

ABERDEEN CITY & SHIRE
STRATEGIC DEVELOPMENT PLANNING AUTHORITY

Date: 10 September 2010

Title: Housing Land Audit 2010

1 Purpose of Report

- 1.1 To advise Members of the results of the 2010 Housing Land Audit (attached as **Appendix 1**).

2 Background

- 2.1 The purpose of the annual Housing Land Audit (HLA) is to measure the quantity of land available for new housing in Aberdeen City and Aberdeenshire. Scottish Government planning policy (SPP) requires that a minimum effective supply of 5 years worth of land should be maintained at all times.
- 2.2 The Audit is prepared jointly by Aberdeen City and Aberdeenshire Councils in consultation with the housebuilding industry, landowners and relevant bodies including Scottish Water, SEPA and Scottish Government (Housing Investment Division).

The 2010 Housing Land Audit

- 2.3 Before discussing the Audit, it is useful to clarify the precise meaning of a number of commonly used phrases.
- 2.4 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.
- 2.5 The Housing Land Audit is divided up by Housing Market Area (HMA). The Aberdeen Housing Market Area (AHMA) includes Aberdeen City and the part of Aberdeenshire which forms roughly a 30km radius of the City boundary, while the Rural Housing Market Area (RHMA) takes in the rest of Aberdeenshire. Sites within the Cairngorms National Park have been

excluded as this area of Aberdeenshire does not form part of the new Structure Plan.

- 2.6 On 1 January 2010 (the base date for the 2010 Audit) the Established Supply in the Structure Plan Area extended to 14,749 units, 8,961 of which were in the AHMA, and 5,788 in the RHMA. Of these, 33% in the AHMA and 45% in the RHMA are constrained. In the Effective Supply, 5,019 units in the AHMA and 2,832 units in the RHMA are expected to come forward within five years. This figure includes the estimated contribution from small sites of 485 units in the AHMA and 755 units in the RHMA. This leaves 980(AHMA) and 356(RHMA) units on effective sites programmed beyond the five year period.

Figure 1: Housing Land Supply by Housing Market Area

	Aberdeen HMA	Rural HMA	Structure Plan Area (TOTAL)
Effective (5 Yr)	5,019	2,832	7,851
Effective (Post 5 Yr)	980	356	1,336
Constrained	2,962	2,600	5,562
Established	8,961	5,788	14,749

- 2.7 The Five Year Effective Supply across the Structure Plan Area has decreased by 11% since 2009. In the AHMA, there was a decrease of 6%. In the RHMA, there was an 18% decrease.
- 2.8 64% of the Five Year Effective Supply in the Structure Plan Area is located in the AHMA.
- 2.9 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 Supply (see Appendix 2: minute of meeting on 18 June 2010).
- 2.10 This year, Homes for Scotland disputed 96 units on two sites in the AHMA. The reason for the dispute concerned sites specifically for retirement housing. These sites were also disputed in the 2007, 2008 and 2009 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 are confident that these sites should be included, a position supported by recent appeal decisions.
- 2.11 The consultees from the housebuilding industry would like to see many long term constrained sites (over 10 years) removed from the Housing Land Audit. The two Councils are of the view that the Local Development Plan process of renewal and review is responsible for both the allocation of sites and the removal of sites where necessary. The purpose of the Housing Land Audit is to monitor the progress of these sites. In a similar approach to last year, it was agreed that these sites would remain in the Audit, but be separately highlighted so that Policy Planners could consider whether those sites should be carried forward to future Local Development Plans.
- 2.12 The consultees from the housebuilding industry expressed concern at how the results and implications of the Housing Land Audit are reported to Councillors and Committees. The two Councils are of the view that the Audit should continue to be reported to the Strategic Development Planning Authority

(SDPA) whose role is to consider the implications and request the Councils to take action as necessary. Within both Councils, the Audit is put forward to the respective planning committees as an Information Bulletin, Infrastructure Services Committee in Aberdeenshire and Enterprise, Planning and Infrastructure in Aberdeen.

