

THE HIGHLAND COUNCIL
PLANNING, ENVIRONMENT AND DEVELOPMENT COMMITTEE

13 August 2008

Agenda Item	
Report No	

HOUSING LAND AUDIT

Report by Director of Planning & Development

SUMMARY

This report advises Members on the preparation of The Highland Council's Housing Land Audit. Based on the responses received during the consultation period, the Audit provides an updated position on housing land within Highland. It outlines the number of housing units programmed for completion between 2008 and 2012, describes the key constraints affecting development and looks at past housing completions. The report recommends that the Housing Land Audit be approved as reflecting the current status of all identified housing land within Highland.

This report links to the delivery of Sustainable Communities as set out in the Programme for Administration by ensuring adequate land is available for the delivery of 6,000 new homes over the four years to the end of 2011 and will be used to engage with infrastructure providers to make sure that there are no barriers to development.

1. Introduction

- 1.1 Scottish Planning Policy 3 (Planning for Homes) recently issued by the Scottish Government states that "Planning authorities should carry out regular monitoring of housing completions and the progress of sites through the planning process in order to demonstrate the availability of land to provide an ongoing effective supply to meet the identified housing land requirements. This can be achieved through the preparation of an audit of housing land, carried out annually by the planning authority in conjunction with housing and infrastructure providers". The Highland Council has produced its annual Housing Land Audit with a base date of 31 December 2007.
- 1.2 The Audit sets out the context to the supply of housing in the area and details all sites identified for housing in Local Plans throughout the area, as well as windfall sites which have received planning permission for housing and which have not yet been built out. For each of these sites, a number of key pieces of information has been collected and brought together. Of critical importance are the likely build rate (programming) of development on each site and the identification of any constraints holding up development.
- 1.3 This year's Housing Land Audit sees the inclusion of draft local plan housing sites (excluding long term sites) from the Sutherland and West Highland and Islands Local Plans which at the base date of the audit were at deposit draft stage. Some of these sites may be subject to modification or removal following the consultation

period and subsequent public local inquiry. So, whilst the audit sets out programming rates for these sites, this does not necessarily guarantee their inclusion in the final adopted versions of the two Local Plans. It is intended to build up information on the longer term sites identified by liaising with landowners and developers throughout the local plan process.

2. Recent Housing Development

- 2.1 The number of housing completions by Highland Council Ward between 2003 and 2007 is set out in Appendix 1. In 2007 1,806 new houses were completed in the Highland Council area – representing an increase of 7% compared with the 2006 figure of 1,686 new homes and a new high for Highland. Overall between 2003 and 2007 the rise in the number of new houses completed is 40%.
- 2.2 In the first six months of 2008, 845 houses have been completed. This is a 5% increase on the number of houses completed in the same time period in 2007. 2,275 of the Administration's target of 6,000 new homes have been built.

3. The Impact Of The Current Economic Climate On The Housing Market

- 3.1 In a recent interim report for the Government on the mortgage crisis Sir James Crosby states that “a shortage of mortgage finance will persist throughout 2008, 2009 and 2010” and that the crisis will “take its toll” on the housing market. The number of approvals for new home loans continues to fall, along with house sales and house prices. Anecdotal and survey evidence suggests that demand for new mortgages is also depressed, primarily as buyers bide their time in the expectation that property prices will fall further.
- 3.2 Within Highland, as elsewhere in the UK, it is anticipated that there will be a decline in the number of new homes being built. Although the first six months of 2008 show a 5% increase on last year, figures for the next quarter (July – September) will provide a better understanding of the situation. It is believed that developers are concentrating their efforts on building out existing sites where there has been a significant infrastructure investment and construction has already commenced.
- 3.3 In light of the current financial climate the Housing Land Audit figures presented in section 5 appear high – certainly in the short term. However, what this audit shows is that when market conditions improve there will be an adequate supply of land available for housing development across Highland.

4. Housing Land Audit Consultation

- 4.1 During April and May 2008, the Planning & Development Service undertook a consultation exercise on its Draft Housing Land Audit. All known owners and developers of housing sites allocated within local plans were contacted and asked to provide updated information on the status of the site.

- 4.2 There were approximately 200 respondents providing information on 320 individual sites. This is an increased response rate compared with last year's consultation exercise and reflects a better knowledge of landowners and developers in the Highlands and their understanding of the Housing Land Audit process.
- 4.3 Since the last Housing Land Audit, the Council has participated in a tri-partite meeting with Scottish Water and SEPA where likely development, water and waste water assets, capacities and issues were discussed. One of the outcomes of this meeting will be a comprehensive analysis of these assets – allocating a red, amber or green status – which will identify potential development constraints over three time periods: to 2010; to 2014; and beyond 2014.
- 4.4 As part of the Administration's programme, planning officials will continue to engage with Scottish Water and others to ensure that lack of infrastructure does not hold up housing and other developments.

