



# H9: Windfall Study Update

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May 2026



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# 1. Introduction

- 1.1 This Windfall Study has been prepared to inform the District Plan Review 2021-2039 and responds to issues raised during the District Plan Examination hearings held in February and March 2026. The Inspector advised that the Council should review past housing delivery trends and assess whether there is robust evidence to justify the inclusion of a windfall allowance within housing supply.
- 1.2 Ahead of the District Plan Examination hearings, the Council provided an updated windfall allowance in MS-TP2: Housing. This update summarised the conclusions of the Urban Capacity Study [H3], which supported the inclusion of a windfall contribution to the housing supply and included in Policy DPH1. This allowance was revised from 1,768 to 1,664 dwellings to reflect the passage of two monitoring years since submission of the District Plan for examination. This is reflected in Table 1 below.

*Table 1: Windfall allowance from MS-TP2: Housing*

<b>Less than 5 Dwellings</b>	79 x 12 years = 948 dwellings
<b>Other sources</b>	25 x 10 years = 250 dwellings
<b>Larger Sites</b>	466 dwellings
<b>Windfall total</b>	<b>1664 dwellings</b>

- 1.3 This paper re-calculates the windfall element of the housing supply, taking into account a realistic assessment of past performance. It assesses whether a windfall allowance continues to represent a reliable source of housing supply and analyses the level of allowance that can reasonably be included.

## 2. Justification for windfall allowance

- 2.1 The National Planning Policy Framework (NPPF) defines windfall sites as “Sites not specifically identified in the development plan”<sup>1</sup>. Paragraph 71 of the NPPF states “Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. 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”<sup>2</sup>.
- 2.2 The Planning Practice Guidance sets out how a windfall assessment can be determined as part of the Housing and Economic Land Availability Assessment. It states “A windfall allowance may be justified in the anticipated supply if a local planning authority has compelling evidence as set out in paragraph 71

<sup>1</sup> NPPF (September 2023), Annex 2: Glossary

<sup>2</sup> NPPF (September 2023), Paragraph 71

of the National Planning Policy Framework. Local planning authorities have the ability to identify broad locations in years 6-15, which could include a windfall allowance”<sup>3</sup>.

### 3. Windfall analysis

- 3.1 To analyse windfall development, a review of the windfall completions data from the last four monitoring years (2021-2025) since the publication of the Mid Sussex Urban Capacity Study (UCS) [H3] was undertaken. This included completions from all sites of all sizes and all locations, with an analysis of those sites that would comply as windfall development in accordance with the Submitted District Plan Policy DPH2: Sustainable Development – Outside the Built-up Area and DPH3: Sustainable Development – Inside the Built-up Area. The analysis is divided between previously developed and greenfield sites, both within and outside the Built-up Area, to reflect the differing policy considerations that apply to each site typology. A comparison was then made with the estimated capacity assumptions made in the UCS in relation to other sources of supply and what has been delivered for these types of housing supply. This includes BT exchanges, petrol stations, garage courts, car parks and prior approvals route for office to residential.
- 3.2 When projecting future windfall supply, it is necessary to consider factors that may have impacted on supply. One such factor is that past windfall figures may be over-inflated, as sites may have been given planning permission during a period where there was no five-year housing land supply, due to the extended examination of the Submitted District Plan. This has been addressed by analysing past completions and removing any from the calculation that were permitted only because there was no five-year housing land supply (column “Number of Units NOT Policy Compliant”).
- 3.3 There is potential for double counting windfall completions on sites with those that are proposed for allocation. The list of sites has been checked to ensure there is no double counting. This includes the sites suitable for further testing (as detailed in Section 4 of Site Selection Update May 2026).
- 3.4 A discount of 20% has been applied to the total completions figure to account for non-delivery of sites and ensure a robust windfall assumption.

#### Analysis of small sites (1-9 units)

Table 1: All sites

Monitoring Year	Completions 1-5 units (net)	Completions 6-9 units (net)	Total 1-9 units (net)	Total 1-9 units (net) within the Built-Up Area Boundary	Number of units NOT policy compliant	Total 1-9 units (net) policy compliant	Total 1-9 units (net) policy compliant with 20% discount
2021-2022	72	13	85	49	19	66	53
2022-2023	83	18	101	56	21	80	64
2023-2024	73	36	109	82	12	97	78

<sup>3</sup> PPG (2019), Paragraph 023 Reference ID: 3-023-20190722

<b>2024-2025</b>	56	64	120	84	16	104	83
<b>TOTAL</b>	<b>284</b>	<b>131</b>	<b>415</b>	<b>271</b>	<b>68</b>	<b>347</b>	<b>278</b>
<b>Per Annum</b>	<b>71</b>	<b>33</b>	<b>104</b>	<b>68</b>	<b>17</b>	<b>87</b>	<b>69</b>

**Table 2: Previously developed sites**

Monitoring Year	PD Completions 1-5 units (net)	PD Completions 6-9 units (net)	Total PD 1-9 units (net)	Total PD 1-9 units (net) with 20% discount
<b>2021-2022</b>	33	8	41	33
<b>2022-2023</b>	38	6	44	35
<b>2023-2024</b>	42	33	75	60
<b>2024-2025</b>	34	50	84	67
<b>TOTAL</b>	<b>147</b>	<b>97</b>	<b>244</b>	<b>195</b>
<b>Per Annum</b>	<b>37</b>	<b>24</b>	<b>61</b>	<b>49</b>

