

Ceredigion County Council

Urban Capacity & Urban Extension Study

Final Report – Volume 1

22 October 2008

Entec UK Limited

Report for

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Final Report – Volume 1

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3	Final Report	22.10.08

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Appendix C	Development Trends on Small Sites
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1. Study Context

1.1 Purpose and Objectives

There are two fundamental objectives to the study:

- Gain an accurate understanding of the urban site capacity (that is the quantity of vacant and underused land and buildings) within the boundaries of the six largest settlements of Aberystwyth, Cardigan, Lampeter, Aberaeron, Llandysul and Tregaron;
- Gain an accurate understanding of the realistic development potential of these sites. This is an assessment of the type and quantity of development that could realistically be accommodated on identified sites given extant and emerging planning policy, environmental constraints, regeneration opportunities, density and parking provision, development costs, etc; and
- Assess the development potential of greenfield sites located adjacent to the three largest towns of Aberystwyth, Cardigan and Lampeter.

The results of the study will form key evidence for the Council's new Local Development Plan (LDP) which will set out the planning policy framework and development requirements up to 2022.

This is a technical report so a glossary of terms is provided at **Part A** of the accompanying **Technical Appendix**.

1.2 Policy Requirements of Planning Policy Wales (PPW)

The major influence upon the conduct of the study is *Planning Policy Wales (PPW) 2002* augmented Technical Advice Notes (Wales) (TANs). Whilst several have implications on the assessment of sites (transport, coastal planning flood risk etc), the most relevant to this study's methodology are *TAN 1 Joint Housing Land Availability Studies (2006)*, *TAN 2 Planning and Affordable Housing and (2006)* and *TAN 4 Retailing and Town Centres (1996)*.

PPW requires that local planning authorities meet the following issues in identifying land for development:

- Promote resource efficient development prioritising previously developed land, minimising land take and urban sprawl;
- Locate development to minimise the need for travel;
- Contribute to the protection and enhancement of the environment. This clear entails a number of aspects such as the landscape, natural, cultural and physical environments;

- Promote access to employment, shopping education, health, community, leisure and sport facilities;

All of these factors imply a need to assess the site opportunities presented in those locations with the greatest concentration of population, services, facilities and infrastructure. This confirms the focus upon the study towns.

In the meantime, all applications for development will continue to be determined in accordance with policies and principles contained within the draft Unitary Development Plan Proposed Modifications (UDP). The appearance of a site within the study does not imply Council support for development or that permission will be granted for identified uses. Further assessment is needed to establish whether the sites can/should come forward/be included in the LDP. Inclusion of sites in the LDP is also dependant on the Preferred Strategy adopted by the Local Authority. Sites may also be suitable for other uses (such as open space) under policies to be formulated within the new LDP.

1.3 Structure of this Report

The structure of this report is as follows:

- Section 2 addresses the sources of guidance for the conduct of the study;
- Section 3 addresses the methodology used;
- Section 4 sets out the overall site capacity of the County;
- Section 5 sets out the approach to discounting undertaken to establish site potential;
- Section 6 sets out the approach used to assess the economic viability of sites;
- Section 7 summarises the implications of the study for the Council's spatial strategy.

2. Sources of Guidance for the Conduct of the Study

2.1 Available Guidance

Whilst the County needs to evaluate the development capacity of its towns, there is no Welsh guidance available to direct how this should be met. The study needs, as far as possible, to draw upon experience and best practice elsewhere to meet the recommendations of the Inspector and the requirements of PPW.

Guidance for employment land is provided by the 2004 ODPM (now DCLG) publication ‘*Employment Land Reviews*’ (hereafter referred to as the ODPM Guidance). This aspect of work has been commissioned separately and is outside the scope of this study.

For commercial and retail development there is, within Welsh as well as English policy sources, an emphasis upon the health of towns and centres which, with the retail policy areas of the UDP defines those areas that should be safeguarded from the encroachment of other land uses.

Housing however is more complex and footloose reflecting the market’s range of niches and sub-markets. The following sources of guidance are available to English authorities:

- The DCLG practice guidance “*Strategic Housing Land Availability Assessments*” (hereafter referred to as the DCLG Guidance). Issued in July 2007 as a companion guide to PPS3 Housing it builds upon the previously guidance “*Tapping the Potential*” that informed such studies for the previous five years;
- There are a number of best practice guides available usually prepared at a regional/sub-regional level. The North West Regional Assembly’s publication “*Exploring Urban Potential for Housing*” (hereafter referred to as the NWRA Guide) adapts the approach of Tapping the Potential to a local context and considers additional sources of potential supply

Despite being drawn from an English context, the 2007 DCLG guidance highlights a number of changes to reflect the requirements of the 2004 Planning Act (which does apply to Wales) and are in conformity with PPW. The most significant are:

- The provision of a robust information base ensuring that the Council has an up-to-date assessment of its current potential land supply so augmenting its latest evidence base;
- Assessments should be ‘comprehensive’ addressing defined settlements at an appropriate level of detail;
- Consultation between local authorities with developers and other stakeholders to establish a more transparent assessment of spatial policy options;
- An emphasis upon brownfield sites especially where these are within sustainable locations;

- The identification of constraints (physical and environmental) on sites and considering how they might be overcome during the plan period.

2.2 The Acceptability of English Guidance

The weight afforded to English housing guidance is clearly an issue. Nevertheless, the provision of robust evidence on the deliverability of sites is clearly vital in order to establish a reliable and objective baseline relevant to an assessment of the potential of any site. Evidence on a range of physical conditions and sustainability criteria will enable the Council to make informed decisions upon the potential use of each site regardless of the 'direction of travel' of Welsh national policy. This evidence is common irrespective of the considered land-use.

The thrust of this guidance as incorporated within this study supports the Council's objective to ascertain the realistic development potential of brownfield sites within existing urban areas in advance of establishing the need, and assessing the options, for greenfield urban extensions consistent with the sequential approach of PPW. These options for extension will then be assessed through the provisions of the SEA Directive.

