

Understanding the Local Impact of New Residential Development: a Pilot Study

Final Report
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1. Introduction¹

The objective of the project is to make a contribution to understanding the impact of new housing development on the immediately surrounding area and population. In particular the project looks to see:

- what is the evidence about whether house prices in the surrounding area always fall;
- whether there are patterns in price development in these areas which appear to be associated with different types of development; and
- whether other factors affecting prices can be identified.

The initial response of many people to the possibility of new residential development nearby is that it will reduce their wellbeing, notably with respect to access to local services, their own immediate environment and simply because of the impact of increased population in the area. Partly this is about expectations—households usually expect to be able to keep their views, for example, or they may expect that more development will result in lower quality services. More generally households can be resistant to change and uncertainty concerning their neighbourhood and neighbours. Economically, residents may be worried about whether the market might respond to development by reducing the prices of existing dwellings as a result of increased supply, or whether demand might decrease as a result of the degradation of local attributes. These issues are core to the longer-term acceptability of new development.

This project, sponsored by Barratt and the NHBC Foundation, aims to address these issues by looking in detail at a small number of sites to help identify the factors which determine whether development will have a positive, negative or neutral effect on the locality and therefore on house prices. Important in the shorter term is the extent of disruption generated by the development and into the longer term the impact it might have on the nature of the area and the community as well as directly on house prices.

¹ We are grateful to Philip Barnes, Neil Smith, Nancy Holman and Henry Overman for their constructive comments.

2. Understanding the question

In order to provide a framework for understanding how new development might affect prices and welfare in the surrounding area we start by looking at the role of the planning system in determining planning permissions; the economic impact of increasing supply on local markets and house prices; and evidence on household attitudes towards new house building and the development process.

The role of the planning system

The planning system in England essentially comprises the preparation of planning policies at national and local spatial scales and the control of development through the determination of planning applications and enforcement. Planning applications are assessed by the relevant planning authorities on the basis of conformity with the National Planning Policy Framework and local development plans (DCLG, 2012). During the period of our study there was a significant streamlining of planning policy, which removed the regional planning policy tier and led to the winding up of regional development corporations, relevant for example to our case study in Thurrock. The development control aspect of the planning system assesses proposals against national and local planning policies, examining each potential development in terms of its social, economic and environmental impact within the legislative framework.

In the context of residential development, local planning policies stipulate the amount of new housing needed in an area as well as the types of dwellings required and guidance as to where residential development should occur (for more context, see Smith, 2015). Those affected by a specific development have a right to comment and to have their concerns about the development's impact taken into account. Importantly the issues that can be taken into account do not include the possibility that local house prices may be adversely affected, although it is often argued that this possibility lies behind many of the objections which are put in terms of negative externalities (Sturzaker, 2011). The planner's role includes mitigating any potentially negative outcomes of a development as experienced by affected third parties, thus bridging any gap between the private value of the development, judged in terms of market values, and its broader social value.

Potential impacts of new development

The interim report of the *Barker Review of Housing Supply* (Barker, 2003) examined the difficulties facing the planning system in achieving a balance between economic, social and environmental objectives at the local level. In particular, the costs of new housing development are perceived and evaluated by local households who are directly affected, whereas the potential benefits tend to be more diffuse and often not transparent.

Opposition to new housing development is often seen as driven by this feeling that local communities gain little benefit from new homes and that instead new residential development creates negative impacts, including pressure on existing infrastructure and services, reduced environmental amenity, and slower residential price rises (or perhaps price reductions) (Matthews, Bramley and Hastings, 2014: 58).

Potential costs of new residential development to established households include:

1. loss of amenity which not only reduces individual welfare but may also reduce property values;
2. pressure on local services;
3. pressure on infrastructure, causing congestion, pollution, and road safety issues;

4. adverse consequences of ill-designed developments that fail to foster community – these include social as well as economic and environmental costs, all of which can reduce property values; and most directly
5. additional supply may generate lower house prices reducing wellbeing among those already living in the neighbourhood.

Potential benefits include:

1. the provision of more and better housing to accommodate additional households;
2. the possibility of increased property values if new development is well designed and complements existing housing;
3. the possibility that development brings in new infrastructure;
4. longer term improvements in affordability across the housing market;
5. additional spending and investment in local shops and services
6. additional investment in the local area arising from Section 106 or CIL payments from the developer.

A big issue in this context, as we have already noted, is that the potential costs generally lie with households established in the area while many of the benefits go to new entrants into the locality or are spread more generally over the whole market. In addition much of the rhetoric around national housing policy implies that a longer-term objective is to improve affordability by expanding supply and reducing house prices, thus fuelling the idea that new development could lower values in the surrounding area.

Impact of development on local house prices

There are large numbers of studies that examine the effect of new housing supply on prices at national and regional levels, but there are very few that look at the effect on the local area and particularly the immediate locality in anything but the most qualitative terms.

The impact of new development on local house prices depends on supply and demand. On the supply side, the new development increases number of units of particular types of housing in the immediate area. Developers set the prices of their units to ensure that they are competitive within the existing housing market. They aim to undertake the development in a way and at a speed that generates the best possible return on capital employed (ROCE). The scale of customer demand determines the pace of development and an expected norm is around 0.5 to 1 sale per week per site.

Customer demand can come from four main sources:

- those already looking for a home in the second hand market;
- newly forming households who are looking for a home. These households may currently be part of someone else's household (e.g. they could be children currently living with parents), and they could come from the local area or from a considerable distance away;
- the new housing improves the local area by, for example, developing previously derelict sites, making the area safer and more desirable. This in turn increases the demand for the area and the number of people prepared to invest in that area. Again the demand may be from local, established households or from further afield, but because of the improvements in the area, additional demand is created and prices may even rise, not only for the new development but for the surrounding area;
- the same arguments apply if local infrastructure is improved and if high quality planning makes the local environment more desirable.

At the same time there are direct costs to the community from development, notably with respect to the disruption experienced by the surrounding areas during the development process. This can be expected to have at least a short term negative effect on demand. Equally the process of development may slow the numbers of transactions as those living in the area may wait to sell until the future is more certain. However it should be stressed that house prices are about future as well as immediate benefits and costs, so if future price increases are expected these costs may simply be offset.

Thus the economics suggests that other things being equal some reduction in house prices in the local area can be expected, especially in the short term, as a result of new development, unless additional net benefits can be identified. The extent of such an effect could be expected to depend on the scale of the project in relation to the local market – both by adding to supply and by the interest it generates among potential buyers. However this effect will be diffused across similar areas and is likely to be small. One of the few pieces of research that addresses this issue directly based on regression analysis suggests:

‘New private housing does have negative effects on house prices, but mainly at the wider HMA [housing market area] or LA [local authority] level where supply–demand effects predominate. At the neighbourhood level the effects can be positive, particularly in the medium term, although the initial impact may be negative. The evidence is consistent with a mixture of positive and negative effects tending to offset each other. It is also worth emphasising that the size of effects from new development on prices are relatively modest, compared with the influence of other factors, including wider economic factors and localised deprivation rates’ (Bramley *et al*, 2007: p 102).

It should also be noted that to the extent that the development takes place in new residential areas (e.g. on industrial sites and indeed a wide range of brownfield sites), which has been true of a significant proportion of development over the last decades, these impacts are inherently less important (Crook *et al*, 2011).

Attitudes towards new development

The traditional view of opposition being driven predominantly by economic interests, and particularly fears around local house prices, may be over-simplistic. Analyses suggest that concerns may be based also on wider socio-cultural concerns that individuals relate to development, including impacts on sustainability, equity, and sense of place (Matthews, Bramley and Hastings, 2014; Savage, 2011; Watt, 2009). In turn, increased employment opportunities, provision of new green spaces and parks, infrastructure improvements and new schools and leisure activities are considered either to ameliorate opposition or generate support for development.

Recent survey data suggests that opposition to new housing development is declining in the UK. The British Social Attitudes survey (BSA), which has been run annually since 1983 by NatCen Social Research, has tracked attitudes towards house building since 2010, with the most recent survey run in 2014. Between 2010 and 2014, the proportion of respondents who said they would oppose new homes being built in their local area declined from 46 percent to 21 percent; in turn, support for local house building rose from 28 percent in 2010 to 56 percent in 2014 (DCLG, 2015: 8).

Concerning active opposition to new development, 42 percent of people surveyed in 2014 who said they would not support new homes in their local area said they would be likely or very likely to take action (DCLG, 2015: 13). The most likely actions to be taken included: signing a petition (66 percent), objecting at a planning meeting (62 percent), submitting a formal objection to the submitted development plans (50 percent), contacting a local councillor (45 percent), and joining an action group (26 percent) (ibid: 14).

While opposition declined across all tenure groups between 2010 and 2014, homeowners are still more opposed to new housing than renters (DCLG, 2015: 9). Individuals living in small cities and towns and rural areas were more likely to be opposed to new development than those living in larger urban areas (ibid: 10). Across income groups, broadly similar levels of opposition were observed.

A significant proportion (38 percent) of respondents to the 2013 British Social Attitudes Survey said their support of new homes depended on design, and almost half (48 percent) stated that properties built in the last decade were better designed than those built 20 or 30 years ago (DCLG, 2014: 10).

It is important to note that although a considerable number of households in these surveys who were opposed to development in their area did say that they would take action against development these were hypothetical questions. Equally there are fewer clear ways of showing positive engagement - and no questions about how people might actively support development. However it remains true that those near a development are entirely rational to object if the perceived costs are local while the benefits are more broadly based.

Understanding the question: overview

The question of whether and how new housing development impacts on local areas is much discussed in the planning literature but this rarely goes to the heart of the question of what impact there might be on local house prices. This is in part because that question of what happens to house prices is not directly relevant to planning decisions which are required to be based on broader economic, environmental and social factors.

What analysis there is suggests that, while increased supply should in principle reduce prices or slow down price rises, there will be many other factors that affect the outcomes particularly at the very local level. Some of these are about the direct impact on the neighbourhood; some are about other changes which accompany the development; while still others are about positive planning decisions that aim to mitigate negative outcomes, including for instance facilities or infrastructure provided by means of a Section 106 agreement. As a result price effects could well be positive especially where the planning has been well done and the construction is complete.

Finally, the evidence on attitudes to new development does not directly address the issue of whether these attitudes are directly affected by the fear that the price of their own home will be adversely affected. Nevertheless, many of the concerns raised have that implication.

3. Methodology

The discussion of the planning process and impacts set out above suggests that answering the general question of how and why house prices might be affected by new development would need very large scale statistical studies. Lack of suitable data would mean that many of the issues that impact on particular sites would simply be ignored. Here therefore we concentrate on the much narrower question of whether by looking at a small number of case studies of ‘typical’ developments it can be shown that prices will not always go down as a result of new development. This approach can do no more than provide indicative evidence as it can only cover a small number of sites and there are many other factors which can affect specific outcomes. However it can act as a pilot to indicate how a more comprehensive approach might provide a more formal evidence base to assess the likely impact of development on the surrounding areas.

The project employed a three-stage research methodology:

1. Scoping and preliminary research on study sites
2. Interviews with developers to clarify site profile and development narrative
3. Analysis of price impacts with data from three sources

Selecting the sites

The sites were selected based on preliminary research into the size of the development, reported levels of opposition, amount of concurrent development happening in the area, type of location and previous use of land. We decided to choose sites which are typical of new development. The sites selected are all smaller than 300 units and were completed within the last 5 years. Very large sites, other things being equal, would be expected to have more impact than small sites simply because they represent potentially greater change of all kinds. However, we would expect different impacts even between sites of the same size as a result of other, non-size related factors. In some respects it is the impact of factors not directly, or only subtly, related to size that are of most interest. In this way the study at least partially controls for the effects of development size *per se*. Additionally, except for one case (Vitae, Thurrock), the sites were not immediately near any simultaneously occurring residential development, allowing for a stronger assessment of direct price impacts. The case studies selected range in terms of percentage of affordable housing provided on site, previous use of land and levels of opposition, although most sites did experience some vocal opposition on various grounds during the planning process.

Interviews with developers

The analysis of sites and particularly the interviews with developers and other stakeholders were undertaken in two stages: a pre-pilot of two sites to test the methodology and then a more detailed analysis of these plus an additional six sites. After selecting the sites and conducting preliminary research on their planning histories, size and location we interviewed the managers who oversaw the developments at each location. A standardised topic guide was used to gather consistent information. These interviews covered: details of number and size of units; percentage and type of affordable housing allocated; details of the planning process and objections; dates and description of the construction process, including any delays or modifications made; the selling process and prices achieved; whether or not, in the developers’ mind, the development was relatively complicated and whether any of the negative impacts some may have expected as a result of the development did arise in practice.

Analysing price data

Once the details and timelines of the development process were established, we collected price data from three major sources: Hometrack, Zoopla, and the Land Registry. To collect average home price figures, postcodes were collected for the study area (the development itself) and the ‘neighbouring area’ (postcodes lying within an approximately 0.3 mile radius of the study site). Additionally, data were gathered for the larger ‘postcode district’² (three/four-digit postcodes) and the relevant local authority for comparison. For this study, price data were gathered for 2009-2014.

Hometrack³ was able to provide transaction and valuation data for individual properties in the study sites and neighbouring postcodes, from which we were able to derive average house prices for a given year. They also provided monthly House Price Index values for the larger postcode districts and local authorities. These were then used to derive yearly averages. In some years and for some areas, there were relatively few data points available and the resulting averages should be treated with caution. Where this is the case, it is noted in Chapters 5 and 6.

Zoopla provides estimates for home values that are not currently on the market. This value is calculated using a complex algorithm that analyses property data on a continuous basis and considers previous sold values, recent nearby transactions, changes in market values to similar property types in the local area, various characteristics of the property, and current values of comparable properties. The algorithm refines itself daily by processing up-to-date information. The figures we are able to compile, therefore, are based on the present day’s Zoopla Estimate and the estimate for specific intervals in the past from that date (i.e. one year ago from exactly the day when the data were gathered). Zoopla’s specific algorithm is not public, and they clarify that, although being constantly improved and updated, the estimates do not reflect formal valuations. The Zed-Index value is the current mean Zoopla Estimate of home values in any given area. In contrast to the Hometrack data, Zoopla data for all of our case studies show virtually no difference between price trends in each case study area and its neighbouring area, indicating that the data are almost certainly smoothed. We are consequently not able to learn much about the impacts on the immediate area from these Zoopla data. We have included them as an annex in this report as a way of comparing trends in the wider area.

Finally, where possible, house price index (HPI) data from the **Land Registry** for local authorities were also gathered. The Land Registry only publicly releases HPI data for certain local authorities; this was not available for Mid-Sussex District Council, East Hampshire District Council, and Basildon Borough Council. In the data annex, these trends have been included on the same graphs with the Zoopla data to provide a picture of larger area trends.

Drawing conclusions

The final sections of the report bring together the results from the analysis of prices with the more qualitative analysis of the specific sites, how they were developed and the factors driving attitudes to development and market outcomes. The report also points to how this pilot study might be extended to provide a stronger evidence base from which to assess the effects of different types of development on surrounding areas.

