

PLANNING, REGENERATION + INFRASTRUCTURE HOUSING LAND SUPPLY REVIEW

Housing land supply review

Chichester District Council January 2025

lsh.co.uk



Prepared by:

Will Miles Assistant Planner

Alex Roberts Director

This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release.

Signed:

.....

For and on behalf of Lambert Smith Hampton

9 Bond Court Leeds LS1 2JZ



CONTENTS PAGE

1.0	INTRODUCTION	
1.1	Overview	
2.0	REVIEW OF LEAD IN TIMES AND BUILD OUT RATES	
2.2	National Evidence on Housing Delivery	2
2.3	Completions per outlet from National House Builders	6
2.4	Local Evidence on lead-in times and build out rates	6
2.5	Conclusions on lead-in times and build out rates	
3.0	WINDFALL	9
3.1	Overview	9
3.2	National Policy Context	9
3.3	SHELAA	11
3.4	Methodology	
3.5	Windfall Conclusions and Recommendations	

1.0 INTRODUCTION

1.1 Overview

1.1.1 Lambert Smith Hampton (LSH) were instructed by Chichester District Council to provide an evidence base to support the preparation of the Housing Land Supply position dated 1st April 2024. The report will seek to review and recalculate the Council's Windfall analysis and update the lead in times and build out rates for Chichester District.

2.0 REVIEW OF LEAD IN TIMES AND BUILD OUT RATES

- 2.1.1 This section reviews the local and national evidence on delivery rates and lead in times for residential development. National delivery rates and lead in times provide useful context when looking at local information and can help form assumptions when there is no locally available data. Lead in times and build out rates are important to understand how Category A and B sites will be delivered within the 5-year period.
- 2.1.2 As part of this, the following documents have been reviewed:
 - Letwin Review (2018);
 - Start to Finish How Quickly do Large-Scale Housing Sites Deliver?" NLP Paper (2016), and second (2020) and third editions (2024);
 - 'The Role of Land Pipelines in the UK Housebuilding Process' by Chamberlain Walker Economics (2017);
 - HBF Paper (2016);
- 2.1.3 As well as the most recently published annual statements for the following national housebuilders have been reviewed:
 - Persimmon
 - Crest Nicholson
 - Taylor Wimpey
 - Barratt/David Wilson
 - Vistry Group
 - Bellway
 - Redrow
 - Miller Homes
 - Countryside Properties
 - Berkley Group

2.2 National Evidence on Housing Delivery

- *i)* <u>Start to Finish What factors affect the build-out rates of large scale housing sites? (Third</u> Edition, 2024)
- 2.2.1 Lichfield's published the first edition of Start to Finish in November 2016, with the purpose of informing the production of realistic housing trajectories, and in 2020 sought to update the evidence. The latest iteration of the report is the 2024 edition. The research assesses 297 sites with a combined total of over 387,000 dwellings.
- 2.2.2 The key findings of this paper include:

- For schemes of 500+ dwellings, the time from outline application validation to approval can be between 2.7-6.8 years.
- Since the recession of 2007/08 lead in times have increased, lead in times and build out rates were further impacted by the Covid-19 pandemic, however the report illustrates how rates have begun to recover.
- Large greenfield sites tend to deliver more dwellings per annum than the brownfield sites.
- Outlets (different housebuilders) and tenures influence lead-in times and delivery rates, whereby having additional outlets increases build-out rates.
- Furthermore, schemes with more affordable housing build out almost twice as fast as those with a lower proportion of affordable housing.
- The average build out rate for a scheme of over 2000 dwellings is 150dpa.
- The report found that additional factors affecting lead in times and build out rates include: economic and market conditions, impacts such as the Covid-19 pandemic and other site specific factors such as site location.

The Role of Land Pipelines in the UK Housebuilding Process' by Chamberlain Walker (2017)

- 2.2.3 In September 2017, a report commissioned by Barratt Developments and undertaken by Chamberlain Walker Economics entitled "The Role of Land Pipelines in the UK Housebuilding Process" was published.
- 2.2.4 This report focused on sites over 20 dwellings and investigated the supply of land required for housebuilder to maintain and grow the number of houses built.
- 2.2.5 The research identified four phases of delivery from pre-application phase to delivery of first completions. The phases and timescales are as follows:

Table 1. The Development Pipeline and its four phases

	Total development pipeline (A+B+C+D) up to 6.6 years					
D	Under construction (build out) (e.g. constraints of speed of construction, site size and market absorption, infrastructure requirements).	2.3 years (27 months)				
с	From permission to start on site (e.g. landownership, ground works, site infrastructure, discharge of planning conditions)	1.7 years (21 months)				
в	Application to Permission (e.g. inclusion in Local Plan, negotiation of S106, scale of development, performance of LPA)	= 0.5 to 0.8 years				
A	Pre-Application (e.g. landownership and control, market conditions, planning context including allocation in Local Plan, preparing for planning application and extent of required community consultation)	= 1.2 to 2.1 years				

