

Strategic Housing Land Availability Assessments Practice Guidance



*Strategic Housing Land
Availability Assessments
Practice Guidance*

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July 2007

Product Code: 07 HC 04748/c

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Introduction

1. Strategic Housing Land Availability Assessments are a key component of the evidence base to support the delivery of sufficient land for housing to meet the community's need for more homes. These assessments are required by national planning policy, set out in Planning Policy Statement 3: *Housing* (PPS3). This document gives practical guidance on how to carry out an assessment to identify land for housing and assess the deliverability and developability of sites.
2. This guidance has been prepared for the Department for Communities and Local Government, in partnership with the Local Government Association, the Home Builders Federation, the Planning Officers Society and the Planning Inspectorate. The purpose of this partnership approach has been to ensure that the guidance supports the key stakeholders in housing delivery – local planning authorities and house builders - by providing guidance that is helpful and realistic. It has been prepared by POS Enterprises and Llewelyn Davies Yeang.
3. The Department's previous guidance, *Tapping the Potential – Assessing urban housing capacity: towards better practice* (DETR, 2000), is hereby cancelled.

Section One: Context and key principles

National planning policy context

4. A top priority for Government is to ensure that land availability is not a constraint on the delivery of more homes.
5. Planning policy, as set out in Planning Policy Statement 3: *Housing* (PPS3)¹, underpins the Government's response to the *Barker Review of Housing Supply*² and the necessary step-change in housing delivery, through a new, more responsive approach to land supply at the local level. It requires local planning authorities to:
 - **identify specific, deliverable sites for the first five years of a plan that are ready for development**^{3,4} and to keep this topped up over-time in response to market information;
 - **identify specific, developable sites for years 6–10**, and ideally years 11–15, in plans to enable the five year supply to be topped up;
 - where it is not possible to identify specific sites for years 11–15 of the plan, **indicate broad locations for future growth**; and
 - **not include an allowance for windfalls in the first 10 years of the plan** unless there are justifiable local circumstances that prevent specific sites being identified.

Purpose of the Assessment

6. The primary role of the Strategic Housing Land Availability Assessment (hereafter referred to as the Assessment) is to:
 - identify sites with potential for housing;
 - assess their housing potential; and
 - assess when they are likely to be developed.
7. It should aim to identify as many sites with housing potential in and around as many settlements as possible in the study area. The study area should preferably be a sub-regional housing market area, but may be a local planning authority area, where necessary. As a minimum, it should aim to identify sufficient specific sites for at least the first 10 years of a plan, from the anticipated date of its adoption, and ideally for longer than the whole 15 year plan period⁵. Where it is not possible to identify

¹ Planning Policy Statement 3: Housing (Communities and Local Government, 2006).

² Review of *Housing Supply, Delivering Stability: Securing our Future* (HM Treasury, 2004).

³ Paragraph 7, PPS3.

⁴ *Advice produced by Communities and Local Government – Demonstrating a five year supply of deliverable sites* (2007). This note sets out advice to Government Offices and the Planning Inspectorate on considering whether local planning authorities are able to demonstrate a five year supply of specific, deliverable sites. It is only available on PINS website, see: www.planning-inspectorate.gov.uk/pins/advice_for_insp/advice_produced_by_dclg.htm

⁵ This will allow local planning authorities to consider options and relevant alternatives for accommodating new housing when plan making.

sufficient sites, it should provide the evidence base to support judgements around whether broad locations should be identified and/or whether there are genuine local circumstances that mean a windfall allowance may be justified in the first 10 years of the plan.

