BAKER associates
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Adur District Council
Strategic Housing Land Availability Assessment

Stage 7 Site Assessment Final Report

March 2009

CONTENTS

1. Introduction 2

2. Study methodology 5

3. Market assessment 11

4. Sites with planning permission for housing 23

5. Site specific sources within settlements 25

6. Site specific sources outside settlements 28

7. Conclusions 34

APPENDICES

Appendix 1 Site assessment criteria
Appendix 2 Sites with planning permission
Appendix 3 Rejected sites within settlements
Appendix 4 Sites with potential within settlements
Appendix 5 Site yield summary table
Appendix 6 Rejected sites outside settlements
Appendix 7 Sites with future potential outside settlements
Appendix 8 Settlement maps and all sites assessed
Appendix 9 Landscape appraisal
Appendix 10 Sources of housing potential by settlement

1. Introduction

1.1. Background

1.1.1. This document is the Final version of the Strategic Housing Land Availability Assessment (SHLAA): Stage 7 Site Assessment for Adur District Council which commenced in September 2008 and has been developed during the period to March 2009. The progress of this study is described in the section below and illustrates how the process has evolved over the period of the study.

1.1.2. The SHLAA provides an informed estimate of land availability for housing at a given point in time, to inform plan-making and to ensure that councils maintain a five-year supply of housing land.

1.1.3. In July 2007, Communities and Local Government (CLG) published the Practice Guidance ‘Strategic Housing Land Availability Assessment’. The Guidance provides the government’s view on how it considers SHLAA should be undertaken and therefore provides the basis for conducting such studies. All the relevant stages of the SHLAA process, as outlined in the guidance, have been followed in this study.

1.1.4. The Practice Guidance is intended to be “practical” (Para 1) and essentially contains a step by step guide to undertaking an assessment. It is made clear that the methodology set out in the document is intended as a blueprint for assessments to follow and that “When followed, a local planning authority should not need to justify the methodology used in preparing its assessment, including at independent examination” (Para 15).

1.1.5. Adur District Council, working with Arun District Council and Worthing Borough Council, has commissioned Baker Associates to assist in preparing SHLAAs for these three West Sussex coastal authorities.

1.1.6. Adur District Council has undertaken Stages 1-6 set out in the Practice Guidance, including site surveys and identifying potential site yields and has appointed Baker Associates to assist with Stage 7 “Assessing when and whether sites are likely to be developed”. This Draft report sets out the conclusions for Stage 7. The Council then intends to assess overall housing potential and supply (Stages 8-10 of the Practice Guidance).

1.1.7. The study has been produced based on the best available information at the time of writing, drawing on the professional judgement of those involved.

1.1.8. The study now provides a key element of the evidence base for the Local Development Framework (LDF) and is intended to be used by Adur District Council in preparing further documents, notably the Core Strategy and annual monitoring reporting.

1.1.9. The Practice Guidance is however very clear "The Assessment is an important evidence source to inform plan making but does not in itself determine whether a site should be allocated for housing development" (para 8).

1.1.10. Therefore, this document must be considered as part of the wider evidence base for the LDF but cannot be construed as committing the Council to allocate any particular parcel of land for a particular use, nor approve any application for development.

1.2. Commission

1.2.1. An Inception Meeting was held on 19th September 2008 at which time the methodology for the study was set out and agreed. Work commenced on the study including identifying and agreeing assessment criteria and then applying these to assess each site's suitability, availability and achievability, having regard to all site information provided by the Council and relevant policy and other evidence based studies.

1.2.2. Sites identified from all sources, including those from the previous Urban Housing Potential Study and those promoted by landowners/agents were assessed.

1.3. Document format

1.3.1. This document presents not only the findings of the Stage 7 assessment carried out by Baker Associates on behalf of Adur District Council but also the methodology used to arrive at these findings and therefore it's compliance with the Practice Guidance

1.3.2. The sections of the report are therefore:

1.3.3. Section 2 describes the methodology which was followed in preparing this study. It is based on the original methodology agreed with the Council at the Inception Meeting.

1.3.4. Section 3 sets out a review of the housing market in the West Sussex area (Adur, Arun and Worthing Councils) which has been prepared in consultation with developers and agents in the study area. The market appraisal provides an important element of the SHLAA as it is drawn from consultations with a range of local agents and developers and has been used to provide the basis for understanding the local market.

1.3.5. Section 4 provides the first of the findings of the study, which is the stock of sites with planning permission at the base date, which is 1 April 2008. Details of all of these sites are included in Appendix 1. These sites are considered to be deliverable and this has been assessed by officers of the Council through their knowledge of sites and developers.

1.3.6. Section 5 includes a summary of the assessment of site specific opportunities for housing within settlements across the study area, namely Lancing, Shoreham-by-Sea, Sompting and Southwick. The summary findings are based on an assessment of identified sites arising from all sources. Sites which have been assessed but are judged not currently developable are listed in Appendix 3, including a reason for their rejection. Assessments of all of the sites within these settlements which are considered to provide potential housing land within the study period are included in Appendix 4 and a summary of the potential housing yield from these sites for the periods 2008-13, 20013-2018 and 2018-2023 are included in Appendix 5.

1.3.7. Section 6 includes a summary of the assessment of site specific opportunities for housing outside settlements across the study area, i.e. greenfield sites beyond existing settlement boundaries. Although these types of sites are not currently suitable, as they are contrary to existing planning policies, a SHLAA needs to assess the future potential from such sites to inform the development of future plans. Sites which have been assessed but are judged not to have future potential are listed in Appendix 6, including a reason for their rejection. Assessments of all of the sites outside these settlements which are considered to be potential candidates for the Council to examine further through the plan making process are included in Appendix 7.

1.3.8. Section 7 sets out the conclusions of the study.

2. Study methodology

2.1. Introduction

2.1.1. This methodology is based on Communities Practice Guidance “Strategic Housing Land Availability Assessments” published in July 2007, and “SHLAA and development plan preparation” prepared by Planning Officers Society in January 2008, together with best practice emerging from housing studies across the country.

2.1.2. The SHLAA is an important evidence source to inform plan-making. However, the SHLAA does not in itself determine whether a site should be allocated for housing development or all locations where future housing growth will occur. The SHLAA sets out information on developable land availability for growth options to be investigated further through the plan-making process.

2.2. Methodology in brief

2.2.1. The project commenced with an Inception Meeting in September 2008. Initial discussions centred on the Council’s approach at site survey Stage 5 to the initial assessment of whether a site was suitable for housing and on assumptions and practice regarding identifying appropriate site yields at Stage 6. Site information and relevant policy and background studies essential for carrying out Stage 7 were identified and collected.

2.2.2. Following these initial discussions we established and agreed with the Councils a set of criteria which we intended to assess all potential sites with respect to suitability, availability and achievability. This was based upon the Practice Guidance but expanded and developed to reflect the characteristics and views of the three Councils and the information available.

2.2.3. Discussions were subsequently held with developers and agents to establish an assessment of the local housing market and to identify views on the potential achievability of sites. A developer/agent panel was also established to assess the achievability of a sample of 10 sites for each Borough/District identified through the survey work and a residual valuation of a specific site for each Borough/District was also undertaken to test viability assumptions.

2.2.4. All sites were assessed for their suitability, availability and achievability using the agreed assessment criteria and informed by the market assessment. Sites outside settlement boundaries were visited by a landscape architect to establish their potential suitability in landscape terms.

2.2.5. Draft site assessments were then reviewed by officers from the Council and a meeting was held in December 2008 to discuss and finalise the initial site assessment conclusions. The draft report was then prepared.

2.2.6. The following sections set out in more detail how Stage 7 of the Practice Guidance was undertaken.

2.3. Task 1 Developing criteria to assess suitability, availability and accessibility

2.3.1. At an early stage in the process we sought to agree with the Councils a set of criteria by which we would assess all potential sites with respect to suitability, availability and achievability.

