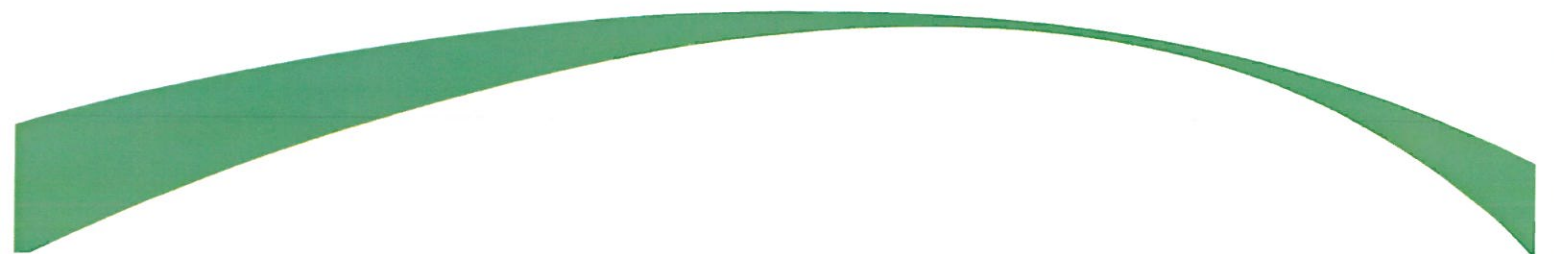




AFFORDABLE HOUSING STATEMENT

Land at former Tharsus Works,
Glen Street, Hebburn



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Land at former Tharsus Works,
Glen Street, Hebburn

homes by
gleeson
builders for generations

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Developments Ltd

SECTION 1: INTRODUCTION

- 1.1 This Affordable Housing Statement has been prepared in support of the application by Gleeson for the regeneration of land at the former Tharsus Works, Glen Street, Hebburn to provide residential development comprising a range of 2, 3 and 4 bedroom properties for private sale.
- 1.2 Gleeson Homes specialise in providing quality family homes in areas. Gleeson's core ethos is to provide local people with quality housing which they can afford. Using this ethos, Gleeson have helped many customers who never thought they could afford to own their own home onto the property ladder. Not only do Gleeson provide customers with quality homes, but they also provide a 'social' management whereby they revisit the customer to ensure they are managing their finances of their new home most efficiently.
- 1.3 This Affordable Housing Statement is a requirement of the South Tyneside Council planning validation checklist and looks to address national, regional and local planning policy requirements in respect of affordable provision. Section 2 discusses the need and requirement for affordable housing in the area, Section 3 then provides some planning background, with Section 4 being the summary and conclusions.

SECTION 2: AFFORDABLE HOUSING PROVISION

- 2.1 As discussed in detail in the Planning Statement and Design and Access Statement, this planning application seeks permission for the regeneration of land at the former Tharsus Works, Glen Street, Hebburn to provide 31no. dwelling houses for private sale. In considering the implications of Affordable Housing delivery, there are a number of key factors for the site, including the nature of housing proposed, the purpose of the development itself, and the financial viability of the scheme as a whole.
- 2.2 Looking first at the type of housing proposed, the development seeks permission for 8no. 2 bedroom starter homes, 15no. 3 bed semis, 6no. 3 bed detached units and 2no. 4 bed detached units on the 0.87 hectare site.
- 2.3 There are substantial costs associated with the site and its preparation prior to the construction of dwellings. Given these costs, along with the low sales values for the area, the bid to purchase the site was submitted on the basis that no affordable housing would be delivered, as to do so would threaten the viability of the scheme as a whole, or significantly impact on the capital receipt provided to the landowners which would in fact become a negative figure. It is also clear that development of the site for private sale units would help sustain a more balanced tenure in the locality, which is surrounded by social and private rented stock.
- 2.4 It is equally considered that there is not an affordability issue within Hebburn, in view that a substantial number of properties are available at values below £60,000. Equally, there is a tenure balance issue, in which there are substantial stocks of social and private rented properties against owner occupied dwellings, and this proposal for 100% low cost private sale will help address the balance, whilst also providing quality low cost homes. Furthermore, given the location of the development site and the nature of the proposed housing, the likely selling price of the proposed dwellings is such that they will remain 'affordable' to the majority of perspective buyers.

2.5 True Affordability

Gleeson have also consulted Government figures to determine the lowest wage levels in the Walker area. By using a modest multiple we can then demonstrate the level of mortgage that can be afforded by people in the bottom twenty percentile, or put another way, afforded by ninety percent of people in the area. In recent years, the volatile housing market, fluctuating interest rates and the banks reluctance to lend money has led to many to believe that home ownership is beyond their means. Their aspirations have been further dampened by the need to save for a deposit in addition to surveyor and legal fees. As a response to this Gleeson are able to generate long term saving schemes for customers who have an appropriate income but no deposit. Affordability is further enhanced by our purchase enabling schemes.

2.6 Affordability – The knock on effect

A high proportion of our customers live in rented accommodation, both private and more often than not, the public sector. The purchase of one of our homes has the desirable effect of increasing the availability of rented accommodation available to those who are not in a position to qualify for a mortgage. When people see a private house builder investing their own money in a run-down area, the effect on them can be very positive, especially when the homes are clearly affordable to local people. Home owners tend to be more demanding in respect of anti-social behaviour issues and this has a positive knock on effect on the immediate area of development. Ownership of a neighbourhood increases when local people are employed on our building sites and this is also why we give priority of employment to local residents.

SECTION 3: PLANNING POLICY

2.7 Under paragraph 173 of the National Planning Policy Framework it states:

Pursuing sustainable development requires careful attention to viability and costs in plan-making and decision-taking. Plans should be deliverable. Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for

affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable.

- 2.8 It is clear from this that this such as this should not be burdened with such obligations that it makes the scheme unviable to a point where it is unable to come forward for development. This site has some high abnormal costs associated with its development and it should therefore not be threaten from a viability perspective.

SECTION 4: CONCLUSIONS

- 3.1 The development proposed in this planning application will secure the regeneration of a derelict site in an existing residential area. As the site has been derelict since the former engineering works closed and has been earmarked for regeneration/housing purposes. As demonstrated elsewhere, there is strong local support for the redevelopment of the site for residential purposes.
- 3.2 The inclusion of affordable homes on this site would seriously threaten the viability of this difficult brownfield site in such a way that it would not be developed without significant grant support, or the land value would fall way below market value. In this respect, the applicant's proposals are welcomed in providing low cost homes for local people, with no grant aid or public finance initiatives. The viability of the proposal will be backed up with the submission of a residual valuation appraisal alongside the planning application, although this is considered to be commercially sensitive and as such will remain confidential. The viability appraisal will confirm that any provision of affordable housing will render the proposals totally unviable.
- 3.3 The development will provide a range of low cost family houses of different sizes, types and design, and in light of the indicative pricing, it is expected that the development will be within reach of most of the local community even with less than average earnings. Equally, due to the costs associated with the development of this brownfield site, it is not proposed to provide any affordable homes as part of the development due to viability. The inclusion of

affordable housing on this site would therefore threaten the viability of the scheme as a whole.

- 3.4 It is considered that this proposal fully accords with National, Regional and Local Planning Policy.