In summary therefore, the study methodology is robust and justified. It meets the concerns of the Inspector to the UDP and has been subject to consultation with a wide range of development stakeholders.

3. Methodology

3.1 Consultation of the Methodology Statement / Establishing the Process with Partners

A key element is to engage with stakeholders to consult on the scope and methodology. To this end Entec UK, on behalf of Ceredigion County Council produced a report that set out its approach and invited comments from a range of relevant bodies/stakeholders. These included local agents, community groups, house-builders, commercial developers and other interested public and private sector groups. In agreement with the Council, the bodies in receipt of the scoping report are detailed in Table 3.1 below:

Table 3.1 Recipient of Scoping Report

Recipients of Scoping Report

<ul style="list-style-type: none"> The Welsh Assembly Government 	<ul style="list-style-type: none"> Neighbouring Local Authorities (Powys, Carmarthenshire, Gwynedd, Pembrokeshire and the Pembrokeshire Coast National Parks) 	<ul style="list-style-type: none"> Other interested parties (e.g. Friends of the Earth, Campaign of the Protection of Rural Wales)
<ul style="list-style-type: none"> Countryside Commission for Wales 	<ul style="list-style-type: none"> Developers / house-builders/ HBF 	<ul style="list-style-type: none"> Estate and Land Agents
<ul style="list-style-type: none"> Registered Social Landlords (Tai Cantref / Mid Wales Housing Association) 	<ul style="list-style-type: none"> Ceredigion Community Strategy C2020 	<ul style="list-style-type: none"> Antur Teifi
<ul style="list-style-type: none"> Environmental Agency 	<ul style="list-style-type: none"> Chamber of Trade 	<ul style="list-style-type: none"> Greener Aberystwyth

The comments received were generally supportive of the proposed conduct of the study. Following the consultation exercise, these comments were incorporated within the finalised scoping report. This scoping report, including a matrix of comments made, is at **Part B** of the **Technical Appendix**.

Other internal consultees for Ceredigion County Council were the following departments and sections:

Transportation

Estates

Housing

Planning Policy

3.2 Study Parameters

3.2.1 Study Time Horizon

The study has a base date of 1 April 2008 and addresses sites assessed as having development potential over the lifetime of the new development plan; that is over the period up to 2022.

3.2.2 Site Size Threshold

Informed by an analysis of trends for employment / commercial, retail and housing development over the past decade, a site size threshold has been selected as 0.02 hectares which is significantly more sensitive than those routinely used in similar studies elsewhere. It is chosen for the following reasons:

- To ensure that the Council has a robust evidence based upon identified sites that avoids an over-reliance on unidentified windfalls;
- To reflect local circumstances. A significant number of completions / consents take place on sites of less than 0.1 hectare. Whilst this might be expected for retail development, this has been a consistent feature of development in Aberystwyth;
- Whilst very sensitive it is large enough to exclude extremely small sites that would be difficult to survey, be likely to provide minimal yield and form an unreliable and unpredictable supply.

Analyses of trends for retail, commercial and housing development against which the threshold is justified are at **Part C** of the **Technical Appendix**.

3.2.3 A Sequential Approach to Site Appraisal

In response to the comments to the Inspector to the UDP, the primary focus is the six largest towns of Aberystwyth, Cardigan, Lampeter, Aberaeron, Llandysul and Tregaron which, as the centres of greatest population and services, are the most sustainable locations to accommodate new development. These boundaries are defined as those considered by the Inspector and denoted in the UDP.

The study adopts a 'comprehensive' approach that conforms to the following sequential test:

- Stage 1 – Previously developed sites within settlement boundaries;
- Stage 2 – Greenfield sites within settlement boundaries;
- Stage 3 – Greenfield extensions to the three most populous towns of Aberystwyth, Cardigan and Lampeter.

3.3 Addressing the Urban Area (Stages 1 and 2)

3.3.1 Areas Excluded within the Towns

In addressing the first two stages of the sequence, the study seeks to identify all sources within the defined boundaries. As well as previously developed sites, greenfield sites are included to

identify additional poorly-used land that could support existing services or regeneration initiatives.

Whilst these sites must be seen in the context of PPWs and the UDPs strong presumption to protect urban open space, it is considered appropriate to consider such sites where they are:

- Assessed as being surplus to requirement;
- Clearly derelict, unused or substantially under used;
- Their retention would ‘*inter alia*’ be outweighed by the benefits of development (e.g. regeneration).

Table 3.2 sets out a comprehensive schedule of these and other areas that are excluded from the study:

Table 3.2 Areas to be Excluded from the Study within Settlement Boundaries

Categorisation of Site/Area	Basis in Planning Policy	Justification
Biodiversity Conservation	Chapter 6 of PPW Policies ENV07 to ENV12 of UDP	Adopted policy has strong presumption against development that affects biodiversity conservation. Such areas are excluded from the study.
Areas of Flood Risk	Chapter 13 of PPW TAN 15 Policies U04 and U06 of UDP	Adopted policy has strong presumption against development that presents unacceptable risk of flooding to either itself or other land uses. The re-use of land within areas of risk <u>may</u> however be acceptable with appropriate site assessment. This study considers all areas where they fall with A, B and C1 (defended) floodplain as defined by the Environment Agency (Wales). Where sites fall <u>within</u> C2 (undefended) floodplain, suitability for vulnerable land uses, such as housing, can only be accepted where overriding considerations such as regeneration objectives in accordance with para 6.2 of TAN 15 apply and where supported by flood risk assessment.
Prosperous Employment Areas	Chapter 7 of PPW	Ceredigion possesses a number of long established employment areas that are defined by policy and therefore retained for indigenous and inward business growth. There are policies within the UDP to resist the loss of employment land to residential use unless the employment use is obsolete or the land and premises likely to fall into substantial disrepair. This study considers opportunities only where vacant (or potentially vacant) sites where they are adjacent to housing or other compatible uses (e.g. leisure, open space). These judgements are informed by the findings or a separate employment land demand study commissioned by CCC from DTZ.
Town Centres	Chapter 10 of PPW Policies S01 to S04 of UDP	UDP policies give strong protection to existing retail. Outside of these areas change of use to non retail uses is permissible and therefore these sites will be included in the study. Whilst change of groundfloor use within principal shopping areas of Aberystwyth, Cardigan and Lampeter are excluded from this study, the study does however consider upper floors for office and ‘living over the shop’ opportunities.

