

Build-out- hearing statement response

The hearing statements submitted by the NEA's and NEGC give us no further confidence that build-out rates higher than 250 per annum can be achieved. Our views set out in our consultation submission and our own hearing statements remain unchanged.

To address comments in NEA/NEGC hearing statements, NEGC's unique Letwin-based 'diversity' proposition is untested, unproven and has a clear impact on viability (see Figure 1 below). As such there is no evidence that the rate of growth it wishes for will actually be achieved. As with every other element of the Section 1 Plan, there are too many variables, including infrastructure provision, need for large numbers of outlets, possible over-supply, market down-turn, need to liaise with a diverse range of suppliers of homes. The reliance on hope that things can be different under NEGC is not adequate.

We believe that the Plan should set out a build-out rate which has been proven to be achievable elsewhere on other big sites (and not just as a maximum rate, as in the Savills submission for Gateway120). It is also worth remembering that nowhere else in England has anything so ambitious or comparable been attempted in such a small area, with all the over-supply problems this may bring. We agree with Lichfields, for Gladman, that, a cautious delivery rate should be set in the Plan initially. It can be reviewed at a later date once delivery rates are known. We believe that a justified plan, compliant with the NPPF, should not be based on untested assumptions.

We also note that in the delivery blind plan submitted, NEGC is only one of the 'developers' at the table. We do not believe that a Local Plan can set a rate of build based on the promises of one developer. Policy should be based on wider-ranging evidence. The political risk surrounding NEGC as a stable delivery vehicle has always been high, given its multi-authority backing, and something we have warned of. This was illustrated very starkly at Colchester's Full Council meeting on 5 December when 26 members from the Conservatives, Greens, Independents and LibDems voted against giving further money to NEGC and only 23 members voted for.

Serviced land Values

30. Applying these assumptions for an assumed 100 unit parcel gives the following residual values for serviced land:

	West of Braintree		Colchester Braintree		Tending Colchester	
	Houses	Flats	Houses	Flats	Houses	Flats
	(1) Per plot (2) Per acre					
Market	(1) £183,000 (2) £2.6m	(1) £52,000 (2) £1.3m	(1) £146,000 (2) £2.0m	(1) £44,000 (2) £1.0m	(1) £147,000 (2) £2.0m	(1) £53,300 (2) £1.3m
Affordable Rent	(1) £22,600 (2) £0.3m	(1) -£16,400 (2) -£0.4m	(1) £26,200 (2) £0.4m	(1) -£12,800 (2) -£0.3m	(1) £1,100 (2) £0.0m	(1) -£14,900 (2) -£0.4m
Intermediate	(1) £91,100 (2) £1.3m	(1) £32,300 (2) £0.8m	(1) £72,300 (2) £1.0m	(1) £40,000 (2) £1.0m	(1) £68,300 (2) £1.0m	(1) £33,200 (2) £0.8m
PRS	(1) £47,100 (2) £0.6m	(1) £6,300 (2) £0.2m	(1) £51,500 (2) £0.7m	(1) £12,000 (2) £0.3mm	(1) £75,500 (2) £1.0m	(1) £20,000 (2) £0.5m
Elderly	(1) 8,000 (2) £0.1m	(1) £8,000 (2) £0.2m	(1) £8,000 (2) £0.1m	(1) £8,000 (2) £0.2m	(1) £8,000 (2) £0.1m	(1) £8,000 (2) £0.2m

Figure 1. Impact of ‘diversity’ on residual values.