2.3.2. The criteria were based upon those set out in the Practice Guidance, but developed to reflect the characteristics of the three Council areas and the information available. They were developed from the following factors:

Suitability

- Existing policy criteria - designations, statutorily protected areas and development management policies
- Physical constraints - defined flood risk areas, known contaminated land, natural features and other physical constraints, levels of infrastructure, access to employment and key community facilities
- Potential impacts – on conservation areas, listed buildings, landscape character

Availability

- Landowner intention to sell
- Developer intention to develop

Achievability

- Market assessment – land values, sales rates, selling prices, efficiency of residential land use, house types, sub markets
- Economic viability – saleable floorspace and turnover, build costs, marketing costs, overheads, abnormal development costs, planning contributions
- Delivery – phasing, completions rates, size and capacity of developer

2.3.3. The list of agreed criteria is set out in Appendix 1 and further explanation of the nature of these criteria and how they were applied is set out below under tasks 2 and 3.

2.4. Task 2: Assessing achievability for housing (stage 7c)

2.4.1. The Practice Guidance is clear that achievability relates to the economic viability of a site and this will be determined through a consideration of the market, as well as the particular circumstances of each site.

2.4.2. A market assessment forms a key part of the methodology of this study and discussions were held with developers and agents regarding the local market conditions in the area for different types of housing. The Coastal West Sussex Strategic Housing Market

Assessment (draft final report, December 2008) provided a context for understanding the local market.

2.4.3. Favoured house types for different types of site, as well as land values for competing land uses (not just residential), sales rates, selling prices, efficiency of residential land use, and the market for differing types of housing, in different areas were considered. This information enabled us to predict, with as much certainty as possible, the type of housing, and therefore the likely yield, for each site, as well as the likely viability of marginal locations. This process was an essential part of assessing the deliverability of each site opportunity, and the time band for likely development.

2.4.4. The effect of any community gain package was taken into account, in particular, by reference to existing or emerging policy and guidance. We have always considered viability to be critical, and have in-house expertise enabling the assessment of economic viability.

2.4.5. A model spreadsheet valuation was produced for a site within the District, to arrive at a viability assessment. The valuation followed a series of logical steps:

- development assumptions
- location
- number and mix of dwellings
- affordable housing mix - % rent % shared ownership
- saleable floorspace
- sales turnover per unit - open market
- affordable housing revenue
- total gross turnover
- marketing costs
- build costs
- developer's profit
- overheads - architect / consultant / legal / planning fees, insurance, financing, survey, Stamp Duty, contingencies
- Planning Contributions
- abnormal development costs, - physical infrastructure including highway/access improvements and drainage improvements, contamination, demolition, abnormal foundations etc.
- residual land value - benchmark % of total gross turnover

2.4.6. Research was undertaken into current developments, including the particular house types being built in different locations, dwelling specification, selling prices, and construction costs. Consultation took place with developers of current schemes, RSLs, and surveyors and agents involved in land sales and acquisition.

2.4.7. The valuation looked at the factors which have an impact upon viability, including, for example, development requirements and obligations, including affordable housing requirements. In the context of current market conditions, an assessment of what might need to be done to achieve viability was carried out.

2.4.8. We set up a developer/agent panel of stakeholders to examine the achievability of a sample of 10 sites identified through the survey work. This provided an additional structured and transparent assessment of the local market and the consideration of specific sites. This group was drawn from local and national housebuilders, surveyors and agents active in the housing land market and Registered Social Landlords. The conclusions reached on the sample sites were used to test and validate the conclusions reached on all other sites.

2.4.9. The results of this exercise were entered onto the evaluation proforma for each site and added to the site database. Any sites which were not considered to be achievable for housing development were identified within the list of sites not currently developable.

2.5. Task 3: Assessing deliverable and developable sites for housing (stages 7a, 7b, 7d)

2.5.1. Using the criteria identified and agreed under task 1 (see above), we undertook an assessment of the suitability and availability of all SHLAA sites for housing. This involved undertaking stages 7a and 7b of the Practice Guidance.

2.5.2. We combined these results with the results of the task 2 achievability assessment (stage 7c of the Practice Guidance) to come to conclusions regarding whether each site was deliverable, developable, not currently developable or should be rejected on the grounds of unsuitability. At this stage, constraints to site deliverability were identified with action required to overcome them (stage 7d of the Practice Guidance).

Assessing suitability for housing (Stage 7a)

2.5.3. For all identified sites above the threshold, we assessed suitability for housing having regard to policy restrictions, physical constraints and potential impacts:

- Policy restrictions

2.5.4. For sites within settlements, we agreed as part of task 1 a list of existing policy criteria (such as policy designations, statutorily protected areas and development management policy criteria) which must be satisfied in order for a site to be considered suitable for housing development.

2.5.5. We reviewed the sites with reference to these planning policies and any recent planning history to determine whether the site was suitable for housing development. This included discussions with planning officers from the Councils.

2.5.6. For greenfield sites adjacent to settlements, these sites are likely to be contrary to existing policies by their very nature i.e. outside existing settlement boundaries. In these cases, the assessment of potential future suitability related primarily to whether development would contravene a clear cut designation such as an AONB or an international/nationally designated wildlife site.

- Physical constraints

2.5.7. For each settlement, we mapped the environmental constraints based upon information supplied by the Councils. This included defined flood risk areas and other physical constraints. We also had regard to the physical constraints identified by officers during site visits and recorded on each site proforma and to information supplied by utility providers and relevant agencies.

2.5.8. We agreed with the Councils as part of task 1 those physical constraints that present a barrier to development (such as location within a flood risk area) and those that are capable of mitigation to overcome these constraints (such as access, presence of site contamination). This enabled the relative suitability of each site to be identified.

- Potential impacts

2.5.9. We had regard to conservation area character appraisals and development briefs to identify any potential negative or positive impacts of development upon the character or appearance of a conservation area or upon the setting of listed buildings. Particular regard was given to opportunities to achieve recommended management proposals contained within these appraisals.

2.5.10. For greenfield sites, we assessed the suitability of sites against the likely impact upon identified landscape character types. This was based upon desktop analysis of the Adur Urban Fringe Study and site analysis, identifying the contribution that land around the built up areas makes to the setting of settlements, and whether development provides opportunities to improve the existing urban fringe and/or establish enduring settlement boundaries.

2.5.11. The results of this exercise were entered onto the site proforma and added to the site database. Any sites where constraints meant that they will not be suitable for housing development were included within the rejected sites list, with reasons.

Assessing availability for housing (Stage 7b)

2.5.12. Many sites were promoted by landowners or developers either through planning applications, through pre-application discussions or other informal approaches to the Council. Further sites were promoted through the development of the LDF or as a response to the “call for sites”.

2.5.13. In each of these cases the landowner and/or developer were identifiable and their intentions were often clear. Where this was not the case we attempted to identify and contact landowners/ developers through discussions with Council officers and through reviewing previous planning histories. Where it was not possible to contact the relevant parties to establish that the site was genuinely available for development, we rejected the site, and identified the need for the Council to review its availability as part of the annual review of potential housing sites.

2.5.14. The results of this exercise were entered onto the site proforma and added to the site database. Any sites that were in an alternative use, with no evidence or obvious prospect of being available for housing were included within the rejected sites list, with reasons.

Overcoming constraints (Stage 7d)

2.5.15. In certain locations and on certain sites the potential for development is limited by a range of constraints. In some instances these constraints may be overcome through either shifts in policy or by the creation or improvement of infrastructure.

2.5.16. For all sites and locations, constraints to development were identified during the assessment process and for a sample of sites, validated by the developer/agent panel.

2.5.17. If the constraints were considered to represent a barrier to development the sites were rejected. The reasons for rejecting sites are identified explicitly in this report.

2.5.18. Where constraints were considered to be able to be overcome within the timescales of the study, the sites were accepted, with actions required to enable them to be brought forward.

