



Response to DCLG's Consultation on proposed changes to national planning policy from National Association of Estate Agents (NAEA)

February 2016

Background

1. National Association of Estate Agents (NAEA) is the UK's leading professional body for estate agency personnel, being part of a group representing 14,600 members who practice across all aspects of property services both in the UK and overseas. These include residential and commercial sales and lettings, property management, business transfer, auctioneering and land. The NAEA is a sister organisation to the Association of Residential Letting Agents (ARLA).
2. NAEA is dedicated to the goal of professionalism within all aspects of property, estate agency and land. Its aim is to reassure the general public that by appointing an NAEA member to represent them they will receive in return the highest level of integrity and service for all property matters. Both NAEA and ARLA members are bound by a vigorously enforced Code of Practice and adhere to professional Rules of Conduct. Failure to do so can result in heavy financial penalties and possible expulsion from the Associations.

Questions

Q1. Do you have any comments or suggestions about the proposal to amend the definition of affordable housing in national planning policy to include a wider range of low cost homes?

3. NAEA continues to applaud any, and all, initiatives which aim to make buying a home more affordable. However, the Government shouldn't simply replace building more homes with describing more homes as affordable. NAEA has consistently said that in the long term, and in order to support people to access home ownership the issue of supply needs to be addressed and more houses need to be built.
4. We know that those able to access reasonably priced housing still require large incomes to qualify and cash to pay for deposits and solicitors' fees. Therefore the



NAEA believes that the Government's measures to boost home ownership must be accompanied by improved financial protection for these owners.

5. We think that the Government's plan to achieve 200,000 new affordable starter homes is a step in the right direction. However, although these starter homes will offer a discount of 20% on market prices, this is still far from affordable in a market where house prices continue to shoot up on a daily basis - NAEA's Housing 2025 Report released in December 2015 revealed that average house prices will double by 2025 and homeownership will fall by 7%.
6. In relation to starter homes, NAEA believes that the five year minimum time limits on resale should be longer because only the initial purchasers will benefit if the affordability of housing doesn't improve during this period. A more appropriate approach to ensure that the people who are meant to be helped can actually take advantage of these properties could be to set purchase prices in relation to the average earnings in the local area or region.
7. Furthermore, the Help to Buy ISA announced during the Chancellor's March 2015 Budget is a strong initiative from the Government, allowing first time buyers to raise a deposit. It especially benefits couples who are buying for the first time as both are eligible to open a Help to Buy ISA, which potentially means a £6,000 bonus from the Government towards owning a new home. However, according to the Cost of Renting Report released in February 2016 by our sister organisation ARLA (Association of Residential Letting Agents) the average first time buyer in England this year will have already spent £52,900 on housing through rent. Therefore, NAEA believes that renting should be included in the definition of affordable housing in order to support renters who want to become homeowners.
8. Finally, NAEA believes that the definition of affordable housing needs to be made more widely known and understood.

Q2. Do you have any views on the implications of the proposed change to the definition of affordable housing on people with protected characteristics as defined in the Equalities Act 2000? What evidence do you have on this matter?

9. NAEA does not have any specific views relating to the definition of affordable housing on people with protected characteristics as defined in the Equalities Act 2000. However, we believe that affordable housing must be flexible enough to address the needs of local communities and allow for the building of the right mix of homes.

Q3. Do you agree with the Government’s definition of commuter hub? If not, what changes do you consider are required?

10. NAEA acknowledges the Government’s plan to support higher density housing development around commuter hubs to help meet a range of housing needs. However, we think that the approach is too simplistic and the definition is too broad. Consequently, we believe that certain locations such as small towns and villages will struggle to meet this criteria.
11. NAEA would like to see developments built along existing transport corridors to minimise the impact of noise, traffic and pollution levels for existing communities living in our towns and cities.
12. We believe there should be more focus on improving local infrastructure to coincide with planning proposals. For instance, modern and efficient bus corridors linking new developments to existing infrastructure can help to reduce overall traffic movements and ensure that house building through the planning process is sustainable. This is also likely to help rejuvenate town centres with increased footfall. We also think that a greater emphasis should be placed on parks, local shops, school places and local services such as hospitals and doctors’ surgeries before the plan-making process begins.

