

## Housing Policies

### Policy H 1

**Local Plans will make provision for the construction of about 31,100 new dwellings in Warwickshire over the period 1996-2011.**

**In each district area, provision will be made in local plans to maximize the number of dwellings being built on urban previously developed land.**

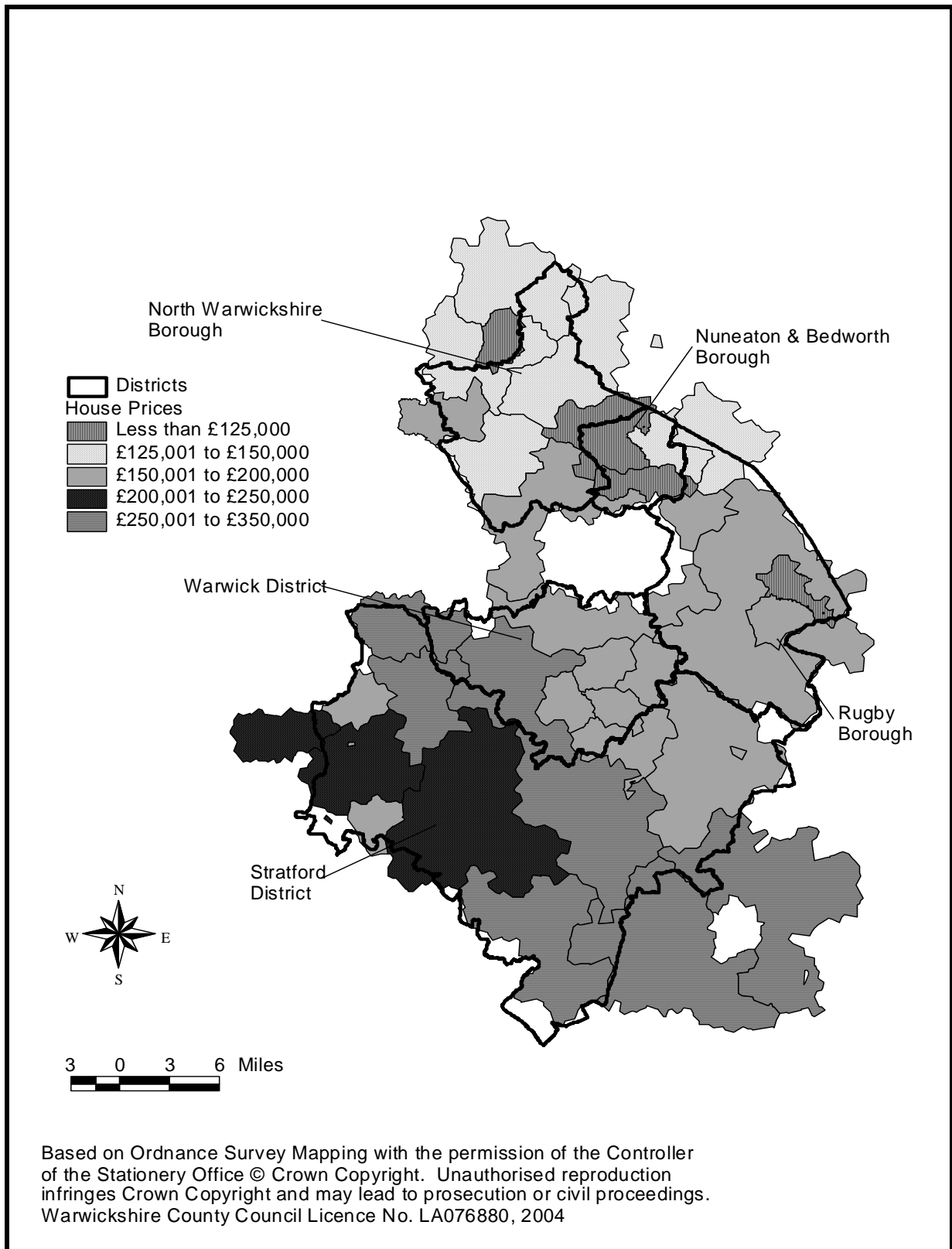
### Context of Current Housing Market

The West Midlands region saw a 17% increase in average house prices between the last quarter of 2002 and the same period in 2003 – a slow-down on the previous year's increase of 30% (*Nationwide House Prices Quarterly Review, 2003*). Nationally, turnover has slowed down as potential first-time buyers have decided not to enter the market, due to high house prices. Nationwide's Group Economist observes that, "the low number of first-time buyers is a sign that the market is cooling naturally."

*Figure 5* illustrates the context of the housing market across Warwickshire, with highest house prices emerging across the southern belt of the County. Higher demand for houses in this part of the County means that the cycle described above applies particularly to this area, with considerable problems for those unable to afford these prices.

Average house prices across Warwickshire as a whole have increased by over 30% between the third quarter of 2001 and the same period in 2003 (*Land Registry, 2003*).

