STRATEGIC HOUSING DELIVERY

HOUSING DELIVERY ACROSS THE UK - HOW ARE WE DOING?

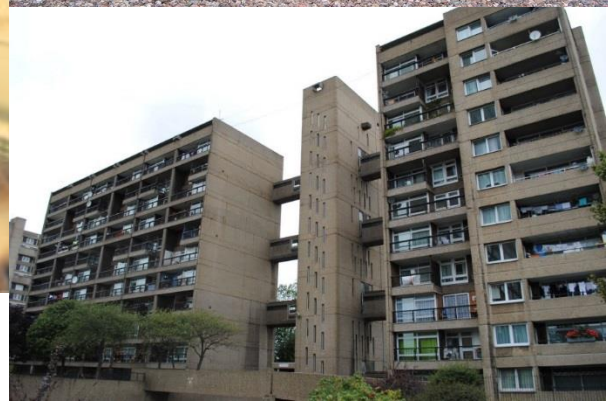
JOHN MCLARTY

22 November 2018

BNP PARIBAS REAL ESTATE | STRUTT & PARKER

Real Estate for a changing world

WMS 177R



The big questions on delivery

1. Politics ?
2. Economics ?
3. Planning process ?
4. Other ?

Politics

Politics

NIMBY ?

Politics

NIMTOO?

The new dawn ?

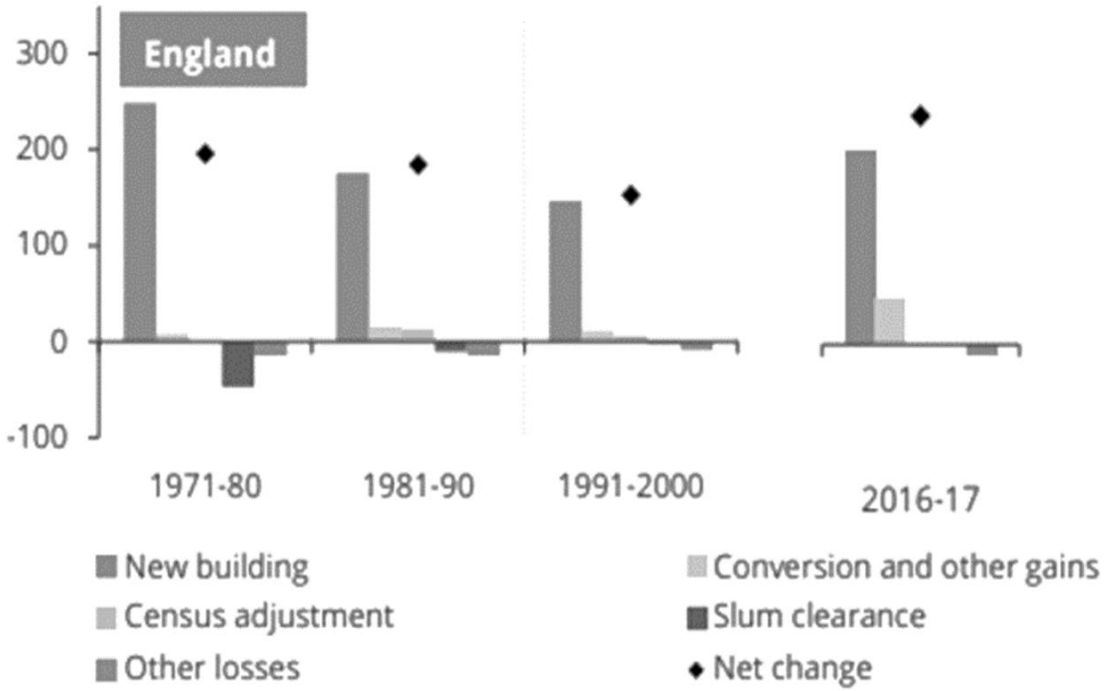
Or just a model dream?

