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Matter 4: Build Out Rates

North Essex Joint Strategic (Section 1) Plan

for Williams Group

Emery Planning project number: 14-007 / 17-334

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1. Introduction

1.1 This brief hearing statement is submitted on behalf of the Williams Group in relation to Matter 4: Build Out Rates. The hearing session for this matter is scheduled to take place on Wednesday 15th January 2020.

1.2 The Inspector will be aware from our original representations to the publication draft section 1 plan dated 28th July 2017, our hearing statement for matter 6 (proposed new garden communities – general issues) dated 4th December 2017 and more recently our representations to the suggested amendments to the publication draft dated 30th September 2019 that we do not consider the lead-in time and build rate proposed by the NEAs for the garden communities are remotely realistic.

1.3 At the time of the original hearing sessions in January 2018, we (and other participants) referred to a study by Lichfields entitled "*Start to Finish: How Quickly do Large-scale Housing Sites Deliver?*". The Inspector's letter dated 8th June 2018 (ref: IED011) concluded that it was reasonable to consider that housing delivery would begin within four or five years from the adoption date of the plan and that it would be prudent to consider a rate of 250 dwellings per annum.

1.4 Since then, the NEAs have published a document entitled "*Build out rates in the Garden Communities*" (NEAs, July 2019, ref: EB/082) to justify departing from the Inspector's interim conclusions and apply a build rate of 300 dwellings per annum per garden community. However, the NEAs' document essentially seeks to justify its conclusions based on the build rates forecast on other sites rather than actual completions experienced on those sites. In comparison, Lichfields' "*Start to Finish*" work, the Letwin Review and the Homes and Community Agency's paper referred to in question 1a below all consider completions experienced on comparable sites. There is no justification for increasing the build rate on the garden communities to 300 dwellings per annum, without a meaningful evidence base.

1.5 As we have set out in our representations, fewer dwellings will be delivered in the plan period at the garden communities, and therefore more sites elsewhere are required – including on sustainable urban extensions such as our client's site at Gateway Park. If the lead-in time is extended and / or build rate of the garden communities are reduced to reflect realistic lead-in

times and build rates at the garden communities, then more deliverable / developable sites will be required.

2. Matter 4

Question 1 – Would participants like to comment on:

a) The Homes and Communities Agency's paper *Notes on Build out rates from Strategic Sites* (July 2013) submitted with the comments on EB/082 from GL Hearn on behalf of Andrewsfield New Settlement Consortium and Countryside Properties?

2.1 The HCA report does not support the NEA's assumption that a build rate of 300 dwellings per annum in each of the three garden communities should be applied.

2.2 The HCA report considered 16 sites with a total capacity of between 1,200 and 5,307 dwellings. It found that the average build rate achieved on these sites was between 77 and 358 dwellings per annum as summarised in the following table:

Local Authority	Site name	Capacity	Average p.a.	Highest p.a.
Thurrock	Chafford Hundred	5,307	205	677
Peterborough	Hampton – Southern Township	5,200	321	548
Bedford	Wixams	4,500	265	496
Milton Keynes	Broughton Gate & Brooklands	4,000	281	439
Colchester	Highwoods	3,910	77	257
Basildon	The Wick, Wickford	3,555	93	306
Harlow	Church Langley	3,528	167	513
South Cambridgeshire	Cambourne	3,300	234	620
Suffolk Coastal	Grange Farm	3,150	83	146
South Gloucester	Emersons Green Village Area	2,850	358	564
Broadland	Thorpe Marriot	2,854	79	279
Stevenage	Great Ashby	2,191	184	319
Braintree	Great Notley Garden Village	1,766	131	282
Huntingdonshire	Loves Farm, St Neots	1,400	215	336
Ipswich	Ravenswood	1,200	136	226
Aylesbury	Fairford Leys (Coldharbour)	1,200	133	349

2.3 As can be seen from the table above, only two of the 16 sites experienced build rates in excess of 300 dwellings per annum (Hampton and Emersons Green Village Area). The average build rate experienced 185 dwellings p.a. The median is 175 dwellings p.a.