**Figure 5: Average Price of all Properties in Warwickshire by Postcode Sectors (October – December 2003)**

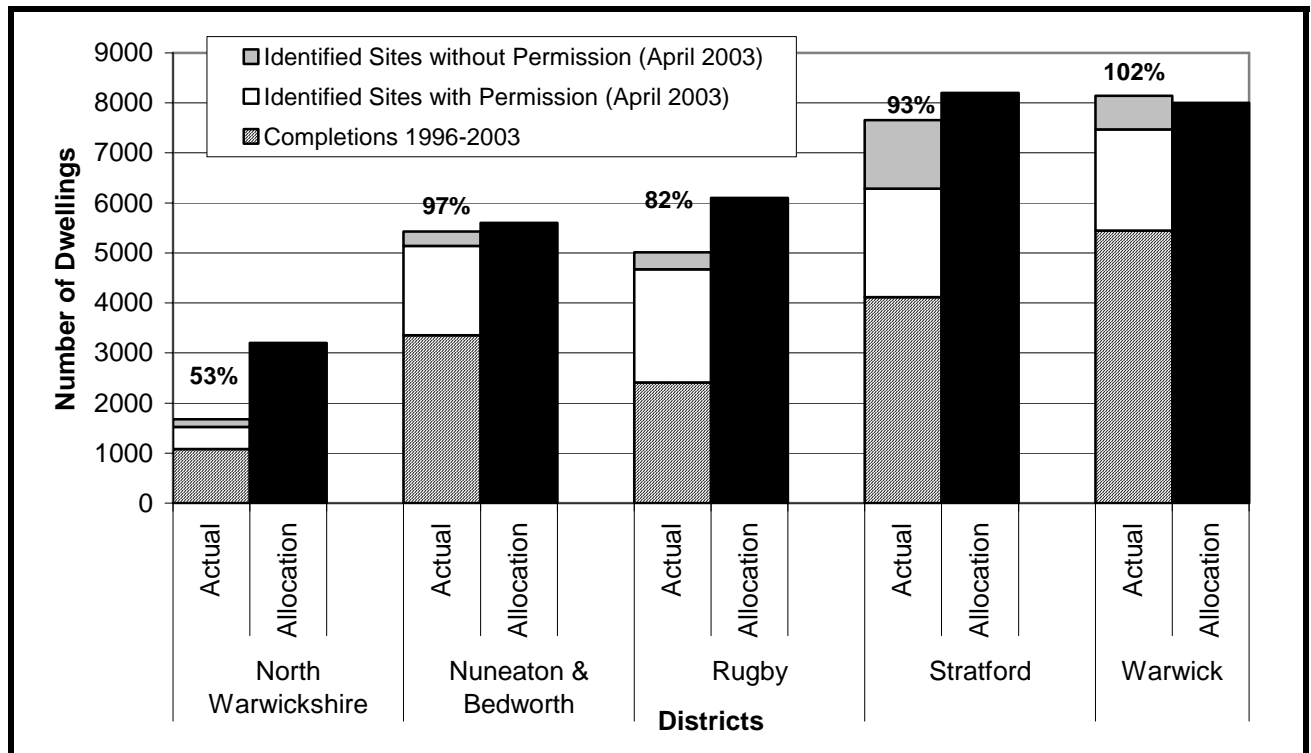


Source: Land Registry, 2003

## Progress towards WASP Housing Provision

The WASP has made provision for around 31,100 new dwellings in Warwickshire between 1996 and 2011. Just over half of these dwellings are to be located in Warwick and Stratford Districts (*Figure 6*).

