

Planning system 'suffocating' house building on small sites

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The current planning system is holding back the potential of small sites to deliver new homes, according to new research.

The research by affordable housing developer Pocket Living, and planning consultants Lichfields claims the planning process is disproportionately longer for smaller sites, making their development riskier and more expensive.

According to the study, it takes on average 60 weeks to get planning consent for housing on small sites, like former garages, car parks and disused land.

Almost two thirds (60%) of the applications analysed for the study included on-site affordable housing and a further 27% included a payment in lieu to the local authority.

However, in three quarters of cases, protracted discussions about a site's affordable housing provision and overall viability were a root cause of planning delays.

The research also found that, on average, 23 weeks were spent negotiating Section 106 agreements – in some cases taking almost as long as the planning application itself.

And while the report welcomes the government's plan to extend the Permission in Principle to major developments, it argues that this must be strengthened, and calls for a simplified approach to tenure on small sites.

This would create certainty for developers and speed up planning and the delivery of new homes, according to the report.

'This research shows how small sites are already delivering lots of affordable housing, but there is potential for SME developers to do much more to help drive local growth and job creation as part of the economic recovery,' said Pocket Living's chief executive and founder, Marc Vlessing.

'Inflexible planning policies inevitably lead to protracted negotiations, which are having a huge impact on the SME sector where margins are tighter and delays can have catastrophic consequences. Insolvencies among our peers are rising year on year so it's no wonder the UK's housebuilding sector is increasingly dominated by big developers and big sites.'

Lichfields' chief executive James Fennell added: 'The need to develop small sites is well established and our analysis suggests that a simplified approach to applications and obligations for small sites is needed to help unlock this and help speed up the building of new homes.'

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