

## 9 CONCLUSIONS AND IMPLICATIONS

9.1 A key reason for undertaking this HMA is to inform the preparation of the Local Development Framework (LDF) for Lewes, which will set out the future planning policies for the District. There are three major housing issues that need to be addressed within the emerging LDFs:

1. The overall volume of housing to be developed in the plan period
2. The tenure and type of market housing to be provided
3. The level and type of affordable housing provision

9.2 Each of these issues is discussed in turn. Firstly, however, we examine some of the key features of the Lewes District and the wider housing market emerging from the analysis in the earlier sections of this report.

### The Lewes District and the Housing Market

9.3 Lewes is home to 93,000 people (41,000 households) and is the second largest district (after Wealden) in the County of East Sussex<sup>14</sup>. Its population structure shows a notable bias towards older age cohorts – a feature that is anticipated to grow over the next 15 years. However, parts of Lewes District must also be viewed within the wider housing and labour market that relates to Brighton and Hove – the Wider Coastal Area. We have commented on the features of this market in earlier sections. This Wider Coastal Area has a population of almost over 400,000 people and has a younger bias given the dynamics in operation within Brighton and Hove.

9.4 In household movement terms Lewes in 2001 was reasonably self-contained. However, the penetration of the market from those living outside the District, particularly within Brighton and Hove, will have increased recently as quality of life factors and house price differentials have fuelled demand for homes within reach of London and the attraction of rural and coastal communities.

9.5 Economically Lewes District is less self-contained with a significant interrelationship in 2001 with Brighton and Hove. Since 2001 the rapid increase in jobs in Brighton & Hove and the Gatwick Crawley area will almost certainly have increased integration with these neighbouring areas – also evident in household migration patterns in recent years which show that increased numbers of people moved from Brighton to Lewes in 2006 compared to 2001. The influence of the London labour market on Lewes will also have increased.

9.6 Within Lewes the housing market has a distinct set of dynamics. The analysis contained in this report and consultation with stakeholders suggests that there are, in effect, three sub-markets with different market characteristics and dynamics in Lewes District. Policy needs to take account of these different characteristics. The three sub-markets are as follows:

1. The first of these sub-markets is the **coastal belt** of Lewes, which covers the southern fringe of the district and the towns of Seaford, Newhaven and Peacehaven. The coastal belt shows signs of economic disadvantage, lower incomes and concentrated pockets of social housing and is not well integrated with the market in the outer rural areas of Lewes District. Within the coastal towns there are opportunities for regeneration, but the housing stock is generally older and of poorer quality than many other parts of the

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<sup>14</sup> As measured by population size

District and recent completions have been focused on flats – a market which is perhaps more vulnerable in the housing market downturn. There are, however, differences between the coastal settlements which were highlighted by stakeholders with Peacehaven most strongly integrated with Brighton and Hove, Newhaven with significant regenerations needs and Seaford having experienced significant retirement migration.

2. The second sub-market area is centred upon **Lewes town**, an attractive county town where affluence is high and will continue to grow, supported by the access it offers to high value job growth in Brighton and Hove, and reasonably good train service to London. However, the town is constrained in its ability to accommodate new housing development by outwards expansion due to the AONB and proposed boundaries of the South Downs National Park, and by flood plains that limit development in the valley bottom. The proposed South Downs National Park adjacent to Lewes, is likely to enhance demand for homes within the town in the future with obvious implications for house prices and affordability.
  3. The third and final sub-market area is the network of villages and smaller settlements that characterise the rural parts of the District away from the coastal belt and Lewes town. Part of this area is covered by the AONB and the proposed National Park designation and is therefore highly constrained in terms of housing development. Other parts of this market area, particularly to the north of the district, are characterised by very high house prices and will have strong linkages to Burgess Hill, London, Crawley and Brighton and Hove economies.
- 9.7 In the past Lewes has suffered from a restricted supply of land suitable for new housing due to constraints posed by the South Downs AONB and flood plains. Future housing proposals for Lewes (see below) reflect its lack of strategic development opportunities that are free from major development constraints, generally steering new development to other areas within the Sussex Coastal Sub-Region.
- 9.8 Whilst the markets outlined above have different characteristics they are united by a lack of opportunities for new housing development. Although the severity of this varies between the different locations it is the key factor that has constrained the level of new housing supply proposed for Lewes in the Draft South East Plan despite the evidence of housing demand and need.

#### **The Overall Volume of Housing to be Developed in the Plan Period**

- 9.9 The South East England Regional Assembly submitted the Regional Spatial Strategy (RSS) for the South East region, known as the South East Plan to Government on 31 March 2006, following final approval by a full Assembly meeting on 1 March 2006. The Examination in Public has been completed and the report of the EIP Panel published in August 2007.
- 9.10 Most of Lewes District lies within the Sussex Coastal sub-region. The Draft South East Plan currently proposes that, on average, 170 new homes a year should be built in those parts of the District that fall within the Sussex Coast sub-region (Lewes, Newhaven, Peacehaven/Telscombe Cliffs and Seaford), a total of 3,400 dwellings over the period 2006-26. The need to protect the AONB and proposed South Downs National Park area, and to avoid other significant environmental constraints, mean that there are no major development opportunities on the edge of any of these towns.
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- 9.11 A report produced by East Sussex County Council ‘*New Homes for East Sussex*’ indicates that the identified potential supply of housing 2006-26 is around 3,340 dwellings in Lewes, indicating that there is a shortfall therefore in terms of identified provision relative to the Plan target of 60 dwellings, which might not be considered significant over a 20 year period. However it is significant that this report identifies 55% of the total potential supply for the Sussex Coastal part of the District over the period 2004-26 as coming from windfall, and therefore is inherently unpredictable and uncertain.<sup>15</sup>
- 9.12 The northern area of Lewes (covering the 5 wards of Ditchling & Westmeston, Plumpton & St John, Chailey & Wivelsfield, Newick and Barcombe & Hamsey) lies outside the Sussex Coastal sub-region designation and is included within the Draft South East Plan proposals for the ‘rest of East Sussex’ area. The Plan proposes a total requirement for 300 homes per year for the smaller towns and villages that comprise this ‘rest of county’ area. Lewes is expected to contribute an annual average of 50 homes per annum towards this total. Figure 9.1 summarises the breakdown of the proposed targets within Lewes.

**Figure 9.1: Proposed Dwelling Provision in Lewes 2006 to 2026**

	Annual Average Net Dwelling Increase 2006 – 2026	District Total 2006 – 2026
<b>Lewes</b>	<b>220</b>	<b>4,340</b>
<i>of which:</i>		
<i>Sussex Coast Sub Region</i>	<i>170</i>	<i>3,340</i>
<i>Rest of County area</i>	<i>50</i>	<i>1,000</i>

Source: Draft South East Plan

- 9.13 The Panel Report following the Draft South East Plan’s Examination in Public does not propose that the housing targets for Lewes be increased, although there is a moderate increase proposed for the Sussex Coastal Sub-Region as a whole. Given that Government’s household projections anticipate growth of around 500 households per annum in Lewes and the DCA Housing Need Survey identifies the level of housing need to be in excess of proposed housing targets the constrained level of provision within Lewes District is likely to have unfavourable consequences for the housing market, considered in the previous section. The level of provision proposed for Lewes is essentially the result of a trade off between these pressures and other considerations. Different stakeholders have different views about whether the appropriate balance has been struck by the proposed housing targets. Whatever the view of different stakeholders, DTZ would argue that there is an imperative to deliver on the planned targets.
- 9.14 It is worth noting in passing that the Brighton and Hove and East Sussex Structure Plan placed a requirement on Lewes to provide 4,600 units between 1991 and 2011, an average of 230 houses per year. Given the level of completions from 1991-2008, the Council needs to provide 686 units between 2008 - 2011 (the remaining period of the Structure Plan), at an annual average of 229 units. This is the level of development consistent with the Structure Plan and with the emerging South East Plan. But this past level of completion needs to be

<sup>15</sup> Lewes District Council is undertaking a comprehensive assessment of housing land supply and DTZ has not reviewed this study as part of the HMA. The District Council will take account of a wide range of up to date evidence in developing future policies.

maintained into the future. There are considerable challenges in so doing, since the major sites currently identified all have significant constraints<sup>16</sup>.

