

Department for Levelling Up, Housing and Communities - Strengthening Planning Policy for

Brownfield Development (England) Consultation

Response from Propertymark

April 2024

Background

1. Propertymark is the UK's leading professional body of property agents, with nearly 18,000 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

Consultation – overview

2. As part of their commitment to delivering the right homes in the right places, while protecting the environment, the UK Government has been exploring ways to make the most effective use of brownfield land, which is land that has previously been developed on. In recent years, updates to the National Planning Policy Framework and the delivery of the Levelling-up and Regeneration Bill have delivered on this goal.
3. In February 2024, Michael Gove, Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC), took forward further plans to support local authorities to develop more homes on brownfield land in England. The proposals discussed in the consultation include changes to planning policy and the way the Housing Delivery Test operates to support the development of brownfield sites, as well as reviewing the threshold for referral applications to the Mayor of London.

Propertymark response – summary

4. Propertymark welcomes the opportunity to respond to DLUHC's consultation on strengthening planning policy for brownfield development. The undersupply of housing across all tenures continues to cause considerable challenges for homeowners and renters in England, as demand outstripping supply has been a major contributing factor to rising house prices and rental costs. Propertymark's Housing Insight Report for January 2024, shows the number of new prospective

tenants registered per member branch increased from 63 in December 2023 to 97 in January 2024¹. We therefore encourage UK Government to explore additional methods of increasing the supply of homes that people want to buy. While we understand that the development on brownfield sites is one of many methods to increase the supply of homes, we urge the Department to take note of our three following concerns:

- **The proposals fail to address the over one million homes that remain unbuilt²** – over the last decade, over 1.1 million homes have received planning permission but are yet to be built³. The development of brownfield land is only one of many factors contributing to the undersupply of housing and we encourage the Department and the UK Government to consider additional solutions to deliver new homes.
- **Developments must support an infrastructure first approach** – failure to include transport links, schools, doctors' surgeries, dental practices, community assets and everything that would make people want to live in new developments and support residents who live in existing towns and cities risks delays to the planning process and rejection of new developments. Any new focus on building new homes must not come at the expense of existing residents and provide facilities that create communities where people want to live and can access services.
- **Avoid overly prescriptive requirements for local authorities** – local authorities must have the flexibility to be able to produce development proposals or accept proposals from developers based on what would deliver good quality homes in the right places where people would want to live in. Prescribing that local authorities must consider the total number of homes in every circumstance could incentivise developers and local authorities to agree to plans which meet the requirements set by the UK Government, but are not attractive places to live in.

Questions

Question 1: Do you agree we should change national planning policy to make clear local planning authorities should give significant weight to the benefits of delivering as many homes as possible? If not, why not?

¹ <https://www.propertymark.co.uk/resource/housing-insight-report-january-2024.html>

² <https://www.propertymark.co.uk/resource/one-million-outstanding-homes-remain-unbuilt.html>

³ <https://www.local.gov.uk/about/news/over-1-million-homes-planning-permission-waiting-be-built-new-lga-analysis>

5. Yes, we agree that local planning authorities should give additional consideration to development proposals that deliver more homes. As the leading professional body for property agents, we are ultimately concerned with the availability of new homes to buy and rent and are concerned with existing supply levels failing to meet demand. However, we fear that prioritising the number of homes over all other factors could lead to the development of poor-quality homes or incentivise developers to only focus on the number of homes above all other considerations. As a consequence of this, we could see the development of new homes in areas that provide no additional community infrastructure and compound existing issues linked to lack of school place provision or congestion on roads. This would be counterproductive to DLUHC's and the UK Government's goals. To avoid this, we would urge the UK Government to consider including the following five stipulations for local authorities when considering the development of homes:

- Firstly, to consider the number of homes built per year rather than the total number built to ensure that local authorities can avoid lengthy development periods and respond quickly to the current housing supply shortage.
- Secondly, to consider the surrounding infrastructure or additional community assets proposed within development plans and ensure these are built first. This would ensure that homes built will include all the amenities that a potential homebuyer would be looking for, such as local shops, parks, hospitals etc, and ensure that these homes will be purchased and lived in upon completion.
- Thirdly, local authorities should consider the existing portfolio of the developer and their capacity to deliver new homes. If the developer has several existing plans that have been approved but where work has not started, this should be taken into consideration even if the developer's proposals include the delivery of more homes.
- Fourthly, the affordability of the new homes must be taken into consideration. If the proposed cost of homes is significantly greater than the local average, this would impact the demand for these new homes.
- Fifthly, the local authority should consider the potential environmental impact of the development. Any negative impact could lead to a reduction in demand for the new homes.

Question 2: Do you agree we should change national planning policy to make clear local planning authorities should take a flexible approach in applying planning policies or guidance relating to the internal layout of development? If not, why not?