8. The Assessment is an important evidence source to inform plan-making, but does not in itself determine whether a site should be allocated for housing development. The Assessment findings will be particularly relevant at the issues and options stage of development plan preparation. It will identify:
 - the recent pattern of housing development;
 - the choices available to meet the need and demand for more housing and provide a basis for making decisions about how to shape places in the future; and
 - whether action would need to be taken to ensure sites will become deliverable (including infrastructure investment) or whether plan policies need to be reviewed to enable identified sites to be developed for housing.
9. The Assessment is not a one-off study, and updating it should be an integral part of the Annual Monitoring Report process. A comprehensive first assessment will generally be required. Thereafter, it should only be necessary to carry out a full re-survey when plans have to be reviewed and rolled forward to a longer time horizon, or some other significant change makes it necessary, for example, if a local planning authority is no longer likely to be able to demonstrate a five year supply of specific deliverable sites for housing.
10. There are advantages in undertaking land availability assessments, particularly for housing, employment⁶, retail and other built uses, in parallel so that land availability and suitability can be considered across the whole range of land requirements. However, individual assessments may need to be carried out whenever necessary, to ensure planning is sufficiently responsive to market information.

The importance of a partnership approach

11. This guidance advocates that regional planning bodies and local planning authorities work together, and with key stakeholders, to undertake assessments to ensure a joined-up and robust approach. Assessments should preferably be carried out at the sub-regional level, for separate housing market areas⁷, by housing market partnerships (where established). Housing market partnerships should include key stakeholders such as house builders, social landlords, local property agents, local communities and other agencies, such as English Partnerships where they have a recognised interest in an area. For further information on these partnerships and their benefits, refer to the Department's *Strategic Housing Market Assessments Practice Guidance*⁸.
12. Key stakeholders should be involved at the outset of the Assessment, so that they can help shape the approach to be taken. In particular, house builders and local property agents should provide expertise and knowledge to help the partnership to take a

⁶ *Employment Land Reviews: Guidance Note* (ODPM, 2004)

⁷ *Identifying Sub-Regional Housing Market Areas Advice Note* (Communities and Local Government, 2007). This explains how regions and local authorities can, working together, identify sub-regional housing market areas

⁸ *Strategic Housing Market Assessments Practice Guidance* (Communities and Local Government, 2007) – see Chapter 2 and Figure 2.1

view on the deliverability and developability of sites, and how market conditions may affect economic viability. Key stakeholders should also be involved in updating the Assessment from time to time.

13. There may be particular reasons why an assessment cannot be prepared for the whole housing market area, for example, where a local planning authority needs to urgently update its five year supply of specific deliverable sites. Where this is the case the Assessment should be capable of aggregation at a housing market area level at a later date.

Core requirements of the Assessment

14. An assessment should, as a minimum,⁹ provide the core outputs in Figure 1 and follow the process requirements set out in Figure 2 below.

Figure 1: Strategic Housing Land Availability Assessment core outputs

1	A list of sites, cross-referenced to maps showing locations and boundaries of specific sites (and showing broad locations, where necessary)
2	Assessment of the deliverability/developability of each identified site (ie in terms of its suitability, availability and achievability ¹⁰) to determine when an identified site is realistically expected to be developed
3	Potential quantity of housing that could be delivered on each identified site or within each identified broad location (where necessary) or on windfall sites (where justified)
4	Constraints on the delivery of identified sites
5	Recommendations on how these constraints could be overcome and when

Figure 2: Strategic Housing Land Availability Assessment process checklist

1	The survey and Assessment should involve key stakeholders including house builders, social landlords, local property agents and local communities. Other relevant agencies may include the Housing Corporation and English Partnerships (a requirement in areas where they are particularly active)
2	The methods, assumptions, judgements and findings should be discussed and agreed upon throughout the process in an open and transparent way, and explained in the Assessment report. The report should include an explanation as to why particular sites or areas have been excluded from the Assessment

15. The methodology set out in Section Two of this guidance has been designed to meet these requirements. The use of this standard methodology is strongly recommended because it will ensure that the Assessment findings are robust and transparently prepared. When followed, a local planning authority should not need to justify the methodology used in preparing its assessment, including at independent examination. However, where a different methodology is used, the Assessment report will need to explain the approach chosen and the reasons for doing so, and the approach may need to be justified at independent examination.

⁹ This means the Assessment as a minimum should be robust and credible in order to meet the tests of soundness in Planning Policy Statement 12: *Local Development Frameworks* (ODPM, 2004), Paragraph 4.24 vii.

