

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

Date: 23 September 2011

Title: Housing Land Audit 2011

1 Purpose of Report

- 1.1 The purpose of this report is to advise Members of the results of the 2011 Housing Land Audit (attached as **Appendix 1**) and its implications for the housing land supply position.

2 Background

- 2.1 The annual Housing Land Audit (HLA) measures the quantity of land available for new housing in Aberdeen City and Aberdeenshire. Scottish Government planning policy (PAN 2/2010) 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 2011 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.
 - 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 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.

- 2.5 As shown in Figure 1 below, on 1 January 2011 (the base date for the 2011 Audit) the Established Supply in the Structure Plan Area extended to 18,325 units, of which 11,224 were in the AHMA, and 7,101 in the RHMA. Of these, 42% in the AHMA and 32% in the RHMA are constrained. In the Effective Supply, 5,245 units in the AHMA and 3,321 units in the RHMA are expected to come forward within five years. This figure includes the estimated contribution from small sites of 455 units in the AHMA and 745 units in the RHMA. This leaves 1,288 (AHMA) and 1,537 (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)	5,245	3,321	8,566
Effective (Post 5 Yr)	1,288	1,537	2,825
Constrained	4,691	2,243	6,934
Established	11,224	7,101	18,325

- 2.6 The Five Year Effective Supply across the Structure Plan Area has increased by 9% since 2010. In the AHMA, there was an increase of 5%. In the RHMA, there was a 17% increase. This is largely due to the addition of a number of new sites from the Aberdeenshire proposed Local Development Plan (LDP), progress on some previously constrained sites allowing them to enter the effective supply and consents granted on windfall sites.
- 2.7 61% of the Five Year Effective Supply in the Structure Plan Area is located in the AHMA.
- 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 Supply (see **Appendix 2**: minute of meeting on 17 June 2011). This year, the main area of dispute was over the inclusion of the proposed LDP sites in the audit. 165 units in the Aberdeen HMA effective supply are disputed (3%), and 367 units in the Rural HMA (14%).
- 2.9 Proposed LDPs for Aberdeen City and Aberdeenshire have been submitted to Scottish Ministers for Examination with recommendations expected by the end of 2011. These plans allocate large number of units for housing development and it is important that the audit takes into account this significant contribution to the housing land supply. Scottish Government Planning Advice Note 2/2010 states that a Housing Land Audit may include “other land with agreed residential potential”, such as land indentified for housing in proposed Local Development Plans” (p16,para 51). However, because the plans had not yet been through the Examination at the base date of the audit, there was still the possibility of changes to the housing allocations.
- 2.10 In recognition of this, the two councils agreed a set of criteria to determine which of the sites from the proposed LDPs should be included in the 2011 audit – the objective being to include sites which were likely to come forward in the short-medium term, and those where the allocation was unlikely to

change as a result of the Examination. The three criteria were:

- sites with no unresolved objections;
- sites with a current planning application; and
- sites with a Proposal of Application Notice (POAN)

- 2.11 The intention was to provide a clear process for determining which sites from the proposed LDPs should be included at this stage. The application of this set of criteria resulted in the inclusion of a range of sites from the Aberdeenshire LDP, but none from Aberdeen City LDP.
- 2.12 During the consultation process, representatives from the housebuilding industry raised concerns about the criteria used and were of the view that these sites should not be included. It was decided that these sites would remain in the audit and build rates were agreed on a number of sites with the developers concerned. However, all of the LDP sites would be marked as disputed by the housebuilding industry.
- 2.13 The proposed new settlement of Elsick was included in the audit as it met the agreed criteria by having had a POAN submitted. During the consultation process a considerable amount of uncertainty was expressed by representatives from the housebuilding industry concerning the projected build rate for the site based on the information available at that time. In view of the unique nature and scale of the development, agreement on the build rate could not be reached and it was decided that the units would initially enter the established but not the effective land supply and the site be reviewed again for the next audit. It is expected that with further information having been made available, the units will then move into the effective supply.

Housing Land Supply

- 2.14 Scottish Government planning policy (PAN 2/2010) 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.
- 2.15 Figure 2 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 2.7 years in the AHMA does not meet the five year requirement. In the RHMA the housing land supply meets the requirement at 5.2 years.

Figure 2: Comparison of Housing Land Supply Against Housing Requirement

Source of Housing Requirement	Housing Market Area	Housing Requirement 2011-2015	Effective Supply 2011	No. of Years Supply
Structure Plan Housing Requirement	Aberdeen HMA	9,887	5,245	2.7
	Rural HMA	3,184	3,321	5.2

- 2.16 The housing requirement in the current Structure Plan is considerably higher than that of the previous Structure Plan. However, the majority of the sites

allocated in the proposed Local Development Plans to help meet this requirement have not yet entered the audit.

3 Implications

- 3.1 The process for augmenting the housing land supply through the Structure Plan and subsequent Local Development Plans is nearing completion.
- 3.2 The Examination into both Local Development Plans is expected to be completed by the end of 2011, with a view to adoption in early 2012.
- 3.3 In total, the two Local Development Plans will add over 21,000 units to the Established Supply in the AHMA and almost 6,000 in the RHMA. These are significant quantities of land, representing the equivalent of a 10-year supply against the Structure Plan requirement (in addition to the existing supply). While not all of these units are in the 5-year effective land supply in the 2011 Audit, they will provide a significant boost to the land supply over the coming years and facilitate meeting the housebuilding targets set out in the Structure Plan.
- 3.4 As a consequence of the progress of the two Local Development Plans, the augmentation of the land supply is now only a few months away and no further action is required beyond progressing the two Local Development Plans as quickly as possible.

4 Conclusions

- 4.1 The Effective Housing Land Supply identified in the 2011 audit is 5,245 units in the AHMA and 3,321 units in the RHMA. This equates to a housing land supply of 2.7 years and 5.2 years respectively when measured against the Structure Plan requirement.

5 Recommendations

- 5.1 It is recommended that the SDPA note the contents of the 2011 Housing Land Audit and that no further action is proposed to augment the supply.

Dr Margaret Bochel
Head of Planning & Sustainable Development
Aberdeen City Council



Robert Gray
Head of Service – Planning and Building
Standards
Aberdeenshire Council



Report prepared by:-
Louise MacSween, Planning Trainee, Aberdeen City Council
Mel Greig/Sarah Shaw, Senior Information & Research Officer, Aberdeenshire Council
Date: August 2011