
AYRSHIRE JOINT PLANNING STEERING GROUP
26 MAY 2011

Housing Land Audits 2010

PURPOSE OF REPORT

1. To advise members of the Steering Group of the progress made with the Housing Land Audits for 2010/17.

BACKGROUND

2. Since the downturn in the housing market in 2007 engaging with the private sector house builders to undertake the annual audits of the housing land supply has proved difficult. The loss of staff and focus on business survival has meant participation in the audit process was a low priority for the private sector. The last full audit was completed in 2007 and since then the 2008 and 2009 audits have remained incomplete.
3. The draft audit for the 2010 to 2017 period was prepared in March 2011 and a renewed effort was made to engage Homes for Scotland members in the process. An audit meeting was held with Homes for Scotland and North Ayrshire and East Ayrshire councils on 6 May 2011. A meeting to consider the South Ayrshire audit will be arranged in the near future.

DRAFT 2010 to 2017 HOUSING LAND AUDITS

4. The total effective land supply across Ayrshire for the period 2010 to 2017 was estimated to be 10,116 units and the 'five-year-effective' land supply was 6,508. The equivalent figures for 2009, 2008 and 2007 together with actual annual completions are shown in the following table.

Effective Supply	2010 Audit (Draft)	2009 Audit (Draft)	2008 Audit (Draft)	2007 Audit (Agreed)
Seven Year	10,116	10,158	10,680	10,380
Five Year	6,508	7,260	8,189	8,566
Annual Private Sector Completions	515	879	1369	1530

5. The dramatic decline in the actual number of new homes completed by the private sector builders is clearly demonstrated in the above table. Whilst there remains optimism that the market will recover in the medium term, the reduction in anticipated completions in the five year supply period is testament to a lowering in confidence about exactly when a recovery will begin.

6. The discussions with Homes for Scotland at the Audit meetings for North and East Ayrshire resulted in a further reduction in the five-year-effective land supply in both areas of approximately 13%. The Draft Audit figures, when compared against the housing allocations made through the Joint Structure Plan demonstrate that a five-year-effective land supply is not provided (see appendix).
7. The collapse in the number of private sector house completions is the consequence of the sharp reduction in activity within the private sector housing market more generally, which affects all of Scotland. Lack of availability of mortgages, particularly for first time buyers with limited savings combined with over inflated property prices compared to average earnings are the major causes of this collapse and there is unlikely to be any significant improvement until these constraints are eased.
8. The total “Established Land Supply” (all sites whether considered effective or non-effective) for Ayrshire is currently 20,564 units. This compares with the remaining Structure Plan allocation of circa 11,000 units for the period 2010-15. An increase in demand would result in more of the non-effective supply being considered effective. Both North and East Ayrshire councils expressed the opinion at the Audit meeting that large scale, “off-plan” release of green field land would not result in an increase in the effective land supply since it is the demand side that is currently constrained.
9. The Agreed Audits will be published on the AJPU website once the discussions with Homes for Scotland are completed and the tables updated.

RECOMMENDATION

10. It is recommended that Members of the Steering Group note the contents of this report.

John Esslemont
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APPENDIX: Table 1a – DRAFT Five Year Effective Land Supply Calculation

Council Area	Structure Plan Allocation 2005 to 2012	Completions 2005 to 2010 (all tenures)	Remaining Allocation 2010 to 2012	Structure Plan Allocation 2012 to 2017	Allocation 2012 to 2015 (pro rata)	Total Remaining Allocation 2010-15	Effective Land Supply 2010 to 2015	Five Year Effective Land Supply
East Ayrshire	3600	2685	915	3700	2220	3135	2522	no
North Ayrshire	4800	2544	2256	3500	2100	4356	2106	no
South Ayrshire	2700	1570	1130	4100	2460	3590	1880	no
Ayrshire	11,100	6799	4301	11,300	6780	11,081	6463	no