² Postcode areas are determined by the Royal Mail. A ‘postcode district’ refers to the first half of the postcode (first three/four digits). There are currently 3,114 postcode districts in the UK, and approximately 562 unit postcodes (full six or seven digit postcodes) for each district. Although the number of delivery points per postcode district can range considerably, on average there are around 9,800 delivery points per postcode district. For more information, see <http://www.ons.gov.uk/ons/guide-method/geography/beginner-s-guide/postal/index.html> and <http://www.bph-postcodes.co.uk/guidetopc.cgi>.

³ We wish to thank Richard Donnell and his colleagues very much indeed for their generous assistance with this project.

4. Case Studies

As will be demonstrated in Chapters 5 and 6, the price effects appear to have some link to whether the land previously had ‘amenity value’ (e.g. was greenfield, used for recreation or appreciated as open space) or was considered derelict and/or unattractive. The case study profiles below, therefore, are organised into these broad categories: five of the sites were built on land with previous amenity value, at least as expressed in planning objections, and three were built on brownfield land which seemed to provide less amenity value for the existing local communities. Tables summarising all of the information gathered about our eight case studies are presented in Annex 1.

Category A: Previously Greenfield or Recreation Land

Clayton Mills, Hassocks

- 250 units; 1 to 5-bedroom houses (40% affordable, intermediate rent, social rent and shared ownership)
- Completed mid-2012
- Previously greenfield
- High level of opposition during planning process, largely focussed on principle of development and loss of open space
- Ongoing opposition throughout construction period (brief stop-order issued in 2009)
- Anticipated prices achieved; At least 50% of buyers already lived within 5 miles of the development

Clayton Mills is located in Hassocks, one of the larger villages in Mid Sussex, with a population of approximately 6,800. Hassocks is surrounded by attractive countryside. Previously a greenfield site, the land for Clayton Mills was acquired by Barratt with planning permission already secured by the MJ Gleeson Group. Permission was granted in late 2007 for 250 units (including flats and houses), ranging from two-bed terraced properties to five-bed detached homes. Compliant with local authority regulations, 40% of the development was affordable housing. Barratt worked with Southern Housing and Moat to provide a mix of social and intermediate rent and shared ownership.

The planning application for the development was subject to a high level of opposition, including more than 200 objections during a public inquiry in 2007. The main objections focussed on the principle of development and loss of open space, view and outlook. Additionally, the development was planned at a higher density than existing surrounding housing. Permission was granted on appeal, but the economic conditions at the time caused Barratt to submit variations to the application, reducing the number of larger homes in the development and removing many flats from the scheme.

The build-out strategy employed by Barratt given the economic conditions was to complete the affordable units first. Additionally, the construction process was slowed by a brief stop-order. The selling period lasted between April 2008 and mid-2012, much longer than expected, because of the market conditions. The price schedule shows that, overall, anticipated prices were achieved. This may be partly the result of the larger properties being completed and sold once the market had recovered. At least half of the buyers in Clayton Mills already lived within 5 miles of the development, but the demographic of new residents is much younger than the immediately surrounding area. There were some problems with low-level anti-social behaviour, but this was not sufficient to affect sales.

The Limes, Lindfield

- 120 units; 1-2 bed flats, 1-4 bed houses (30% affordable, social rent and shared ownership)
- Completed in 2010
- Previously greenfield; village edge
- High level of organised opposition on grounds of design, principle of development, lack of infrastructure and access
- Ongoing opposition throughout construction process (stop-order issued)
- Anticipated prices were achieved; selling takes place after government initiatives (including HomeBuy) were introduced which helped stimulate the market

The Limes is located in Lindfield, an attractive, relatively affluent, popular village in Mid Sussex with a population of around 5,500. Significantly smaller than Clayton Mills, the Limes is comprised of 120 units, including 44 four-bedroom houses, 27 three-bedroom houses, 19 two-bedroom houses, 7 one-bed houses, 19 two-bedroom flats and 4 one-bedroom flats. The site includes 36 units (30%) of affordable housing, compliant with local authority policies.

MJ Gleeson took this development through planning before Barratt officially acquired the site. Gleeson submitted the first application in March 2006 anticipating that the process would take around 18 months from start to finish. In the event it took nearly three years. This was largely the result of high levels of organised opposition focussed on design concerns and, most significantly, the principle of development. 795 postcards (produced by the Preservation Society and distributed to residents) were sent in opposition and 152 individual letters. The Committee meeting was packed with local residents wearing specially made T-shirts and waving banners to indicate opposition.

Planning was eventually granted in 2008, and construction work began in spring 2009. A stop-order was issued briefly because of delivery trucks nuisance, an indication of ongoing opposition. Selling mainly took place in the second half of 2010, after the national election, so benefitted from some of the new government initiatives, such as HomeBuy, to stimulate the market. Overall the development sold well and the housebuilder's anticipated prices were achieved or exceeded. Compared to Clayton Mills there was more movement into the development from further afield, some from Surrey residents moving across into Sussex, and some from people downsizing. Public acceptability of Barratt and the development was thought to be boosted by activities coming in under the new Localism initiatives. Primary School visits were introduced for Year 5 pupils. The pupils visited the site, had the opportunity to lay a few bricks and learnt about Health and Safety with 'Barry Barratt'. Barratt/DWH hosted the Lindfield Arts Festival with some of the art works being displayed in the Show Homes. They also held a competition for a piece of public art – a Swan - which is located on the Green.

Meadowbrook, Four Marks

- 174 units; 1-5 bedroom houses (35% affordable, shared ownership and social rent)
- Completed in 2011
- Previously greenfield land with some brownfield parts
- Strong objections during the planning process, but overall process did not take longer than expected
- Actual prices below anticipated levels as a result of the recession

The Meadowbrook development, a 174-unit site, is located in the parish of Four Marks in East Hampshire. Four Marks is an attractive village of around 4,000 residents surrounded by picturesque Hampshire countryside. Barratt drew up plans for the site alongside agreeing the deal for its acquisition in 2006. The site included a bungalow and an industrial unit, as well as greenfield land, before it was developed.

According to the developers, the planning process lasted 18 months which was as expected. A very active local group called 'Fight 4 Four Marks and Medstead' vocally opposed the development. Planning approval was received in February 2007.

The total build-out time for the site was 58 months with an average build-out rate of 3 units per month. Marketing of the site began early, and in June 2009, Barratt announced that 'personnel employed by the Army, Navy or RAF as well as anyone who served in the wars in Afghanistan or Iraq all qualify for Barratt's Armed Forces Discount Scheme if purchasing a property at Meadowbrook'. The discount offered was £500 for every £25,000 or part thereof on the cost of the property bought.

Acacia Park, Basildon

- 144 units; 1-2 bedroom flats and 3-4 bedroom houses (no affordable housing)

- Completed in 2014
- Previously recreation buildings, including indoor swimming pool, bowling green, play area, skate park, and southern part of Gloucester Park
- Strong opposition focussed on loss of un-replaced open space, impact on wildlife and trees, pressure on local infrastructure, loss of community facilities
- Development sold well without any major discounting, although Barratt offered some units as Help to Buy

This residential development is located on Acacia Park, which effectively forms the South East edge of Gloucester Park, in Basildon. Gloucester Park contains, for example, tennis courts and football pitches, as well as the Basildon Sports Village complex. Acacia Park is the first phase of the two-phase 'Gloucester Park Development', which features heavily in the Basildon Town Centre Development Framework. Barratt were heavily involved in preparing the masterplan for this major project. The surrounding area is not primarily residential and the site does not include any affordable housing as, according to discussions in development control committee meetings, this site addressed other community priorities and the inclusion of an affordable component would have caused viability issues.

The planning process took slightly longer than expected and twenty-six letters were received objecting to the development as a whole (i.e. the Gloucester Park Development), as well as a 'Save Our Gloucester Park' petition with 1,128 signatures and an objection letter with the same title with 100 signatures. The main objections related to loss of open space, community facilities, trees and pressure on local infrastructure. Planning was granted with strong reserved matters conditions stipulating that the developers would upgrade the condition and provision of play areas, woodland management, and signage and information, and would also take steps to improve park safety and reduce vandalism. Two new bowling greens and a pavilion were also subsequently provided by Barratt at the Sporting Village. In addition, a new lake and pedestrian subway was being provided as part of the development.

Construction began in December 2011 and was completed in June 2014. The development sold well and in the price range £150k-£340k without any major discounting, although Barratt offered incentives of up to 5% on some plots and many units were purchased through Help to Buy. Despite the politically charged planning process, homebuyers have shown great interest in the area.

Meriden Gate, Solihull

- 87 units; 2-5 bedroom houses (40% affordable housing, including renting and shared ownership)
- Completed in 2013
- Previously Parish Council playing fields
- Many residents objected, focussed mainly on traffic and fears of devaluing property
- Also some open support (new housing much needed)
- Barratt built new sports facility before building residential development
- Anticipated prices were achieved, but margins offset by higher labour and materials costs

Meriden Gate is located in the Metropolitan Borough of Solihull in the Midlands. Its surroundings are largely rural, but the development is near to the centre of a village. The land was previously used for recreation and included the parish council playing fields. The area had been allocated for residential provision in the UDP in 1996 and was, at the time of development, said to be a very poor facility, with problems of dog fouling and anti-social behaviour.

Nevertheless, the planning process was quite controversial. Objections focused mainly on traffic and there were some explicit fears that nearby property would be devalued. There were also concerns about losing the community facilities. Consequently as part of the planning permission the developers provided a new sports and recreation facility (although this has also generated controversy).

Planning permission was granted in late 2009 and the developers constructed the sports facility first.

The residential development was officially completed in October 2013. Anticipated prices were achieved, although the developer explained that the margins were largely offset by higher labour and materials costs.

Category B: Previously Brownfield Land or Derelict, Unattractive Buildings

The Willows, Morden

- 283-units; 1-3 bedroom flats, 2-4 bedroom houses (30% affordable housing, HomeBuy or key worker shared ownership)
- Completed in 2010
- Previously sixth-form college with low-quality design buildings
- Moderate level of objections focussed on overdevelopment, insufficient landscaping in new plans, loss of playing fields and locally listed Willows building
- Barratt provided new playing fields
- Anticipated prices were exceeded; one of Barratt's best selling developments

The Willows, Morden, is a 283-dwelling site located in the London Borough of Merton. Morden is predominantly a diverse, multi-racial, suburban area. It is well connected to the rest of London by numerous bus and train links, and the Willows site is located very close to Morden South Tube station. The surrounding area is built to quite a high density, and the development is in keeping with these density levels (265 habitable rooms per hectare). The development is comprised of 80 affordable flats, 160 open market flats, and 43 houses. Most of the flats are one and two-bedrooms, and the houses are mostly three-bedroom, although two are four-bedroom and four are two-bedroom.

The 2.91-hectare site had previously been Merton College, a sixth-form institution of mixed 20th-century design, which included single and two storey buildings. The planning process for the site began in 2003 when Merton College expressed a desire to relocate and sought to fund the move through residential development of its old site. The original agreements on the site were carried out by King's Oak, a part of Barratt (now dissolved) particularly focused on flatted developments. Outline permission was applied for in 2003 and granted in 2004 on appeal after being initially refused. The first Reserved Matters application was submitted in 2006 and was refused in June of that year by the planning committee, largely because of objections over the loss of playing fields and the locally listed Willows building as well as concerns about the overdevelopment of the site and the inclusion of insufficient land for landscaping. In October 2006, a second scaled-down application was submitted which addressed the landscaping concerns and included the provision of playing fields.

The economic downturn adversely affected profitability so Barratt were unable to start the development in 2008. Flats were particularly hard to sell during the recession and cannot be 'phased' in the same way that houses can. Restructuring the development to remove flats from the scheme was not realistic as 75% of the development was in that form. Construction on the site began in 2009 and marketing the units began in May 2010. The Willows proved to be one of Barratt's best-selling sites. It was marketed largely to young professionals and first-time buyers. Helpfully, the Willows came on the market at the same time the HomeBuy scheme was introduced, enabling first time buyers to purchase many units. The expected sales figures for all sizes of units were surpassed. As occurred with the Limes development, Barratt participated in more post-construction engagement with the local community than before the Localism agenda was introduced. This included providing a piece of public art on the site, which represented a willow tree. Furthermore, Barratt believes that public perception of the design was very positive and many appreciated the higher quality design of the new buildings as compared to that which was there before. Good relations were fostered with the council throughout the development process, and the planning department has encouraged Barratt to pursue further development in the area.

Vitae, Thurrock

- 176-units; 1-2 bedroom flat, 3-5 bedroom houses (30% affordable; rent and shared ownership)
- Completed in 2012
- Previously derelict industrial, brownfield land
- Objections mostly pertain to previously proposed, much larger development application, which was scaled down in 2007; after this, few vocal objections
- Anticipated prices were largely achieved, although 5% discount incentives were offered on some plots

The development site is at West Thurrock in a predominantly urban area. While it is a distinct development, it is important to note that this site is adjacent to another development in the area, undertaken by Bellway, which makes it difficult to separate out the specific price effects of this development. Prior to development the site was derelict industrial brownfield and surrounded by mostly industrial units and a mix of existing stock. It was divided by a quite heavily used HGV route, and to the south of the site were areas for the storage of containers and petroleum, and premises for small engineering units.

The planning process took much longer than expected, largely because it was previously part of a much larger site, the second portion of which has subsequently been sold to Bellway and is being developed separately. Additionally, David Wilson Homes (DWH) was acquired by Barratt during this application process, meaning that the development was dealt with by a series of project teams, different Managing Directors and under a changing regional organisation. Most of the objections to the initial application for the larger scheme (including issues of infrastructure provision and loss of open space) appear to have been dealt with by selling off half of the site. DWH also assisted with the provision of a new school in the area, mainly by decontaminating the land. There were some locals who opposed the development and who appeared at planning committee but they were not very vocal.

Construction began in October 2009 and completed in May 2012 and there was a 20-month selling period for the site. Anticipated prices were largely achieved, but the developer did offer some 5% discount incentives on some plots as well as Help to Buy.

Bagnall's Wharf, Sandwell

- 62-units (11% affordable rented)
- 3-storey apartment blocks (29 units) and 33 houses
- Completed in 2012
- Very little opposition
- HCA funding used to build site
- Previously a heavily contaminated industrial site that was actively being used
- Site was stalled due to the economic downturn
- Anticipated prices were achieved; Barratt shared equity scheme 'Headstart' was extensively used on the site

The relatively small development of Bagnall's Wharf, Sandwell in the Midlands was constructed on previously derelict, industrial land. It is bounded by a canal to the southwest and a major road to the southeast. The other boundaries are set among existing residential areas. The housing stock in this area is mixed, having being built over a number of different time periods. The stock is of medium density, mainly consisting of semi-detached properties with local authority stock to the East. There were no flats or large detached units in the area, but the development provided 27 flats and 28 houses.

The site was purchased in 2007 with planning consent already in place and was re-planned twice, although these processes were not difficult and there was very little opposition. The principle of development was largely accepted and the planning timeline was as expected. Construction, stalled because of the recession, continued from May 2010 to June 2012. Overall, anticipated prices were achieved but the Barratt shared equity scheme 'Headstart' was heavily used on the site.

