



# Urban Capacity Study

Mid Sussex District Council:

Final Report

September 2022

**MID SUSSEX DISTRICT COUNCIL**  
**Urban Capacity Study**  
Planning Policy  
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**Final Report**

September 2022

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FRONT COVER: New Housing, Burgess Hill

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# 1. Introduction

## This study

- 1.1 This is a report of the Urban Capacity Study (UCS) prepared for Mid Sussex District Council (MSDC / the Council) on behalf of Troy Planning + Design. It seeks to quantify the potential for accommodating new homes on land and buildings within existing settlement areas, and which might contribute towards meeting the housing requirements for the district. It is accompanied by mapping and schedules of potential development sites.
- 1.2 The study supplements the Strategic Housing and Economic Land Availability Assessment (SHELAA) prepared by the Council, seeking to establish the additional potential for accommodating new homes in the district over and above that identified in the SHELAA. The study has followed a different approach to that undertaken in the SHELAA and is more of a theoretical exercise. Whilst potential sites have been identified and their suitability for development considered, the actual availability of these for development needs considering further, potentially taking these back through the SHELAA process. An approach to 'discounting' has been used within the UCS to consider the deliverability of different types of site and which is proportionate to the work undertaken.
- 1.3 The UCS is intended to be a proactive approach to site identification, and which might be used to help unlock development opportunities in existing settlement areas. It is a technical document and is intended to inform policy decisions to be taken by the Council in the production of its Local Plan. It supersedes the Windfall Studies prepared to inform the District Plan (2018) and Site Allocations DPD.
- 1.4 It is important to note that the UCS is not a statement of policy, and the inclusion of site within the study does not constitute an allocation and nor does it influence planning applications or decisions.
- 1.5 The study has focussed on the main settlements identified with the settlement hierarchy established by MSDC, with the extent of site searches and visits restricted to the defined settlement boundaries of each of these. The settlements included in the UCS are the Category 1 and 2 settlements in the hierarchy, as set out below. These are the larger settlements in the district, with town and local centres, services and facilities, and which have the greatest potential for change. Other smaller settlements have seen very modest growth and retain a strong relationship with the surrounding countryside. Many of these smaller settlements are located in the Area of Outstanding Natural Beauty and are particularly sensitive to new development.

Category 1 settlements in the settlement hierarchy	Burgess Hill, East Grinstead, Haywards Heath
Category 2 settlements in the settlement hierarchy	Copthorne, Crawley Down, Cuckfield, Hassocks & Keymer, Hurstpierpoint, Lindfield

## Context for the study

- 1.6 Work has commenced on the review of the MSDC Local Plan and the UCS will comprise part of the evidence underpinning that. Mid Sussex is an area where there is very real pressure on land for new development. The housing need figure, excluding any additional requirements under the Duty to Cooperate, is close to 1,100 new homes per annum. This represents a challenge. With much of the District being within an area of constraint (including the High Weald AONB, South Downs National Park, and buffer around the Ashdown Forest), there is a requirement to make land within existing settlements work more effectively and efficiently.
- 1.7 The Council has, through its SHELAA, identified opportunities for development in and around settlements across Mid Sussex. These are, in the main, sites that have been submitted to the Council by landowners or developers. Over the last decade (and more) the approach to housing land availability assessment has perhaps underplayed the potential that urban areas afford. The UCS thus seeks to identify opportunities for further development over and above those within the SHELAA. It reflects national policy which encourages a proactive approach to site identification, with para. 121 of the NPPF stating:
- “Local planning authorities, and other plan-making bodies, should take a proactive role in identifying and helping to bring forward land that may be suitable for meeting development needs, including suitable sites on brownfield registers or held in public ownership, using the full range of powers available to them. This should include identifying opportunities to facilitate land assembly, supported where necessary by compulsory purchase powers, where this can help to bring more land forward for meeting development needs and/or secure better development outcomes.”*
- 1.8 This is expanded upon in Planning Practice Guidance<sup>1</sup> which states that ‘*plan-makers need to be proactive in identifying as wide a range of sites and broad locations for development as possible*’, and that plan-makers should ‘*not simply rely on sites that they have been informed about, but actively identify sites through the desktop review process that may assist in meeting the development needs of an area*’.

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<sup>1</sup> Planning Practice Guidance, Housing and Economic Land Availability Assessment, July 2019, Para 010, Reference ID: 3-010-20190722

## Study method

- 1.9 The broad stages of work undertaken are outlined below and elaborated upon as appropriate in the main body of the report.
- a) An initial mapping exercise defined the extent of the areas to be surveyed, reflecting the established settlement boundaries for the Category 1 and 2 settlements in the District.
  - b) Existing allocations and commitments were mapped, as were sites considered within the SHELAA, to avoid double-counting or duplicating these within the UCS, with the purpose of the UCS being to identify potential sites over and above those already considered and or in the development pipeline.
  - c) Catchment areas around railway stations, town and local centres were mapped, being places in closest proximity to services and facilities, and which comprise 'more sustainable' locations for growth. This reflects the Mid Sussex Design Guide which identifies that land in and around the town centres and railway stations in the Category 1 settlements have potential for intensification. Catchment areas were based on the street network as opposed to an 'as the crow flies' distance and based on recognised travel times by foot, e.g.: an 800 metre or ten minute travel time from the railway station.
  - d) Sites were initially identified through a desk-based review of mapping. Visits to all sites identified were made and supplemented with more forensic visits to areas within an identified catchment around a station or centre, allowing other opportunities to be identified and recorded. Visits to all other sites outside of the catchments areas were also made.
  - e) Sites were recorded on a database and an initial view taken as to the suitability of the site for development, reflecting matters such as the availability of access to the site, proximity to adjacent properties and whether matters such as overlooking and back to back distances might preclude development, and whether the size of the site might mean that, in reality it would be unable to accommodate new development, or only a limited number of homes.
  - f) Assessments of the development potential of each site were made using a density multiplier. A range of densities were applied, depending on site location, with high densities in more central, urban areas, and lower densities in settlement edges. The densities used reflect a combination of the built form and densities achieved on recent development schemes. A high and low density multiplier was applied to each of the identified sites,

recognising that, if schemes come forward on the sites, some may come forward at a higher density and some at a lower density. The range allows for this.

- g) Those sites with an estimated capacity of fewer than five homes were discounted from the database and, instead, an estimate of potential from these small sites made, recognising that they comprise an important source of supply but that it is difficult to identify such sites because they often involve conversion, sub-division or intensification of the existing development plot. Removing any small site from the database avoids the potential for double-counting.
- h) Estimates of potential from small sites (those of fewer than five homes) was made based upon a review of planning application and monitoring information.
- i) Larger identified sites were then considered further in terms of wider policy constraints and designations, and whether these would impact upon or preclude development. Those sites within defined employment locations or areas of flooding for example were removed from the estimates of capacity. Other constraints were also noted, including, for example, presence of onsite infrastructure that might preclude development.
- j) Alongside the above a review of other potential sources of new housing supply were also reviewed, including vacancies and the potential for office to residential conversion under the permitted development and prior approvals routes to development.
- k) The potential estimated through a combination of site identification, calculations of small site development, and review of other sources represents the overall estimate of capacity for the settlements reviewed.
- l) Consideration has been given to delivery and viability matters, based upon Local Plan studies and evidence submitted alongside planning applications, to consider whether these impact on the scale of potential. A discount was applied to the estimate of capacity to reflect this.

## **Structure of this report**

1.10 Following this introductory section the report is presented according to the various stages of work, providing an explanation of the approach followed and a summary of findings. The report sections are:

- Section 2 presents the findings of the initial site identification process.
- Section 3 presents the estimates of capacity of the identified sites.

- Section 4 presents the windfall calculations and estimates associated with small sites (those with potential to accommodate fewer than five homes).
- Section 5 presents estimates of potential from other sources of supply for new homes.
- Section 6 presents an overall summary of study findings.
- Section 7 presents commentary on potential next steps.

1.11 Beyond these sections the report is supported by a series of site schedules and mapping (presented on a settlement-by-settlement basis), which has been provided to the Council in electronic format.



# 2. Identifying the capacity

## Desk-based review

- 2.1 This first stage involved mapping the study area, including settlement boundaries, existing sites and allocations in the emerging Local Plan, as well as sites considered through the SHELAA, to avoid any duplication in the UCS. Catchment areas around stations, town, district and local centres were also mapped, being based on established walking times and distances (e.g.: 800m or ten-minutes around a town centre and railway station, and 400m or five-minutes around defined village centres (in the Category 2 settlements). The catchments were based on the actual street network and thus travel time as opposed to an as the crow flies distance.
- 2.2 A review of the mapping and associated aerial photography was undertaken to identify potential opportunity areas and sites not already allocated, subject to planning permission, or previously assessed through the SHELAA.
- 2.3 The desk-based review was not constrained by a particular size threshold. This allowed for identification of as many sites as possible.

## Site visits

- 2.4 Site survey work was undertaken to view and record the sites identified through the desk-based review, as well as providing opportunities to identify other potential development sites for consideration.
- 2.5 The site visits involved:
  - 1. Detailed, forensic surveys on a street-by-street basis of key opportunity areas and sustainable locations, comprising:
    - a. Town, district and local centres and their catchment areas.
    - b. The catchment area around train stations
  - 2. A systematic analysis of other areas, including visits to each of the sites identified during the desk-based review of mapping and information together with a general examination of other areas.
- 2.6 All information was entered into the site schedules, ordered on a settlement basis and including basic site information, such as location and area (measured in hectares). Any additional sites identified through the site visits were mapped and added to the GIS database and associated schedules.

## Initial review of sites

- 2.7 An initial review of sites was undertaken based on the suitability of that site for development. As the approach to the survey work adopted an inclusive approach to site identification and buildings with potential for housing (after taking account of emerging Local Plan allocations and designations) it inevitably resulted in the identification of some sites where the potential for accommodating new housing development would be limited. The purpose of the initial review process was to sieve these sites out. Reasons for sieving sites out include, for example, limited access to the site, difficult topography, site shape and size, proximity to adjacent development and presence of existing, active uses.

## Summary of stage findings

- 2.8 In total, 267 sites were identified. This was reduced through the initial review to a total of 87 sites (around one third). This is broken down, by settlement, in Table 1.

Settlement	Total sites identified	Sites removed based upon initial review	Sites carried through to next stage of study
Category 1 settlements			
Burgess Hill	62	38	24
East Grinstead	59	39	20
Haywards Heath	72	50	22
Sub-total	193	127	66
Category 2 settlements			
Copthorne	9	6	3
Crawley Down	12	12	0
Cuckfield	9	6	3
Hassocks & Keymer	15	9	6
Hurtspierpoint	9	5	4
Lindfield	20	15	5
Sub-total	74	53	21
<b>Total</b>	<b>267</b>	<b>180</b>	<b>87</b>

Table 1: Sites identified in the UCS, by settlement, and those removed following the initial review

# 3. Capacity estimates

## Establishing density multipliers

3.1 The development capacity of identified sites was estimated through application of (1) gross to net ratios to consider the amount of land that might be suitable for housing on any one site, and (2) use of standard density multipliers applicable to the location. The ratios and multipliers used, and the reasons for their use, are outlined below:

### Gross to net ratios

3.2 It is important to consider gross to net ratios when estimating site capacity as the whole of a site identified as having potential for development will not always be developable. This is because site constraints and infrastructure requirements need to be factored in and thus reduce the developable area.

3.3 A range of gross to net ratios are used in the UCS to estimate the developable area of each site, to which density multipliers are then applied to estimate site development capacity. As the site area increases, so the need for additional infrastructure is likely to increase, making allowance for increased areas of play space and educational needs for example. The gross to net ratios are based on different site areas. These are reflective of research undertaken and informing former best practice guidance to urban capacity studies and site capacity assessment<sup>2</sup>. The gross to net ratios used in the UCS are presented in Table 2.

Site area (hectares)	Gross to net ratio used in UCS
Site up to 0.4ha	100%
Site between 0.4ha – 2ha	80%
Site greater than 2ha	60%

Table 2: Gross to net ratios used in UCS to refine the developable area of identified site

3.4 By way of an example, and using the ratios outlined above, a site of 1ha would be reduced in size to 0.8ha. It is this area that density multipliers are then applied to, to estimate site capacity.

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<sup>2</sup> See, for example, DETR, December 2000, Tapping the Potential: Assessing Urban Housing Capacity; Towards Better Practice

## **Approach to density**

- 3.5 For the UCS a net density is used to estimate the potential capacity of each of the identified sites considered suitable for residential development through the initial review. The measure of density in this study is referred to as homes per hectare (h/ha). Densities used in the UCS are derived from the following:

### ***Adopted District Plan and associated density topic paper***

- 3.6 The adopted District Plan (March 2018), at Policy DP26, notes that development should reflect the character of the area within which it is located, and in Policy DP35 it is noted that development in conservation areas should respect the scale and density of the special characteristics of that area. Equally, in respect of town, village and neighbourhood centres, Policies DP2 and DP3 note that proposed development should be appropriate in scale and function of the character and amenity of the surrounding area. However, it is not specified what an appropriate density or density range might be.
- 3.7 A density topic paper (June 2016) was prepared in support of the District Plan and suggested the following range of net densities to make more efficient use of land:
- 50 homes per hectare (h/ha) within the built-up boundaries of Burgess Hill, East Grinstead and Haywards Heath
  - 40 h/ha on large sites of more than five hectares in size
  - 30 h/ha in all other locations
- 3.8 Analysis presented in the topic paper however reveals variation, with higher densities in central locations of the main towns and lower densities in more suburban areas. A blanket approach to density across the main towns is thus inappropriate. Indeed, the paper indicates that within the centres of the three main Category 1 towns, assessment of recent development schemes showed an average of 113 h/ha was being achieved, falling to around 30-40 h/ha beyond this and around 20-30 h/ha closer to the edges of the settlements.

### ***Mid Sussex Design Guide***

- 3.9 The design guide (November 2020) supports planning for increased density and optimising the use of land, particularly in town centres. It maps the granularity of the urban form in the Category 1 towns and notes that the areas of greatest potential for development are those typified as having a 'coarse grain': those areas which are generally in and around town centres and close to railway stations. Although the design guide does not provide specific guidance on appropriate density ranges it does present examples of development schemes from elsewhere, including a town centre scheme in Walthamstow (NE London) delivering 180h/ha as well as other mixed uses. Other case study schemes are also presented, including

urban extensions and housing in more suburban locations, with densities achieved on these ranging from 20-60 h/ha.

