

**ABERDEEN CITY & SHIRE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY**

Date: 18 September 2009

Title: Housing Land Audit 2009

1 Purpose of Report

1.1 The purpose of this report is to advise the Strategic Development Planning Authority of the results of the 2009 Housing Land Audit (**Appendix 1**).

2 Background

2.1 The purpose of the annual Housing Land Audit (HLA) is to measure the quantity of land for available for new housing in Aberdeen City and Aberdeenshire.

2.2 At the base date for the Audit (1 January 2009), the structure plan in force was the Aberdeen and Aberdeenshire Structure Plan 2001 (NEST). Both Scottish Government SPP3 and NEST Policy 7 policy required that a minimum effective supply of 5 years worth of land should be maintained at all times. Although a new structure plan was approved by Scottish Ministers on 14 August 2009, this was after the audit date and will be taken into account in the 2010 Audit.

2.2 The Audit is prepared jointly by Aberdeen City and Aberdeenshire Councils in consultation with the housebuilding industry and relevant bodies including Scottish Water, SEPA, Scottish Government (Housing Investment Division) and Cairngorms National Park Authority.

The 2009 Housing Land Audit

2.3 Before discussing the Audit, it is useful to clarify the precise meaning of a number of commonly used phrases.

The total land supply is known as the **Established Supply** and this is divided into three main categories:

- The **Constrained Supply** consists of those sites which have problems such as drainage, access or marketability making it unlikely that development will start within five years from the base date of the Audit (1st January each year).
- The **Five Year Effective Supply** contains all units on sites which do not have constraints or where a constraint is likely to be lifted and are therefore expected to come forward within five years, plus the contribution from small sites. This is the figure used to measure the adequacy of the land supply for Structure Plan monitoring purposes.
- The **Post Five Year Effective Supply** contains all remaining units on effective sites which are programmed beyond the five year period as a

result of factors such as lead in times, the capacity of the developer and local market conditions.

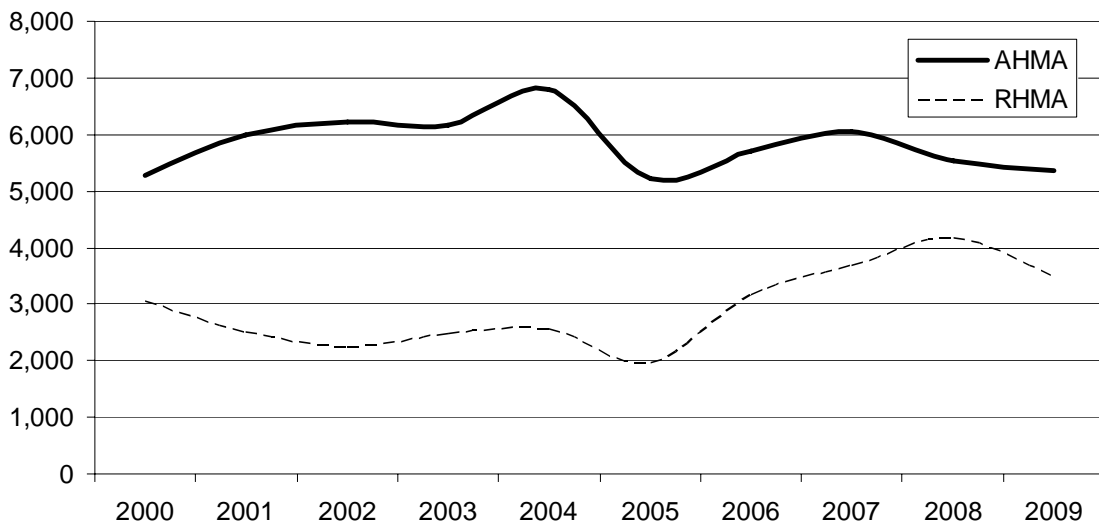
- 2.4 The housing land audit is divided up by Housing Market Area (HMA). The Aberdeen HMA includes Aberdeen City and the part of Aberdeenshire which forms roughly a 30km radius of the City boundary while the Rural HMA takes in the rest of Aberdeenshire.
- 2.5 On 1 January 2009 (the base date for the 2009 Audit) the established land supply in the Structure Plan Area extended to 14,973 units, 8,521 of which were in the Aberdeen Housing Market Area (AHMA), with 6,452 in the Rural Housing Market Area (RHMA). Of these, 20% in the AHMA and 39% in the RHMA are constrained. In the effective supply, 5,348 units in the AHMA and 3,468 units in the RHMA are expected to come forward within five years. This figure includes the estimated contribution from small sites of 530 units in the AHMA and 745 units in the RHMA. This leaves 1,443(AHMA) and 481(RHMA) units on effective sites programmed beyond the five year period.