Recommendations

2.5.19. We have drawn the assessments of suitability, availability and achievability together to come to conclusions on all sites considered during the process. Section 7 summarises the results and allocates all sites one of the following 3 categories, reflecting the Practice Guidance:

- **deliverable** – available now and with a reasonable prospect of development within 5 years.
- **developable** – sites suitable for housing and having a reasonable prospect of being delivered within the period of the plan.
- **not currently developable** – these are the identified sites which, for whatever reason, cannot currently come forward for housing.

2.6. Task 4: Further requirements

2.6.1. In reaching our conclusions, we have identified any gaps in data and any more detailed work that may be required. Section 7 includes recommendations regarding further research and monitoring required to determine the future suitability, availability and achievability of sites.

3. Market assessment

3.1. Introduction

3.1.1. The SHLAA Practice Guidance advocates a partnership approach working together with stakeholders such as house builders and local agents to help shape the approach, and to assist in the assessment of the deliverability of sites, and how market conditions may affect viability.

3.1.2. Therefore, in reaching conclusions about whether and when sites will come forward, and for which kind of dwellings, it is first essential to assess the suitability of each of the identified sites for housing development, taking account of

- the characteristics of the site
- alternative possible land uses
- environmental and policy constraints to development such as nature conservation value
- physical development constraints such as access, flood risk, and ground conditions
- market considerations

3.1.3. A key element in understanding where, how much and what type of housing is likely to come forward in any particular area is the operation of the local housing market. Understanding the economics of the local market is identified as a central component of a SHLAA by the Practice Guidance and the input of house builders and local property agents is important to this understanding.

3.1.4. Therefore in preparing this study a brief overview of the current state of the housing market has been undertaken, and has been utilised in considering the likely type and number of dwellings which will come forward on identified sites, in line with advice in para. 41 of the Practice Guidance. It is not considered necessary, practical, or appropriate in the context of a SHLAA to undertake a residual valuation of each and every site.

3.1.5. Accordingly, the assessment of opportunities has been assisted by consultations undertaken during the work with people familiar with the areas and knowledgeable about the operation of the local markets, such as the local agents and house builders, some of whom took part in the Stakeholder Panel assessment of individual sites, to assist in building up knowledge of the factors affecting the type of development, and when it might be expected to be completed.

3.1.6. In addition, the assessment has tried to take account of a variety of ‘deliverability’ factors, particularly in the first five-year period, when sites should be demonstrably suitable, available and achievable. These factors include access, ownership, adjacent land uses and economic viability in the light of local market considerations, though exhaustive investigations have not been possible in every instance.

3.1.7. Those familiar with the housing market over the long-term appreciate that any analysis is a view at a particular time. The market will undoubtedly vary over the period considered by this study, and it should be reviewed at regular intervals. This is particularly relevant at the time of this study at the start of an economic recession.

3.2. Private housing market trends

3.2.1. Due to the current market downturn resulting from the reduced availability of credit apparent since September 2007, developers, agents and private housing developers confirm a significantly downturned local housing market. The three largest volume housebuilders have temporarily stopped land acquisition in response to reduced demand for new housing, preferring instead to rely on their current land banks. Developers are in particular wary of large schemes of flats, volume sales of which were highly dependent upon the buy to let market that relies on short-term capital growth, and which were frequently financed by mortgage schemes that would no longer be viable. No one can predict the length or severity of the current downturn, but its effect will evidently be to limit market capacity in the short term.

3.2.2. Property experts predict that after a period of re-adjustment underlying demand will return to recent levels, albeit at re-structured prices. The market emphasises that there must be a balanced delivery of a mix of house types, and an over-reliance on one type of dwelling, such as flats, creates over-supply and low demand problems.

3.2.3. Because of these recent market difficulties, there is now evidence that residential land values have decreased by around 30% - 40% since September 2007, depending on individual and local circumstances. The most obvious change in the land market is that developers are less willing to compete against each other to acquire sites, and 2009 is likely to see a further softening of price due to this reduction in demand.

3.2.4. A number of recent research reports corroborate this position: Savills reported in December 2008 that transaction levels in all markets are at an all time low, down by between 60% and 65% from the peak of September 2007. In the new build market, this figure could be as much as 80%, unless very substantial price cuts have been made.

3.2.5. The consequence of this is that the price of new homes has fallen faster and further than the mainstream UK market. While average prices fell by some 14.6% in the ten months to October, according to the Nationwide indices, new build prices have typically fallen by 15% to 25%. In some markets, an overhang of unsold stock means values have fallen even further.

3.2.6. Knight Frank’s Residential Development Land Index showed similar falls in the value of residential sites over the past year. In November 2008, the Nationwide reported an annual 13.9% fall in average house prices (monthly 0.4%), significantly less than that seen in October when house prices fell by 1.3%. In January 2009, the Halifax states that for 2008 as a whole, prices fell 16.2%, down to the levels of August 2004.

3.2.7. Land trading has, with few exceptions, completely halted, as buyers for standard development sites with planning permission have all but disappeared. However, deals have been salvaged by restructuring to include joint ventures, build licences and phased payments, thus minimising the loss of overall value.

3.2.8. Not only have rates of sale slowed dramatically and achieved prices fallen rapidly, but developer confidence in future price movements remains negative. Land values have fallen sharply, in urban areas by 52% since September 2007. Values are now 43% lower than in 2001, according to the Savills land price index. The similar sized fall of 48% in the value of greenfield development land during the last year is more rapid than was seen in the early 1990's when development land values fell by 60% over a two year period, at a time when house prices fell by 20% over a longer period.

Future prospects

3.2.9. The return of investment activity in the UK residential sector will be an early indicator of a change in market sentiment. Given that constraints on access to debt are likely to continue to suppress demand from the buy to let sector, equity investors are likely to be the first to respond to signals of an impending upturn.

3.2.10. Expectations are that a renewal of equity investment will be concentrated first in prime central London, London, the South East, together with the more affluent university cities, where housing scarcity is greatest, with good prospects of long term capital and rental growth.

3.2.11. Once the market does turn, first time buyers will re-enter the market, driven by the renewed affordability of owning over renting, with shared ownership schemes in high demand, for example, the government's Homebuy scheme.

3.2.12. The government's house building targets of 200,000 annual completions appear now to be impossible to achieve, with just 75,000 likely to be started in 2009. Residential development will not proceed until site values increase sufficiently to incentivise owners to release land. This will happen in due course as the market recovers, and developers are seeking to re-negotiate the terms of Section 106 requirements to achieve viability.

3.2.13. Land with higher infrastructure or remediation costs will experience a deeper and more prolonged downturn in residual site values. This may have significant implications for deliverability conclusions, and the five year land supply. Many complex sites will currently be unviable, and assumptions need to be made about delays in delivery.

3.2.14. Property experts expect a gloomy 2009, with a recovery in 2010 - 2011. The government's rescue package may not have averted recession, but intervention and policy initiatives look set to ease liquidity slowly. This will improve mortgage availability and increase residential market turnover towards levels more usually seen in a downturn, rather than the historic lows currently being experienced. Interest rates have already fallen sharply and it is anticipated further cuts as the economy weakens. The rate was cut from 2% to 1.5% on 8 January 2009, and the probability is that it will fall to below 1%, before rising again as the economy strengthens beyond 2010.

Medium/long term prospects

3.2.15. Whilst short-term demand has fallen, medium and long-term demand is still considered by the market to be strong. This is underpinned by government policy to deliver a much increased level of housing to meet a national shortage, arising from a continuing high level of new household formation. In the medium term, the housing land market in the West Sussex coastal area will continue to be comparatively strong for most house types in all locations, whilst housebuilders and private vendors will adjust prices to align with demand.

3.2.16. It is considered that, due to the historically strong land values in the area, it is unlikely that many sites will become unviable because of abnormal development costs or competing land uses.

3.2.17. Most abnormal development costs should be able to be absorbed without falling below the value for alternative uses, such as general employment and warehousing land. Housing land is worth at least £400,000 more per developable acre than employment land, which enables most community gain packages and abnormal development costs to be allowed for, still producing a higher land value. Economic viability is therefore unlikely to be in doubt for the housing sites identified in this study. The HBF has welcomed the fact that we assess an overview of viability in relation to planning obligations.