**Figure 6: Housing Land: Progress of Completions and Identified Sites towards WASP Housing Allocations**



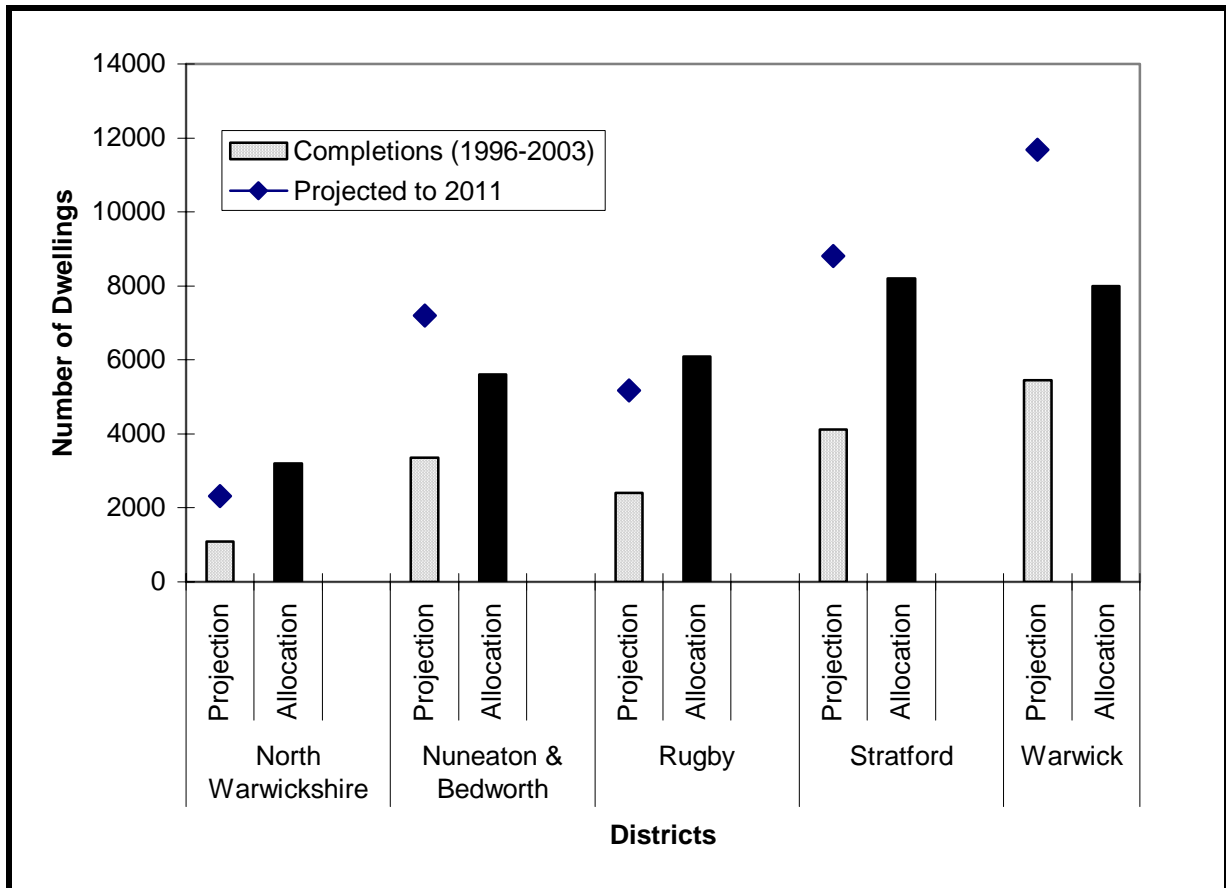
Source: Warwickshire Districts, 2003

- Warwick District is already indicating that it may well exceed its housing allocation based on current completions and identified sites. Any additional windfalls before 2011 will obviously increase this disparity further. Warwick District is closely followed by Nuneaton & Bedworth Borough (97%) and Stratford District (93%).
- In assessing progress towards housing provision in the WASP, Warwick District has the highest proportion of completions in the County (68%), closely followed by Nuneaton & Bedworth Borough (60%); Stratford District (50%); Rugby Borough (40%) and finally North Warwickshire Borough (34%).
- North Warwickshire Borough is showing both the lowest progress towards WASP allocations as well as the lowest proportion of completions (34%) as a proportion of its housing allocation.
- For the County as a whole, completion rates (2002-2003) were significantly above average completion rates between 1996 and 2003. However, North Warwickshire Borough, Stratford District and particularly Rugby Borough experienced lower than average completion rates between 2002 and 2003.

If we project current average completion rates to 2011 (*Figure 7*) it becomes clear that Nuneaton & Bedworth Borough and Warwick District could exceed their housing allocations dramatically – also in Stratford District to a lesser extent. These projections are based on an assumption that the current policy framework remains unchanged. Rugby and North Warwickshire Boroughs would benefit from higher annual completion rates – some concern

that Rugby Borough’s completion figures (2002-2003) were considerably less than its average over the previous 7-year period.

**Figure 7: Housing Land: Projection of Current Completion rates to 2011 compared to WASP Housing Allocations**



Source: Warwickshire Districts, 2003

Housing Land Availability (2002-2003) figures by District Council area are shown in Appendices A & B.

**Completions on Previously Developed Land (PDL)**

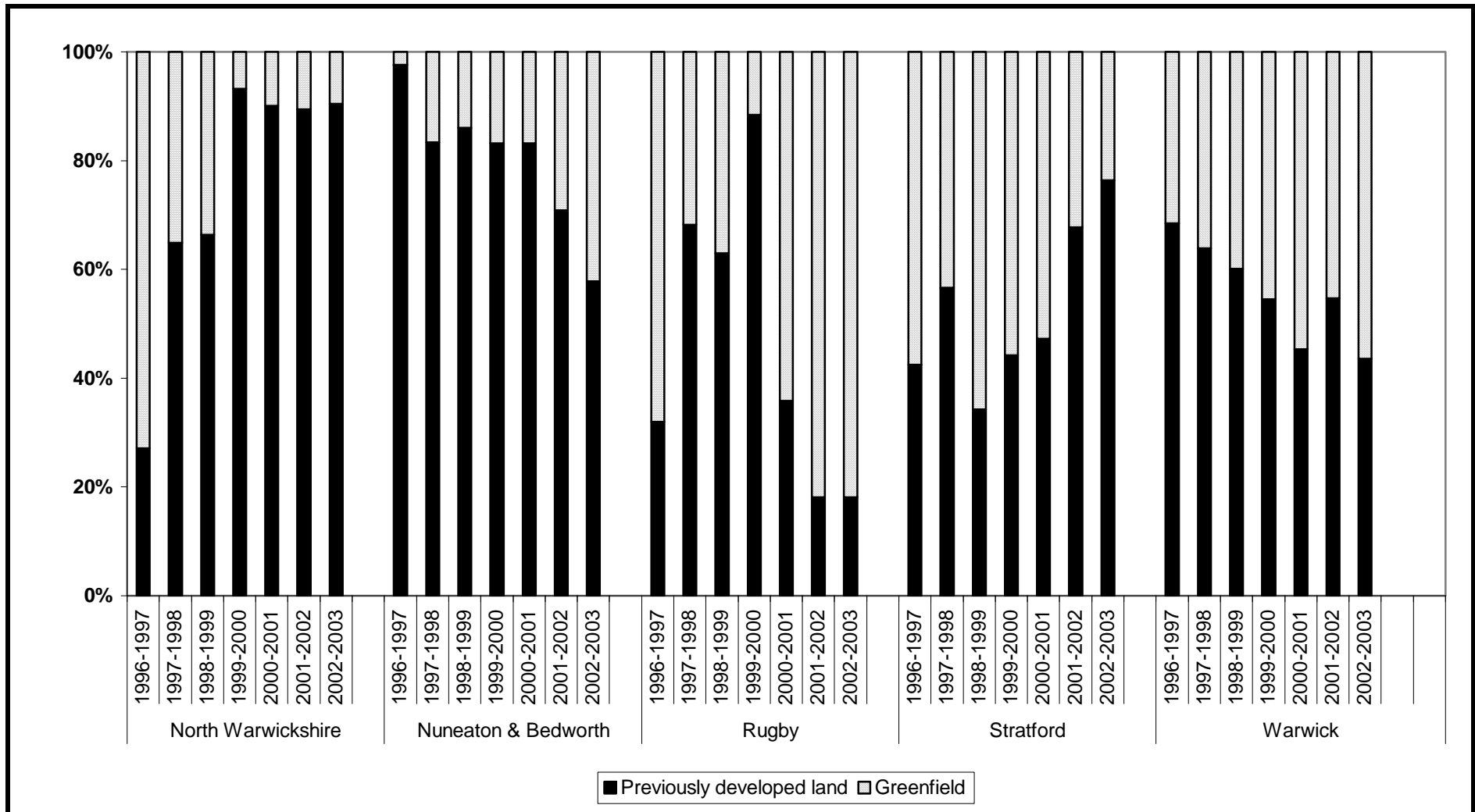
In PPG3 the government is encouraging development to take place on previously developed land, otherwise known as brownfield land. This is to increase the efficient use of existing available land and protect the countryside from unnecessary urban expansion. This can also contribute to urban regeneration by redeveloping derelict and vacant sites. The government has set a target of 60% of all new housing to be built on previously developed land by 2008. Warwickshire’s average completions on previously developed land between 1996 and 2002 stands at 58%, only slightly lower than last year’s performance of 59%.