Table 3.2 (continued) Areas to be Excluded from the Study within Settlement Boundaries

Categorisation of Site/Area	Basis in Planning Policy	Justification
Green spaces	Chapter 11 of PPW Policies TRC18 and TRC22 of UDP	Green and public open space enjoy broad policy protection and are only considered suitable for housing where their retention would inter alia be outweighed by the benefits of development (e.g. regeneration). Greenspace is <u>excluded</u> from the study where: <ul style="list-style-type: none"> • It is wooded or substantially canopied by mature trees; • There is evidence that they are well used; • It forms part of an overall design concept to the estate in which they fall. 20th century estates can contain many green spaces (usually of about 0.5 hectares) where development would detrimentally impact upon this design concept. <p>In terms of green spaces which are demonstrably well used and of a good quality. It is a matter for CCC to consider their potential against a concern to meet the NPFA standard of 6 acres per 1,000 population.</p>
Sports pitches, playing fields and allotments	Chapter 11 of PPW Policies TRC18, TRC20, TRC21, TRC23 of UDP	Sports pitches and playing fields enjoy broad policy protection; overall provision and quality would be considered to a sports pitch study to be undertaken by the Council. The study excludes pitches that are well used and of good quality although it is a matter for CCC to balance development need against the NPFA standard of 6 acres per 1,000 population.
Churches and other public buildings	Chapters 2 and 5 of PPW	Excluded where well maintained or in good condition. Churches/chapels/meeting houses of all denominations are excluded except where they are subject to pre-application discussions or where there are other indications that the site may be available (un-used or derelict).
Estate Portfolios	Chapter 2 of PPW	There are a number of property portfolio holders within the County (e.g. University, NHS, CCC and utilities). The possibility for such landowners to divest of assets as part of estate rationalisations is acknowledged. Site options are only considered where it is known that the landowners are considering disposal.

3.3.2 Sources of Site Data

The study has drawn upon the sixteen sources included within the NWRA Guide and considers all identified vacant and underused sites whether they are greenfield or brownfield. These sources have been reviewed and expanded to ensure that they are sensitive enough to local circumstances. These sources of supply are summarised in Table 3.3 and sites have been identified from a number of sources of data:

- Sites promoted through the Council's UDP preparation process up to 2006;
- The Council's Joint Housing Land Availability Study (2003). Under TAN 1, the County produces an annual assessment of its housing land supply. This includes outstanding uncompleted units where sites are either under construction, subject to planning permission or form allocations within the UDP. These sites are stratified according to the timescale under which their contribution is expected to be made;
- Interrogation of the Council's geographical information systems (GIS);

- Consultations and meetings with officers working within the Council’s planning, economic development and housing department;
- Site visits to confirm suggested, and to identify other sites with potential.

An important sensitivity is to ensure that there is no overlap or double counting in the methodology that will inflate the identified capacity. The use of GIS mapping provides defined and separate boundaries. Where overlap occurs between consented sites and those identified through primary survey the boundaries of the latter are ‘pulled back’ to ensure distinct site areas so that the housing potential of these overlapping areas is not counted twice.

3.3.3 Treatment of the Sources of Supply

Table 3.3 sets out the sources of potential and the methods utilised by the study to assess each of the identified sources of supply.

Table 3.3 Site Categorisation Based Upon Current Use

	Type of Site / Land Supply > 0.02 ha	Method of Identification / Evaluation
Stage 1 Brownfield / Previously developed	A. Subdivision of Existing Buildings / Houses	Establish with CCC through past trend data
	B. Conversions / Flats over Shops	Establish with CCC through past trend data
	C. Empty Housing Stock	Establish by discussions with CCC Housing Dept
	D. Previously developed vacant and derelict land and buildings (non housing)	Site specific review and site visits correct as at 1 April 2008
	E. Intensification of land use within residential areas (use of incidental open spaces, garage courts etc)	Review CCC strategies / plans in respect of regeneration proposals / managed stock
	F. Redevelopment of existing housing (if redeveloped for housing, this can have both a gross and net impact)	Review CCC strategies / plans in respect of regeneration proposals / clearances
	G. Redevelopment of car parks	Site specific review and site visits correct as at 1 April 2008
	H. Conversion of existing commercial buildings	Site specific review and site visits correct as at 1 April 2008
	I. Land and Buildings Currently in Use (Employment / Leisure / Retail)	Site specific review and site visits correct as at 1 April 2008
	J. Review of unimplemented previously developed allocations in UDP	Site specific review and site visits correct as at 1 April 2008

Table 3.3 (continued) Site Categorisation Based Upon Current Use

	Type of Site / Land Supply > 0.02 ha	Method of Identification / Evaluation
Stage 2		
Greenfield	K. Review of unimplemented greenfield allocations in UDP	Site specific review and site visits correct as at 1 April 2008
	L. Vacant land - not previously developed	Site specific review and site visits correct as at 1 April 2008
	M. Under used and potentially surplus allotments	Site specific review and site visits correct as at 1 April 2008
	N. Under used and potentially surplus open spaces	Site specific review and site visits correct as at 1 April 2008
	O. Under used and potentially surplus sports pitches	Site specific review and site visits correct as at 1 April 2008
	P. Under used and potentially surplus school playing fields	Site specific review and site visits correct as at 1 April 2008
	Q. Agricultural pasture land	Site specific review and site visits correct as at 1 April 2008
	R. Agricultural arable land	Site specific review and site visits correct as at 1 April 2008

More detailed descriptions of each of the sources of supply are set out in **Part D** of the **Technical Appendix**.