3.2.18. Each identified site has a dwelling yield attributed based on the characteristics of the particular site, as well as a consideration of the market. For some sites proposals will be sufficiently advanced that a yield will already be indicated from either a masterplan or from a planning application. However, for many sites a yield has been assessed. The starting point for assessing yield was the generation of indicative yields through the use of density multipliers, which provides an indication of the likely levels of housing provision.

3.2.19. However, every site is different and therefore the density multiplier is only an initial indication. In some cases, indicative layouts of typical sites have been used as a basis for considering appropriate developments and therefore yields.

3.2.20. Housing availability studies are about informing the decisions to be made in the LDF about the relationship between housing provision and supply based on what is possible and what is desirable, but also what is probable. There are very many factors affecting whether an opportunity should be used and is likely to be developed, and design considerations are only one part of this spectrum of relevant issues. The design that proves to be ‘right’ for a site when it is eventually developed may well be different from, though just as appropriate as, what is suggested during the study, and for this reason, annual monitoring by the LPA is an essential element of the SHLAA.

3.2.21. In accordance with the Practice Guidance, a Stakeholder Panel was established for the Adur, Worthing and Arun SHLAA. It was agreed that this Panel would assist the SHLAA by assessing about 30 brownfield and greenfield sites across the study area, typical of the kind of sites included in the assessment. This exercise was carried out during October and November, and the comments and conclusions have been incorporated into the site assessments. These views have all fed into revisions to this overall assessment of the market.

3.2.22. Set out below is a selection of schemes currently, or soon to be, on the market. These were sourced from the surveys, from discussions with the Stakeholder Panel, from local newspapers, developer's websites, and generic websites such as The Right Move.

Developer/agent	**Location**	**Dwelling types**
Crest Nicholson	Bridges Bank, Shoreham-by-Sea Kings Quarter, Worthing	3-bed townhouses, £285k - £320k 1 & 2-bed flats, £150k - £180k
Bryant Homes	Sussex Wharf, Shoreham	2-bed flats from £175k
King & Chasemore	West Lane Lancing	3-bed semi, £190k, 4 bed semi £270k
Hamptons	West Beach, Shoreham (beach front)	4-bed detached, 3 baths, £850k
Persimmon	'Twenty Four', Hawthorne Road, Bognor Regis North Bersted, Bognor Regis	1 & 2-bed flats, £110k - £160k 2 - 4-bed traditional houses
Roffey Homes	The Esplanade, Bognor Regis Mill Field Lodge, Worthing Glynde House, Worthing Marine Parade, Worthing Red Admirals Angmering Heene Road, West Worthing	1 - 3-bed flats, £240k - £350k
Henry Adams	Victoria Place, Bognor Regis	2-bed flats, £123k
Berkeley Homes	'Horizon', Rustington	2-bed flats, £225k - £375k
Hamptons	Forest barn Mews, Castle Goring	3 & 4-bed houses, £495k - £550k
McCarthy & Stone	Penfold Road Worthing Church Street, Littlehampton Hawthorne Road Aldwick Worthing road, East Preston	1 & 2-bed retirement flats, from £160k
George Wimpey	Lavender Gardens, Littlehampton The Limes, Rustington	3 - 4-bed houses, £200k - £300k 2 & 3-bed terraced, from £200k
Jacobs Steel	West Avenue, Worthing	2-bed flats, £230 - £250k
Bryant Homes	Shoreham Harbour Eden Park, Littlehampton	3-bed terraced, £230k 3 & 4-bed semis & terraced, £220 - £250k
Cubitt & West	Toddington Lane, Wick	4-bed townhouses, £250k

3.2.23. Discussions with developers and agents sought views on the state of the housing market, land values in different parts of the study area, sales vales, the types of development targeted by developers on different sites, and sales rates. The house building industry generally still works in imperial rather than metric measurements, and rather than confuse the situation with a mixture of both, or use metric for the sake of convention, we have opted here to use imperial measurements, such as sq. ft. and acres.

3.2.24. The following individuals and organisations assisted discussions:

Name	**Organisation**
Marie Nightingale	Persimmon
Ben Cheal	Roffey Homes
Scott Chamberlin	Gleeson Homes
Craig Noel	Strutt & Parker
Chris Pelling-Fulford	Worthing Homes
David Adams Anthony Greenwood	Henry Adams
Gareth Williams	Cluttons
Mike Jones	Rydon Homes
Charles Wiggins	Cliveden Homes
Paul Bedford	Persimmon
Anthony Hawkins	Bell Cornwell
Pete Bland	Berkeley Homes

3.2.25. PPS3 advises that LPAs should take account of Strategic Housing Market Assessments (SHMAs) when developing planning policies for housing provision. The local authorities across West Sussex have commissioned GVA Grimley to prepare an SHMA. The Coastal West Sussex Housing Market extends along the South Coast from Hove to Hayling Island and inland to the A283 Corridor and Midhurst. This includes Adur, Arun, Worthing, in addition to Chichester. The main points of the SHMA as it relates to the SHLAA are as follows.

3.2.26. According to GVA Grimley, house prices in Coastal West Sussex are below the South East average. Prices range from £216,300 in Worthing (19% below the regional average), to £223,800 (16.5% below) in Adur, to £236,600 in Arun (12% below).These HM Land Registry recorded values were from 2007, so the actual values will have reduced by some 16% by January 2009 in line with national averages, but the values relative to the regional average will remain constant.

3.2.27. In Arun and Adur Districts there is a strong price premium for flats/maisonettes (44%/47%) but with prices for terraced and semi-detached properties broadly tracking the regional average. In Worthing there is again a premium for flats, while prices for semi-detached and terraced properties are marginally below average for the South East

3.2.28. While the market for flatted schemes has performed very strongly over the last few years, this has been supported by an investment market alongside occupier demand. The flatted market is an area which is particularly vulnerable to a market correction associated with some of the short-term market dynamics.

3.2.29. The retrenchment of first-time buyers, linked to changes in lending criteria and requirements for deposits, together with tightening lending criteria and increasing borrowing costs have impacted on investors. The aggregate impact has been a significant slow down at the lower end of the market, typically for properties up to £220,000. The knock-on effect of this affects the entire market; with few first time buyers households are not being able to trade up, and almost every sale is interrupted by a broken chain.

3.2.30. The market in Coastal West Sussex has been typified by a very strong retirement market, fuelled by households trading down in size and value, attracted by housing that is below the regional average, with the advantages of being close to the sea.

3.2.31. The housing stock is focused towards smaller properties. Two and three-bedroom properties are most abundant (est. 68%) with levels of flats/maisonettes above average, particularly in Worthing. Detached housing (including bungalows) is the most prevalent house type (30%). Owner-occupation is above average at 79% with a small social sector overall which has been stable in size over the last five years. Private renting is below average, but we would expect this sector to have grown in recent years.

3.2.32. Housing affordability is a significant issue; housing supply has not been able to keep pace and the affordability of market housing has reduced as a result. This has resulted in growth in the need for affordable housing. The private rented sector also plays an important role in meeting demand from those who cannot afford to buy.

3.2.33. The ability to service affordable housing need is influenced by levels of affordable housing supply. Across the Coastal Housing Market, just 11% of the housing stock (22,300 properties) is in social sector ownership. Over the last five years, construction of new affordable homes has managed only to maintain rather than grow the quantity of social housing, as a result of losses through the right-to-buy.

3.2.34. Over the past year there has been a sharp loosening of market conditions. Effective demand has fallen, and it has been noted earlier that prices have fallen by some 12% over the last year, with the new homes market falling by 15% - 25%.

3.2.35. Undoubtedly, the markets for flats has been the hardest hit, including the many retirement schemes under construction. The key according to developers and agents, is location, and schemes on or very close to the sea front have suffered less than developments inland especially in relatively unattractive suburbs. There is more interest in traditional 2-storey housing, but a continuing inability to complete contracts because of broken chains arising from the lack of first-time buyers.