¹⁰ See Paragraph 54 PPS3

Differences between the Assessment and the Urban Capacity Study

16. The Assessment is significantly different from an Urban Capacity Study, previously required by PPG3¹¹. Therefore, even where there is a recent Urban Capacity Study that has identified sites, it will be necessary to carry out further work, in particular to:
- determine whether identified sites are still available and to review assumptions on housing potential;
 - identify additional sites with potential for housing which were not required to be investigated by Urban Capacity Studies, such as sites in rural settlements, brownfield sites outside settlement boundaries and suitable greenfield sites, as well as broad locations (where necessary);
 - carry out further survey work within settlements to identify additional brownfield sites that have come forward since the Urban Capacity Study was carried out; and
 - assess the deliverability/developability of all sites.

Keeping the Assessment up-to-date

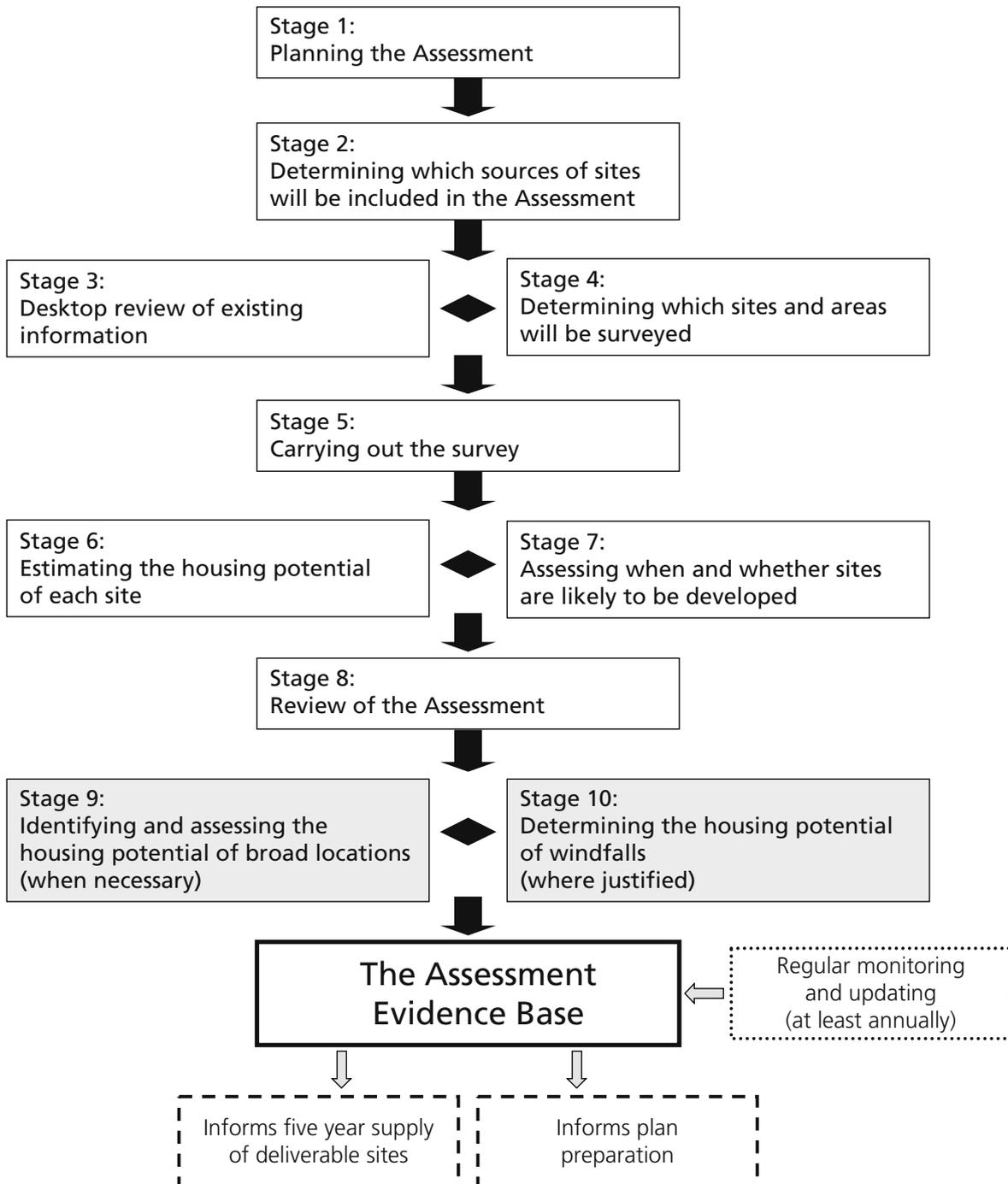
17. The Assessment, once completed, should be regularly kept up-to-date (at least annually) as part of the Annual Monitoring Report exercise, to support the updating of the housing trajectory and the five-year supply of specific deliverable sites. The main information to record is whether:
- sites under-construction have now been developed, or individual stages have been developed;
 - sites with planning permission are now under-construction and what progress has been made;
 - planning applications have been submitted or approved on sites and broad locations identified by the Assessment;
 - progress has been made in removing constraints on development and whether a site is now considered to be deliverable or developable;
 - unforeseen constraints have emerged which now mean a site is no longer deliverable or developable, and how these could be addressed; and
 - the windfall allowance (where justified) is coming forward as expected, or may need to be adjusted.