Economics

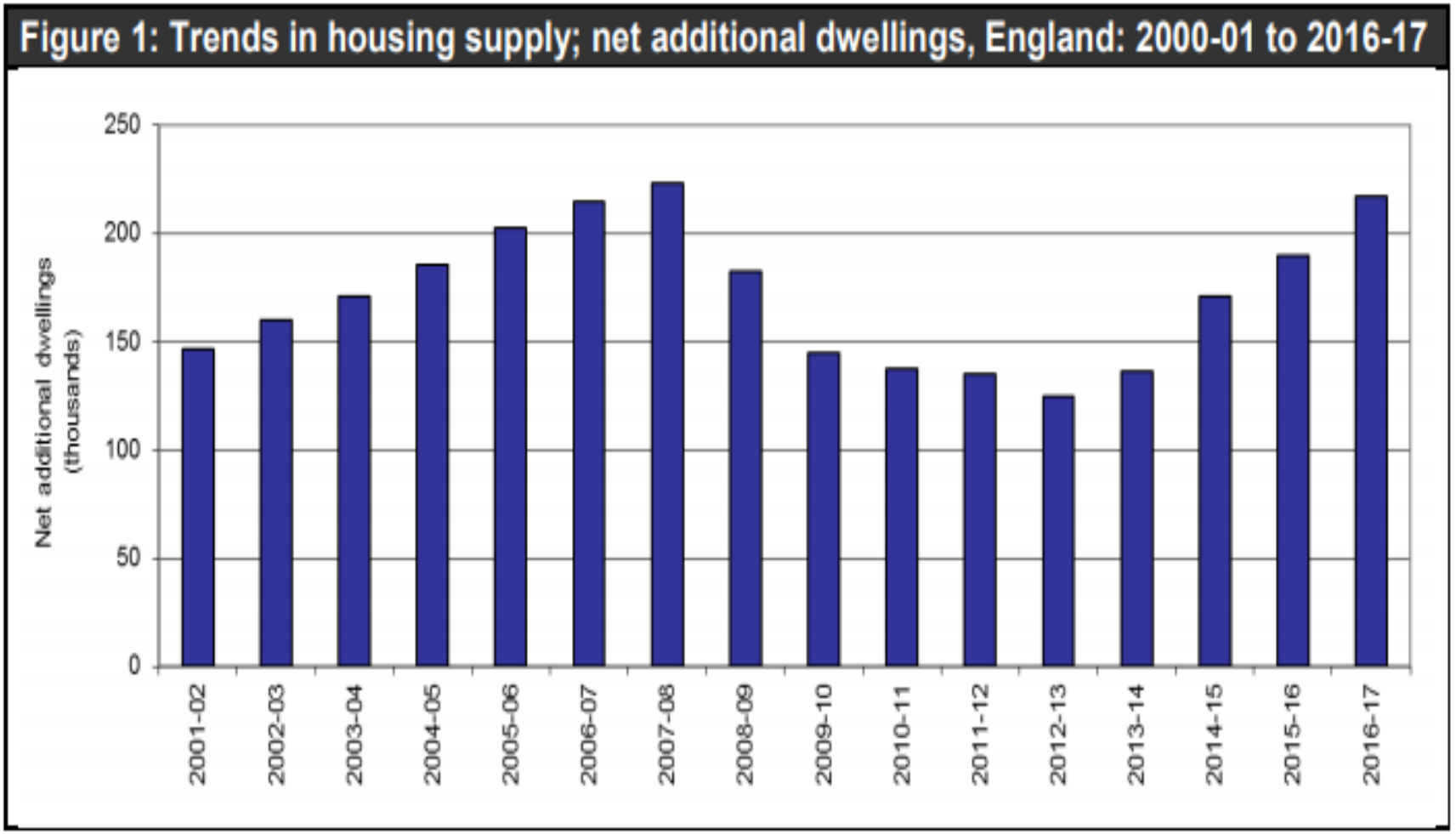
Economics

RTPI
mediation of space · making of place
Delivering Large Scale Housing:
Unlocking Schemes and Sites to Help Meet the UK's Housing Needs
September 2013
Policy Paper
www.rtpi.org.uk

Economics -We are actually doing quite well



Net new additions this century: market volatility



Delivery

- Government **targets** have consistently been between 220,000 and 250,000 for England) - defined in terms of net additions, not completions.

