to be affordable housing
- Allowing for the development of sites specifically for affordable housing outside village envelopes, as an exception to normal planning policy, providing that the site meets certain criteria and that the site is only for affordable housing and does not include any general market housing. Rural exception sites are normally small housing schemes, much smaller than the site shown at Oxford Lane; and at villages with a population of less than 3,000 (which Sible Hedingham is not).

The website suggests that this objective makes it likely that buyers of land can make huge profits on their investment; "with planning permission today this land would be valued at 1.15 million per acre ... when planning permission is gained investors should expect an uplift of 360% on their investment". This is not the case; for land to be suitable for an affordable housing scheme it has to be in an appropriate location and available at a price that affordable housing can support. The Council's guidance on land prices in its "Guide to rural affordable housing in the Braintree District" (2006 update) is that a typical price would be £3,500 per plot. Moreover, an affordable housing project is already being developed in Sible Hedingham as part of a larger site within the development boundary of the village, and this further reduces the likelihood of a rural exception site at Sible Hedingham.

Sible Hedingham is not the second largest village in Essex and does not cover over 5,000 acres. It may be the second largest parish in Essex, but this is because the parish includes large areas of countryside surrounding the village. The village covers approximately 85 hectares (approximately 210 acres).

In Sible Hedingham there are no banks; there is no dentists surgery; there is one restaurant; there is one secondary school with an associated 6th form centre; there is one primary school. The AA website indicates that Stansted Airport is 25 miles away, and the closest railway station is 8.3 miles away.

The website states:

Exceptional commuter links:

Travel/Rail:

Sudbury Rail Station 7.4 miles/15 mins

Braintree Rail Station 7.3 miles/15 mins

Braintree to London Liverpool Street Direct 1 hour

Colchester to Ipswich 20 mins

Travel/Road:

M11 junction 9, 18 miles 25 minutes

Cambridge 20 miles 30 mins

Travel/Air:

Stansted Airport is only 15 miles away

London Luton Airport 41.6 miles 87 mins

Nottingham East Midlands Airport 50 miles 66 mins

Local Facilities; Cinema – Halstead, 3.29 miles

With planning permission today this land would be valued at 1.15 million per acre (according to the Governments Valuation Office Agency figures). When planning permission is obtained, investors should expect an uplift of 360% on their investment.

It is in an area of high economic activity. Which has also been identified as favourable for housing development to meet the required UK shortfall.

Braintree District Council response:

Distances and times according to rail timetable/AA for road travel:

Travel/Rail:

Sudbury Rail Station 8.3 miles/19 minutes off-peak

Braintree Rail Station 8.6 miles/19 mins off-peak

Braintree to London Liverpool Street Direct 1 hr 03 to 1hr 08

Colchester to Ipswich 18-19 mins by train,

Travel/Road:

M11 junction 9, 23 miles 50 mins

Cambridge 29 miles 50 mins

Travel/Air:

Stansted Airport is 25 miles away

London Luton Airport 78.1 miles 96 mins

Nottingham East Midlands Airport 129 miles 156 mins

There is no cinema in Halstead

The site is very unlikely to be granted planning permission for development.

The site is actually in an area identified for protection from development. Housing development in the region is to be focused on the main towns and cities. Moreover, the rate of housing development in the Braintree District as a whole, according to the Draft East of England Plan, is proposed to reduce sharply for the period up to 2021. The Council has already identified sufficient housing supply to meet most of the provision to 2021. There is no justification for large-scale land allocations in Rural Areas beyond the village development boundary.

The website states:

The site is about 10 miles away from “Great Notley Garden Village” where 2,000 houses were recently built on 465 acres of green fields.

Our criteria for land selection:

It must be in an area where the national and/or local governments or authorities have indicated that construction of new properties could be considered. Our rigid land selection criteria ensures that, whilst there are no guarantees, the plots we sell are likely to be prime locations for future development.

Braintree District Council response:

Great Notley Garden Village is on the edge of Braintree, the largest town in the District. It is approximately 12 miles from the site. It was granted planning permission in 1991 and was one of 3 new neighbourhoods allocated in the Braintree District Local Plan to meet the housing needs of the District in the 1990's. That Local Plan needed to identify substantial additional land allocations.

Planning policies since that time have changed; there is now a sequential approach in place, which gives priority to sites within the urban areas and suitable previously developed land.

By the time of the Review Local Plan (adopted 2005) there was no need to propose new large greenfield allocations to meet the housing needs of the District for the next plan-period.