### ***SHELAA and previous UCS***

- 3.10 The 2021 SHELAA represents an update of the 2020 report and before that, the 2018 study, which notes that a range of densities have been applied to generate estimates of capacity. However, it is not clear from the main report or method statement what the densities used are.
- 3.11 The earlier UCS (2001) sets out a range of densities used to estimate development capacity. These are based on three broad areas, being:
- Town Centre: 50-100 h/ha
  - Edge of centre: 30-80 h/ha
  - Within 10-mins walking distance of a railway station: 50-100 h/ha
- 3.12 These were further refined through productions of a set of design case studies on a small selection of sites, with densities calculated from these, being:
- Village location: 44 h/ha
  - Edge of town: 49 h/ha
  - Edge of centre: 75 h/ha
  - Close to station: 72 h/ha

### ***Neighbourhood Plans in Mid Sussex***

- 3.13 Made Neighbourhood Plans for each of the settlements / parishes surveyed in the UCS were reviewed for guidance on appropriate densities in each area. Reference to density in these is summarised in Table 3 overleaf.

<b>Plan Area</b>	<b>Date Plan Made</b>	<b>Policy / guidance on densities</b>
Category 1 settlements		
Burgess Hill	2016	No specific references to appropriate densities
East Grinstead	2016	Development should achieve a minimum density of 30 h/ha unless local character suggests a higher density would be appropriate
Haywards Heath	2016	No specific references to density beyond respecting character
Category 2 settlements		
Copthorne	2021	No specific references to density but requires development to respect and reinforce local character
Crawley Down	2016	Maximum density of 25 h/ha should not be exceeded to reflect character of the area
Cuckfield	2014	No specific references to density beyond respecting character
Hassocks & Keymer	2020	No specific references to density beyond respecting character
Hurstpierpoint	2015	No specific references to density beyond respecting character
Lindfield	2016	No specific references to density beyond respecting character

*Table 3: Density guidance and policies in made Neighbourhood Plans in the UCS study area*

**Density range applied in the UCS**

3.14 Based upon the above, a 'matrix' has been prepared (Table 4) that sets out a density range applied to sites depending upon their location, with higher densities applied in the higher order settlements and in close proximity to central areas and stations, with lower densities in more suburban locations and lower order settlements.

<b>Site location</b>	<b>Low density multiplier (h/ha)</b>	<b>High density multiplier (h/ha)</b>
<b>Category 1 settlements</b>		
Within the town centre and catchment of a railway station	75	125
Within the town centre	70	100
Within the catchment of the town centre or a railway station	40	80
All other areas	20	30
<b>Category 2 settlements</b>		
Within the village centre and catchment of a railway station	50	75
Within the village centre	30	70
Within the catchment of the village centre or a railway station	30	50
All other areas	20	30

*Table 4: Density multipliers applied within the UCS*

## Applying density multipliers

3.15 The study estimates that potential exists for approximately 1,231 homes (based on a mid-point) on the sites identified within the UCS. This is broken down by settlement in Table 5. The Category 1 settlements account for 85% of the potential.

Settlement	Potential homes based on low density multiplier	Potential homes based on high density multiplier	Potential homes based on a mid-point
Category 1 settlements			
Burgess Hill	324	581	453
East Grinstead	226	429	328
Haywards Heath	185	361	273
Sub-total	735	1,372	1,054
Category 2 settlements			
Copthorne	35	59	47
Crawley Down	0	0	0
Cuckfield	13	26	20
Hassocks & Keymer	46	75	61
Hurtspierpoint	23	38	31
Lindfield	14	24	19
Sub-total	133	222	177
<b>Total</b>	<b>868</b>	<b>1,594</b>	<b>1,231</b>

Table 5: Estimate of capacity on sites identified in the UCS following initial review and application of density multipliers. (note: numbers may not add due to rounding).



## Refining the estimates

- 3.16 The estimate of capacity presented in Table 5 presents the 'unconstrained' estimate, assuming that all sites identified and considered potentially suitable during the initial review come forward for development. The sites have been considered further in order to refine the estimates, reflecting wider policy matters and designations, as well as wider operational and supply matters, as discussed in the following sections.

### Small Sites, policy considerations and designations

- 3.17 All sites with a 'mid-point' estimate of capacity of fewer than five homes have been removed from the schedule of identified sites. Instead, and as discussed later in this report, an allowance for windfall on small sites has been calculated. Removing small sites at this stage avoids double-counting in the study.
- 3.18 All sites were reviewed against policy and wider environmental designations to determine their suitability for development. Most sites found to conflict with such designations were removed from the estimates of capacity. Examples of sites removed include those allocated for employment purposes, protection and retention of community and heritage assets. Some smaller employment sites and community facilities were retained where there might be opportunities for redevelopment or intensification.
- 3.19 Some sites were also removed due to the complexities associated with multiple land ownership and acquisition, limiting the potential for development, and others which although representing longer term potential for intensification represent relatively recent development and where additional change may be limited. Examples include mid-size superstores and associated car parking within residential areas.
- 3.20 Other sites removed at this stage include those occupied by the emergency services and where future operational requirements are unknown. Some other community facilities identified were though retained as having potential, recognising that they might come forward as part of a mixed use scheme or where opportunities for rationalisation and consolidation of uses might exist.
- 3.21 Many of the sites identified included currently active uses but which might not be entirely compatible with surrounding residential uses (e.g.: light industrial, car showrooms and repairs etc). In these instances, the sites were considered to have potential, although recognised that this might involve a relocation strategy.
- 3.22 In total, 29 sites were removed from the estimates, reducing the estimate of capacity by 373 homes (based on a mid-point). This is broken down by settlement in Table 6.

Settlement	No. of small sites removed	No. of other sites removed for policy and other reasons	Estimate of potential from removed sites		
			Low	High	Mid-point
Category 1 settlements					
Burgess Hill	2	6	114	198	156
East Grinstead	3	4	68	132	100
Haywards Heath	2	5	59	116	87
Sub-total	7	15	241	446	343
Category 2 settlements					
Copthorne	0	1	7	12	10
Crawley Down	0	0	0	0	0
Cuckfield	1	0	3	5	4
Hassocks & Keymer	2	0	5	7	6
Hurtspierpoint	1	0	4	5	4
Lindfield	2	0	5	8	6
Sub-total	6	1	24	37	30
<b>Total</b>	13	16	265	483	373

Table 6: Sites removed from estimates to avoid double counting with windfall estimates and reflecting wider policy and suitability considerations (note: numbers may not add due to rounding)

3.23 The remaining sites comprise a mix of different source types. The approach to these and how they have been further refined to consider matters of deliverability are outlined below.

## BT Exchanges

- 3.24 Across the UK as a whole there are almost 5,600 BT exchanges. In December 2020 BT Openreach consulted on plans to close 4,600 of these, reflecting a move away from copper-based broadband lines towards a Fibre-to-the-Premises orientated future. The consultation suggested that 100 Exchanges would be vacated by 2030, with the site being fully decommissioned the following year. Closure of the other 4,500 would take place during the following decade. A pilot programme has since been announced with the first five Exchanges to be fully decommissioned by mid-2024.
- 3.25 There are three BT Exchanges in Mid Sussex: one in each of the three main towns. None of these are on the list of the first 100 Exchanges to be vacated. The list of other sites to be decommissioned is not yet available. It is though reasonable to anticipate that some, if not all, of the Exchanges in Mid Sussex might be decommissioned, though this would be more likely towards the end of the Plan period, if not later. This sites are in close proximity to central locations and would represent good sites for higher density residential development.
- 3.26 Based on the above, all three sites are retained as having potential for development, though recognising that these likely comprise longer term opportunities. In total, it is estimated that the BT exchanges offer potential for 60 new homes, broken by settlement in Table 7.

Settlement	Estimate of potential new homes from BT Exchange sites		
	Low	High	Midpoint
Burgess Hill	19	31	25
East Grinstead	15	30	22
Haywards Heath	9	17	13
<b>Total</b>	43	78	60

*Table 7: Estimate of potential from BT Exchanges identified in the study (note: numbers may not add due to rounding)*

## Petrol Stations

- 3.27 Between 2000 and 2021 the number of petrol stations across the UK as a whole fell by 36 percent, with almost half of all fuel sold being through petrol stations located at superstores<sup>3</sup>. This pattern is expected to continue, if not accelerate, associated with a move to electric cars and provision of charging points at the home, workplace and in other public locations.
- 3.28 Announced as part of 'The Point Plan for a Green Industrial Revolution'<sup>4</sup>, the Government is committed to ending the sale of new petrol and diesel vehicles by 2030, with all new cars and vans being fully zero emission from 2035, whilst also rolling-out the necessary infrastructure to support the electric vehicle revolution. With technology rapidly evolving and the climate change agenda given ever more emphasis the role and future of the traditional petrol station will need to be questioned. Towards the end of the new Local Plan period it is possible that a number of these sites may come forward for alternative uses. Some petrol stations may be converted into electric charging facilities, others might comprise community hubs, last-mile distribution centres or convenience retail outlets. Equally, and subject to any contamination associated with previous uses, the potential may exist to redevelop such sites for residential, particularly those within established central and urban areas.
- 3.29 In the UCS, eight petrol stations were identified, with a potential capacity for 71 new homes based on a midpoint. If recent trends continue (i.e.: a 36 percent decline is projected forward) this would reduce the development potential from this source to 46 new homes. This is broken down by settlement in Table 8.

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<sup>3</sup> See: <https://www.statista.com/statistics/312331/number-of-petrol-stations-in-the-united-kingdom-uk/>

<sup>4</sup> HM Government, November 2020, The Ten Point Plan for a Green Industrial Revolution: Building back better, supporting green jobs, and accelerating our path to net zero.

Settlement	No, of petrol stations	Unconstrained estimate of potential homes			Discounted estimate of potential homes		
		Low	High	Mid-point	Low	High	Mid-point
Category 1 settlements (35% discount applied)							
Burgess Hill	1	6	12	9	4	8	6
East Grinstead	3	18	33	26	12	21	17
Haywards Heath	2	9	18	13	6	12	8
Sub-total	6	33	63	48	21	41	31
Category 2 settlements (35% discount applied)							
Copthorne	0	0	0	0	0	0	0
Crawley Down	0	0	0	0	0	0	0
Cuckfield	1	6	10	8	4	7	5
Hassocks & Keymer	1	11	19	15	7	12	10
Hurtspierpoint	0	0	0	0	0	0	0
Lindfield	0	0	0	0	0	0	0
Sub-total	2	17	29	23	11	19	15
<b>Total</b>	<b>8</b>	<b>50</b>	<b>92</b>	<b>71</b>	<b>33</b>	<b>60</b>	<b>46</b>

Table 8: Discounted estimate of potential from petrol stations identified in the study (note: numbers may not add due to rounding)

3.30 It is acknowledged that the study has not identified all petrol stations and that there remain other petrol stations across the district, both within the settlements, at supermarkets for example, but also elsewhere on the main road network for example. The actual potential from this source may thus vary from the estimates provided in the UCS.

## **Garage courts**

- 3.31 A large number of garage courts were identified through the desk-based review and site visit. The majority of these were removed during the initial review, being very small sites with limited potential to accommodate development or where access to the site or proximity to neighbouring properties would make development difficult to achieve.
- 3.32 A limited number of garage courts however remained after the initial review (three in total), being larger sites with potential to accommodate new homes. Whilst such sites can and do come forward for development, often as part of a review of land assets, this is often linked to the utilisation of the garage courts and provision of alternative parking elsewhere.
- 3.33 There is a lack of information pertaining to garage court utilisation in Mid Sussex. Equally, it is not known whether there are any initiatives to rationalise, release or redevelop these sites. It is thus prudent to exercise caution when considering the potential for development from this source type.
- 3.34 After the initial review, three garage courts were retained in the study, generating an estimate of fifteen new homes (based on a mid-point). In the absence of any up-to-date information, a discount rate established in former best practice guidance to Urban Capacity has been utilised. This suggests that the potential supply of development from garage courts might be reduced by 65-85%. For this study, a mid-point between these (75%) has been taken. Applying this to the garage courts identified in the study would reduce the overall estimate of potential from fifteen new homes to a more conservative figure of six new homes. This is broken down by settlement in Table 9.

Settlement	No, of garage courts	Unconstrained estimate of potential homes			Discounted estimate of potential homes		
		Low	High	Mid-point	Low	High	Mid-point
Category 1 settlements (75% discount applied)							
Burgess Hill	0	0	0	0	0	0	0
East Grinstead	1	3	6	5	1	2	2
Haywards Heath	1	4	6	5	1	2	2
Sub-total	2	7	12	10	2	4	4
Category 2 settlements (75% discount applied)							
Copthorne	0	0	0	0	0	0	0
Crawley Down	0	0	0	0	0	0	0
Cuckfield	0	0	0	0	0	0	0
Hassocks & Keymer	0	0	0	0	0	0	0
Hurtspierpoint	0	0	0	0	0	0	0
Lindfield	1	4	6	5	1	2	2
Sub-total	1	4	6	5	1	2	2
<b>Total</b>	<b>3</b>	<b>11</b>	<b>18</b>	<b>15</b>	<b>3</b>	<b>6</b>	<b>6</b>

Table 9: Discounted estimate of potential from garage courts identified in the study (note: numbers may not add due to rounding)

## Car Parks

- 3.35 There are numerous areas of surface car parking in and around the town and local centres across the District. Data taken from the Mid Sussex District Parking Strategy<sup>5</sup> notes that the district provides around 2,900 spaces in 34 public car parks across towns and villages in the District. In addition to the Council car parks there are several private operators in the District, including, for example, station car parks, although no data could be gathered for these.
- 3.36 There are 22 car parks in the three largest towns in the District (Burgess Hill, Haywards Heath, East Grinstead). Prior to Covid, the majority were found to be at 80% capacity for at least some of the day. Future demand, as forecasted within the Mid Sussex District Parking Strategy, suggests that these will only get busier, and that the release of car parking for development might thus not be appropriate. Equally, there are twelve car parks in the larger villages and the forecasting undertaken as part of the District's Parking Strategy suggests there are likely to be future pressures in these locations and that ongoing provision of space is important to support local vitality.
- 3.37 Whilst car parks have been identified and considered through the study, and, in isolation, represent suitable and reasonable prospects for development, further consideration is required, reflecting matters such as utilisation and importance to local centre economies. As a largely rural district, car parks are perhaps more important here than in other places, and the rationalisation of them could prove an extremely contentious decision with residents. Indeed, there are relatively high levels of vehicle ownership in Mid Sussex with 86% of households with access to a car or van compared to only 74% nationally<sup>6</sup>. This figure rises to 90% in Mid Sussex's rural areas.
- 3.38 However, further analysis, including on-going assessment of car park utilisation and different models of provision over time may help bring forward additional potential: e.g.: provision of decked parking in one location may allow for the release of other sites for housing. This should perhaps go hand-in-hand with an approach to active travel that looks to promote a mode-shift to an increase in walking, cycling and public transport (bus) use across the District, including delivery of safe and direct cycle routes that make this an attractive and viable proposition for residents. Furthermore, other opportunities, including the rapidly evolving concept of 'mobility as service (MaaS)<sup>7</sup>' might provide scope for rationalisation.