Q4. Do you have any further suggestions for proposals to support higher density development around commuter hubs through the planning system?

13. NAEA believes that without good accessibility for pedestrians, buses or cycle ways at existing public transport interchanges, if residential density is increased this is likely to lead to increased traffic congestion, noise and pollution. It is likely to impact on the quality of air at existing key urban locations, such as train stations or bus interchanges in a town or city centre. Factors which can contribute to many respiratory and heart conditions particularly in the vulnerable, such as the very young and elderly.

Q5. Do you agree that the Government should not introduce a minimum level of residential densities in national policy for area around commuter hubs? If not, why not?

14. Yes, we agree that the Government should not introduce a minimum level of residential densities in a national policy area around commuter hubs. The Government could offer guidance and examples of best practice to local planning authorities from



town, cities or villages that have successfully increased residential density around a community hub, to help local planning authorities improve the infrastructure and sustainability of their local communities.

Q6. Do you consider that national planning policy should provide greater policy support for new settlements in meeting development needs? If not, why not?

15. No. Where possible it should be left to local planning authorities to determine what type of settlement is needed in their local area. The Government, should however, encourage local authorities to not just consult with the public but work with local service providers to ensure that road infrastructure, school places and hospital capabilities are taken into consideration when new settlements are planned.

Q7. Do you consider that it would be beneficial to strengthen policy on development of brownfield land for housing? If not, why not and are there any unintended impacts that we should take into account?

16. NAEA recognises that there are benefits to prioritising brownfield land for housing. However, we also recognise that not all brownfield sites are suitable for development. We know that retaining the green belt where possible is not just important for biodiversity but is popular with local communities.
17. In relation to unintended impacts, the NAEA believes that the Government should take into account the fact that brownfield land for housing must work alongside the consideration of these sites being used for employment opportunities, particularly in areas of high unemployment.

Q8. Do you consider that it would be beneficial to strengthen policy of small sites for housing? If not, why not? How could the change impact on the calculation of local planning authorities' five-year land supply?

18. It is NAEA's view that further liberation of the planning rules to make it easier for applicants to secure permission for development on small sites will not solve the housing crisis. However, such developments will continue to antagonise local communities who often see these developments as not in keeping with the 'look' and 'feel' of existing properties.

Q9. Do you agree with the Government proposal to define a small site as a site of less than 10 units? If not, what other definition do you consider is appropriate, and why?



19. Yes. However, NAEA believes that organisations representing the building sector would be better placed to define what a small site is.

Q10. Do you consider that national planning policy should set out that local planning authorities should put in place a specific positive local policy for assessing applications for development on small sites not allocated in the Local Plan?

20. NAEA believes that small sites not allocated in the local plan should only be assessed at the next cycle of proposals for the local plan. Where possible local residents should be consulted before an application for development on a small site has been submitted.

Q11. We would welcome your views on how best to implement the housing delivery test, and in particular

What do you consider should be the baseline against which to monitor delivery of new housing?

What should constitute significant under-delivery, and over what time period?

What steps should be taken in response to significant under-delivery?

How do you see this approach working when the housing policies in the Local Plan are not up-to-date?

21. NAEA advocates shortening timescales by which developments must begin and providing deadlines for completion to help drive up delivery rates. We do not think that additional sustainable sites should be considered or tendered for until a certain percentage of sites and units in the Local Plan have been built on.

Q12. What would be the impact of a housing delivery test on development activity?

22. Further to our response provided at Point 20, NAEA believes that the land and developments outlined in the Local Plan should be built on before local authorities release new sites. We also think that where possible developers should be incentivised to build homes quicker and use local firms, materials and apprentices, such as brick layers and plumbers from local colleges to top up workforce numbers and help speed up the building process.

Q13. What evidence would you suggest could be used to justify retention of land for commercial or similar use? Should there be a fixed time limit on land retention for commercial use?

23. Yes. The proposals outlined in Point 38 of the Consultation document of expecting local planning authorities to adopt a policy with a clear limit on the length of time, such as 3 years, that commercial or employment land should be protected if unused and there is not significant and compelling evidence of market interest of it coming forward within a 2 year timeframe seems logical.

