

Horsham Local Plan EIP

Matter 3: Homes to meet the needs of all communities

a. The identified level of affordable housing need

1. No comment

b. Whether the proportion of affordable housing sought from each site is appropriate

2. HBF are concerned that the 45% affordable housing requirement on all non-strategic green field sites has not been fully justified and could render site unviable. At present developers are facing unprecedented increases in build costs that have not been taken into account within the viability. While inflation on build costs (materials, labour, plant) has come down from the 11% experienced toward the end of 2022 it is still higher than the general Consumer Prices Index at 4.4%¹. This will mean that overall build costs are likely to be higher than those set out in the Viability Assessment (H12) which was published in November 2023. In addition to these costs HBF would also consider the BNG costs and cost of delivering part M4(2) and M4(3) of the building regulations per unit to be underestimated.
3. The concern with the BNG costs is that they are based on the DEFRA Impact Assessment form 2019 which uses a lower estimate for offsite biodiversity units than are currently seen across the south. That report assumes an £11,000 cost for offsite delivery²; however current costs start from around £25,000 per biodiversity unit and can increase to £200,000 for the rarest and most difficult to replicate habitats³. The assumption in the Viability Assessment is that 50% of the of any BNG will be delivered offsite, this is reasonable in order to ensure that the developable area remains of a sufficient scale. However, this will also mean that the cost per dwelling will also increase on the basis that biodiversity units will be at least double those assumed in the DEFRA Impact Assessment.
4. With regard to the requirements for M4(2) and M4(3) in policy 40 HBF are concerned that these have

¹ <https://www.bcis.co.uk/insight/construction-inflation-reflecting-reality-with-project-cost-data/>

² P.32 Biodiversity net gain and local nature recovery strategies, Impact Assessment (DEFRA, 2019).

³ Biodiversity UK Pricing Insight Report 2026.

not been fully costed. Firstly, the requirement for all homes to be M4(2) will reduce the number of homes that can be delivered on many sites reducing the gross development value. This does not appear to have been factored into the Council's assumptions. Secondly the cost of delivering M4(3) included in the report £10,300 based on the DCLG housing standards review. However, this is the cost of wheelchair adaptable housing not a wheelchair user dwelling specified by the Council in Policy 40. The EC Harris⁴ report from 2014 which was commissioned to by DCLG for the Housing Standards Review indicates that the cost of building a wheelchair accessible housing is circa £15,500 for apartments and £30,000 for a house – substantially higher than in the Viability Assessment. HBF would also expect these to be index linked to reflect inflation. This would add in the region of 35% to the cost of delivering a wheelchair accessible or adaptable home.

5. Finally, the Council have not made any allowance for the Building Safety Levy which will add £20.79 per m² to the cost of building homes on PDL sites and £41.57 per m² on green field sites.
6. The Viability Assessment does include a sensitivity testing in Table 7-4 indicates that a reduction in GDV and increase in build costs will mean that a 45% affordable housing requirement could become unviable. It is also notable that there is a relatively small buffer in GDV across the green field typologies where a 45% affordable housing requirement is applied means that there is limited scope for costs increase. It is also notable that in the mid value areas Table 7-2 indicates that for two of the typologies tested viability is at best marginal. HBF therefore consider the current affordable housing requirement of 45% on non-strategic green field sites to be unjustified and consideration must be given to reducing the affordable housing requirement or other policy requirements in the local plan.

c. Whether the mix of homes is appropriate

7. No comment.

d. The plan's approach towards self-build and custom housing

8. No comment.

e. The plan's approach towards homes for older people

9. HBF are concerned that Policy 42 requires all retirement housing and specialist care accommodation to comply with policy 39 on affordable housing – despite the evidence in the Viability Assessment indicating that on greenfield sites these could accommodate at best a 30% requirement and that in PDL 10% will shows that viability on these sites is marginal. Given that

⁴ Housing Standards Review Cost Impacts September 2014 (EC Harris for DCLG, 2014)

there is a need for such accommodation and no sites specially allocated to deliver retirement housing or specialist accommodation the plan must not look to discourage such development through overly onerous affordable housing requirements. While site by site negotiation is possible such an approach is not considered to be consistent with paragraph 58 of the NPPF which is clear that decisions makers must be able to assume a development can viably meet all policy costs placed on it. HBF therefore recommend that the affordable housing requirements on retirement housing and specialist accommodation be reduced to 30% for green field sites and removed on PDL sites.

10. HBF would also recommend that the need for older people's housing is set out in the supporting text. This will support positive decision making by providing a clear indication to decision makers as to what is needed. It will also ensure that the council can monitoring delivery against this policy to ensure that it is effective in meeting needs.

f. Accessibility policy

11. As set out above HBF have concerned that this has not been properly costed and that in combination with the other policies in this plan and rising build costs could impact on the viability of development in Horsham.

d. Provision for gypsies, travellers and travelling showpeople

12. No comment.

Mark Behrendt

Regional Planning Manager – SE and E