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<sup>5</sup> Mid Sussex District Parking Strategy - 2020

<sup>6</sup> ONS, 2011 Census

<sup>7</sup> See, for more information: <https://maas-alliance.eu/homepage/what-is-maas/>



- 3.39 Within the UCS, 21 surface car parks were identified, with potential for 319 homes (based upon a mid-point). This represents a significant supply of land for potential future housing.
- 3.40 Over the past few years a number of research studies have been published investigating the potential for new homes that might be delivered through release of car parking.
- 3.41 In 2017 for example, research by JLL<sup>8</sup> reported that the surging demand for urban living coupled with dwindling car ownership rates in built-up areas provides impetus for the conversion of inner-city car parks to residential homes. The research suggests that 10,500 car parks could be freed up in urban centres across the UK, potentially creating land for 400,000 new homes.
- 3.42 More recently, Knight Frank, on behalf of MHCLG (now DLUHC), found that the total area of land occupied by surface car parking across the country could, theoretically, accommodate 2.1 million new homes<sup>9</sup>. The research recognised that not all would be suitable for new housing and instead focused in on just 15% of public-sector owned surface car parks and estimated that these have the potential to accommodate more than 110,000 new homes. The car parks selected were those in closest proximity to good public transport, retaining those otherwise considered important to the operation of town centres and high streets.
- 3.43 Linked to the above, it is considered that car parking does present an opportunity for new housing development, but that it should be discounted. If a figure similar to that in the Knight Frank research for DLUHC is used, then the estimated potential for car parks should be discounted by 85%. However, former best practice on the approach to Urban Capacity studies suggested that an appropriate discount to be applied to car parks might be in the range of 70% to 85%. For this study a figure of 70% is used within the Category 1 settlements, retaining the majority of car parks but recognising the greater potential for rationalisation of such space and opportunities for trips to be made by public transport, walking or cycling, with a lower figure of 85% applied in the Category 2 settlements. The implication of this would reduce the overall estimate of potential from 319 new homes to a much reduced figure of 86 new homes (based on a mid-point). This is broken down by settlement in Table 10.

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<sup>8</sup> <https://www.jll.co.uk/en/trends-and-insights/cities/can-todays-car-parks-become-tomorrows-housing-developments>

<sup>9</sup> <https://www.knightfrank.com/research/article/2020-07-15-government-owned-car-parks-could-hold-the-key-to-110000-new-homes>

Settlement	No, of car parks	Unconstrained estimate of potential homes			Discounted estimate of potential homes		
		Low	High	Mid-point	Low	High	Mid-point
Category 1 settlements (70% discount applied)							
Burgess Hill	4	77	136	106	23	41	32
East Grinstead	5	76	134	105	23	40	31
Haywards Heath	5	29	55	42	9	17	13
Sub-total	14	182	325	253	55	98	76
Category 2 settlements (85% discount applied)							
Copthorne	0	0	0	0	0	0	0
Crawley Down	0	0	0	0	0	0	0
Cuckfield	1	5	12	8	1	2	1
Hassocks & Keymer	2	21	32	26	3	5	4
Hurtspierpoint	2	16	27	21	2	4	3
Lindfield	2	7	13	11	1	2	2
Sub-total	7	49	84	66	7	13	10
<b>Total</b>	21	231	409	319	62	111	86

Table 10: Discounted estimate of potential from car parks identified in the study (note: numbers may not add due to rounding)

## Other source types

- 3.44 The other sites identified and considered to have potential for new housing development comprise a mix of use types and activities, where intensification or redevelopment might be appropriate, but often where an existing use may need re-providing or relocating. This would likely limit the potential from these sites, particularly in the short to medium terms, and may involve a proactive approach by the Council to help facilitate such moves. This includes industrial activities, car showrooms, garages and timber yards within residential areas but which may be more compatible with other complementary employment activities and uses.
- 3.45 Some other uses include existing community uses and buildings. The value of these is recognised but they could potentially come forward for development, perhaps as part of a mixed use scheme or through rationalisation and consolidation of these uses, potentially freeing up land for provision of new homes.
- 3.46 To help refine the estimates of capacity from these source types a review of deliverability matters has been undertaken, as presented in Appendices 1-3. Drawing upon viability analysis undertaken for the District as part of the Local Plan process and on a selection of recent planning applications, it is considered that, in the main, sites and schemes are available in Mid-Sussex. Where issues of viability have been faced this has often resulted in the section 106 package being negotiated, often involving a reduction in the number of affordable homes to be provided.
- 3.47 To reflect the challenges delivering schemes on previously developed land a discount of 35% has been applied to all sites not considered in previous sections (BT Exchanges, Petrol Stations, Garage Courts, Car Parks). This is reflective of Government research which found that there is a gap of between 30 - 40% between sites being allocated, granted permission, and work on site commencing<sup>10</sup>. Application of this discount rate reduces the estimate of potential capacity on these sites to a total of 258 homes (based on a mid-point). This is broken down by settlement in Table 11.

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<sup>10</sup> See DCLG presentation to HBF Planning Conference, 2015. MSDC currently applies a discount of 40% on all sites of 1-4 homes in its Five-year Housing Land Supply.

Settlement	No, of sites	Unconstrained estimate of potential homes			Discounted estimate of potential homes		
		Low	High	Mid-point	Low	High	Mid-point
Category 1 settlements (35% discount applied)							
Burgess Hill	10	208	204	157	70	133	102
East Grinstead	3	46	94	70	30	61	46
Haywards Heath	6	75	149	113	49	97	73
Sub-total	19	229	447	340	149	291	221
Category 2 settlements (35% discount applied)							
Copthorne	2	28	27	37	18	31	24
Crawley Down	0	0	0	0	0	0	0
Cuckfield	0	0	0	0	0	0	0
Hassocks & Keymer	1	9	17	14	6	11	9
Hurtspierpoint	1	3	6	6	2	4	4
Lindfield	0	0	0	0	0	0	0
Sub-total	4	40	70	57	26	46	37
<b>Total</b>	<b>23</b>	<b>269</b>	<b>517</b>	<b>397</b>	<b>175</b>	<b>336</b>	<b>258</b>

Table 11: Discounted estimate of potential from other sites identified in the study not comprising a BT Exchange, petrol station, garage court or car park (note: numbers may not add due to rounding)

## Summary of findings

3.48 The headline findings from the calculations presented in this chapter are:

- The 87 sites identified in the study and accepted through the initial review have potential for 1,231 homes, based on a mid-point generated through application of density multipliers appropriate to site location.
- Following further review of the suitability of sites identified, 29 were removed from the estimates of capacity, reducing the overall estimates of potential by around 373 homes, based, again, on a mid-point.
- Sites considered acceptable were grouped by source type and different discount rates considered to reflect the deliverability of the different types of site.
- There are three BT Exchanges in the study area. Given announcements that will see the majority of these close down, all sites have been retained as having long term potential for development. The estimate of capacity from these is 60 homes, based on a mid-point.
- A total of eight petrol stations were captured by the UCS, although there are no doubt more across the study area. The rate of decline in the number of petrol stations across the country has been projected forward and used to discount the supply from this source. In total, it is estimated that this source type might accommodate 46 new homes, based on a mid-point.
- A large number of garage courts were identified in the study. Many were considered unsuitable during the initial review because of their constrained size. Three were though considered large enough to accommodate new homes. However, information on the utilisation of these is lacking and thus a conservative estimate of potential has been calculated, reducing this source of supply to just six homes, based on a mid-point.
- Car parks present a large source of supply. Information indicates that these are all important. However, it is considered that alternative approaches to provision, including rationalisation, may help free up land for development. As per garage courts, a conservative estimate of potential has been calculated, discounting the supply to 86 homes.
- Other sites identified have been discounted to reflect delivery challenges, including ownership arrangements, rationalisation and potential relocation. The estimate from these sources is 258 homes, based on a mid-point.

3.49 In total, the estimate of potential from identified sites is 466 new homes, broken down by settlement in Table 12.

Settlement	No. of sites	Discounted estimate of potential new homes		
		Low	High	Mid-point
Category 1 settlements				
Burgess Hill	16	116	213	165
East Grinstead	13	81	154	118
Haywards Heath	15	74	145	119
Sub-total	44	271	512	402
Category 2 settlements				
Copthorne	2	18	31	24
Crawley Down	0	0	0	0
Cuckfield	2	5	9	6
Hassocks & Keymer	4	16	28	23
Hurtspierpoint	3	4	8	7
Lindfield	3	2	4	4
Sub-total	14	45	80	64
<b>Total</b>	<b>58</b>	<b>316</b>	<b>591</b>	<b>466</b>

Table 12: Discounted estimate of potential from identified sites (note: numbers may not add due to rounding)

# 4. Small sites

## Introduction

- 4.1 This study defined a small site as one that has the potential to accommodate fewer than five new homes. Whilst a number of these sites were identified through the desk-top review and site visits it is not possible to identify all such opportunities: not least because of their size but also because such development is often 'hidden' and might comprise conversions and change of use which cannot be identified on the ground. As such, any small site identified was discounted from the estimates of capacity outlined in previous sections and, instead, an element of windfall is allowed to cover this supply of sites. This avoids the risk of double counting and over-inflating the estimates of capacity. This section presents the approach to calculating the windfall allowance for small sites.

## Past completions and estimated allowance

- 4.2 The NPPF defines windfall as *'sites not specifically identified in the development plan'*. Para. 69 of the NPPF states that *"small and medium sized sites can make an important contribution to meeting the housing requirement of an area and are often built-out relatively quickly. [...] Local planning authorities should support the development of windfall sites through their policies and decisions – giving great weight to the benefits of using suitable sites within existing settlements for homes"*. For the purposes of this Study, a small site is defined as that which has a development capacity of fewer than five units.
- 4.3 The NPPG<sup>11</sup> confirms that *"a windfall allowance may be justified in the anticipated supply if a local planning authority has compelling evidence"*, as per para. 71 of the NPPF. For clarity, para.71 of the NPPF states that *"any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends"*.
- 4.4 With the above in mind, the Council's housing completions monitoring data contains records of 637 scheme completions on small sites in Mid-Sussex between 2014-2021. Together these have contributed 924 new dwellings. Additional analysis on historic windfall completions rates are presented in the Mid-Sussex Windfall Study Report (2015)<sup>12</sup> and indicate that, over the period 2007 – 2014, 471 new homes were

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<sup>11</sup> <https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment#method--stage-3-windfall-assessment-where-justified> (Para.: 023 Reference ID: 3-023-20190722, Revision Date: 22 07 2019)

<sup>12</sup> <https://www.midsussex.gov.uk/media/2371/windfall-study-report.pdf>

delivered on small windfall sites<sup>13</sup>. The information for the period 2007-2014 is presented alongside more recent information for 2014 onwards in Figure 1 and Table 13. It is important to note that the Mid-Sussex Windfall Study Report (2015)<sup>14</sup> considers a small site to be a scheme which delivers 1-5 units, whereas the UCS considers a small site to be a scheme which delivers fewer than five units. To account for this discrepancy, the completion figures sourced from the Mid-Sussex Windfall Study Report (2015)<sup>15</sup> have been reduced by 20% to align with the small site definition used within this study.

- 4.5 There has been some flux in the rate of completions on all sites in Mid-Sussex over the past fifteen years, irrespective of size. Total completions ranged from around 200-500 units per year between 2007-2014. The data reveals a post-recession slump in completions during the period 2009-2011 followed by a relatively sharp rise and culminating in 749 completions in 2012-2013 reflecting a recovery in the market and resurgence in construction on larger greenfield sites following a period of stagnation during the recession years. Between 2016-2021, completions gradually rose, reaching a peak of around 1,100 in the most recent monitoring year.
- 4.6 The data reveals that completions on small sites are a consistently important source of supply, contributing 1,394 homes over the period 2007-2021 and an average of approximately 100 homes per annum. Small site completions equate to around 17.6% of all new completions on an annual basis. In order to account for any years with exceptionally low or high completions and to avoid these skewing the assessment of the future potential from this source of supply, the 'truncated mean' has been calculated. This calculates the mean value of completions with outliers removed (in this case 25% of the highest and lowest annual small site completions figures were removed). The truncated mean equates to 99 homes per annum.
- 4.7 Moreover, it is prudent to discount windfall projections so as not to overstate their importance to overall supply, particularly given the likely economic uncertainties post-Covid and the impact this may have on the housebuilding industry. On this basis, it is considered appropriate to apply a discount of 20% to account for future uncertainties. This discount rate reflects recommendations made by the Planning Inspectorate, who, at the Examination of the Small Scale Housing Allocations DPD, stated that a *"20% discount should be applied to windfall allowances in Mid-Sussex to allow for non-delivery and ensure a robust trajectory"*<sup>16</sup>. As such, it is considered reasonable to assume that small site windfall allowances will equate to around 79 homes per annum over the remainder of the Plan period.

