

MELTON LOCAL PLAN EXAMINATION

MELTON BOROUGH COUNCIL'S RESPONSE TO INITIAL

QUESTION 4, Housing Land Supply.

20th December 2017

Initial Question 4: Please would the Council set out the evidence it relies upon to plan for delivery of an average of 347dpa over the 5 year period starting 2017/18 or an average of 359dpa for the 5 years period starting 2018/19. Is there robust evidence of the capacity to complete and sell this quantity of housing in the Borough in the next 5/6 years? This evidence should be made available as early as possible to assist with preparation for the hearings. It will also be helpful to have an update on the housing trajectory and supply position as set out in MBC/HS1 which refers to May 2017.

1. Introduction

- 1.1 This response sets out the evidence the Council has relied on to plan for the delivery of its annual housing requirements over the five year period starting 2018/19. It has chosen this time period, as it is likely to accord with the first year when the local plan will have adopted status. The housing requirement for this period is 359 dpa¹.
- 1.2 An updated version of the Council's May 2017 five year land supply and housing trajectory position is published alongside this response and referenced **MBC/HS1a**. The data, information and insight informing this update was collected during November and early December 2017.
- 1.3 The planned delivery of new housing for the period 2018-2023 reflects the evidence of:
 - (a) a varied supply of 'oven ready' deliverable housing land
 - (b) housing supply on deliverable land; and
 - (c) demand for housing, specifically effective demand.

2. Housing Land Supply

- 2.1 The lack of an adopted up to date development plan has resulted in a lack of deliverable sites across the Borough over recent years. The submitted local plan remedies this shortcoming. It allocates a variety of sites of different sizes and locations which will provide immediate choice and flexibility for developers. Moreover, in the months leading up to the submission of the draft Plan, the Council has actively promoted the early development of a large number of allocated sites by granting planning permission for development². Consequently there is every reason to expect that a combination of healthy demand, coupled with a substantially increased and high quality offering of land for development will result in a rapid and significant boost to housing supply.
- 2.2 The updated site delivery information in Appendix A of **MBC/HS1a**, and summarised in that document's Table 4.5, shows that 2563 new dwellings could be delivered in the period 2018-2023³. This amount of supply takes account of updated information provided by the developers/site promoters for all except four of the sites allocated in the local plan, and for all sites of 10 or more

¹ MBC/HS1a, Table 3.1, line n.

² MBC/HS1a, Table 3.2

³ Before applying a 9% lapse rate to planning permissions – done at MBC/HLS4a, para 4.20-4.22

dwellings with planning permission. Updated site delivery information was obtained for 2303 (or 90%) of the 2563 total dwellings planned in the first five years⁴.

- 2.3 A cautious approach was taken in using the information supplied, by benchmarking it against a series of assumptions applied about the time taken to get on site, and likely build out rates⁵; where promoters' projections were in advance of the start date or higher than the delivery rates assumed, the assumed start date and delivery rate was applied, unless there was clear and credible evidence to the contrary, e.g. where projections were supplied by volume housebuilders in possession of full or reserved matters consents and either about to or underway with discharging conditions.
- 2.4 Further caution was applied in estimating the five year supply:
- a) the windfall allowance is lower than past supply and the adoption of Policy SS3 of the draft plan may suggest could occur⁶;
 - b) the assumptions applied⁷ are inherently cautious, e.g. an allowance of 6 months is made to complete a Section 106 agreement, but this is taking about 3-4 months currently.
 - c) the supply projected in all but the largest villages was adjusted to take account of the likely ability of the market to sustain more than one large outlet at any one time⁸;
 - d) no account was taken of supply that could arise from non allocated sites⁹, such as local plan reserve sites (Policy C1(b)), other suitable, available and deliverable sites identified in the SHLAA¹⁰, or sites in well advanced Neighbourhood Plans which are not allocated in the local plan¹¹; and
 - e) a lapse rate of 9% was applied to large sites with planning permission¹², removing 57 dwellings from the five year supply, reducing it from 2563 to 2506 dwellings.
- 2.5 This approach to establishing the five year supply resulted in a supply of specific deliverable sites sufficient to provide 2506 dwellings. But to convert all this supply into new dwellings would require uplift in average annual completions from a long term average of about 170 dpa to 501 dpa, every year for the next five years. There is no combination of national and local economic, planning or other factors happening now or expected to happen very shortly that suggests this is a realistic prospect for the next five years. However, the data in the Council's updated five year housing land supply and housing trajectory position (MBC/HS1a) clearly shows that given the right conditions, there is enough deliverable land to accommodate the new housing to match any aspirational, but realistic planned requirements.
- 2.6 The number of dwellings on sites with planning permission gives confidence that significant housing delivery is a realistic prospect. There is currently

⁴ The 260 dwelling difference is the small sites in MBC/HS4a Appendix A3.