Housing completions on previously developed land vary across the County (Figure 8). It is difficult to control and depends very much on the sites that come forward throughout the year.

There are considerable variations by District. Some 90% of development in North Warwickshire Borough occurred on previously developed land, compared with 18% in Rugby Borough.

- Over the past year Rugby Borough has seen a dramatic increase in greenfield completions and this is largely due to completions on two large housing sites at Coton and Cawston Grange. Both these sites are current allocations in the existing Local Plan, which pre-dates PPG3 guidance with its emphasis on directing development towards previously developed land.
- Nuneaton & Bedworth Borough's PDL completions have been declining since April 2001 from 82% in 2001 to 58% at April 2003. Numbers of dwellings completed on PDL sites have remained consistent year on year, but accompanied with increasing numbers of greenfield completions.
- Stratford District has significantly improved on last year's completions on previously developed land – a consistently upward trend since 1998. There have been a number of relatively large sites being completed within Stratford-upon-Avon parish for example along the Alcester Road, the Birmingham Road, Paddock Lane and Guild Street.
- The reason for the reduction in PDL completions in Warwick District is largely due to the South West Warwick development, accounting for a large number of greenfield completions (200 dwellings).

**Figure 8: Housing Land: Completions on Previously Developed Land (1996-2003)**



Source: Warwickshire Districts, 2003

Some districts are seeking to direct development away from greenfield sites as they allocate land in their Local Plan Reviews. PPG3 advises authorities to adopt a sequential approach to land release so that greenfield land is only considered when all other avenues have been explored. Nuneaton & Bedworth, for example, has put back one of its greenfield allocated sites to the third phase of the plan, giving preference to sites on previously developed land.

However, not all PDL development is necessarily the most sustainable option. PPG3 guidance on maximising the amount of development on previously developed land encourages Local Authorities to adopt a sequential approach in identifying suitable locations for development. This is to take into account various factors e.g. “the availability of previously developed sites...location and accessibility...capacity of existing and potential infrastructure...ability to build communities...constraints on development of land.” (PPG3, 2000) Greenfield land in an urban location close to a public transport network may be more sustainable in the long-term than a PDL site in rural locations. Examples of such developments include the Bridgetown allocation in Stratford District’s Local Plan Review (2<sup>nd</sup> Deposit Draft), where it is on the edge of the urban area, with good transport links to employment opportunities, shops and schools. Similarly, Shottery is a greenfield allocation adjacent to the urban area. Other examples include Tuttle Hill for 140 dwellings and Ryder’s Hill allotment site for 68 dwellings in Nuneaton & Bedworth Borough’s Local Plan Review (2<sup>nd</sup> Deposit Draft). In Rugby Borough there is a sizeable development taking place on land adjacent to Johnson Avenue, which is also a greenfield site, but within the urban area.

### Development on Urban Previously Developed Land (PDL)

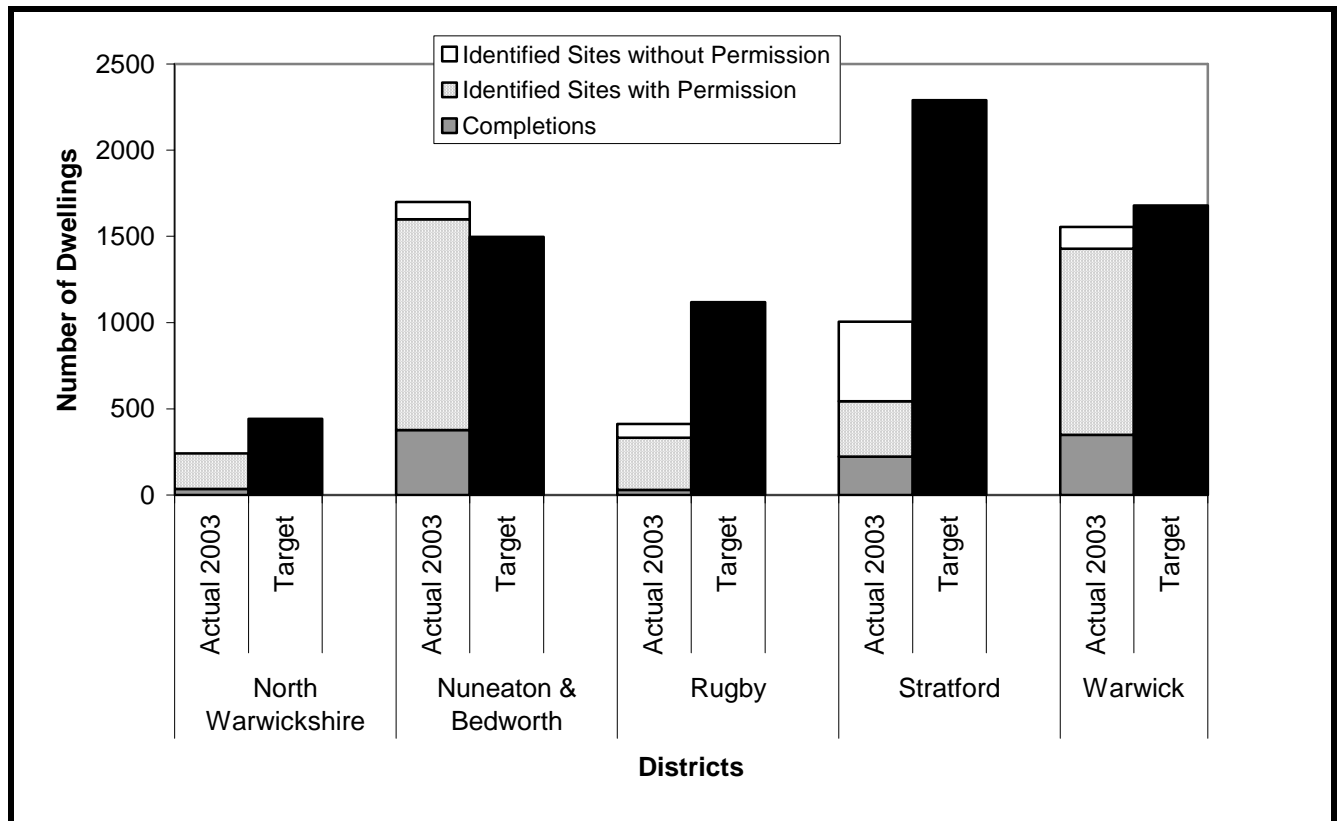
Policy H1 in the WASP attempts to address the issue of where previously developed land is located. It specifies that 50% of new housing development ought to take place on urban as opposed to rural previously developed land. Results show that when PDL development is considered in this light, there is little room for complacency (*Figure 9*). These results include both annual completions (i.e. for 2001, 2002 and 2003 – these are **not** cumulative figures) as well as identified sites (as at April 2001, April 2002 and April 2003). However, comparing 2002 with the previous year’s results is quite encouraging:

- 37% of completions and identified sites with planning permission have been located on urban previously developed land at April 2003, compared to 34% at April 2001.
- Stratford District has reversed its preference for rural greenfield sites in favour of urban development in its Local Plan allocations.

However:

- Rugby has the lowest amount of PDL development – its PDL completions fell from 26% (2001) to 9% (2002) but has risen slightly to 16% (2003). The reason for their low PDL completion figure has already been discussed earlier. It is encouraging, however, that permissions granted for urban PDL development at April 2002 is nearly 5 times greater than during 2000-2001. At April 2003 the figure is a little lower, but still 3 times greater than at April 2001.
- Stratford District is the only authority within Warwickshire that has significantly more PDL development in rural areas as compared to urban. This is entirely due to the fact that WASP defines urban in terms of its locational policies (GD3 and GD5); i.e. focusing growth in and around the main towns. However, Stratford District is very dispersed and contains several substantial villages and towns. Although the emphasis in WASP is to focus growth in the urban area i.e. Stratford town, this does not preclude development in other urban areas where existing service provision and transport networks makes this an entirely sustainable option – provided it meets local needs (see Policy COM1 in Stratford District’s Local Plan Review – 2<sup>nd</sup> Deposit Draft).

**Figure 9: Housing Land: Development on Urban Previously Developed Land (April 2001 to April 2003) compared to WASP targets**



Source: Warwickshire Districts, 2003

Results also suggest that there is a significant amount of development taking place on greenfield land in both rural and urban areas:

- Stratford District is taking steps to reduce its rural greenfield sites and there has been a consistent drop in this figure over the past 3 years.
- Stratford District's urban greenfield figure has increased significantly and this is largely due to the developments at Bridgetown and Bishopton. This figure is likely to continue rising with the allocation of Shottery in their Local Plan Review (2<sup>nd</sup> Deposit Draft).
- Rugby Borough's rural greenfield figure for dwellings with planning permission appears to have reduced dramatically between 2001 and 2002, but this was due to a monitoring error, which classified Cawston Grange as a rural housing site. This has now been corrected and brought into line with its allocation in the Local Plan as an urban greenfield site.
- Rugby Borough's urban greenfield figure for dwellings with planning permission more than doubled between April 2002 and April 2003 and this is due to the Coton development (800 dwellings).
- There is also a significant amount of urban greenfield development on identified sites in Nuneaton & Bedworth Borough at April 2003.

Previously Developed Land Completions and Identified Sites by District Council area are shown in *Appendices C, D & E*.

## Housing Stock Losses

The figures analysed above are all gross figures - they do not include losses to the housing stock. This is in line with the 'gross approach' adopted in the WASP. The WASP estimated the number of dwellings lost between 1991 and 2011 at 2,100 dwellings. This translates into 735 dwellings per 7-year period i.e. 1996 to 2003. Actual losses during the same period are in fact much higher, currently standing at 993 dwellings – annual loss figures have fluctuated. However, losses through conversion have only been included in the figures since 2000-2001. Therefore total housing stock losses are likely to be higher than the 993 quoted above.

Losses to the Housing Stock by District Council area are shown in *Appendix F*.

### Policy H 2

**Local Plans will provide for affordable housing development to meet local needs.**

### Provision of Affordable Housing

The Regional Planning Body of the West Midlands produced a definition of affordable housing, which includes social (i.e. rented) housing as well as low-cost, shared-ownership housing and other government initiatives. (See Glossary for full definition).

New affordable housing is being provided through two main channels:

- funded directly through the Housing Corporation grant and
- as a result of Section 106 agreements, which are drawn up between Local Planning Authorities and applicants to provide a percentage of affordable housing as part of a larger housing development.

However, changes to the funding arrangements mean that authorities have to bid for Housing Corporation funding and increasingly this funding is being channelled into large urban areas with high levels of deprivation. Some of Warwickshire's districts have already failed to access funding from the Housing Corporation.