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<sup>13</sup> The information in the 2015 Windfall Study Report includes the following site types: 'small garden', 'other small greenfield', and 'small PD'

<sup>14</sup> <https://www.midsussex.gov.uk/media/2371/windfall-study-report.pdf>

<sup>15</sup> <https://www.midsussex.gov.uk/media/2371/windfall-study-report.pdf>

<sup>16</sup> <https://www.midsussex.gov.uk/media/2371/windfall-study-report.pdf>



## RESIDENTIAL COMPLETIONS IN MID-SUSSEX BETWEEN 2007-2021

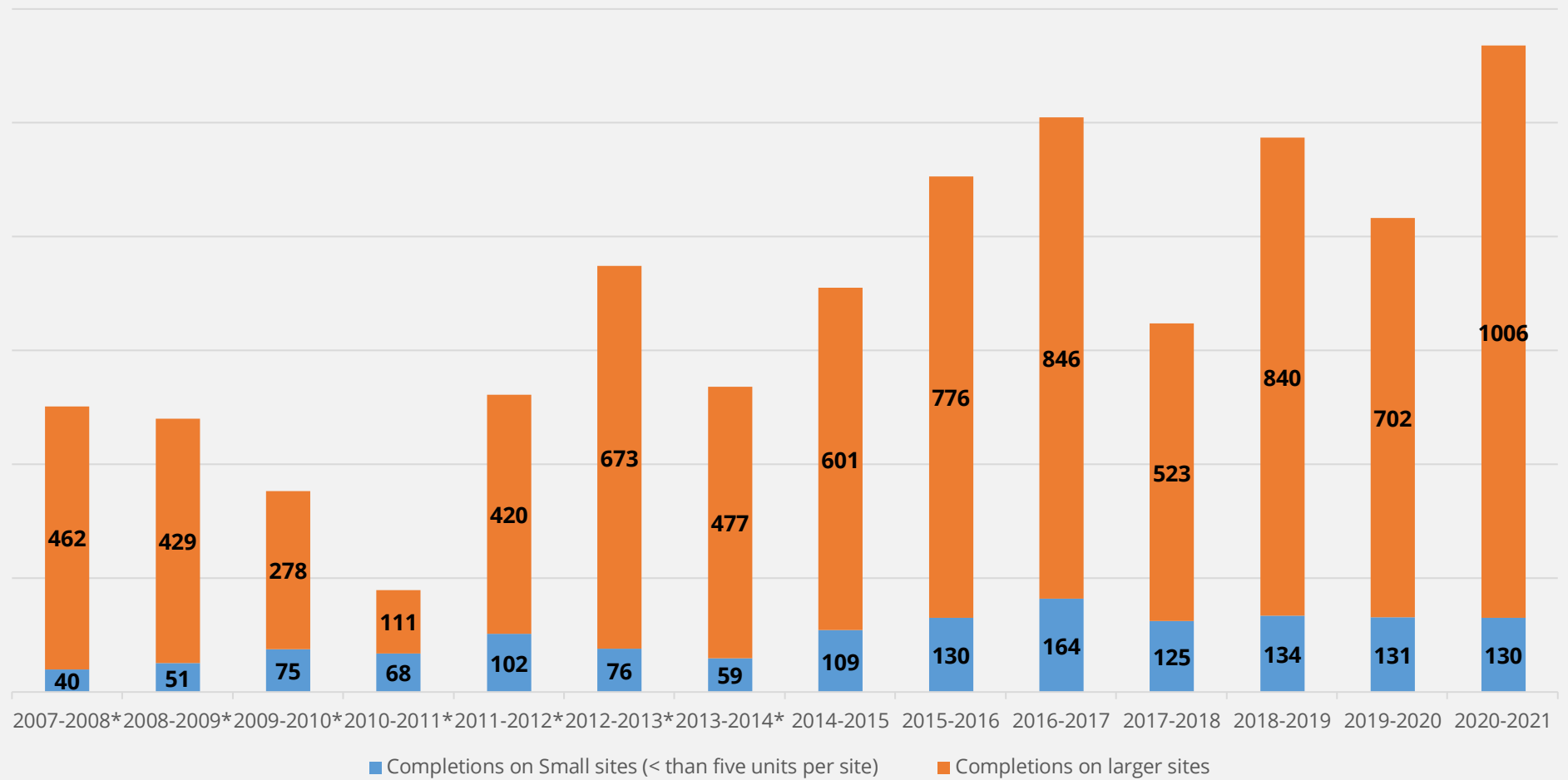


Figure 1: Completions 2007-2021 (note: data for 2007-2014 is derived from MSDC Windfall Report)

<b>Monitoring Year</b>	<b>Completions on Small sites (&lt; than five units per site)</b>	<b>Completions on larger sites</b>	<b>Total completions</b>	<b>Completions on small sites as a % of total completions</b>
2007-2008	40	462	502	8.0
2008-2009	51	429	480	10.6
2009-2010	75	278	353	21.2
2010-2011	68	111	179	40.0
2011-2012	102	420	522	19.5
2012-2013	76	673	749	10.1
2013-2014	59	477	536	11.0
2014-2015	109	601	710	18.1
2015-2016	130	776	906	16.8
2016-2017	164	846	1,010	19.4
2017-2018	125	523	648	23.9
2018-2019	134	840	974	16.0
2019-2020	131	702	833	18.7
2020-2021	130	1,006	1,136	12.9
<b>Total:</b>	<b>1,394</b>	<b>8,144</b>	<b>9,538</b>	<b>Av.:17.6%</b>

Table 13: Comparison of all small and larger site completions for the period 2007-2021

## Analysis of development type

4.8 For the purpose of this report, completions from small sites in Mid-Sussex recorded in the Council's monitoring data over the period 2014-2021 have been further broken down to better identify key sources of supply. These are presented in Figure 2 and show that new developments, change of use and residential redevelopment are the most dominant types of development in the district. For clarity, development type definitions are presented below.

- Change of use: development where the former use includes non-residential, and the proposed use is part or fully residential.
- Conversion: development which includes the sub-division of existing residential units. Often, this type of development may also involve bringing a vacant unit back into use.
- Extension: extension of an existing development (i.e., increasing gross internal floorspace) to accommodate residential units.
- Mobile home: development involving either the removal or siting of a mobile home.
- New development: development which involves the construction of new residential units. This development type does not involve any prior demolition. 'New development' is typically located on former garden sites or other non-built areas such as agricultural land.
- Non-residential redevelopment: residential development on land previously classified as business, industrial, storage, institutional, office or agricultural use. This type of development may also involve the demolition of an existing non-residential building, such as former sports facilities, public houses, community spaces, commercial units and storage areas.
- Residential redevelopment: residential development which involves the demolition and replacement of a former residential unit. This development type typically results in either a net balance or net gain in the number of residential units delivered on the site.

4.9 It is also worth noting that schemes on previously developed land comprise 65.5% of all small site schemes in Mid-Sussex over the period 2014-2021, with the remaining 34.5% of small site schemes developed on greenfield land. By applying this percentage to the above windfall allowances, it is reasonable to expect the delivery of 52 homes per year on small sites situated on previously developed land and a further 27 homes per year on small sites on non-previously developed land.

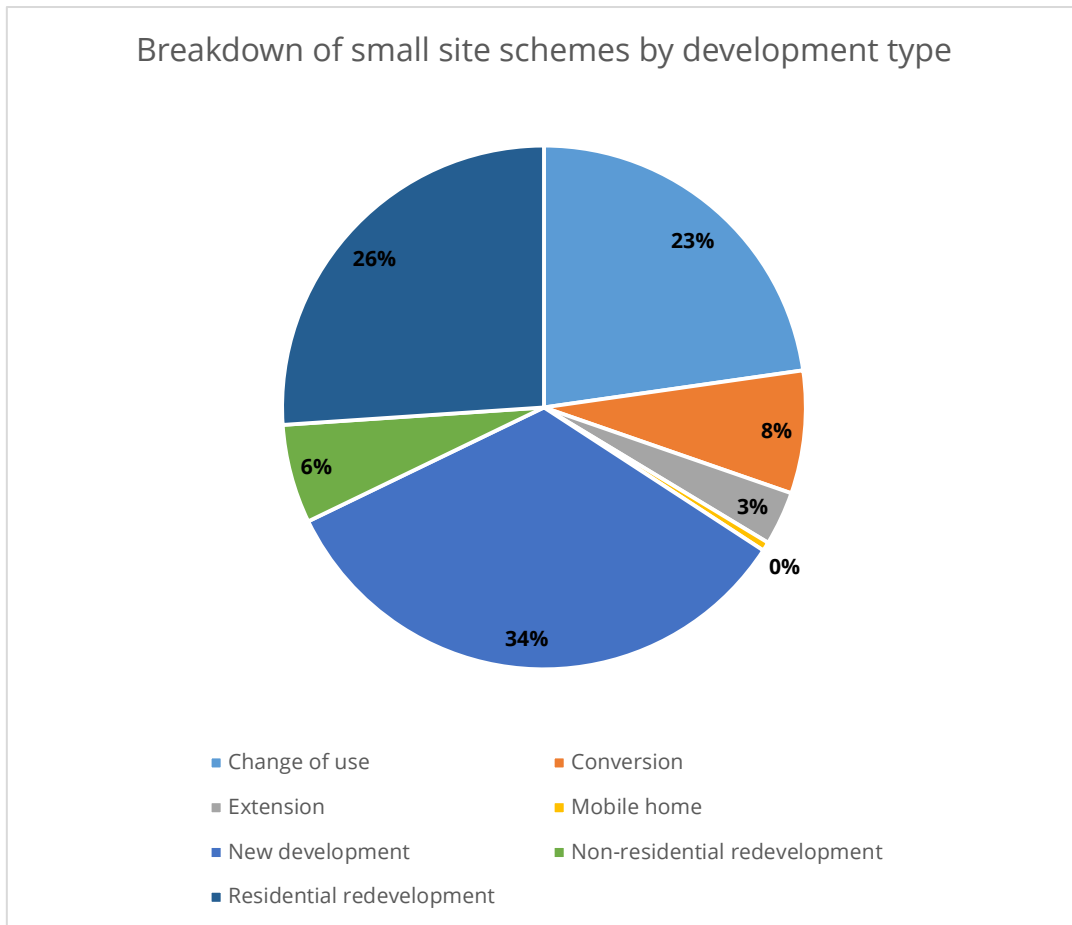


Figure 2: Breakdown of completions on sites of fewer than five new homes, by type of development, 2014-2021

#### 4.10 Key points of note are:

- Just over a third of all additional units (34%) on small sites derive from new residential development.
- Nearly a quarter of small site completions derive from change of use schemes (23%), with an additional quarter sourced from residential redevelopment schemes (26%).
- A significantly lower proportion of residential units were created through conversions (8%), extensions (3%), mobile home schemes (0.2%) and non-residential redevelopments (6%).

## Spatial Analysis

4.11 A breakdown of small site completions over the period 2014-2021, broken down by ward area, is presented in Figure 3. Broadly assigning wards to the settlements surveyed in the UCS indicates that:

- Perhaps unsurprisingly, trends reveal that a greater proportion of small site completions have been developed in the larger Category 1 settlements in the district, with comparably fewer small site schemes in lower-tier settlements. The breakdown of completions by settlement hierarchy category is as follows:
  - 444 small site completions across 263 separate development schemes in wards covering the category 1 settlements (Burgess Hill, East Grinstead and Haywards Heath).
  - 254 small site completions across 182 separate development schemes in wards covering the category 2 settlements (Crawley Down, Copthorne, Cuckfield, Hassocks, Hurstpierpoint and Lindfield).
  - 226 small site completions across 192 separate development schemes in wards elsewhere across the district and which include settlements in lower tiers of the settlement hierarchy.
- Linked to the above, it is possible to deduce that almost 70% of small site completions occur within the study area for the UCS (i.e. within category 1 and 2 settlements), with the remaining 30% delivered outside of the study area. Applying this to the above windfall estimates, it is reasonable to expect small sites to deliver an average of 55 new homes per year in the study area, with potential for a further 24 per year outside the study area. This aligns closely with the analysis above in terms of the split between completions on previously developed land and those on greenfield sites.

## DISTRIBUTION OF SMALL SITE SCHEMES IN MID-SUSSEX (2014-2021)

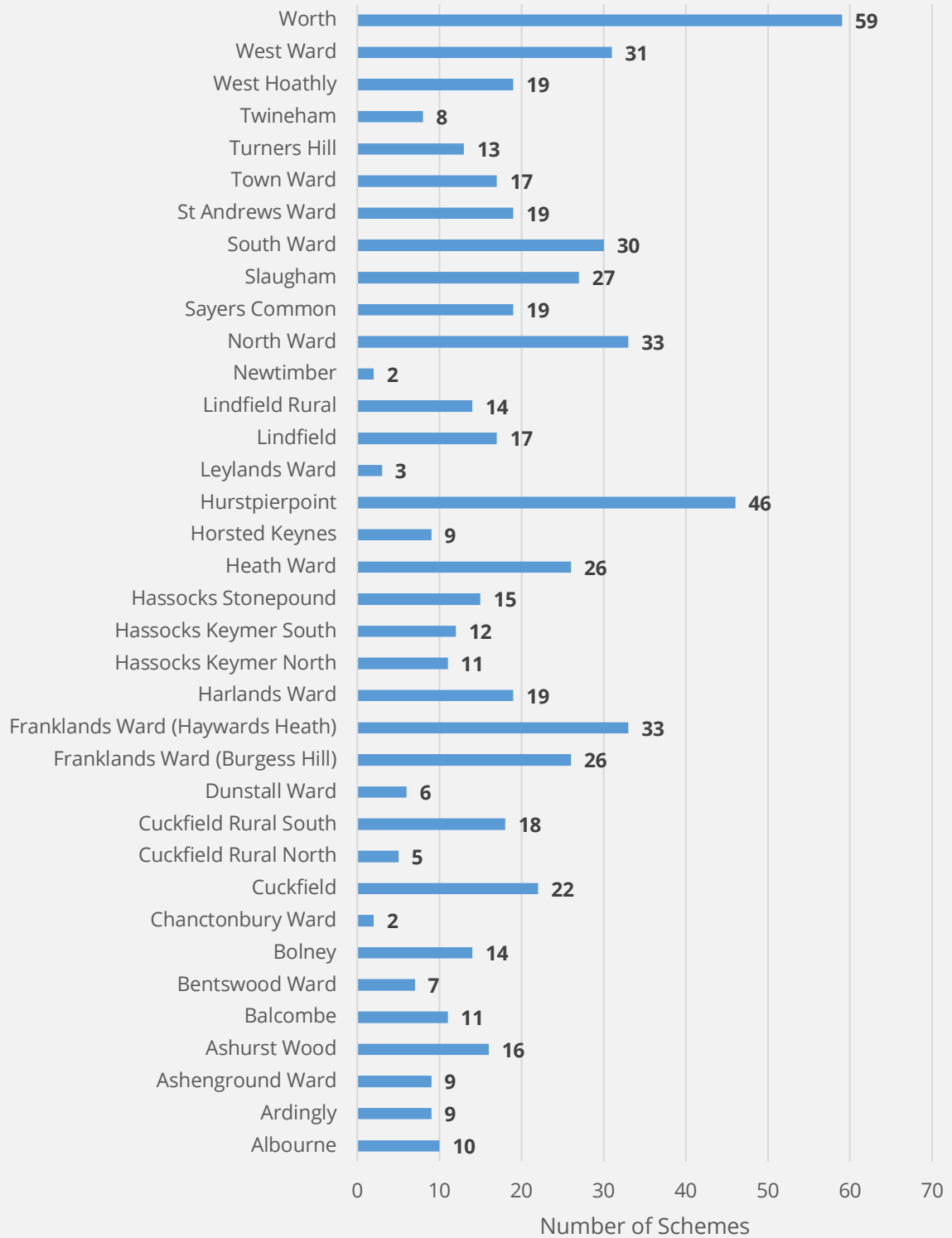


Figure 3: Breakdown of small site development schemes by ward 2014-2021

## Key findings

4.12 Headlines from the analysis outlined above can be summarised as:

- Smaller sites (those delivering fewer than five units) are a consistently important supply of source for new homes in Mid-Sussex, accounting for around a 17.6% of all housing completions every year.
- A windfall allowance of 79 homes per year appears reasonable, comprising on average 55 homes within the category 1 and 2 settlements in the district, and a further 24 homes outside these. This includes a discount of 20%, so as not to place over-reliance on this supply.
- Through assessment of monitoring data covering the 2014-2021 period, the following was established:
  - The largest source of supply of new homes on small sites is through new development (as opposed to conversion or change of use etc). This makes up just over one third of the total supply on small sites.
  - However, change of use and residential redevelopment (redevelopment and intensification of existing residential land and buildings) also comprise a significant source of supply, with nearly half of all new homes (49%) on small sites generated through these sources.
  - There is a strong correlation between small site completions and 'more sustainable locations', being those in larger settlements and those with provision of rail services.