Source: Chamberlain Walker Economics Report

- 2.2.6 The research identified that the 'post planning permission' stages (C+D) has increased from the earlier Local Government Association (LGA) estimates of 1.7 to 2.3 years to 4.0 years. This is considered to be due to the increasing burden of pre-commencement conditions¹, and an increased reliance on larger sites that take longer to build out.
- 2.2.7 This theory on the increased time from permission gained to start on site was found to be consistent with the view of housebuilders, and is attributed to:
 - Over half of planning permissions are held by non-housebuilders which adds the additional stage of site disposal to a builder
 - The increasing time to negotiate and secure a signed section 106 agreement
 - The increased numbers of pre-commencement conditions and the time taken to discharge these conditions
 - Land held under an options agreement;
 - Rapid changes in market conditions, such as economic downturns which can adversely affect sales rates and revenue

iii) <u>Letwin Review (2018)</u>

2.2.8 In Autumn 2017, the Chancellor of the Exchequer commissioned the Letwin Review to "explain the significant gap between housing completions and the amount of land allocated or permissioned in areas of high housing demand and make recommendations for closing it".

¹ Here it should be noted that the changes in legislation enacted on 1st October 2018 mean that pre commencement conditions are less likely to be attached to permissions as they require the consent of the applicant.

- 2.2.9 The review was published in June 2018, and identified that build-out rates are driven by 'absorption rates'.
- 2.2.10 The absorption rate appears to be largely determined by the price and housing type (including size, design, context and tenure) of the new home. As such, housebuilders have the ability to exercise control over the rate of sales, as rivals are often limited in their opportunity to offer customers different types of housing or tenure. For example, when a volume housebuilder occupies all/a large proportion of a site, the size and style of the home will be fairly homogeneous, and thereby limits demand. Whereas even slight variations in the housing size, style (and context), and physical location on a site, can act to increase demand and absorption rates, leading to higher build out rates.
- 2.2.11 The report also identifies the tenure types on offer are critical, whereby the rate of completion of 'affordable' and 'social rented' homes is often constrained by the absorption of market rate houses. This is as 'affordable' and 'social rented' homes are cross subsidised by the sale of market rate houses, meaning that when the absorption of market rate houses is limited by the character and size of the homes, the cross subsidy for the non-market-rate housing is limited and the build out rates are reduced.
- 2.2.12 The report also identifies that there is evidence that smaller sites build out quicker than larger sites. It was considered that the market absorption rate for each home is largely location-specific, and there is a limited depth of a market for a given house size, type, and location. Consequently, multiple smaller sites are able to explore multiple housing markets and therefore build out rates can be higher as they are not as limited by the absorption rates.

iv) <u>HBF Paper (2016)</u>

- 2.2.13 In February and March 2016, the Home Builders Federation (HBF) undertook a survey of 300 large sites in response to the Government's criticism that large sites were only delivering some 48 dwellings a year.
- 2.2.14 In this research, "Large sites" were defined as those with at least 350 dwellings in total.
- 2.2.15 In 2015, the average sales on all sites (including start-ups, on-going, tail-ends) was 70 dwellings a year. In order to omit the low levels of sales that occur at the start and end of a site's delivery and to get an average for when the site was delivering at its best, the research attempted to exclude the lead-in and tail-out elements of a site build-out. Therefore, by excluding these years of lower sales rates, the average rate of sales naturally increases, and ranges between 70-95 sales a year.

2.3 Completions per outlet from National House Builders

- 2.3.1 Many of the national housebuilders prepare and publish annual performance reports. These have been summarised below:
 - Berkley Group: 3,521 completions in 2023 across London and the South East (annual Report 2024).
 - Vistry Group: 16,118 legal completions in 2023 (Annual Report 2023). Number of outlets not provided.
 - Redrow: 5,436 legal completions in 2024 with 117 average active outlets. This equates to 46 completions per outlet (Annual Report 2023).
 - Bellway: 7,654 completions in 2024² with 245 active outlets. This equates to 31 completions per outlet (Annual Report 2024).
 - Miller Homes: 3,585 completions in 2023 (Annual Report 2023). Number of outlets not provided.
 - Persimmon: 9,922 new homes completed in 2023 with about 266 active outlets. This equates to 33 completions per outlet (Annual Report 2023).
 - Barratt/David Wilson: 14,004 dwellings completed in 2023, with 346 active sales outlets. This equates to an average of 40 completions per outlet (Annual Report 2024).
 - Taylor Wimpey: 10,438 dwellings completed in 2023 with an average of 238 outlets. This equates to an average of 44 completions per outlet (Annual Report 2023).
 - Crest Nicholson: 2,020 dwellings completed in 2023 with an average of 47 outlets. This equates to 43 completions per outlet across the financial year (Annual report 2023).
 - Countryside Properties: 5,385 completions in 2021 with average sales outlets at 60. This equates to 90 completions per outlet per year (Annual Report 2021).
- 2.3.2 The analysis of the most recent housebuilder performance reports shows an average build out rates per outlet are between 30 and 46 dwellings each year, with Countryside Properties delivering more on average, with 90 dwellings per outlet each year.