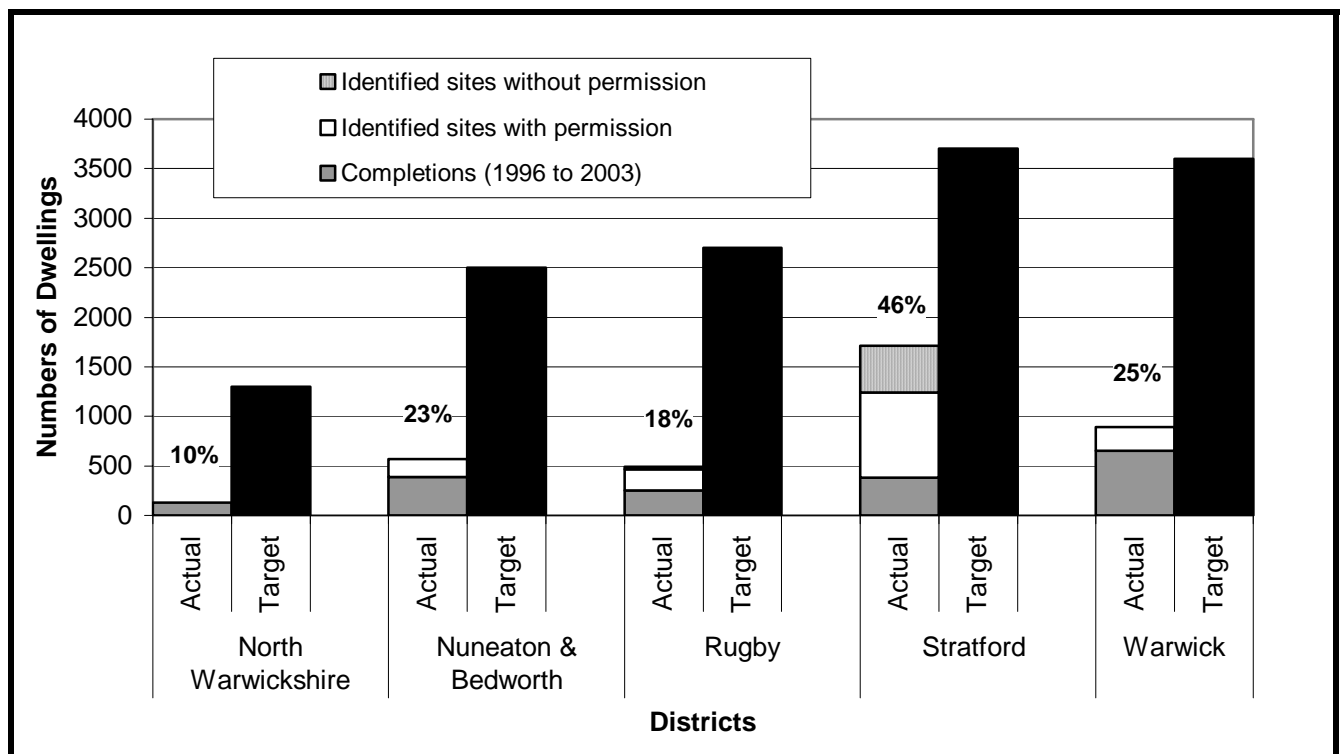
Central government is increasingly seeking to deliver its affordable housing through the planning system (i.e. through Section 106 agreements) and cutting back on its direct subsidies.

Within this context Warwickshire is aiming to provide a certain level of affordable housing as set out in the Warwickshire Structure Plan (WASP). The WASP has estimated a level of affordable housing need between 1996-2011 and there are policies in Warwickshire's Local Plans to help ensure that a certain percentage of affordable housing is included on sites over a certain threshold.

By comparing existing affordable housing provision against WASP indicative targets (*Figure 10*), there is clearly a serious shortfall of affordable housing. There have been significant increases in the provision of affordable housing levels in all districts apart from North Warwickshire Borough, but they have designated 100% affordable housing on all their allocations in their Local Plan Review (1<sup>st</sup> Deposit Draft). Stratford District on the other hand is nearly halfway towards achieving its indicative target, with a dramatic increase in affordable housing identified on sites with planning permission. However, there is a significant number of affordable housing without any planning permission as yet – these will

be subject to negotiation at the planning application stage and there is no guarantee that the proposed number of affordable dwellings will actually come forward. Rugby Borough has seen an increase in the number of affordable housing on sites with planning permission. Warwick District has the highest number of affordable completions between 2002 and 2003 – an increase of nearly 60%. Over 200 affordable dwellings have been completed on Warwick Gates alone – 55 of which were completed between 2002 and 2003.

**Figure 10: Housing Land: Progress of Affordable Completions and Identified Sites towards Indicative Targets**



Source: Warwickshire Districts, 2003

Affordable Housing Completions and Identified Sites by District Council area are shown in Appendices G & H.

The picture for the County as a whole (Figure 11) is in a similarly critical position at April 2003 as it has been in previous years, but indications are that the situation is showing signs of improvement. Figure 11 indicates that un-identified affordable housing has fallen from 80% at April 2002 to 73% at April 2003, which is very encouraging. However, housing development in Warwickshire has nearly reached its housing allocation as set out in Policy H1 in the WASP, with 92% of dwellings either completed or on identified sites. This leaves just over 3,000 dwellings to be found by 2011 of which around 10,000 dwellings need to be affordable according to indicative targets for affordable housing provision in Policy H2 of the WASP – a shortfall of nearly 7,000 dwellings. So although the percentage of un-identified affordable housing has fallen, the amount of affordable housing provision as a proportion of total housing provision is not increasing. Whereas at April 2001 there was a shortfall of 4,600 dwellings at April 2003 there is now a shortfall of nearly 7,000 dwellings, because there are fewer dwellings still to be identified from the WASP housing allocation. The WASP affordable housing indicative targets will not be met.

However, the indicative targets used in the WASP originate from figures in the Regional Planning Guidance (RPG) – districts were required to carry out Housing Need Studies in