# 5. Other sources of supply

## Introduction

- 5.1 This section of the UCS considers other ‘hidden’ sources of supply (i.e.: those that are difficult to physically identify from site visits) and whether they might be able to contribute towards the delivery of new homes in the district.

## Homes above the shop

- 5.2 Research published by the Federation of Master Builders<sup>17</sup> suggests that, across the UK, *‘there is significant untapped potential to create additional homes above shops, on or near the high street’*, including *‘unutilised space above shops that could be more intensively used or redeveloped into additional housing units’*. The research also suggests that realising this potential can do more than just deliver new homes, as *‘revitalising our high streets through well planned and designed residential units could help rejuvenate smaller town centres’*. However, identifying space above shops for new homes is challenging and the potential is thus difficult to quantify<sup>18</sup>. In addition, once identified, there are other complexities to consider, including the creation of suitable access arrangements and the need to satisfy both building regulations and planning policies. Equally, potential may depend on the ability to coordinate development across multiple land ownerships.
- 5.3 With new Permitted Development Rights having recently been announced by the Government in respect of upwards extensions it is anticipated that the delivery of homes above the shop might be an additional source of supply and means of contributing towards housing need. However, analysis of completions provided by MSDC shows there has been very little of this type of development within Mid Sussex. Indeed, only eight residential units were delivered as a result of intensifying the upper floors of an existing mixed use development, i.e., through conversion and/or extensions, between 2015-2021.

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<sup>17</sup>Lichfields and Child Graddon Lewis for the Federation of Master Builders, December 2017, Homes on our High Streets: How to unlock residential development on our High Streets

<sup>18</sup> Research by Empty Homes, 2016. Affordable Homes from Empty Commercial Spaces, suggests that such spaces are seldom classified as dwellings (even if at one point in history there had been a flat above the shop), and are therefore not readily detected through council tax data which is used by local authorities to record and identify empty homes in their area. They are also not captured by data on empty retail units and offices. It is suggested that there is little alternative than to undertake door-to-door surveys to identify potential empty spaces.



- 5.4 Although potential is likely to exist for new homes from this source type we have not, for the reasons outlined above, made an estimate of potential within this study. However, we recommend that this source is monitored over time.

## Office to residential

- 5.5 Data supplied by MSDC contains records of 46 'Prior Approvals' in Mid Sussex between 2014 – 2022 for a total of 410 new homes, of which 404 have so far been completed (around 50 per year over the eight year period). Year-on-year data shows there to be a slight time-lag between schemes being granted and being completed. Almost all completions achieved via the Prior Approvals route were delivered through office to residential conversions (96%), where, on average, just over ten residential units were delivered per scheme. This data reveals that the change of use of former offices to residential has been relatively common in Mid Sussex and has contributed usefully to increasing the supply of residential dwellings in urban areas.
- 5.6 However, the data reveals that the number of schemes coming forward through this route has been declining, with no schemes of five plus units approved via the Prior Approval route over the past year. Although the Prior Approval route may continue to contribute to the supply of new dwellings across Mid Sussex in the future, a simple extrapolation of trends is unlikely to be appropriate given the diminishing supply of office space that might be suitable and economically viable for conversion. Indeed, the Economic Growth Assessment (EGA) report prepared for MSDC<sup>19</sup> indicates that over the twenty year period 2000/01 – 2020/21 the stock of office floorspace across the district has decreased by almost 20%. Furthermore, and echoing experience in the district, statistics held by DLUHC<sup>20</sup> and dating back to the second quarter of 2014 show that, nationally, around 1,000 prior approval applications were submitted per quarter in 2014 but this has steadily dropped, falling to fewer than 500 such applications by last quarter of 2020. Although the figure has picked up again slightly since then - and which may be reflective of the impacts of the Covid pandemic with employees increasingly working from home and resulting in unused office space (the true impacts of which it is not possible to quantify at this time) - it remains well below the levels recorded in 2014.
- 5.7 The EGA notes that although the office market in Mid Sussex is generally weaker than the industrial market, and that the Covid pandemic has had an impact, there has been resilience in the local office market, with 2021 seeing relatively strong activity and take-up of space. Based upon take-up in the period 2011-2021, it is

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<sup>19</sup> Lichfields for MSDC, December 2021, Northern West Sussex Economic Growth Assessment, Focused Update for Mid Sussex

<sup>20</sup> Table PDR1: District Planning Authorities – applications for prior approvals for permitted developments, by local planning authority

calculated that there is currently only 1.31 years' worth of available office supply in the District. The EGA forecasts growth in office based employment over the period 2021-2038 and thus a need to provide additional office floorspace and land for this. The implication is that the limited stock of office floorspace that the District does have should not be lost to other uses. If it is, then additional land and accommodation will need providing to offset this.

- 5.8 Given the above, plus the controversy around the design quality and living environment created through such schemes<sup>21</sup>, it is difficult to estimate the number of future residential schemes that might come forward in future. A conservative estimate of supply from this source is might be around 25 homes per year, reflecting the 50% decline in schemes witnessed at the national level. It is important that this development type is monitored overtime as the importance of retaining office space in the District is clear and the actual supply of new homes from this source could be lower.

## Empty properties

- 5.9 According to government data<sup>22</sup>, as of October 2020 there were 730 long term vacant dwellings in Mid Sussex, defined as those 'dwellings which have been unoccupied and substantially unfurnished for over six months'. This equates to 1.11% of the total dwelling stock in Mid Sussex<sup>23</sup>. This is above the average for the wider West Sussex region (0.69%), as well as across England as a whole (1.09%).
- 5.10 The same Government data suggests that there has been an increase in long term vacant properties within Mid Sussex from 285 in 2011 to 730 in 2020: an increase of 445. As illustrated in Table 14, up until 2017 there were no discernible trends in the number of long-term vacant properties in Mid Sussex. However, since 2017 the number of vacant properties has continued to rise each year, to the point where it is now at its highest level, both in terms of number and percentage.
- 5.11 Over the ten-year period, the average amount of long-term vacant properties as a percentage of all properties stands at 0.73%. This is significantly below the current vacancy percentage, and below the national average. This suggests that opportunities may exist to bring the figure down. However, returning vacant properties into use can be challenging and costly. To address this, Mid Sussex District Council, as part of its Homelessness and Rough Sleeping Strategy, has introduced a set of council tax measures aimed at reducing the number of empty homes, with a premium on properties that have been empty for a period of two

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<sup>21</sup> RICS, May 2018, Assessing the impacts of extending permitted development rights to office-to-residential change of use in England

<sup>22</sup> DLUHC, Table 615: vacant dwellings by local authority district: England, from 2004

<sup>23</sup> DLUHC, Table 100: number of dwellings by tenure and district, England

years, increasing once the property has been empty for five years and again after ten years<sup>24</sup>.

Year	Long-term vacant properties (units)	Long-term vacant properties returning to use	Total number of dwellings in Mid-Sussex	% of long-term vacant home occurrence
2011	285	+193	58,712	0.49
2012	353	-68	59,488	0.59
2013	440	-87	60,032	0.73
2014	421	+19	60,669	0.69
2015	357	+64	61,291	0.58
2016	348	+9	62,176	0.55
2017	485	-137	63,176	0.77
2018	542	-57	63,790	0.85
2019	605	-63	64,455	0.94
2020	730	-125	65,503	1.11

Table 14: Empty properties in Mid-Sussex

- 5.12 Mid Sussex District Council works closely with council tax, planning and enforcement officers and the YMCA to try to encourage homeowners to bring their properties back into use. The Council website advises owners of the implications of leaving a property empty and outlines the options available to bring them back into use.
- 5.13 Further to this, Mid Sussex District Council also works with the Council Tax team to carry out an annual mail out to the owners of long-term empty properties offering them support to bring their properties back into use.
- 5.14 Despite these efforts, Action on Empty Homes notes that “it is advisable to exercise some caution in looking at the year-to-year data at an individual local authority level due to numerous factors which can impact on the numbers recorded, such as the staffing of empty homes teams, a change in local counting methods and the influence of particular developments<sup>25</sup>”.

<sup>24</sup> <https://www.midsussex.gov.uk/housing-council-tax/empty-homes/>

<sup>25</sup> <https://www.actiononemptyhomes.org/Handlers/Download.ashx?IDMF=68fa9a2d-83f5-4ca4-936b-a8d8248484c0>

5.15 Based on the above it is suggested that the reuse of vacant properties does not form a reliable source of supply and therefore should not be included in subsequent windfall calculations. Indeed, this does not represent 'new homes' as such, rather re-use of existing homes which already comprise part of the overall housing stock. This stance should though be regularly reviewed and monitored overtime.

## **Back garden development**

5.16 The NPPF, through paragraph 124 (d), stipulates that planning decisions should support development that makes efficient use of land, taking into account *'the desirability of maintaining an area's prevailing character and setting (including residential gardens), or of promoting regeneration and change'*. This indicates that while back garden development is a potential route to increasing housing supply, a significant degree of caution must be exercised in such schemes. To this effect, the NPPF states at paragraph 71 that *'plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area'*.

5.17 Data from MSDC shows that between 2015-2021 there have been 45 residential schemes delivered on back garden plots. These schemes have resulted in 201 dwellings in total, averaging just under five new homes per scheme. However, it is worth noting that one large scheme of 51 dwellings somewhat skews the average. Excluding this scheme, the average dwellings per scheme falls to just over three. This is considered to be 'small-scale' development and is accounted for in the calculation of windfall from small sites. A separate allowance is not made here to avoid the risk of double-counting.

5.18 It is noted that although this type of development does and will continue to take place, the potential is likely to be relatively limited in comparison to the overall housing requirements for the District. This is because sites need to be of sufficient size to accommodate development, often behind an existing property or row of properties. Key planning considerations for these types of schemes include ensuring there is enough space, adequate access arrangements, and a sufficient amount of privacy for new and existing residents. For these reasons, these types of development are often controversial and can prove difficult to deliver. While Mid Sussex has seen a healthy amount of back garden development, relying on this source of development to meet future levels of housing supply is not recommended, although it should be monitored over time.

## Summary of findings

5.19 This section has reviewed other sources of potential supply of new homes. It draws upon monitoring information and data and suggest that:

- The new rules introduced in respect of upwards extensions and use of space above shops to provide new homes needs to be monitored over time. There is evidence of this having taken place in Mid Sussex, but such schemes often generate few new homes and are accounted for under the windfall allowance for small sites. The delivery of such schemes can also be complex and, as such, an estimate of future housing potential from this source has not been calculated.
- The provision of new homes through the prior approvals route for office to residential has contributed towards the supply of new homes in Mid Sussex since the scheme was introduced. However, records of schemes in Mid Sussex echo national patterns: that this is a diminishing supply. Furthermore, the existing office stock in the district is limited but is important for the local economy. It is estimated that 25 homes per year might be provided through this route, though this will need monitoring longer-term.
- The stock of empty properties in Mid Sussex is relatively low, allowing for natural churn in the market. Although initiatives do exist to bring these back into use an allowance for this has not been made in this study, because of the limited numbers and that fact that they do not represent new supply as such.
- Back garden development does take place in Mid Sussex but schemes are generally of a relatively small scale and thus included in the allowance for small site windfall. Wider policy, design, access and ownership matters complicate the delivery of such schemes. As such, an estimate of potential from this source of supply has not been made.

# 6. Summary of findings

## **Unconstrained capacity of physically identified sites (sites of five homes or more)**

- 6.1 Through the UCS 268 sites were identified. Following the initial review process this was reduced to a total of 87. Application of density multipliers to these resulted in an estimate of capacity between 868 and 1,597 homes, or a mid-point of 1,233 homes.

## **Refining the estimate of capacity from physically identified sites**

- 6.2 A further review of the sites removed those where policy and or environmental designations may impact upon their suitability. Consideration was also given to the potential delivery of sites, grouping them based on common typologies and applying a discount rate to these recognising that whilst, in principles, they may be appropriate for new homes, wider matters, such as ownership arrangements and intentions, may reduce the prospect of delivery. Small sites (those yielding less than five homes) were discounted to avoid double counting (see below).
- 6.3 Through this process the estimate of capacity was reduced to a range between 316 and 591 homes across 58 sites. Based upon a mid-point, the estimate of capacity is 466 homes.

## **Small sites**

- 6.4 Through the UCS a number of small sites were identified where the estimated capacity yield was less than five homes. Because of the small nature of these sites it is not possible to identify all of them and they are often dealt with by way of a windfall allowance. To avoid double-counting with these estimates, all small sites identified in the Urban Capacity Study were discounted and, instead, an estimate of windfall from this size of site calculated.
- 6.5 Based on the monitoring information, it is estimated that approximately 99 homes per year might be delivered on small sites. However, guidance suggests that windfall should not be relied upon. This estimate has been reduced by 20%, reflecting similar comments made by the Inspector of the District Local Plan. This reduces the estimate of windfall from small sites to 79 homes per year. However, spatial analysis of past completions shows a split between those in the category 1 and 2 settlements subject to the UCS, and those delivered elsewhere. Reflecting

this, it is estimated that 55 homes might be delivered every year on small sites in Category 1 and 2 settlements, with 24 homes per year elsewhere in the district.