⁵ Appendix B of the MBC/HS1a

⁶ para 4.7 to 4.11 of MBC/HS1a

⁷ Appendix B of the MBC/HS1a

⁸ para 4.6 and Table B6 in Appendix B

⁹ para 4.23 of MBC/HS1a

¹⁰ Appendix C1 of MBC/HS1a, and MBC/HS2 to HS4

¹¹ Appendix C2 of the MBC/HS1a

¹² para 4.22 of MBC/HS1a

remaining capacity of 1975 dwellings on large sites with planning permission¹³, in addition to the 322 dwellings with planning on small sites¹⁴, amounting to 2297 dwellings overall. This is equivalent to 90% of all the supply identified for the first five years.

3. Housing supply on deliverable land

- 3.1 The Council has engaged with housebuilders, developers and local estate agents to understand what the capacity is to build on the land identified in Section 2 above. This can be affected by several things:
- a) number of builders active or likely to be active in the Borough;
 - b) capacity of those builders to build at the times and rates suggested for individual sites; and
 - c) capacity of those builders to operate multiple outlets in the Borough at any one time, where they have interests in more than one site.
- 3.2 **Appendix 1** sets out the individual builders active and likely to be active on sites of 10 dwellings or more in the Borough in the next five years. The data shows that there are 7 locations and sites with 10 different builders in Melton Mowbray, 13 sites with 9 different builders in the Service Centres, and 3 sites with 2 different builders in Rural Hubs¹⁵. This shows that the Borough is not over-reliant on only a few builders to deliver the bulk of its housing numbers. Even if all 21 builders were active on only one site, and building at 36 dpa¹⁶, they could deliver up to 756 new homes¹⁷ over the five years 2018-2023.
- 3.3 The capacity of builders to build at the times and rates suggested for individual sites is derived from the updated information provided by the builders, often with further caution applied¹⁸. None of the builders contacted indicated they would have practical problems in getting the materials, plant or workforce to deliver new homes in the Borough, and one¹⁹ said it would build more if there was a better supply of suitable sites. All the main builders identified generally have a good track record (see **Appendix 2**).
- 3.4 Volume builders, such as Davidsons and Barratt Homes, have indicated they can deliver on more than one site concurrently, particularly if the sites are in different settlements. This reflects the distinct local markets that settlements across the Borough serve (see para 4.4 below).
- 3.5 The supply of housing in the first five years is not over dependent on the sustainable neighbourhoods (SNs). Feedback from landowners, site promoters and developers for all the proposed allocations and large sites with planning permission indicates that 1827 dwellings²⁰ could come forward across the Borough whilst preparatory work and infrastructure is being delivered to help bring forward the SNs. As such, evidence of supply is relatively robust.

¹³ Table 3.3 of MBC/HS4a

¹⁴ Appendix A3 of MBC/HS1a

¹⁵ Settlement categories are from the draft Local Plan, Chapter 4.

¹⁶ The rate of delivery for market housing was the consensus at the Housing Delivery Workshop, December 2016, and is still largely supported in recent developer feedback.

¹⁷ 21 x 36 x 5 years

¹⁸ See para. 2.2 above.

¹⁹ Barratt David Wilson

²⁰ Table 4.4, MBC/HS4a

- 3.6 Barratt DW indicated that there was currently a shortage of deliverable sites of about 80 dwellings or more. The draft local plan²¹ includes 12 sites with an estimated capacity of 60 dwellings or more in six settlements across the Borough, as well as two sustainable neighbourhoods each capable of sustaining two or more outlets at any one time. As such, this provides the choice that volume builders are seeking, and represents a significant step change in available volume building opportunities for at least a decade. This uplift in available land is a direct result of plan making, and is recognised by the builders; taken together, Bellway, Davidsons and Taylor Wimpey indicated that having an up to date development plan and infrastructure delivery plan in place was critical to give certainty, reduce risk and give confidence that sites will progress through planning process in a timely manner and that schemes would have the support of infrastructure delivery partners.
- 3.7 Affordable housing supply, which is often delivered concurrently market housing on larger sites, is dealt with under paragraph 4.10 below.
- 3.8 Factors that could accelerate housing delivery in the next five years, such as modern methods of construction, have been disregarded. This is because anything that is not apparent now is only likely to feed through to actual completions at the back end of the five year period, and at this stage would be speculative.
- 3.9 On the basis of the analysis of supply above, there is robust evidence that 358 dwellings per annum could be delivered on identified housing land over the next 5 years.