5. Housing Land Audit Results

- 5.1 The aspirational responses received during the consultation period along with planning officials' best estimate of programming on other sites have been incorporated into the finalised Audit. This provides an updated position statement on the availability of housing land within Highland. A summary of this information by Council Ward is set out in Appendix 2.
- 5.2 For the five years between 2008 and 2012 the conclusion is that there is an effective land supply of 17,575 housing units in Highland. This comprises programmed development of 10,437 units on Local Plan housing sites and a further 7,138 units from extant planning permissions on "windfall" sites (those that have not been specifically allocated for housing within Local Plans).
- 5.3 There has been a significant increase in the number of houses on large "windfall" sites (5 or more housing units) in this Housing Land Audit. It has risen to 3,652 compared with 1,523 in the 2006 audit. This is mainly due to the approval of planning permission for 1,950 new homes at Whiteness Head, near Ardersier.
- 5.4 For the period from 2013 and beyond, Appendix 2 shows that, on land allocated for housing within the Local Plans, there are 9,980 housing units programmed for development that are considered to be effective. 8,133 of these relate to the completion of site development where initial construction will have commenced before 2013. The remaining 1,847 units are subject to phasing (land programmed for longer term supply) or ownership (land not currently available) issues. There are, however, no physical constraints preventing development on these sites.
- 5.5 It can be seen from Appendix 2 that a further 1,962 housing units on land allocated for housing with the Local Plans are considered to be constrained and not deliverable before 2013. These sites are constrained by physical factors such as poor ground conditions, contamination, infrastructure (other than water and waste water provision) and land use. At the end of the 2008-2012 period there will be increasing housing pressure in the Inverness area as 1,160 houses at

Charleston and Ness-side are constrained because housing development cannot commence prior to the completion of the River Ness and Caledonian Canal crossing. These land supply issues are being addressed through ongoing work on the A96 Corridor Framework and the Highland Wide Local Development Plan.

- 5.6 The same information is also presented for the former Administrative Areas of The Highland Council in Appendix 3.
- 5.7 An assessment is also given of how the results of the Housing Land Audit relate to the Highland Structure Plan housing requirement figures in Appendices 4, 5 and 6. They show that generally we are meeting our target figures, but members should note that the targets are being revised and will form the basis of the new Highland Wide Local Development Plan.

6. Next Steps

- 6.1 The completed Housing Land Audit will be made available on The Council's website on a site by site basis.
- 6.2 Having identified the key constraints affecting housing development in Highland, the Planning & Development Service will seek to resolve these by informing the investment programmes of its partners and taking this latest information into account as part of the ongoing review of Local Plans.
- 6.3 In 2009 the Highland Council will be preparing a main issues report for its Highland Wide Development Plan. As part of this research is being undertaken to update housing need and requirement figures. This will set the benchmark against which future Housing Land Audits will be measured.
- 6.4 The Housing Land Audit is an annual position statement on the supply of housing land. The next audit will be prepared with a base date of 31 March 2009.
- 6.5 The Service intends to incorporate more information on affordable housing requirements and developer contributions into the next Housing Land Audit.

7. Resource Implications

- 7.1 There are no resource implications arising directly from the consideration of this report.

8. RECOMMENDATION

That the Committee approves the content of the Housing Land Audit as reflecting the current status of all identified housing land within Highland and supports the continued preparation of a Housing Land Audit on an annual basis.

Signature:

Designation: Director of Planning & Development

Date: 1 August 2008

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Appendix 1: Housing Completions by Ward 2003 - 2007

Ward No	Ward Name	2003	2004	2005	2006	2007	Total	2008*
1	North, West and Central Sutherland	21	27	20	42	27	137	11
2	Thurso	24	41	31	27	55	178	8
3	Wick	20	26	15	43	39	143	15
4	Landward Caithness	40	41	57	68	80	286	33
5	East Sutherland and Edderton	16	18	39	25	30	128	19
6	Wester Ross, Strathpeffer and Lochalsh	48	63	58	66	62	297	33
7	Cromarty Firth	37	42	53	52	89	273	36
8	Tain and Easter Ross	38	10	29	42	39	158	14
9	Dingwall and Seaforth	69	93	48	31	75	316	29
10	Black Isle	69	97	48	48	23	285	18
11	Eilean a' Cheò	72	86	82	88	92	420	62
12	Caol and Mallaig	46	48	37	36	32	199	48
13	Aird and Loch Ness	88	40	98	86	135	447	75
14	Inverness West	62	89	62	30	37	280	31
15	Inverness Central	50	23	44	87	128	332	22
16	Inverness Ness-Side	78	76	81	78	43	356	28
17	Inverness Millburn	9	2	40	5	1	57	1
18	Culloden and Ardersier	63	31	28	47	97	266	31
19	Nairn	121	95	106	83	61	466	27
20	Inverness South	197	167	225	438	489	1516	201
21	Badenoch and Strathspey	81	135	105	206	137	664	69
22	Fort William and Ardnamurchan	40	37	36	58	35	206	34
Total		1289	1287	1342	1686	1806	7410	845

Please note that figures given are the number of housing units.