## **Other sources of supply**

- 6.6 The UCS has also looked at the potential supply of homes from other sources, including homes above the shop, empty properties, office to residential conversions and back garden development. These are difficult to quantify and, in the case of homes above the shop and empty properties, difficult to deliver. Where development has taken place in back gardens this has generally been of a small scale and is included in the windfall allowance for small sites.
- 6.7 There has been evidence of office to residential conversions in the district, but activity reflects national trends, which is seeing this form of development begin to decline. An estimate of 25 homes per year is allowed for from these source types (primarily from office to residential conversions). However, it is recommended that this is monitored as this source of supply may continue to fall.

## **Summary of constrained capacity**

- 6.8 The UCS estimates that there is potential for approximately 466 new homes on sites identified in the settlements surveyed in this study, as presented in Table 15. This reflects a mid-point estimate of development potential on the physically identifiable sites and is in addition to those sites already identified and accounted for through the emerging Local Plan. A further 104 homes might come forward on an annual basis across the district through windfall development on smaller sites and through other sources. The majority of this potential exists within the Category 1 settlements.

Source type / Settlement	Dwelling range	Mid-point estimate
Physically identifiable sites (Category 1 settlements)		
Burgess Hill	116 – 213 homes	165
East Grinstead	81 – 154 homes	118
Haywards Heath	74 – 145 homes	119
Sub-total	271 – 512 homes	402
Physically identifiable sites (Category 2 settlements)		
Copthorne	18 – 31 homes	24
Crawley Down	0	0
Cuckfield	5 – 9 homes	6
Hassocks & Keymer	16 – 28 homes	23
Hurtspierpoint	4 – 8 homes	7
Lindfield	2 – 4 homes	4
Sub-total	45 – 80 homes	64
Non physically identifiable sites (annualised estimate)		
Small Sites allowance	Homes on small sites within the Category 1 and 2 settlements forming the UCS study area.	55p.a.
	Homes on small sites across the district outside of the Category 1 and 2 settlements	24p.a.
Other sources	Homes from other sources, primarily from office to residential conversion, but which may reduce over time.	25p.a.
Sub-total		104p.a.
<b>Combined total</b>		<b>466 + 104p.a.</b>

Table 15: Summary of capacity estimates (note: numbers may not add due to rounding)



## Concluding comments

### Potential exists, but does not provide all of the answers

- 6.9 The UCS has found that capacity does exist for new homes within the existing built-up areas surveyed in the District. This is in addition to sites explored through the SHELAA. Although this could contribute to meeting future housing requirements in the District it will not provide all of the answers and further options to accommodate new homes will most likely need to be explored.
- 6.10 The study indicates that the greatest potential exists within the Category 1 towns. This is perhaps to be expected given their scale, the catchment of central areas and presence of rail services providing opportunities for higher density development in central locations. Furthermore, the growth of these towns over time has led to fractures in the urban environment, particularly between areas of different character or land use, where development opportunities often arise.
- 6.11 The sites and estimate of capacity identified in this study is theoretical. Although the sites would likely be considered suitable, in principle, if development proposals came forward, there is no indication as to their availability nor deliverability. For sites in the UCS to be allocated in the Local Plan they should be subject to the same assessments undertaken as for those sites in the SHELAA.
- 6.12 In addition to the assessment process within the SHELAA the Council may also wish to consider a wider set of issues and matters in taking a more proactive approach to development of sites in the existing built up areas. Some of these are alluded to in the main body of the report, around car parking and the future of petrol stations for example, with others outlined below:

### Making the most of public sector assets

- 6.13 The UCS has, in some locations, identified social and community uses, including for example village halls, community and youth centres, which could potentially be amalgamated to bring benefits in terms of shared facilities and parking, as well as reduced maintenance costs, or where intensification of the site might allow for replacement facilities to be provided on site. Where such amalgamation does take place, it could free up land for housing. However, if such an approach were followed, it should not result in a loss of service provision, nor a shortfall in local infrastructure.
- 6.14 The study also identified a large number of garage courts across the District, some of which represent small sites but, which, nevertheless, might present a fairly substantial supply over time. This type of site could provide a source of new housing in the District, but further investigation of garage use is required to help identify those which are under-used and that which provide opportunities in the short to medium term.

- 6.15 Equally, surface car parks represent a relatively inefficient use of land. Although studies indicate the importance of retaining these across Mid Sussex, it is suggested that alternative models of provision might be explored, and which could potentially free up land for other uses, including housing.
- 6.16 Reviewing and developing public sector land, including surplus land, for housing represents a key area of opportunity and proactive approach to delivery of new housing development.

### **Employment land**

- 6.17 The study did not review the potential for releasing land in large employment designations in the settlements given their importance to the local economy, the sheer scale and complex ownership arrangements of such locations. Small clusters of such uses, including individual premises within residential areas were though identified and considered. For these to be deliverable a strategy is likely to be established that investigates the feasibility of relocating such uses, potentially to the main defined employment areas.
- 6.18 Within the main employment areas themselves it may be that intensification of uses and new building typologies and models might be investigated that would help accommodate relocations or indeed free land up for alternative uses. The London Plan for example includes examples of how remodelling of employment floorspace over multiple floors can support the intensification of such areas.

### **Further exploring potential through design**

- 6.19 The application of gross to net ratios and density multipliers within the UCS has provided a broad estimate of site capacity. But the true potential of a site will not be known until further site-specific assessment, including design analysis, has been undertaken. Design analysis would allow the particular characteristics and site context to be investigated and may demonstrate the potential for higher density development that is appropriate to location, reflecting local character, scale and type of development.

### **Unblocking the potential**

- 6.20 The UCS identifies a large number of sites, some of which might not be deliverable in the short-term, but which do offer longer-term potential subject to other factors, such as reviewing policy designations and current use types.
- 6.21 The approach to the UCS has sought to explore as many opportunities for new development as possible (within the framework of the emerging Local Plan). Bringing these forward may involve a proactive approach to planning and development. The Council could, where appropriate:

- Facilitate discussions between landowners.
- Supporting relocation strategies.
- Create site specific development briefs.
- Market land for development.
- Use powers to acquire land and develop existing public sector land for new public sector housing across a variety of tenure types.

# Appendix 1: Deliverability review

## Introduction

The Government's 2021 Housing Delivery Test highlighted that in the previous three financial years (2018-19, 2019-20 and 2020-21), a total of 2,261 homes were required in Mid-Sussex. Of these, 2,793 were delivered over the same period, equating to a Housing Delivery Test figure of 124%. Based on these figures, the Government stated that no consequences would apply to Mid-Sussex, as the total number of homes required is less than zero.

However, Mid-Sussex District Council's 5 Year Housing Land Supply Statement (2021)<sup>26</sup> notes that, despite the high delivery figures highlighted within the Government's Housing Delivery Test, *"there is a total shortfall since the start of the Plan period of 99 units"*. In 2018, Mid-Sussex District Council agreed to adopt a '2 year and 1 year condition' on outline planning permissions rather than the standard '3 year and 2 year condition' as a means of encouraging developers to implement permissions in a timely manner. This tool imposes a condition that development must begin within a timescale shorter than the relevant default period. Future monitoring will identify how this action has impacted delivery rates.

In Mid-Sussex, the majority of new homes are coming forward on larger allocations situated on the edge of Category 1 settlements (Burgess Hill, East Grinstead and Haywards Heath). The Mid-Sussex Local Plan earmarks a number of strategic development locations, which includes Burgess Hill. Specifically, Policy DP8 of the Local Plan allocates up to 480 new homes on a strategic allocation to the east of Burgess Hill at Kings Way, and Policy DP9 allocates for up to 3,500 homes on a strategic allocation to the north and north-west of Burgess Hill.

The reliance on larger strategic schemes both in Mid-Sussex and nationwide has led to the recognition outlined in the NPPF that a certain proportion of the land supply identified for new housing should be met through small and medium sized sites. These sites are typically those that might comprise previously developed land within existing built-up areas. The UCS thus has a role to play in helping to identify the potential for such sites and help contribute towards meeting housing requirements over the Plan period.

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<sup>26</sup> <https://www.midsussex.gov.uk/media/6986/msdc-06a-combined.pdf>

Furthermore, the NPPF places an emphasis on the need for local planning authorities to deliver a sufficient supply of homes. Paragraph 68 of the NPPF states that *“planning policies should identify a supply of specific, deliverable sites for years one to five of the plan period; and specific, developable sites or broad locations for growth, for years 6-10 and, where possible, for years 11-15 of the plan”*.

It is acknowledged that the definition of ‘deliverable’ requires sites to have clear evidence of expected delivery, such that completions can be recorded in the first five years of the Plan period. For a site to be developable it *“should be in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged”*.

This study has a particular focus on sites within the existing built form and where the policy approach at national and district level reflects the principles of sustainable development and, subject to meeting certain criteria, around matters such as design, access and amenity for example, is supportive of new development. So, whilst many of the sites identified will not meet the definition of being ‘deliverable’ at this point in time, they are sites that could reasonably be considered ‘developable’. Indeed, completions on larger sites show that these have delivered, on average, around 580 new homes per year across the district (see Table 13, Section 4), with the most recent Annual Monitoring Report (for the year 2018/19) indicating that around 32% of housing completions in that year being on previously developed land. Sites within existing urban areas are thus an important source of supply for new homes, with the District Plan and Design Guide supporting intensification, as appropriate, on sites in built-up areas, protecting the countryside from development. However, it is important to recognise that sites may not come forward for development for whatever reason, and that it would be reasonable to discount the potential to provide a more realistic view on the potential for development on these sites.

## Housing market

Data from Keller Williams UK<sup>27</sup> (Table 16) reveals that Mid-Sussex has the second highest average house prices across East and West Sussex combined, with an average home costing £398,331 in 2021.

In alignment with this, Land Registry data<sup>28</sup> shows that average house prices in Mid-Sussex were £384,008 in January 2021. As shown in **Error! Reference source not found.**, Land Registry data covering the period January 2010 – January 2021 reveals

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<sup>27</sup> Keller Williams UK cited in: <https://www.sussexlive.co.uk/news/property/sussex-house-prices-every-part-5706813>  
<sup>28</sup> <https://landregistry.data.gov.uk/app/ukhpi/browse?from=2010-01-01&location=http%3A%2F%2Flandregistry.data.gov.uk%2Fid%2Fregion%2Fmid-sussex&to=2021-10-01&lang=en>

that house prices in Mid-Sussex have gradually risen by £131,431 over the 11-year period.

The above trends align with commentary provided in the Mid-Sussex CIL and Viability Study (2016)<sup>29</sup>, which states that, due to the economic recession, house prices fell substantially in 2008 and 2009 and then entered a period of recovery between 2009 and 2013. The viability study predicted that house prices would continue to rise in the period 2013-2020, although the actual level of growth (8.4%) was lower than predicted (21%). As noted by Michael Jones & Company, this muted growth was likely due to a range of factors including Brexit uncertainty and fewer first-time buyers entering the market compared to previous years<sup>30</sup>. However, the ongoing increase in house prices indicates that the market is performing ‘well’. Concern over the recent sustained house price increases in Mid-Sussex were raised by the Local Plan Inspector in a letter dated 20 February 2017<sup>31</sup>, who stated that “*there are very clear market signals in terms of a serious and growing affordability problem for those in the lower quartile income bracket*” and that “*based on the latest affordability ratio, Mid-Sussex is the 22<sup>nd</sup> least affordable local authority in England outside London*”.

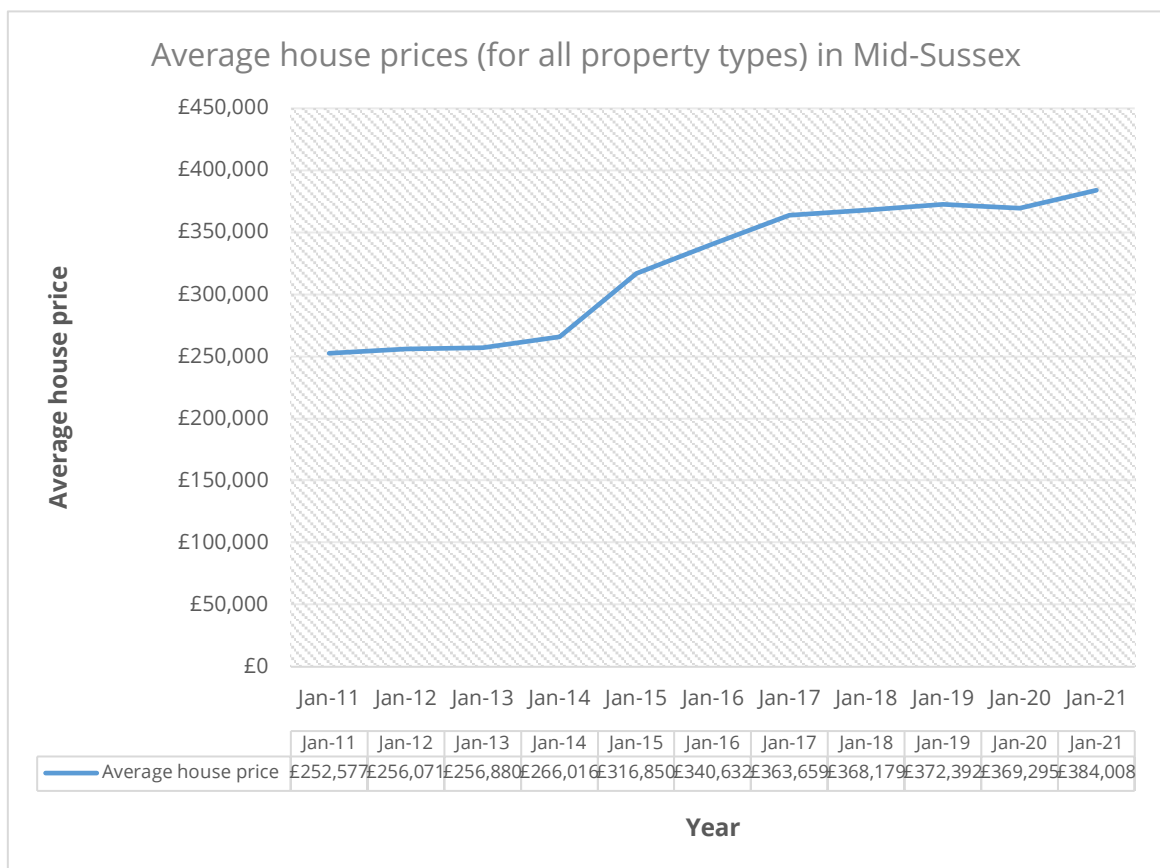


Figure 4: Average house prices (all property types) in Mid Sussex, 2011 – 2021 (source: Land Registry)

<sup>29</sup> <https://www.midsussex.gov.uk/media/5816/iv4-cil-and-district-plan-viability-study.pdf>

<sup>30</sup> <https://michaeljones.co.uk/news/overview-of-the-uk-property-market-over-the-last-30-years/>

<sup>31</sup> <https://www.midsussex.gov.uk/media/2892/id11-inspectors-interim-letter-housing-20-feb-17.pdf>

District	Av. House price May 2020	Av. House price May 2021	Change
Horsham	£364,034	£399,133	£35,099
Mid Sussex	£377,808	£398,331	£20,523
Chichester	£406,761	£395,931	-£10,829
Brighton & Hove	£363,485	£394,956	£31,470
Wealden	£342,921	£370,207	£27,287
Lewes	£317,606	£351,620	£34,014
Adur	£319,512	£333,593	£14,081
Arun	£284,663	£317,889	£33,226
Rother	£289,527	£317,561	£28,034
Worthing	£278,005	£309,450	£31,445
Crawley	£282,157	£284,931	£2,773
Eastbourne	£237,119	£257,396	£20,276
Hastings	£215,600	£248,282	£32,682

Table 16: House price data for East and West Sussex (source: Keller Williams, 2021)

House price data, by property type, for the past year for each settlement within the study area is shown in Table 17. This shows that:

- Whilst some data was not available for category 2 settlements, it is evident that flat prices in category 1 'urban' settlements were marginally higher in comparison to category 2 settlements in 2021.
- Terraced homes were found to average similar prices of approximately £310,000-£385,000 across all settlements in the district.
- Larger homes were found to yield higher prices in more rural areas of the district (category 2 settlements), with semi-detached homes in category 1 settlements ranging from approximately £364,000-£409,000 compared to

£424,000-£571,000 in category 2 settlements, and detached homes in category 1 settlements ranging from approximately £578,000-£640,000 compared to £675,00-£837,000 in category 2 settlements.