3.4 Addressing Urban Extensions (Stage 3)

Study Parameters

From the outset, it was not known whether the urban land resources identified under Stages 1 and 2 would be sufficient to serve the potential development options to be tested through the preparation of the LDP. Consequently, options for the extension of urban areas are also considered. As a consequence of the findings of the urban study for Aberaeron, Llandysul and Tregaron and the concern of PPW to focus upon sustainable locations, this element of the study is restricted to the three most populous towns of Aberystwyth, Cardigan and Lampeter.

As even these towns are not large, extensions to them are likely to be relatively minor. The study therefore addresses potential extensions that fall within 250m of the settlement boundaries. This distance is selected due to:

- Reasons of sustainability. As small extensions are unlikely (on their own) to warrant the need for new community facilities, it is important that new residents are located within a reasonable distance of existing services within the towns;
- The location of sites previously promoted through the UDP. None of these sites extended beyond 250m from the settlement concerned.

Identifying Potential Sites / Areas

The approach of the study to urban extensions adopts a sequential approach to site suitability as follows:

- Those areas that are ‘in principle’ unsuitable for development. For instance, those areas affected by severe flood risk and nationally protected sites such as SSSIs;
- Other areas that are constrained by issues that do not necessarily preclude development but nevertheless will need to be taken into account. Such issues may be special landscape areas of the setting of listed buildings;
- Other apparently unconstrained areas which are therefore indicated as being most suitable.

As well as those relevant considerations set out in Table 3.2, other areas that receive particular consideration in this element of the study are at Table 3.4:

Table 3.4 Areas of Sensitivity within the Study Area

Categorisation of Site/Area	Basis in Planning Policy	Justification
Special Landscape Areas	Section 5.3 of PPW Policy ENV01 of UDP	Adopted policy only supports the use of such areas for agriculture and essential utility development. The need for development would need to be demonstrated through a lack of unconstrained sites elsewhere.
Coastal Enhancement Area	Section 5.6 of PPW Policy ENV03 of UDP	There is a general presumption against development within the coastal zone. Adopted policy supports the use of such areas for development that requires a coastal location – this is unlikely to cover the land uses covered by this study.
Aerodrome and Technical Safeguarding Zone	Section 8.5 of PPW	Operational flight surfaces which should not be breached by the development of tall buildings. This is unlikely to be the case although over-flying of residential areas may be a sensitive issue for future residents

3.5 Site Assessment

Assessment Criteria

All sites are subject to desk and on-site evaluation against a range of topic based criteria. These are set out in full in **Part E** of the **Technical Appendix**.

A series of common criteria concerning: current use, availability and cessation of current land use, physical, amenity and market activity, sustainability and access to services, environmental constraint, policy and social factors are applied to all sites.

There are then additional criteria covering access, landscape and visual impact applied only to the potential urban extensions to Aberystwyth, Cardigan and Lampeter.

Scoring of Criteria

Against each, sites are assigned a ‘qualitative assessment level’ on a five point scale according to its performance against the descriptions indicated in Table 3.5 below:

Table 3.5 Qualitative Assessment Levels

Qualitative Level	Assessment description (suitability for use type at the site)
1	Strongly negative
2	Negative
3	Neutral
4	Positive
5	Strongly positive

For example proximity to town centre and availability of parking will be important to retail uses, whereas access to highways and distance from sensitive use may be more important to industrial developments. These assessments allow for site comparisons and provides a way to illustrate transparency in the decision making process.

4. Urban Land Resources

4.1 Definition

Table 4.1 provides a statement of the total previously developed and greenfield urban land resource available within the six towns; this equates to the results of Stages 1 and 2 and includes the potential urban extensions addressed under Stage 3.

4.2 Status of Findings

Whilst it is clearly important that the County Council has an indication of the land available to meet its main aims (and this is expressed in the Table in terms of housing capacity) it is merely a statement of land resources.

Each site possesses both constraints and opportunities that need to inform a realistic assessment of the potential of each. Until done, it is stressed that all figures in Table 4.1 should be viewed as extreme maxima.

Table 4.1 Statement of All Sites Assessed within and beyond defined Town Boundaries

Town	Three Larger Towns		Sites (Nos / Ha)		Three Larger Towns	Sites (Nos / Ha)		All Sites (Nos / Ha)	
	Urban	Extensions							
<u>Aberystwyth</u>	54	8	62	97.28	<u>Aberaeron</u>	12	7.39		
<u>Cardigan</u>	27	8	35	76.36	<u>Llandysul</u>	12	24.00		
<u>Lampeter</u>	24	5	29	37.59	<u>Tregaron</u>	18	20.96		
TOTALS	105	21	126	211.23	GRAND TOTAL	42	52.34	168	263.58

A schedule of the sites evaluated is at **Part F** of the **Technical Appendix**. This is split by town with those sites subsequently discounted (under Section 5 below) itemised separately.

5. Towards Developability & Deliverability

5.1 Purpose of this Section

This section considers whether sites are genuinely capable of development and therefore whether they offer any prospect of contributing to the housing and other needs of the County, and if so, over what period.

As stated in the DCLG and ODPM guidance, any assessment of constraints is inherently judgemental but uncertainty can also be assessed with robust data and the input of developers in assessing the market conditions that are likely to encourage development. To evaluate a sites capacity and potential, it needs to be placed within the context of their ‘developability’ and ‘deliverability’ defined as:

- Their availability for development;
- Their suitability for development;
- Their viability for development.