Housing Land Supply

- 2.13 Scottish Planning Policy states that local authorities should ensure that a supply of effective land for at least 5 years should be maintained at all times to ensure a continuing generous supply of land for house building. In order to measure the adequacy of the housing land supply, the number of units in the Effective Supply must be measured against the housing requirement in the Structure Plan.

Figure 2: Comparison of Housing Land Supply Against Housing Requirement

Source of Housing Requirement	Housing Market Area	Housing Requirement 2010-2014	Effective Supply 2010	No. of Years Supply
Structure Plan Housing Requirement	Aberdeen HMA	9,887	5,019	2.5
	Rural HMA	3,184	2,832	4.4

- 2.14 Figure 2 above shows the Effective Supply in each of the housing market areas and compares this with the 5 year housing requirement from the Structure Plan. It can be seen that when compared with the housing requirement, the housing land supply of 2.5 years in the AHMA does not meet the five year requirement. In the RHMA the housing land supply has fallen below the five year requirement to 4.4 years.
- 2.15 The housing requirement in the new Structure Plan is considerably higher than that in the previous Structure Plan, which was in force for the 2009 Housing Land Audit. This has resulted in the reduction in the number of years supply between the 2009 Audit and the 2010 Audit.
- 2.16 However, the Effective Supply in the AHMA for 2010 has only fallen by 329 units (6%) when compared with the same for 2009. In the RHMA the Effective Supply has fallen by 636 units (18%) since 2009.

3 Implications

- 3.1 The process for augmenting the supply through the new set of local development plans is now well advanced. Within Aberdeenshire, the Proposed Local Development Plan was approved by Full Council on 24 June 2010. Following a period to consider representations, it is intended to submit the Plan to Scottish Ministers by January 2011 and it is anticipated that the Plan will be adopted by October 2011. Sites which have been through the Main Issues Report and Proposed Plan consultation periods and have proved to be non-contentious may be recommended as departures to the current plan. While such sites will be subject to the policy requirements of the Proposed Plan and will be considered on a case by case of basis, they could augment the housing land supply from 2011 onwards.

- 3.2 Aberdeen City Council is also close to publishing a Proposed Local Development Plan, to be reported to Full Council on 18 August 2010. The Development Plan Scheme sets out a timetable for adoption and it is expected that the plan will be adopted by April 2012. As the plan gains more weight through the process there may be the potential to include allocations that are less controversial in the Audit to augment the housing land supply. The inclusion of sites as having agreed potential would only follow an agreement by committee. An agreement would not be able to be reached until an assessment of the representations on the Proposed Plan has been made.
- 3.3 In total, the two Local Development Plans should add over 21,000 units to the Established Supply in the AHMA and almost 6,000 in the RHMA, which would help to ensure a 5 year supply.
- 3.4 For Aberdeen City Council this Audit highlights a significant increase in the Constrained Supply between the 2009 and 2010 audits. There are two key factors in this increase. Firstly, large greenfield allocations that are in Council ownership have been constrained, because the Council was unable to provide evidence or confirmation that the sites will be put to the market and allow development to come forward within a 5 year period. Secondly, there are a number of large brownfield sites that have become less viable in the current financial market. The Council has committed to delivering the sites within their ownership to meet the requirements of the Local Plan, but the inclusion of these sites as constrained in the Housing Land Audit will encourage the Council to take steps to remove constraints to their delivery. Therefore, it is important that the Council moves towards placing these sites in a publicly available programme of land disposal as quickly as possible.

4 Conclusions

- 4.1 The Effective Housing Land Supply identified in the 2010 audit is 5,019 units in the AHMA and 2,832 units in the RHMA. This equates to a housing land supply of 2.5 years and 4.4 years respectively when measured against the Structure Plan requirement. It is therefore important this supply is augmented through the adoption of new Local Development Plans as quickly as possible.

5 Recommendations

- 5.1 It is recommended that the SDPA note the contents of the 2010 Housing Land Audit and endorses the Councils' approach to address the Effective Housing Land Supply through the rapid preparation and adoption of new Local Development Plans.

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