

Matter 8 – Housing

Matter 8, Issue 1 – Whether the housing requirement is justified, effective, consistent with national policy and positively prepared?

Q2. Are main modifications needed to the Plan to clarify the latest position with regard to the Crawley Local Plan and unmet housing need in the housing market area?

- 8.1.1 As part of the Crawley Borough Local Plan’s (CBLP) Examination, the Inspectors’ confirmed the Plan period should run from 2023 to 2040, reflecting the evidence at the point of the Plan’s submission in July 2023. This is set out in the Inspectors’ Final Report, paragraphs 95, 98 and 110, pages 27 to 31: [Crawley Borough Local Plan Inspectors’ final report September 2024.pdf](#).
- 8.1.2 As confirmed in Crawley Borough Council’s (CBC) Written Statement to Matter 1, the CBLP was adopted on 16 October 2024: [Crawley Borough Local Plan 2023 to 2040.pdf](#). This establishes Crawley’s housing need, housing target and, subsequently, unmet housing need arising from the borough. These are set out below:

	Crawley Objectively Assessed Need	Crawley Borough Local Plan Supply	Crawley Unmet Needs
Housing Need (dwellings per annum)	755dpa	314dpa	441dpa
Housing Need (2023– 2040)	12,835 dwellings	5,330 dwellings	7,505 dwellings

- 8.1.3 CBLP Strategic Policy H1 confirms that the Local Plan makes provision for the development of a minimum of 5,330 net dwellings in the borough in the period 2023 to 2040. Whilst the annualised average of this over the Plan period is 314 dwellings per annum (dpa), it was acknowledged through the CBLP Examination that this wouldn’t be delivered evenly. On this basis, the minimum housing requirement has been broken down into an annual average requirement on a stepped basis, better reflecting the anticipated delivery levels set out in the CBLP Housing Trajectory, as follows:
- Years 1 to 10 (2023 to 2033): 386dpa
 - Years 11 to 17 (2033 to 2040): 210dpa.
- 8.1.4 After this supply has been deducted from the identified housing need of 12,835 over the period 2023 to 2040, it was accepted that there will be a remaining unmet housing need, of approximately 7,505 dwellings, arising from Crawley over the Plan period. Following the stepped approach established for housing delivery within the borough, it has been confirmed in Strategic Policy H1 that this unmet housing need will arise as follows:
- Years 1 to 10 (2023 to 2033): 369dpa
 - Years 11 to 17 (2033 to 2040): 545dpa.
- It would be beneficial if this updated information was included in the HDLP as a Main Modification, particularly the overall unmet need of 7,505 instead of the 7,050 stated in paragraph 10.8 of the HDLP.
- 8.1.5 Paragraph 30, page 11, of the CBLP Inspectors’ Final Report, September 2024, concluded “*the plan preparation process for Crawley has generated a very significant unmet housing need. At the time of Plan submission there was no clear mechanism or agreement as to how the unmet need could be accommodated. We are satisfied that Crawley has made appropriate efforts to engage with others on the issue. It is evident,*

however, in an area where housing need figures are significantly increasing and the capacity to accommodate growth is subject to various policy and environmental considerations that a resolution to meeting Crawley's unmet needs was not going to be straightforward. The NWSHMA SoCG provides a constructive approach but ultimately the DtC does not extend as far as a duty to agree that some or all of Crawley's unmet housing need must be accommodated".

- 8.1.6 CBLP Strategic Policy H1 commits CBC to continuing “to work closely with its neighbouring authorities, particularly those which form the Northern West Sussex Housing Market Area, in exploring opportunities and resolving infrastructure and environmental constraints in order to meet this need in sustainable locations. This will include continued assessment of potential urban extensions to Crawley”.

Q3. Is there any substantive evidence that the Plan should be accommodating unmet need from neighbours, and if so, would it be sound to do so? In any event, should any unmet needs from other relevant areas be clearly identified in the Plan?