Figure 1: Land Supply by Housing Market Area

| | Aberdeen HMA | Rural HMA | Structure Plan Area TOTAL |
|------------------------------|---------------------|------------------|----------------------------------|
| Effective (5 Yr) | 5,348 | 3,468 | 8,816 |
| Effective (Post 5 Yr) | 1,443 | 481 | 1,924 |
| Constrained | 1,730 | 2,503 | 4,233 |
| Established | 8,521 | 6,452 | 14,973 |

- 2.6 The five year effective land supply across the Structure Plan Area has decreased by 9% since 2008. In the Aberdeen HMA, there was a decrease of 3%. In the Rural HMA, there was a 16% decrease. A longer historical perspective is provided in Figure 2 below.

Figure 2: Effective (5 yr) Land Supply since 2000



- 2.7 61% of the five year effective land supply in the Structure Plan Area is located in the Aberdeen HMA.
- 2.8 An integral part of the process of preparing the Housing Land Audit is consultation with representatives of the housebuilding industry and other interested parties in order to try to reach agreement on the effective land supply (see **Appendix 2**: minute of meeting on 12 June 2009).
- 2.9 This year, the consultees disputed 569 units on 5 sites in the Aberdeen HMA. In particular, the consultees disputed the inclusion of local plan sites (525 units) that are owned by Aberdeen City Council.
- 2.10 All of the consultees present at the Housing Land Audit consultation meeting disputed the inclusion in the Housing Land Audit of local plan sites that are owned by Aberdeen City Council. The consultees believe that SPP3 guidance issued by the Scottish Government clearly states that ownership is a factor when determining whether a site is effective or not. Further advice is given stating that a site which is in the ownership of a local authority should only be included where it is part of a programme of land disposal. The consultees also believe that as at 1 January 2009 these sites had not been formally released as part of a land disposal exercise and indeed subsequent to this date the Council deferred any marketing of the sites on the advice of consultants.
- 2.11 However, Aberdeen City Council believe that these sites are included in a list of capital receipts anticipated for the Council over the next 5 years and indeed were part of a list of sites recently submitted to the Scottish Government as being available for affordable housing. The Council has been actively working towards the disposal of all three of the sites. In terms of Pinewood and Hazeldene, the position as at 1 January was that the Resources Management Committee had on 30 September 2008, instructed Council officers to maintain a dialogue with the various interested parties with a view to concluding a favourable sale of these sites by the Council.
- 2.12 At that meeting the Committee also reaffirmed the Council's commitment to the inclusion of these sites in the Local Plan and planning applications have been approved for both. In terms of Greenferns, on 18 January 2008 the Resources Management Committee agreed to the preparation of a masterplan for the site and for funding to be allocated for the alteration works to Auchmill Golf Course to facilitate the development of the site. Since then the masterplan has been progressed, alterations to the golf course have planning permission and the required agricultural land is being resumed, all with a view to the Council releasing this site for residential land.
- 2.13 On that basis the Council has come to the view that for the 2009 Housing Land Audit delivery of the allocated units in the period 2011-2013 remains a realistic programme for the development of these sites.
- 2.14 Another reason for dispute concerned sites specifically for retirement housing (44 units). These sites were also disputed in the 2007 and 2008 audits. The housebuilding industry argue that these sites should not be included in the audit on the basis that buyers have to be over 55 years of age and therefore houses

are not available on the open market. The two Councils disagree with this view and consider that these sites should be included, a position supported by recent appeal decisions.

- 2.15 The consultees would like to see long term constrained sites (over 10 years) removed from the Housing Land Audit, although it was agreed that these would remain, but be separately highlighted. Policy planners would then consider their exclusion from future Local Development Plans.
- 2.16 The consultees expressed concern at how the results and implications of the Housing Land Audit have been reported to local Councillors and committees. They were of the opinion that for Aberdeenshire the audit should be reported to the Infrastructure Services Committee as an agenda item and consideration should also be given to informing each of the Aberdeenshire Area Committees. These concerns have been forwarded to the relevant officers.