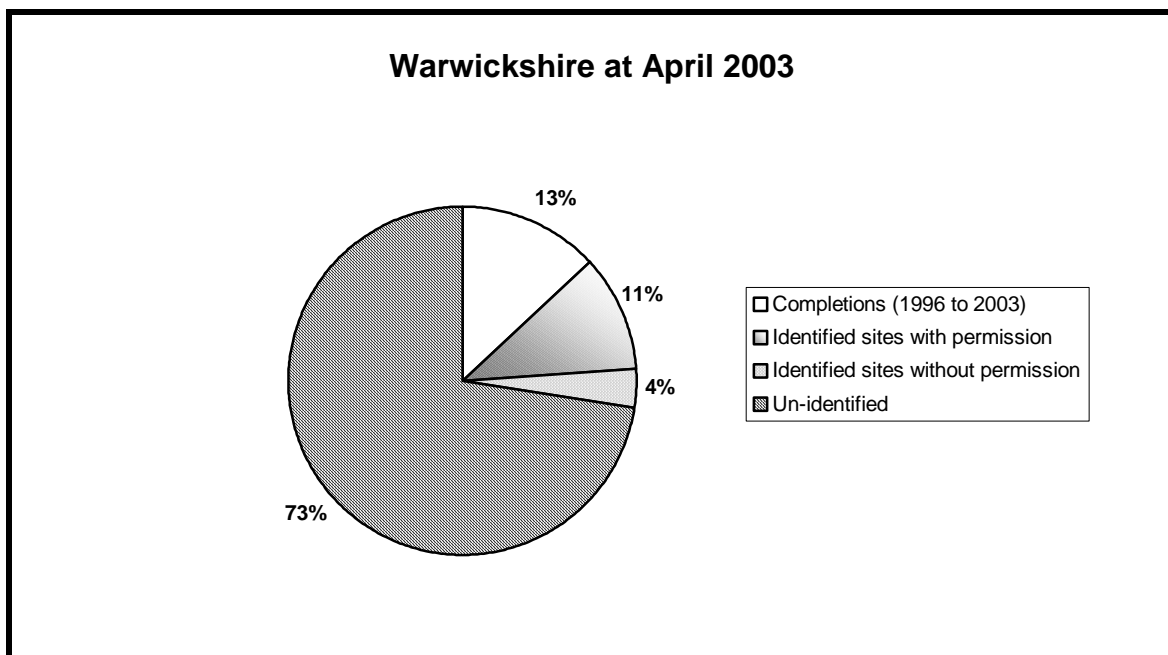
order to complement the regional figures. Based on recent studies the housing need appears to be even greater than that assumed in RPG (Table 3).

**Table 3: Comparison between County and Districts' Housing Need estimates**

	County housing need estimates (1996-2011)	Districts' housing need estimates
North Warwickshire Borough Council	1,300	2,853 between 1999 and 2011
Nuneaton & Bedworth Borough Council	2,500	2,048 between 2003 and 2011
Rugby Borough Council	2,700	7,103 between 2001 and 2011
Stratford District Council	3,700	4,079 between 2002 and 2006
Warwick District Council	3,600	7,072 between 2001 and 2011

Source: North Warwickshire Borough Council Housing Needs Study, 1999  
 Nuneaton & Bedworth Borough Council Housing Needs Study, 2003  
 Rugby Borough Council Housing Needs Study, 2001  
 Stratford District Council Housing Needs Study, 2002  
 Warwick District Council Housing Needs Study, 2001  
 Warwickshire Structure Plan (1996-2011)

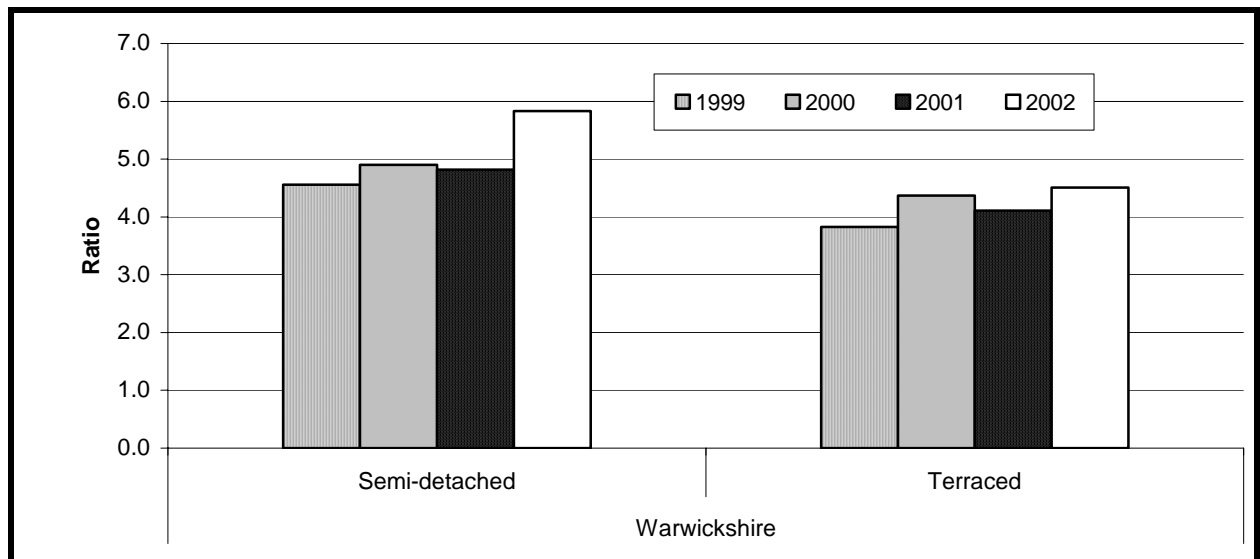
**Figure 11: Un-identified Affordable Housing to be found by 2011**



Source: Warwickshire Districts, 2003

The issue of affordable housing is further exacerbated by the fact that more and more people are unable to afford market prices. Figure 12 shows how the ratio of house prices to incomes has been steadily increasing between 1999 and 2002 (particularly for semi-detached dwellings). The average semi-detached house in Warwickshire costs more than 5½ times the average annual wage whilst the average terraced house costs around 4½ times the average annual salary.

**Figure 12: Ratio of House Prices to Incomes in Warwickshire (1999-2002)**



Source: Adapted from Quality of Life, 2003

### Policy H 3

#### Minimising the use of greenfield land by

- ◆ reducing the number of vacant dwellings
- ◆ increasing housing densities

### Vacant Dwellings

The WASP uses a 3% estimate of vacancies in new build. Vacant dwellings have remained fairly constant over the past 5 years, but with some variation across the districts (*Table 4*).