2.4 Two of the 16 sites were within the plan area. The Highwoods site in Colchester had a total capacity of 3,910 dwellings. It was developed between 1982 and 2004. The average build rate of 77 dwellings per annum was the lowest of all 16 sites assessed in the HCA report. The Great Notley Garden Village had a total capacity of 1,766 dwellings. It was developed between 1993 and 2004. The average build rate was 131 dwellings. Even the highest annual build rate achieved on each of these sites was below 300 dwellings per annum (257 and 282 respectively).

2.5 It is of note that both sites had been fully delivered before the global financial crisis and recession in 2007/08. This is relevant because one of the criticisms the NEAs make of the Lichfields' "Start to Finish" work is that it focuses on house building during a recessionary and post-recessionary period.

b) The Lichfields blogpost Driving housing delivery from large sites: what factors affect the build rates of large scale housing sites? (29 October 2018) [EXD/057]

2.6 This document does not support the NEA's assumption that the garden communities will deliver in the first five years after the plan has been adopted at a build rate of 300 dwellings per annum. It explains that further to the "Start to Finish" work, we referred to above, Lichfields consider almost 200 housing sites including approximately 100 large-scale (i.e. over 500 units) housing sites and a similar number of smaller housing sites for comparison. The analysis concluded that sites with a capacity of over 2,000 dwellings:

- Took on average 8.7 years to start delivering homes (5.8 years from the validation of the first planning application on the site to the decision date of the first application for dwellings in the scheme and 2.9 years from the approval of the first application for the development of dwellings and the completion of the first dwelling); and
- Achieved an average build rate of 139 dwellings per annum. This is notably lower than the average build rate the "Start to Finish" work found for these sites of 161 dwellings per annum.

c) The University of Glasgow report *Factors Affecting Housing Build-out Rates* (February 2008) appended to CAUSE's consultation response on EB/082?

2.7 This report considers the factors which affect build-out rates generally. It is not specific to sites of the scale proposed in the garden communities. Only one case study is referred to; Fairfield Park, which has a capacity of 1,200 dwellings. The build rate of that site is not provided. Whilst the

report was commissioned by CLG in 2008, the Letwin Review considered build-out rates more recently and in further detail.

2.8 In summary, these additional reports also do not support the NEAs' assumptions in relation to lead-in times and build rates for the garden communities. We consider that the projected build rate should be significantly reduced to no more than 185 dwellings per annum to reflect the average build rate achieved on other sites as set out above.

2a) How many outlets would be needed at each of the proposed GCs in order to deliver (i) 250 dpa (ii) 300 dpa (iii) 500 dpa?

2.9 Lichfields' "Start to Finish" work found that a key metric for build rates is the number of sales outlets. It found that the rate of delivery increases for larger schemes, reflecting the number of sales outlets possible on large sites. However, it found that a site of 2,000 units will not deliver four times as fast as a site of 500. This is because of limits to the number of sales outlets possible due to for example physical obstacles such as site access arrangements and overall market absorption rates, which means the number of outlets is unlikely to be a fixed multiplier in terms of the number of homes delivered.

2.10 The Letwin Review provides the following examples of build rates achieved on large sites with multiple outlets:

- South West Bicester, Cherwell (capacity = 2,436 dwellings). There are four outlets on the site, each assuming three sales per outlet per month plus affordable housing. This has led to build rates of around 200 dwellings per annum;
- Longcross South, Longcross Garden Village, Runnymede (capacity = 1,300 dwellings). Crest Nicholson will have three sales outlets each delivering 60 dwellings per annum (45 open market and 15 affordable);
- Ledsham Garden Village, Cheshire West and Chester (capacity = 2,000 dwellings). Redrow Homes have three outlets, which deliver 140 dwellings per annum; and
- Great Western Park, South Oxfordshire (capacity = 3,417 dwellings). Taylor Wimpey have assumed build rates of 200-250 dwellings per annum based on 50-60 dwellings per outlet per year.

2b) Is there evidence to show the required numbers of outlets could successfully operate at each GC?

2.11 No. The topic paper EB/082 does not refer to the number of outlets the NEAs consider would be required at each of the garden communities. It simply refers to "multiple" outlets. This is a fundamental flaw with the Council's assessment.