It is clearly important that this judgement is informed by as many views and sources as possible. This section will consider:

- The baseline information (derived through desk and site work) available to inform these judgements;
- The influence of flood risk in determining an appropriate site use;
- The future proofing of the study in order to predict developable areas and future development costs;
- The assessment of appropriate development form and density.

5.2 Baseline Desk and Site Study

5.2.1 Site Availability

This is assessed through the following:

- Site promoted through the preparation of the draft UDP to 2006 is taken to indicate that the site is likely to be available for development;
- Sites suggested through responses of consultees to the Study Scoping Report in May 2008;
- Where on site discussions with the stated landowners suggested availability;

- Availability implied by a site being denoted within the Council's recent regeneration frameworks and studies;
- Availability indicated by submission to the Candidate Sites consultation of the LDP

Where assessed favourably, this is recorded in the site database.

5.2.2 Site Suitability

Assessment of the suitability of sites for development rests upon consideration of accessibility to services/ other synergies offered by other land-uses and physical and environmental constraints:

Accessibility Criteria

- Proximity to a range of day to day services such as '*inter alia*' shops and local / town centres, schooling, public transport, employment and healthcare. The range and quality of this accessibility is recorded within the site database.

Constraint Criteria

- Defined environmental assets natural or cultural heritage value (including Sites of Special Scientific Interest, Scheduled Ancient Monuments, Listed Buildings, Conservation Areas etc;
- Environmental Management and Physical Constraints such as floodplains, ground instability, contamination and health and safety consultation zones etc; and

Based upon a combination of GIS, desk study, site visits and consultations, it is possible to draw broad conclusions only to the following extent:

- Certain areas can be said to be unsuitable as sources of potential due to their intrinsic value;
- Other sites where the impact of constraints is less clear cut. Development may be possible within, say, floodplains subject to further assessments or a scheme that acknowledges or mitigates these issues.

In each case, these constraints inform consideration of suitability for development and recorded in the site database.

5.2.3 Site Viability

Data has been collected in order to inform assessment of local the market factors and hence site viability. This informs a residual valuation appraisal (and approach recognised by the DCLG Guidance) of the development economics of a sample of sites. This method is robust and has been tested in public but must always also be grounded on local market circumstances. Hence the study is informed by the following:

- An assessment of sub-markets in the County, analysing its structure in terms of stock, demand and supply potential for its constituent postcode areas;

- A series of structured interviews with developers, agents, land-owners and registered social landlords to obtain views on the strengths and weaknesses of each source of potential and the likely impact of interventions in certain areas. It is important to identify those interventions that will raise prices, whether individual developments may be able to generate their own 'market' or whether prices will still be benchmarked against the surrounding second hand homes and premises.

This market analysis is at **Part G** of the **Technical Appendix**.

5.2.4 Consultations

Informed by the above, the next stage is to undertake a detailed site by site appraisal of all the sites that make up the total land resource detailed in Section 4.

The purpose is to identify not only the likely deliverability of sites (from the perspectives of availability, suitability and viability) but to identify any other local issues that will either influence the nature and the timing of the site contribution. The key issues, along with the process undergone to make these assessments are at Table 5.1 below:

Table 5.1 Approach to Site Consultations

Key Issue	Method of Assessment
Is the site acceptable for development? And if so, is it suitable for development now?	GIS and Desk Study Site Visits Confirmation with CCC Officers
If not, could it be acceptable in the future?	Views of Stakeholders and CCC Officers
What is the current/previous use of the site?	GIS and Desk Study Site Visits Confirmation with CCC Officers
Are there any other known characteristics that would influence the form of built development?	GIS and Desk Study Site Visits Views of Stakeholders Agreement of development densities and development templates with CCC Officers
What are the reasons for lack of potential now? Over what timescale, could the potential of the site be delivered? Can this be stratified into five-year bandings? (0-5 years, 5 to 10 years, 10 to 15 years)	GIS and Desk Study – Regeneration Plans Site Visits Confirmation with CCC Officers

5.3 Discounting Against Flood Risk

Particular importance is placed on flood risk as a potential constraint to the principle and nature of development. Fluvial flood risk affects all six towns with areas of marine flood risk in the

Aberaeron, Cardigan and Aberystwyth. Guidance within TAN 15 *Development and Flood Risk, 2004* sets out a precautionary framework to guide development with the aims of:

- Direct new development away from those areas which are at high risk of flooding;
- Where development has to be considered in high risk areas, it needs to be justified on the basis of the tests outlined in the guidance.

This study assesses sites against the following framework in Table 5.2 drawn from TAN15.

Table 5.2 Treatment of Sites against Provisions of TAN15

Floodplain Categorisation	Acceptable Land Uses	Unacceptable Land Uses	Note / Justification
A & B	All Land Uses	None.	N / A
C1 (Defended Floodplain)	Employment Offices Leisure Retail Housing*	Housing *	* Sites located within areas of C1 floodplain will be <u>retained</u> as having potential subject to later justification provided by a flood risk assessment as part of any future planning application
C2 (Undefended Floodplain inside Regeneration Zone)	Employment Offices Leisure Retail Housing*	Housing *	* Brownfield sites <u>retained</u> as having development potential including housing where <i>inter alia</i> the priority attached to regeneration of this area could override the policy of TAN15; Greenfield sites are <u>discounted</u> as having housing potential as development would not regenerate previously developed land.
C2 (Undefended Floodplain outside Regeneration Zone)	Employment Offices Leisure Retail	Housing	Sites located within areas of C2 floodplain are <u>discounted</u> from consideration as potential housing land

5.4 The Impact of BREEAM and the Code for Sustainable Homes (Future Proofing)

The focus upon sustainable development has, and continues to be, an important area of activity for both legislation and policy makers the impact of which has been to progressively increase development costs which implies reduced viability of schemes and reduced ability to achieve affordable housing and other developer obligations. These measures impact upon viability in the following ways:

- By reducing the net developable area (NDA) and hence the gross development value (GDV) of a site by, say, requiring open space;
- By requiring more sustainable standards of construction and technologies that increase build costs.