24. However, although not directly linked to this question, NAEA knows that the conversion of property from commercial to residential is a much cheaper alternative to new build properties. However, such renovations are not simple undertakings. A thorough evaluation of the work involved should be carried out beforehand to avoid additional costs which may put off developers or slow down the process. The location of the site is also likely to play a role because a lot of commercial land does not have the local amenities residential areas have. These are factors that we advise the Government consider when advising on the time limits for the retention and development of commercial land.

Q14. Do you consider that the starter homes exception site policy should be extended to unviable or underused retail, leisure and non-residential institutional brownfield land?

25. Yes, NAEA agrees that the starter homes exception site policy as outlined in Point 37 of the Consultation document that the starter homes exception site policy should be extended to unviable or underused retail, leisure and non-residential brownfield land.

Q15. Do you support the proposal to strengthen the starter homes exception site policy? If not, why not?

26. Yes, we support the proposal to strengthen the starter homes exception site policy.

Q16. Should starter homes form a significant element of any housing component within mixed use developments and converted unlet commercial units?

27. Where there is clear evidence that the commercial unit has remained unlet for a reasonable period or there is little likelihood of the unit being let for a commercial use, NAEA considers that these units should be converted to housing.



Q17. Should rural exception sites be used to deliver starter homes in rural areas? If so, should local planning authorities have the flexibility to require local connection tests?

28. Yes rural exception sites should be used to deliver starter homes in rural areas as long as there is a demand for them. With increased housing in rural areas we would reiterate the need for new services and infrastructure to accommodate the increase in people living there.

Q18. Are there any other policy approaches to delivering starter homes in rural areas that you would support?

29. NAEA believes that the Government would get a far greater spread of economic activity if mobile phone, data and broadband was improved in rural areas. It's also quite possible that more city dwellers would move to rural locations and run business from home or set or small business centres.

Q19. Should local communities have the opportunity to allocate sites for small scale Starter Home developments in their Green Belt through neighbourhood plans?

30. Yes. Given the pressing need to create more homes, NAEA's Housing 2025 Report suggested the possibility for the Government to revisit the idea of reducing the land of the Green Belt and to designate a committee which would explore this possibility in more detail.

31. However, if local authorities protect more green spaces within their Local Plans by, for example, determining areas as country parks, local residents would know that certain popular or sensitive areas will not be developed on and impact the Green Belt.

Q20. Should planning policy be amended to allow redevelopment of brownfield sites for starter homes through a more flexible approach to assessing the impact on openness?

32. Yes planning policy should be amended to allow redevelopment of brownfield sites for starter homes as long as the local population is consultation and the design is sensitive to the needs and views of the local community. Good quality design of property such as upgraded heating system and improved installation can make properties more energy efficient, but also save money for people, local authorities and the Government.

Q21. We would welcome your views on our proposed transitional arrangements.



33. A longer transitional period may allow more local planning authorities to make amendments to their local policies, especially if public consultation and stakeholder engagement is required.

Q22. What are your views on the assumptions and data sources set out in this document to estimate the impact of the proposed changes? Is there any other evidence which you think we need to consider?

34. Are the assumptions based on credible data about first time buyer behaviour, location preferences - town centre, out of town or village and how many people are purchasing property near to commuter hubs or shown an interest in doing so.
35. NAEA is also interested in the size and type of property people are buying and preferred locations. For example, the English Housing Survey 2014-15 says that half (51%) of owner occupied households (7.3million households) were under-occupied in 2014-15 compared with 13% of private rented (560,000) and 9% of social rented (338,000) households. Surely, these figures will vary in different parts of the country and we believe should play a factor in the Government giving local authorities autonomy to develop house building plans based on local need and demography.

Q23. Have you any other views on the implications of our proposed changes to national planning policy on people with protected characteristics as defined in the Equalities Act 2010? What evidence do you have on this matter?

36. The NAEA has no further information to add on the implications of the proposed changes to national planning policy on people with protected characteristics as defined in the Equalities Act 2010 other than our answer to Question Two. The Government, should however, work with the charity and voluntary sector to determine specific groups' needs.