¹¹ Planning Policy Guidance note 3: Housing (DETR, 2000)

Section Two: The methodology

18. The Strategic Housing Land Availability Assessment has eight main stages, with two further optional stages, covering broad locations and windfalls. This is illustrated in Figure 3 below. The stages should generally be carried out in order, however, Stages 3 and 4, 6 and 7, and 9 and 10, may be carried out in parallel.

Figure 3: The Strategic Housing Land Availability Assessment process and outputs



Stage 1: Planning the Assessment

19. The following management issues should be addressed at the outset of planning an assessment:

- whether it is possible to carry out the Assessment with the other local planning authorities in the housing market area;
- whether there is an existing housing market partnership that could be used as the forum to take forward the Assessment and, if not, whether it could now be initiated;
- whether all relevant partners are already involved in the partnership, where it exists, and if not, which key stakeholders need to be included;
- the resources for the project – within the local planning authority(s) and the partnership;
- the composition and skills needed by any project team¹² who will be carrying out the Assessment on behalf of the partnership;
- the management and scrutiny arrangements, including who is responsible for what and who makes the decisions;
- how will the quality of the project work be ensured; and
- the work programme and project milestones, taking into account resources, timings of the relevant plans or assessments of five years supply of specific deliverable sites, or other evidence gathering exercises, such as the employment land review.

¹² If the Assessment is to be prepared by a project team on behalf of the partnership, then it is advised that it includes members of the partnership to ensure ownership of the Assessment.

Stage 2: Determining which sources of sites will be included in the Assessment

20. The Assessment should cover the types of sites set out in Figure 4 below.

Figure 4: Sources of sites with potential for housing

Sites in the planning process
<ul style="list-style-type: none"> land allocated (or with permission) for employment or other land uses which are no longer required for those uses existing housing allocations and site development briefs unimplemented/outstanding planning permissions for housing planning permissions for housing that are under construction
Sites not currently in the planning process
<p>Examples:</p> <ul style="list-style-type: none"> vacant and derelict land and buildings surplus public sector land land in non-residential use which may be suitable for re-development for housing, such as commercial buildings or car parks, including as part of mixed-use development additional housing opportunities in established residential areas, such as under-used garage blocks large scale redevelopment and re-design of existing residential areas sites in rural settlements and rural exception sites¹³ urban extensions¹⁴ new free standing settlements¹⁴

21. Particular types of land or areas may be excluded from the Assessment. Where this is the case, the reasons for doing so will need to be justified and agreed by the members of the partnership. It may be useful to map excluded areas and ascribe a nil housing potential to them. Except for more clear-cut designations such as Sites of Special Scientific Interest, the scope of the Assessment should not be narrowed down by existing policies designed to constrain development, so that the local planning authority is in the best possible position when it comes to decide its strategy for delivering its housing objectives.

