

**St Albans City and District Council**

**Local Plan Public Examination**

**Matter 3**

**“The Spatial Strategy, Settlement Hierarchy and  
Development Strategy”**

**Submitted by Sellwood Planning**

**on behalf of**

**The Crown Estate**

**December 2019**

## 1.0 **Introduction**

1.1 This Statement, relating to Matter 3 ‘The Spatial Strategy, Settlement Hierarchy and Development Strategy’ has been prepared by Sellwood Planning on behalf of The Crown Estate (TCE). TCE is the freeholder of the land necessary to deliver Broad Locations S6(i), (ii) and (iii) at East Hemel.

1.2 Since TCE only has a ‘duly made’ objection to the proposed housing mix set out in Appendix 6 of the submitted Local Plan, this Statement only deals with Questions 7 and 8 which focus on this topic.

## 2.0 **(Q7) “Will this provide a sufficient mix of sites and provide the size, type and tenure of housing to meet the needs of differing groups in the community? Does this reflect the evidence from a local housing needs assessment?”**

2.1 Participants at this Examination are in some difficulty in knowing how to respond to this question. This is because it is unclear whether the Council will adhere to the submitted Appendix 6 mix, which dates from 2015 or the mix in the 2019 Joint Strategic Housing Market Assessment (SHMA), which is due for publication shortly. It is understood that Members of SADC will not be taking a decision on this until the Planning Policy Committee in late December 2019 or early January 2020. For this reason, this Statement has to deal with both possible outcomes.

2.2 The mix in Appendix 6 of the submitted Plan is unsound. It is based on a 2015 Housing Needs Assessment and SHMA which was prepared unilaterally by St Albans on the assumption that St Albans forms its own self contained Housing Market Area. Its conclusions conflicted with the SHMA prepared by the other SW Herts authorities (2016) in terms of the overall housing provision, the mix and the decision of SADC to select a mix which would be the same for all tenures. It was this absence of coordination with the adjoining authorities which led to the SLP failing the Duty to Cooperate and being withdrawn. *Appendix 1* contains a brief report prepared by Savills setting out

the deficiencies of the Appendix 6 mix in terms of housing demand and affordable housing need. The report suggests separate mixes for affordable and private housing and is based on Savills own research.

- 2.3 In the absence of the Council's own up to date evidence in the 2019 Joint SW Herts SHMA, the Appendix 6 mix is unsound and should be rejected. It is out of date and based on unsupportable assumptions such as SADC being a self contained market area. The best and most up to date evidence is the Savills report and this should replace the Appendix 6 mix.
- 2.4 If the 2019 SHMA is published prior to the Examination, TCE wishes to reserve the right to make further representations.

**3.0 (Q8) "Should the Plan include some small and medium size sites in order to provide greater choice and flexibility in accord with NPPF paragraph 68?"**

- 3.1 TCE can only comment in terms of its two housing led Broad Locations (S6(i) and (iii)). Whilst these are large sites (1,650 and 2,400 homes) their size has the benefit of allowing a number of separate character areas to be created each with its own marketing outlets which can offer a variety of products. For example,

- S6(i) is capable of 'early start' outlets
  - adjacent to Redbourn Road
  - east of Spencers Park phase 2
  - north from the employment area (S6(ii))
- S6(iii) is capable of 'early start' outlets
  - adjacent to the A414 / Breakspear junction
  - from the A4147 junction at the southern end of the 2020 application area
  - from the A4147 junction at the southern end of S6(iii).

- 3.2 In addition to a range of housebuilders providing a mix of physical product in different locations across the site, there will be a range of tenures. As well as traditional private for sale units, TCE anticipates that there could be a form of private rented product (which could include BTR) on site and will explore alternative tenures that will enable the delivery of the units to be accelerated. The scale of the site allows for a number of different outlets, providing a mix of unit types and tenures across a range of values. This diversity of product will enable a further opportunity to accelerate delivery.
- 3.3 It is the expectation of TCE that once S6(i) and (iii) are fully operational there could be up to 6 housebuilders active at any one time on the sites.