2.4 Local Evidence on lead-in times and build out rates

- 2.4.1 Analysis of local lead in times and build out rates has been undertaken in order to inform the housing trajectory.
- 2.4.2 Over 700 sites were reviewed to establish robust lead in times³ for sites of various sizes. This part of the analysis considered the time taken from the date planning consent was granted to the 1st dwelling completion recorded on site. The sites were grouped into the following categories:

² Year ending 31.03.2024

³ Time from date of planning consent to the 1st dwelling completion recorded on site

- Less than 9 dwellings
- Sites between 10 to 49 dwellings
- Sites between 50 to 99 dwellings
- Sites between 100 and over
- 2.4.3 It should be noted that this assessment is likely to give a conservative estimate of lead in times, as the completion date is aligned with the end of the monitoring year, and the actual completion is likely to have occurred earlier in the year (which would shorten the lead in time) for a number of sites.

Table 2. Lead in time analysis all sites
--

Site Size	Lead in time (years)⁴
	3 years 6
1 to 9	months
	2 years 5
10 to49	months
	2 years 4
50 to 99	months
100 and over	1 year 9 months

- 2.4.4 In addition to the above, an assessment was carried out to establish how long it takes sites to build out, just under 650 sites were reviewed during this part of the assessment. This part of the assessment also established build out rates for sites of various sizes. The analysis considered the time taken from the first permission granted on site to the site reaching whole completion and then the annual rate of completions. The sites were grouped into the following categories:
 - Less than 9 dwellings
 - Sites between 10 to 49 dwellings
 - Sites between 50 to 99 dwellings
 - Sites between 100 and over
- 2.4.5 It should be noted that this assessment is likely to give a conservative estimate of lead in times, as the completion date is aligned with the end of the monitoring year, and the actual completion is likely to have occurred earlier in the year (which would shorten the lead in time) for a number of sites.

⁴ Time from date of planning consent to the 1st dwelling completion recorded on site

Site Size	Build duration (years) ⁵	Average delivery (pa)	
3 years			
1 to 9	months	1	
	2 years 6		
10 to49	months	17	
	3 years 6		
50 to 99	months	38	
100 and over	4 years	43	

Table 3. Build duration and build out rate analysis all sites

2.5 Conclusions on lead-in times and build out rates

2.5.1 To conclude, the national and local evidence on build out rates and lead in times has been analysed above. As the local and national evidence are comparable, the local lead in times should be used to form a basis for the trajectory assumptions, where historic data is available on specific sites this should also be considered on a site-by-site basis.

⁵ Time from date of consent to completion of the entire site

3.0 WINDFALL

3.1 Overview

- 3.1.1 This section provides an updated and detailed assessment of the windfall residential development in Chichester District.
- 3.1.2 This assessment period covers the period 2012 to 2024, thereby allowing for a long term analysis of windfall completions.
- 3.1.3 The information used in this assessment includes:
 - The year of completions
 - Total number of dwellings in the permission
 - Greenfield or Previously Developed Land Status
 - Previous land use, in which the Council's categories are as follows: Agricultural (both Greenfield land and agricultural conversions), Business, Garden, Industrial, Institution, Minerals and Waste, Office, Other, Residential, Shopping, and Storage.
- 3.1.4 This assessment has been prepared in accordance with National Policy and has taken into consideration relevant appeal decisions in Chichester District and elsewhere in England.

3.2 National Policy Context

- 3.2.1 There is no specific nationally prescribed methodology to calculate a windfall allowance, however the NPPF and PPG provide some guidance as to how a Local Planning Authority could carry such an assessment out and how windfalls should be treated in a policy and decision making context.
- 3.2.2 Paragraph 73 of the NPPF seeks to ensure there is a mix of sites, by size in an LPAs land supply. With paragraph 73 d) stating that:

'... support the development of windfall sites through their policies and decisions...'

3.2.3 Paragraph 75 then goes on to state the following:

Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area.

3.2.4 Further to this is the glossary definition of a Windfall site at page 80 of the NPPF:

Windfall Sites: Sites not specifically identified in the development plan

- 3.2.5 The key points taken from the NPPF, is that the evidence should be compelling, that the allowance needs to be realistic, when considered against a SHLAA and should look at historic delivery and expected future trends. And a reminder that there is no prescribed methodology within the PPG.
- 3.2.6 The NPPF does not infer that windfalls are only small or medium, in reality they can come forward in a variety of forms and sizes, as stated by the Secretary of State in the Land at Site of Former North Worcestershire Golf Club Ltd, Hanging Lane, decision.
- 3.2.7 This states:

[14.9] In the definition of "windfall sites" in the NPPF glossary the words "development plan" can reasonably be understood to mean the development plan documents that for the adopted development plan, not the more extensive interpretation for which the Council argues. The definition is simple and unambiguous. It means that a site developed for housing purposes is a windfall site if it is one which is not allocated or otherwise identified.... This is consistent with the NPPF's statement that the planning system should be plan led (para 17) and its requirement (para 67) that planning policies should identify specific deliverable sites to meet housing needs over years 1-5 of the plan period and either specific developable sites or broad locations to meet the needs over years 6-10 and, where possible years 11-15.