¹³ See Paragraph 30 PPS3.

¹⁴ The broad location for which will normally have been identified by the Regional Spatial Strategy.

Stage 3: Desktop review of existing information

22. Figure 5 below sets out some of the data sources that can be used to identify sites with potential for housing, and any relevant information they might provide, such as on constraints.

Figure 5: Sources of information

Sites in the planning process	Purpose
Site allocations not yet the subject of planning permission	To identify sites
Planning permissions/sites under construction (particularly those being developed in phases)	To identify sites
Site specific development briefs	To identify sites and any constraints to delivery
Planning application refusals	To identify sites – particularly those applications rejected on grounds of prematurity
Dwelling starts and completion records	To identify the current development progress on sites with planning permission
Other sources of information that may help to identify sites	
Local planning authority Urban Capacity Study	To identify buildings and land, and any constraints to delivery
Local planning authority Empty Property Register	To identify vacant buildings
English House Condition Survey ¹⁵	To identify buildings
National Land Use Database ¹⁶	To identify buildings and land, and any constraints to delivery
Register of Surplus Public Sector Land ¹⁷	To identify buildings and land
Local planning authority Employment Land Review	To identify surplus employment buildings and land
Valuation Office database ¹⁸	To identify vacant buildings
Local planning authority vacant property registers (industrial and commercial)	To identify vacant buildings
Commercial property databases eg estate agents and property agents	To identify vacant buildings and land
Ordnance Survey maps ¹⁹	To identify land
Aerial photography	To identify land

¹⁵ See www.communities.gov.uk

¹⁶ See www.englishpartnerships.co.uk/publications.htm

¹⁷ See www.englishpartnerships.co.uk/rspsl.htm

¹⁸ See www.voa.gov.uk

¹⁹ See www.ordnancesurvey.co.uk/oswebsite

23. The list of sites and information gathered on each site should be assembled and duplicates removed. All sites should be mapped, ideally on a 1:1250 map base for use in the site survey, and to help in identifying duplicates. There may well be inconsistencies between the different sources of information and these will need to be resolved where possible prior to the site survey. Landowner(s) and/or developer(s) and their contact details should be recorded, and they may need to be followed up where information is missing or inconsistent.

Stage 4: Determining which sites and areas will be surveyed

24. As a minimum all sites identified by the desk-top review should be visited. This is particularly important where the information held is inconsistent, to get an up-to-date view on development progress (where sites have planning permission), and to identify any possible constraints to development.
25. The site survey should be used to identify further sites with potential for housing development which were not identified by the desktop reviews. Factors to take into account in determining how comprehensive (in terms of the geographic coverage) and intensive (in terms of the minimum size of site to be surveyed) the survey element of the assessment needs to be include:
- **The nature of the housing challenge** – assessments will need to be more comprehensive and intensive where existing or emerging housing provision targets in the study area are high and/or where housing market conditions²⁰ signal worsening affordability, reflecting the need to identify more sites for housing;
 - **The nature of the area** – in areas dominated by smaller rural settlements, it may be necessary to identify all the sites with potential for housing, whereas this may not be necessary or feasible in more urbanised areas;
 - **The nature of land supply** – where a large proportion of housing is expected to be delivered on small sites this may mean that the survey needs to identify smaller sites than would be necessary in an area where larger sites are likely to make up the bulk of supply; and
 - **The resources available to the partnership** – which can be brought together for best effect and, should reflect the scale of the task. The methodology provides different approaches for some stages to reflect any differences in resources.
26. Mapping the following areas will help to identify which geographic areas could be covered by the survey:
- **Development hotspots** that are the focus of recent planning permissions and give an indication of current market demand;²¹
 - **Town and district centres** and their surrounding pedestrian catchments²². These areas are often characterised by more frequent land use change and are most likely to contain development opportunities;

²⁰ Housing Market Information Advice Note (DCLG, 2007). This note sets out an approach that local planning authorities can use to develop their understanding of housing markets.