5. Prices in the Surrounding Areas

The following figures and tables summarise price trends in the study areas, neighbouring areas (postcodes within an approximate 0.3 mile radius of the study site), larger postcode districts and the local authority. The price data presented here were provided by Hometrack. Individual transaction and valuation figures were used to derive average annual prices for both the study and neighbouring areas, whereas average monthly House Price Index (HPI) figures were used for the postcode district and local authority figures.

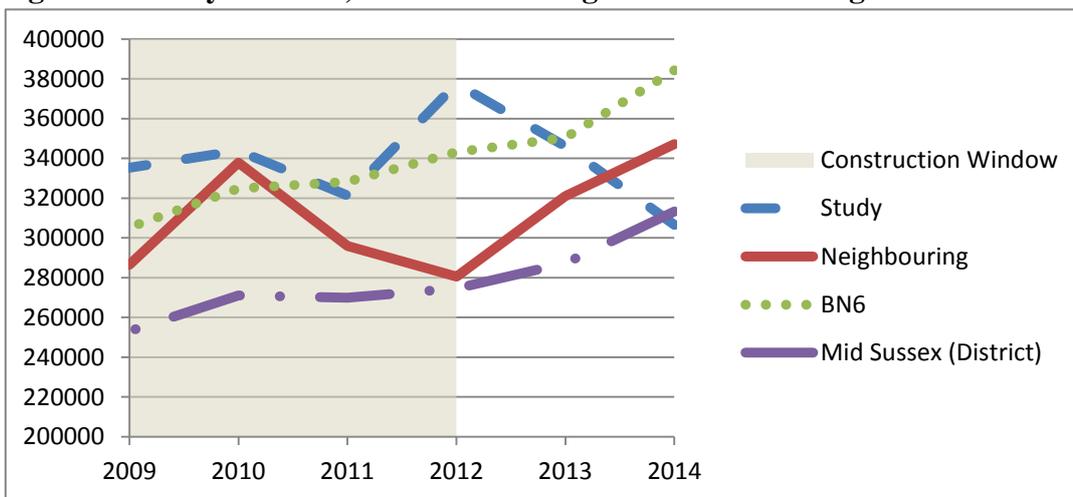
Annex 3 provides additional information about the data sources used to derive these price trends. Table A.3.1 in Annex 3 shows the numbers of six/seven-digit postcodes included in each study site and the immediately neighbouring area (0.3 mile radius). Given the average number of delivery points per postcode in the UK, this suggests that something of the order of 200 dwellings might on average be included in a 0.3 mile radius. However it is obvious from the counts given in Table A.3.2 in Annex 3 that the numbers of units in the immediate area vary considerably.

Category A: Initial negative impact on neighbouring prices, but effect short lived

Price trends in the sites that fall in Category A by and large do not parallel trends in the wider comparator areas (the larger postcode district or the local authority) during or just after construction. Furthermore, each of these developments experienced some decline in price either during the construction period or just afterwards, while all also experienced periods of price growth within the construction period.

In Clayton Mills, which was a previously greenfield, urban edge development, prices in the neighbouring area declined throughout the construction and selling period in comparison to the larger areas and the study site itself. The selling period officially ended in mid-2012, after which Hometrack data reveal that prices recovered in the neighbouring postcodes, growing at a faster rate than the comparator areas.

Figure 5.1: Clayton Mills, Hassocks: Change in Annual Average House Price



	2014	2013	2012	2011	2010	2009
Study*	£306,586	£345,998	£377,547	£321,247	£343,788	£335,311
Neighbouring*	£347,140	£320,912	£280,500	£295,875	£337,913	£286,479
BN6**	£ 384,239	£ 350,402	£343,096	£328,291	£324,802	£305,254
Mid Sussex (District)**	£ 313,304	£287,218	£274,576	£269,998	£271,063	£253,039

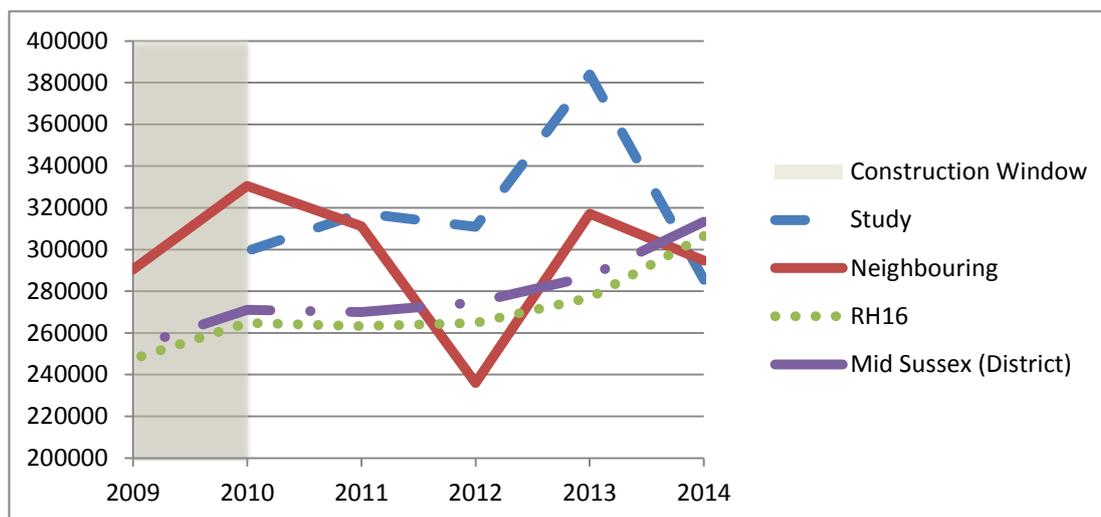
Hometrack (2014)

*Individual transaction and valuation figures were used to derive average annual prices for both the study and neighbouring areas

**Average monthly House Price Index (HPI) figures were used for the postcode district and local authority figures

A similar trend is observed with the area surrounding the Limes, Lindfield, also in Sussex. Prices in the neighbouring area did initially decline, and this actually extended beyond the end of the selling period (which completed in late 2010), with average prices reaching a low of £236,043 in 2012. Price trends started to recover after 2012, however, with parallel rates of growth in both the study and neighbouring area, surpassing growth trends in the larger postcode and local authority areas. Prices have not yet fully recovered to their 2010 levels. Additionally, by 2014, prices in both the study and neighbouring areas had decreased to levels below the larger comparator areas.

Figure 5.2: The Limes, Lindfield: Change in Annual Average House Price

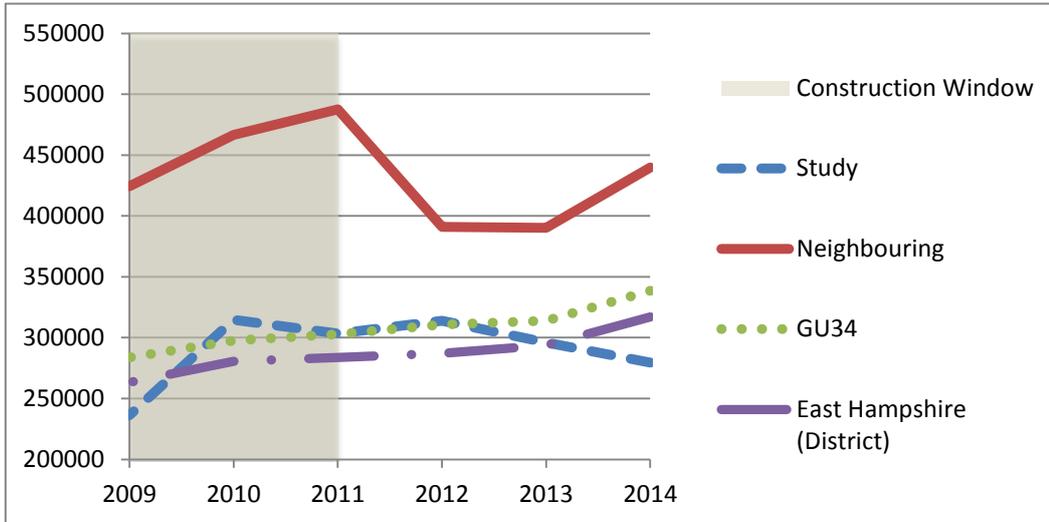


	2014	2013	2012	2011	2010	2009
Study	£285,500	£384,000	£310,950	£317,398	£299,247	n/d
Neighbouring	£294,650	£317,095	£236,043	£311,245	£330,467	£290,431
RH16	£306,408	£276,918	£264,733	£263,322	£264,877	£247,578
Mid Sussex (District)	£313,304	£287,218	£274,576	£269,998	£271,063	£253,039

Hometrack (2014)

In Four Marks in East Hampshire, the area neighbouring the Meadowbrook development saw a decrease in values between 2011 and 2012, the year after the development was completed. Since 2012, however, prices in the neighbouring area have begun to recover and are showing more positive growth trends than the study site itself, mirroring the growth seen in the postcode district and the local authority area.

Figure 5.3: Meadowbrook: Change in Annual Average House Price



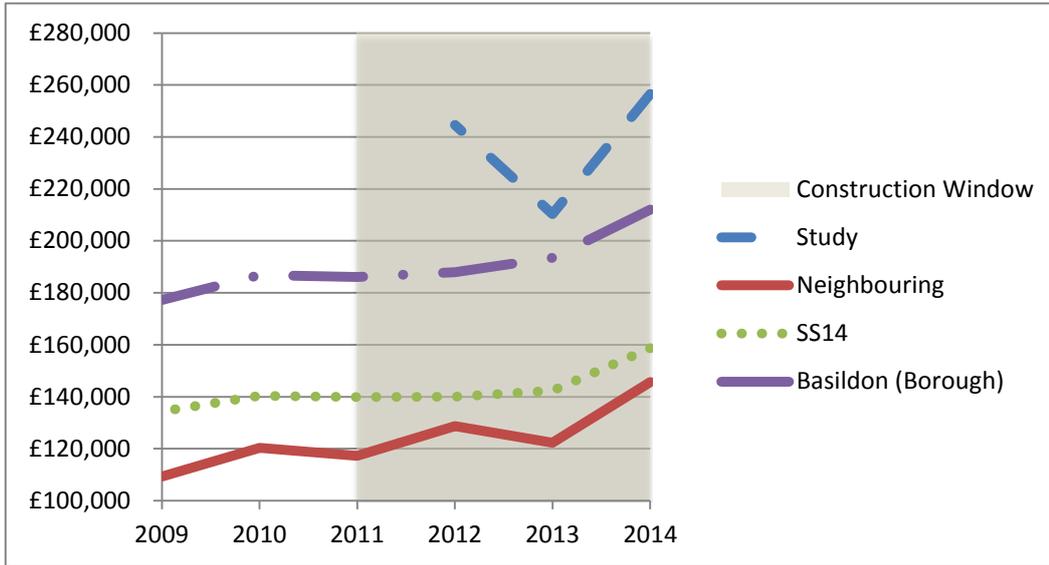
Hometrack (2014)

	2014	2013	2012	2011	2010	2009
Study	£279,623	£296,053	£313,766	£303,352	£314,633	£236,348
Neighbouring	£439,883	£390,364	£391,067	£487,637	£466,473	£424,473
GU34	£ 338,455	£ 313,923	£310,808	£302,777	£297,599	£283,622
East Hampshire (District)	£ 317,148	£ 293,605	£287,183	£283,635	£280,467	£263,316

Hometrack (2014)

Construction in Acacia Park, Basildon began in late 2011, and between 2012 and 2013, the neighbouring area did see a slight decrease in average house prices. Since the site was completed in 2014, prices in the neighbouring area have recovered, indeed at a faster rate than the larger postcode district.

Figure 5.4: Acacia Park, Basildon: Change in Annual Average House Price



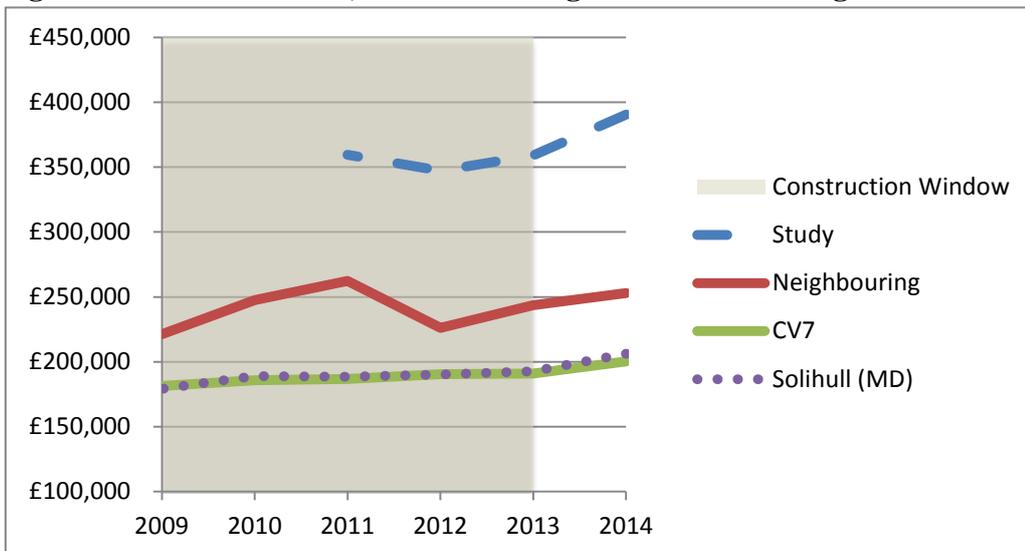
Hometrack (2014)

	2014	2013	2012	2011	2010	2009
Study	£ 256,510	£ 210,327	£ 244,614	n/d	n/d	n/d
Neighbouring	£ 145,667	£ 122,286	£ 128,682	£ 117,333	£ 120,313	£ 109,278
SS14	£ 158,707	£ 142,404	£ 140,036	£ 139,878	£ 140,407	£ 134,393
Basildon (Borough)	£ 212,028	£ 193,477	£ 187,940	£ 186,092	£186,893	£ 177,300

Hometrack (2014)

The area neighbouring Meriden Gate in Solihull saw a dip in average prices between 2011 and 2012, the beginning of the construction period. Between 2012 and 2013 when the study site units were sold, prices in the neighbouring area largely recovered.