- 8.1.7 Should water neutrality no longer be as much of a constraint on development as it currently is, over the Plan period, and Horsham District Council (HDC) is in a position to meet its own housing need in addition to those from other neighbouring authorities, CBC contends that the approach set out in the agreed North West Sussex Housing Market Area Statement of Common Ground: Housing, Document DC.02, Section 3, paragraph 3.2, in relation to prioritisation of housing to meet the needs of the North West Sussex Housing Market Area is the most appropriate approach.
- 8.1.8 As Crawley's unmet needs over a similar plan period as that being proposed for the HDLP have been established through the adoption of the CBLP, these should be clearly set out in the HDLP.
- 8.1.9 As part of its representation to the HDLP Regulation 18 (Early Engagement) consultation, CBC confirmed that, despite HDC being in a position currently where it is unable to numerically meet any of CBC's emerging unmet housing needs, meeting some of Crawley's other unmet needs, such as affordable housing and education continues to be necessary as part of the HDLP. For example, there continues to be a need for any proposed development “at Crawley” to be designed to minimise impacts on the borough and maximise opportunities for Crawley residents to access the available housing, including in terms of suitability of housing mix and affordability. This is set out in more detail in CBC's Regulation 19 representations to Strategic Policy HA2: Land West of Ifield, in its Written Statement to Matter 9, Q9 and below in response to Matter 8, Issue 3.

Matter 8, Issue 3 – Whether the other housing policies are justified, effective, consistent with national policy and positively prepared?

Q1. Is Strategic Policy 38: Meeting Local Housing Needs sound? Is it consistent with the relevant evidence, particularly the Strategic Housing Market Assessment?

- 8.3.1 Paragraph 12.23vii. of the CBLP confirms CBC would support development where it helps address unmet development needs arising from Crawley, including in relation to housing mix, type, tenure and affordability (including meeting the 40% affordable housing levels and agreements in relation to the nomination rights for those on the Crawley housing register). More detailed response in relation to affordable housing has been set out in the CBC Written Statement to Matter 8, Issue 3, Question 2 below.

8.3.2 The Northern West Sussex Strategic Housing Market Assessment, November 2019, Icen Projects: crawley.gov.uk/sites/default/files/documents/PUB354604.pdf (commissioned jointly by HDC and CBC), Evidence Base Document H01, confirms that “development ‘at Crawley’ should take into account the conclusions of this report regarding the nature of the housing need in Crawley, including the need for different types and sizes of housing” (page 59). On this basis, CBC requested in its formal representation to the Regulation 19 consultation that, should West of Ifield continue to be allocated in the Horsham District Local Plan, a blended housing mix, taking into account Crawley’s need for housing mix types as well as Horsham’s, is used and required by the Policy, rather than the Horsham-only housing mix set out in Strategic Policy 38, Table 9. For information, the blended mix has previously been agreed as:

	Rented affordable housing	Affordable home ownership	Open market housing
1 bedroom home	32%	25%	7%
2 bedroom home	30%	38%	28%
3 bedroom home	28%	27%	40%
4 bedroom home	10%	10%	25%

Q2. Is Strategic Policy 39: Affordable Housing sound?

a) Is it consistent with the relevant evidence, particularly the Strategic Housing Market Assessment?

- 8.3.3 As set out in its formal representations to the HDLP Regulation 19 consultation, CBC strongly supports the requirement in Strategic Policy 39 and Strategic Policy HA2 for a minimum of 40% of the homes to be affordable housing should West of Ifield continue to be allocated in the HDLP.
- 8.3.4 As confirmed in paragraph 3.12 of Document DC.04: Crawley Borough Council and Horsham District Council Statement of Common Ground, July 2024, HDC and CBC agreed to consider and maximise opportunities to address affordable housing needs and appropriate housing mix as evidenced through the joint Strategic Housing Market Assessment (SHMA), 2019, Evidence Base Document H01, and any subsequent updates, subject to viability, particularly, but not restricted to, where development may take place adjacent to Crawley.
- 8.3.5 The SHMA highlights the implications of housing need for the Northern West Housing Market Area, confirming that *“It seems likely that Crawley will not be able to meet its local housing need in full within its administrative boundaries. Discussions regarding how and where any unmet need is accommodated within neighbouring authorities will need to take place through the Duty to Cooperate. Development ‘at Crawley’ should take into account the conclusions of this report regarding the nature of the housing need in Crawley, including the need for different types and sizes of housing”* (page 59).
- 8.3.6 The CBLP, paragraph 12.23vii confirms that housing development through urban extensions on or close to Crawley’s administrative borough boundaries will be supported by CBC where it can be shown that... *“vii. The development helps address unmet development needs arising from Crawley, including in relation to housing mix, type, tenure and affordability (including meeting the 40% affordable housing levels and agreements in relation to the nomination rights for those on the Crawley housing register)...”*.