- There are significant opportunities for new development around the waterfront in Newhaven but such development faces high infrastructure costs associated with its waterfront location, which may delay development or reduce the contribution the site makes to affordable housing provision and risks associated with coastal flooding.
- There are two major sites in Peacehaven that have potential for development, but one would be challenging to bring forward for development because of multiple land ownerships, its topography and lack of easy options in terms of providing access. The other site is identified as a location for a Waste Water Treatment Plant and there are questions about the acceptability in planning and market terms of housing development in close proximity to this site
- Sites that might have been considered in the past for development in Seaford are likely to be no longer available if the South Down National Park is designated with the boundaries as currently drawn
- The most significant sites in Lewes are potentially constrained because they are located in or impinge upon the flood plain. It may be possible to promote development on these sites with appropriate mitigation (particularly on the Harveys Brewery site), but the implication may be above average development costs, which may affect the ability of these sites to deliver affordable housing.

9.15 It is also important to note that the figures put forward by the authorities in the Sussex Coast sub-region as part of the Draft South East Plan may not be accepted by the Government who may take the view that the Assembly should be planning for higher levels of housing provision than contained in the Plan, although the Panel Report accepted the level proposed for Lewes. The Government has indicated in the Housing Green Paper its intention to increase the overall annual provision of new housing in England from around 150,000 dwellings pa to 240,000 dwellings pa by 2016 as part of a strategy to improve the affordability of market housing. If Government increases the housing requirements in the South East Plan, then the challenge facing the District Council may be greater than that simply presented by the current South East Plan housing requirements.

9.16 DTZ has not undertaken an assessment of housing land supply or development viability. However, given the uncertainties surrounding a number of the major potential sites currently identified for housing development in the District and the pressures of housing need and demand, which are the key concerns of this report, we suggest that to secure delivery for the plan period Lewes could consider adopting the following approach.

- First, DTZ take the view that the District Council has a good case, because of the restrictions imposed by the likely National Park designation and flood plain constraints, to argue that it should be allowed to make some allowance for provision of housing on windfall sites in its plans to meet its housing targets (see para 59, PPS3) for the first 10 years. However, this assessment of windfall must be based on realistic analysis of likely future trends, not simply continuation of past trends

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<sup>16</sup> DTZ has not undertaken an assessment of the constraints on development sites in Lewes; though this is a task that will need to be completed as part of an assessment of housing land supply. The discussion of constraints in this section is based on our consultations and discussions with stakeholders throughout the HMA.

- Making this case will be assisted if the District Council has undertaken a rigorous review of land in other uses that might be released for housing. It will be particularly important to have reviewed employment uses, and balanced the need to protect land in employment uses, with due consideration of the changing pattern of employment which results in much employment being created in activities not associated with B1, B2, and B8 land
- The District Council should seek to ensure that recognition is given to the considerable constraints on bringing forward major development sites in the area in terms of access, unusual infrastructure costs etc. It should argue the case for organisations such as Communities England (the new organisation being established that brings together English Partnerships and the Housing Corporation) and SEEDA to provide practical support and possibly funding to bring these sites forward
- Lastly, it is DTZ's view that in all likelihood these actions alone will not ensure continuity of supply of new housing to the level required by the Draft South East Plan. We are therefore of the view that the District Council needs to develop proposals for reasonably significant land releases in the north of the District outside of the AONB to secure delivery over the longer term.

9.17 This last suggestion may be unpalatable, but we would make the point that the output of affordable housing is now inextricably linked to the delivery of market housing. There is a very considerable need for affordable housing provision in the District. If the District does not deliver to the full in terms of targets for market housing, it will deliver fewer units of affordable housing than it could have done; and therefore there will be people in need of affordable housing who will not be housed adequately. One stakeholder has also suggested that this would make sense in sustainable development terms since the growth of Burgess Hill, outside the District's boundaries is likely to create demand for workers. The development of new homes in the north of Lewes District could therefore contribute to reducing longer distance commuting associated with new jobs.

9.18 Finally, DTZ suggest that it is important to continue to monitor capacity and land supply in Lewes. Since capacity is the key constraint on delivering more housing within Lewes, if circumstances change, there would be a case for delivering more homes i.e. housing requirements should not be regarded as a ceiling in the District if more housing could be developed sustainably, in the context of the housing pressures that are evident.

### **Government Policy Relating to Tenure Mix and Housing Type**

9.19 The new PPS3 consolidates government thinking on planning for mixed communities. PPS3 states that key characteristics of a mixed community are '*a variety of housing, particularly in terms of tenure and price and a mix of different households such as families with children, single person households and older people*' (para 20). It is not entirely clear at what spatial level this mix is to be achieved (eg within neighbourhoods, towns, or across sub-regions), though paragraph 24 implies that local authorities should seek a mix of households, tenure and price of housing on major sites, indicating that the aim is to achieve mixed communities at neighbourhood or small town level.

9.20 DTZ take the view that it is clearly important to avoid creating concentrations of disadvantage; such are associated with large estates of social rented housing, or areas dominated by low cost private renting. Policy also indicates that it is deemed desirable to avoid neighbourhoods where everyone is of the same income and socio-economic group, though in practice this is what many home owners would prefer and is probably characteristic of many existing

neighbourhoods. There will be those owners who will deliberately seek out such neighbourhoods, while others value diversity.

- 9.21 It is also important in DTZ's view to recognise that neighbourhoods have different characteristics and that this is important to providing a variety of choice in the housing market. It is broadly accepted for example that the development of city centre housing appeals particularly to younger single people and couples. Suburban locations are often favoured by families who place a higher value on having gardens and access to schools. Such variety should be valued as part of creating diverse and liveable towns. Clearly in planning for a mix of housing types and tenures and a resultant mix of different household types will tend to add to the aim of creating diverse and liveable towns.
- 9.22 Translating these objectives into practical and workable policies is not straightforward. Policy as set out in PPS3 is that authorities should *'plan for a mix of housing on the basis of the different type of households that are likely to require housing over the plan period'*. PPS3 also states that Local Planning authorities should *'ensure that the proposed mix of housing on large strategic sites reflects the proportions of households that require market or affordable housing and achieves a mix of households as well as a mix of tenure and price. For smaller sites, the mix of housing should contribute to the creation of mixed communities having regard to the proportions of households that require market or affordable housing and the existing mix of housing in the locality'*.
- 9.23 The implication of the guidance is that Local Planning Authorities will need to consider what size and type of dwellings is appropriate to particular neighbourhoods and particular sites. Though in the context where supply is constrained in relation to overall demand and need there is a need to consider how far it is possible or appropriate to plan in any precise way on this basis. It would not be practical or appropriate to seek to put in place standard district wide policies regarding the appropriate mix of size and type of dwelling to be provided as part of new developments. PPS3 is also clear (para 23) that it expects developers to bring forward their own proposals for market housing that reflect demand, as well as the profile of households requiring market housing. Of course the demand for new housing may differ from the overall demand for housing, the majority of which will be satisfied within the existing housing stock.
- 9.24 Thus Local Development Documents need to provide indications of the type of dwellings to be provided to meet household demand within the sub-region. This will be as much a function of household incomes as household size. But the government has made it clear that it does not envisage highly prescriptive targets for different types of dwelling, since this would undermine the responsiveness of the market to demand: rather, authorities should provide a strategic assessment of where there are gaps within current housing provision and identify in broad terms the relative priority to be accorded to development of different types of dwelling.
- 9.25 With respect to affordable housing, PPS3 indicates that there is a need to establish an overall target for affordable housing provision. Separate targets should be set for social rented and intermediate housing. Local authorities will need to consider the location, size and type of affordable housing provision; but these are not necessarily things that need to be set out in Local Development Documents and to do so could restrict a flexible response to changing patterns of need. Local authorities can influence the pattern of provision in the light of current needs, as identified by analysis of Local Housing Registers, through their relationship with housing associations.
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### **Policies to Influence the Type and Tenure of Housing**

- 9.26 Lewes District Council therefore has a responsibility to think about the implications of planning for mixed communities and planning for the types of household that will be living in the District in the future. This thinking should inform how the local authority seeks to influence the type and size of dwellings both in new private sector development and in terms of affordable housing provision, the latter through its partnership with Registered Social Landlords, and through its Section 106 agreements with developers. Lewes also needs to take account of the drivers operating within the wider market area, which includes Brighton and Hove.