[14.11] It is self-evident that the purpose of the glossary is to define carious terms used in the NPPF so that the reader can better understand the mean of its policies. The glossary's value would substantially be diminished if it was necessary to crossrefer to text in the main body of the document in order to understand what the definitions in the glossary mean. Such an approach is counterintuitive and defies logic. The Council's contention that the glossary's definition of windfall sites needs to be understood by reference to paragraphs 68-70 of the NPPF is, therefore, misguided. [14.14] Although paragraphs 68 & 69 are concerned with the provision of small and medium sites, paragraph 70 is not. It deals with the separate matter of windfalls more generally and there is no cross reference between this and paragraphs 68 & 69. I find nothing in these paragraphs to support the Council's proposition that only small and medium sized sites should be characterised as windfall sites.

[14.15] The Council contends that the definition needs to be applied within the local context such that what constitutes a windfall site in Birmingham is different in terms of size to a windfall site in Northumberland. Given my clarification that a site only becomes a windfall site when housing has 13 been developed on it, it is likely that the windfall sites in both of those local authority areas would be found to be of various sizes and scales of development if records were kept over a reasonable time period. There is nothing in the NPPF definition to support the Council's assertion that a site of 35ha should not be treated as a windfall site in Birmingham.

3.3 SHELAA

- 3.3.1 The Council's most recently published SHELAA is from April 2021 and contains the Council's process for identifying potential land for development, over approximately 0.25ha in size, for the next 15 years. The assessment takes a high-level view on the suitability of sites and potential capacity.
- 3.3.2 The assessment done in the SHELAA is 'policy off' therefore development plan policies are not considered as part of the assessment process, which is different to the determination of a planning application. The assessment discounts sites which are existing allocations or have an extant planning permission.
- 3.3.3 Through the assessment, the Council considered a total of 320 submitted sites, their discounting processes meant 257 of those were assessed. A resulting 188 sites were deemed to have the potential for future development. The total potential capacity of these 188 sites was up to 26,637 dwellings.
- 3.3.4 The 26,637 dwellings identified in the SHELAA are distributed across the Plan area in the following parishes.

Parish	Total identified capacity
Apuldram	864
Birdham	580
Bosham	3324
Boxgrove	610
Chichester	1506
Chidham and Hambrook	1265
Donnington	0
Earnley	307
East Wittering and Bracklesham	517
Fishbourne	1036
Funtington	2784
Hunston	483
Kirdford	242
Lavant	0
Loxwood	1157
Lynchmere	0

Table 4. Summary of Table 3 from 2021 SHELAA

North Mundham	821
Oving	3342
Plaistow and Ifold	795
Selsey	678
Sidlesham	93
Southbourne	4092
Tangmere	906
Westbourne	358
Westhampnett	511
West Itchenor	0
West Wittering	248
Wisborough Green	118
Total	26,637

3.3.5 The Council's most recent SHELAA clearly shows that there is a significant capacity for additional residential development across Chichester in the coming years. Whilst it is not expected all this development will happen, there is certainly the capacity for future windfall development.

3.4 Methodology

i)

- <u> Step 1 windfall</u>
- 3.4.1 The first step of this assessment was to review the total amount of windfall completions by year in Chichester as a proportion of total completions. This shows that windfall completions have ranged from 139 to 581 dwellings between 2011/12-2023/24.

Table 5. Net windfall completions 2011-2024

	Total net windfall	Total net	Windfall	5YHLS Yes or	
Year	completions	completions	as a %	No?	Status of Development plan
2011/12	306	353	87%	Yes	Emerging Local Plan
2012/13	307	307	100%	No	Emerging Local Plan
2013/14	139	202	69%	Yes	Emerging Local Plan
2014/15	352	351	100%	Yes	Local Plan adopted July 2015
2015/16	507	507	100%	Yes	Adopted Local Plan
2016/17	438	439	100%	Yes	Adopted Local Plan
2017/18	556	557	100%	Yes	Adopted Local Plan
2018/19	581	654	89%	Yes	Adopted Local Plan
2019/20	431	503	86%	Yes	Local Plan out of date July 2020
2020/21	350	461	76%	No	Local Plan out of date
2021/22	327	712	46%	No	Local Plan out of date
2022/23	384	867	44%	No	Local Plan out of date
2023/24	317	711	45%	No	Local Plan out of date

Average	384.2	458.7	83%	-	-

- 3.4.2 Here it is important to consider the contextual influence of the local plan as well as the five-year housing land supply position. The table above shows that windfall completions were lowest between 2011/12 and 2013/14. This is reflective of the 2008 recession, whereby the impacts of this financial crisis were realised in the housebuilding sector. Furthermore, it also appears that windfall completions have been lower in 2020-2024, this is likely reflective of the covid 19 pandemic.
- 3.4.3 Overall, there have been 4,995 windfall completions in the period 2011/12 to 2023/24 and 1,378 since 2020/21. Therefore, since 2020/21 windfall completions have accounted for 5% of the identified capacity in the 2021 SHELAA.