- 8.3.7 In considering the soundness of the CBLP, the Inspectors concluded in their Final Report, paragraph 185 “we consider the evidence of an acute unmet affordable housing need supports the case that any strategic housing growth at the edge of Crawley should seek to positively respond to this issue if growth ‘At Crawley’ is to be genuinely sustainable for the town and its immediate hinterland”.
- 8.3.8 Crawley’s affordable housing need is substantial, with a total need of 739 dwellings per annum identified in the SHMA. Of this total, 563 (76%) dwellings were needed as rented affordable homes, and 176 (24%) dwellings were needed to be provided for affordable home ownership (see Document H01: SHMA Table 67, page 156). In order to meet Crawley’s affordable housing need in full using the standard method as a total housing requirement, 98% of all housing development in Crawley would need to be provided as affordable tenures.
- 8.3.9 The CBLP Policy H5 requires 40% of housing developments outside of the town centre to be affordable. Of these, 75% should be in the form of Affordable/Social Rent (i.e. 30% of the total dwellings) and 25% in the form of Intermediate Tenures and or Affordable Home Ownership tenure (i.e. 10% of the total dwellings). The table below shows the breakdown of Crawley’s affordable housing needs, provision and unmet needs, on the basis of the borough-wide 40% affordable housing requirement set out in the CBLP.

	Full Need (2023 – 2040)	Provision in Crawley Borough Local Plan (2023 – 2040)	Unmet Needs (2023 – 2040)
Overall Housing Need	Standard Method: 12,835 dwellings (755dpa)	5,330 dwellings (314dpa)	7,505 dwellings (441dpa)
Affordable Housing Need (CBLP: 40%)	SHMA 12,563 dwellings (739dpa)	2,132 dwellings (126dpa)	10,431 dwellings (613dpa)
Affordable Rental Housing Needs (CBLP: 30%)	SHMA: 9,571 dwellings (563dpa)	1,598 dwellings (94dpa)	7,973 dwellings (469dpa)
Affordable Intermediate Housing Needs (CBLP: 10%)	SHMA: 2,992 dwellings (176 dpa)	544 dwellings (32dpa)	2,448 dwellings (144dpa)

- 8.3.10 This table highlights that, assuming 40% affordable housing is secured from all new housing developments within the borough, it would only be possible to meet 17% of the total affordable housing need (126dpa compared to the need of 739dpa identified in the SHMA).
- 8.3.11 An independent Viability Assessment was undertaken to support the CBLP preparation. This was carried out to advise on whole-plan viability, affordable housing viability and Community Infrastructure Levy. The results from this directly fed into the considerations for the CBLP policies on affordable housing. This Assessment concluded that for greenfield sites and borough-wide mixed housing developments across the borough, 40% affordable housing is achievable alongside the other policy requirements of the Local Plan and Community Infrastructure Levy contributions.
- 8.3.12 However, it highlighted serious concerns with the viability of higher density residential schemes within the Town Centre, due to the higher existing land values and the higher costs associated with construction of high-rise developments. To reflect the issues identified by the Viability Study, for residential development within the Town Centre,

25% affordable housing is required by CBLP Policy H5. As the viability of Town Centre development means only 25% affordable housing can be secured from these developments, which form a significant proportion of Crawley’s housing allocations, this will substantially reduce the amount of affordable housing able to be secured from market-led housing developments. Without counting windfalls, the level of affordable housing which could be secured based on the CBLP policy would be 1,732 dwellings. This represents 15% of the total affordable housing need (108dpa compared to the need of 739dpa identified in the SHMA).

8.3.13 Conversely, the Viability Study undertaken for the CBLP tested the 1000+ mixed dwelling greenfield “at Crawley” development scenario, employing the 40% affordable housing level alongside CIL: [Appendix IIIa - Residential Results v10 - With Summaries.pdf \(crawley.gov.uk\)](#) . The typology summary extract is shown below, with conclusions (as set out in paragraphs 3.7.31-3.7.35 of the [Local Plan and Community Infrastructure Levy Viability Assessment](#)) also quoted below:



**Crawley Borough Council - Appendix IIIa - Local Plan & CIL Viability Assessment
 - Residential Results -
 Table 3p - 1000 Mixed - Borough Wide - 40% AH**

