

National Assembly for Wales

Communities, Equality and Local Government Committee

CELG(4) HB 22

Inquiry into barriers to home building in Wales

Response from : Wrexham County Borough Council

In relation to the first two points:

Costs: There are additional costs to house builders in Wales compared to over the border in England, the mandatory requirement for the CSH does place an extra pressure on developers, particularly in the current economic climate. Our workshop on affordable housing and CIL viability was clear on this point (figures quoted estimate an additional cost per dwelling to be in the region of £3,600, with the additional cost of sprinklers about £2,000 per unit based on a hypothetical 2 bed semi). However the availability of finance is also a hindering factor. The opportunities available to first time buyers in England, compared to Wales are not the same. Recent evidence we have received from a local, medium sized house builder has provided documentation of the incentives available in Shropshire and Cheshire which do not apply here in Wales (examples quoted are homebuy, firstbuy and 'help to buy', all of which, based on our evidence, are not options available in Wales);

Concerns: again this is based on the comments of a local medium sized house builder in Wrexham which have been used to help inform our CIL / affordable housing viability assessment. Of the initiatives mentioned above, competitor companies sites in Shropshire and Cheshire are able to offer first time buyers 20% interest free loans, 'sites in Wales can not compete against this' and 'if I was a young buyer, I know which country I would buy a house in'. This is worrying for us, particularly as a border county who are under pressure from WG to deliver their housing and population projections (in the region of 10,000 homes over the lifetime of the LDP). We can provide the land to develop on but if there are no mechanisms or incentives for developers to build in Wrexham, there is a possibility (based on the view of the same company previously mentioned) that the sites will not come forward. As planners this puts us in a difficult position, not only in setting clear and flexible policy targets but also in demonstrating that whatever sites we do allocate are actually deliverable over the lifetime of the plan. An additional issue here for us is the removal of the moratorium on house building in Cheshire, I live over the border and on my way in to work I probably go pass at least 6 new development sites that have sprung up over the past few months and it's only a 20 minute drive!

Our evidence indicates that the reasons the volume house builders came over the border in the first instance was in due to house prices (they were able to obtain similar profits as over the border in England) expansion of the market in general and the moratoria in Cheshire and the Wirral. The

opposite is now true and we will need to be careful where we set our policy **target for affordable housing and CIL (if it's viable) in order to ensure that** the WG projections are realised over the lifetime of the plan.

I also attach an extract from our current JHLAS work which gives an indication of the reasons why developers are not bringing sites forward (this is currently out with the study group for comments).

I hope this has been of some help, please get in touch if we can be of any further assistance.

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