* January to June 2008

Appendix 2: Land Supply for Housing by Ward

Ward No	Ward Name	2008-2012					2013+	
		Local Plan Effective Land Supply (1)	Windfall on Large Site (2)	Windfall on Small Site (3)	Windfall Total (2 + 3)	Total Effective Supply (Local Plan + Windfall)	Local Plan Effective Land Supply (4)	Local Plan Constrained Land Supply (5)
1	North, West and Central Sutherland	252	17	271	288	540	179	35
2	Thurso	197	24	16	40	237	364	25
3	Wick	200	24	34	58	258	245	65
4	Landward Caithness	223	71	445	516	739	318	59
5	East Sutherland and Edderton	360	40	102	142	502	597	0
6	Wester Ross, Strathpeffer and Lochalsh	782	10	447	457	1239	191	22
7	Cromarty Firth	339	77	72	149	488	1188	126
8	Tain and Easter Ross	334	26	105	131	465	672	91
9	Dingwall and Seaforth	559	55	48	103	662	926	203
10	Black Isle	518	9	112	121	639	258	34
11	Eilean a' Chèò	986	5	521	526	1512	113	50
12	Caol and Mallaig	549	7	239	246	795	856	68
13	Aird and Loch Ness	541	178	391	569	1110	204	6
14	Inverness West	200	418	13	431	631	0	560
15	Inverness Central	90	235	27	262	352	0	0
16	Inverness Ness-Side	256	25	11	36	292	1150	600
17	Inverness Millburn	9	8	11	19	28	0	0
18	Culloden and Ardersier	283	2094	75	2169	2452	38	0
19	Nairn	431	57	63	120	551	142	0
20	Inverness South	1584	143	79	222	1806	699	0
21	Badenoch and Strathspey	909	54	161	215	1124	866	16
22	Fort William and Ardnamurchan	835	75	243	318	1153	974	2
Total		10437	3652	3486	7138	17575	9980	1962

Please note that figures given are the number of housing units. The delivery of some of the units in (1), (2) and (3) may be affected by the lack of adequate water and drainage systems.

- 1 Number of housing units on Local Plan housing sites programmed between 2008 and 2012.
- 2 Number of housing units with planning permission on large windfall sites (sites not specifically identified for housing within Local Plans) as at December 2007. Large sites are for 5 or more housing units.
- 3 Number of housing units with planning permission on small windfall sites (sites not specifically identified for housing within Local Plans) as at December 2007. Small sites are for 4 or fewer housing units.
- 4 Number of housing units on Local Plan housing sites programmed for delivery in 2013 and beyond. These units are still considered to be effective but are subject to phasing or ownership issues.
- 5 Number of housing units on Local Plan housing sites that are subject to physical or infrastructure (other than water or waste water treatment provision) constraints. These are not considered to be part of the effective land supply.

Appendix 3: Land Supply for Housing by Former Council Administrative Area

Area	2008-2012					2013+	
	Local Plan Effective Land Supply (1)	Windfall on Large Site (2)	Windfall on Small Site (3)	Windfall Total (2 + 3)	Total Effective Supply (Local Plan + Windfall)	Local Plan Effective Land Supply (4)	Local Plan Constrained Land Supply (5)
Badenoch & Strathspey	909	54	161	215	1124	866	16
Caithness	620	119	493	612	1232	927	149
Inverness	2942	3101	598	3699	6641	2085	1166
Lochaber	1384	82	475	557	1941	1830	70
Nairn	452	57	77	134	586	148	0
Ross & Cromarty	2139	177	699	876	3015	3202	474
Skye & Lochalsh	1379	5	611	616	1995	146	52
Sutherland	612	57	372	429	1041	776	35
Total	10437	3652	3486	7138	17575	9980	1962

Please note that figures given are the number of housing units. The delivery of some of the units in (1), (2) and (3) may be affected by the lack of adequate water and drainage systems.