Figure 5.5: Meriden Gate, Solihull: Change in Annual Average House Price



Hometrack (2014)

	2014	2013	2012	2011	2010	2009
Study	£ 390,000	£ 350,000	£ 350,000	£ 360,000	n/d	n/d
Neighbouring	£ 250,000	£ 230,000	£ 240,000	£ 260,000	£ 250,000	£ 220,000
CV7	£ 200,000	£ 190,000	£ 190,000	£ 190,000	£ 190,000	£ 180,000
Solihull (MD)	£ 210,000	£ 190,000	£ 190,000	£ 190,000	£ 190,000	£ 180,000

Study	£ 390,571	£ 359,074	£ 347,160	£ 359,375		
Neighbouring	£ 252,886	£ 243,656	£ 226,273	£ 262,417	£ 247,571	£ 221,125
CV7	£ 200,254	£ 190,891	£ 190,435	£ 186,781	£ 185,728	£ 181,411
Solihull (MD)	£ 206,170	£ 192,796	£ 190,262	£ 188,431	£ 188,944	£ 179,294

Hometrack (2014)

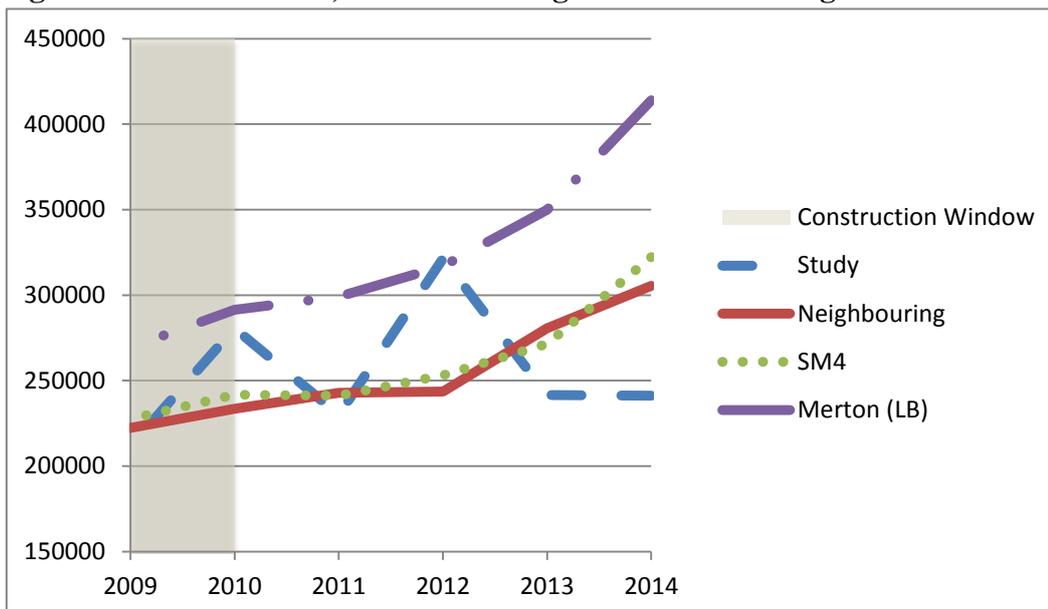
Category B: Limited impact on neighbouring property values

The two sites that revealed a minimal impact on neighbouring property values—The Willows, Morden and Vitae, Thurrock—were built on brownfield land, replacing unattractive, derelict buildings. Bagnall’s Wharf also was built on unattractive, brownfield industrial land, but the data available show a different trend, with prices in both the study and neighbouring area decreasing after the development was completed.

The Willows, Morden was built on the site of a former sixth-form college. Its buildings were of varying 20th century architectural styles and, according to the developers, many community members expressed enthusiasm for their replacement, although some planning objections did refer to concerns over the loss of one locally listed building. Design, therefore, was improved and amenity value in many ways was added. The new development was comprised mostly of flats and included, as required in the reserved matters planning approval, multiple trees and walking/cycling routes. It also included a public art piece.

The price data reveal no negative impact of the development on the neighbouring area. Rather prices continue to rise in parallel with trends for the postcode and local authority area.

Figure 5.6: The Willows, Morden: Change in Annual Average House Price



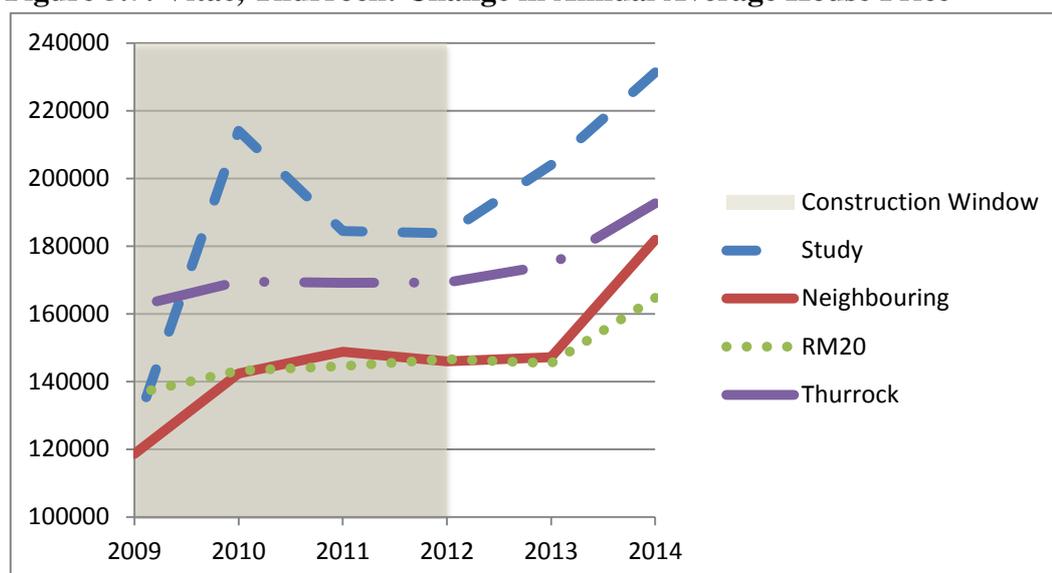
Hometrack (2014)

	2014	2013	2012	2011	2010	2009
Study	£241,250	£241,585	£321,412	£230,035	£280,655	£211,667
Neighbouring	£305,380	£280,643	£243,583	£242,818	£233,439	£222,250
SM4	£ 322,315	£ 271,381	£ 253,191	£ 241,148	£ 241,827	£ 227,524
Merton (LB)	£ 413,976	£ 349,883	£ 317,106	£ 299,020	£ 291,509	£ 269,318

Hometrack (2014)

Similarly, in Vitae, Thurrock, the site was built on brownfield land and replaced derelict industrial buildings. Construction on the site occurred between 2009 and 2012, but as the data reveal, this had no impact on neighbouring property values. They instead followed the general price trends of the postcode and local authority areas.

Figure 5.7: Vitae, Thurrock: Change in Annual Average House Price



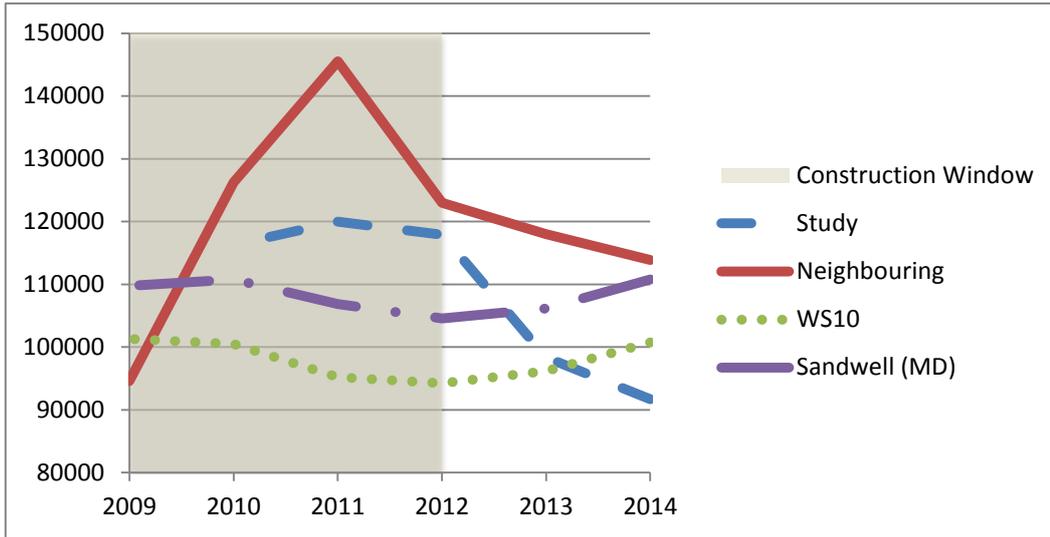
Hometrack (2014)

	2014	2013	2012	2011	2010	2009
Study	£231,281	£204,000	£183,791	£184,446	£214,069	£125,225
Neighbouring	£181,867	£147,153	£145,909	£148,750	£142,375	£118,617
RM20	£164,761	£145,422	£146,606	£144,576	£143,211	£136,300
Thurrock	£192,657	£174,426	£169,269	£169,143	£ 169,508	£162,112

Hometrack (2014)

Construction occurred on the Bagnall’s Wharf site between 2010 and 2012. This graph shows a sharp increase and then decrease in home values in the neighbouring area over this period, and home values in the neighbouring and study area according to this graph have not yet recovered. Importantly, the Hometrack data counts for this site were very low and these trends, therefore, are questionable.

Figure 5.8: Bagnall’s Wharf, Sandwell: Change in Annual Average House Price



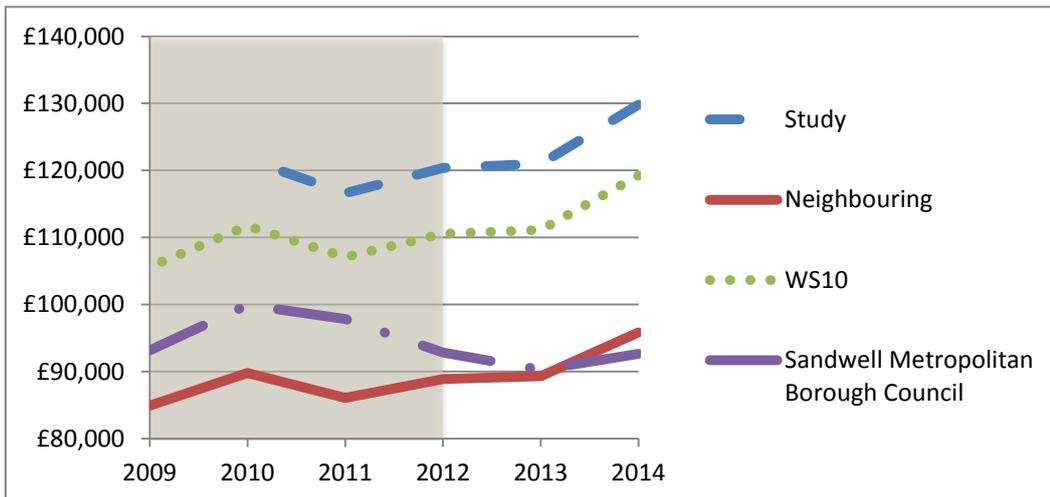
Hometrack (2014)

	2014	2013	2012	2011	2010	2009
Study	£ 91,700	£ 98,333	£ 117,908	£119,966	£ 116,245	
Neighbouring	£ 113,857	£ 118,000	£123,000	£ 145,499	£ 126,250	£ 94,600
WS10	£ 100,731	£ 96,185	£ 94,253	£ 95,209	£ 100,500	£ 101,309
Sandwell Metropolitan Borough Council	£ 110,765	£ 106,156	£ 104,589	£ 106,847	£ 110,788	£109,767

Hometrack (2014)

We have consequently included the Zoopla graph comparing trends in the Bagnall’s Wharf site and neighbouring area to the larger postcode district and borough. These data, although smoothed, display a much more positive picture, with prices generally increasing since 2012 and performing better than in the local authority as a whole.

Figure 5.9: Bagnall’s Wharf, Sandwell: Change in Annual Average House Price, Zoopla and Land Registry Data



6. Data Analysis

The following tables, Table 6.1 and 6.2, illustrate that there is no straightforward price pattern that occurs across all areas immediately neighbouring the new developments studied. With respect to developments in Category A, which were built on land perceived previously to have higher amenity value, we note that by and large price trends in the immediately neighbouring area do not parallel trends in the wider comparator areas (the larger postcode district or the local authority). Each of these developments experienced a period of price decline either during the construction period or just afterwards. All also, however, experienced periods of price growth within the construction period. From these data, we observe that declining price trends that occur either within or just after the construction period are not generally sustained for longer than two years.

Table 6.1: Category A (Previously Higher Amenity Value) Developments

Site Name	Construction Period	Change in Neighbouring Area (.3 mile radius) House Prices					Data Counts for neighbouring area price data	Follows Larger Area Trends?
		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014		
Clayton Mills	Late 2007-mid 2012	18%	-12%	-5%	14%	8%	103	No, declines when larger area rises between 2010-2012
The Limes	Spring 2009-Late 2010	14%	-6%	-24%	34%	-7%	115	No, declines when larger area rises between 2010-2012
Meadow brook	2007-2011	10%	5%	-20%	-0.20%	13%	134	No, declines when larger area rises between 2011-2013
Acacia Park	December 2011-June 2014	10%	-2%	10%	-5%	19%	47	No, declines when larger area rises between 2012-2013
Meriden Gate	2010 - October 2013	12%	6%	-14%	8%	4%	66	No, declines when larger area rises between 2011-2012

Concerning sites in Category B, which were built on land that previously had lower amenity value, price trends in the neighbouring areas are also inconsistent. Neighbouring area price trends in two out of three of these developments paralleled the trends in the larger comparator areas (postcode district and local authority), indicating that the new development had very little price impact on its surrounding neighbours. The exception to this was the area neighbouring Bagnall's Wharf, which experienced both sharper price decline and price growth than in the larger comparator areas both during and after its construction period. It is important to note, however that the data counts for this development's neighbouring area were very low.

Table 6.2: Category B (Previously Lower Amenity Value) Developments

Site Name	Construction Period	Change in Neighbouring Area (0.3 mile radius) House Prices					Data Counts for neighbouring area price data	Follows Larger Area Trends?
		2009-2010	2010-2011	2011-2012	2012-2013	2013-2014		
The Willows	2009-2010	5%	4%	0.30%	15%	9%	72	Yes, parallel trends
Vitae	October 2009-May 2012	20%	4%	-2%	0.80%	24%	60	Yes, largely parallel trends
Bagnall's Wharf	May 2010-June 2012	33%	15%	-15%	-4%	-3%	23	No, decreases at a faster rate between 2011-2012, although larger area decreased as well. Larger area recovers after 2012, while neighbouring prices continue to decrease

In summary, these data reveal that prices in the immediately neighbouring areas do not necessarily decline as a result of new construction and, where they do, the price reduction is usually not sustained for more than two years (see Table 6.3). However, in six out of eight of the areas neighbouring our case study sites price trends did not fully follow trends in the larger comparative areas. The two areas where neighbouring prices did largely follow larger area patterns were both in Category B, on previously low amenity land.

Table 6.3: Price Trends Summary Table

Site Name	Neighbouring property values decrease during construction?	Neighbouring property values decrease just after construction?	Follows Larger Area Trends?	Further discussion
Clayton Mills	Yes, a 17% drop in property prices between 2010 and 2012	No, prices begin to recover	No, declines when larger area rises between 2010-2012	Neighbouring prices rose between 2009-2010 during the construction period, and at a faster rate than the larger comparator areas. During middle of the selling/construction period, prices declined in neighbouring area while they continued to rise in larger comparator areas. This extended until the construction period ended.
Limes	No	Yes, 39% drop between 2010-2012, but recovery thereafter	No, declines when larger area rises between 2010-2012	Neighbouring prices rose during the construction period (which ends in 2010). They fell for 2 years after construction ended.
Meadowbrook	No	Yes, 20% drop between 2011-2012	No, declines when larger area rises between 2011-2013	Neighbouring prices rose throughout most of the construction period but then decreased in the year after the development was completed. Very much like the Limes.
Acacia Park	Yes, 5% drop between 2012 and 2013; prices start to recover before construction is finished.	Too soon to tell	No, declines when larger area rises between 2012-2013	Neighbouring prices rose between 2011-2012, then fell between 2012-2013, then picked up again between 2013-2014, all during the construction period. No post construction data available yet. Data counts are relatively low.
Meriden Gate	Yes, 14% drop between 2011 and 2012. Prices do begin to recover before construction is finished.	No	No, declines when larger area rises between 2011-2012	Neighbouring prices rose between 2009-2011, which encompassed the first part of the construction period. They then fell during the second year (2011-2012) but recovered during last year of construction (2013). Data counts are relatively low.