3.3. Residential land values

3.3.1. Land values for open market housing in the Adur, Worthing and Arun area increased significantly between 2001 and 2007, and before the recent collapse, ranged from around about £1.1 million to £1.8 million per net developable acre of open market housing, depending on the precise location and suitability to a particular market. These values were reported in the three individual Urban Housing Potential Studies for each Council of 2004, 2005 and 2006.

3.3.2. Land values are currently theoretical because of the current problems in the housing market, which means that few, if any, developers are contemplating further land purchases, preferring to build out sites currently under construction. If, as the Knight Frank Residential Development Land Index reports, land values have fallen by 30%, the range will be about £750,000 to 1.2m per acre, assuming there are any purchasers who can secure finance.

3.4. Coverage, saleable floorspace

3.4.1. In order to establish housing land values, assumptions need to be made about the likely saleable floorspace of the dwellings, in order to generate an overall sales turnover. The total floorspace is referred to as ‘coverage’, which measures the efficiency of a residential scheme, and evidently varies according to individual type of scheme. This is not simply a matter of housing density, but the amount of saleable floorspace that is accommodated in a unit area, and which governs the sales turnover, and hence the land value, of a housing scheme.

3.4.2. For example, a development of16 units/acre (40 dph) could be a mix of 2 and 3-bed 2-storey units at 600-800 sq. ft each, giving an overall coverage of only 11,200 sq. ft. per acre (sfa). This would be regarded as inefficient coverage. However, the vast majority of housing schemes are now relatively efficient, ranging from around 15,000 to 18,000 sfa for predominantly 2 - 2.5 storey development, and up to 18,000 - 24,000 sfa for 2.5 - 4 storey scheme.

3.4.3. An efficient scheme of 16 units /acre (40 dph) would be likely to include a mix of larger 3-bed units with a higher average floorspace of say 1050 sq.ft, which would result in a scheme of 16,800 sfa, as opposed to 11,200 sfa. A recent trend is that developers are finding, with the relaxation of density standards encouraged by PPS3, coverage is reducing to an average of about 16,000 sfa. There is often a diminishing return on the third storey in townhouses, since lower sale prices per sq.ft are achieved, and there comes a point where a higher land value can be generated on traditional 2-storey dwellings.

3.4.4. With that proviso, coverage has a major effect on sales turnover, and in turn, land value, which is a consequence of the relationship between sales turnover and development costs, profit, and overhead. Total turnover, and hence, land value, is dramatically increased by greater coverage. It must also be understood that the overall scheme and its density must be designed to accord with the character of the surrounding area.

3.5. Sales prices and rates

3.5.1. In terms of achievable sales prices, the open market for housing schemes in Adur, Worthing and Arun generally varies from around £150 up to £300 per sq. ft (down from £190 - £380 per sq.ft.) in the more attractive areas, and for up-market specifications. The schemes that generate the highest sales values are those on the sea fronts. There are significant variations taking account of individual circumstances and precise location, with the highest values achieved in Worthing and Bognor Regis, and lower values in Shoreham-by-Sea and suburbs well away from the sea front.

3.5.2. Values are also affected by the size of the site, reflecting return on capital employed across a period of time, the cost of financing a purchase compared with the time taken to receive all site sales value. Sales rates obviously have a major effect on the overall financing, and most larger projects will seek to achieve around 35 - 40 sales per year in order to justify the land economics upon which the land purchase is based.

3.5.3. Currently, sales are much reduced, with 1 or 2 sales per month being common, which if replicated across the year, will result in annual rates of around 15 dwellings per year, which would be disastrous particularly for the volume house builders who require high volume sales across the country to justify overheads and to maintain economies of scale. Smaller developers have attempted to minimise sales rate falls by price adjustment to reflect market demand. The volume builders have the ability to offer considerable incentives to purchasers, including shared equity, whereby the developer retains a share (typically 25%), until such time as the property has increased in value to enable the purchaser to take 100%.

3.5.4. Sales rates are not only governed by the capacity of the market, but also, particularly in flat schemes, by achievable construction programmes. Value is also obviously affected by development costs, physical as well as costs derived from planning and other legal agreements.

3.5.5. A summary of the market in terms of the theoretically achievable land values, sales price per sq. ft, coverage and house types is shown in the table below:

Land value / net dev acre	**Sale price/sq ft**	**Coverage sq ft / acre**	**Target house types by market**
£750,000 to 1.2m per acre (£1.85m - £3m per hectare)	£150 - £300	15,000 - 18,000 for housing 20,000 - 24,000 for flats	Preference of developers is for traditional family housing with gardens. Many current new developments are for a mix of 1 & 2-bed flats and townhouses on 2.5 and 3-storeys. Specialist developers target the high density retirement market. Up-market schemes can achieve high prices in the best locations.

3.5.6. Overall, it is considered that, due to the still relatively high land values in the Adur, Worthing and Arun area, compared with competing uses such as employment land, it is unlikely that community gain obligations or abnormal development costs would adversely affect the economic viability for housing of any of the identified sites, and this has been endorsed by the Panel in considering actual sites.

3.5.7. Most abnormal development costs, (such as piled foundations, or remediation of contaminated land) can be able to be absorbed without falling below the value for alternative uses, such as general employment and warehousing land, (as opposed to office and retail); employment land (B1/B8) is worth about £200,000 per acre across the district. Housing land is worth at least £400,000 more per developable acre than employment land, which enables most instances of abnormal development costs to be allowed for, including affordable housing, still producing a higher land value.

3.5.8. Viability is an issue that may start to be raised by developers in negotiating planning obligations if the market does not recover, or indeed falls back still further. The other unknown issue is the effects of the Community Infrastructure Levy.

3.6. Residual valuation

3.6.1. To test the application of the market assessment and consider the achievability of sites, a small number of development appraisals have been undertaken for the West Sussex Councils. The purpose of the development appraisals are to test the viability of the sites for residential development in the current and future market context.

3.6.2. The case-study sites were chosen by each Council on the basis that they reflect a number of issues that brownfield sites across the area are currently facing – such as the relative land values between competing land-uses, the impact of Section 106 contributions or high cost of abnormalities such as flood prevention.

3.6.3. The critical viability issue is identifying the level that the land value has to reach before the development is considered viable and to establish reasonable landowner expectations of a residual land value, once all costs have been deducted. The approach we have taken is to assume that if a valuation arrives at a site value which is in reasonable excess of the current or alternative site value, the landowner will be targeted by developers, and the site will be delivered through the operation of the market.

3.6.4. Therefore, the definition of 'viability' for the purposes of this assessment is the attainment of a site value sufficiently in excess of the current site value that all stakeholders, including the purchaser and landowner, acting reasonably and rationally, would accept, thus securing delivery of the proposed development.

3.6.5. It should be noted that the development appraisals undertaken are based upon the best available knowledge at the current time. They provide an indication of the current situation but clearly, not all landowners will adhere to the same concept of reasonableness and rationality in defining viability.

3.6.6. In addition, development appraisals should be regularly reviewed as the situation will change in relation to both the market context and the level of detail available for costs (e.g. cost of contaminated land remediation) as more detailed technical work is undertaken.

Adur case study site: Riverside business centre, Shoreham-by-Sea

3.6.7. The case study site is a 1.3ha employment site situated in the centre of Shoreham with existing low density employment uses. The site is identified in the Shoreham Renaissance Strategy as a mixed use site with increased employment densities. The site assessment concludes that the site is suitable for a mix of uses (employment and residential) with 100 dwellings. The major issues affecting the viability include the level of employment uses compared with residential uses and the level of contribution sought for strategic flood mitigation.

3.6.8. The development appraisal assumes: a) retention of employment land to meet policy requirements; b) contribution to strategic flood mitigation as identified by the Environment Agency.

3.6.9. From the information available, it is considered that there is not a reasonable prospect that housing will be delivered on the site at the current time but the site does have potential to provide a suitable and achievable location in the future, subject to an improving market context, increasing the development density, the ratio of residential uses or reducing abnormal costs. Estimations have been included, however further on-site technical work will need to be undertaken to establish the true cost and the impact this has upon the site's viability.