3 Housing Land Supply

- 3.1 In order to measure the adequacy of the land supply, the number of units in the effective land supply must be measured against the “5-year requirement”. Fundamentally, it is against the 2001 Structure Plan requirement, found in Table 2, p30 in NEST (North East Scotland Together) that the adequacy of the land supply must be measured. In addition, the Structure Plan itself is monitored with reference to the most up-to-date forecasts which are currently the 2007 Strategic Forecasts (2007SF). Figure 3 shows these two comparisons. It should be noted that during the consultation process, consultees disputed the continued use of NEST Table 2. However, the new Structure Plan had not yet been approved by Scottish Ministers on 1 January 2009, the base date of the audit, but this area of disagreement will not exist in future Audits.

Figure 3: Comparison of Housing Land Supply against Requirements

| Source of Housing Requirement | Housing Market Area | Housing Requirement 2008-2012 | Effective Supply 2008 | No. of Years Supply |
|---|----------------------------|--------------------------------------|------------------------------|----------------------------|
| Structure Plan Housing Requirement (Table 2) | Aberdeen HMA | 4,800 | 5,348 | 5.6 |
| | Rural HMA | 2,025 | 3,468 | 8.6 |
| 2007 Strategic Forecast Housing Requirement | Aberdeen HMA | 9,995 | 5,348 | 2.7 |
| | Rural HMA | 3,100 | 3,468 | 5.6 |

- 3.2 It can be seen that when compared with the 2001 Structure Plan housing requirement, the supply exceeds 5 years in both housing market areas, with 5.6 years in the Aberdeen HMA and 8.6 years in the Rural HMA. However, the more recent 2007 Strategic Forecast “requirement” is considerably higher and using this, the supply would fall to 2.7 years in the Aberdeen HMA. In the Rural HMA, the supply remains above five years at 5.6 years.

- 3.3 The 2001 Structure Plan provides additional figures in Table 3 which include headroom flexibility in support of the promotional policies of the plan. Figure 4 shows this comparison and indicates that using these figures would give a land supply of 4.6 years in the AHMA and 7.7 years in the RHMA.

Figure 4: Comparison of Housing Land Supply against NEST Table 3

| HOUSING MARKET AREA | NEST (Table 3) 2008- 2012 | Effective Supply 2008 | No. of Years Supply |
|----------------------------|----------------------------------|------------------------------|----------------------------|
| Aberdeen Area | 5,780 | 5,348 | 4.6 |
| Rural Area | 2,240 | 3,468 | 7.7 |

- 3.4 It is also useful to compare the land supply totals with past rates of new house completions. Figure 5 shows total completions for the last five years in each housing market area and compares this with the land supply to give an indication of how many years supply there would be if completions continue at this same rate. This would give 3.7 years for the AHMA and 6 years for the RHMA.

Figure 5: Comparison of Housing Land Supply against Completions

| HOUSING MARKET AREA | Total completions 2003-2007 | Effective Supply 2008 | No. of Years Supply |
|----------------------------|------------------------------------|------------------------------|----------------------------|
| Aberdeen Area | 7,268 | 5,348 | 3.7 |
| Rural Area | 2,871 | 3,468 | 6.0 |

- 3.5 The current downturn in the housing market is likely to have an impact on completion rates in 2009 and in future years. Monitoring work is ongoing (some of which is outlined in another report on this agenda) and a clearer picture of the likely extent of this impact will emerge as work gets underway on the 2010 Housing Land Audit.

4 Implications

- 4.1 The 2009 Audit has demonstrated a small decline in the effective land supply during 2008. Against a 2001 Structure Plan requirement (Nest Table 2) it fell from 5.7 years in 2008 to 5.6 years in 2009 in the AHMA and from 10.1 years to 8.6 years in the RHMA.
- 4.2 However, the process for augmenting the supply through the new set of development plans is now well advanced. The new structure plan approved by Scottish Ministers on 14 August 2009 provides for significant land releases in both Housing Market Areas which will be delivered through the local development plans by both councils. This will have a major impact on the

availability of land for new housing in the years ahead in addition to other sources such as constrained sites becoming effective, windfall opportunities in brownfield locations and sites brought forward which are currently programmed for development beyond 2013.

5 Conclusions

- 5.1 The effective housing land supply identified in the 2009 audit is 5,348 units in the AHMA and 3,468 units in the RHMA. This equates to a land supply of 5.6 years and 8.6 years respectively, when measured against the 2001 Structure Plan's requirement (Table 2). When measured against the more recent 2007 Strategic Forecasts however, there is a land supply of 2.7 years in the AHMA and 5.6 years in the RHMA.

6 Recommendations

- 6.1 It is recommended that the SDPA note the contents of the 2009 Housing Land Audit.

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