²¹ The findings of Strategic Housing Market Assessment may be helpful in term of identifying housing need and demand.

²² Pedestrian Catchments are commonly defined as the areas within a 10 minute walk (up to 800m) of an established centre.

- **Principal public transport corridors** and their walking catchment areas. These areas are not necessarily more likely to contain development opportunities, other than where they are part of a town centre, nonetheless, they are more sustainable locations which merit survey. The extent of the catchment area surveyed could depend on the level of accessibility of the transport stop or interchange;
 - **Specific locations within settlements** where regeneration strategies, market renewal initiatives, or housing development intensification or redevelopment strategies are actively being pursued; and
 - **Specific locations outside settlements.** Some sites for further investigation may be readily identifiable from existing data sources, such as the Register of Surplus Public Sector Land or may have already been identified by the Regional Spatial Strategy. For other sites, it may be useful to set criteria for the search, such as areas where significant infrastructure exists or is planned. It may not be possible to identify individual sites, but only broad locations where there is housing potential. If this is the case, see Stage 10 below.
27. Where the survey is to be focussed on certain geographic areas, the aim should be to carry out a street-by-street survey in these areas. For the remainder of the study area, a general examination should be carried out, reflecting the decisions taken on how comprehensive and intensive the survey needs to be (see paragraph 25).

Stage 5: Carrying out the survey

Briefing the survey team

28. All those who will be involved in site surveys should be briefed to ensure that they follow consistent practice in identifying sites and recording information, and know how to handle enquiries from members of the public or property owners to minimise misinformed speculation.

Recording site characteristics

29. While on site, the following characteristics should be recorded, or checked if they were previously identified by the desk-top review:
- site size;
 - site boundaries;
 - current use(s);
 - surrounding land use(s);
 - character of surrounding area;
 - physical constraints, eg access, steep slopes, potential for flooding, natural features of significance and location of pylons;

- development progress, eg ground works completed, number of homes started and number of homes completed; and
- initial assessment of whether the site is suitable for housing or housing as part of a mixed-use development.

Stage 6: Estimating the housing potential of each site

30. The estimation of the housing potential of each identified site should be guided by the existing or emerging plan policy, particularly the approach to housing densities at the local level. Where the plan policy is out-of-date or doesn't provide a sufficient basis to make a local judgement, one approach to estimating potential is by sketching a scheme from scratch, or by using relevant existing schemes as the basis for an outline scheme, adjusted for any individual site characteristics and physical constraints.
31. An alternative and less resource intensive approach is to compare the site with a sample scheme which represents the form of development considered desirable in a particular area. Sample schemes selected should be exemplars (not necessarily from the study area) and represent the range of site sizes and locations where housing development is anticipated. Comparison with the sample schemes can then be used in assessing the housing potential of individual sites, adjusted for any individual site characteristics and physical constraints. Using real schemes as comparators has the additional advantage that the form of development on a site can be visualised.
32. Housing potential is a significant factor that affects economic viability. Stages 6 and 7 can usefully be carried out in parallel, to ensure that the housing potential for each site is guided both by the plan and by economic viability.

Stage 7: Assessing when and whether sites are likely to be developed

33. Assessing the suitability, availability and achievability of a site (see paragraphs 37-41) will provide the information on which the judgement can be made in the plan making context as to whether a site can be considered deliverable, developable or not currently developable for housing development. To be considered:
 - **deliverable** – a site is available now, offers a suitable location for housing development now and there is a reasonable prospect that housing will be delivered on the site within five years from the date of adoption of the plan²³; and
 - **developable** – a site should be in a suitable location for housing development, and there should be a reasonable prospect that it will be available for and could be developed at a specific point in time²⁴.
34. Where it is unknown when a site could be developed, then it should be regarded as not currently developable. This may be, for example, because one of the constraints to development is severe, and it is not known when it might be overcome.

