

**AYRSHIRE JOINT STRUCTURE PLANNING STEERING GROUP**

**30 APRIL 2009**

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**Draft Housing Land Supply Audit March 2008**

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**PURPOSE OF REPORT**

- 1 To advise that the draft housing land supply audit for Ayrshire covering the period March 2008 to April 2015 has been prepared for consultation with Homes For Scotland, Scottish Water and Scottish Government Housing and Regeneration Directorate.

**BACKGROUND**

- 2 Scottish Planning Policy: Planning for Homes (SPP 3) was revised in 2008 and continues to emphasise the need for housing land audits as a means of assessing whether an “effective five year land supply” is being maintained. Guidance on the content and means of identifying whether sites are effective has been incorporated into the SPP which replaces the advice contained in previous Planning Advice Notes. This audit accords with the new SPP 3 guidance.
- 3 Preparation of the 2008 Draft Audit has been delayed as a consequence of uncertainty resulting from the significant downturn in house building experienced since 2008. Confirmation has been obtained from Homes for Scotland that they intend to respond to draft audits albeit that they can give no reassurances regarding their ability to make comprehensive comments on all sites. This will present issues in understanding the marketability of sites in the future.

**COMPLETIONS 2007 TO 2008**

- 4 Completions for the year April 2007 to March 2008 remained relatively high, particularly in North and East Ayrshire. South Ayrshire also recorded an upturn after a period of comparatively low building activity and across Ayrshire a total of 1617 houses were completed. This number of completions is nevertheless below the approved Joint Structure Plan average requirement of circa 1800 houses per annum. The private sector remained the dominant source of new homes accounting for 85% of output. It is anticipated that completion rates will have dropped markedly since March 2008.
- 5 The Core Area settlements remain as the main areas of house building activity with 80% of completions taking place within these communities. This pattern of development accords with the settlement strategy of the Structure Plan.

## **BROWNFIELD/GREENFIELD SPLIT**

- 6 In the period 2007 to 2008 50% of new homes were constructed on brownfield land which compares to the average over the last ten years of 53%.

## **FUTURE HOUSING LAND SUPPLY (FIVE YEAR EFFECTIVE LAND SUPPLY)**

- 7 Across Ayrshire, the established land supply as at 1<sup>st</sup> April 2008 (i.e. effective and non-effective sites) stood at 16,658 units compared to 15,933 units in April 2007. Of those sites considered to be effective, about 8200 were expected to be completed between 2008 and 2013. The Joint Structure Plan requirement for the same period is about 8800 units, indicating that there is a notional shortfall in effective sites equivalent to 600 units.
- 8 However, it is accepted by all parties that under current market conditions the marketability of new homes has been seriously reduced. Sites which are otherwise available for development, but for which there is currently no effective market demand, fall outside the definition of “effective” contained within SPP3 and have consequently been shown as non-effective in this Audit. Thus, whilst a five year effective land supply could be identified in the 2007 Audit, it has not been possible to demonstrate a five year effective supply in the 2008 Audit. It is likely that marketability will have worsened since the 2008 Draft Audit was prepared now that the full effects of the economic downturn are being felt.

## **CONCLUSIONS**

- 9 Prior to the current recession private and public sector house building activity was taking place at a level which met the objectives of the Structure Plan to achieve a rate commensurate with the objective of population stabilisation. Since then build rates have dropped significantly, reflecting the position nationally, and projected output has had to be scaled back. It is likely that following discussions with Homes for Scotland the level of output may well be lower than shown in the draft and in the subsequent 2009 Audit.

## **RECOMMENDATIONS**

- 10 The Steering Group is asked to note the contents of this report and that a paper on the impact of the current recession on the marketability of private sector housing will be presented along with the 2009 Audit.

Ian Johnson  
Manager

Person to Contact: Alan Edgar - 01292 673764