4. Demand for housing, specifically effective demand

- 4.1 The capacity to sell new homes depends on the capacity to build (dealt with above) and the effective demand for the new homes that are built in the Borough. Effective demand is the realisable element of the overall market demand for new homes and the affordable housing needs that can be met. In answering this part of the question, consideration has been given as to whether there are any particular circumstances around the capacity to sell new houses in Melton Borough that suggest it would be unrealistic to expect the planned housing requirement to be delivered.

Local housing market health and demand

- 4.2 The Council regularly seeks feedback from developers and local estate agents on the state of the local housing market; it did so through a Housing Delivery Workshop in December 2016, a SHLAA Panel meeting in May 2017 and most recently, through a telephone survey with seven local estate agents (see **Appendix 3**).
- 4.3 In brief, most agents reported a fairly or very healthy and recently strengthening local housing market. Melton Mowbray, the Vale of Belvoir and Asfordby were identified as particular 'hotspots' of market interest. All agents mentioned that the market is constrained by a significant lack of stock, particularly newbuilds. Several also noted higher interest in newbuilds from a wider range of buyers, driven by continuing Government incentives to buy

²¹ Policy C1(A), as amended by focused change

them, builders' own incentives and their inherent lower energy and maintenance costs. Builders, such as Davidsons, indicate that their research suggests an unmet demand for well-designed homes in good locations.

- 4.4 Agents mentioned that because most settlements have a distinct offer, and the Vale of Belvoir, Melton town and the south of the Borough are effectively sub-markets, multiple outlets could come on stream concurrently both within the town and in several locations across the Borough without competing with one another. Several agents also noted that the prospect of a bypass for Melton Mowbray, good schools and improving broadband were all likely to continue to drive market interest, or latent demand upward. Taken together, this informed the overall view that about 350 new homes per annum could be sold in the Borough over the next five years. This confirms the analysis in the Council's 'Towards a Housing Requirement for Melton Borough' document (**MBC/HN4a**)²² which indicated that there were unlikely to be market capacity issues which would preclude this (245dpa) level of housing delivery in the Borough, and further work that indicates that the level of stock growth (1.5%) that would be achieved by 350 dpa is comparable to the level of growth achieved in a range of areas nationally, including another East Midlands authority, South Derbyshire, and neighbouring Rutland (1.5%, 2001-2007).
- 4.5 MBC/HN4a also indicates that any housing need above 154dpa will be meeting unmet needs from elsewhere, such as from the Leicester & Leicestershire housing market area, and as such, would be in migration into the Borough. Several agents made specific mention of increased market interest from buyers outside the Borough, and one of these mentioned that a significant proportion of these were buyers moving from more urban and suburban locations within and on the edge of cities within 20 miles, such as Leicester.
- 4.6 MBC/HN4a further indicates that if greater housing opportunities existed locally, some workers who currently commute into the Borough from surrounding areas might be able to find accommodation closer to their place of work. Recent data²³ obtained from eight of the larger businesses in the Borough, such as Truframe, Jeld-Wen, Long Clawson Dairy and Belvoir Fruit Farms, found that on average, 44% of each company's established workforce do not live in the Borough. This suggests that these could be a significant pool of potential buyers.
- 4.7 Taking into account all the above, there appears to be more than sufficient latent demand to fill about 350 new homes per annum for the next 5 years.

Effective demand – market housing

- 4.8 Whilst agents considered that about 350 new dwellings per annum could be sold in the Borough over the next 5 year, several added caveats to that. They said that these levels of sales would only be achieved with realistic pricing, and an example was given of a live scheme in the town²⁴ that is experiencing poor sales despite massive market interest at pre sales and show home launch stages. Other housebuilders have also previously suggested that the build out rates may be adjusted if there is specific competition in a local market²⁵,

²² para 7.9

²³ MBC Economic Development, November 2017.

²⁴ Land off Ankle Hill, Sowden Homes

²⁵ Housing Delivery Workshop, December 2016.

restricting supply. However, the Council's whole plan viability evidence²⁶ suggests there is no viability reason to do this, concluding that for a range of notional sites and locations, housing development would be viable across the Borough, taking account of all the planning requirements included in the draft Local Plan and the proposed CIL changing rates.