The WAG has already consulted on a policy aimed at achieving a staged implementation of a BREEAM “excellent” standard for all new development by 2011. In addition, the publication of the Renewable Energy Routemap Consultation Document in early 2008 commits to higher

standards of Buildings Regulations in respect to energy efficiency and renewable energy following the devolution of Buildings Regulations in Wales to the Welsh Assembly. Other issues are also being propounded that will influence the way future development is delivered that would affect NDAs, add build costs and *inter alia* impinge upon viability.

5.4.1 Assessing the Impact upon the Net Developable Area

In assessing site capacity, any assessment of NDA must take account of the following:

- Public open space, play and sports facilities based upon the need created by the development or a shortfall in provision in the wider area;
- Private open space associated with new housing;
- Infrastructure such as distributor roads and drainage attenuation through sustainable urban drainage systems (SUDS).

The land required to meet these needs will depend upon detailed site specific conditions at the appropriate time but it is important to acknowledge that sites are unlikely to be developed in their entirety so that any stated capacity of the towns is realistic. A phased approach to the assessment of developable area is assumed that:

- Reflects the importance to protect the GDV of schemes on small sites where viability can depend upon maximizing the NDA as well as minimizing costs and risk;
- Reflects the ability of existing infrastructure to accept the additional demands created by smaller sites (especially where these are brownfield);
- The ability of larger schemes to both require and accommodate enhanced infrastructure requirements;
- Reflects the inherently more costly nature of the development of brownfield, as opposed to greenfield land.

Table 5.3 assumes that the following proportions of sites will be developable taking these factors into account:

Table 5.3 Net Developable Areas by Brownfield / Greenfield Status

Brownfield Sites		Greenfield Sites	
Site Size	% NDA	Site Size	% NDA
< 0.5 ha	100%	< 0.5 ha	100%
0.51 – 1.00 ha	95%	0.51 – 1.00 ha	90%
> 1.00 ha	85%	> 1.00 ha	80%

5.4.2 Assessing Impact upon Build Costs

The impact upon costs of changed construction techniques, materials and technologies in respect of all development is generally uncertain and can vary geographically.

In respect of housing, the most recent and authoritative advice comes from the policy document “A cost review of the Code for Sustainable Homes” produced jointly English Partnerships and the Housing Corporation in February 2007. Although expressed as (sometimes wide) ranges and technology dependent, the broad costs against each of the Codes levels are as follow in Table 5.4:

Table 5.4 Build Costs* Associated with Achievement of the Code for Sustainable Homes

Level	BREEAM Equiv.	Energy Costs	Water Costs	Notes
1	Pass	Few	Few	
2	Good	£1k - £1.8k	Few	
3	Very Good	£1.8k - £4.4k	Few	Costs dependent upon technology and low/high rise nature
4	Excellent	£5k - £16k*	Few	Consultative WAG Target for all new private development by 2011. *Lower figure relates to wind turbines – the higher relates to photovoltaics
5		£14k - £30k**	£0.6 - £2.5**	Costs depend upon form of development. **Higher energy costs relate to houses and low level apartments
6		£14k - £30k***	£0.6 - £2.5	***Energy costs to reach Level 5 likely to be sufficient to achieve Level 6

* Calculated at a 2006 cost base. Hence, it does not take into account likely reduced costs over time.

The Welsh Assembly target of achieving BREEAM “Excellent” standard by 2011 is currently the subject of consultation with the private sector. This standard already applies to their own developments and those undertaken by Registered Social Landlords. Given that this need already applies to the public sector, it is assumed that this target will apply to all sites costs associated with the achievement of BREEAM ‘Excellent’ are factored into all the economic viability analyses (in Section 6 below) of those sites capable of being developed within five years. Given the wide cost range associated with this BREEAM level (£5,000 to £16,000 per unit) and the uncertainty of the future trend in costs, a current average of £10,000 per unit is applied to these analyses. Should enhanced performance against the ‘Code’ be considered desirable or likely (due to its timing) then costs will need to be kept under review to ensure that the implications of enhanced performance against BREEAM is likely to be achievable or will rely upon a greater margin between selling prices and build costs.

Should the BREEAM target be confirmed by WAG then this will clearly have implications for developer ability to meet other planning requirements such as affordable housing or other potential s106 contributions.

5.5 Summary of the Site Discounting Process

Any comprehensive approach to assessing urban capacity considers sites that can be revealed through subsequent consideration to be unsuitable for development or inappropriate for certain land uses.

Taking into account the above process and assumptions applied at each stage, the identified land resource in Table 4.1 has been reduced to 185.60 hectares the reasons for which are summarised in Table 5.5.

Table 5.5 Summary of Discounting Process (Hectares)

	Ha.	Remaining Ha.	Implications
Undiscounted Area	263.58		
1. Discounted through Officer Consultations	-38.04	225.54	Suitable for assessment for residential / employment / commercial/ leisure / retail
2. Assumed reduced NDA due to impact of BREEAM	-39.94	185.60	Discounted area (39.94 ha.) assumed required for greenspace, SUDS, wildlife areas etc.
3. Conflict with areas of moderate or significant flood risk	-10.05	175.55	Discounted area (10.05 ha.) only suitable for employment / commercial/ leisure / retail

The sites discounted through this process, are set out at the end of the schedule in **Part F** of the **Technical Appendix**.

5.6 Assessing the Capacity of Sites

The capacity of any site depends upon the physical level to which it is developed in terms of both extent and density. This section summarises the evidence in **Part H** of the **Technical Appendix** upon which capacity assumptions applied to of each site for a particular uses are based. The assumptions so derived are summarised in **Tables 5.6 and 5.7**.

