

Housing Market Forum 10th November 2015

Report on Findings

Contents

1	Introduction	3
2	Housing Market Workshop	3
3	Housing Mix Workshop.....	4
4	Residential Demand Workshop	5
5	Housing Delivery Workshop.....	5
6	Key Messages.....	6

1 Introduction

- 1.1 The Housing Market Forum was held on the 10th November 2015 at the Council's Riverside offices. The event started at 12:30 and closed at 4pm. The purpose of the event was to obtain a comprehensive view of the issues affecting the housing market. It should be noted that separate engagement is taking place with estate agents to get their views.
- 1.2 Members of the Waveney Developer Forum were invited to attend the event along with National Housebuilders, relevant community groups, officers from neighbouring authorities and District Councillors. A list of those who attended is found in Appendix 1.
- 1.3 The forum was constructed around four workshops dealing with the housing market, housing mix, residential design and housing delivery. The main findings from each of these workshops are reported in the sections below.
- 1.4 The findings will be considered as part of the preparation of the new Local Plan and will help inform the evidence base on housing as well as the content of Local Plan consultations.

2 Housing Market Workshop

- 2.1 There was considerable debate around the health of the housing market. It was generally reported that new properties were selling very well. However, there was concern there wasn't enough supply to satisfy demand. This was linked to a lack of supply of suitable land for the construction of new homes in the District. Land availability was reported to be better in Norfolk than Suffolk.
- 2.2 It was also reported that older houses were generally less desirable due to poor energy efficiency of these properties. It was reported that buyers were becoming more concerned about the energy efficiency of homes due to rising energy bills.
- 2.3 There was also concern that the market may falter if there is an increase in interest rates or incentive schemes such as the Help to Buy scheme are removed.
- 2.4 There were general concerns expressed about the affordability of new housing given local incomes. It was difficult for first time buyers to raise a deposit particularly for those currently renting. It was noted that parents who downsize could help their children.
- 2.5 It was reported that sales of new properties, particularly smaller properties were being sold to a mix of owner occupiers and buy to let investors, although tax changes were curbing the buy to let demand. Most buyers were local except on the A12 corridor. Many retirees purchasing

new properties were from elsewhere. It was reported that presently there is greater demand for smaller properties.

- 2.6 It was considered that the most attractive areas to the market currently are the Market Towns of Beccles and Bungay. There was a concern that Lowestoft does not market itself very well and Lowestoft agents only advertise locally. It was considered that Lowestoft was generally a cheaper place to live. There was broad consensus that to support the market a greater variety of sites in terms of size and different locations would be needed.
- 2.7 There was some concern raised that the use of bonds by the Highway Authority could cause problems for developers in raising finance.
- 2.8 There was concern expressed that housing in rural areas won't deliver the volume required but would help support local services.

3 Housing Mix Workshop

- 3.1 It was reported there had been a general decline in the provision of affordable rented properties. The reduction in rent levels had resulted in a reduction in offer prices for affordable housing from housing associations. It was suggested that the existing affordable housing requirement should be made up of a wider range of tenures. It was suggested that one way of providing more affordable housing was for the Council to build more homes.
- 3.2 Concern was expressed with respect to the emerging starter homes policy. As these homes are to be classified as affordable housing, concern was raised that the policy could reduce the provision of social and affordable rented properties. There was general scepticism whether the properties would actually be affordable given local incomes. Concern was also raised that the discounts offered could distort the market.
- 3.3 Concern was raised about the provision of self-build plots as part of larger residential developments. Self-builders not completing construction in a timely fashion could spoil the attractiveness of the developments. Concern was also raised that designs could clash. It was considered that these plots would be best provided where infrastructure is already in place. The potential for using Council owned land could be explored for this purpose. Concern was also raised that self-build housing was not affordable.
- 3.4 It was considered that older people do not necessarily want smaller properties preferring to stay in their family home. Developers would not support a requirement for the provision of special housing for the elderly on development sites. There was support for housing that is adaptable to meet people's needs as they grow older. It was reported that bungalows are very popular at the moment.