- 9.27 In addition to planning for mixed communities and for the types of household that will be living in the sub-region in the future DTZ believe that three additional considerations need to be taken into account by the authorities in seeking to influence the type and size of dwelling provision:
- Evidence of demand
  - The nature and location of the site
  - Long term policy objectives.
- 9.28 We consider each of these factors in turn.
- 9.29 **Market Demand:** It is accepted throughout the majority of the economy that markets provide a highly effective way of matching demand and supply, and that the relative profitability of different products provide a powerful signal to enable the allocation of those resources to where they produce the greatest benefits to society. The market for new housing is a highly regulated market, because the private market cannot fully take into account all the societal costs and benefits arising from a certain pattern of land use. But market signals can still play a very important role in indicating what type and size of dwelling is most in demand.
- 9.30 DTZ would therefore argue that there should be a presumption in favour of permitting house builders and developers to interpret current market requirements in terms of the size and type of dwellings, within a framework of what is deemed suitable in terms of different locations and appropriate household types. We believe that this is consistent with PPS3. This framework may, for example, indicate that higher density development is desirable in more central locations well served by public transport, than in areas characterized at present by lower densities and where houses rather than flats currently predominate. This may automatically mean that the resident profile is biased to households of a particular age, income or life stage.
- 9.31 It also needs to be appreciated that at different stages in the housing market cycle different forms of development may be brought forward in different quantities. Arguably the high proportion of flats produced over the last few years reflects the particular characteristics of a rising market, where new entrants have been keen to get a foothold in the market, and where there has been a shortage of suitable housing product. The market for flats has also been greatly increased by Buy to Let investment. Given the volume of this product developed in recent years it is quite realistic to anticipate a relative shift back to building of houses in the next five years if land supply and density requirements permit, or the development of a different type of flatted product. Some parts of Lewes and the wider sub-region, particularly the coastal area of Lewes District, are therefore more vulnerable to the changing housing market given their reliance on flatted development.
- 9.32 In a similar way as house builders interpret market data and respond accordingly, local authorities and RSLs need to work together to identify priority needs in terms of affordable housing provision based on analysis of the size of dwelling required by those in priority housing need. Proper consideration needs to be given both to households' current housing needs and their future requirements, assuming they remain in the social housing sector. It may not always be sensible to seek to provide smaller units even if this reflects the current requirements, if it is anticipated that the number of families requiring social housing will increase in future as those households currently being housed have more children.
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- 9.33 Consideration also needs to be given to making best use of the stock of affordable housing as a whole. It might be for example that the analysis of those in priority housing need is for a reasonable number of family homes – say 3 bed houses with gardens. Development of new 3 bed houses may not be the most cost effective or practical way to meet this need. It may be that there are many single elderly tenants living in three bed properties who, if offered a new two bed flat in a more desirable neighbourhood, would take up the offer, releasing larger family housing for those in priority need.
- 9.34 Given that need and stock utilisation strategy may change over time, local authorities need the flexibility to decide what size and type of affordable housing they need at any particular point in time. It is important that Local Development Frameworks do not constrain authorities from securing a particular size and type of affordable housing that they need at a particular point in time or in a particular location.
- 9.35 **The Nature and Location of the Site:** Different sites and locations will lend themselves to provision of different dwelling types, densities, and hence size of dwellings. Normal planning considerations need to be applied taking into account the characteristics of particular sites and the surrounding area. This implies it will not always be appropriate to maximise density. Town centres will typically lend themselves to higher density development than more suburban locations. Regard will be had to density and hence type of development with respect to access and traffic generation.
- 9.36 DTZ has identified three different sub-market areas within Lewes District (the coastal belt, Lewes town and the rural areas), described in more detail at the beginning of this section. Within these areas it may well be appropriate to seek to ensure a choice of housing provision, so that people in different circumstances and with different requirements can live in that area without the need to move elsewhere in the district. It may therefore be sensible to deliberately seek to encourage greater variety of provision (in terms of dwelling type and size) at the sub-market or individual settlement level.
- 9.37 **Long Term Policy Objectives:** There is a strong relationship between the economy of an area, travel to work patterns, the housing market and the profile of the resident population. The balance of population, households, homes, workforce, jobs and related to this travel to work patterns lies at the heart of sustainable development. In some areas housing policy has an important part to play in achieving economic development objectives.
- 9.38 In Lewes, the challenge with respect to sustainable development is that the District has had a fairly lack lustre economic performance. Over the past decade the growth of economic output in the District has been relatively constrained. Whilst higher value service sector activities have been growing, the District continues to have a dependency on lower value industries (such as distribution and tourism). Job growth has been relatively limited in recent years and so there are significant levels of out-commuting particularly to Brighton and Hove.
- 9.39 It would be desirable in terms of sustainable development to boost the economic performance of the local economy. However in contrast to other areas in which DTZ have worked, we do not see that housing policy can make much of a contribution to economic development. This is because Lewes is located close to some buoyant and fast growing economies – notably the Crawley/Gatwick area and Brighton and Hove, as well as being accessible to London
- 9.40 One could increase the supply of homes that might appeal to the higher skilled population, and potential entrepreneurs. But, like as not, they would be bought by commuters. In the coastal
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area provision of such homes would very probably attract in-migrants wishing to retire to the area, or those who commute to Brighton & Hove. In terms of securing a sustainable pattern of growth, the District is likely to have to rely largely on indigenous growth associated with the small business economy. This is most likely to occur in the rural areas of Lewes District and to an extent in Lewes town. The coastal area is likely to struggle economically, though it may increasingly function as a dormitory for Brighton & Hove.