Development Scenario	1000
Typical Site Type	Mixed
Net Land Area (ha)	25.00
Gross Land Area (ha)	60.00
Site Density (dph)	40
CIL (Indexed Rate)	£123.25
AH Tenure Split	75% AR/SR 25% Intermediate

40% AH 1000 Mixed Value Levels £/m ²	Residual Land Value (£)	Residual Land Value (£/Ha)
VL1 £3,250	£10,610,023	£176,834
VL2 £3,500	£20,449,169	£340,819
VL3 £3,750	£30,288,314	£504,805
VL4 £4,000	£40,127,460	£668,791
VL5 £4,250	£49,717,017	£828,617
VL6 £4,500	£58,468,585	£974,476
VL7 £4,750	£67,050,101	£1,117,502
VL8 £5,000	£75,625,411	£1,260,424
VL9 £5,500	£92,778,020	£1,546,300

Key:

	RLV beneath Viability Test 1 (RLV <£250,000/ha)
	Viability Test 1 (RLV £250,000 to £500,000/ha)
	Viability Test 2 (RLV £500,000 to £850,000/ha)
	Viability Test 3 (RLV £850,000 to £1,500,000/ha)
	Viability Test 4 (RLV £1,500,000 to £2,000,000/ha)
	Viability Test 5 (RLV £2,000,000 to £2,500,000/ha)
	Viability Test 6 (RLV >£2,500,000/ha)

EUV+ £/ha	Notes
£250,000	Greenfield Enhancement
£500,000	Greenfield Enhancement (Upper)
£850,000	Low-grade former industrial/commercial land values
£1,500,000	Key PDL land values
£2,000,000	- Industrial Upper / Commercial CBD
£2,500,000	Upper PDL benchmark/Residential land values

Source: Dixon Searle Partnership (2020)

8.2.14 Dixon Searle found that ‘Based on the current assumptions, with 40% AH included to the required 75 rented/25 intermediate tenure mix, the results indicated RLVs that

support at least £250,000/Ha (i.e. approximately 10x EUV agricultural land) and potentially significantly more land or other development cost’ (paragraph 3.7.32).

- 8.2.15 Dixon Searle noted that such a development might be CIL-exempted so as to be able to support additional on-site infrastructure. In the absence of such arrangements: *‘a proposal of this nature is considered capable of supporting infrastructure costs. The results indicate that costs at least equivalent to the current CIL charging level and most likely at a significantly higher overall level should be viable. Viewed in this way, based on this review neither the new Plan policy proposals or adopted CIL are considered to be prejudicial to the viability prospects for such development’ (paragraph 3.7.45).*
- 8.2.16 An updated assessment of the 1000+ typology was undertaken as part of the [Viability Assessment update December 2022](#), which factored in amended policy costs related to Water Neutrality, First Homes and Electric Vehicle Charging points. Dixon Searle found that:
‘...the updated testing supports the proposed Crawley LPR [Local Plan Review] policy positions, again tested cumulatively (collectively) and now including a further assumption relating to water neutrality as a key driver for this update, along with the other updated assumptions...’ (paragraph 3.4.3).
- 8.2.17 In comparing this evidence to the November 2023 Horsham [Local Plan Viability Assessment](#) (Examination Reference H12), CBC would note the following:
- Comparison of the £/square metre value assumptions in the Crawley Assessment (e.g. as set out in the typology model above) with £/square foot values Table 5-2 on page 42 of the Horsham Assessment suggests that these are similar (with the values in the Horsham document in fact a little higher).
 - Greenfield Benchmark Land Values in the Crawley document (£250,000-£500,000 per hectare) give a greater allowance to land purchase costs than those in the Horsham study (Table 6-14 on page 66) (£300,000-£350,000 per gross acre, or £120,000-£140,000 per hectare). It should be noted that Homes England own most of the land to the west of Ifield, due to the historic, original New Town designation.
 - Table 7-1 on page 70 of the Horsham document gives residential typology results for Greenfield sites (albeit non-strategic in size) indicating viability with a 45% affordable housing requirement.
 - The discussion of West of Ifield on pages 106 to 110 is difficult to assess owing to redactions, but indicates clear viability.
- 8.2.18 The substantial unmet affordable housing need in Crawley, and these viability findings support the requirement in Strategic Policy 39 and Strategic Policy HA2 for a minimum of 40% of the homes at West of Ifield to be affordable housing.