**Table 4: Vacant Dwellings in Warwickshire (2003)**

	% of Total Housing Stock					
	North Warwickshire	Nuneaton & Bedworth	Rugby	Stratford	Warwick	Warwickshire
1996-97	3.5	3.4	-	2.9	3.4	3.3
1997-98	2.6	3.4	-	2.7	3.2	3.0
1998-99	-	3.6	5.1	2.9	3.1	3.5
1999-2000	-	3.5	3.5	3.6	3.6	3.6
2000-2001	1.3	2.2	3.7	4.2	2.9	3.0
2001-2002	2.1	3.0	4.0	2.6	3.0	3.0
2002-2003	1.9	2.7	3.8	3.7	2.5	3.0

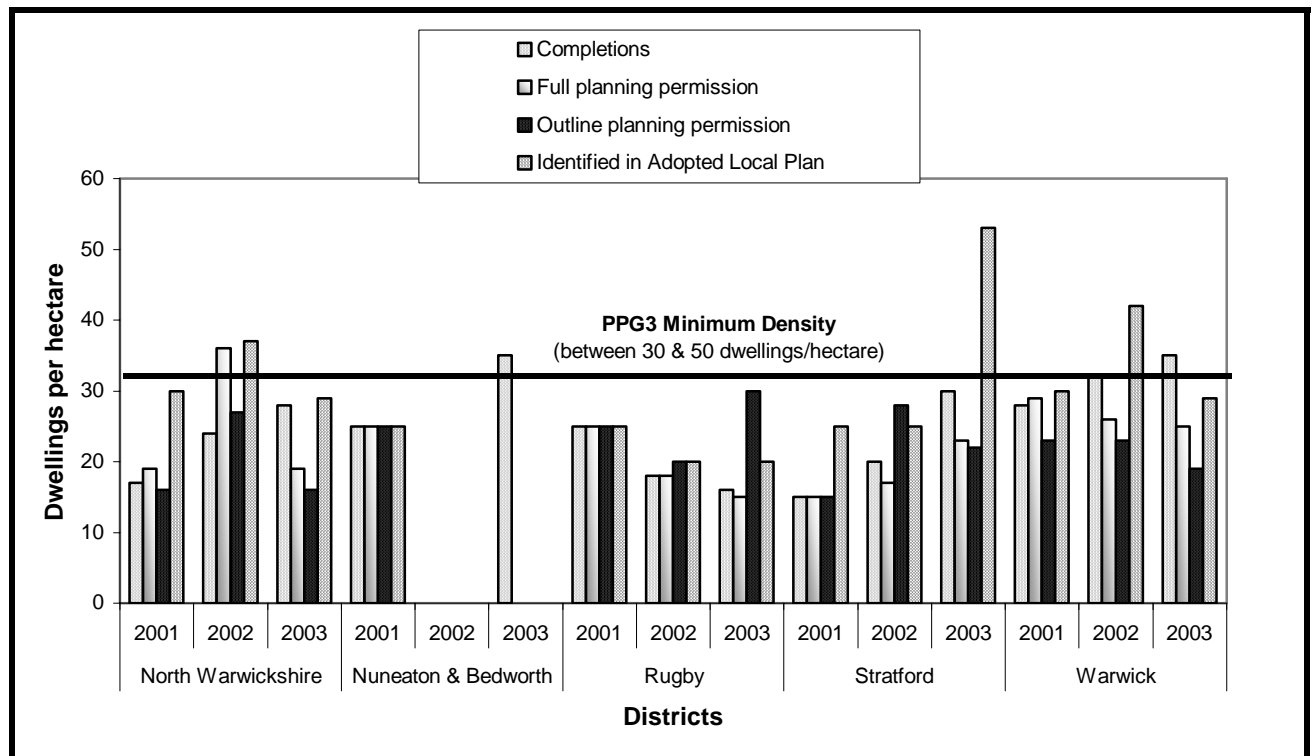
Source: Housing Investment Programme (ODPM), 2003

### Housing Densities

National guidance in PPG3 encourages higher density development on PDL land to make more efficient use of land (between 30 and 50 dwellings per hectare). North Warwickshire Borough (*Figure 13*) displays most dramatic increases in housing densities. This is partly due to raising the threshold above which densities are monitored - we have only included sites with 3 or more dwellings.

It is anticipated that densities will increase in accordance with PPG 3 guidance e.g. Nuneaton & Bedworth Borough's Local Plan Review (2<sup>nd</sup> Deposit Draft) has specified that they seek densities of between 30 and 50 dwellings per hectare on all housing sites. North Warwickshire Borough's Local Plan Review (1<sup>st</sup> Deposit Draft) state that permission will not be granted for housing developments of less than 30 dwellings per hectare. Policy STR.2B in Stratford District's Local Plan Review (2<sup>nd</sup> Deposit Draft) requires densities of between 30 and 50 dwellings per hectare. Warwick District's Local Plan Review (1<sup>st</sup> Deposit Draft) is also encouraging higher density development of above 30 dwellings per hectare where it is accompanied by good layout and design.

**Figure 13: Housing Densities (at April 2001, April 2002 and April 2003)**



Source: *Regional Urban Capacity Studies, 2001*  
*Regional Housing Return, 2003*  
*Warwickshire Districts, 2002*

There is currently no approved data available for Nuneaton & Bedworth Borough for 2002 or 2003.

**Policy H 5**

**A review of existing housing provision in Stratford District should be undertaken to reduce the rural housing provision in locations that do not meet the locational criteria of this plan.**

In Stratford District's Local Plan Review (2<sup>nd</sup> Deposit Draft) it is clear that the authority is responding positively to guidance in the WASP to reduce housing on greenfield sites in rural areas, "Apart from commitments which were identified in the adopted Local Plan, all the sites identified in the Review utilise previously developed land in accordance with Government policy which seeks the re-use of such sites in preference to greenfield land." (Stratford-on-Avon District Local Plan Review 1996-2011, par. 7.15) Monitoring during 2002-2003 has reflected the integrity of their commitment as discussed previously.