

## **NORTH TYNESIDE LOCAL PLAN EXAMINATION**

### **Matter 12: Housing Policies including Affordable Housing**

1. The following hearing statement is made for and on behalf of the Home Builders Federation. This statement responds to selected questions set out within Matter 12 of the Inspector's *Schedule of Matters, Issues and Questions* (exam ref: EXINS11).
2. The Inspector's Issues and Questions are included in bold for ease of reference. The following responses should be read in conjunction with our comments upon the submission version of the Local Plan, dated 14<sup>th</sup> December 2015. The HBF has also expressed a desire to attend the examination hearing sessions.

#### **Issue 2 – Affordable and Specialist Housing (Policies DM4.7 & DM4.8)**

***a) What contribution will Policy DM4.7 make to the identified need of 490 affordable homes per annum and how does this square with addressing 'affordability' as part of meeting the full OAN for market and affordable housing (NPPF, paragraph 47)?***

3. The policy is likely to fall some way short of meeting the identified need for 490 affordable homes per annum. We set out within our matter 3 hearing statement (question i) previous rates of delivery and the PPG stance upon this issue. This is not repeated here for brevity.

***b) Is the Borough wide target for affordable housing sufficiently clear? Does the Council's suggested modification provide necessary clarity?***

4. The modifications do provide greater clarity to the Council's intentions but do not improve certainty for the developer. The HBF maintains our objection to the current policy wording which suggests that the 25% target is an **at least** figure. The additional text at paragraph 7.71 does not assist our concerns as it provides no certainty for a developer. It suggests that whilst some developments may provide less than 25% others will provide more. This is not considered consistent with the NPPF or PPG.
5. These issues are covered in greater detail within paragraphs 45 to 48 of our comments upon the pre-submission version of the plan.

**c) Is the requirement for 25% affordable housing on sites of 10 dwellings or 0.5ha justified?**

6. I refer to our response to question 'd' below.

**d) Does it reflect the evidence on viability? Is 25% at the margins of viability? Has the viability of 25% been tested against current market conditions or does it assume an expectation of future value rises?**

7. The HBF submitted comments upon the draft 2016 *Area Wide Viability Assessment* prior to its completion. These comments are appended to our matter 4 hearing statement.

8. Notwithstanding our concerns with the assumptions used the 2016 *Area Wide Viability Assessment* (exam ref: NT05/1/1) identifies that the 25% requirement is at best marginal within the lower value zones and indeed is unviable on brownfield sites within this zone. Given this conclusion it would not appear justifiable to include a 25% requirement in this area.

9. The PPG is also clear that the plan must deliver in the first five years and that policies should not be based upon an expectation of future rises in value (at least in the first five years, ID 10-008). If the market improves sufficiently over the longer term the Council has the ability to amend its affordable housing target through a full or partial review of the plan.

**e) Is the guidance mix of 75% social-affordable rented housing and 25% intermediate housing justified by the evidence base and is it viable?**

10. It is understood the mix is borne out through recommendations in the SHMA and utilised within the viability assessment. I refer to our previous concerns regarding the viability of the policy.

**f) Is the policy justified and effective, particularly in terms of the effect on viability and the potential for off-site contributions? Should there be parity between on-site and off-site contributions?**

11. The HBF consider that there should be parity between on-site and off-site contributions and as such recommend the deletion of reference to "...or greater than,..." in parts b and c.

***g) Is the policy and supporting text consistent with national policy in relation to the definition of affordable housing and type of provider? Does or should the Plan reflect the Starter Homes initiative?***

12. Until the relevant regulations are published there remains significant uncertainty upon how the Starter Homes initiative will be implemented. The amendments to the plan do refer to Starter Homes and are considered to reflect the current position. The regulations governing the implementation of Starter Homes are likely to be published during the course of the Local Plan examination and as such, if required, main modifications to the plan could be provided and consulted upon once the details are known.

**Issue 3 – Housing Standards**

***a) Is Policy DM4.9 justified and effective having regard to national technical housing standards, Nationally Described Space Standards and local evidence?***

13. No, the HBF considers essential elements of the evidence base to be missing these are described below.

***b) Are the viability considerations of the Policy understood? Does the Policy or the Plan allow for flexibility where there are site specific viability issues?***

14. The Policy seeks to introduce the accessibility standards as well as the nationally described space standard. Each is considered in turn below.