- This implies that there is a stronger market for larger semi-detached and detached properties in smaller, more rural settlements within the district.

Settlement	Average house prices in 2021 by property type			
	Flats	Terraced	Semi-detached	Detached
Category 1 settlements				
Burgess Hill	£285,418	£310,097	£364,642	£578,230
East Grinstead	£239,972	£357,570	£408,316	£628,317
Haywards Heath	£240,397	£384,055	£407,789	£639,914
Category 2 settlements				
Crawley Down	£205,000	£336,667	£424,448	£760,132
Copthorne	£256,000	Lack of data	Lack of data	Lack of data
Cuckfield	£236,000	£375,000	£570,940	£819,684
Hassocks	£220,950	£349,537	£476,500	£675,595
Hurstpierpoint	£237,429	£382,222	£471,960	£837,095
Lindfield	Lack of data	Lack of data	Lack of data	Lack of data

Table 17: Average house prices across Mid-Sussex in 2021 by property type (source: Righmove.com)

Based on the above, it is possible to conclude that the housing market in Mid-Sussex is strong, and, as evidenced in **Error! Reference source not found.**, has proven that it is relatively resistant to external shocks (including both Brexit and the Covid-19 pandemic). However, data suggests that there is an affordability issue throughout the district and that this may be exacerbated by the existing undersupply of housing, which, as discussed above, may in part be due to the high proportion of allocated homes which do not currently have permission. The affordability issue is particularly prevalent in smaller settlements (category 2), where, on average, detached homes sold for between £675,000-£837,000 in 2021.



Whilst flat and terraced home prices fluctuated less throughout the district in 2021, data did reveal slightly higher flat prices in category 1 settlements in comparison to category 2 settlements. Overall, these findings highlight the need for more genuinely affordable housing (across all property types) in both category 1 and 2 settlements over the short and medium term.

## Viability analysis

The Mid Sussex CIL and District Plan Viability Study (2016)<sup>32</sup> assessed the viability of development on a range of sites and in different areas across the district. The findings of these and the implications for development are summarised below. To augment this, a review of viability appraisals undertaken in respect of a range of planning applications in the district dating between 2018-2020 has been undertaken. The full analysis of these is presented in Appendix 2 and 3 respectively, with key findings drawn out below.

For the purposes of this Study, case studies from the Mid-Sussex CIL and District Plan Viability Study (2016) were selected based on the following criteria:

- 0-50 residential units proposed.
- Focus on PDL/brownfield sites.
- Situated close to urban centres and/or within suburban areas (a mixture of sites were selected to test a representative sample across the district).

Based upon the above, ten case studies from the Mid Sussex Viability study were identified as relevant to the Urban Capacity Study, providing a representative sample of development sites in Mid-Sussex. Benchmark land value figures applied to the selected case study uses are presented in Table 18. It is important to note that the benchmark figure for PDL is markedly higher than the figure for greenfield and this could therefore impact upon the viability of those sites.

Use	Benchmark £ millions per gross hectare
Greenfield (lower)	£370,000
Greenfield (higher)	£500,000
Commercial/PDL	£2,500,000

Table 18: Benchmark land value figures applied to Mid-Sussex's CIL and District Plan Viability Study's case studies

<sup>32</sup> <https://www.midsussex.gov.uk/media/5816/iv4-cil-and-district-plan-viability-study.pdf>

In summary, the key findings of selected case studies sourced from Mid Sussex's CIL and District Plan Viability Study is as follows:

- In most cases, schemes can accommodate the Council's affordable housing requirement at the Pre-Submission Local Plan target level of 40%, comprised of 20% 'traditional' affordable housing and 20% Starter Homes. It should be noted that the adopted Mid-Sussex District Council Local Plan incorporates a revised figure of 30% on-site affordable for all residential developments providing 11 dwellings or more (and which thus implies that development is more likely to be considered viable).
- Where less than 10 units are proposed, schemes are not required to provide affordable housing. These smaller schemes were generally viable.
- Only one case study (Pine Lodge and Pine Cottage) was found to be unviable. This, as highlighted within the Mid-Sussex CIL and Viability Study (2016), can be attributed to the relatively low residual land value of the scheme in comparison to its baseline land value. Given that the site also comprises previously developed land, demolition and land decontamination and abnormal costs are probable factors pertaining to the relatively low residual land value estimations.
- Whilst the level of affordable housing and Starter Homes is considered to impact upon the net RLV of schemes where 10 or more units are proposed, variations in tenure are not considered to heavily influence the viability of such schemes.

In addition to the above, MSDC has published a Viability Review<sup>33</sup> as supporting evidence to the emerging Site Allocations DPD. This states that although the review *'is not a Viability Assessment in its own right... it looks at the sites in the Site Allocations Document and then considers the deliverability of the sites having regard to the Council's existing viability assessment'*. That is, the review is reflective of the information summarised above, with some allowances made for market changes and costs since that study was prepared. The review found that the majority of sites were considered viable and that *'the Council can be confident that they are deliverable'*. Where sites are not shown to be viable in the review, it is noted that these comprise previously developed land and where build costs are often higher. However, the review is clear in that development of previously developed land is and will continue to come forward in Mid Sussex, stating, at para. 5.14, that:

*'Brownfield development is coming forward in Mid Sussex, as is flatted developments. Further, such development is delivering affordable housing and other policy requirements... Based on the current development environment in Mid Sussex and that it*

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<sup>33</sup> HDH Planning & Development Ltd for MSDC, September 2019, Site Allocations Document – Viability Review

*is an active market in a relatively high value area, we would expect sites of this type to be deliverable'.*

To supplement the above, viability assessments undertaken as part of planning applications for eleven sites in the district between 2018 and 2020 were also reviewed. Key findings from these are that:

- Just four of the eleven case studies were fully viable and were able to accommodate policy compliant levels of affordable housing and S106 contributions. All of these schemes proposed to deliver between 14-48 residential units in either Haywards Heath (2 schemes), Burgess Hill (1 scheme) or Lindfield (1 scheme).
- A further three schemes were viable but were not able to deliver policy compliant levels of affordable housing and/or adequate S106 contributions. Each of these schemes was situated in Haywards Heath and two of the three schemes incurred costs relating to prior demolition and/or abnormal infrastructure costs to ensure the scheme was ultimately deliverable.
- Four schemes were found to be unviable regardless of whether affordable housing and/or S106 costs were factored into the analysis. All unviable schemes were sited on PDL and required some form of prior demolition or change of use. It is also worth noting that three of these schemes currently comprise a mixture of uses, including retail, offices and a nursing home and are located in East Grinstead (2 schemes), Lindfield (1 scheme) and Burgess Hill (1 scheme).
- Despite the challenges identified above, nine of the eleven proposed schemes, nine were granted planning permission, one was withdrawn and another is pending consideration.

In summary, it is clear that, whilst some proposed schemes had associated viability concerns, these were generally overcome and permission granted. This suggests that the issue of viability is appreciated within the district but that it is not a matter which prevents development coming forward. Despite this, the viability appraisals do highlight that such concerns may impact upon the delivery of affordable homes and the level of S106 contributions coming forward, which may in turn be a causal factor in the widening of the affordability gap within Mid-Sussex.

A key difference between the Mid-Sussex CIL and Viability Study (2016) and the planning application viability appraisals was that selected sites within the Study typically proposed to deliver less than 10 units and did not therefore trigger the affordable housing requirement, whereas planning applications assessed within the viability appraisals often proposed to deliver between 10-50 homes. This is likely to justify why all schemes except one were deemed viable in the Mid-Sussex CIL and




Viability Study (2016) and why planning applications assessed included a range of viability outcomes.



The review also suggests that redevelopment schemes on previously developed land are a particular challenge, as, often, associated demolition and conversion costs adversely affect the viability of such schemes. Indeed, some of these redevelopment schemes were unable to accommodate policy compliant levels of affordable housing and appropriate S106 contributions.



# Appendix 2:

## Development case studies

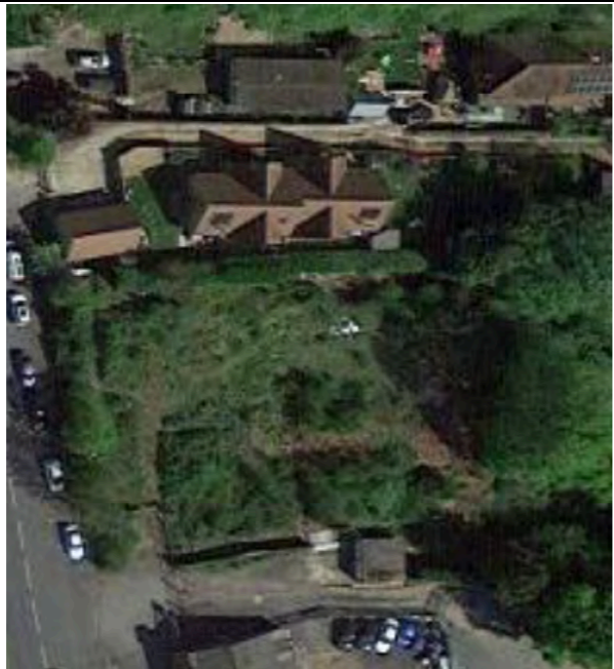
This appendix presents a summary of relevant case studies from the Community Infrastructure Levy and District Plan Viability Study (2016)

Address:	Type of site:	Image:	Number of units:	Gross site area (ha):	Net developable area: (ha)	SCENARIO	Residual Lane Value (RLV)	Baseline Land Value (BLV)	Residual per gross ha	RLV less BLV
6-10 Junction Road, Burgess Hill	PDL – light manufacturing with associated car parking		6	0.1	0.07	20% starter homes, 20% affordable, 75% rented	£1,261,159	£2,500,000	18.02	15.52
						20% starter homes, 10% affordable, 75% rented	£1,261,159	£2,500,000	18.02	15.52
						0% starter homes, 0% affordable, 0% rented	£1,261,159	£2,500,000	18.02	15.52
34 Cyprus Road, Burgess Hill	PDL – light manufacturing		7	0.0?	0.03	20% starter homes, 20% affordable, 75% rented	£1,106,117	£2,500,000	36.87	34.37
						20% starter homes, 10% affordable, 75% rented	£1,106,117	£2,500,000	36.87	34.37
						0% starter homes, 0% affordable, 0% rented	£1,106,117	£2,500,000	36.87	34.37
52 Sussex Road, Haywards Heath	PDL – detached property and car forecourt		9	0.1	0.06	20% starter homes, 20% affordable, 75% rented	£341,471	2.50	5.69	3.19
						20% starter homes, 10% affordable, 75% rented	£341,471	2.50	5.69	3.19
						0% starter homes, 0% affordable, 0% rented	£341,471	2.50	5.69	3.19

Land between 98-104 Maypole Road, Ashurst Wood	Greenfield- vacant land		6	0.2	0.2	20% starter homes, 20% affordable, 75% rented	£1,286,941	0.35	6.93	6.58
						20% starter homes, 10% affordable, 75% rented	£1,524,775	0.35	6.93	6.58
						0% starter homes, 0% affordable, 0% rented	£1,524,775	0.35	6.93	6.58
Maplehurst, 53 Oathall Road	PDL - nursing home with extensive car parking		8	0.3	0.26	20% starter homes, 20% affordable, 75% rented	£1,200,667	2.5	4.62	2.12
						20% starter homes, 10% affordable, 75% rented	£1,200,667	2.5	4.62	2.12
						0% starter homes, 0% affordable, 0% rented	£1,200,667	2.5	4.62	2.12
West Hoathy Garage, Selsfield Road, West Hoathy	PDL - garage/warehouses with extensive car parking in a rural road		12	0.6	0.55	20% starter homes, 20% affordable, 75% rented	£2,268,200	2.50	4.12	1.62

							20% starter homes, 10% affordable, 75% rented	£2,540,654	2.50	4.62	2.12
							0% starter homes, 0% affordable, 0% rented	£2,813,109	2.50	5.11	2.61
Land North of Station House, London Road, Balcombe	PDL - informal car parking area		14	0.2	0.1		20% starter homes, 20% affordable, 75% rented	£824,380	2.50	5.15	2.65
							20% starter homes, 10% affordable, 75% rented	£981,899	2.50	6.14	3.64





						0% starter homes, 0% affordable, 0% rented	£1,139,399	2.50	7.12	4.62
Pine Lodge and Pine Cottage, Bolney	PDL – vacant land		6	1.7	1.65	20% starter homes, 20% affordable, 75% rented	£1,405,422	2.50	0.83	-1.67
						20% starter homes, 10% affordable, 75% rented	£1,405,422	2.50	0.83	-1.67
						0% starter homes, 0% affordable, 0% rented	£1,405,422	2.50	0.83	-1.67
30-32 Station Road, Burgess Hill	PDL – vacant two-storey retail unit		15	0.2	0.15	20% starter homes, 20% affordable, 75% rented	£539,121	2.50	3.59	1.09




						20% starter homes, 10% affordable, 75% rented	£664,864	2.50	4.43	1.93
						0% starter homes, 0% affordable, 0% rented	£790,606	2.50	5.27	2.77
273 London Road, Burgess Hill	PDL – office building		9	0.0	0.05	20% starter homes, 20% affordable, 75% rented	£172,061	2.50	3.82	1.32
						20% starter homes, 10% affordable, 75% rented	£172,061	2.50	3.82	1.32
						0% starter homes, 0% affordable, 0% rented	£172,061	2.50	3.82	1.32


# Appendix 3:

## Development case studies



This appendix presents a summary of relevant case studies from recent planning applications in the district where viability appraisals have been undertaken.