- 4.9 Of the volume housebuilders recently contacted, Bellway felt that because of previous under delivery, the demand is probably there to sustain delivery at 350 dpa for the next 5 years. Taylor Wimpey anticipate a strong demand for housing in Melton Mowbray and surrounding settlements, Barratt DW wants to get more sites in the Borough, whilst Davidsons plan to bring forward significantly more homes in Melton during the next 5 years, six sites, up from none currently. This is strong evidence of builder confidence that the effective demand is sufficient to support a significant uplift in delivery.

Effective demand – affordable housing

- 4.10 As well as market housing, the planned requirement for new homes includes affordable housing. It is estimated that 60-65 net additional affordable homes will be delivered across the Borough by the Council over the next five years, as a result of dwelling gains achieved by the redevelopment of existing MBC housing and using surplus garage plots. Taking into account provision across all allocated sites and large sites with planning permission, up to 684 affordable homes could be delivered over the five year period. A list of the anticipated contributing sites is set out in **Appendix 4**. As the Council's 'Towards a Housing Requirement for Melton' document (**MBC/HN4**) identifies, even with the planned provision, there will still be unmet affordable housing needs. So should there be a significant change to the Government incentives to fund or finance affordable housing, including more freedoms for the Borough Council to build more, there is no demand impediment to it being built.
- 4.11 Recent contact with affordable housing providers indicates that activity is increasing and there are good prospects for it to continue to do so, both on their own sites and parts of larger market sites that have been secured for affordable housing through S106 agreements sites. Providers either currently active or planning to be active in the Borough in the next five years include Westleigh Partnerships, East Midlands Housing Group, Waterloo Housing, NCHA and Stonewater. Derwent Living indicated they would be interested in building in the Borough if the opportunity was presented to them.
- 4.12 Several of the providers, e.g. Westleigh and Waterloo Housing, have significant funding awards to spend under current HCA programmes, such as the Shared Ownership Affordable Housing Programme, which run up to 2021. Under continuous market engagement and future funding programmes, there is the prospect that further funding will continue to be available from the Government via the HCA to sustain this activity.
- 4.13 The conclusion on affordable housing supply is that recent past performance in the form of low levels of delivery is not a good guide to future delivery. This is because the RP activity underway now, the additional S106 site opportunities that are coming forward now and the new funding available to support it can realistically be expected to result in a step change in affordable housing

²⁶ Cushman & Wakefield 'Revised Local Plan and CIL Viability Study, May 2017' (MBC/WP5)

completions over the next five years, and that this supply is in addition to market housing discussed above.

4. Conclusion

- 4.1 The Council's plans for an average of about 350 dwellings per annum over the first 5 years of the local plan following adoption are founded on robust evidence of housing land supply, housing land delivery and the demand for new housing. Up to date housing land supply evidence, detailed in MBC/HS1a, indicates that of the overall housing supply, there is already planning permission in place for 2297 of them, exceeding the 1790 five year requirement. Both planning permissions and deliverable housing land supply have been boosted significantly by the plan making process, creating the right conditions to significantly boost new housing delivery over the next five years.
- 4.2 The prospects of new housing actually being built on the deliverable sites identified are good. This is because there is a good range and choice of sites across a wide range of settlements in the Borough, allowing many outlets to be active concurrently without competing with one another. It is also because there is a good range and number of builders who are confident enough in the local market to be currently active or planning to be building over the next five years, some on multiple outlets within the Borough. None indicated any resource impediment to their ability to do so.
- 4.3 A more in depth look at the local housing market has revealed a generally buoyant and improving housing market picture, with new types of demand, such as relocations and buy-to-let adding to existing local demand. Both the builders and agents contacted responded positively when asked about the capacity for about 350 new homes to be sold in the Borough over the next 5 years, with one citing specific plans to significantly increase its building activity.
- 4.4 The prospects are also good for a step change in affordable housing delivery to up to about 650 homes over the next five years. This arises from their being several registered providers active or interested in being active in the Borough, more available sites for them to exercise that interest, particularly S106 sites, and achieved HCA funding and the prospect of more to be spent by 2021 fuelling much current activity.
- 4.5 Taken together, all the above amounts to robust evidence that about 350 dwellings per annum can be delivered in the Borough over the next five years.

Appendix 1: Developers Active in Melton Borough @ 15th December 2017 on sites of 10 dwellings or more.