<u>Step 1 – Further Analysis</u>

- 3.4.4 Through the course of several appeals heard by means of public inquires in recent years, the Council's Windfall calculation was tested. In summary the points tested at recent appeals were:
 - Housing can in some cases be completed many years after being first granted permission, particularly if the initial application was an outline permission, made on a speculative basis, or a large site.
 - Requested a comparison of the years permissions were granted with the status of the development plan and 5 year housing land supply
 - ...and the factors that led to their approval at that time
 - The number of windfalls increases alongside the lack of an up to date development plan or positive land supply position
- 3.4.5 This further analysis looks at the windfall permissions received year on year, in the same assessment period as the original LSH Land Supply Review from 2021. This information has satisfied the Inspector's concerns on the inclusion of a major windfalls allowance.
- 3.4.6 Table 5 below identifies the number of permissions granted each year, and then the number of windfall permissions granted. These are then broken down into minor and major windfalls. The status of the development plan and 5YHLS position are in the final 2 columns. It can be seen that the status of the plan or 5YHLS has little, or no bearing on the number of windfalls granted on an annual basis. The level of minor windfalls remains relatively consistent through the assessment period. The number of major windfalls recorded the highest number in 2014/15, when the development plan was still emerging, but no 5YHLS was present. In the 1 full year and part year of where there was no 5YHLS and no plan or it was more than 5 years old, there does not appear to be a significant upturn in the number of major or minor windfalls.

3.4.7 On average there are just under 4 major windfall permissions granted in Chichester each year and on average 71 minor windfalls received each year.

	Total	Total Windfalls	Total Minor	Total Major	Development Plan	5VHI S?
		Granted	Windfalls	Windfalls	Status	511125.
	Granted	Grance	Granted	Granted	Status	
2011/12	59	58			Emerging Plan	Yes
2012/13	56	50	50	0	Emerging Plan	No
2013/14	108	78	78	0	Emerging Plan	Yes
2014/15	104	104	95	9	Emerging Plan	Yes
2015/16	98	97	90	7	Local Plan Adopted July 2015	Yes
2016/17	70	70	62	8	Adopted Local Plan	Yes
2017/18	69	68	67	1	Adopted Local Plan	Yes
2018/19	88	88	82	6	Adopted Local Plan	Yes
2019/20	70	70	67	3	Adopted Local Plan	Yes Until July
2020/21	65	65	61	4	Local Plan 5 Years old July 2020	No
Total	787	748	710	38		
		Percentage of total Windfalls	95%	5%		

 Table 6. Summary of Permissions Granted between 2011/12 and 2020/21

- 3.4.8 Following a review of the major windfalls it was concluded that the 5YHLS position of the Council did not impact on the decisions reached. Therefore, alongside table 13 above, when considering recent appeal decisions that a comparison of the development plan and 5YHLS status should be made and that the circumstances in which those permissions were granted.
- 3.4.9 Major windfall sites have consistently over the past 10 years been permitted and that has happened irrespective of the development plan, the 5YHLS or whether the Council's Interim Policy Statement is in place, these sites have continued to come forward.
- 3.4.10 When considering these permitted major windfalls in more detail, table 14 below, shows that on average 226 major windfall dwellings are permitted on an annual basis. Although not a direct comparison to completions year on year, this is much higher than the 140-dwelling allowance for major windfalls, identified in the 2021 review and the 112 dwelling allowance identified in this year's update assessment, as set out in subsequent sections. Further to this, it can be demonstrated that of the major windfalls permitted in this assessment period, 73% have come from Greenfield or Agricultural development sites, this is at an average of 164 dwellings permitted per year.

Table 7. Summary of Major Windfall Applications					
	Total Number	Total Dwellings	Total	All other windfall	
	Major		Greenfield/Agricultural	Dwellings	
	Windfalls		Dwellings		
2014/15	9	319	260	59	
2015/16	7	365	355	10	
2016/17	8	237	22	215	
2017/18	1	100	100	0	
2018/19	6	201	96	105	
2019/20	3	258	232	26	
2020/21	4	101	84	17	
Total	38	1581	1149	432	
Avera	ge / Percent	225.9	73%	27%	

- 3.4.11 The final point was the assertion that housing in some cases can take many years to complete, particularly if the scheme was speculative and/or an outline, i.e. a windfall proposal. Our analysis of this point is set out below and with evidence demonstrates this is not the case.
- 3.4.12 Firstly, we return to the average lead in and build out rates set out in the earlier sections of this review for all development types in Chichester. This shows, for major sites the lead in times and build out rates The Inspector had no evidence to suggest that windfall development would take longer to be implemented or happen at a slower rate.
- 3.4.13 Table 15 below shows that out of the 38 major windfalls received in this time period, a total of 26 were detailed permissions, with 9 permissions in total starting construction the year that they were granted.

	Total Number Major Windfalls	Detailed/ Prior Approval	Outline	How many started same year granted
2014/15	9	6	3	2
2015/16	7	4	3	2
2016/17	8	6	2	2
2017/18	1	0	1	0
2018/19	6	4	2	2
2019/20	3	3	0	0
2020/21	4	3	1	1
Total	38	26	12	9

Table 8. Major Windfall by application type and implementation

Summary of the further analysis

3.4.14 Therefore, the evidence set out above demonstrates that a major windfall allowance in years 4 and 5 of the 5YHLS assessment period should be included in the land supply. The evidence shows that development does occur in Chichester irrespective of the development plan status and 5YHLS status and that decisions made were irrespective of such matters. The evidence above shows that windfall development does not take a prolonged time to bring forward, more so than other types of development and that most of these are detailed permissions, with many being implemented the year they were granted.

ii) <u>Step 2 – Greenfield or PDL windfall</u>

3.4.15 The land type of the windfall completions was then considered to determine what the split of completions between PDL and Greenfield sites is.