Table 5.6 Employment, Retail and Commercial – Derivation of Floor-space Yield per Hectare

Land Use (Use Class)	Plot Ratio ¹	Av. No. of Storeys	Gross to Net Building Ratio ²	Floor-space (m ²)
Employment (B2, B8) ³	40%	1		4,000
Office, Commercial (B1) ³	40%	2		8,000
Retail (Town Centre) ⁴	85%	2	90%	15,300
Retail (Edge of / Out of Town Centre) ⁴	50%	1.4	90%	6,300

¹ Equates to development net of car parks, landscaping etc. Assumed to include allowance to meet future proofing requirements

² Equates to retail floorspace net of ancillary staff areas

³ Source: Employment Land Reviews – Guidance Note, ODPM, 2004

⁴ Kettering Retail Sites Study, Roger Tym and Partners, February 2007

Table 5.7 Residential – Town Specific Density Assumptions

	Town Centre	Urban	Suburban
Aberystwyth	80	60	40
Cardigan*	35	35	35
Lampeter*	40	40	40
Aberaeron*	35	35	35
Tregaron*	25	25	25
Llandysul*	35	35	35

* No distinction between densities sought in Town Centre, Urban and Sub-urban locations.

To assist in the understanding and transparency of residential density assumptions a series of development templates have been applied to a selection of sites to be subject to economic viability evaluation in Section 6. These templates are also reproduced at **Part H** of the **Technical Appendix**.

Note that the plot ratios applied to derive employment floorspace are consistent with those used by the contemporaneous Employment Land Review undertaken by DTZ.

5.7 Assessing a Small Site ‘Windfall’ Allowance

An assessment of the likely contribution of small windfall sites is at **Part C** of the **Technical Appendix**. Despite Ceredigion, and most particularly Aberystwyth, having historically delivered a significant amount of development on sites of less than 0.02 hectares, this study does not include an allowance for such ongoing supply due to:

- In principle, such projections are unpredictable and do not form a reliable basis for the guaranteed supply that a development plan should provide;

- A steady and downward trend in housing completions and consents on such sites over the past decade. Projected yield is unlikely to be sufficient to offer any scope to reduce the amount of allocated land;
- Similarly the average annual land take of retail and commercial schemes on small sites (although in some numbers) is very low.

In summary, a site size threshold of 0.02 hectares is considered to provide a very comprehensive and inclusive assessment of development capacity and will provide a more than adequate evidence base to the new development plan.

5.8 Summary of Assessed Capacity

This process has confirmed the realistic land resources available to Ceredigion and a robust estimation of the capacity of these sites to accommodate employment, commercial, housing and retail development upon them. These sites are located on the plans for each town at **Figures 5.1 to 5.7**.

5.8.1 Within Settlement Boundaries

Table 5.8 sets out a summary of sites together with an assessment of their capacity for alternative land uses according to the approach above. This relates to those sites located within settlement boundaries.

Table 5.8 Identified Development Capacity within Towns by Site Status by Use Class

Town	Land Identified		Indicative Development Capacity			
	Gross Ha.	Net Ha.*	Housing (Dwellings)	Employment Floor-space (m ²)	Commercial / Office Floor-space (m ²)	Retail Floor-space (m ²)
<u>Aberystwyth</u>						
Brownfield	25.97	21.93	975	80283	167030	54881
Greenfield	18.49	15.8	631	514	11874	
TOTAL	44.46	37.73	1606	80797	178904	54881
<u>Cardigan</u>						
Brownfield	5.41	4.67	23	13494	40993	383
Greenfield	54.17	43.62	778	88991	177981	
TOTAL	59.58	48.29	801	102485	218974	383

Table 5.8 (continued) Identified Development Capacity within Towns by Site Status by Use Class

Town	Land Identified		Indicative Development Capacity			
	Gross Ha.	Net Ha.*	Housing (Dwellings)	Employment Floor-space (m ²)	Commercial / Office Floor-space (m ²)	Retail Floor-space (m ²)
<u>Lampeter</u>						
Brownfield	4.91	4.68	72	10531	8785	10271
Greenfield	5.69	4.78	191			
TOTAL	10.6	9.46	263	10531	8785	10271
<u>Sub Total – 3 Largest Towns</u>						
Brownfield	36.29	31.28	1070	104308	216808	65535
Greenfield	78.35	64.2	1600	89505	189855	0
TOTAL	114.64	95.48	2670	193813	406663	65535

Net developable area taking account of implications of future proofing

It should be noted that the capacities reflected above relate to development alternatives rather than the total sum of development. Implicit in this is that the Council has a choice in deciding the most suitable use for each particular site.

Table 5.9 Identified Development Capacity within Towns by Site Status by Use Class

Town	Land Identified		Indicative Development Capacity			
	Gross Ha.	Net Ha.*	Housing (Dwellings)	Employment Floor-space (m ²)	Commercial / Office Floor-space (m ²)	Retail Floor-space (m ²)
<u>Aberaeron</u>						
Brownfield	1.22	1.18	37	545		
Greenfield	2.95	2.51	88			
TOTAL	4.17	3.69	125	545	0	0
<u>Llandysul</u>						
Brownfield	0.11	0.11	4		757	724
Greenfield	13.88	11.21	390			
TOTAL	13.99	11.32	394	0	757	724

Table 5.9 (continued) Identified Development Capacity within Towns by Site Status by Use Class

Town	Land Identified		Indicative Development Capacity			
	Gross Ha.	Net Ha.*	Housing (Dwellings)	Employment Floor-space (m ²)	Commercial / Office Floor-space (m ²)	Retail Floor-space (m ²)
<u>Tregaron</u>						
Brownfield	7.87	6.94	136	25577	10588	546
Greenfield	9.47	7.79	30			
TOTAL	17.34	14.73	166	25577	10588	546
<u>Sub Total – 3 Smaller Towns</u>						
Brownfield	9.20	8.23	177	26122	11345	1270
Greenfield	26.30	21.51	508	0	0	0
TOTAL	35.50	29.74	685	26122	11345	1270
<u>ALL TOWNS</u>						
Brownfield	45.49	39.51	1247	130430	228153	66805
Greenfield	104.65	85.71	2108	89505	189855	0
TOTAL	150.14	125.22	3355	219935	418008	66805

*Net developable area taking account of implications of future proofing

5.8.2 Extensions to Settlement Boundaries

Table 5.9 sets out a summary of sites assessed as potential urban extensions together with an assessment of their capacity for alternative land uses according to the approach above.