The Willows	No	No	Yes, parallel trends	Neighbouring prices rose between 2009-2010, the construction period. Prices never declined in the neighbouring area and paralleled price trends in the larger comparator areas.
Vitae	Yes, in last year, falls by 2%	No	Yes, largely parallel trends	Neighbouring prices rose between 2009-2011, but then fell between 2011-2012, all within the construction period. Prices largely paralleled trends in the larger comparator areas. Data counts are relatively low.
Bagnall's Wharf	Yes, in last year falls by 15%	No	No, decreases at a faster rate between 2011-2012, although larger area decreased as well. Larger area recovers after 2012, while neighbouring prices continue to decrease	Neighbouring prices rose between 2009-2011, but then fell between 2011-2012, all within the construction period. Prices then continued to decline between 2012-2014, after the construction period. This does not parallel trends in the larger comparator areas. Data counts are very low.

Green shaded are three cases where prices in the neighbouring area rose at first during construction but then fell, either during latter part of construction or just after.

Blue shaded areas are where prices in the neighbouring area rose at first, then fell, but then rose again all within the construction period.

Purple shaded areas are where price trends in the neighbouring area paralleled trends in larger comparator areas

7. The Impact of Development – A Wider Perspective

The key question which this research has attempted to answer is whether new developments have a discernible negative impact on house prices in their surrounding areas. The data analysis above suggests that when considered in terms of the previous amenity value of a site as indicated by its (broadly) brownfield or greenfield status, there are indeed some negative impacts of new development on surrounding property values at least during and immediately after the construction period. Outside of this period, however, the impacts of new development on longer run price trends appear quite limited.

In coming to such a conclusion we are conscious that the number of developments considered here is small and that there must be, as always, some concerns about the data upon which some of the quantitative evidence is based. A larger, broader set of case studies might have come to different conclusion, though we have found no indications that this is likely to be the case. Nevertheless, in thinking of the impacts of new development on existing house prices it is worth considering very briefly the factors which, in a larger, much more extensive study, we might aim to identify and then investigate as potential influences on existing house prices.

In considering these other factors, we retain our simple assumption that any significant (net) beneficial impacts from new housing developments on the surrounding area will be reflected in an increase in real house prices in that area, other things being equal, while any significant (net) negative impacts would be reflected in decreases in those prices. This follows simply from the observation that people are prepared to pay more than previously for location in an area where the benefits of living in that area have been increased, and less than previously for locating in an area where the benefits are felt to have been reduced. A lack of a discernable impact on prices might possibly be the result of the balancing out of the positive and negative benefits or effects. Alternatively it could, of course, indicate the absence of major impacts, positive or negative. In any event, changes in house prices in a locality can provide a measure of the overall impact of a development on that locality.

So what additional factors related to new development might we wish to examine as potential influences on surrounding house prices?

A broader view of amenity

It might be quite reasonable to suggest that differences in the perceived impacts of new development sites, and hence how controversial they are, might be explicable simply in urban/rural, rather than brownfield/greenfield, terms.

However, further discussion and consideration of the results of our study suggests that there are many examples of rural developments that attract virtually no opposition on the grounds of their negative impacts and that, conversely, there are some urban developments that are very controversial.

It might also be argued that sites providing particularly ‘extreme’ examples of previous land use would affect the impact of a subsequent development on local house prices. New development replacing existing uses on visually intrusive, near-derelict industrial sites, for example, might be expected to give a marked lift to an area. Our sites were chosen in the main not to address this issue. However in two of the sites in Category B there were strong indications that this can occur. Conversely, development on land previously in highly valued recreational use may be regarded as a very significant loss of amenity and thus have negative impacts. Our results would suggest that the previous land use would indeed have to be ‘extreme’ in these terms to have such negative effects on local house prices.

The previous ownership of the site

The ownership of a site may affect the nature of any subsequent development that is undertaken because in considering sale and development the (previous) owner may have preferences as to what happens on the site.

This is likely to be particularly important when considering the difference between privately owned sites and publicly owned sites. It is not unreasonable to assume that private owners may be primarily concerned about the site being put into its highest priced use. Where the public sector is involved as owner, the appropriate authority may be keen to put the public asset into its best and most publicly acceptable alternative use, and to be seen to be doing so. Although public authorities are legally required to achieve best value when selling sites, in certain circumstances this need not be the highest valued use in market terms. We return to this point in the discussion of the influence of the planning regime below, but its importance here is that to the extent that private and public decisions may sometimes be different in this respect.

The design characteristics of the sites

Design considerations affecting a site may be particularly important in relation to the surrounding area. Thinking of the attributes of the dwellings here, it is clear that layout, design and quality (and thus the anticipated prices) are often intended to reflect the dominant market niche in each area. Although the mix of flats and houses, for example, differs between developments, in general there seems to have been very little opposition to the 'type' of property and thus the price range our case study sites. Nevertheless, there are some examples of sites where aspects of their design attracted negative responses from existing residents.

The clientele for the developments as compared to the local area

Development sites frequently differ both in the nature of the market niche for which they are intended and in terms of the profile of the population in the surrounding area. It is a key development decision as to whether a new development seeks to change or (broadly) replicate the socio-economic characteristics of the existing area. Such a decision is likely to be influenced by the extent to which affordable/social housing is required to be provided and the potential impact of such housing.

The impacts of social housing provided may differ significantly between sites. In one of our case study areas, perceptions were almost all positive. In another it was suggested that there was a much higher level of police activity around the site subsequent to its development than there was previously.

The impact of new residents on local services and infrastructure

A new development and its occupants might be expected to have some impact on the intensity of use of existing facilities and the demand for new investment to expand those facilities as a consequence. Such concerns include access to the development from the existing road system, traffic flows and associated congestion and safety issues, and broader issues such as impacts on local schools and medical facilities. To the extent that such increased demands are met as required by planning policy, including where Section 106 is used to this effect, any impacts on surrounding house prices can be expected to be mitigated.

The role of planning on development impacts

The UK planning system requires each potential development to be assessed in terms of its social

value. The local and national planning policy framework and associated guidance help to determine which aspects of a proposed development should be taken into account, and the extent to which they should be taken into account, when assessing a development's social value. In the context of residential development, the objective of the system can be characterised as that of assessing the value of the required additional housing in terms of types of dwellings as well as numbers. In order that the social, as opposed to the purely private, value of a development is indeed taken into account, those affected by the development have the right to comment and to have their concerns about the development's broader impact considered. The planner's role includes mitigating any potentially negative outcomes of a development as experienced by affected third parties, thus bridging any gap between the private value of the development, judged in terms of market values, and its broader social value. It has long been recognised that planning can be seen as a mechanism for controlling the third party effects or 'externalities' involved in new development (see, for example, Walker, 1981: Chapter 10, and Webster and Wai-Chung Lai, 2003: Chapter 7 for, respectively, vintage and more contemporary discussions). The detailed conditions placed upon planning permissions can then be seen as an attempt to harmonise private and social values through controlling externalities while enabling enough housing development to take place to meet identified needs.

All planning permissions enabling residential development come with conditions. The development cannot start until these conditions are discharged or how they are to be complied with has been made clear. The planning process involves (a) pre-application discussion and negotiation with the planning authority/politicians, (b) consultation with residents and other stakeholders (to a greater or lesser degree) which informs and influences the conditions placed on any consent, and (c) the imposition of conditions on the final consent should the application be granted.

In this way, the content of existing planning regulations and policies, the outcome of negotiations that take place during the planning process and the conditions that the planning authority places on the final consent can be seen as reflecting both the concerns of an authority's stakeholders, including residents local to the site, and the mechanisms through which those concerns are to be ameliorated. As a result, it is quite possible that the reason that complaints may not continue once the development is complete is that these anticipated impacts have already been taken into account as part of the planning process, or that initial concerns about the development may have been exaggerated. Equally if the basis of the complaints turns out to be the reality after development one might expect the complaints would continue. If there are still complaints once a development is completed, then clearly the planning process has not worked very well OR the factors giving rise to the complaints cannot be mitigated OR they are thought to be worth suffering in order to gain the benefits from the development.

8. Conclusions

As a pilot study this research concentrates on eight sites which, of their nature, differ from one another in scale, attributes, timing and economic conditions. The numbers of transactions that have taken place in these areas are often relatively limited. Our conclusions must therefore be treated with care.

Analysis of the price data suggests that there may be short-term disruption and downward pressure on prices in the immediately surrounding area during or just after construction. This is more likely to be the case with respect to sites which were seen to have high amenity value before the new development. Thereafter, the evidence indicates that in all types of areas the new development generally blends into the broader housing market quite quickly and prices more closely follow the patterns observed in the wider area. It also suggests that developments, of the size and scale studied, even in areas where originally objections were significant, can lead to relatively rapid increases in prices in the neighbouring area.

The evidence presented therefore suggests the following answers to the three specific questions posed at the beginning of the research:

Do house prices in the surrounding area always decline when there is new development?

The case studies show that prices certainly do not always decline as a result of development, even during the construction phase. Where prices in the immediate locality do decline during this phase, they also tend to recover quickly and, once recovered, to move quite closely with those in the broader three/four-digit postcode district.

Do price development patterns differ between types of development?

There appear to be differences between the two categories of sites which we identified. The immediately neighbouring areas (0.3 mile radius) around sites perceived to have significant amenity value before the new development generally saw some falls in prices either during or immediately after the construction phase. Price trends in these neighbouring areas did not follow patterns in the larger comparator areas (postcode district or local authority) during and just after construction. On the other hand prices were little affected or even rose in areas which were in poor condition before the development took place. For both categories the impact on price development into the longer term was similar.

Can other factors that affect prices be identified?

The qualitative analysis suggests that there are many other factors which affect the acceptability as well as the process of development. These include in particular the scale of the development; the past use and ownership of the land; the quality and nature of the design; and the role played by planners in mitigating negative impacts.

Qualitative data also show that once the development is completed concerns raised at the time of planning permission tend to decline or disappear - a fact reflected in the evidence on prices.

References

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Annex 1: Study site information tables

Table A.1.1: Study Site Summary Information – Plot type, previous land use, location, housing type and scale

Development Name	Greenfield/Brownfield	Previous Land Use	Type of Location (and population)	Type of Housing	Scale of Development
Clayton Mills, Hassocks	Greenfield	Farmland	Village Edge (population 6,800)	All houses (1-5 bed)	250 units
The Limes, Lindfield	Greenfield	Open Fields	Village Edge (population 5,500)	23 flats (1-2 bed); 97 houses (1-4 bed)	120 units
Meadowbrook, Four Marks	Part greenfield, part brownfield	Single industrial unit; one bungalow	Village Edge (population 4,000)	All houses (1-5 bed)	179 units
Acacia Park, Basildon	Part greenfield, part brownfield	Recreation buildings, including indoor swimming pool, bowling green, play area, skate park, and southern part of Gloucester Park	Urban fringe (population 100,000)	64 flats (1-2 bed); 80 houses (3-4 bed)	144 units
Meriden Gate, Solihull	Brownfield	Previously Parish Council playing fields	Village centre (population 11,700)	All houses (2-5 bed)	87 units
The Willows, Morden	Brownfield	Sixth-form college with older buildings	Urban (population 36,000)	240 flats (1-3 bedroom); 43 houses (2-4 bedroom)	283 units
Vitae, Thurrock	Brownfield	Near-derelect industrial units	Urban (population 157,000)	43 flats (1-2 bedroom); 133 houses	176 units
Bagnall's Wharf, Sandwell	Brownfield	Derelect industrial land	Urban (population 37,817)	29 apartments; 33 houses	62 units

Table A.1.2: Study Site Summary Information – Planning history, affordable housing, construction and sales information

Development Name	Planning History	Planning objections	% Affordable	Construction Period	Build out Rate	Sales Prices Achieved?
Clayton Mills, Hassocks	Begun in 2005; Initial application refused and went to Appeal; 200 objections heard at public inquiry; Appeal granted in 2007 (2 years)	Principle of development; loss of open space and outlook; increased traffic; higher density of development compared to surroundings	40%	Late 2007-mid 2012	1.5 units per week	Yes
The Limes, Lindfield	Begun in 2006; site successfully accepted as part of small sites allocation plan for Mid Sussex five year supply, but detailed planning application still rejected; Almost 950 post cards and letters of objection submitted; Second application approved in 2008, despite almost 715 additional opposition letters (3 years)	Principle of development; character and design of development; traffic and access	30%	Spring 2009-Late 2010	1.1 units per week	Yes
Meadowbrook, Four Marks	Begun in 2006; takes 18 months as expected; some strong opposition	Principle of development; resident concerns about social housing	35%	2007-2011	3 units per month	No
Acacia Park, Basildon	Begun in 2010; considered 'politically highly charged'; 26 letters of objection received as well as a petition with 1128 signatures; approval granted in mid-2011 (12 months)	Loss of un-replaced open space; impact on wildlife and trees; pressure on local infrastructure; use of non-Brownfield site	0%	December 2011-June 2014	1.1 units per week	Yes, but some incentives offered and some homes sold under Help to Buy
Meriden Gate, Solihull	Begun in 2009; Many residents object, but permission granted in December 2009 (3 months)	Traffic; devaluation of property; also some vocal support	40%	2010 - October 2013	1 unit per week	Yes, but margins offset by high materials and labour costs
The Willows, Morden	Begun in 2003; Outline permission granted on appeal in 2004; Reserved Matters application submitted in 2006 and refused by planning committee; Barratt submits second application and appeal in late 2006 responding to objections; Second application approved in 2007 (4 years)	Overdevelopment of site and inclusion of insufficient land for landscaping; loss of playing fields and listed building; only one letter of objection to 2 nd application	30%	2009-2010	2 per week	Yes, well timed with HomeBuy scheme
Vitae, Thurrock	Begun in 2005; Originally part of proposed larger site, and that application is rejected in 2006; first application for smaller site is in 2007; received in 2008 (18 months)	Mostly related to concerns about initial larger site proposal; some resident concern about being overlooked	30%	October 2009-May 2012	1.3 units per week	Yes, but some incentives offered and some homes sold under Help to Buy
Bagnall's Wharf, Sandwell	Outline planning granted in 2005 to another owner and fully granted to Barratt in 2009; planning was not difficult as site already had consent and principle of development was accepted	Minimal objections	11%	May 2010-June 2012	1.6 units a week	Yes; Barratt shared equity scheme 'headstart' was heavily used on the site

Annex 2: Zoopla and Land Registry Supplemental Data

Zoopla provides estimates for home values that are not currently on the market. This value is calculated using a complex algorithm that analyses property data on a continuous basis and considers previous sold values, recent nearby transactions, changes in market values to similar property types in the local area, various characteristics of the property, and current values of comparable properties. The algorithm refines itself daily by processing up-to-date information. The figures we are able to compile, therefore, are based on the present day's Zoopla Estimate and the estimate for specific intervals in the past from that date (i.e. one year ago from exactly the day when the data were gathered). Zoopla's specific algorithm is not public, and they clarify that, although being constantly improved and updated, the estimates do not reflect formal valuations. The Zed-Index value is the current mean Zoopla Estimate of home values in any given area.