- 9.41 The challenge this presents in terms of sustainable development is that most of the major opportunity sites for housing are to be found in the south of the District and to some extent in Lewes town. The creation of new jobs is quite likely to be biased to the north of the District. This raises the policy issue of whether more emphasis should be given to development of new housing, including affordable housing in the north of the District. The emphasis on affordable housing reflects the fact that the jobs that will be created will be a mix of well paid and low paid jobs. It will be easier to fill the better paid jobs from amongst those who already live in the area than the lower paid jobs.
- 9.42 In contrast in the south of the District, the coastal zone is an area with distinct pockets of deprivation, and where there is a need for regeneration and economic development. The development of existing brownfield sites for housing, for example at Newhaven Docks, will help to improve the appearance and image of a town such as Newhaven. New housing developments in the other coastal towns, Peacehaven and Seaford, would expand the population base and help to sustain and improve local service provision. An improved physical environment and larger resident workforce would provide a better platform for economic development. However the proximity of the area to Brighton and Hove will mean that it is always likely to be something of a dormitory area.
- 9.43 The other strategic issue that the socio-economic analysis presented in this report highlights is the bias in the population structure in the coastal belt to older age groups, a legacy of past patterns of retirement to seaside towns. It is quite possible that market forces would reinforce this pattern, particularly in Seaford, with proposals for development of accommodation for older people. Is this pattern to be encouraged, accepted or resisted?
- 9.44 Such questions are properly the domain of the Local Strategic Partnership. But it is important that the LSP recognises the tendency for processes in the housing market to reinforce existing biases in the social structure of a town or neighbourhood, which tends to work against the goal of mixed and balanced communities. Policy regarding the distribution of housing and the size and type of development is one way in which policy makers can seek to influence the social mix of an area; though it is important to note that local authorities cannot control the occupancy of dwellings through a particular mix.
- 9.45 The implication is that policies on the type of market and affordable housing to be provided for in Lewes should not be dictated solely by analysis of where there are gaps in relation to future housing demand arising from forecast household types in the District. There is a need to consider wider economic and social regeneration objectives. Decisions about future provision of housing, both in the market and affordable sector should not be divorced from policy ambitions that Lewes District Council and its partners have for Lewes as a whole and for the different sub-markets to be found in the District.
- 9.46 Thus there are, in summary, five longer term strategic questions that need to be considered in terms of the distribution of housing development in Lewes District and in terms of the size and type and tenure mix of dwellings to be provided:
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- First the need to plan for future requirements in terms of household types – where the evidence presented in earlier sections highlights a substantial increase in single person households. This should not be taken as simplistically meaning that all, or even necessarily the majority, of new provision should be of 1 or 2 bed properties. The authorities must consider how this growth is likely to be accommodated. Satisfying demand for larger property through new development could well free up significant volumes of smaller dwellings
- Second the need to promote sustainable patterns of development across the District. There is a potential mismatch in terms of the likely creation of new employment in the District with growth much more likely to arise in the rural areas of the District and in Lewes town, than in the coastal area, notwithstanding the availability of employment land in the coastal zone. Creation of jobs in Lewes and the rural areas could help to reduce out-commuting from the area; but employers in the rural areas could struggle to recruit staff particularly for low paid positions due to the shortage of affordable housing. Promoting housing development in the rural areas could offer a more sustainable pattern of development
- Third, it has long been an objective of the District Council to promote the regeneration of Newhaven, and the coastal zone. New housing development on brownfield sites would enhance the image of these towns (Newhaven in particular), and by expanding the population of the coastal zone foster investment in service provision. In the longer term a more attractive environment and a more skilled local workforce could encourage local economic development, but the area is quite likely to continue to be in the shadow of the much larger and more buoyant Brighton and Hove economy, and many residents will commute to work in Brighton and Hove or further afield
- There may be a desire to encourage greater diversity in particular neighbourhoods with high levels of disadvantage; or to offset a bias in the age or income structure of a particular settlement. New housing provision can help to improve the physical environment, but it can also help to start to change the social balance of the neighbourhood through decisions about the tenure mix and type of new housing provided. In this way concentrations of disadvantage may be diluted through new development. The areas where a change in social balance is likely to be perceived as being as most important are in Seaford, which has a population biased to older age groups, and the village of the rural areas which are biased to higher income groups, the product of a shortage of affordable housing
- Finally, the type of housing provision within Lewes should also take account of the operation of the wider housing market and the characteristics of households and dwellings within the wider area, most notably in Brighton and Hove. Different parts of Lewes District have particular characteristics in terms of the social mix and housing stock and these differences can be viewed as positive in providing choice within the District and also within the wider area. Within the Wider Coastal Area (which we have argued includes Brighton and Hove, coastal Lewes, Lewes town and Adur) there is overall a bias towards smaller properties, reflecting the stock in Brighton and Hove. Within this wider context, the housing mix within Lewes can be seen as complementing that of Brighton and Hove (and vice versa) to provide a choice of homes in terms of tenure, type and size within the area that can be seen as a functional housing market.

9.47 The identification of the above policy objectives would suggest the need for different policies regarding the mix of tenure and types of new housing in different parts of Lewes to recognise the different characteristics, needs and opportunities for development. Interweaved with these

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differences it is also important to recognise that the mix of dwelling types and tenures that is appropriate will depend in part on the nature of the site; for example high density development, which implies often a high proportion of flats, are better suited to some locations than others. Equally site economics, which may change over time in the housing market downturn, need to be considered when determining the mix of affordable and market housing.

### The Limits of Planning

- 9.48 In the debate about the mix and type of dwellings that should be provided locally in future it is important that policy makers determine the extent of their ability to shape the outcome of provision. In doing so it is helpful to identify those processes at work in the market and society that the authority (or the public sector as a whole working through the LSP) can decide whether it is in a position to control or influence the outcome, or has just to accept it, but plan for the consequences that arise.
- 9.49 The Control-Influence-Accept Model is set out below, with comments about where policies for housing tenure, size and type mix and housing provision fall within the framework:
- **Control:** in planning terms, authorities have greater scope to prevent certain types of development, though through the appeal process they may find they do not have absolute control to prevent certain types of development. Authorities rarely have the ability to ensure with certainty that a certain type of development takes place, because development is undertaken by the private sector, and if the conditions are not right, developers will not invest
  - **Influence:** in practice most planning policies seek to influence the pattern of development, and planning does indeed influence the pattern of physical development. What are much less subject to influence are some outcomes. Thus an authority may seek to promote a certain type of housing development to help change the socio-economic profile of an area. However, it has no control over the split of sales between owners and investors, nor who buys or rents market properties, and hence who comes to live in them – though it can exert influence on the characteristics of the resident households through the allocation of affordable housing
  - **Accept:** there are important influences on the housing market that local authorities have no control over. For example local authorities have no control over interest rates, but these are a key factor in the affordability of market housing and hence demand. Notwithstanding the recommendations of the Barker Review for action to tackle long term house price inflation, the reality is that at local authority level there is little that can be done to influence the pattern of house price change – and this can have significant effects on the need for affordable housing.
- 9.50 It is important that authorities have an accurate assessment of what they can control, what they can influence and what they have to accept and plan an appropriate response to.

### Considerations in Determining Tenure Mix

- 9.51 Local authorities have no real control over the tenure mix of the market sector. Properties move in and out of private renting and owner occupation according to market conditions. The private rented sector in 2001 was reasonably small in Lewes (11%) and the same size as the social rented sector (also 11%). This contrasts with the pattern in Brighton and Hove where in 2001 the private rented sector (24%) is greater than the social rented sector (14%). Private
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renting is likely to have become more significant over the last five years with the growth of Buy-to-Let and associated issues of declining affordability of owner occupation, which has increased demand for private renting.

- 9.52 The main policy concern of Lewes District Council, however, is the split between market provision of housing and affordable housing provision. The local authorities can exert considerable influence over this through its planning policies; though it cannot ultimately control the overall output of affordable housing provision, since the volume of affordable housing provided is largely determined by the level of market housing developed – and whether planning permissions are submitted or built out is in the hands of the private sector. Affordable housing policy is one of the factors that influence the decision making processes of private house builders.
- 9.53 In determining an appropriate quota for affordable housing provision as part of new development consideration needs to be given to six inter-related factors:
- Housing need
  - Development economics
  - Grant aid
  
  - Affordability
  - Housing aspirations
  - Mixed communities
- 9.54 A key factor in determining policy on affordable housing provision is the scale of housing need. In Lewes this has been assessed through the recent Housing Need Surveys. DTZ would summarise the report as indicating that there is a need within the sub-region for as much affordable housing as can realistically be developed. Looking at the scale of need, relative to the amount that is likely to be provided in association with new development, there is little prospect of all the need identified being satisfied. Indeed the overall annual shortfall of affordable homes within Lewes of some 230 dwellings pa is more than the combined total of new market and affordable housing built each year over the last decade. The issue of what level of housing quota to set thus depends on the assessment of the other five factors.
- 9.55 However, there is also a need to bear in mind that housing supply overall is constrained in relation to overall demand and need. Some developers have questioned the fairness of a policy on overall housing provision which significantly constrains supply in relation to projected household growth but which simultaneously seeks to secure greater levels of affordable housing. Within Lewes in particular any increases to affordable housing quotas are likely to mean that less market housing will be delivered in the future than has been delivered in the past (since the District's overall targets have remained broadly the same). However, these issues and arguments have been considered as part of the Draft South East Plan EiP. They must also be seen within the context of provision within the Sussex Coastal as a whole and, we would argue, the wider market area including Brighton and Hove which we have termed the Wider Coastal Area.
- 9.56 Particular consideration must also be given to the effect of requiring a certain proportion of new housing development in the form of affordable housing on development economics. If the requirement for affordable housing is set too high, then this may act as a deterrent to new development, and both the output of new market and affordable homes may fall below desired levels. Setting the affordable housing quota too high may thus reduce the output of affordable homes. This may be particularly relevant in Lewes where the 2006 monitoring report highlights 'viability issues' on a number of current brownfield development sites. Equally in
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some contexts, where there is scope for incentivising new housebuilding and planning policy is such that an overall increase in housing completions is deemed desirable, a higher output of affordable housing could be achieved by having a relatively modest affordable housing quota.