3.7. Overall conclusion

3.7.1. As an overall conclusion, and despite the recent downturn, a summary of the views of agents, private housing developers and housing associations confirms a relatively strong underlying local market for both open market and affordable housing, which is temporarily depressed, but which is anticipated to be relatively strong in the foreseeable future.

3.7.2. No-one can predict accurately how long a recovery in the market will take, but most accept that markets operate in cycles. The last housing recession started in 1990 and did not recover until about 1995, but was caused by different economic circumstances.

3.7.3. The Councils will need to monitor carefully the housing market over the coming years in order to be able to respond in whatever way it can to assist in the provision of housing across the market area. This should be carried out when the annual SHLAA review takes place. This should investigate:

- Changes in developer house type preferences reflecting consumer demand

- Changes in selling prices and sales rates
- Factors affecting construction costs, including CIL and the Code for Sustainable Homes
- Changes in land values
- Changes in developers' ability to fund infrastructure and a community gain package.

4. Sites with Planning Permission for housing

4.1. Introduction

4.1.1. A major change from the previous system of Urban Potential Studies is the inclusion of sites with existing consent for housing development. The inclusion of this material is intended to provide a comprehensive view of the likely housing coming forward within an area.

4.1.2. Sites with planning permission for housing are the most deliverable, having already overcome any barriers to the principle of development from the planning system.

4.1.3. Sites with permission for housing in Adur District at 1 April 2008 are set out in a separate table in Appendix 2. The analysis of sites is split between large and small sites (more or less than 6 units) in order to reflect the information coming forward from site specific sources in later sections.

4.1.4. Monitoring information has been provided by West Sussex County Council based on the annual returns at 1 April 2008. The assessment of deliverability for large sites has been made having regard to the views of Council officers, in consultation with developers and agents.

4.1.5. Sites with planning permission on both brownfield and greenfield locations have been included, as have sites within any settlement in the District. This differs from the approach regarding site specific opportunities as the planning permissions have already been given and therefore form part of the available land.

4.1.6. Planning policy is likely to retain an increasing focus for development on brownfield locations within settlements and that is why the study concentrates on these locations in the first instance to identify current opportunities, set out in Section 5, before potential greenfield site opportunities for further investigation through the plan making process are considered in Section 6. This is consistent with a 'brownfield first' or 'sequential' approach to potential site selection.

4.1.7. Each planning consent will be limited by condition requiring commencement within 3 years or 5 years before 2006. Generally, the market for such sites is good, even allowing for current market conditions and it is considered that the majority will come forward for development during the next 5 years.

4.2. Large sites

4.2.1. The table in Appendix 2 shows that a total of **146 dwellings** may come forward from large sites with current planning permission.

4.2.2. Of these, 133 dwellings will be on brownfield sites whilst the remaining 13 dwellings will be on greenfield sites.

4.3. Small sites

4.3.1. Figures for small sites (less than 6 dwellings) with planning permission have also been provided and included in Appendix 2.

4.3.2. A total figure of **96 dwellings** is generated from this analysis, all of which are brownfield opportunities.

4.4. Summary

4.4.1. Analysis indicates that a total of **242 dwellings** have planning permission for development as at 1 April 2008 and are considered deliverable.

4.4.2. Of these, 92 dwellings will be in Lancing, 104 dwellings will be in Shoreham-by-Sea, 12 dwellings will be in Sompting and 34 dwellings will be in Southwick.

4.4.3. The Practice Guidance makes no reference to the requirement to discount any of these figures to reflect any non completion figure and it is not intended to do so for the purposes of this study.

4.4.4. The figures provide a clear indication of the level of housing which might come forward and there is considered to be no material reason why the full number cannot be achieved.

4.4.5. There may be some instances when sites do not come forward for unforeseen circumstances. However, it will be equally the case that, because of the absence of 100% knowledge of the future, other sites do come forward in the short term which otherwise have not been identified which will make up for any loss.

4.4.6. Given the absence of any windfall allowance in the first 10 years, it is considered wholly appropriate to adopt this approach as any sites coming forward within the short term will not be counted elsewhere.

4.4.7. It will, however, be for the Council to continually monitor the provision of housing land and completions in order to confirm that the figures are being achieved.

5. Site specific sources within settlements

5.1. Introduction

5.1.1. The identification of a range of sites from various sources is discussed in earlier sections; including sites previously proposed for development and those promoted through the 'call for sites' process. From this wide range of sources 98 sites were identified within the study settlements. Each site was mapped on the GIS base and linked to an access database to store information about the site and the assessment of its potential for housing.

5.1.2. These sites were visited by officers from the Council. Based on initial site assessments and an understanding of previous planning history where appropriate, the consultant team has identified a total of 32 sites within settlements which are considered to provide opportunities for housing within the current policy framework.

5.1.3. The list of these sites is included in Appendix 5 and each is considered in detail in Appendix 4. For each site, consideration of its particular characteristics, assessment of the local market and owner expectations all combined to provide a likely yield for the site and, in line with the practice guidance, was indicated in one of three time periods.

5.1.4. A large number of sites were considered as not being suitable, available or achievable and these are included in the list of rejected sites in Appendix 3.

5.1.5. A number of sites identified through the study, mainly from promotion by landowners or developers, were outside of existing settlement boundaries, within the countryside. These are considered not currently developable. However, they may be acceptable in the future if policy changes are made in Core Strategies or other DPDs resulting from requirements in the South East Plan to provide additional housing land. As a result, the future potential from these sites has been assessed, and the results of this exercise are set out in Section 6.

5.2. Findings

5.2.1. The analysis of sites indicates that from a total of **32 sites** identified across the study area, a total of **1147 dwellings** could potentially be developed in the period to 2023. The majority of these are considered likely to be developed in the period before 2018, within the first 10 years.

5.2.2. Within these figures there are a range of sources of housing which has been identified and the following sections break down the total figure above into the individual sources.

ALLOCATED SITES

5.2.3. A total of 223 dwellings have been identified as likely to come forward on the allocated Southlands Hospital site. There remains a commitment to bring forward this site and it is considered to provide a realistic opportunity for housing development.

SITES WITH PLANNING PERMISSION AFTER BASE DATE

5.2.4. A number of potential sites considered during the course of the study have received planning permission since the base date of 1 April 2008.

5.2.5. A total of 77 dwellings are therefore identified from this source as being demonstrably suitable, available and achievable.

SHOREHAM RENAISSANCE STRATEGY

5.2.6. The study has taken account of sites identified in the Shoreham Renaissance Strategy and where evidence has been forthcoming that suitable sites are genuinely available and capable of being delivered, they have been identified in the study.

5.2.7. As a result a total of 187 dwellings are indicated to come forward from sites previously identified in the Shoreham Renaissance Strategy.

SHOREHAM HARBOUR

5.2.8. The Government has recognised that Shoreham Harbour is an important brownfield site, the redevelopment of which will help the economic regeneration of the area and has awarded it provisional Growth Point status. A Joint Area Action Plan is currently being prepared by the three local authorities of Adur District, Brighton & Hove City and West Sussex County Council for the Shoreham Harbour Regeneration area. Whilst the precise boundary of this Plan has yet to be determined, detailed work is being undertaken to assess the capacity of sites within the Harbour area to accommodate development.

5.2.9. Some of the sites identified within this Strategic Housing Land Availability Assessment will fall within the Joint Area Action Plan Boundary. To avoid double counting, the total housing figures identified for Shoreham and Southwick may need to be adjusted to account for those sites affected by the Joint Area Action Plan

5.2.10. It is recognised that flooding is a major constraint in this area, and a sequential test and exceptions test have been undertaken in line with PPS25. Major new infrastructure will be required to overcome this constraint and additional funds may be available to help finance the infrastructure needed.

5.2.11. A total of 276 dwellings are identified to come forward from specific sites within the Harbour Joint Area Action Plan area. There may be additional potential from this "broad location".