- 3.5 There was general consensus that the mix of homes on development sites should be market led and that the market will deliver what is needed. It was reported that one way of achieving a better a mix of housing is to increase supply overall. It was noted that the location and availability of facilities would influence mix and demand.

4 Residential Design Workshop

- 4.1 Concern was expressed that better design has cost implications. However, it was reported that basic standard designs can be tweaked to meet local taste and styles and that better design does not have to cost more. It was suggested the Council could undertake accompanied site visits to completed schemes to observe and discuss what worked well and what didn't work well in design terms. Some concern was raised about the ability of planning officers and Councillors to assess the quality of design. It was reported that standard house types were efficient and responded to customer wishes.
- 4.2 It was suggested that highway standards and sustainable urban drainage systems have a considerable impact on layout.
- 4.3 There was some consensus that some policy guidance on density was required but care must be taken that setting requirements do not compromise viability. Concern was raised that the existing Local Plan proposes densities which result in too many flats. It was suggested that density should be based on existing buildings in the locality. It was also suggested that better design could allow higher densities.
- 4.4 There was general consensus that the Council should not adopt the Government's optional space standards. There was concern these would add costs to development, affect affordability and reduce the mix of housing provided on developments.
- 4.5 Concern was raised about car parking. Generally garages were too small and due to a lack of storage elsewhere in properties, garages soon become cluttered and not used for parking. There was some support expressed for the new Suffolk parking guidance which sets minimum standards rather than maximum standards.

5 Housing Delivery Workshop

- 5.1 There was broad consensus that one of the key things holding back housing delivery in Waveney was a lack of available sites that are deliverable. It was suggested there could be more flexibility with respect to the physical limits and a greater range of brownfield and

greenfield sites should be allocated. The planning system was also noted as a challenge to delivery and public opposition to development was also a concern.

- 5.2 There was broad consensus that skill shortages were affecting delivery and the current workforce was too small to deliver the quantum of homes required. It was suggested that encouraging apprenticeship schemes could help bolster the local workforce.
- 5.3 Finance could also be a problem with developers still seen as high risk by financiers. It was suggested that Councils could take a greater role in housing development given their ability to borrow at very low rates.
- 5.4 Concern was also expressed about issues with statutory bodies such as utility companies and highways. They can hold up development post-planning, particularly as some utility companies won't engage with developers until planning permission has been secured. Concern was expressed that section 106 still took a long time to resolve. A key message was that pre-commencement conditions should be avoided where possible and instead replaced with pre-occupation conditions.
- 5.5 It was reported that it was possible to get a first completion on site within a timescale of 10 months of planning permission. However, in some cases it could take much longer due to the time it takes to get utilities agreed and pre-commencement conditions discharged. It was also reported that it could take four years from acquisition of a site to the delivery (3 years planning and 1 year building). It was suggested that reduced time limits on planning permissions could help ensure delivery.
- 5.6 The rate of development was down to the market. Due to lack of supply and high demand some sites were seeing sales of two homes per week.
- 5.7 Concern was expressed that some landowners still had unrealistic expectations of land value and that the Council's use of compulsory purchase orders could help address this.
- 5.8 Concern was expressed about the viability impacts of affordable housing requirements. It was suggested the new starter home policy coming from Government could help address this. Some concern was also raised that CIL could cause a reduction in affordable housing provision and section 106 requirements were generally cheaper than CIL. It was suggested that landowners are reluctant to absorb the cost of CIL.

6 Key Messages

- 6.1 The key messages from the day where there was broad consensus amongst the participants were as follows:

- There is a need to allocate a broader range of sizes, types and locations of site to increase supply to meet demand.
- Housing mix should be driven by the market.
- Self-build will not deliver the volumes of housing required.
- The Council should not adopt the Government's optional space standards.
- Pre-commencement conditions should be avoided where possible.
- Utility companies can slow down delivery post-planning.
- Skill shortages may mean that the quantum of housing required cannot be delivered.