- 9.57 Development economics are likely to vary considerably across Lewes and over time. The development sites across the coastal belt of the District tend to be sites that are difficult to access or have unusual infrastructure requirements. This will increase development costs and reduce the amount of contribution that can be extracted through section 106 agreements. The need for regeneration of the coastal belt is also likely to dampen market appetite for new development in this area. In contrast land values and the appeal of development in rural Lewes and Lewes town are much more positive, which provides greater scope for securing higher levels of affordable housing provision.
- 9.58 Thus there is likely to be a need to establish different affordable housing targets for different parts of the district. Flexibility may also be required in applying any target depending on particular site characteristics: it may for example be necessary to accept a lower level of provision where the development is on land that requires complex and costly remediation or unusual infrastructure requirements.
- 9.59 The changing funding arrangements for affordable housing provision also introduce a degree of uncertainty into the overall economics of new housing developments and this was an issue highlighted by some local developers. In the past it has generally been possible for RSLs to secure grant aid for affordable housing provision on sites made available through the Section 106 process. This may not be the case in future.
- 9.60 These considerations point to a need for Lewes District Council to enhance their appreciation of development economics, so that they understand where and when it is appropriate and realistic to insist on full achievement of the target quota, and where and when it is appropriate to agree a lower percentage figure for affordable housing provision. It is worth seeking to develop a collective appreciation amongst the public sector stakeholders in the wider Sussex Coastal sub-region. It is important that authorities cannot be played off against one another; and that they develop their collective negotiating skills.
- 9.61 Some flexibility in how the achievement of the affordable housing quota can be met will be helpful in negotiations, particularly in housing market downturns, and is likely to be appropriate in terms of the pattern of housing needs and affordability and in the light of people's housing aspirations and the desire to build mixed income communities. Key considerations are as follows:
- Even if it were possible to negotiate that ½ of all new dwellings on a site should be affordable housing it might not be desirable that these should all be traditional social rented properties, this might not be deemed desirable on larger developments. In recent years there has been growing recognition of the undesirability of creating large concentrations of social housing tenants, and the desirability of creating mixed income communities at the neighbourhood level. On larger developments or developments in areas which already have a high level of social rented housing it may be deemed desirable in terms of building balanced communities to encourage an element of shared ownership or other forms of intermediate housing. The pattern of current provision in Lewes already shows there to be concentrated areas of social housing (within the coastal belt) that future development could help to dilute
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- Home ownership is the tenure of choice of virtually all households in England regardless of tenure. Government policy has reflected this in the past through encouragement of the Right to Buy, and the current government has launched its suite of new intermediate housing products under the Home Buy programme to meet the aspiration for home ownership. Provision of intermediate housing can go some way to meeting identified needs. Not all those in housing need want or need social rented housing. It therefore makes sense in terms of an overall housing strategy to plan for a certain level of intermediate housing provision
- Finally it is often the case that separate funding provision is made for intermediate housing. Planning for a certain level of intermediate housing provision is therefore sensible as part of a strategy to maximise the level of public funding secured for affordable housing. It also provides flexibility in negotiation with developers. In general developers are more willing to envisage provision of intermediate housing as part of their development than social rented housing since the impact on development value is less. Thus, being willing in principle to envisage that part of the affordable housing requirement may be met by provision of intermediate housing can be helpful in reaching agreement with developers on affordable housing provision.

9.62 All of the above indicates that the provision of shared ownership and other intermediate housing products should form part of Lewes District Council's affordable housing policies. It is hard to say how significant an element it should play since the affordability of shared ownership products varies with market conditions and interest rates; funding opportunities come and go; and there remains a generally poor understanding of intermediate housing products among consumers – which is not helped by the variety of initiatives and different products launched, each with different eligibility criteria and characteristics. In DTZ's view there is still considerable confusion among potential purchasers about the whole range of Homebuy products.

### **Recommendations Regarding Tenure Mix and Dwelling Type Mix**

#### *The Coastal Belt*

- 9.63 The Lewes Local Plan sets a target that affordable housing should comprise 25% of new housing built on sites of more than 15 units in Newhaven, Seaford, Peacehaven and Telscombe. At present the Local Plan states that most affordable housing will take the form of social rented housing (subsidised schemes involving a Registered Social Landlord); there is no expectation that part of the affordable housing quota will be met through provision of intermediate housing.
- 9.64 There is a need to secure the economic regeneration of the coastal belt and to balance this with the constraints that a number of sites in this area (much of which is below sea level) face. DTZ has not undertaken an assessment of housing sites as part of this study, nor investigated development economics within Lewes, but we understand that many of the coastal sites have unique infrastructure requirements. The fact that many are also brownfield sites makes them relatively expensive to develop.
- 9.65 There is a considerable need for additional affordable housing. The housing market in the coastal sub-market is now more robust than was the case when the Local Plan was prepared, though it may also be more vulnerable in the housing market downturn. DTZ therefore believe that there may be scope to increase the overall quota for affordable housing to 30%. However, it must be acknowledged that there are a number of large sites identified as having
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the potential for development, most of them brownfield sites<sup>17</sup>. Some of these sites will have unusual infrastructure costs and this should be factored in when determining the appropriate level of affordable housing through an independent assessment of site economics.

- 9.66 House prices in Peacehaven, Newhaven and (to a lesser extent) Seaford, remain comparatively low by Lewes standards. This means that home ownership is relatively affordable compared to many parts of the South East. As a result the environment is less conducive to shared ownership than in other parts of the district. DTZ doubt therefore that there will be much call for intermediate housing products in the coastal belt of Lewes.
- 9.67 DTZ would recommend however that Lewes District Council ensures that affordable housing policy is drafted to as to allow the possibility of part of the affordable housing requirement on development sites to be provided in the form of intermediate housing. This would serve three purposes:
- Often funds are allocated for low cost home ownership through separate processes to those allocated for social rented housing. A policy that acknowledges the scope for intermediate housing keeps open the possibility of drawing in additional resources for affordable housing, that would not be otherwise available (though if funds are available it might be that they are better used elsewhere in the sub-region)
  - It could be helpful on larger sites in neighbourhoods that already have a large concentration of social or low cost private rented housing to be able to promote low cost home ownership, rather than reinforcing the neighbourhood concentration of very low income households, by further development of social rented housing
  - A policy that allows for an element of the affordable housing component to be met by provision of intermediate housing, provides a degree of flexibility in negotiation with developers over affordable housing provision. If the development economics on a particular site look like they may preclude provision of 30% social rented housing, it may still be possible to deliver 30% affordable housing if this is a mix of social rented and intermediate housing.
- 9.68 It would be important, however, where any form of intermediate housing is proposed that care is taken to ensure that such a scheme is attractive to potential purchasers and competitive compared to buying entry level housing elsewhere in the Sussex Coastal area.
- 9.69 While DTZ would suggest an overall quota to secure 30% affordable housing on new development sites in the coastal belt, we would recommend that Lewes District Council considers the characteristics of the neighbourhood in determining whether this provision should be made on site, or a commuted payment made to permit off-site provision elsewhere in the District.
- 9.70 This recommendation reflects the fact that there are a number of disadvantaged areas in the coastal belt, generally associated with neighbourhoods with high levels of social rented accommodation. The maximum impact in terms of creating a more mixed community will be achieved if, in these areas, all (or most) new housing is built for home ownership.
- 9.71 Where some affordable housing provision is provided off site or developers make a commuted payment in lieu of provision, this would allow Lewes District Council to promote affordable

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<sup>17</sup> Newhaven Marina (105 units) and Meeching Quarry (125 units) in Newhaven and the Sports Park (185 units) in Peacehaven.

housing development in those parts of the District (such as the rural areas) which are predominantly owner occupied and thereby promote more mixed communities in such places.