Year	PDL	Greenfield	Total Net Completions
2011/12	223	83	306
2012/13	261	46	307
2013/14	121	18	139
2014/15	201	151	352
2015/16	265	242	507
2016/17	274	164	438
2017/18	286	270	556
2018/19	298	283	581
2019/20	152	279	431
2020/21	200	150	350
2021/22	143	184	327
2022/23	189	195	384
2023/24	90	227	317
Average	208	176	384
Total	2703	2292	4995

Table 9. Windfall com	pletions 2011-2024 – PDL ,	/ Greenfield
-----------------------	----------------------------	--------------

(Orange = LP not adopted, Blue = LP adopted)

- 3.4.16 The analysis above shows that the supply of windfall from both PDL and Greenfield sites was largely consistent. Across the 2011 2024 period windfall completions on PDL accounted for 54% and Greenfield completions 46% of total completions.
- 3.4.17 PDL windfall developments averaged at 208 dwellings per annum, with a total of 2,703 dwellings between 2011/12 to 2023/24. Greenfield windfall developments have averaged at 176 dwellings per annum, with a total of 2,292 dwellings between 2011/12 to 2023/24.
- 3.4.18 Therefore, as there has been consistent supply from both PDL / Greenfield, the completions will not be split in to two distinct categories as part of this assessment.

iii) <u>Step 3 – Previous Use</u>

- 3.4.19 As identified by national policy, windfall development should be a reliable source of housing going forward. As such, it is important to understand where the windfall supply has previously come from; whether this be consistent large greenfield developments, or change of use developments, and whether this source is likely to have been exhausted.
- 3.4.20 The council have identified the previous land use of the windfall completions into the 11 categories identified in the table below.

3.4.21 The total windfall completions for each category is shown in to help identify where windfall development has been occurring on a consistent basis.

Year	AGRICULTURAL	BUSINESS	GARDEN	INDUSTRY	INSTITUTION	MINERALS & WASTE	OFFICE	OTHER DEV	RESIDENTIAL	SNIPPING	STORAGE	Total
2011/12	54	3	19	17	35	19	35	38	81	4	1	306
2012/13	27	5	18	57	47	18	59	58	16	1	1	307
2013/14	18	24	15	46	0	0	1	0	35	0	0	139
2014/15	113	18	5	6	93	0	9	102	-19	8	17	352
2015/16	184	18	63	5	22	0	23	74	119	-1	0	507
2016/17	178	0	11	0	37	0	12	168	25	2	5	438
2017/18	229	6	13	42	9	78	8	111	43	9	8	556
2018/19	235	8	12	1	73	66	17	72	86	11	0	581
2019/20	232	35	6	0	72	42	4	9	25	6	0	431
2020/21	57	30	5	0	122	79	26	10	5	3	13	350
2021/22	165	38	22	2	0	0	5	1	32	0	62	327
2022/23	188	59	7	2	0	0	46	5	42	0	35	384
2023/24	212	3	15	0	1	0	51	4	27	3	1	317
Average	146	19	16	14	39	23	23	50	40	4	11	384

Table 10. Windfall completions 2011-2024, by previous land use

- 3.4.22 The table above identifies that there has been consistent windfall development from the previous uses of: Agricultural, Business, Garden, Office, Other Development and Residential. As such, these sources have been coloured green in the table above and have been kept in the assessment for additional analysis.
- 3.4.23 Accordingly, the table above also identifies that the windfall completions have been inconsistent from the previous land uses Industry, Institution, Minerals and Waste, Shopping, and Storage. As such, these have been coloured red and removed from the assessment.

iv) <u>Step 4 – Analysis by site size</u>

- 3.4.24 The next step of the assessment was to evaluate the size of developments that have contributed to past levels of windfall in the district. For this, those identified as consistent sources of windfall development above (green), have been carried forward from table 9. This analysis was to identify the consistency of the supply from different site sizes.
- 3.4.25 The size categories used were:
 - 9 dwellings or less
 - Between 10 and 50 dwellings
 - Between 51 and 100 dwellings
 - Between 101 and 250 dwellings
 - 251 dwellings and above

- 3.4.26 The table below shows the windfall completions on sites less than 9 dwellings from the sources taken forward from the step above.
- 3.4.27 This shows that windfall development has been consistent on all the previous land uses of agricultural, business, garden, office, other development and residential. As such, these sources provide reliable supply and have been taken forward as part of this assessment.

Year	AGRICULTURAL	BUSINESS	GARDEN	OFFICE	OTHER DEV	RESIDENTIAL
2011/12	7	3	10	1	2	42
2012/13	12	5	18	9	2	16
2013/14	0	2	5	1	0	17
2014/15	4	8	6	9	12	9
2015/16	1	18	13	12	9	15
2016/17	7	2	11	12	10	15
2017/18	3	6	13	8	2	36
2018/19	14	6	12	17	11	59
2019/20	15	5	6	4	0	25
2020/21	5	15	5	0	10	-2
2021/22	8	9	22	5	1	15
2022/23	44	8	7	7	5	42
2023/24	44	3	15	9	4	27
Average	13	7	11	7	5	24

Table 11. Windfall completions on sites 9 dwellings or less – carried forward from step 3

- 3.4.28 The table below, shows the windfall completions on sites between 10-50 dwellings from the previous land use sources that were carried forward from step 3.
- 3.4.29 This identifies that windfall completions from agricultural and residential previous land uses represent a reliable source of development and contributed consistently during the period. Therefore, these sources have been taken forward as part of this assessment.