Address and planning reference:	Proposal	Image:	Comments on viability:
2-6 The Broadway, Haywards Heath, RH163AH  ref DM/20/1388	Demolition of existing building and construction of a retail unit (Class A1 to A5 use) and 19 residential apartments, with associated vehicle parking, landscaping and ancillary works, and retention of existing access.		<p>Testing (across 4 scenarios offering different build costs) revealed the following:</p> <ul style="list-style-type: none"> <li>• The viability appraisal DSPv001 shows a deficit of -£74,814 against the BLV of £1,215,000, before any contribution to affordable housing has been made.</li> <li>• 4.1.4 the trial appraisal DSPv002 which applies a lower build cost as suggested by BCIS median rates indicates a surplus of £523,225 against the BLV.</li> <li>• 4.1.5 the trial appraisal DSPv003 which applies a build cost mid-way between the two above positions indicates a surplus of £227,897.</li> <li>• 4.1.6 the trial appraisal DSPv004 which applies a build cost based on the BCIS median rate indicated for 'Flats with shops' indicates a deficit of -£30,515.</li> </ul> <p>Overall, testing indicates that the scheme without any affordable housing contribution is on the margins of viability. It is considered that this may be in part due to the high submitted build costs. As shown above, a mid-way rate between submitted build costs and BCIS median rates would result in a viable scheme. Given that none of these scenarios factor in affordable housing contributions, discounting may be required on similar developments included as part of the Urban Capacity Study.</p>
23-25 Bolnore Road, Haywards Heath  DM/18/1274	The proposal is for the development of 15 Retirement Living units (ref. DM/18/1274) including communal facilities, access, car parking and landscaping.		<ul style="list-style-type: none"> <li>• The all private scheme as proposed for 15 retirement living units with a land value of £2,400,000 shows a residual surplus amount of £175,169 against a benchmark profit of 20%.</li> <li>• On this basis, the view is that the proposed scheme is viable and therefore can support an affordable housing contribution with the amount of £153,105 after finance costs are taken into account.</li> </ul>
30-34 London Road, East Grinstead, RH19 1AG  DM/18/2311	Reconfiguration and part change of use of the ground floor to provide a new residential entrance and refuse store associated with the change of use of the first floor (Class A1 shops) and four storey extension to accommodate 18 apartments (C3 residential), cycle storage and associated plant and amenity space. Removal of archway to Queens Walk and shopfront alterations to existing retail units.	<p><b>NO IMAGE</b></p>	<ul style="list-style-type: none"> <li>• GCL residual value is £1,529,931 which results in a deficit of £780,069.</li> <li>• DVS residual value is £1,892,152 which results in a deficit of £421,288 which includes the planning obligations.</li> <li>• The scheme is considered unviable and cannot make any contribution towards affordable housing or s106 obligations.</li> </ul>

<p>60-64 Church Walk, Burgess Hill, West Sussex, RH15 9AS</p>	<p>A full planning application (planning reference DM/19/4077) which seeks permission for the change of use of first floor and erection of a roof extension to create two additional storeys providing 15 no. apartments.</p>		<ul style="list-style-type: none"> <li>• It can be seen from the results that when reducing the assumed build costs to the BCIS median build rate, the scheme appears to be sufficiently viable to provide a full policy compliant level of AH (i.e. 30%). When increasing the build costs to the BCIS upper quartile level, the 15% AH scheme appears to be viable (i.e. produces a profit level above the noted 17.5% GDV; a suitable target between the applicant's 13.77% outcome and 20% target).</li> <li>• It is considered that the nil AH outcome has not been justified and that the scheme has the potential to support up to the full policy compliant level of affordable housing based on the available information at this stage.</li> </ul>
<p>78 London Road, East Grinstead, RH19 1ER</p>	<p>The planning application is for 11 units of residential accommodation on the upper floors. The proposal includes the demolition of the 1<sup>st</sup> and 2<sup>nd</sup> floor of the building (retaining the ground floor and basement) and construction of new upper floors to provide 11 flats comprising of 6 x 1 bed flats and 5 x 2 bed flats arranged over three new floors.</p>		<ul style="list-style-type: none"> <li>• A benchmark land value of £1 million produces a deficit of around £285,000,</li> <li>• The applicant will not be able to make a policy compliant contribution to affordable housing.</li> <li>• The scheme is likely to make a deficit, such that the developer would make a significant loss if the developer had to purchase the property and would be unlikely to take it forward.</li> </ul>
<p>NCP Car Park Harlands Road Haywards Heath West Sussex RH16 1LU  DM/17/2384/FUL</p>	<p>The clearance of the site and the construction of a building containing 40 residential apartments (17 x 2 bed, 21 x 1 bed and 2 x studios), with associated access, car parking, landscaping and ancillary works.</p>		<ul style="list-style-type: none"> <li>• An earlier scheme appraisal shows a profit of just 1.03% and is unviable against the benchmark profit of either 20% with either affordable housing or s106 contributions. It is considered that no prudent developer would look to take a developer forward in the current market and with this rate of return.</li> <li>• The development will not be able to provide a policy level of affordable housing and it is highly unlikely that the scheme can viably support any affordable housing. However, based on current information, the scheme can adequately provide s106 contributions, however this may be impacted on uncertainty regarding drainage infrastructure costs on-site. In light of the above and given that no affordable housing can be viably delivered on-site, a residual compensatory sum of £8,992 could be made to affordable housing via S106 .</li> </ul>
<p>Buxhalls, Ardingly Road, Lindfield, RH16 2QY</p>	<p>Change of use, adjustment and refurbishment of 19 dwellings for the over 55's to provide 15 dwellings. Change of use, adjustment and refurbishment of Buxshalls House from a 21 bed nursing home to</p>	<p style="text-align: center;"><b>NO IMAGE</b></p>	<ul style="list-style-type: none"> <li>• The proposed scheme, as presented, involves the investment of £12.4 million in refurbishment/development costs, to achieve a residual value of £1.30 million, and a profit of £2.74 million. Therefore a net position of £4.05 million.</li> </ul>

DM/20/0979	provide 11 dwellings. Construction of 9 new dwellings. Associated adjustments to landscaping and car parking		<ul style="list-style-type: none"> <li>As refurbishing the existing development is being used as a benchmark against which the proposed scheme is assessed, some adjustments have increased also the value of the EUV scheme (BLV) and therefore have a negative effect on the viability position balancing against positive adjustments to the proposed scheme RLV. The net effect of the adjustments is an RLV of £629,360 for the proposed scheme, against a RLV for the existing scheme of £3,376,816. A 5% increase in sales values for the proposed scheme was also tested, which resulted in a RLV of £1,106,107 for the proposed scheme. In each test scenario, the RLV of the proposed scheme is far less than the RLV of the existing, indicating that the proposed scheme is not viable.</li> <li>In conclusion, there is some uncertainty around the actual viability position, however the appraisal has tested various assumptions and scenarios, all of which indicate that the proposed scheme does not generate a level of profit that would be considered generally acceptable by market norm standards.</li> </ul>
Linden House, Haywards Heath DM/18/0421	The proposed erection of 14 residential unit apartment block comprising 2 and 3-bed flats, following demolition of the existing vacant former nurses' accommodation. The site is stated to extend to approximately 0.15ha.		<ul style="list-style-type: none"> <li>The development appraisals submitted for review produced the following residual land values: <ul style="list-style-type: none"> <li>RLV of £942,209 @ 0% AH = -£257,791 below the stated BLV of £1.2m;</li> <li>RLV of £753,867 @ 14.30% AH (VBC) = -£446,133 below the stated BLV of £1.2m;</li> <li>RLV of £470,948 @ 30% AH = -£729,052 below the stated BLV of £1.2m.</li> </ul> </li> <li>A further scenario was tested where the following assumptions were made: <ul style="list-style-type: none"> <li>Reduced BLV to £880,000;</li> <li>Increase in sales values to £4,300/sq.m;</li> <li>Add revenue for ground rents at £350 per unit with a 5% yield;</li> <li>Reducing the professional fees to 8% bringing this in line with typical parameters;</li> <li>Add s.106 allowance for each scenario as confirmed by the Council;</li> <li>Reduced profit assumption to 17.5% GDV.</li> <li>Reduced the overall sales period to 3 months;</li> <li>(As a query rather than adjustment at this stage) - potential reduction in demolition costs subject to suggested MSDC seeking of further clarifying information.</li> </ul> </li> <li>The above scenario generated an improved RLV of £1,030,672 which when compared to the assumed BLV of £880,000 provides a surplus of £150,672. On this basis, with the adjusted assumptions, it is considered</li> </ul>

			that the scheme viability has been understated therefore it is sufficiently viable to provide the fully policy compliant level of AH.
<p>Reed Pond Walk, Franklands Village, Haywards Heath, West Sussex</p>	<p>This is in relation to the proposed development of 24 no. 2-bed flats at land at Reeds Pond Walk, Franklands Village, Haywards Heath.</p> <p>The DVR has been submitted in support of a planning application (ref DM/20/4114) which seeks a modification of the Section 106 Agreement entered into on 25th April 2019 pursuant to Planning Application DM/18/4118. In this case the consented development comprised the erection of 24 x 2B/4P flats on land at Reed Pond Walk, Franklands Village and 8 x 2B/4P affordable housing units were to be delivered as part of the approved development. The units vary in size between 70m2 &amp; 85m2 Mid Sussex District Council and the buildings vary in height between 3 and 4 storeys. A section 96a (Non Material Amendment) Application under reference DM/20/2978 was approved on 7th September 2020 which sought to remove 'affordable housing' from the description of the original development on the grounds that there would be no material change to the approved development, since the affordable housing is already secured by alternative means namely that Condition 1 references the approved drawings identifying the approved affordable housing units and that the section 106 agreement secures delivery of the affordable housing units. We understand that an application DM/20/4110 (seeking to substitute amended plans removing references to affordable housing) has however also been submitted alongside DM/20/4114).</p>	<p><b>NO IMAGE</b></p>	<ul style="list-style-type: none"> <li>• Sensitivity testing is based on suggested amendments to the development appraisal and adopts the assumed BLV of £1. The BLV has been assumed to be £1 due to the unstable condition of the site caused by a landslip in 1993. When making the amendments as referred to throughout the appraisal report, the scheme (using a 17.5% GDV profit level) produces a surplus of £715,622 when including the S106 contributions of £215,843 but with nil affordable housing.</li> <li>• When increasing the profit level to 20% GDV, the scheme produces a surplus of £561,511. In both cases a surplus is produced and as such the report cannot agree with the conclusions of the FVR that 'the development does not generate any surplus over the benchmark land value to fund affordable housing on or off-site'.</li> <li>• Assuming 20% developer profit on the market housing and 6% on the affordable housing, it is estimated that the £561,511 surplus equates to approximately 6 no. affordable rented properties and 2 no. shared ownership properties with a surplus of approximately £58,000.</li> </ul>

<p>Former Tavistock &amp; Summerhill School, Summerhill Lane, Lindfield</p> <p>DM/18/0733</p>	<p>The planning application was submitted in full under planning reference DM/18/0733 for the proposed erection of 48 residential dwellings comprising of 6 houses and 42 flats with associated internal access, basement and surface-level car parking, landscaping with other infrastructure. The site is stated to extend to 1.15ha.</p>		<ul style="list-style-type: none"> <li>• The development appraisals submitted for review produced a residual land value of £667,071; £832,929 below the stated benchmark land value. This leads to a profit on cost of 8.6% as submitted by the applicant.</li> <li>• In addition to the above, a further scenario was tested where the following assumptions were factored in: <ul style="list-style-type: none"> <li>○ A reduction to the benchmark land value (allowing for a degree of planning risk);</li> <li>○ increasing the sales values based on the analysis of local new build sold prices;</li> <li>○ correcting the ground rent revenue assumptions;</li> <li>○ reducing the overall finance rate to bring it in line with other similar schemes and;</li> <li>○ reducing the professional fees and sales and marketing fees to bring those in line with typical parameters.</li> </ul> </li> <li>• The above factors resulted in residual surplus of £4,303,361. This is likely to significantly exceed the surplus required to provide a policy compliant level of on-site affordable housing.</li> </ul>
<p>The Martlets Shopping Centre, Civic Way, Burgess Hill, West Sussex, RH15 9NN</p> <p>DM/19/3331</p>	<p>Demolition of multi-storey car park, public library and offices. The conversion of existing buildings and erection of new buildings to provide, additional retail floor space (Classes A1 and A3), residential units (Class C3) with undercroft car parking, a multi-screen cinema (Class D2), bowling alley (Class D2), gymnasium (Class D2), a hotel (Class C1), the reconfiguration and expansion of existing public car park, amendments to the site access, public realm improvements including landscaping, and other associated works (revision of DM/15/3858 and DM/18/1580).'</p>		<ul style="list-style-type: none"> <li>• Former viability analysis of the site generated a deficit of £1.5 million. However, this appraisal notes that there are many unknown factors relating to the AUV.</li> <li>• Uncertainties regarding sales value present an output of an expected GDV profit of 15%, rather than the input/expected 17%. Reducing professional fees from 12% to 8-9% could generate a GDV profit of the desired 17%.</li> <li>• The scheme is unable to support affordable housing.</li> <li>• Overall, it is considered that this scheme verges towards unviable, however, viability can be achieved if development costs and professional fees are reduced and where developer contributions towards affordable housing are nil.</li> </ul>





**MID SUSSEX DISTRICT COUNCIL**  
**Urban Capacity Study**

**Report**  
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