- 9.72 The size and type of affordable housing provided in connection with new development should take account of analysis of the characteristics of those households that the local authority has a duty to house and the existing pattern of available relets. This evidence should be regularly monitored and the implications fed into discussions with housing associations.
- 9.73 With respect to size and type of new market housing, planning policy does not require the local authority to be prescriptive. Lewes District Council should take into account the site and neighbourhood characteristics. But in a weaker development market, the District Council should pay close attention to what developers propose since they are likely to have the best idea of what will sell. It is also often the case that developers specialise in different products and markets, so different developers will have different knowledge as to what will sell.
- 9.74 There are three caveats to this general advice:
- The local authority should consider whether the type of new dwellings are to be used for permanent occupation or holiday letting. Second homes or holiday lettings may make a contribution to the local economy, but will do nothing to meet locally arising demand. Certain types of development may attract such interest – eg sea front apartment developments. Given a very tight position on land supply, Lewes District Council should seek to ensure as far as possible that new housing developments are used for permanent occupation
  - Lewes District may wish to adopt a policy regarding the scale and location of housing providing for older people. Seaford in particular has a bias in the age profile of its population, with a high proportion of older people. This in itself makes it attractive to those providers catering for this group. Lewes District Council may or may not regard it as entirely acceptable that Seaford develops as a specialised retirement community
  - While household forecasts show a substantial increase in single person households, it is probably undesirable to concentrate very large numbers of new developments catering for this market in certain locations. It may well be that much of this requirement can be met by adaptation within the existing stock eg conversion of larger dwellings, and new developments should promote greater balance and mix.

### ***Lewes Town***

- 9.75 Lewes town is highly constrained by the boundaries of the AONB and the prospective National Park that abut the urban area (although the Inspector's report recommends that Lewes is not included in the National Park) and by the Ouse floodplain that runs along the valley floor. These place severe constraints on the expansion of the urban area. To some extent Ringmer to the north east acts as a satellite of Lewes, linked to the town by household and travel to work movements.
- 9.76 There are limited development opportunities in Lewes town because of the environmental constraints mentioned above. 60 units are identified in the District's 2008 housing supply analysis (Lewes Housing Campus).
- 9.77 The Lewes Local Plan sets a target that affordable housing should comprise 25% of new housing built on sites of more than 15 units across the District as a whole. With relatively limited housing proposed in the District due to very limited development opportunities and
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increasing reliance on small sites this policy would deliver very little affordable housing to meet substantial levels of housing need.

- 9.78 With a robust housing market in Lewes evidenced by house price growth, DTZ would take the view that the affordable housing target in Lewes could be increased, and probably accompanied by a small threshold at which the requirement applies. Whilst DTZ has not examined the economics of development in Lewes town we would suggest that a target of 35% might be reasonable given the desirability of the town and lack of opportunities for new development. We believe Lewes will continue to face strong market demand, supported by the access it offers to high value employment growth in Brighton and Hove, the Gatwick Diamond and London.
- 9.79 DTZ would expect, however, that an element of this might take the form of intermediate units as housing in the town has become increasingly unaffordable. This would help to promote balance and sustainability in Lewes town and help to ensure that a mixture of households can access new market housing. Intermediate housing should be particular sought where there is a desire to diversify tenure and the mix of different income households in a particular neighbourhood; or where flexibility over the mix is important to delivering a viable scheme.
- 9.80 We do not favour the establishment of precise targets for the split between social rented and intermediate housing, because the demand for intermediate housing may wax and wane depending on the state of the housing market, and the scale of demand remains unproven. It is also worth bearing in mind that there has not been an intermediate housing sector during any previous housing market downturn so there is some uncertainty about how this sector will be affected, both in terms of intermediate households and homeowners and RSLs providing intermediate products. As a guide we would suggest that the local authority expect that a minimum of 25% of all units should be social rented housing since the majority of the requirement for affordable housing is for social rented housing.
- 9.81 This would imply that up to 10% of dwellings on any site might take the form of intermediate housing, but whether it is 5% or has no intermediate housing would depend on a pragmatic decision based on available funding, site economics, and the contribution to meeting mixed communities objectives. It is also critical to assess the market for intermediate housing to ensure that any such a scheme is attractive to potential purchasers and competitive compared to buying entry level housing in the district's more affordable coastal belt.
- 9.82 The size and type of affordable housing provided in connection with new development should take account of analysis of the characteristics of those households that the local authority has a duty to house and the existing pattern of available re-lets. This evidence should be regularly monitored and the implications fed into discussions with housing associations

### ***Residual Rural Area***

- 9.83 The rural northern and central parts of Lewes experience major issues in terms of housing affordability. This is the product of high average house prices associated with a stock of larger dwellings, attractive villages set within an Area of Outstanding Natural Beauty, but low local wages. Prices in this area will have been further inflated by high liquidity in the London market and the recycling of this into purchases of attractive rural housing in parts of the South East accessible to the capital.
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- 9.84 Identified opportunities for new residential development are currently highly limited, and in view of both potential demand but generally limited opportunities for new supply, there is likely to be little difficulty in promoting new development where it is permitted. As noted above in the discussion of housing land supply, DTZ believe that the District Council may need to look within the area outside the AONB for housing land release if it is to meet its PPS3 requirements regarding land supply; and that appropriate development in this area could contribute to creating sustainable patterns of development.
- 9.85 It is particularly important to promote affordable housing development within this area, as a means of addressing affordability issues in the rural areas and to make a contribution to addressing the considerable need for affordable housing across the whole District. The strength of demand, constrained supply and lack of new developable land in the rural parts of Lewes mean that it is probably realistic to seek a 40% affordable housing contribution on those opportunities coming forward.
- 9.86 In order to seek to ensure some new affordable housing provision in villages, DTZ would argue that the threshold at which affordable housing policies apply should be lower than in Lewes town and the coastal belt. We have not undertaken an analysis of the size of developments coming forward in the area in recent years, but would expect that the threshold should probably be set at developments of five or more dwellings. These contributions are justifiable in terms of housing need, which has become acute in rural parts of Lewes, at the same time as the stock of social rented housing has been eroded by Right to Buy sales.
- 9.87 We would advocate the same approach to intermediate housing as set out above in relation to Lewes town. That is, we do not favour the establishment of precise targets for the split between social rented and intermediate housing, because the demand for intermediate housing may wax and wane depending on the state of the housing market, and the scale of demand remains unproven. As a guide we would recommend that the local authority expect that a minimum of 25% of all units should be social rented housing since the majority of the requirement for those in priority housing need is for social rented housing.
- 9.88 This would imply that up to 15% of dwellings on any site might take the form of intermediate housing, but whether it is 10%, 5% or has no intermediate housing would depend on a pragmatic decision based on current assessment of demand in the particular location concerned, available funding, site economics, and the contribution to meeting mixed communities objectives. We would expect that there to be more of a demand for intermediate housing in this location given that affordability is more stretched and there is less scope for those on lower incomes to buy into cheaper property in the coastal belt.
- 9.89 It may also be deemed desirable to offer people with strong local connections the opportunity to buy in the rural area. Existing powers to foster new development on exception sites remain unaltered and should also be reflected in policy and active steps taken to identify and bring forward such sites.
- 9.90 The size and type of affordable housing provided in connection with new development should take account of analysis of the characteristics of those households that the local authority has a duty to house and the existing pattern of available relets within the rural area. This evidence should be regularly monitored and the implications fed into discussions with housing associations.
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9.91 With respect to size and type of new market housing, DTZ do not suggest that the Council set targets for the type and size of market homes. However, we would highlight two key considerations for Lewes District Council:

- One of the reasons for high average house prices within the rural area of Lewes is a bias to larger and detached properties. Encouraging the development of smaller dwellings could help to broaden the range of entry level housing available, and could make a contribution over time to improving affordability. Encouraging enhanced provision of smaller entry level housing as part of new developments could also help younger households who have amassed less equity to live in rural Lewes. This would help to create more balanced rural neighbourhoods over time, since the bias to larger, more expensive properties has a tendency to be reflected in a bias towards older age groups among the resident population
- Within the Wider Coastal Area and Brighton and Hove in particular there is a bias towards flats and smaller properties, reflecting the densely urbanised nature of Brighton and Hove. Within this context, Lewes District provides choice for residents within this wider area, offering areas with larger homes, which are particularly attractive to families.