²³ See Paragraph 54 PPS3.

²⁴ See Paragraph 56 PPS3.

35. In practice the considerations to be taken into account when deciding whether a site is deliverable, developable or not currently developable, will be the same. It will be the *degree* of availability and achievability, and, in particular, when any known constraints can realistically be overcome.
36. The assessment of deliverability/developability of specific sites should be made irrespective of the level of housing provision that is actually needed over the plan period.

Stage 7a: Assessing suitability for housing

37. A site is suitable for housing development if it offers a suitable location for development and would contribute to the creation of sustainable, mixed communities.
38. Sites allocated in existing plans for housing or with planning permission for housing will generally be suitable, although it may be necessary to assess whether circumstances have changed which would alter their suitability. For other sites, the following factors should be considered to assess a site's suitability for housing, now or in the future:
 - **policy restrictions** – such as designations, protected areas, existing planning policy and corporate, or community strategy policy (see paragraph 21 above);
 - **physical problems or limitations** – such as access, infrastructure, ground conditions, flood risk, hazardous risks, pollution or contamination;
 - **potential impacts** – including effect upon landscape features and conservation; and
 - **the environmental conditions** – which would be experienced by prospective residents.

Stage 7b: Assessing availability for housing

39. A site is considered available for development, when, on the best information available²⁵, there is confidence that there are no legal or ownership problems, such as multiple ownerships, ransom strips²⁶, tenancies or operational requirements of landowners. This means that it is controlled by a housing developer who has expressed an intention to develop, or the land owner has expressed an intention to sell. Because planning applications can be made by persons who do not need to have an interest in the land, the existence of a planning permission does not necessarily mean that the site is available. Where problems have been identified, then an assessment will need to be made as to how and when they can realistically be overcome.

Stage 7c: Assessing achievability for housing

40. A site is considered achievable for development where there is a reasonable prospect that housing will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site, and the capacity of the

²⁵ This can be confirmed by legal searches but these can only be relied upon for a short period.

²⁶ Also known as an access strip. A piece of land that typically provides access to a development site, which is held back by a vendor, preventing access and effectively holding prospective developers to ransom.

developer to complete and sell the housing over a certain period. It will be affected by:

- **market factors** – such as adjacent uses, economic viability of existing, proposed and alternative uses in terms of land values, attractiveness of the locality, level of potential market demand and projected rate of sales (particularly important for larger sites);
- **cost factors** – including site preparation costs relating to any physical constraints, any exceptional works necessary, relevant planning standards or obligations, prospect of funding or investment to address identified constraints or assist development; and
- **delivery factors** – including the developer's own phasing, the realistic build-out rates on larger sites (including likely earliest and latest start and completion dates), whether there is a single developer or several developers offering different housing products, and the size and capacity of the developer.

41. There are a number of residual valuation models available to help determine whether housing is an economically viable prospect for a particular site.²⁷ In addition, the views of housebuilders and local property agents for example will also be useful where a more scientific approach is not considered necessary.

Stage 7d: Overcoming constraints

42. Where constraints have been identified, the Assessment should consider what action would be needed to remove them. Actions might include the need for investment in new infrastructure, dealing with fragmented land ownership, environmental improvement, or a need to amend planning policy which is currently constraining housing development.

Stage 8: Review of the Assessment

43. Once the initial survey of sites and the assessment of their deliverability/developability has been made, the housing potential of all sites can be collected to produce an indicative housing trajectory that sets out how much housing can be provided, and at what point in the future. An overall risk assessment should be made as to whether sites will come forward as anticipated. At this stage it may be concluded that insufficient sites have been identified and that further sites need to be sought, or that the assumptions made, for example on the housing potential of particular sites, need to be revisited.

44. Whether the level of housing on identified sites with housing potential is sufficient depends on whether an assessment is being carried out as part of a plan review, when at least sites sufficient for the first 10 years of a plan (and ideally for longer than the whole 15 year plan period) are required, or whether the Assessment is being reviewed to help top-up the five year supply of specific deliverable sites. It may also depend on the level of housing demand in an area, and how quickly sites may be developed, so that a five year supply of specific deliverable sites can be maintained.