House price index (HPI) data from the **Land Registry** for local authorities were also gathered. The Land Registry only publicly releases HPI data for certain local authorities; local authority data were unavailable from the *Land Registry* for Mid Sussex Council (Clayton Mills and the Limes), Basildon Council (Acacia Park) and East Hampshire (Meadowbrook). Land registry local authority data were available for Thurrock Council (Vitae), Sandwell (Bagnall's Wharf), Solihull (Meriden Gate), and Merton (The Willows).

Three charts have been made from Zoopla and Land Registry Data for each site:

- A chart of average house prices in the study site area, neighbouring postcodes area, larger postcode district, town/parish, and either local authority or county (depending on available land registry data).
- A graph showing these changes over time
- A chart showing change in price between these time intervals in the past

Key information about the site (including area description, number of units, planning process, and construction/selling timeline) has been included for each site.

Clayton Mills, Hassocks

Site Description: Previously greenfield site on edge of urban development in Hassocks. Surrounding area is mostly bungalows housing middle class retired people. Some flats and houses ranging from 1-5 bed (anticipated price range was £185,000-£570,000). A total of 250 units were included in the development (40% affordable housing including shared ownership, social rent, and intermediate rent). Build out was slower than expected. Anticipated prices achieved and many people (over 50%) who moved in lived within 5 minutes of the development already. The development proved popular with young families.

Planning Process:

- Began in 2005
- Permission granted in 2007
- Took twice as long as expected
 - 200 objections at public inquiry
 - Opposition focused on principle of development

Construction: Began 2008; stop notice issued at one point because of delivery trucks nuisance. Ended in mid-2012.

Selling: Selling period was between April 2008 – mid-2012. Anticipated prices were achieved.

Table A.2.1: Clayton Mills: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla Data

	<i>December 2014</i>	<i>September 2014</i>	<i>July 2014</i>	<i>December 2013</i>	<i>December 2012</i>	<i>December 2011</i>	<i>December 2010</i>	<i>December 2009</i>
Study Site Average	£ 406,994	£ 406,198	£ 396,136	£ 375,239	£ 355,775	£ 347,389	£ 343,822	£ 337,819
Neighbouring Postcodes	£ 364,522	£ 363,809	£ 354,797	£ 336,080	£ 318,647	£ 311,135	£ 307,940	£ 302,692
BN6	£ 460,216	£ 459,316	£ 447,938	£ 424,309	£ 402,300	£ 392,817	£ 388,784	£ 382,159
Hassocks	£ 460,216	£ 458,009	£ 434,026	£ 418,789	£ 414,162	£ 379,069	£ 372,968	£ 382,102

Figure A.2.1: Clayton Mills: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla Data

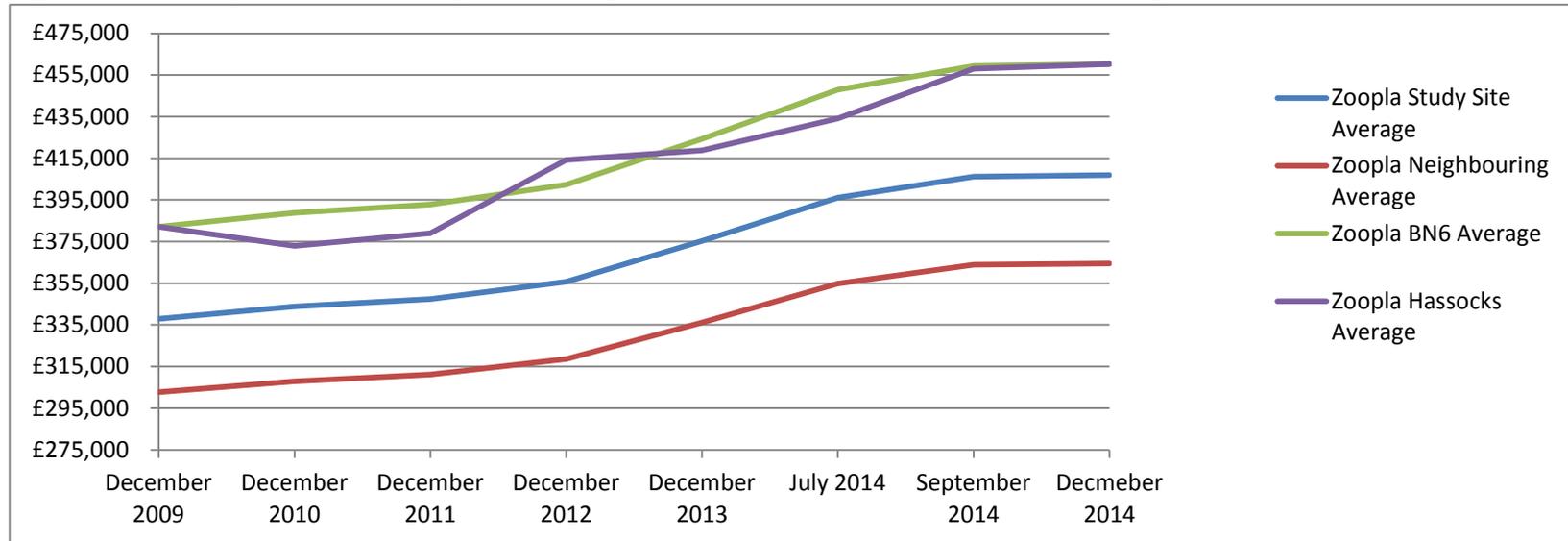


Table: A.2.2: Clayton Mills: Change in average price between time intervals in the past, Zoopla Data

	<i>September 2014 – December 2014</i>	<i>July 2014 – September 2014</i>	<i>Dec 2013 – July 2014</i>	<i>Dec 2012 – Dec 2013</i>	<i>Dec 2011 – Dec 2012</i>	<i>Dec 2010 – Dec 2011</i>	<i>Dec 2009 – Dec 2010</i>
Study Site	0.20%	2.54%	5.57%	5.47%	2.41%	1.04%	1.78%
Neighbouring Postcodes	0.20%	2.54%	5.57%	5.47%	2.41%	1.04%	1.73%
Postcode district	0.20%	2.54%	5.57%	5.47%	2.41%	1.04%	1.73%
Town/Parish	0.48%	5.53%	3.64%	1.12%	9.26%	1.64%	-2.39%

The Limes, Lindfield

Site Description: Previously greenfield site on edge of village of Lindfield. Neighbouring development includes detached homes occupied by professional middle class residents and former council houses now occupied by middle classes. A total of 120 units provided (30% affordable housing split between shared ownership and social rent). Was seen as a very desirable residential location.

Planning Process:

- Began in 2006
- Permission granted in late 2008
- Took twice as long as expected
 - Organised opposition including preservation society and ramblers as well as parish council
 - 795 post cards and 152 individual letters; large protest outside of committee meeting
 - Objections about design and principle of development

Construction: Began early 2009; brief stop notice in 2009 because of delivery trucks nuisance; Barratt tried to engage the local community in multiple ways (using show homes for art festival; commissioned public art from local artist; primary school visits). Ends late 2010

Selling: Sales took place during the second half of 2010. Overall the development sold well and expected prices were achieved or exceeded.

Table A.2.3: The Limes: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla Data

	<i>December 2014</i>	<i>September 2014</i>	<i>July 2014</i>	<i>December 2013</i>	<i>December 2012</i>	<i>December 2011</i>	<i>December 2010</i>	<i>December 2009</i>
Study Site Average	£ 365,987	£ 366,085	£ 358,776	£ 337,878	£ 319,207	£ 308,484	£ 308,119	£ 305,429
Neighbouring Postcodes Average	£ 371,052	£ 371,150	£ 363,741	£ 342,555	£ 323,626	£ 312,755	£ 312,384	£ 309,659
RH16	£ 363,127	£ 363,223	£ 355,972	£ 335,239	£ 316,983	£ 306,075	£ 305,712	£ 303,045
Lindfield	£ 478,291	£ 477,355	£ 468,765	£ 450,032	£ 426,226	£ 401,179	£ 415,659	£ 397,234

Figure A.2.2: The Limes: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla Data

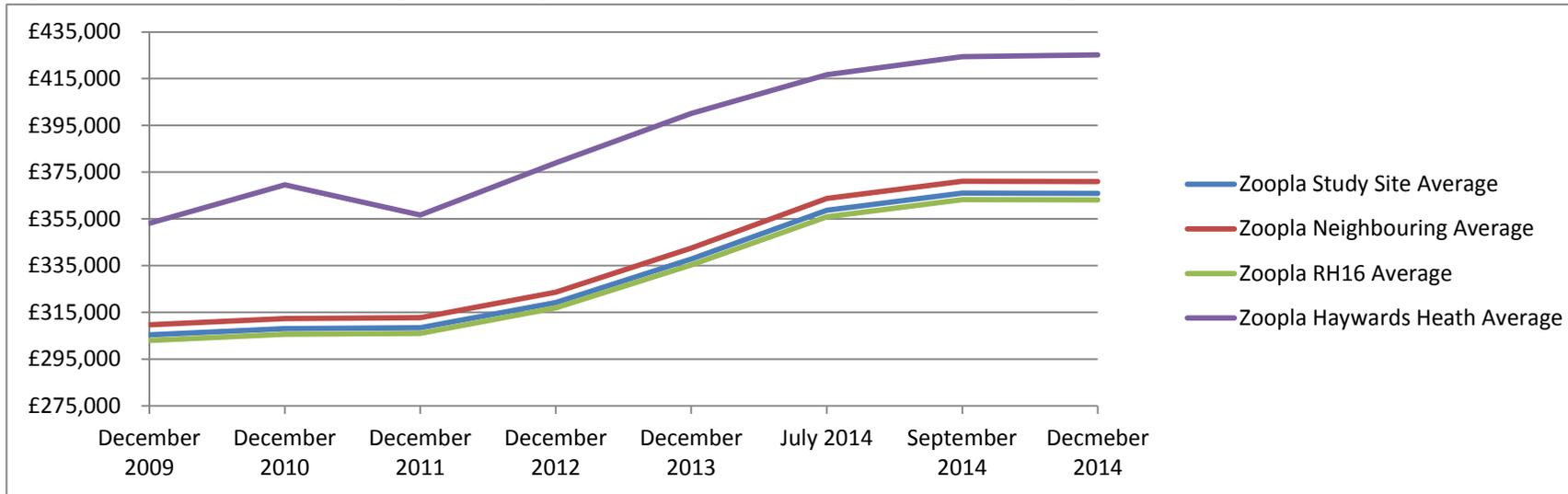


Table A.2.4: The Limes: Change in average price between time intervals in the past, Zoopla Data

	<i>September 2014 – December 2014</i>	<i>July 2014 – September 2014</i>	<i>Dec 2013 – July 2014</i>	<i>Dec 2012 – Dec 2013</i>	<i>Dec 2011 – Dec 2012</i>	<i>Dec 2010 – Dec 2011</i>	<i>Dec 2009 – Dec 2010</i>
Study Site	-0.03%	2.04%	6.19%	5.85%	3.48%	0.12%	0.88%
Neighbouring Postcodes	-0.03%	2.04%	6.18%	5.85%	3.48%	0.12%	0.88%
Postcode district	-0.03%	2.04%	6.18%	5.76%	3.56%	0.12%	0.88%
Town/Parish	0.20%	1.83%	4.16%	5.59%	6.24%	-3.48%	4.64%

Site Description: Previously a part greenfield and part brownfield site. A total of 174 units (35% affordable housing split between shared ownership and social rent). Price range of between £210,000 and £450,000 was anticipated across 21 x one-bed, 43 x two-bed, 39 x three-bed, 56 x four-bed and 20 x five-bed houses.

Planning Process:

- Began in 2006
- Permission granted in 2007
- Duration as expected (18 months); an active local group vocally opposed the development

Construction: The construction period lasted 58 months with a build-out rate of 3 units per month. It was completed in 2011.

Selling: Barratt started marketing units early (approximately 2008), and the Barratt's Armed Forces Discount Scheme was introduced on the site in June 2009. Anticipated prices were not achieved.

Table A.2.5: Meadowbrook: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla Data

	<i>December 2014</i>	<i>September 2014</i>	<i>July 2014</i>	<i>December 2013</i>	<i>December 2012</i>	<i>December 2011</i>	<i>December 2010</i>	<i>December 2009</i>
Study Site Average	£ 368,007	£ 366,551	£ 354,517	£ 335,449	£ 320,074	£ 310,571	£ 313,293	£ 301,592
Neighbouring Postcodes Average	£ 568,167	£ 565,919	£ 546,571	£ 517,903	£ 494,170	£ 479,502	£ 483,709	£ 465,645
GU34	£ 438,433	£ 436,698	£ 422,361	£ 399,644	£ 381,328	£ 370,009	£ 373,254	£ 359,313
Alton	£ 438,428	£ 436,103	£ 416,296	£ 392,197	£ 387,900	£ 367,084	£ 384,146	£ 362,784

Figure A.2.3: Meadowbrook: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla Data

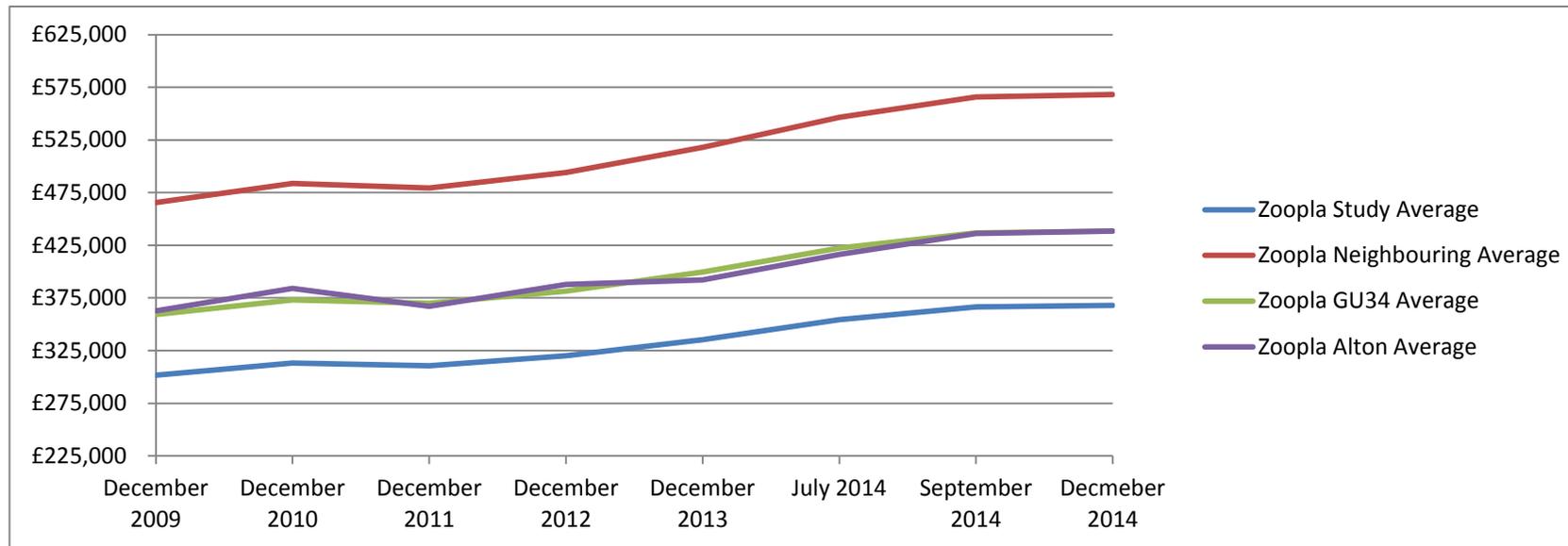


Table A.2.6: Meadowbrook: Change in average price between time intervals in the past, Zoopla Data