**Analysis of large sites (10 or more units)**

**Table 3: All sites**

Monitoring Year	Completions 10 or more units (net)	Total 10 or more units (net) within the Built-Up Area Boundary	Number of units NOT policy compliant	Total 10 or more units (net) policy compliant	Total 10 or more units (net) policy compliant with 20% discount
<b>2021-2022</b>	602	594	58	544	435
<b>2022-2023</b>	748	766	127	621	497
<b>2023-2024</b>	614	578	66	548	438
<b>2024-2025</b>	262	265	10	252	202
<b>TOTAL</b>	<b>2226</b>	<b>2203</b>	<b>261</b>	<b>1965</b>	<b>1572</b>
<b>Per Annum</b>	<b>557</b>	<b>551</b>	<b>65</b>	<b>491</b>	<b>393</b>

**Table 4: Previously developed sites**

Monitoring Year	PD Completions 10 or more units (net)	Total PD 10 or more units (net) with 20% discount
<b>2021-2022</b>	106	85
<b>2022-2023</b>	314	251
<b>2023-2024</b>	280	224
<b>2024-2025</b>	71	57
<b>TOTAL</b>	<b>771</b>	<b>617</b>
<b>Per Annum</b>	<b>193</b>	<b>154</b>

## 4. Urban Capacity Study comparison

- 4.1 The Council commissioned an Urban Capacity Study (UCS) [H3] to establish the additional potential for accommodating new homes in the district over and above that identified in the SHELAA. The UCS defined a small site as one that has the potential to accommodate fewer than five new homes. To account for the discrepancy of definition in small sites from the UCS to previous Mid Sussex Windfall Study Reports, a reduction of 20 per cent was applied in the UCS to align with the small site definition used within previous Mid Sussex Windfall Study Reports.
- 4.2 Based on monitoring information from 2007-2021, the UCS estimated that approximately 99 homes per year might be delivered on small sites which is then reduced by 20 per cent to provide an estimate of windfall from small sites to 79 homes per year. Table 1 identifies an average of 69 homes per annum has been delivered on completed small sites of 1-9 units from 2021-2025, including a 20 per cent discount, since the publication of the UCS. Although the actual windfall delivery of more recent years is lower than forecasted in the UCS, the figures are within a range that can still be considered an accurate forecast of windfall delivery, particularly when accounting for the external pressures affecting the housing market over the last four monitoring years such as the end of the Covid pandemic and international conflicts.
- 4.3 The UCS also identified additional sources of housing supply, applying conservative estimates of the number of homes that could be delivered. These estimates were based on a mid-point assumption drawing on comparable existing uses within the district. The uses identified include BT exchanges, petrol stations, garage courts and car parks. An estimate of supply was also made for the provision of new homes through prior approvals route for office to residential. An assessment of the potential housing supply from these uses identified in the UCS, from the previous four monitoring years housing completions data used in Section 3, is set out in Table 5 below.

**Table 5: Other sources of supply UCS comparison**

Monitoring Year	BT exchanges	Petrol stations	Garage courts	Car parks	Prior Approval office to residential
UCS estimate of capacity (per year)	<b>60</b>	<b>46</b>	<b>6</b>	<b>86</b>	<b>25</b>
<b>2021/22</b>	1	0	0	6	1
<b>2022/23</b>	0	0	0	2	161
<b>2023/24</b>	0	0	2	2	94
<b>2024/25</b>	0	0	1	0	16
<b>TOTAL</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>10</b>	<b>272</b>

- 4.4 Table 5 shows that delivery from other sources of supply has varied considerably. Office-to-residential prior approvals have made a strong contribution, delivering 272 homes across the monitoring periods since the publication of the UCS and significantly exceeding the annual capacity assumption, demonstrating the effectiveness of this route in supporting housing supply. While delivery from sources such as BT exchanges, petrol stations and car parks has been more limited than anticipated in the UCS, this reflects the inherent challenges and site-specific constraints associated with bringing

these uses forward for redevelopment. Garage courts, although modest in scale, have delivered a small but steady level of supply. Taken together, the table highlights the importance of flexible and responsive supply assumptions, with the evidence confirming that certain sources can make a meaningful contribution to housing delivery.

## 5. Conclusion

- 5.1 Table 1 demonstrates that 69 units are completed on small windfall sites of 1-9 units per annum with those on sites of 1-5 units delivering 71 units per annum. Table 2 identifies that the majority of small windfall sites are completed on previously developed or brownfield sites rather than greenfield. Therefore, there is clear compelling evidence that a windfall allowance can continue to contribute to the housing land supply over the Plan period.
- 5.2 Tables 3 shows that an average of 393 units are completed on sites of 10 or more units per annum, while Table 4 indicates that fewer than half of all completed units are provided on previously developed or brownfield sites. Table 5 identifies other sources of supply, one of which being for prior approvals for office to residential units. These prior approvals from the last four monitoring years are mainly on sites of 10 or more units. Given the fluctuation in prior approvals on large sites in recent years, as well as a very limited supply predicted to come forward based on current commitments in the next 3 years, a precautionary approach will be taken. Accordingly, no windfall allowance will be made for large previously developed sites.
- 5.3 Tables 1 and 3 also demonstrate that the majority of completed units were policy-compliant and permitted in accordance with Policy DP6 of the adopted District Plan. This provides further justification for the continued application of the policy and for maintaining an allowance for windfall delivery as part of the housing supply in the submitted District Plan Review through Policy DPH1.
- 5.4 For the purposes of establishing a windfall allowance for the submitted District Plan, it is considered that it is justified to include an allowance of **69 dwellings per annum** towards windfall and therefore contribute to the overall housing supply. As a cautious approach, it is proposed that no allowance should be made for large sites of 10+ units. It is also proposed that no lump-sum allowance is applied for identified larger windfall sources, such as BT exchanges, petrol stations, garage courts, and car parks, as delivery from these sites has not occurred at the rate assumed within the UCS.