9.92 Whether and how Lewes District Council wish to influence the mix of new market housing will depend therefore on the Council's overall vision for the District. DTZ would argue that it needs to recognise that parts of Lewes District operate together with Brighton and Hove as functional housing and labour markets and so policies on housing provision need to be integrated and complementary. It would be very difficult to reverse the market forces that integrate Lewes and Brighton and Hove in terms of the housing and labour market, however, there may be the desire to foster more of a balance at the neighbourhood level in terms of the type of homes available. Altering the mix of market homes developed in any location might be achieved through policies on design and density including for existing neighbourhoods, which given the reliance on windfall development within Lewes, are likely to be a key source of future housing provision. The dwelling mix might also be influenced through the type and size of *sites* allocated for development, recognising that different sites lend themselves to different mixes. However in Lewes there may be limited choice over sites given the development constraints.

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# Appendix 1

## Summary of Stakeholder Consultation



## Summary of Stakeholder Consultation and Feedback

### Lewes HMA Stakeholder Event

The Lewes Housing Market Assessment stakeholder event was held on 8<sup>th</sup> October 2007 at Pelham House Conference Centre and Hotel. It was attended by around 50 stakeholders from the public and private sector.

The objective of the event was to inform stakeholders about the emerging evidence, provide an opportunity to feedback to the consultants and Lewes District Council. Stakeholders were then involved in discussion groups and asked to comment on the emerging evidence (which was presented by DTZ) and to consider the implications for policy.

A summary of the key points raised in each discussion group is provided below.

Following the stakeholder event, in response to concerns from some stakeholders who were unable to attend, DTZ made available the draft HMA report for comment. Comments were received from:

- Pete Errington, Home Builders Federation
- Peter Court, Bovis Homes
- Kingsley Roger-Jones, Clifford Dann LLP
- Nick Lear, Member of Barcombe Parish Council and Hastoe Housing Association, commenting in a personal capacity

One of the concerns raised by some stakeholders was the need for greater consultation with developers. A number of house builders had been invited to the stakeholder event but were unable to attend. DTZ agreed with Lewes DC to follow up with a number of local developers to ensure that their views had been taken on board. In March/April 2008 we consulted the following organisations who expressed an interest in feeding into the HMA:

- Bovis Homes (Peter Court)
- Judith Ashton Associates (Judith Aston)
- Angel Properties (Charles Style)
- Avalon Ventures (Philip Temmerman)

As far as possible we have reflected the feedback from stakeholders in the Final Report – for example to help interpret the evidence and to comment on policy issues – though it should not be assumed that this report fully reflects the views of individual organisations consulted. Rather the report reflects the views of the consultants (DTZ) on the basis of the evidence from the data and consultations with stakeholders.



## Summary of stakeholder workshops

Discussion in the workshops was structured around a number of common questions; though the discussion within individual groups varied.

### Green Triangle Group – Chaired by Simon Burnett (DTZ)

DTZ conclude that Lewes District has a number of sub housing markets; the coastal belt, Lewes Town; and villages and smaller settlements. Do you agree with this assessment?

- Agreed classifications were broadly correct
- Though there exists differences within each classification associated with different sizes of villages and settlements
- Size and classification heavily influenced by infrastructure

At the regional level there has been a considerable growth in private renting associated with Buy to Let. To what extent has this had an effect in Lewes District? What locations, types of property (including new or existing), and what type of people are being housed in the PRS?

- Significant effect in coastal region. Noted increase in house prices in Seaford and Peacehaven
- Short term leases attributed to “volatility” in the community
- In rural areas the buy-to-let trend was less easy to identify as tenancies tended to be longer term, e.g. in Falmer, Plumpton
- Some within the group suggested that the influx of younger residents who privately rented positively rebalanced the community demographics in rural villages

The SE Plan allocates the overall level of planned housing provision for Lewes for the period 2006 - 2026. How do you react to proposals that a case should be made to include allowance for windfalls, reviewing employment land and dealing with difficult brownfield sites?

- Broadly agreed that they should be included based on the level of current delivery
- The classification brownfield sites was very wide
- It was felt windfall sites need to be included in some way, possibly as a balanced target reset each year

DTZ do not recommend that the LDF develops prescriptive policies for the size and type of market dwelling, but that consideration is given to market demand, the nature and the location of the site and long term policy objectives alongside the aim of creating mixed and balanced communities in deciding what is appropriate to particular sites. Do you agree with this approach?

- Generally agreed with approach
  - An increase in flatted development was suggested as a means of addressing the affordability problems in the area for the rising number of single person/single family households
  - There followed a conversation on freeing up the larger properties currently occupied by elderly residents with the incentive of retirement village type
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dwellings, e.g. St. Georges Retreat, Wivelsfield and Downland Extra Care Homes, Peacehaven

DTZ identifies a particular challenge for the sustainable development of the District: the prospect of more robust economic growth in the rural north of the District, while the majority of housing provision is planned for the south of the District. Is this acknowledged to be an issue, and if so how should this issue be addressed in the LDF?

- The issue was raised that large-scale new housing provision in the South of the District would cause serious overcrowding of infrastructure etc. Especially the A259 coast road and the A23 corridor, both of which are heavily overcrowded in rush hour
- A few in the group questioned the economic robustness of the Northern district and its ability to sustain any significant growth in housing
- Land within Lewes District but close to Burgess Hill and Haywards Heath was put forward as a better option as closer to employment, services and infrastructure

DTZ make specific recommendations for the affordable housing provision in the different sub-markets in the District and in some cases for the type of market housing provided. Do you agree with setting different affordable housing targets for different areas within the district?

- Views differed within the group
- Representatives from Rural agreed with the 40%, 5 unit threshold policy
- Some felt a better policy would be 40% provision across the district with a threshold of 5 dwellings due to the level of need for social rented accommodation across the district. Others in the group felt this would impede potential development in some areas

**Blue Circle Group – chaired by Natalie Carpenter**

### ***3 Submarkets (Coastal, Lewes Town and remaining area of villages and smaller areas)***

Agreed at first but as discussions grew opinions changed. Some thought that the coastal towns had many similarities to the town of Lewes in regards to population and pressures of housing, infrastructure etc.

It was then concluded that in fact the coastal towns are all quite distinct in themselves; Seaford lacks a young population as many people go to there to retire, Newhaven is an area in need of regeneration and Peacehaven and Telescombe are sometimes regarded as an extension to Brighton. For these reasons they should be viewed individually.

### ***Employment land***

Can employment land be better used for housing? Council needs to look at new and existing employment land before considering new mixed use developments. There should be a review of employment land as there are many empty units across the District, which could be better used.

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### ***Planning boundaries***

Applies to those planning boundaries in the countryside, which restrict the use of land between existing housing. Boundaries could be redrawn to include land already surrounded by development so that the land could be used for affordable housing.

### ***Affordable housing thresholds***

It is sometimes difficult to get developers to go beyond the threshold of housing numbers that would require them to provide affordable housing. There should therefore be a method implemented that means that numbers of housing in one town or village are looked at collectively rather than individually. So rather than the threshold for affordable housing being triggered within one application once the number of housing in the town/village in total hits the threshold applications then have to include affordable housing. This would hopefully reduce the number of applications for housing coming in just under the threshold.

Difficult issue regarding viability as if the developer cannot make a decent profit on the development then they will go elsewhere to build the houses.

Also discussed that the Council does not make it easy for those developers who want to build affordable housing if it conflicts with other policies. Suggest the need for more negotiating.

### ***Housing stock***

Free up existing housing that is in demand rather than building new dwellings. The Council should explore the route of relocating people that live in a house, which is larger than their needs into smaller units, which would release larger family homes, which are in demand.

Issue with this suggestion is that if the Council was to relocate those who are elderly into retirement apartments these do not count towards the housing number requirement and therefore would fall short on numbers even though homes were being provided.

Large executive type homes in areas where the majority of people cannot afford them are viewed as taking up valuable land that can be used to provide more affordable or suitable dwellings for the District's needs.