EMPLOYMENT SITES

5.2.12. A number of the sites identified are presently in employment use. These are generally small sites in marginal employment locations often set within residential areas.

5.2.13. The protection of employment uses in order to provide for a balanced local economy remains a key aspect of sustainable development and to meet the economic needs of the coast and therefore the significant loss of employment land is resisted.

OTHER BROWN FIELD SITES

5.2.14. 384 dwellings are anticipated to come forward from other identified brownfield sites within the study settlements. These will come forward on a range of sites, from conversions of existing buildings, to redevelopment of land and buildings.

5.3. Summary

5.3.1. Following the methodology set out in Section 2 sites identified from the variety of sources have been assessed. Appendix 3 identifies all those sites which were identified but not considered to represent an opportunity for housing development, i.e. not currently developable.

5.3.2. Appendix 5 Site yields table lists the sites likely to come forward for housing and the potential housing yield split into 5 year periods. The detailed site assessment forms for these sites are set out in Appendix 4.

5.3.3. The total number of identified dwellings from all sources (on sites of 6 dwellings or over) is **1147 dwellings**.

5.3.4. Of these, 59 dwellings are identified from sites within Lancing, 661 dwellings from Shoreham-by-Sea, 80 dwellings from Sompting and 347 dwellings from Southwick.

6. Site specific sources outside settlements

6.1. Introduction

6.1.1. Planning Policy Statement 3 (PPS3) Housing requires local planning authorities to consider options for accommodating new housing growth and these options could include expansion of existing settlements through urban extensions.

6.1.2. The SHLAA Practice Guidance supports the surveying of specific locations outside of settlements for future housing potential. The "call for sites" consultation identified a number of these sites which landowners and developers wished to be considered as part of the SHLAA.

6.1.3. The Practice Guidance also requires that, where there is a shortfall of available housing sites compared with requirements, a SHLAA should identify broad locations for development which could include small extensions to settlements or where signalled by the relevant RSS major urban extensions, growth points, growth areas, new free-standing settlements and eco-towns.

6.1.4. However, this SHLAA cannot replace the appropriate process of plan making, which is the LDF. If this study, without appropriate public consultation and consideration of options, were to identify preferred locations for development, this would negate the LDF process and raise significant issues for the role of plan making.

6.1.5. Therefore the following analysis seeks to identify opportunities for future housing provision outside of existing settlements as evidence for the Adur LDF. This evidence will then be rightly considered through the appropriate plan making process in order to identify appropriate locations for development.

6.1.6. Key to this process will be the Core Strategy and its spatial strategy for the location of the future housing requirement for Adur. That strategy is currently being developed but is still at a relatively early stage. It may be that the strategy finally concludes that the most sustainable form of development will be for housing to be provided in a small number, or one, urban extension rather than dispersed through a number of sites across the District.

6.1.7. As part of undertaking Stage 7 of this SHLAA, the consultant team has concentrated on assessing specific identified greenfield sites, rather than seeking to assess broad locations, which the Council may need to undertake as part of Stage 9 of the Practice Guidance.

6.1.8. The methodology adopted in assessing site specific opportunities is set out in the section below, followed by the findings relating to each of the settlements considered.

6.2. Methodology

6.2.1. This study seeks to assess sites outside of settlement boundaries which may be potentially suitable for development in the future to meet housing requirements, subject to further analysis and scrutiny through the plan making process. In order to achieve this, a process has been followed to assess sites for development.

DESIGNATIONS AND CONSTRAINTS

6.2.2. Constraints relating to each of the settlements were considered. This follows advice in the Practice Guidance that the scope of any assessment should not be “narrowed down by existing policies designed to constrain development” but that “clear cut designations such as SSSI” (para 21) may be excluded from the areas of search.

6.2.3. The initial analysis considered the presence and extent of designations particularly focusing on the edge of the urban area for each settlement.

6.2.4. A review of all designations identified in local plans indicated that a certain number of them were considered to be “clear –cut” as they related to resources which were generally irreplaceable without significant cost, if at all.

6.2.5. These are generally wildlife, nature conservation and/or geological designations such as SSSI, SPAs, RAMSAR, RIGs, SNCIs and nature reserves.

6.2.6. In addition, designations which seek to protect the historic built environment such as Scheduled Ancient Monuments and historic parks and gardens were included in the initial analysis.

6.2.7. In terms of landscape, the Sussex Downs Area of Outstanding Natural Beauty and proposed South Downs National Park boundaries were also included in the initial analysis.

6.2.8. The initial analysis and later landscape appraisal (see below) have not treated the locally designated Strategic Gaps as identified in the Local Plan as clear cut constraints. Instead, we have accepted the principle of maintaining a strategic gap between settlements and have looked at the contribution that each site makes towards general openness and the aim of maintaining a strategic gap between settlements, through landscape assessment.

6.2.9. Finally, Flood Zones 2 and 3 were added to the list as they indicate areas where there may be greatest sensitivity to development.

6.2.10. All of these designations were mapped and this is reproduced in Appendix 8 on the settlement maps.

6.2.11. Areas or sites which are subject to clear cut designations and areas within flood zone 3b were rejected.

ACCESSIBILITY

6.2.12. Our usual approach in assessing the suitability of locations for development relates to the range of services located within settlements accessible by a range of modes of transport, notably walking and public transport.

6.2.13. However, in this case, the Council stated at the outset of the study that because of the relative size of the District and the relative urban nature of the geography, relative accessibility to services was not considered to be an important assessment tool as part of Stage 7 of the SHLAA.

LANDSCAPE APPRAISAL

6.2.14. A key consideration for identifying locations for future urban extensions is the characteristics of the landscape and its sensitivity to change.

6.2.15. This study has drawn heavily upon previously published material, notably the Urban Fringe Study carried out by Baker Associates for the Council in December 2006 which used landscape character assessment to identify potential development opportunities.

6.2.16. Building upon this work, all site specific opportunities were subject to site survey by Chris Enderby Associates and conclusions as to appropriateness or not for housing were added to the site assessment proformas.

6.2.17. Landscape appraisal information forms the basis for settlement conclusions on the housing capacity of sites. Further information regarding individual sites is included in Appendix 9.

YIELD

6.2.18. In many cases, sites promoted by developers or landowners have been subject to indicative layouts and masterplans which have established potential yields and desired mixes of uses. Where this is not the case, in order to give the Council some guidance about the potential level of dwelling yield from sites outside settlement boundaries, the study has made some basis assumptions about densities, taking account of the need for other land uses on site.

6.2.19. Generally, the larger the urban extension, the greater the need for land to be used for other supporting uses. A small site is likely to be all housing, possibly with a small area of public open space. A medium sized site may need distributor roads and strategic landscaping, resulting in a lower proportion for net residential. A large urban extension will have a correspondingly lower proportion of net housing land since there may be a requirement for employment, retail and community uses in addition to infrastructure and open space. In recognition of these factors, and recognising that this is not an exact science, the following density multipliers have been used in the first instance to calculate yields for the sites in this study.

Small (less than 1 ha) - 35/gross ha
Medium (1 - 10 ha) - 30/gross ha
Large (more than 10 ha) - 25/gross ha

6.2.20. In addition, we have looked at an adjacent urban fringe neighbourhood that appears to function well and have identified its net residential density utilising GIS. This has then been used to inform the greenfield site yield, taking care to make an allowance for the other land uses which should be located within a sustainable urban extension

6.3. Findings

Lancing

6.3.1. The principal designations within the Lancing area which restrict development outside settlement boundaries include the Sussex Downs AONB and proposed National Park to the north of the existing developed area (Howard Road/Mount Way) and north of the A27, the Lancing Ring Nature Reserve and adjacent areas of archaeological importance. To the east of Lancing, within the Strategic Gap, much of this land is located within flood zones 2 and 3.