Site Ref	Planning Status	Developer(s)
Melton Mowbray		
MNSN	OPP pending Promoting site Promoting site Promoting site	Taylor Wimpey Barwood Homes William Davis Taylor Wimpey
MSSN	OPP granted OPP submitted	Barratt Homes Davidsons & David Wilson
MEL1	OPP and RESM	Davidsons
MEL2	OPP	Jelson
Ankle Hill, MM	Under construction	Sowden Group
Scalford Road, MM	Nearing completion	Persimmon Homes
Leicester Road, MM	Under construction	Westleigh Homes
Service centres		
ASF1	OPP and RESM	Jelson
The Wickets, Bottesford	Nearing completion	Barratt Homes
BOT1	OPP pending (part)	Mr Daybell (part)
BOT2	None.	Davidsons (part under option)
HAR2	FULL granted.	Redmile Developments, via self build
HAR4	OPP granted	Croft Developments
LONG1	OPP granted	RMH Housing Regeneration Ltd (East Mids Housing Assn)
LONG2	OPP pending	Hazleton Homes (under option)
LONG4	OPP refused	Davidsons (under option)
OLD1	OPP granted	<i>Developer interest</i>
STAT1	None.	Davidsons (under option)
STAT2	OPP pending	Redmile Developments, via self build
WAL1	FULL	M F O Harewood Ltd (offer accepted, purchase not quite complete).
WAL2	OPP and RESM	Brampton Valley Homes
WYM1	OPP granted	Meadow View Homes
Rural hubs		
ASFH1	FULL granted	Talavera Estates
ASFH2	-	Talavera Estates
FRIS1	OPP granted	Bellway Homes

Appendix 2: Housebuilder Delivery Track Record

Bellway Homes	17 active sites across the East Midlands, 9 in Leicestershire. Claim a strong balance sheet and operational capacity to support their strategy of volume growth ¹ .
Jelson Homes	Family run for 125 years, based in Leicester and operating across the East Midlands. Part of Jelson Holdings Ltd. Strong record of building in the Borough, particularly at Asfordby.
Barwood Homes	Founded in 2010, with HQ in Northamptonshire. Has completed, active and future planned developments across Leicestershire. Focuses on niche, well designed, high specification housing. It reported strong profitable results and has experienced 26% increase in sales. Its target is to deliver up to 250dpa by 2018 ² .
Davidsons Developments	Private limited company operating across the East Midlands from its Leicestershire base. It reported a 28% increase in sales from the previous year, and a 21% increase in profits ³ . Currently selling on 13 sites.
William Davis	Established in 1935 and family owned. 9 active sites, mostly in Leicestershire. Achieved higher sales, asking prices and turnover, and higher profits. It indicates its intention to expand its housebuilding in the medium term ⁴ .
Westleigh Partnerships/Westleigh Holdings Ltd.	Leicestershire based, established in 2013. Design and build projects for affordable housing partners. It has growth plans for both partnership and private home sales. Profits of £10.9 million in last year. Currently active at Leicester Road, Melton Mowbray ⁵ .
Barratt Homes and David Wilson Homes	Head office in Leicestershire. Over 17,000 completions nationally over the year on over 300 sites. About 3,500 completions were in the East Midlands. Achieved gross profit of 22%. ⁶
Redmile Developments	Privately owned development company in the East Midlands. They bring forward self build schemes within the Borough, currently at Langar Lane, Harby.
M F O Harewood Ltd	Say they have undertaken an 8-10 dwelling development in Leicester.
Sowden Group	Established in 1950 and focus on commercial and residential development in and around the East Midlands.
Brampton Valley Homes	A private specialist builder of small rural developments of 2-5 bed properties. 3 sites active across Leicestershire and Northamptonshire, with a site in Melton Borough 'coming soon'.
Meadowview Homes	A well-established local Midlands developer specialising in smaller developments of high-quality, long-lasting new homes. Three current developments across Derbyshire, Nottinghamshire and Leicestershire.
Talavera Estates	Private company incorporated in 1999, based in Derby. Talavera Estates Asfordby incorporated in April 2017.
Croft Developments	Well established privately owned building company. Bespoke traditional housing. 1 current development.
MH Regeneration (East Midlands Housing Group)	Established since 1946, working in over 40 local authority areas and landlord of 18,000 homes. They plan to retain and strengthen our market share and we are in a position to expand to other locations where there is a need for social housing.
Hazelton Homes	Established for over 20 years, with developments of individual 'elegant' homes across Leicestershire, Rutland, Northamptonshire and Lincolnshire. Three current developments.
Persimmon Homes	Within this national housebuilder's North Midlands region, there are 2 active developments within Leicestershire, one of which is in Melton.