### **Green Circle Group – chaired by Robert King**

The following key points were agreed during a wide ranging discussion covering a number of housing market issues:

- There was broad agreement with the three housing sub-markets – the coastal belt, Lewes town and the rural area – identified by DTZ. However, the group considered that the housing market in Seaford operates under different conditions to the rest of the coastal belt. The town is more constrained by planning and environmental designations and has few greenfield or brownfield sites, which are suitable for development. Seaford's housing stock is also increasingly in demand from young couples and families, in addition to retired households, which is leading to a significant affordability problem.
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- There is an evident impact on the District through the growth in private renting associated with Buy to Let. A lot of investors are purchasing former local authority houses, due to their lower price, and letting them at rents, which can be afforded by young families. This enables families with children to remain in or move to areas where house prices are too high for them to buy, such as Lewes town and the villages. This impact has to be beneficial in terms of creating more balanced communities and supporting local services, such as schools, shops etc.
- The view of DTZ that housing land releases should be made in the rural north of the District was not generally supported by the group. Concern was expressed that a variation to the South East Plan in terms of the broad amount and distribution of future housing development in the District could risk compromising the regeneration of the coastal towns (at the same time, the issue of flood risk on the regeneration of Newhaven was recognised, particularly in terms of the large areas of brownfield land adjacent to the river). The group acknowledged that the affordability of housing in the rural area is an issue that needs to be urgently addressed, but it was felt that the most appropriate action is to allocate village sites specifically for affordable housing (PPS3 definition). It was considered that a firm planning policy stance against further private market housing developments in the rural area would suppress private sector aspirations to the extent that affordable housing sites would begin to be brought forward in the villages. Affordable village housing was needed both for young families and for retired couples (in order to enable them to 'downsize').

#### **Red Circle Group – chaired by Sue Moffatt**

Agreed that the district is a mix of a number of sub-housing markets.

Low wages and unaffordable housing is driving youngsters away from towns and villages in the district. Different targets for affordable houses are justified, especially in villages. The rural north of the district has high house prices, which are driving young people away – mechanisms need to be found to retain them.

A range of different house types for affordable housing is required. Low cost starter homes for people to buy are still required because a lot of people want to get onto the housing ladder – important to prevent stair casing. In Milton Keynes a mix of social rented, care equity, low cost market housing has been used successfully. Planning conditions could be used to prevent stair casing and to keep the price down.

Essential to avoid people under-shooting the affordable housing threshold by subdividing housing sites. This could mean bringing down the threshold to one unit, if that is going to avoid the problem.

It is essential to take account of windfalls in land allocation because of their effect on infrastructure capacity. While maximising the numbers through allocations the windfalls must be taken into account by infrastructure providers so that they provide the capacity to meet the real demand.

Buy to let is catering for a market in the district and therefore is not a problem. It is providing housing for a sector who could not afford to buy even if buy to let was not around, and for people who need flexibility at a point in their life.

There is a need for more, smaller private houses to facilitate people downsizing when their families have left home whilst remaining in their communities. The affordable need in villages is much greater than the thresholds currently envisaged by the planning department for affordable housing developments. For example in Barcombe there is an

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established need for 20 dwellings rather than the much smaller number that the planners are willing to accept.

Market demand is much more responsive to needs than policies can be, therefore policies should not be prescriptive.

There should be a ratio of dwelling sizes in villages to avoid the development of just one kind of house size in restricted areas.

Over prescriptive policies can establish land values at a level which prevents flexibility in the future by developers who want to develop for a different kind of housing, and which is precluded by high land values established by the policies.

The A259 corridor infrastructure problem depresses the market in the south of the district.

The government has phased out key worker housing as such and so some other mechanism need to be found for this group.

Need for different kinds of housing provision in this district to that presently found. For example the four starter home units in a block tried in Milton Keynes and elsewhere, or the Ikea housing.

#### **Yellow Circle Group – chaired by Kate Stevenson**

The following key points were made during a wide ranging discussion covering a number of housing market issues:

- There should be an additional market identified within the Housing Market Assessment. This should be the north west area of the district, this is due to the difference in house prices and the fact that there is a pull to the Gatwick sub region and the areas direct links with Burgess Hill and Haywards Heath.
  - There is a need to release more land for housing, however it is difficult to find available sites in the northern part of the district. Land should be allocated purely for affordable housing as it can be financially unviable to provide affordable housing within developments as there are considerable costs associated with other developer contributions.
  - Cannot be prescriptive about the size and type of properties in planning policies. There is a need to ensure that all developments have a mix of properties. Developers have experienced difficulties selling larger properties in new developments as they are so expensive. Also smaller units are being provided where a large property is sold and higher density development is provided on the site instead.
  - There is a need to improve road links along the Sussex Coast as there are serious problems with congestion. This will be exacerbated if more housing is built in the area.
  - There is a need to ensure that affordable housing is 'pepperpotted' around new development. Affordable housing policies need to be flexible, they should not have strict thresholds and percentage targets in them as all housing sites are different. The amount of affordable housing that is required as part of a development could be based on the number of houses proposed, it could be based on an exponential growth.
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## ATTENDEES

<u>Title</u>	<u>First Name</u>	<u>Surname</u>	<u>Company</u>
Mr	David	Askew	Hastoe Housing Association
Mr	Alexander	Bateman	The Planning Bureau for McCarthy and Stone
Mr	Matthew	Beard	Affinity Sutton
Cllr	Michael	Bell	Hamsey Parish Council
Cllr	Christopher	Bowers	Ouse Valley and Ringmer
Mr	Jonathon	Bryant	Mid Sussex District Council Housing Officer
Cllr	Marina	Bury	East Chilmington Parish Council
Cllr	Edward	Collict	Seaford Town Council
Ms	Rosemary	Collict	Seaford Town Council
Mr	Graham	Credland	East Sussex Downs and Weald Primary Care Trust
Cllr	Melanie	Cutress	Falmer Parish Council/LDC Councillor/RVRC
Cllr	Jim	Daly	Lewes Bridge Ward
Cllr	Peter	Gardiner	Ouse Valley and Ringmer Ward
Mr	Michael	Gray	The Guinness Trust
Cllr	Barry	Groves	Seaford West Ward
Cllr	Job	Harris	Peacehaven Town Council
Cllr	Jacqueline	Harrison-Hicks	Peacehaven East Ward
Cllr	Tom	Hawthorne	Plumpton, Streat, East Chilmington and St John Ward
Mr	Mike	Holford	Brighton & Hove City Council
Cllr	Tom	Jones	Ditchling and Westmeston
Mrs	Carol	Joy	Iford Parish Meeting
Cllr	John	Kay	Ringmer Parish Council
Cllr	Helen	Livingis	Peacehaven Town Council
Ms	Hazel	Long	Government Office for the South East
Cllr	James	MacCleary	Lewes Bridge Ward
Mrs	Debby	Matthews	South Downs CVS
Cllr	David	Mitchell	Barcombe and Hamsey Ward
Cllr	Susan	Murray	Lewes Town Council
Ms	Ellen	Reith	East Sussex County Council
Cllr	David	Rogers	Newhaven Denton and Meeching Ward
Cllr		Rowland	Kingston Parish Council
Cllr	Jim	Sheppard	Newick Ward
Ms	Rebecca	Simms	LDC Housing and Policy Developemnt Officer
Cllr	Jim	Sinclair	Lewes Town Council
Cllr	Meg	Stroude	East Sussex County Council
Mr	Charles	Style	Angel Property
Mr	Phillip	Temmerman	Avalon Ventures Ltd
Mr	David	Walters	Lewes District Association of Local and Parish Council
Cllr	Brenda	Watson	Plumpton Parish Council
Cllr	Ian	White	Seaford West Ward
Cllr	Nick	Windham	Newick Parish Council
Cllr	Katie	Wride	Plumpton Parish Council
			Clifford Dann

## LIST OF INVITEES WHO ACCEPTED BUT WERE UNABLE TO ATTEND

<u>Title</u>	<u>First Name</u>	<u>Surname</u>	<u>Company</u>
Cllr	Susan	Bratchie	Peacehaven East Ward
Cllr	Carla	Butler	Newhaven Denton and Meeching Ward
Mr	Matthew	Church	Croudace Homes
Cllr	David	Gray	Lewes Castle Ward
Mr	David	Hitchings	
Mr	Alistair	Hume	Hillreed Homes
Mr	Colin	Joy	Iford Parish Meeting
Cllr	Steve	Saunders	Newhaven Valley Ward
Cllr	Mike	Turner	Lewes Town Council
Mr	Carl	Turpin	Oakdene Homes

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