- Current target 300,000 can be seen as aspirational - i.e. would improve conditions as opposed to simply maintaining them (although not enough to affect prices).

- Some suggestion that one third of these should be in London!

Ministry of Housing, Communities & Local Government

Housing supply; net additional dwellings, England: 2017-18

- Annual housing supply in England amounted to 222,190 net additional dwellings in 2017-18, up 2 per cent on 2016-17.
- The 222,190 net additions in 2017-18 resulted from 195,290 new build homes, 29,720 gains from change of use between non-domestic and residential, 4,550 from conversions between houses and flats and 680 other gains (caravans, house boats etc.), offset by 8,050 demolitions.
- 13,526 of the net additions from change of use were through 'permitted development rights' (full planning permission not required). These comprised 11,555 additional dwellings from former offices, 743 from agricultural buildings, 218 from storage buildings, 110 from light industrial buildings and 900 from other non-domestic buildings.

Housing

Statistical Release

15 November 2018

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Politics

Ministry of Housing,
Communities &
Local Government
Garden Communities
August 2018
Ministry of Housing, Communities and Local Government

Independent Review of Build Out
Final Report
Rt Hon Sir Oliver Letwin MP
Presented to Parliament
by the Secretary of State for
Housing, Communities and Local Government
by Command of Her Majesty
October 2018

Delivery

England – excluding London

The best available evidence from a national study of large sites suggests that there are 92 sites in England (excluding London) that have an outline planning permission at present for more than 1,500 homes.

The following table breaks these down by site size:

Lower limit	Upper limit	Site count
1,500	2,999	50
3,000	4,999	27
5,000	7,499	9
7,500	9,999	3
10,000 +		3