1. Annual report and accounts, Nov 2017

2. Annual report and consolidated financial statements to 31st December 2016

3. Annual report and financial statements to 31st December 2016

4. Annual report and financial statements to 31st May 2016

5. Annual report and financial statements to 31st March 2017

6. Barratt Developments PLC, Annual report and accounts, 5th October 2017

Appendix 3: HOUSING MARKET CAPACITY TO SELL: Estate Agent Survey

1. INTRODUCTION

1.1 To build on the information provided by local agents and housebuilders at the Housing Delivery Workshop in December 2016 and a subsequent SHLAA Panel workshop in May 2017, a telephone survey was conducted during November/early December 2017 with estate agents operating in the Borough. Successful contact was made with seven agents, Bentons, Richard Watkinson & Partners, Connells, Middletons, Hancocks, Shoulers and Melton Premier. Successful contact was not made with Moores or Newton Fallowell. Several of the agents both sell and rent housing.

1.2 A conversation was held with each, covering the following questions:

Q1. How healthy do you think housing demand will be in the Borough over the next 5 years?

- Why do you say that?
- Is it more or less than now?
- What is your evidence of current demand?

Q2. Which parts of the Borough do you think new houses would sell most quickly in? Why is that?

Q3. Are there any parts of the Borough where you think it would be hard to sell new houses? Why do you say that?

Q4. Taking into account whole Borough, do you think that about 350 newbuild homes can be sold in the Borough for five years, on top of the normal level of second hand sales? Why do you say that?

Q5. What three things do you think need to happen if more houses are going to be sold in the Borough?

1.3 Conversations took place during late November/early December 2017.

2. FINDINGS

Health of the housing market over the next 5 years

2.1 Most agents reported a fairly or very healthy market across the area. They cited continuing low interest rates as supporting strong demand, and that demand was significantly outstripping low levels of stock. The high demand for first time buyer properties, three bed semis, all properties up to about £350K, and village housing in the higher price/5 bedroom + bracket were specifically mentioned. They reported that realistically priced properties are selling quickly, with times from market entry to accepted offer very often being 21 days or less, with completion taking only 2-3 months. Prices are also holding up very well, at between 95-100% of asking price generally. Examples were cited of above asking prices being achieved, and of interest and achieved prices increasing between Spring and late Summer this year. One agent indicated he had experienced his strongest demand for five years over the last two months. That said, macro economic factors, such as the impact of Brexit and any future interest rate rises, could dampen market interest in Melton, as it would anywhere.

Locations with the most buoyant housing market

2.2 All the agents cited the strongest demand as being in Melton, where there has been a buoyant market over the summer, particularly close to the schools, followed by the Vale of Belvoir (where one indicated there is particularly strong demand for larger new builds) and Asfordby. Demand is medium to good in the Wreake valley villages (Brooksby/Rotherby/Frisby). Melton Mowbray town was a distinct market to the villages, and property for sale in one would not absorb demand for the other. In the rural areas, those seeking a home in Bottesford and the Vale would generally not consider places south of Melton.

Areas of the Borough where it might be hard to sell houses

2.3 Agents reported that all geographic areas of the Borough are performing well, and that apart from very localised areas, e.g. along main roads in the town and areas of high flood risk, properties would sell readily across the Borough, because of the significant shortage of supply relative to demand. One mentioned that because of their distinctive appeal, newbuilds were less sensitive to location and could sell well in a wider range of locations. Several mentioned the caveat of realistic pricing.

2.4 In the rural area, villages to the east of Melton Mowbray, such as Stonesby, Saltby and Wymondham, have the slowest demand and are quieter, due to their relatively poor access to main employment areas in and around Leicester, and Nottingham.

Ability to sell 350 newbuild homes over the next 5 years

2.5 Agents were generally positive that the about 350 additional dwellings per annum could be sold in the local housing market over the next five years, with one agent being particularly positive about the contribution that

new developments can make to stimulate the local market, and another citing the strong performance of the Persimmon development as evidence of buyers prepared to wait for newbuilds to come to market. More than one agent said this would solve a longstanding supply problem in Melton, whilst another agent pointed out that lots of new homes alone will not quench demand, pointing out that about 30-40% of his customers rule out a newbuild, but acknowledging that a proportion of buyers of new homes would free up existing local resale homes. Another agent indicated that newbuilds are increasingly popular across sizes and types. Agents cited examples of older people downsizing from a character property to a newbuild to take advantage of property guarantees, lower maintenance and lower energy bills, and first time buyers taking advantage of Help to Buy (it was cited that 75% of new builds are sold through HtB nationally), and buyers across the age spectrum taking advantage of builder's own incentives, such as stamp duty, existing home purchase, new fixtures and fittings.