6.3.2. Our assessment has identified that potential locations for any further expansion of Lancing in landscape terms include sites L/33/08 and L/34/08, together with the western portion of L/32/08. With the development of the land to the east as a golf course, these sites will become well contained from the rest of the gap to the east. Provided that the golf course development includes a comprehensive landscape scheme to create a new edge to the gap, there would appear to be potential for development on these sites, subject to the appropriate resolution of flooding and access issues. However, any development would need to be planned having regard to the potential visual impact on views from the proposed National Park to the north. It is noted that these sites appear to be located within flood zone 3 and therefore flooding remains a major constraint that will need to be considered further.

6.3.3. Sites L/31/08, L/35/08, L/36/08 and the western portion of site L/43/08, west of Broadway Park are also considered potential locations for development, in landscape terms, although it is considered most important that these sites are brought forward in a comprehensive fashion. However there is uncertainty as to the current availability of site L/43/08. There are important tree belts in this area which should be protected and reinforced as part of the development strategy. It is noted that these sites appear to be located within flood zone 3 and therefore flooding remains a major constraint that will need to be considered further, together with the identification of suitable access arrangements.

6.3.4. Sites L/39/08 and L/06/08 are currently within the AONB but are likely to be outside the proposed National Park. These sites contain scrubland which is currently well hidden from the higher ground of the AONB/National Park and subject to development being restricted to the southern sections and a strong landscape buffer to the north, have potential for development.

6.3.5. L/5/08, the eastern portion of L/32/08 (the golf course), L/41/08 and L/43/08 north and east of Broadway Park are not considered suitable for built development in landscape terms as these areas contribute significantly to maintaining the separation between Lancing and Shoreham. It is understood that site L/42/08 is proposed to be playing fields and therefore not available for housing development.

6.3.6. We conclude that there are 7 sites outside settlement boundaries within the Lancing area which may provide future potential subject to further consideration through the plan making process.

Shoreham-by-Sea

6.3.7. The principal designations within the Shoreham-by-Sea area which restrict development outside settlement boundaries include the South Downs AONB and proposed National Park to the north of the A27, and the Adur Estuary SSSI to the west and north of Shoreham. To the west of Shoreham, within the Strategic Gap, much of this land is located within flood zones 2 and 3.

6.3.8. We have not identified any of the sites outside of settlement boundaries at Shoreham-by-Sea which we have assessed as being suitable for housing development. SU/3/08 is located within the proposed National Park boundary and forms part of open downland. Whilst site SU/15/08 may be suitable for future employment uses, we consider its proximity to the A27 to provide an unacceptable residential environment. Site SU/16/08 is too remote from Shoreham to be considered a sustainable location for residential development. Site SU/33/08 mat be appropriate in landscape terms to accommodate some limited development, but the site provides an important recreation public open space which should be retained.

Sompting

6.3.9. The principal designations within the Sompting area which restrict development outside settlement boundaries are the South Downs AONB and proposed National Park to the north of the A27, a site of nature conservation importance to the west of Grasmere Avenue and old Sompting village conservation area, at West Street. Much of the southern portion of the strategic gap between Sompting and Worthing to the west is within flood zones 2 and 3.

6.3.10. Our assessment has identified that the most appropriate locations for any further expansion of Sompting are sites S/2/08, S/3/08 and S/4/08, which provide opportunities to establish a well planned “rounding off” of the settlement edge in these locations with an appropriate dense landscape buffer and access improvements within the local area. Such development could improve and strengthen the strategic gap between Sompting and Worthing.

6.3.11. Development of sites S/1/08 and S/6/08 are considered likely to adversely affect the character, appearance and setting of the conservation area and to undermine the perception of the gap between Sompting and Worthing. S/11/08 is located within the proposed National Park and development, other than minor development in the vicinity of the farmhouse which respects its setting, would exacerbate the prominence and impact of the existing adjacent suburb within the landscape.

6.3.12. We conclude that there are 3 sites outside settlement boundaries within the Sompting area which may provide future potential for about 335 dwellings, subject to further consideration through the plan making process.

Southwick

6.3.13. The principal designations within the Southwick area which restrict development outside settlement boundaries include the South Downs AONB and proposed National Park to the north of the A27 and to the south of the A27 in the vicinity of Hill Farm Way / Downs Way.

6.3.14. We have not identified any of the sites outside of settlement boundaries at Southwick which we have assessed as being suitable for housing development. Site SW/3/08 lies within the AONB and proposed boundary of the National Park, is open and visually exposed and is wholly unsuitable for development. Site SW/06/08 is crossed by overhead powerlines and has no vehicular access.

6.4. Summary

6.4.1. Following the methodology set out above 25 sites outside settlement boundaries identified from the variety of sources have been assessed. Appendix 6 identifies all those sites which were identified but not considered currently to represent a future opportunity for housing development.

6.4.2. Appendix 7 sets out site assessment forms for those 10 sites outside settlement boundaries considered as having future potential for housing, subject to further consideration through the plan making process.

6.4.3. The total number of identified dwellings from future potential sites, taking account of the need for other uses is **1475 dwellings**.

6.4.4. Of these, 1140 dwellings are identified from sites outside Lancing and 335 dwellings from outside Sompting.

7. Conclusions

7.1. Sources of housing potential

7.1.1. The SHLAA Practice Guidance identifies that once site assessments have been completed, the housing potential of all sites can be summarised in the form of an indicative housing trajectory, setting out how much housing can be provided and at what point in time.

7.1.2. The following table summarises the potential housing supply in Adur District which has been identified from sites with planning permission at 1 April 2008 and from site specific sources both within and outside the study settlements. Appendix 10 sets out these sources of housing potential for Lancing, Shoreham-by-Sea, Sompting and Southwick.

Source of housing potential	2008 - 13	2013 - 18	2018 - 23	2008 - 23
Sites with planning permission				
Large sites	127	19	0	**146**
Small sites	96	0	0	**96**
Site specific sources (identified through survey)				
Sites within settlements	399	736	12	**1147**
Sites outside settlements	41	834	600	**1475**
Total housing	**663**	**1589**	**612**	**2864**
Average per annum	**133**	**318**	**122**	**191**

7.2. Further requirements

7.2.1. This study includes an assessment of sites for their housing potential following the methodology set out in Stage 7 of the CLG Practice Guidance. However, this is only part of a complete SHLAA and we recommend that the Council takes forward the site assessments within this study to prepare, as part of Stage 8, a full indicative housing trajectory which will establish housing potential within Adur District set against the regional requirements set out in the South East Plan and the PPS3 requirement to provide a rolling 5 year supply of housing land. Any shortfall may require the Council to consider other greenfield land not assessed as part of Stage 7 and/or an assessment of any windfall potential after 10 years.

7.2.2. Our assessment of sites within settlement boundaries has identified a significant number of sites which we consider suitable for development, but which are currently not available for development. As part of each site assessment contained within the accompanying database, we identify those sites which we consider the Council needs to actively monitor on a regular basis, to determine their future availability. One greenfield site which we consider may have future potential has unknown availability and the Council needs to engage with the promoters through the plan making process.

7.2.3. Our assessment of sites outside of settlement boundaries has been based upon landscape appraisal and avoiding clear cut designations and constraints. We recommend that, as part of the development of the Core Strategy, further detailed assessment of potential greenfield sites is carried out, including an assessment of accessibility to current and proposed services and facilities, further flood risk modelling and an investigation of the infrastructure requirements of new urban extensions.

7.2.4. This study includes a market assessment and various techniques have been used to determine the achievability of sites. Whilst the current market is challenging, one of our main conclusions is that within Adur District there is a relatively strong underlying local market for both open market and affordable housing, which is temporarily depressed, but which is anticipated to be relatively strong in the foreseeable future. Whilst housing completions will slow for the next 1-3 years therefore and the mix of house types may change, we consider most suitable and available sites are capable of being delivered over the next 5, 10 and 15 years.

7.2.5. We consider that it would be useful for the Council to regularly review the state of the market and deliverability issues, perhaps through setting up a stakeholder group of developers and agents as part of the development of the Core Strategy and its delivery plan.

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