6. No, generally, we do not believe that local planning authorities should take a flexible approach in applying planning policies or guidance relating to daylight and sunlight and internal layouts of development. We consider that these guidelines ensure that homes are built in a layout that is pleasant to live in, where consumers would purchase the property. Our concern is that if this flexible approach is taken, along with a commitment to give weight to the number of homes above all other considerations, many new homes delivered could be to a poor standard. The only circumstance in which being flexible to existing guidance should be considered is if it can be demonstrated that changes to existing policies and guidance will not negative impact the demand for the new homes.

Question 3: If we were to make the change set out in question 2, do you agree this change should only apply to local policies or guidance concerned with the internal layout of developments? If not, what else should we consider?

7. We do not agree with the change set out in question two.

Question 4: In addition to the challenges outlined in paragraph 13, are there any other planning barriers in relation to developing on brownfield land?

8. We are unaware of any additional planning barriers in relation to developing on brownfield land.

Question 5: How else could national planning policy better support development on brownfield land, and ensure that it is well served by public transport, is resilient to climate impacts, and creates healthy, liveable and sustainable communities?

9. As covered in our response to question one, local authorities need to take into consideration more than the total number of homes. Local authorities should add weight to proposals that take an infrastructure first approach to ensure the building of new communities where people want to live and work. This would include safeguards to limit the negative environmental impact of developments, which will increase demand for the new homes.

Question 6: How could national planning policy better support brownfield development on small sites?

10. We would encourage changes to national planning policy which would encourage or incentivise smaller, local developers to develop on smaller sites. Their relatively smaller running costs would

offset the challenges associated with small brownfield sites. Additionally, there are several construction professional bodies that produce guidance on small brownfield sites⁴ such guidance should be promoted, with local authorities engaging with developers to understand the full extent of the challenges and how best to draw up plans that come overcome these challenges.

Question 7: Do you agree we should make a change to the Housing Delivery Test threshold for the application of the Presumption in Favour of Sustainable Development on previously developed land?

11. We agree in principle that there should be consequences for local authorities that do not meet their housing targets, to incentivise them to meet England's much needed housing supply. However, as stated earlier, this could lead to local authorities agreeing to poor quality developments in order to reach the threshold. Local authorities should be able to provide justifications behind why they were unable to reach 100% of their Housing Delivery Test (HDT) score, which would include refusing proposed developments due to concerns over the quality of housing. This would prevent the development of new homes that few people would like to live in for the sake of achieving housing targets at all costs.

Question 8: Do you agree the threshold should be set at 95% [yes/no]? Please explain your answer.

12. We disagree that the threshold should be set at 95%. We would argue that if this was to be introduced, any HDT score below 100% should have consequences unless the local authority can provide a reasonable justification for not meeting their housing targets.

Question 9: Do you agree the change to the Housing Delivery Test threshold should apply to authorities subject to the urban uplift only? If not, where do you think the change should apply?

13. We disagree that the HDT threshold should only apply to authorities subject to the urban uplift. If the change can be demonstrated to lead to a positive increase in the number of quality homes built, it should be extended to all local authorities as a way to increase the supply of homes in England.

Question 10: Do you agree this should only apply to previously developed land within those authorities subject to the urban uplift?

⁴ <https://www.nhbc.co.uk/foundation/a-guide-to-small-brownfield-sites-and-land-contamination>

14. We do not agree that this should only apply to previously developed land within those authorities subject to the urban uplift. Increasing the total amount of land that is subject to this change will increase the range of options that local authorities have to meet their housing targets.

Question 11: Do you agree with the proposal to keep the existing consequences of the Housing Delivery Test the same? If not, why not?

15. Yes, we have no issues with the existing consequences.

Question 12: For the purposes of Housing Delivery Test, the cities and urban centres uplift within the standard method will only apply from the 2022/23 monitoring year (from the 2023 Housing Delivery Test measurement). We therefore propose to make a change to the policy to align with the publication of the Housing Delivery Test 2023 results. Do you agree? If not, why not?

16. Yes, we have no issues with this proposal.

Question 13. Do you think the current threshold of 150 residential units for referral of a planning application of potential strategic importance to the Mayor of London is the right level?

17. Propertymark is unaware that the current threshold is causing significant delays to the delivery of new homes. While we accept that in principle this has the potential to cause delays to the development process, it allows for assurances that developments meet the requirements for new developments as set out in the London Plan. As such, we would encourage basing the decision to increase the threshold on the experiences of developers, only if they can show that the delays were substantial and that the new homes were of high quality.

Question 14: If no, what would you set as the new threshold? [300/500/750/1000/other] Please explain your answer.

18. We do not necessarily believe that the threshold should be changed.