**Accessibility Standard**

15. The HBF is supportive of providing homes for older and disabled persons. We also do not dispute the evidence provided within the SHMA in relation to the likely future needs of older and disabled people. It is, however, considered that the policy lacks finesse by requiring blanket requirements with no regard to the type or location of the housing being provided. This is a key element of the evidence base identified within the PPG (ID 56-07). The policy as currently identified would apply equally to retirement homes near urban centres, apartments within the urban area, family housing and executive housing in suburban or semi-rural locations. This blanket requirement does not take account of the needs or requirements of these various groups or the need for older and disabled persons to be situated closer to services and facilities. There is also no flexibility within the policy to take account of local site characteristics.

16. It is also unclear how the percentages identified in the policy have been derived, or why all new build dwellings should meet M4(2). Not all buyers will require this

standard and it may effectively mean purchasers pay more for something they may not need or desire.

17. The Council is missing a further key piece of the evidence base required by the PPG (ID 56-07) relating to the accessibility and adaptability of existing housing stock. This is clearly noted within page 24 of the Council's evidence base (exam ref: NT07/20). Without this key part of the evidence base it is impossible to draw conclusions upon whether the policy, and in particular the percentage requirements, are proportionate and justified.
18. The viability evidence, as discussed in our response to question 'g' above, also does not support a blanket introduction of the policy across all value zones within North Tyneside. Given the viability concerns, particularly in lower value areas, the requirement to meet the optional standards appears at odds with the PPG (ID 56-07). The requirement within these areas and the impact upon viability could have consequences for housing delivery.
19. The HBF therefore recommends that further evidence is provided by the Council and the policy amended accordingly.

#### Nationally Described Space Standard (NDSS)

20. The evidence required to introduce the optional space standards is set out within the PPG (ID 56-020) this evidence should consider the impact across different housing market character areas and differing tenures. For example whilst the adoption of the internal space standard may prove acceptable for the higher market areas, it may seriously harm regeneration initiatives. A one-size fits all approach to the evidence base, as provided within the Council's background paper (exam ref: NT/07/20), does not capture the impact that the standard would have across the different market areas, in terms of viability and the need for the standard.
21. The evidence and policy should also take account of whether the space standards should be applied across all forms of residential development, whether new build, extension or conversion. Similarly the evidence should consider the impact upon all types of tenure be it general market family housing, affordable housing, flats and apartments. The Council should demonstrate an understanding of the delivery model for these different forms of new housing and the likely effect of standards upon them.

22. The HBF is unaware of any evidence which points towards a need for the space standard to be applied within the area. Rather there are statements concerning the size of properties currently built and reference to the 2010 RIBA YouGov poll. The HBF undertakes an annual customer satisfaction survey of new home buyers. This identified that in 2016 86% of buyers were satisfied with the quality of their new home and 92% were satisfied with the internal layout. The full report can be accessed at [www.hbf.co.uk](http://www.hbf.co.uk). It is therefore clear that the vast majority of new home buyers are very happy with the homes currently being built and they meet their needs.
23. Furthermore the blanket introduction of the space standards may actually reduce choice. This is because many developers have entry level three and four bed properties, some of which may not currently meet the space standard. These types of properties provide a valuable product for those with a need for a certain number of bedrooms but who are unable to afford larger three and four bed properties. The consequent increase in costs and reduction in variety could have a detrimental effect upon affordability and delivery, particularly in more marginal areas. Given the Council is already failing to meet its affordable housing needs in full this should be a key consideration.
24. Whilst it is noted that the policy has been considered within the viability appraisal (exam ref: NT/05/1/1) the HBF does question the veracity of the conclusions. The study appears to assume that the full extra cost will be met by the developer / landowner (page 10), with obvious implications for viability. This is unlikely to be fully the case and in some instances some of the costs will need to be borne by the purchaser. Whilst this may reduce viability problems it will exacerbate affordability issues. Given that North Tyneside is already struggling to deliver its affordable housing need this should be given careful consideration.
25. The viability study also appears to assume the NDSS will have no impact upon development density. Whilst the impact may be minimal on some sites, those in areas of high density or apartment schemes are likely to suffer. The assumptions made within the viability study are therefore considered overly simplistic.
26. If the introduction of the space standards can be justified the HBF would recommend flexibility in its application. This is required to enable local and site specific needs and constraints to be taken into account as development is brought forward.

27. Finally the PPG requires a reasonable transitional period following the adoption of the policy to enable developers to react to the new requirements. Given the time taken to negotiate land deals and prepare applications for submission a period of at least 12 months is likely to be required post document adoption, this period should be included within the policy.

Yours sincerely,

*MJ Good*

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