Work is now underway on the Local Development Framework. This will be in the context of the regional plan for the East of England. The planned rate of growth for the District set out in the Draft East of England Plan is much lower, and the Council has already identified sufficient land to meet most of the housing requirement for the District to 2021. Moreover, should the Council need to identify additional land, in the context of the sequential approach land adjacent the village of Sible Hedingham is a less sustainable location for development than land at Braintree.

The policies in both the adopted Review Local Plan for the District and the Replacement Structure Plan for Essex and Southend on Sea indicate that the land should be protected from development.

The draft Regional Plan indicates that this protection should continue but also that the rate of growth in the Braintree District in the future, for the period up to 2021, should be less than half the rate of growth set out in the Structure and Local Plans.

The site at Oxford Lane Sible Hedingham is not a prime location for future development and is very unlikely to be granted planning permission in the foreseeable future.

The website states:

8 good reasons to buy this land today:

- London is a mere 45 minutes drive (approx) from this site
- Stansted Airport is only 15 miles away. Giving access to most major cities around the World.
- The site is in an area of high economic activity, which has been identified as favourable for housing development to meet the required UK housing shortfall.
- The British Government is actively promoting the development of up to 1.4 million new homes in the South East Region alone.
- With the 2012 London Olympic Games just 6 years away, large developers are keen to acquire prime locations. They recognise that land in these key areas has the potential to become some of the most sought after in the next few years.
- The Government has established two regional assemblies to facilitate the Government in reaching their housing targets.
- With massive investment and redevelopment of the Thames gateway, areas such as the South East will also benefit for these major changes.

Braintree District Council response:

According to the AA website:

- It takes considerably longer than 45 minutes to drive from the site to London.
- Stansted Airport is not “only 15 miles away”, it is 25 miles away.
- The site is on the edge of a village in rural North Essex and has been identified as an area that should be protected from housing development.
- Braintree District, including Sible Hedingham, is not in the South East Region; it is in the East of England Region. The current proposals for the East of England Region, as set out in Policy H1 of the Proposed Changes to the Draft East of England Plan, indicate a total housing provision of 508,000 dwellings 2001-2021 including 402,450 dwellings for 2006-2021. For Braintree District, the proposals are for 7,700 dwellings over the period 2001-2021; after deducting dwellings already built this leaves a requirement for 4,340 dwellings to be built over the period 2006-2021. The Council has already identified sufficient land to meet most of the housing requirement for the District to 2021 (subject to the outcome of the consultation on the Proposed Changes)
- Oxford Lane, Sible Hedingham would not be regarded as a prime location in the context of the 2012 London Olympic Games.
- The Government has established 8 regional assemblies, in addition to the London Assembly. The role of the assemblies is not “to facilitate the Government in reaching their housing target”; their duties include preparation of regional strategies such as the regional spatial strategy which includes the transport strategy and the regional waste strategy; and also advocacy and policy development, representing the voices of regions to Whitehall and European institutions.

The investment, regeneration and development in the Thames Gateway area reflects the policy commitment to increasing the proportion of development to be from previously developed land, reducing the need for greenfield sites. The Thames Gateway regeneration is an important part of the development strategy set out in the draft East of England Plan; that development strategy seeks to focus development at key points in the region; these key points do not include land on the outskirts of Sible Hedingham.

The website states:

Land is a tangible and secure investment which has greatly appreciated in value over the medium to long term.

Typical land values England and Wales (per hectare):

1985: 246,000

Jan 2005: £2,460,000

Growth factor: 1000.00%

Typical land values Inner and Outer London:

1985 £1,076,000

Jan 2005 £6,895,000

Growth factor 640.80%

The company uses preset criteria to assess the viability of the land on offer, with a view to whether or not it might get planning permission for property development at some time in the future. If the criteria are met, we will acquire the land. This land is then sub divided into smaller plots and sold on to individuals, whereupon it can become part of a diversified, medium to long term investment or pension portfolio – with a view to creating future capital growth.

Braintree District Council response:

The land values quoted relate to land with the benefit of planning permission. It is extremely unlikely that the site at Sible Hedingham will be granted planning permission in the foreseeable future. Agricultural land prices in the East of England region were £8,850 per hectare at July 2006 for arable land with vacant possession, and less for dairy or mixed land (source Valuation Office Agency data).

The Oxford Lane site is beyond the development boundary in the adopted Review Local Plan, and there is no realistic prospect of permission being granted for development of this site in the foreseeable future. The Council advises potential investors hoping for profits from development potential to check with the Planning Policy section for advice on the planning prospects of a site before deciding whether to invest in a particular scheme.