Table 12. Windfall completions on sites 10-50 dwellings- carried forward from step 3

Year	AGRICULTURAL	BUSINESS	GARDEN	OFFICE	OTHER DEV	RESIDENTIAL
2011/12	47	0	9	0	0	13
2012/13	15	0	0	0	6	0
2013/14	0	22	10	0	0	18
2014/15	52	10	-1	0	18	-28
2015/16	78	0	50	11	10	10
2016/17	96	-2	0	0	24	10
2017/18	65	0	0	0	47	7
2018/19	53	2	0	0	35	27
2019/20	63	30	0	0	9	0
2020/21	0	15	0	26	0	7
2021/22	21	0	0	0	0	17
2022/23	87	11	0	32	0	0
2023/24	87	0	0	26	0	0
Average	51	7	5	7	11	6

3.4.30 The table below shows the windfall completions on sites 51-100 dwellings on sites which have been carried forward from step 3. This shows that none of the previous land uses represent a reliable supply of development, and therefore they have been excluded from the assessment.

Year	AGRICULTURAL	BUSINESS	GARDEN	OFFICE	OTHER DEV	RESIDENTIAL
2011/12	0	0	0	34	36	26
2012/13	0	0	0	50	9	0
2013/14	0	0	0	0	0	0
2014/15	0	0	0	0	0	0
2015/16	0	0	0	0	0	94
2016/17	42	0	0	0	0	0
2017/18	94	0	0	0	0	0
2018/19	52	0	0	0	0	0
2019/20	17	0	0	0	0	0
2020/21	10	0	0	0	0	0
2021/22	0	29	0	0	0	0
2022/23	57	40	0	0	7	0
2023/24	82	0	0	16	0	0
Average	27	5	0	8	3	9

 Table 13. Windfall completions on sites 51-100 dwellings- carried forward from step 3

3.4.31 The table below shows windfall completions on sites between 101-250 dwellings on those previous land uses carried forward from step 3. This shows that windfall developments of this size on agricultural land represent a consistent supply of dwellings and therefore will be carried forward in the assessment.

Year	AGRICULTURAL	BUSINESS	GARDEN	OFFICE	OTHER DEV	RESIDENTIAL
2011/12	0	0	0	0	0	0
2012/13	0	0	0	0	0	0
2013/14	18	0	0	0	0	0
2014/15	57	0	0	0	0	0
2015/16	60	0	0	0	4	0
2016/17	33	0	0	0	68	0
2017/18	67	0	0	0	62	0
2018/19	116	0	0	0	26	0
2019/20	137	0	0	0	0	0
2020/21	42	0	0	0	0	0
2021/22	136	0	0	0	0	0
2022/23	0	0	0	0	0	0
2023/24	-1	0	0	0	0	0
Average	51	0	0	0	12	0

3.4.32 The table below shows windfall completions on sites over 250 dwellings on the sites carried forward from step 3. As none of these previous land uses provide a reliable source of development, they have been excluded from the assessment.

Year	AGRICULTURAL	BUSINESS	GARDEN	OFFICE	OTHER DEV	RESIDENTIAL
2011/12	0	0	0	0	0	0
2012/13	0	0	0	0	0	0
2013/14	0	0	0	0	0	0
2014/15	0	0	0	0	0	0
2015/16	0	0	0	0	0	0
2016/17	0	0	0	0	0	0
2017/18	0	0	0	0	0	0
2018/19	0	0	0	0	0	0
2019/20	0	0	0	0	0	0
2020/21	0	0	0	0	0	0
2021/22	0	0	0	0	0	0
2022/23	0	0	0	0	0	0
2023/24	0	0	0	0	0	0
Average	0	0	0	0	0	0

 Table 15. Windfall completions on sites 250+ dwellings- carried forward from step 3

3.4.33 This step has analysed the consistency of windfall completions by previous land use and site size.The table below shows a summary of the windfall supply sources that will be carried forward from step 4 and those that will be removed from further analysis as part of step 5.

Table 16. Windfall completions total 2011/12-2023/24 – step 4 summary

Year	AGRICULTURAL	BUSINESS	GARDEN	OFFICE	OTHR DEV	RESIDENTIAL
0-9 dwellings	Carried forward	Carried forward	Carried forward	Carried forward	Carried Forward	Carried forward
10-50 dwellings	Carried forward	Excluded	Excluded	Excluded	Excluded	Carried forward
51-100 dwellings	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded
101-250 dwellings	Carried forward	Excluded	Excluded	Excluded	Excluded	Excluded
250+ dwellings	Excluded	Excluded	Excluded	Excluded	Excluded	Excluded

v) <u>Step 5 Minor windfall analysis</u>

3.4.34 This step further analyses those windfall completions on sites 9 dwellings minus those on land uses that have not been carried forward from step 3.