	<i>September 2014 – December 2014</i>	<i>July 2014 – September 2014</i>	<i>Dec 2013 – July 2014</i>	<i>Dec 2012 – Dec 2013</i>	<i>Dec 2011 – Dec 2012</i>	<i>Dec 2010 – Dec 2011</i>	<i>Dec 2009 – Dec 2010</i>
Study Site	0.40%	3.39%	5.68%	4.80%	3.06%	-0.87%	3.88%
Neighbouring Postcodes	0.40%	3.54%	5.54%	4.80%	3.06%	-0.87%	3.88%
Postcode district	0.40%	3.39%	5.68%	4.80%	3.06%	-0.87%	3.88%
Town/Parish	0.53%	4.76%	6.14%	1.11%	5.67%	-4.44%	5.89%

Acacia Park, Basildon

Site Description: The site prior to development was home to an indoor swimming pool, a lake, bowling green and pavilion, children's play area, and the southern part of Gloucester Park. It included a number of mature trees. The development consisted of 144 dwellings (1 one-bed flat, 62 two-bed flats, 44 three-bed houses and 36 four-bed houses). No affordable housing was provided on site.

Planning Process:

- Began in July 2010
- Permission granted in July 2011

Construction: Construction began in December 2011 and the build-out was completed in June 2014

At the time of writing, there were no ZED-Index estimates (Zoopla) provided for the study site, presumably because it is still relatively new.

Table A.2.7: Acacia Park: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla Data

	<i>December 2014</i>	<i>September 2014</i>	<i>July 2014</i>	<i>December 2013</i>	<i>December 2012</i>	<i>December 2011</i>	<i>December 2010</i>	<i>December 2009</i>
Study Site Average	N/d							
Neighbouring Postcodes Average	£ 145,890	£ 145,928	£ 142,012	£ 134,497	£ 129,293	£ 125,786	£ 128,090	£ 123,371
SS14	£ 171,255	£ 171,300	£ 166,704	£ 157,884	£ 151,775	£ 147,660	£ 150,366	£ 144,828
Basildon	£ 202,701	£ 203,178	£ 200,673	£ 191,785	£ 183,299	£ 176,750	£ 182,802	£ 179,604

Figure A.2.4: Acacia Park: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla Data

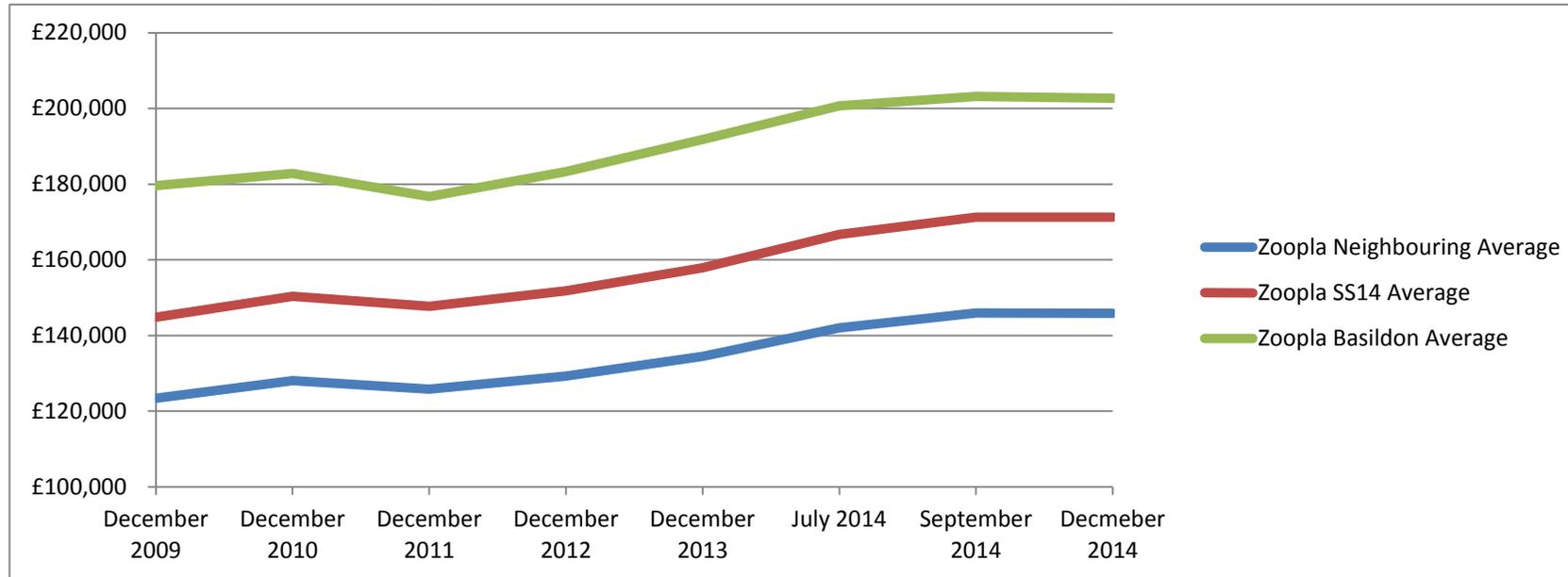


Table A.2.8: Acacia Park: Change in average price between time intervals in the past

	<i>September 2014 – December 2014</i>	<i>July 2014 – September 2014</i>	<i>Dec 2013 – July 2014</i>	<i>Dec 2012 – Dec 2013</i>	<i>Dec 2011 – Dec 2012</i>	<i>Dec 2010 – Dec 2011</i>	<i>Dec 2009 – Dec 2010</i>
Study Site	N/d	N/d	N/d	N/d	N/d	N/d	N/d
Neighbouring Postcodes	-0.03%	2.76%	5.59%	4.03%	2.79%	-1.80%	3.83%
Postcode district	-0.03%	2.76%	5.59%	4.03%	2.79%	-1.80%	3.82%
Town/Parish	-0.23%	1.25%	4.63%	4.63%	3.71%	-3.31%	1.78%

Meriden Gate, Solihull

Site Description: Near to the centre of a village; land previously used for recreation. Surrounding area included detached, semi and terraced dwellings lived in by predominantly middle and higher income families. 87 dwellings, all houses, marketed in the £190,000-£570,000 range. 35 houses were affordable (40%), most of them socially rented. Barratt also constructed a new sports facility on nearby Hampton Lane (within 200m of the site).

Planning Process:

- Application submitted in September 2009
- Permission granted in December 2009
- Objections were made by many residents concerning traffic. There were concerns about devaluation of property. Some people, however, supported the scheme as new housing was much needed in the area.

Construction: Construction began in 2010, and the final dwelling was completed in October 2013.

Selling: Anticipated prices were achieved, although the developer explained that the margins were largely offset by higher labour and materials costs.

Table A.2.9: Meriden Gate: Change in Average House Price (July 2009 - July 2014), Zoopla and Land Registry Data

	<i>July 2014</i>	<i>April 2014</i>	<i>January 2014</i>	<i>July 2013</i>	<i>July 2012</i>	<i>July 2011</i>	<i>July 2010</i>	<i>July 2009</i>
Study Site Average	£ 435,358	£ 426,915	£ 434,685	£ 419,408	£ 411,879	£ 405,873	n/d	n/d
Neighbouring Postcodes Average	£ 215,748	£ 211,563	£ 215,412	£ 207,839	£ 204,104	£ 201,124	£ 204,649	£ 191,888
CV7	£ 259,754	£ 254,710	£ 259,339	£ 250,221	£ 245,746	£ 242,150	£ 246,399	£ 231,036
Solihull Metropolitan Borough Council (Land Registry)	£ 204,159	£ 198,381	£ 196,521	£ 190,531	£ 188,992	£ 188,656	£ 194,486	£ 175,153

Figure A.2.5: Meriden Gate: Change in Average House Price (July 2009 - July 2014), Zoopla and Land Registry Data

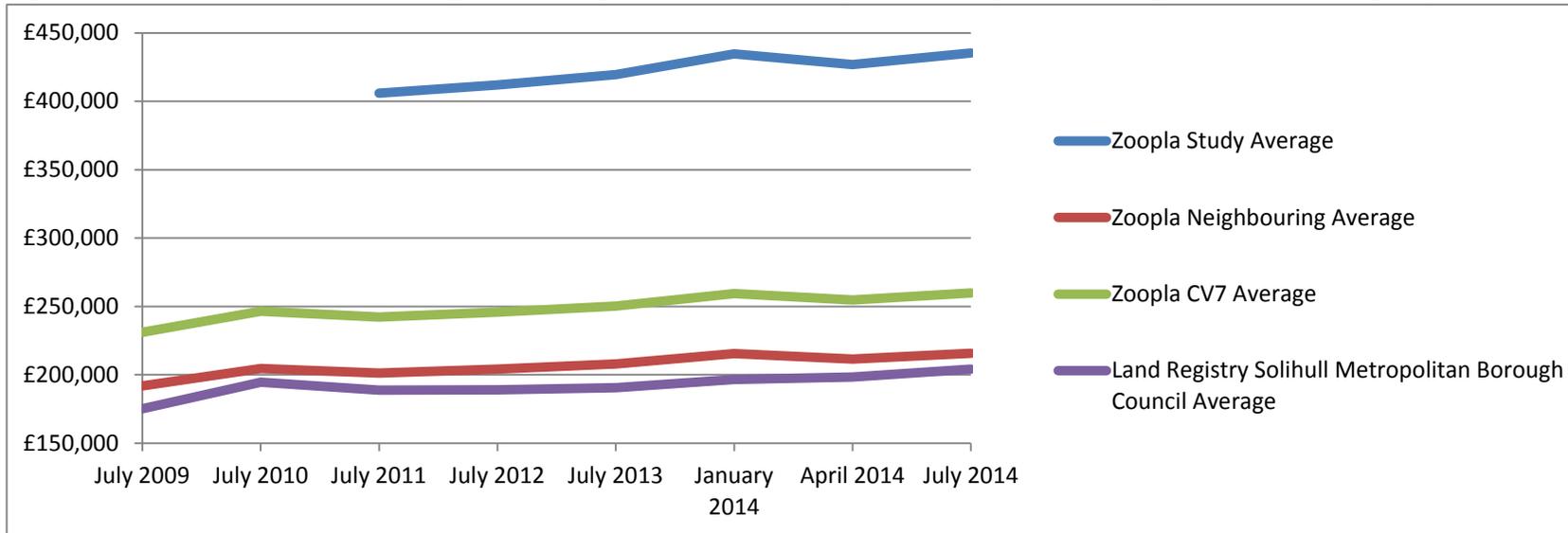


Table A.2.10: Meriden Gate: Change in average price between time intervals in the past

	<i>April 2014-July 2014</i>	<i>January 2014-April 2014</i>	<i>July 2013-January 2014</i>	<i>July 2012-July 2013</i>	<i>July 2011-July 2012</i>	<i>July 2010- July 2011</i>	<i>July 2009-July 2010</i>
Study Site	1.98%	-1.79%	3.64%	1.83%	1.48%	n/d	n/d
Neighbouring Postcodes	1.98%	-1.79%	3.64%	1.83%	1.48%	-1.72%	6.65%
Postcode district	1.98%	-1.78%	3.64%	1.82%	1.49%	-1.72%	6.65%
Local Authority (Land Registry)	2.9%	0.95%	3.14%	0.81%	0.18%	-3.00%	11.04%

The Willows, Morden

Site Description: Site of former sixth form college in London Borough of Merton; urban site near good transport links (South Merton and Morden South stations). The surrounding, suburban, area was multi-racial. To the rear of the site there were semi-detached middle class homes. On the other side towards the station there are flats. The site was also bordered by former council housing occupied by mainly working class residents. The site had 30% affordable housing (HomeBuy and shared ownership for key workers; no social rented housing). The development consisted of 75% flats with a few houses around the perimeter—consequently, it was not seen as viable during height of recession.

Planning Process:

- Began in 2004
- Permission granted in 2006; deal with sixth form college finally completed in 2007
- Objections focused on loss of playing fields and locally listed buildings; initial application refused because of over-development concerns and insufficient landscaping space

Construction: Because of the recession construction only began in 2009 and was completed in 2010.