## **Appendix 1**

### **Savills report on Housing Mix**

Matter 8 Question 13		Savills Commentary				
Is the type and size of housing provided / planned meeting / likely to meet the needs of the area?						
Appendix 6 of St Albans District Council’s (SADC) Draft Local Plan sets out the required residential mix for the broad locations (as per Policy L1).						
	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	Total
SADC Appendix 6	14%	22%	57%	7%		100%

This policy sets out a blended mix for all residential development to be brought forward on the strategic sites, including The Crown Estate’s developments at East Hemel (Policy S6(i) and S6(iii)). It does not provide a split or individual mix for affordable and private units, nor provide a breakdown of the % of units to be provided as flats and houses. In our experience, this is unusual. We would typically expect a separate mix to be provided for private and affordable units, as the demographics associated with the occupiers and market considerations for each are very different (for example affordable occupiers are likely to generate higher demand for smaller units, with limited need for larger four and five bedroom homes).

We understand that the current mix was previously informed by the Strategic Housing Market Assessment (SHMA) in 2013, which was subsequently updated in 2015. Both of these SHMAs are now significantly out of date and we understand that an updated version (2019) is due for publication shortly. In the absence of an updated SHMA, Savills was instructed by The Crown Estate to undertake our own research to inform their emerging masterplan and residential mix. We subsequently undertook detailed market and demographic analysis to inform our view on an appropriate housing mix for the private and affordable housing that reflected current housing demand in St Albans. We also prepared an illustrative masterplan and indicative tile testing on a sample of development parcels within both sites to ensure that the proposed mix could be achieved, whilst maintaining the wider policy objectives in terms of housing numbers and typologies.

A brief summary of this analysis is provided below.

**Affordable Mix**

In order to determine an appropriate affordable housing mix for St Albans, we considered the following:

1. Policy influences;
2. SADC’s Waiting List;
3. Local Affordability; and
4. Discussions with Registered Providers operating and managing stock in the district.

**Matter 8 Question 13****Savills Commentary****Is the type and size of housing provided / planned meeting / likely to meet the needs of the area?**

This analysis highlighted the following:

- The Welfare Reform Act 2012 has resulted in a greater demand for smaller affordable units;
- SADC's housing waiting list (summarised in Table 1) highlights that the combined requirement for one and two bed units over the period 2012 - 2018 has increased from 79% to 84% suggesting that a greater proportion of smaller units will be required on future developments. It also shows that the demand for larger units, particularly four bedroom properties, has fallen over the same time period;

Table 1: SADC's housing waiting list 2012 - 2018

	2013/14	2014/15	2015/16	2016/17	2017/18
1 Bed	55%	50%	38%	40%	43%
2 Bed	24%	30%	35%	45%	41%
3 Bed	15%	17%	23%	14%	14%
4 Bed+	6%	3%	4%	1%	2%

- 80% of new affordable housing completions from 2008 to 2012 in SADC had only one or two bedrooms. A fact also confirmed by responses from local and national registered providers operating in the area indicating that there is a strong demand for smaller properties (particularly two beds) in the SADC area; and
- SADC operates a choice based lettings system granting affordable housing residents the ability to choose the areas they would prefer to move to. As a result it will be important to consider the affordable housing needs of residents that need to work/live near to Hemel Hempstead due to its close proximity to St Albans, a less affordable town for many residents.

Matter 8 Question 13

Savills Commentary

Is the type and size of housing provided / planned meeting / likely to meet the needs of the area?

On the basis of this analysis, we are of the opinion that a blanket mix across all tenures in SADC will not satisfy affordable housing need and could force low income households into homes that they do not want or cannot afford. We have therefore proposed a separate affordable housing mix for the strategic allocations at Hemel Hempstead, which focuses on smaller units, but still ensures that a range of affordable homes are provided to satisfy different households in need. Our mix therefore reduces the number of three bedroom properties to provide a greater number of two bedroom houses, as well as flats. We have also excluded any four bedroom units to reflect the continued declining demand for this size of property (1-2% in 2016/7 and 2017/8).