²⁷ The housing potential estimated in Stage 6 is a significant factor that affects economic viability.

45. Following the review, if there are still insufficient sites, then it will be necessary to investigate how this shortfall should best be planned for. The two options are: the identification of broad locations for future housing growth, within and outside settlements (see Stage 9); and/or the use of a windfall allowance (see Stage 10).

Stage 9: Identifying and assessing the housing potential of broad locations (where necessary)

46. Broad locations are areas where housing development is considered feasible and will be encouraged, but where specific sites cannot yet be identified. The advantage of identifying broad locations is that the community will be clear about where future development will be directed and there will be greater certainty for developers about where development will be encouraged. It is a proactive approach to planning, which reflects positive choices about the direction of future housing development, rather than a reactive approach to development opportunities as they arise. Examples of broad locations include:

- **Within and adjoining settlements** – for example, areas where housing development is or could be encouraged, and small extensions to settlements; and
- **Outside settlements** – for example, major urban extensions, growth points, growth areas, new free-standing settlements and eco-towns. The need to explore these will usually be signalled by the Regional Spatial Strategy.

47. The options for, and housing potential of, broad locations may be considered as part of the Assessment. It may be useful to focus the search by establishing a set of criteria. For example, for broad locations adjoining settlements, such criteria might include: to direct development into areas where significant infrastructure exists or is planned; or to avoid the coalescence of settlements. Other areas with potential for housing development, or where development is or could be encouraged will also have been identified earlier in the Assessment, when determining where to survey (see paragraph 26). Areas, such as a particular town centre, where site surveys weren't able to identify specific sites, but where it was considered that there was housing potential could then be included for consideration as a broad location.

48. Where broad locations have been identified, estimates of potential housing supply should be developed having regard to:

- any evidence underpinning the Regional Spatial Strategy;
- the nature and scale of potential opportunities within the broad location; and
- market conditions.

49. For broad locations outside settlements, one way to estimate the housing potential is by identifying an existing neighbourhood that works well, calculating its net residential density (dividing the total area by the number of homes) and applying this calculation to the broad location. The residential density will be lower than for housing development within settlements, as the calculation will include land that will need to be provided for other uses such as shops, offices and schools.

Stage 10: Determining the housing potential of windfall²⁸ (where justified)

50. PPS3 sets a clear expectation that the supply of land for housing should be based upon specific sites, and where necessary, broad locations. However, it recognises that there may be genuine local circumstances where a windfall allowance is justified. The disadvantage of a windfall allowance is that because it is not clear exactly where development is likely to occur, there is little certainty for communities or developers. By their nature, generalised windfall estimates make it more difficult to plan, for example, in terms of making sure the necessary infrastructure is in place.
51. Where a windfall allowance can be justified, this should be based on an estimate of the amount of housing that could be delivered in the area on land that has not been identified in the list of deliverable/developable sites, or as part of broad locations for housing development. One way to determine a realistic windfall allowance is to estimate the housing potential from each likely source of land for housing, as the rate will be different between them. One method to estimate potential from each source is by calculating the average annual completion rate from the source, taking care to avoid double counting sites (or broad locations, where these have been identified) which are already included in the Assessment, and coming to an informed view as to:
- whether the annual rate is likely to increase or decrease;
 - whether the pattern of redevelopment is likely to remain the same, grow or decline; and
 - whether current market conditions are likely to stay the same, worsen or improve in the future.
52. Coming to an informed view on a windfall allowance means reflecting how comprehensive and intensive the survey has been in identifying sites and broad locations for future growth, and the extent to which the Assessment has been informed by the industry and by market intelligence.

²⁸ Windfall sites are those which have not been specifically identified as available in the local plan process. They comprise previously-developed sites that have unexpectedly become available. These could include, for example, large sites resulting from, for example, a factory closure or small sites such as a residential conversion or a new flat over a shop.