Selling: Marketing began in May 2010; it turned out to be one of Barratt's best-selling developments

Table A.2.11: The Willows: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla and Land Registry Data

	<i>December 2014</i>	<i>September 2014</i>	<i>July 2014</i>	<i>December 2013</i>	<i>December 2012</i>	<i>December 2011</i>	<i>December 2010</i>	<i>December 2009</i>
Study Site Average	£ 308,016	£ 307,243	£ 294,655	£ 268,948	£ 255,465	£ 245,131	£ 241,204	N/d
Neighbouring Postcodes Average	£ 341,257	£ 340,401	£ 326,455	£ 297,974	£ 283,037	£ 271,588	£ 267,238	£ 260,442
SM4	£ 365,124	£ 364,208	£ 349,287	£ 318,814	£ 302,833	£ 290,584	£ 285,928	£ 278,656
Morden	£ 365,124	£ 363,698	£ 346,110	£ 326,670	£ 302,456	£ 289,919	£ 290,340	£ 272,890
London Borough of Merton (Land Registry)	£ 456,459	£ 462,234	£ 440,942	£ 384,596	£ 350,470	£ 325,976	£ 324,659	£ 304,791

Figure A.2.6: The Willows: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla and Land Registry Data

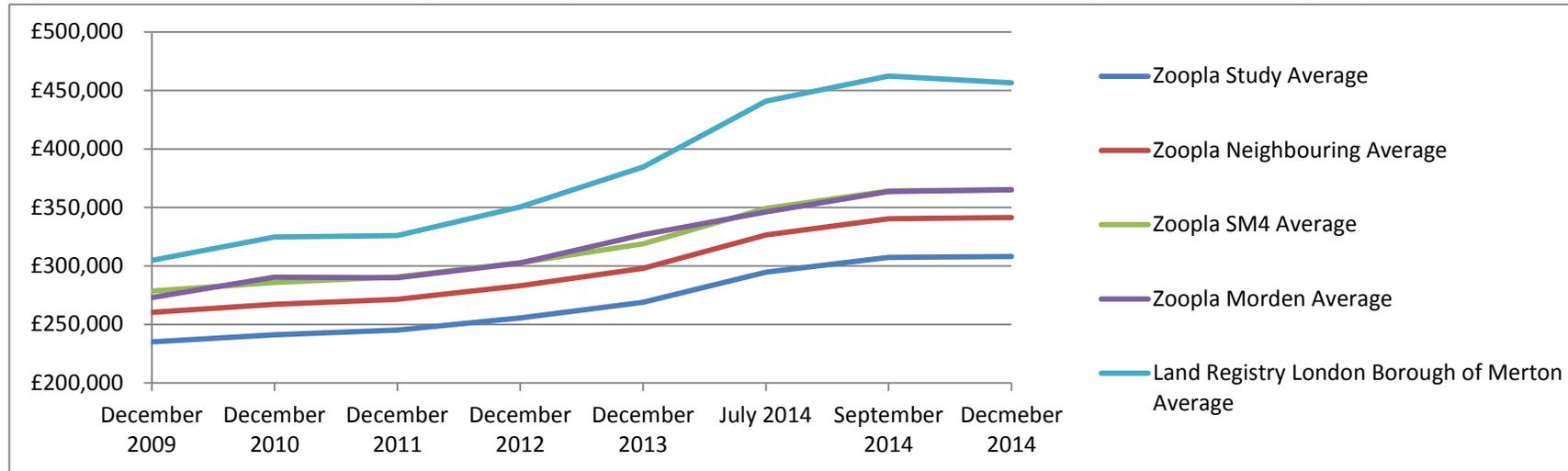


Table A.2.12: The Willows: Change in average price between time intervals in the past

	<i>September 2014 – December 2014</i>	<i>July 2014 – September 2014</i>	<i>Dec 2013 – July 2014</i>	<i>Dec 2012 – Dec 2013</i>	<i>Dec 2011 – Dec 2012</i>	<i>Dec 2010 – Dec 2011</i>	<i>Dec 2009 – Dec 2010</i>
Study Site	0.25%	4.27%	9.56%	5.28%	4.22%	1.63%	2.61%
Neighbouring Postcodes	0.25%	4.27%	9.56%	5.28%	4.22%	1.63%	2.61%
Postcode district	0.25%	4.27%	9.56%	5.28%	4.22%	1.63%	2.61%
Town/Parish	0.39%	5.08%	5.95%	8.01%	4.32%	-0.15%	6.39%
Borough (Land Registry)	-1.25%	4.83%	14.65%	9.74%	7.51%	0.41%	6.52%

Vitae, Thurrock

Site Description: A derelict industrial brownfield site prior to development. Surrounded mostly by industrial units and mixed existing housing stock, including many Victorian terraces. Development consisted of 176 total units. Affordable housing provided on site including both rented and shared ownership units.

Planning Process:

- Began in July 2006; first application was submitted in 2007
- Permission granted in 2009
- Planning process took much longer than expected because of how the much larger site was parcelled and the acquisition of David Wilson Homes by Barratt with consequent changing of management.

Construction: Construction began in Oct 2009 and finished in May 2012.

Selling: 20-month selling period between 2010-2012.

Table A.2.13: Vitae: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla and Land Registry Data

	<i>December 2014</i>	<i>September 2014</i>	<i>July 2014</i>	<i>December 2013</i>	<i>December 2012</i>	<i>December 2011</i>	<i>December 2010</i>	<i>December 2009</i>
Study Site Average	£ 200,455	£ 199,857	£ 193,720	£ 181,020	£ 168,735	£ 165,548	£ 168,509	£ 163,430
Neighbourhood Postcodes Average	£ 182,576	£ 182,031	£ 176,441	£ 164,873	£ 153,683	£ 150,799	£ 153,475	£ 148,849
RM20	£ 157,673	£ 157,203	£ 152,375	£ 142,385	£ 132,721	£ 130,213	£ 132,541	£ 128,544
Grays	£ 236,427	£ 235,539	£ 228,617	£ 218,111	£ 205,050	£ 205,339	£ 207,640	£ 199,879
Thurrock Council (Land Registry)	£ 167,608	£ 161,617	£ 158,428	£ 145,935	£ 142,564	£ 141,629	£ 146,493	£ 138,958

Figure A.2.7: Vitae: Change in Average House Price (Dec 2009 - Dec 2014), Zoopla and Land Registry Data

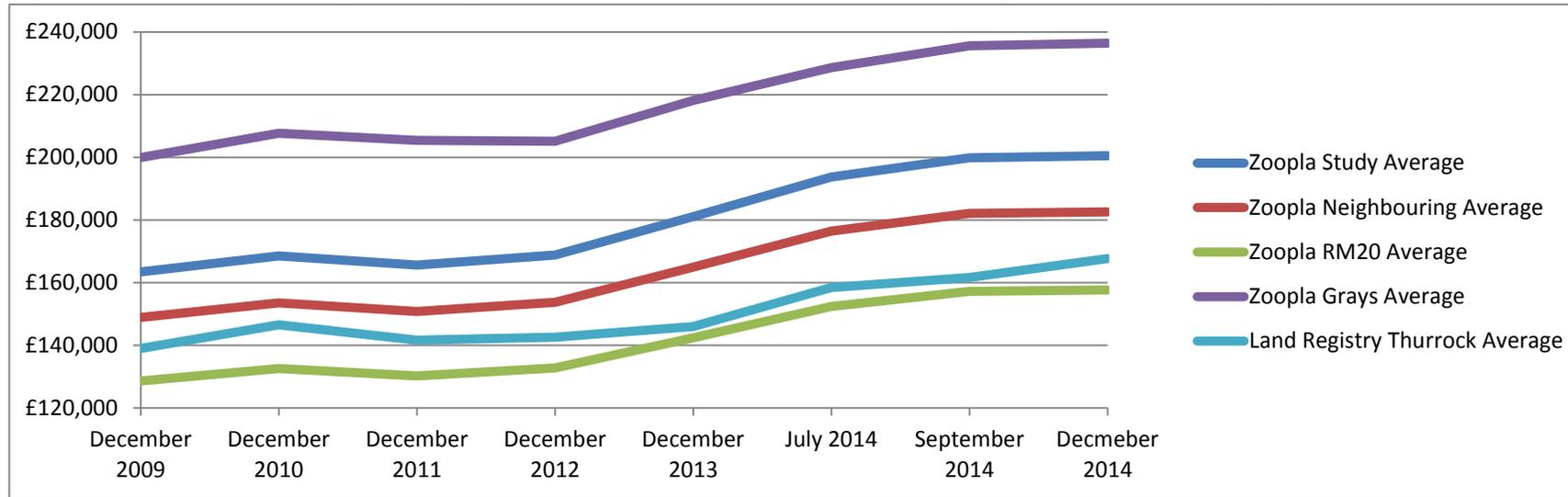


Table A.2.14: Vitae: Change in average price between time intervals in the past

	<i>September 2014 – December 2014</i>	<i>July 2014 – September 2014</i>	<i>Dec 2013 – July 2014</i>	<i>Dec 2012 – Dec 2013</i>	<i>Dec 2011 – Dec 2012</i>	<i>Dec 2010 – Dec 2011</i>	<i>Dec 2009 – Dec 2010</i>
Study Site	0.30%	3.17%	7.02%	7.28%	1.92%	-1.76%	3.11%
Neighbouring Postcodes	0.30%	3.17%	7.02%	7.28%	1.91%	-1.74%	3.11%
Postcode district	0.30%	3.17%	7.02%	7.28%	1.93%	-1.76%	3.11%
Town/Parish	0.38%	3.03%	4.82%	6.37%	-0.14%	-1.11%	3.88%
Local Authority (Land Registry)	3.71%	2.01%	8.56%	2.36%	0.66%	-3.32%	5.42%

Bagnall's Wharf, Sandwell

Site Description: Land previously actively used for light industry. Site was bounded by a canal and a major road. The housing stock in the area was mixed and reflective of different time periods. The area involved medium density, mainly consisted of semi-detached properties with some Local Authority stock to the East. There were no apartments or large detached units in the area. The development included 62 units including flats and houses. Seven units (11%) were for affordable rent.

Planning Process:

- Site was purchased with consent in 2007.
- Planning process was not difficult.

Construction: Construction began in May 2010 with completion dates from November 2010 to June 2012.

Selling: Prices were achieved and the Barratt shared equity scheme 'Headstart' was heavily used on the site.

Table A.2.15: Bagnall's Wharf: Change in Average House Price (July 2009 - July 2014), Zoopla and Land Registry Data

	<i>July 2014</i>	<i>April 2014</i>	<i>January 2014</i>	<i>July 2013</i>	<i>July 2012</i>	<i>July 2011</i>	<i>July 2010</i>	<i>July 2009</i>
Study Site Average	£ 129,815	£ 125,104	£ 121,075	£ 121,008	£ 120,378	£ 116,620	£ 121,638	
Neighbouring Postcodes Average	£ 95,816	£ 92,339	£ 89,365	£ 89,314	£ 88,847	£ 86,073	£ 89,774	£ 84,904
WS10	£ 119,201	£ 114,875	£ 111,175	£ 111,113	£ 110,534	£ 107,084	£ 111,690	£ 105,634
Sandwell Metropolitan Borough Council (Land Registry)	£ 91,820	£ 94,885	£ 94,497	£ 89,018	£ 93,452	£ 96,331	£ 98,457	£ 95,722

Figure A.2.8: Bagnall's Wharf: Change in Average House Price (July 2009 - July 2014), Zoopla and Land Registry Data

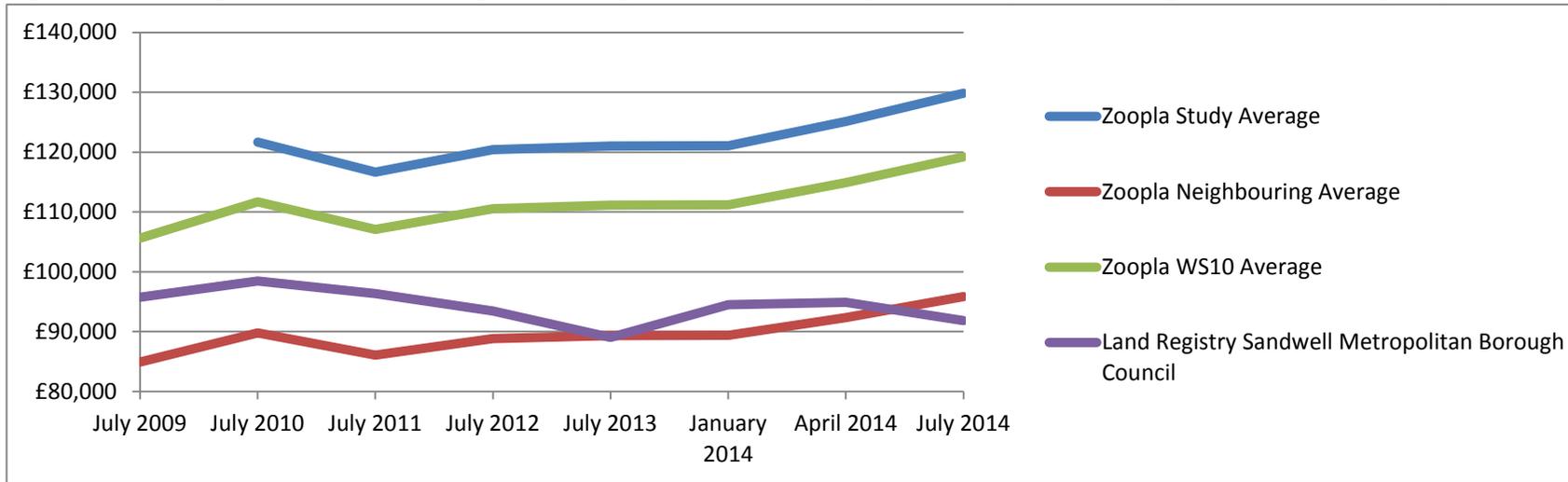


Table A.2.16: Bagnall's Wharf: Change in average price between time intervals in the past

	<i>April 2014-July 2014</i>	<i>January 2014-April 2014</i>	<i>July 2013-January 2014</i>	<i>July 2012-July 2013</i>	<i>July 2011-July 2012</i>	<i>July 2010- July 2011</i>	<i>July 2009-July 2010</i>
Study Site	3.77%	3.33%	0.06%	0.52%	3.22%	-4.13%	
Neighbouring Postcodes	3.77%	3.33%	0.06%	0.53%	3.22%	-4.12%	5.74%
Postcode district	3.77%	3.33%	0.06%	0.52%	3.22%	-4.12%	5.73%
Local Authority (Land Registry)	-3.23%	0.41%	6.15%	-4.74%	-2.99%	-2.16%	-3.23%

Annex 3: Data Source Information

Table A.3.1: The number of unit postcodes (6-7 digit) in the study areas and neighbouring areas (0.3 mile radius)

	Number of unit postcodes (6-7 digit) in Study Site	Number of unit postcodes (6-7 digit) in Neighbouring Area (0.3 mile radius)	Postcode District Code
<i>Clayton Mills, Hassocks</i>	7	11	BN6
<i>The Limes, Lindfield</i>	4	11	RH16
<i>Meadowbrook, Four Marks</i>	4	13	GU34
<i>Acacia Park, Basildon</i>	4	11	SS14
<i>Meriden Gate, Solihull</i>	3	12	CV7
<i>The Willows, Morden</i>	3	11	SM4
<i>Vitae, Thurrock</i>	4	14	RM20
<i>Bagnall's Wharf, Sandwell</i>	1	8	WS10

Table A.3.2: Data Counts (Valuations and Transactions), Hometrack

Count of Value	2009	2010	2011	2012	2013	2014	Grand Total
Acacia Park, Basildon	9	8	6	82	97	43	245
Study				71	90	37	198
Neighbouring	9	8	6	11	7	6	47
Bagnall's Wharf, Sandwell	5	15	70	15	4	12	121
Study		11	66	13	3	5	98
Neighbouring	5	4	4	2	1	7	23
Clayton Mills, Hassocks	52	50	42	49	34	32	259
Study	21	38	26	39	21	11	156
Neighbouring	31	12	16	10	13	21	103
Meadowbrook, Four Marks	100	85	61	51	41	45	383
Study	80	58	42	30	19	20	249
Neighbouring	20	27	19	21	22	25	134
Meriden Gate, Solihull	8	7	8	55	52	25	155
Study			2	44	36	7	89

Neighbouring	8	7	6	11	16	18	66
The Limes	15	36	66	42	26	15	200
Study		18	35	21	6	5	85
Neighbouring	15	18	31	21	20	10	115
The Willows	9	34	47	23	31	21	165
Study	3	25	25	17	17	6	93
Neighbouring	6	9	22	6	14	15	72
Vitae, Thurrock	10	59	146	28	29	31	303
Study	4	55	138	17	13	16	243
Neighbouring	6	4	8	11	16	15	60
Grand Total	208	294	446	345	314	224	1,831