**Private Mix**

To inform the private mix, we reviewed the private mix being delivered on comparable schemes in the local area (Table 2).

Table 2 – Private Mix on Comparable Developments

	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed
Swallow Fields	5%	23%	44%	28%	0%
Oakwood Gate	0%	0%	33%	56%	11%
Trumpington Meadows	5%	33%	33%	19%	10%
Clay Farm	12%	31%	43%	7%	7%
Newhall	4%	27%	52%	18%	0%
Alconbury Weald	6%	26%	45%	24%	0%
Houlton	5%	30%	37%	28%	0%
Wellesley	14%	39%	29%	16%	2%
<b>AVERAGE</b>	<b>6%</b>	<b>26%</b>	<b>40%</b>	<b>25%</b>	<b>4%</b>



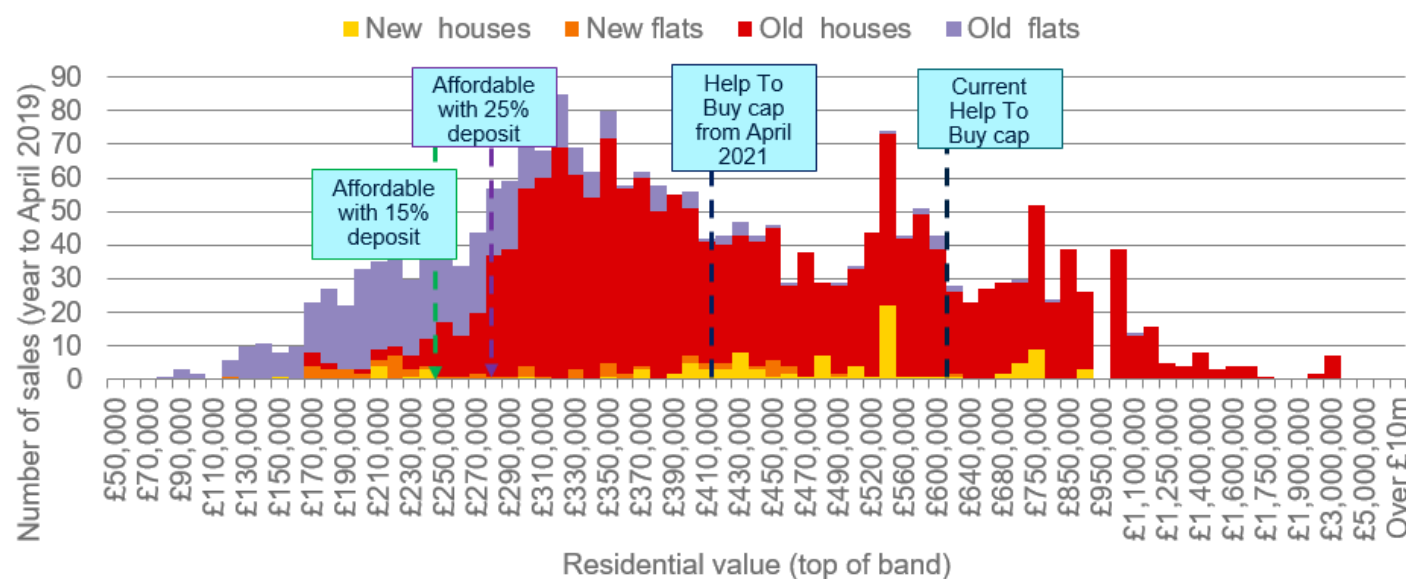
## Matter 8 Question 13

## Savills Commentary

## Is the type and size of housing provided / planned meeting / likely to meet the needs of the area?

This analysis highlighted that most schemes were providing the majority of their units as two to four bedroom homes, with a focus on three bedroom family houses. They were also delivering similar densities to that required for the Hemel Hempstead allocations (av. 40 dph) and had similar price points. We also reviewed the depth of the local market to see where the majority of new homes and resales were being delivered in terms of price point. This enabled us to understand where the majority of supply was being delivered and whether there were any identifiable affordability constraints.