- 2.6 The only caveats about achieving this level of sales were around pricing and macro economic factors. Several explained that unrealistic price expectations would suppress sales, with one agent citing a current example of this in the town. It was also mentioned that uncertainty around Brexit and any future interest rate rises may soften demand. On the other hand, one agent felt that continuing Government incentives to buy, such as the recent increase in the stamp duty threshold to £300K for first time buyers would ensure demand is sustained.
- 2.7 Agents mentioned that increasing interest in the Borough from buyers wishing to relocate to the area and private investors looking for buy-to-rent properties would help to sustain levels of demand over the next few years. Relocations particularly drive sales of larger properties in some mostly rural locations. Most movers are from more urban/suburban locations within 20 miles, e.g. Leicester and Nottingham, but there is evidence that the Borough is being chosen from a sub-regional/regional search, due to its relative affordability to movers from the south. The attractiveness of the Borough was put down to its proximity to Nottingham and Leicester and good rail links to London via Grantham, its relative affordability, its family lifestyle offer and for those nearing /at retirement, an attractive environment to 'downpace'. One agent reported a strong demand for social rented, modern Council housing.

Drivers of future housing demand

- 2.8 The things mentioned most often that could help to increase house sales were the construction of a bypass for Melton to ease existing traffic congestion, and the demand that would be generated by new developments. One agent indicated that the stronger prospects for the bypass were already helping to increase interest in property in and around Melton, whilst another gave examples of moves made within the town by people trying to avoid bottlenecks on their journeys to work or school run, and how the congestion effectively created sub markets within the town.
- 2.9 Maintaining good schools and access to local community facilities, such as a pub, primary school places and better public transport for the villages, were mentioned by several agents. More jobs and better broadband to allow more homeworking were also mentioned.

3. CONCLUSION

- 3.1 Most agents are reporting that the local housing market is fairly or very healthy and strengthening recently. It is constrained only by a lack of stock, particularly newbuilds. They think that about 350 new homes per annum could be sold in the Borough over the next five years, because the demand so significantly outstrips supply. They say that because most settlements have a distinct offer, and the Vale of Belvoir, Melton town and the south of the Borough are effectively localised sub-markets, multiple outlets could come on stream concurrently in several locations without competing with one another. Good accessibility to Leicester, Nottingham and London (by train, via Grantham), together with a relatively affordable, attractive living environment and the prospect of a bypass, good schools and improving broadband, all point to continuing and improving health in the local housing market, and enough demand to enable about 350 new homes a year to be sold across the Borough in the next five years.

Appendix 4: Projected Affordable Housing completions, 2018-2023.

AFFORDABLE HOUSING DELIVERY ON SITES WITH PLANNING PERMISSION

Site Reference	Address	No. of affordable units	Affordable housing percentage	Total site numbers
07/00733/FUL & 10/00773/EXT & 13/00522/FUL	War Memorial Hospital, Ankle Hill, Melton Mowbray	0		88
12/00145/FUL, 14/00626/COU, 15/00238/COU	The George Hotel, 8 High Street, Melton Mowbray	0		4
15/00178/FUL	Field No. 3310, Scalford Road, Melton Mowbray	29	37	40
16/00290/FUL	Land West Of Bowling Green, Leicester Road, Melton Mowbray	39	40	97
14/00954/OUT	Land Adjacent The Woodlands, Station Road, Old Dalby	6	24	15
16/00303/OUT (LONG 5 Reserve Site)	Land And Buildings North Canal Farm Pagets End Long Clawson	13	32	40
15/00017/OUT	Land West Of Marquis Road and North Of Station Road, Old Dalby (Queensway)	15	40	39
15/00246/OUT	Spinney Campus, Melton Road, Brooksby	28	40	70
15/00537/OUT	Sandy Lane Poultry Farm. Sandy Lane. Melton Mowbray (Kirby Bellars)	0		30
15/01019/OUT	Field OS 3500. Hecadeck Lane. Nether Broughton	8	40	25
16/00577/FUL	Don Greenwood And Partners. 42 Main Road. Nether Broughton	0		10
		138		458