- 1 Number of housing units on Local Plan housing sites programmed between 2008 and 2012.
- 2 Number of housing units with planning permission on large windfall sites (sites not specifically identified for housing within Local Plans) as at December 2007. Large sites are for 5 or more housing units.
- 3 Number of housing units with planning permission on small windfall sites (sites not specifically identified for housing within Local Plans) as at December 2007. Small sites are for 4 or fewer housing units.
- 4 Number of housing units on Local Plan housing sites programmed for delivery in 2013 and beyond. These units are still considered to be effective but are subject to phasing or ownership issues.
- 5 Number of housing units on Local Plan housing sites that are subject to physical or infrastructure (other than water or waste water treatment provision) constraints. These are not considered to be part of the effective land supply.

Appendix 4: The Highland Structure Plan Policy H1 – Housing Allocations For Areas 1998-2017

Area	1998-2007 Structure Plan Requirement	2008-2017 Structure Plan Requirement	1998-2017 Structure Plan Requirement
Badenoch & Strathspey	1050	700	1750
Caithness	650	750	1400
Inverness	4700	4400	9100
Lochaber	1000	1000	2000
Nairn	600	650	1250
Ross & Cromarty	3800	3500	7300
Skye & Lochalsh	1250	1000	2250
Sutherland	550	600	1150
Total	13600	12600	26200

Appendix 5: Highland Structure Plan Assessment – Gross Housing Allocations

Area	1998-2007 Structure Plan Requirement (1)	1998-2007 Housing Completions (2)	Actual Structure Plan Surplus/Deficit 2007 (3)	2008-2012 Structure Plan Requirement (4)	Total Effective Supply (Local Plan + Windfall) (5)	Projected Structure Plan Surplus/Deficit 2012 (6)
Badenoch & Strathspey	1050	962	-88	350	1124	686
Caithness	650	909	259	375	1232	1116
Inverness	4700	5148	448	2200	6641	4889
Lochaber	1000	731	-269	500	1941	1172
Nairn	600	812	212	325	586	473
Ross & Cromarty	3800	2277	-1523	1750	3015	-258
Skye & Lochalsh	1250	776	-474	500	1995	1021
Sutherland	550	448	-102	300	1041	639
Total	13600	12063	-1537	6300	17575	9738

Please note that figures given are the number of housing units.

- 1 Gross housing allocation for period 1998-2007 as set out in Policy H1 of The Highland Structure Plan.
- 2 Number of housing completions for period 1998-2007.
- 3 Difference between the number of houses required in Policy H1 and the number of houses completed for period 1998-2007.
- 4 Gross housing allocation for period 2008-2012 as set out in Policy H1 of The Highland Structure Plan.
- 5 Number of housing units on Local Plan housing sites programmed between 2008 and 2012 plus number of housing units with planning permission on small windfall sites (sites not specifically identified for housing within Local Plans) as at December 2007. See Appendix 3 for fuller breakdown.
- 6 Projected difference between the number of houses required in Policy H1 and the number of houses programmed for development for period 2008-2012, taking into account the surplus/deficit for period 1998-2007.

Appendix 6: Highland Structure Plan Assessment – Net Housing Allocations

Area	1998-2007 Structure Plan Requirement (1)	1998-2007 Housing Completions (2)	1998-2007 Structure Plan Surplus/Deficit (3)	2008-2012 Structure Plan Requirement (4)	Total Effective Supply (Local Plan + Windfall) (5)	Projected Structure Plan Surplus/Deficit 2012 (6)
Badenoch & Strathspey	840	962	122	280	1124	966
Caithness	520	909	389	300	1232	1321
Inverness	4087	5148	1061	1913	6641	5789
Lochaber	800	731	-69	400	1941	1472
Nairn	480	812	332	260	586	658
Ross & Cromarty	2720	2277	-443	1400	3015	1172
Skye & Lochalsh	1000	776	-224	400	1995	1371
Sutherland	440	448	8	240	1041	809
Total	10887	12063	1176	5193	17575	13558

Please note that figures given are the number of housing units.

- 1 Net housing allocation for period 1998-2007 as set out in Policy H1 of The Highland Structure Plan – does not include the flexibility allowance for choice in the market place, as set out in PAN 38.
- 2 Number of housing completions for period 1998-2007.
- 3 Difference between the number of houses required in Policy H1 and the number of houses completed for period 1998-2007.
- 4 Gross housing allocation for period 2008-2012 as set out in Policy H1 of The Highland Structure Plan.
- 5 Number of housing units on Local Plan housing sites programmed between 2008 and 2012 plus number of housing units with planning permission on small windfall sites (sites not specifically identified for housing within Local Plans) as at December 2007. See Appendix 3 for fuller breakdown.
- 6 Projected difference between the number of houses required in Policy H1 and the number of houses programmed for development for period 2008-2012, taking into account the surplus/deficit for period 1998-2007.