- 3.4.35 The figure below shows the minor windfall completions from those sources carried forward from step 4. This is shown on a yearly basis (solid line), as well as the two-year rolling average (dashed line).
- 3.4.36 This shows that minor windfall completions show fluctuations. In 2021, there is a drop in minor windfall completions which is likely attributable to the impacts of covid-19, but minor windfall completions have since picked back up.

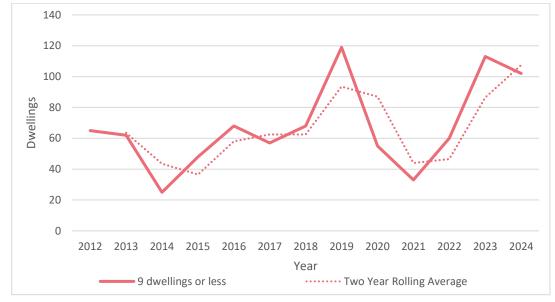


Figure 1: Minor windfall completions, carried forward from step 4

3.4.37 The table below shows the windfall completions on those sites carried forward from step 3 on minor sites (9 dwellings or less). This shows that the average windfall completions between 2011/12-2023/24 from those carried forward in the assessment is 67dpa. The current two-year rolling average is 108dpa. The table below also shows that the average minor windfall completions are 65 dpa when the two highest and two lowest outliers are removed.

Year	9 dwellings or less	Two highest and two lowest outliers removed
2011/12	65	65
2012/13	62	62
2013/14	25	
2014/15	48	48
2015/16	68	68
2016/17	57	57
2017/18	68	66
2018/19	119	
2019/20	55	55
2020/21	33	
2021/22	60	60
2022/23	113	

2023/24	102	102
Average	67	65

3.4.38 Both the total average and two-year rolling average are impacted by outliers in the completions. Consequently, the figure of 65 dpa was calculated by removing the outliers and averaging the remaining completions. Therefore 65 dpa is the most robust figure to be used as the minor windfall allowance and should be applied to years 4 and 5.

vi) <u>Step 6 – Major windfall analysis</u>

- 3.4.39 The figure below shows the major windfall completions from those sources carried forward from Step 4. This is shown on a yearly basis (solid line, chart below), as well as the two-year rolling average (dashed line, chart below).
- 3.4.40 This shows that major windfall completions vary between 2011/12 to 2023/24 whereby major windfall completions rose from 15 dwellings in 2012/13 to 200 in 2019/20, before a dropping in 2020/21 to 49, and have since bounced back. This significant drop is likely due to the immediate impacts of the covid-19 pandemic.

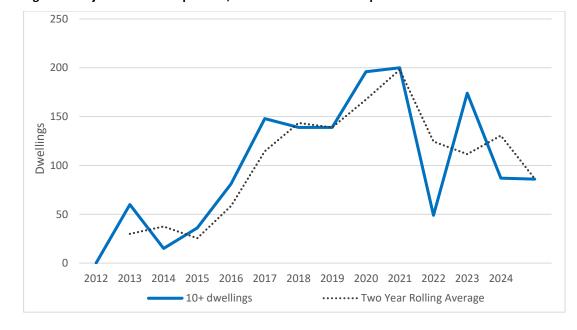


Figure 2: Major windfall completions, carried forward from step 4

3.4.41 The table below shows the major windfall completions on those sites carried forward from step 4. This shows that the average windfall completions between 2011/12-2023/24 from those carried forward in the assessment is 108dpa, and the current two year rolling average is 87dpa (86.5). The table below also shows that the average major windfall completions on those sites carried forward

are 107dpa when the two highest and two lowest outliers are removed.

		Two highest and two
Year	10+ dwellings	lowest outliers removed
2011/12	60	60
2012/13	15	
2013/14	36	
2014/15	81	81
2015/16	148	148
2016/17	139	139
2017/18	139	139
2018/19	196	
2019/20	200	
2020/21	49	49
2021/22	174	174
2022/23	87	87
2023/24	86	86
Average	108	107

Table 18. Major windfall completions carried forward

- 3.4.42 The above analysis provides three calculations for future major windfall allowance: 87 (86.5) dwellings based on the two-year rolling average, 108 dwellings which is the total average, and 107 the average when the two highest and lowest outliers are removed.
- 3.4.43 Therefore, we recommend a windfall allowance of 107 which should be applied to years 4 and 5.

3.5 Windfall Conclusions and Recommendations

- 3.5.1 This report has undertaken an analysis of windfall completions in Chichester District, alongside National policy and relevant appeal decisions, and the Council's SHELAA. Based on past trends for windfall development and the availability of suitable land in the district going forward, there would be the capacity for future windfall development to occur. The type of development, which the trend analysis and recommendation relies upon, is minor development and major development of certain sizes and past land uses. Evidence shows that suitable sites could come forward as windfall in future years.
- 3.5.2 From this, we recommend that a windfall allowance is included as part of the five-year housing land supply. This should be included from year four of the assessment, as most windfall developments that will be built in years 1-3 already have permission and are specifically accounted for in the land supply assessment.
- 3.5.3 We recommend that a minor windfall (9 dwellings or less) of 65dpa and a major windfall allowance of 107dpa should be applied to years 4 and 5 of the supply.