FORECAST AFFORDABLE HOUSING ON ALLOCATED SITES , 2018-2023

Site Reference	AH %	Planning Application References	AH total
MNSN	15	14/00808/OUT for 200 dwellings pending consideration	30
SMSN	15	15/00910/OUT for 520 dwellings granted. Expires - 13.10.19 16/00515/OUT for 1500 dwellings pending consideration, 15/00127/OUT for 175 dwellings pending consideration	33
MEL1	40	14/00078/OUT and 16/00259/REM approved for 85 dwellings - Expires - 25.08.18	34
MEL2	40	13/00877/OUT granted 27/10/2016 for 120 dwellings - Expires 27.10.19	31
MEL3	40	16/00281/OUT granted for 15 dwellings - Expires 17.09.19; 15/00593/OUT granted for 30 - Expires 23.01.20; 17/00281/OUT for additional 30 dwellings granted on 21.11.17 - Expires 21.11.20	16
MEL4	10	None	3
MEL5	10	None	0
MEL6	10	None	0

Site Reference	AH %	Planning Application References	AH total
MEL7	10	None	0
MEL8	10	08/00326/FUL currently pending	1
MEL9	10	None	0
MEL10	10	None	0
			148

Service Centres			
ASF1	40	14/00980/OUT granted for 100 dwellings - Expires 03.05.19; 16/00373/REM approved subject to s106 - 10.03.2017 - Expires 10.03.19	40
ASF2	25	16/00539/OUT granted in July 2017 subject to s106 for 55 dwellings	14
BOT1	32	17/00250/OUT pending consideration for 18 dwellings on part of site	4
BOT2	32	None	20
BOT3	32	None	5
BOT4	32	17/00641/OUT for 88 dwellings granted on 28th September 2017 subject to s106 agreement	28
CROX1	32	17/00299/OUT granted subject to s106 for 39 dwellings	9
CROX2		None	0
CROX3		None	0
HAR1	40	15/00942/OUT granted for 15 dwellings 01.08.2017 - Expires 01.08.20	6
HAR2		15/00933/FUL granted - Expires 01.07.19	0
HAR3	32	16/00664/OUT for 31 dwellings and 10,000ft of employment space currently pending; 15/00673/OUT - 53 dwellings. Appeal allowed	17
HAR4	32	16/00318/OUT for 50 dwellings granted subject to s106 in July 2017	16
HOS1	40	15/00944/OUT granted for 25 dwellings granted 21.07.17 - Expires 21.07.20; 17/00401/OUT for 16 dwellings granted subject to s106	16
HOS2	32	None	11
LONG1		15/00547/OUT granted for 10 dwellings 03/03/2017 - Expires 03.03.20	0
LONG2	32	16/00810/OUT for 31 dwellings pending -deferred at planning committee December 2017	9
LONG3	32	16/00560/OUT for 45 dwellings granted subject to s106 agreement December 2017	14
LONG4	32	16/00032/OUT for 55 dwellings refused on 4th December 2017 at Committee	0
OLD1	40	16/00184/OUT granted for 20 dwellings - Expires 03.01.20 - and 16/00911/OUT for a further 8 dwellings granted - 04.12.17 subject to s106 agreement	11
SCAL1	32	None	0
SOM1	40	16/00100/OUT for 32 dwellings refused 28/04/2017	0
SOM2	40	None	17
STAT1	32	None	21
STAT2	32	17/01212/OUT pending consideration for 10 dwellings	5
WAL1	32	14/00777/FUL granted for 26 dwellings on 24/11/2016 - Expires 24.11.19	8

Site Reference	AH %	Planning Application References	AH total
WAL2	32	16/00847/OUT for 60 dwellings granted 17th October 2017 . 15/01011/OUT for 45 dwellings granted 18/07/2016 to north - Expires 18.07.19. 17/00391/REM permitted on 10.11.17 - Expires 10.11.19	34
WYM1	40	15/00832/OUT for 15 dwellings granted 15.11.16 - Expires 15.11.19	5
WYM2	40	None	8
WYM3	40	None	0
			318

Rural Hubs

ABK1		None	0
ASFH1	25	15/00201/FUL granted on part of the site for 15 dwellings which are built out. None on remainder of site - Expires 03.11.18. 17/00821/FUL for 16 dwellings pending consideration on part of the site.	9
ASFH2	25	None	3
EAST1	44	15/01016/OUT granted for 9 dwellings - Expires 22.04.19	4
EAST2	32	None	4
FRIS1	40	16/00491/OUT for residential development (up to 48 dwellings) granted 24/03/2017 - Expires 24.03.20	19
FRIS2	40	16/00740/OUT submitted for 30 dwellings pending	0
FRIS3	40	16/00704/OUT for 48 dwellings granted subject to s106	19
GADD1	40	15/00361/OUT granted for 14 dwellings - Expires 20.09.19	6
GADD2	40	None	4
GADD3	40	None	4
GREA1	40	None	0
THOR1	32	None	4
THOR2	32	None	4
			80