

Examination: North Essex Authorities Shared Strategic (Section 1) Plan

Further Hearing Sessions, January 2020

Our ref 61324/01/MS/HBE
Date 29 November 2019
On behalf of Gladman Developments Limited

Issue 4: Build Out Rates

Q1. 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/o82 from GL Hearn on behalf of Andrewsfield New Settlement Consortium and Countryside Properties?

- 1.1 We note that for very large sites (which it defines as 4,000 units plus) the paper suggests that “forecast trajectories may be in the range of 300-500 units pa”¹. It is not clear how it draws this conclusion, particularly given that most of the examples it then goes on to cite do not have average delivery rates that fall within this range (the exception being Hamptons with it citing an average pa rate of 321, albeit more recent data shows for the Hamptons this average rate has reduced in recent years, e.g. in ‘Start to Finish’ it is identified at an average of 224 pa following extra years’ data). We note that many of the examples the paper cites as evidence are the same as identified in ‘Start to Finish’, and the underlying average rates identified are similar. However, it appears the paper in making its suggestion selectively relies on the examples at the top end of the range, and where high completions have been achieved on a single year basis, rather than across long-term periods.
- 1.2 In that context, it is not disputed that sites of such a size can reach such completions rates (300-500dpa) but it is considered it is not realistic to assume such rates can and will be maintained over the long-term and that they can specifically apply to the NEA garden communities’ sites.
- 1.3 Finally, we also note the paper states:
- “Our experience indicates that developers and promoters often tend to overstate trajectories and underestimate the timescales required to bring sites forward. Forecasts could be based upon an ambitious “best case scenario” and/or presented in a positive way to fit to Local Authority land/housing supply needs and aspirations. Care is needed to independently verify whether forecast trajectories would be realistic.”* (page 91, bullet 1)
- 1.4 Lichfields’ report reviewing the NEA evidence sets out our concerns about relying upon best case scenarios, particular in the context of the purpose of adopting a build-out rate assumption (see paras 3.1-3.3 of Lichfields report).

¹ Page 2, bullet 3

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

- 1.5 This blogpost draws upon the monitoring datasets underpinning our ‘Start to Finish’ report, and largely doesn’t present any changed information on build-out. It does however look at outlets, with our sample data broadly supporting the HCA paper conclusion that completions from a single outlet tend to be in the range 30-50 units per annum (the Lichfields data including completions from all tenure of homes on any given outlet), but noting that the effect of each additional outlet decreases as the relationship is not linear (i.e. doubling outlets wouldn’t double build-out).

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

- 1.6 We note this paper reaffirms some concepts, including maximum rates (per outlets), finite capacities of local markets, and the difficulties of sustaining too many builders on a single site (e.g. para 2.12).

Q2.

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

- 1.7 It is difficult to estimate this without a clear understanding of the delivery strategy to be employed on each site. For that reason, we would suggest a cautious approach is taken to likely outlets. Based on the above and EXD/057 on rates per outlet, an initial high-level view is that 250dpa would require 6 outlets, 300dpa 7-8 outlets and 500dpa 12-14 outlets. Each of these would need to be delivering concurrently and consistently throughout the life of the project (i.e. as one phase/outlet finishes a new phase/outlet immediately commences to replace it).

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

- 1.8 No. See paragraphs 2.16. and 2.20 to 2.22 of Lichfields ‘Review of NEA Build Out Rates Topic Paper’ report (27 Sept 2019) (Appendix A to Gladman’s consultation response) highlighting the lack of evidence to support the delivery strategies for the individual garden communities. Such information on delivery strategy is necessary to identify the ability of the garden communities to support multiple sales outlets, and how many outlets are proposed to be delivering concurrently or how this relates to phasing.