Figure 1: St Albans Depth of Market Analysis



This highlighted the following:

- A range of new build homes are currently available from £290,000 - £1,000,000+;
- A smaller number of new build flats are available from £170,000 - £450,000;
- The majority of sales occur between £270,000 - £400,000, which is below both the current and proposed post-2021 Help to Buy price caps; and
- Based on local median household incomes, to be truly affordable, a greater number of smaller units need to be provided priced under £300,000.

Matter 8 Question 13

Savills Commentary

Is the type and size of housing provided / planned meeting / likely to meet the needs of the area?

The location and connectivity of Hemel Hempstead means that new homes provided on the strategic allocations will satisfy local housing demand, crossing administrative boundaries, most notably:

- Those priced out of the current SADC housing market;
- Demand for housing from the Hemel Hempstead market; and
- Those moving out of London to find more affordably priced housing, including those looking to upsize to family housing.

In order to respond to this wide target market, and ensure that the Broad Locations are deliverable at the scale and speed envisaged in the Local Plan, a private unit mix that responds to market demand, as well as taking account of local affordability, is required. It will therefore be important that a range of house types are provided, including a high number of starter and family homes. Our private mix therefore reduces the number of apartments (predominantly one bedroom units) and offers a greater range of family housing (three to five bedrooms).

**Summary**

Having undertaken the above research, we suggested that the following mix, which includes a separate private and affordable housing target, would be more appropriate (market-facing) for SADC:

Beds	1	2	3	4	5	Total
Proposed Affordable Mix	16%	64%	20%	0%		100%
Proposed Private Mix	4%	21%	40%	30%	5%	100%
<b>Proposed Blended Mix</b>	<b>9%</b>	<b>38%</b>	<b>32%</b>	<b>18%</b>	<b>3%</b>	<b>100%</b>
<i>Difference from SADC Appendix 6</i>	<i>-5%</i>	<i>+16%</i>	<i>-25%</i>	<i>+14%</i>		<i>-</i>

This differs slightly from the current SADC Local Plan Appendix 6 mix, as follows:

Matter 8 Question 13	Savills Commentary
Is the type and size of housing provided / planned meeting / likely to meet the needs of the area?	
<ul style="list-style-type: none"> <li>▪ <b>Apartments:</b> Reduced number of one bedroom apartments, with a preference for two bedroom apartments. This is a result of a reduced provision of apartments in the private mix (with a preference for housing), but maintaining a split of both for the affordable housing in line with local demand;</li> <li>▪ <b>Increased two bedroom units:</b> We have proposed an increased provision of two bedroom units in the private mix to help meet first time buyer demand;</li> <li>▪ <b>Reduced number of three bedroom houses:</b> This is primarily the result of a reduced number of three bed houses in the affordable provision based on our analysis of the local demand and housing waiting list preferring one and two bedroom units. However, we have maintained a high % of three bedroom houses in the private mix to reflect the continued demand for affordable starter and family homes; and</li> <li>▪ <b>Increased number of four + bedroom houses:</b> Whilst reflecting a relatively small number of units across individual sites, analysis of the local private market indicates that there is still a demand for a small number of larger four and five bedroom private family houses, particularly in light of the wider demand from higher value areas such as St Albans. We also believe that it is important to include an element of larger units to ensure that a mixed, cohesive community is created.</li> </ul> <p>Finally, please note that The Crown Estate reserves the right to make a supplementary Statement on this matter in the event that the 2019 SHMA is published before the start of the Examination in Public.</p>	

November 2019