London

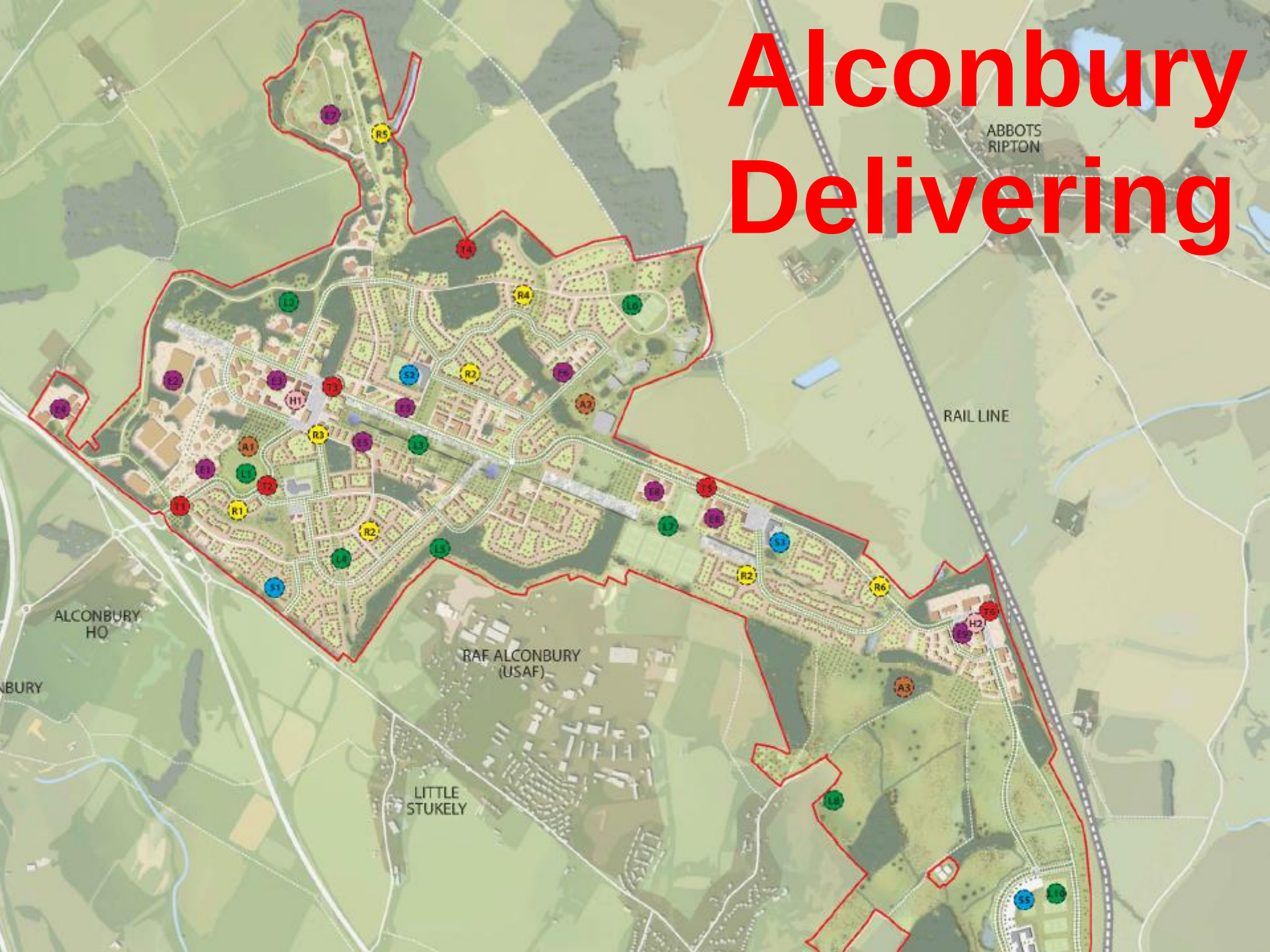
It is suggested there are a total of 15 sites currently developing above the 1,500 unit threshold in London. In total, these sites account for around 87,000 units.

It is estimated in the Letwin report that there are approximately 107 sites of above 1,500 units in England with permission for approximately 393,000 units. A years very full delivery !

Source: Letwin Report – October 2018

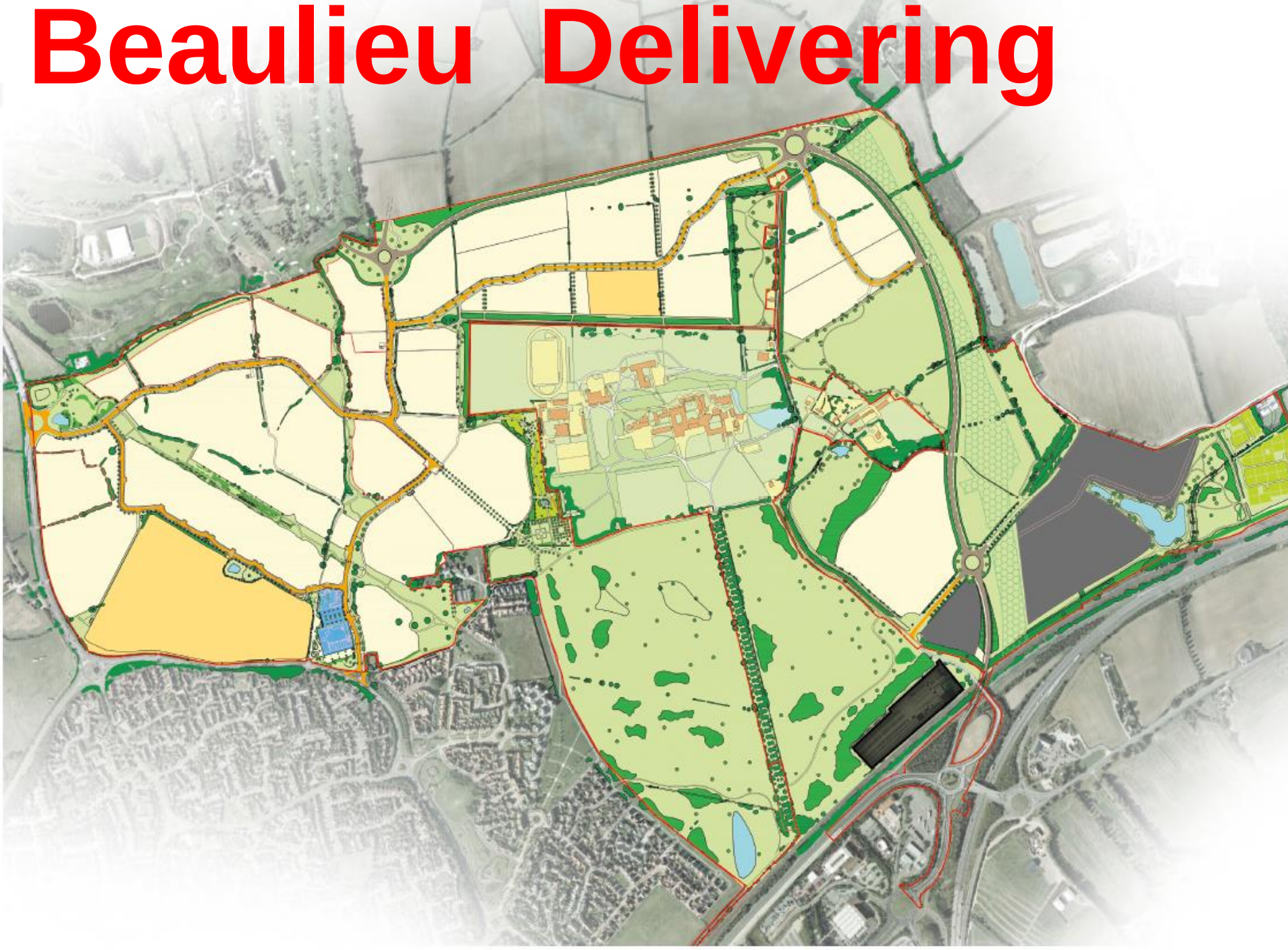
Planning Process

Is your local Council Planning Department open for business..?


Alconbury
Delivering
ABBOTS
RIPTON
RAIL LINE
ALCONBURY
HQ
RAF ALCONBURY
(USAF)
LITTLE
STUKELY

Bicester Delivering

Beaulieu Delivering



Other....

Growth Arc

Coming to a town
near you……?

‘Since 2015, 70% of
amazon.com customers
use mobile devices to make
purchases’ Seller Lab

6,000

Stores closed
in the UK in 2017 (16 p/d)

the guardian, 2018

$ 30.2 Billion

Sales on Alibaba in 24 hours

H&M
$43m
Average annual revenue of a H&M store

200
H&M Stores per year
BNP PARIBAS
REAL ESTATE

Summary

- Large sites are seen as requiring large developers – even if sub contract multiple providers etc. New entrants to market maybe ?

- Developer model of build out rates will tend to drip feed the market

- Potential benefits from more diversified development models –role of direct commissioning and growth of Housing Association involvement; also varying tenures - Build to Rent; custom build etc.

- Massive issues around infrastructure requirements – water; transport etc. – including timing of payments; delivery in relation to site requirements; who actually pays; effective project management.

Summary

- It is not planners but rather planning policy and the system of individual permissions that can be blamed – at least partially for delay and lack of delivery

- On the system moving towards more large scale zoning this would undermine local democracy and would be resisted…

- Developments that incorporate good public transport, a sense of community and access to health and leisure activities are most likely to win out eventually

Thank
You

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