Table 5.10 Identified Capacity within Assessed Extensions to the Three Largest Towns

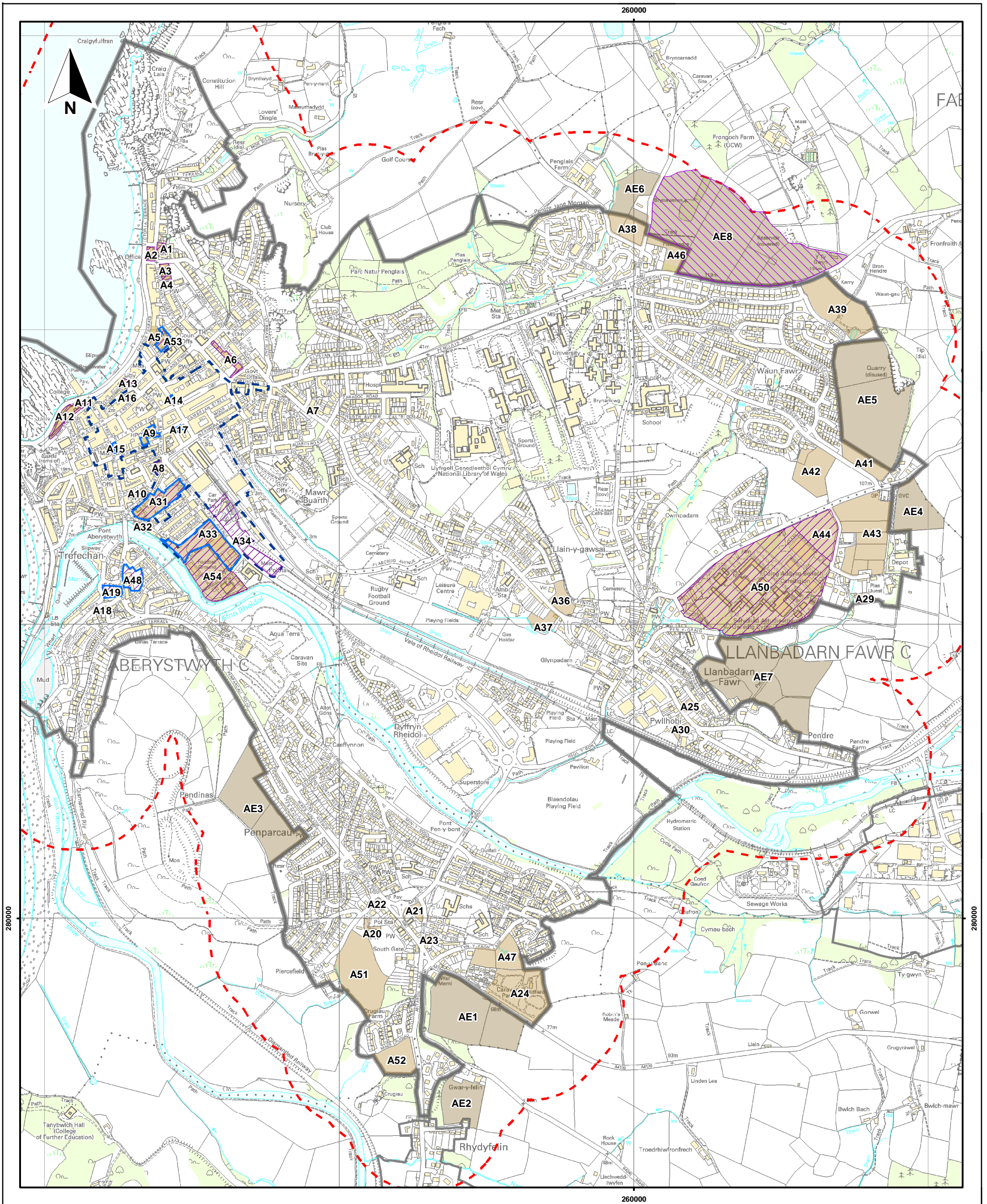
Town	Land Identified		Indicative Development Capacity			
	Gross Ha.	Net Ha.*	Housing (Dwellings)	Employment Floor-space (m ²)	Commercial / Office Floor-space (m ²)	Retail Floor-space (m ²)
<u>Aberystwyth</u>	45.82	36.66	1466		113360	
<u>Cardigan</u>	10.19	8.15	155	18933	59697	
<u>Lampeter</u>	19.35	15.57	557	7195	7440	
TOTAL	75.36	60.38	2178	26129	180497	

* Net developable area taking account of implications of future proofing

5.9 Towards an Analysis of Economic Viability

Having established the potential of the County's land resources, the next step is to place this within the context of the current housing market and trends operating to establish whether:

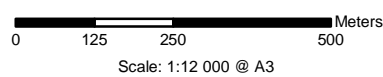
- All potential is economically viable;
- If not, whether the Council is able to expect particular sites to contribute to its development requirement at some point over the plan period.



- Key:**
- Settlement boundary
 - 250 m settlement buffer
 - Town centre boundary
 - Aberystwyth potential residential site
 - Aberystwyth potential employment site
 - Aberystwyth potential retail site
 - Aberystwyth potential residential extension
 - Aberystwyth potential employment extension

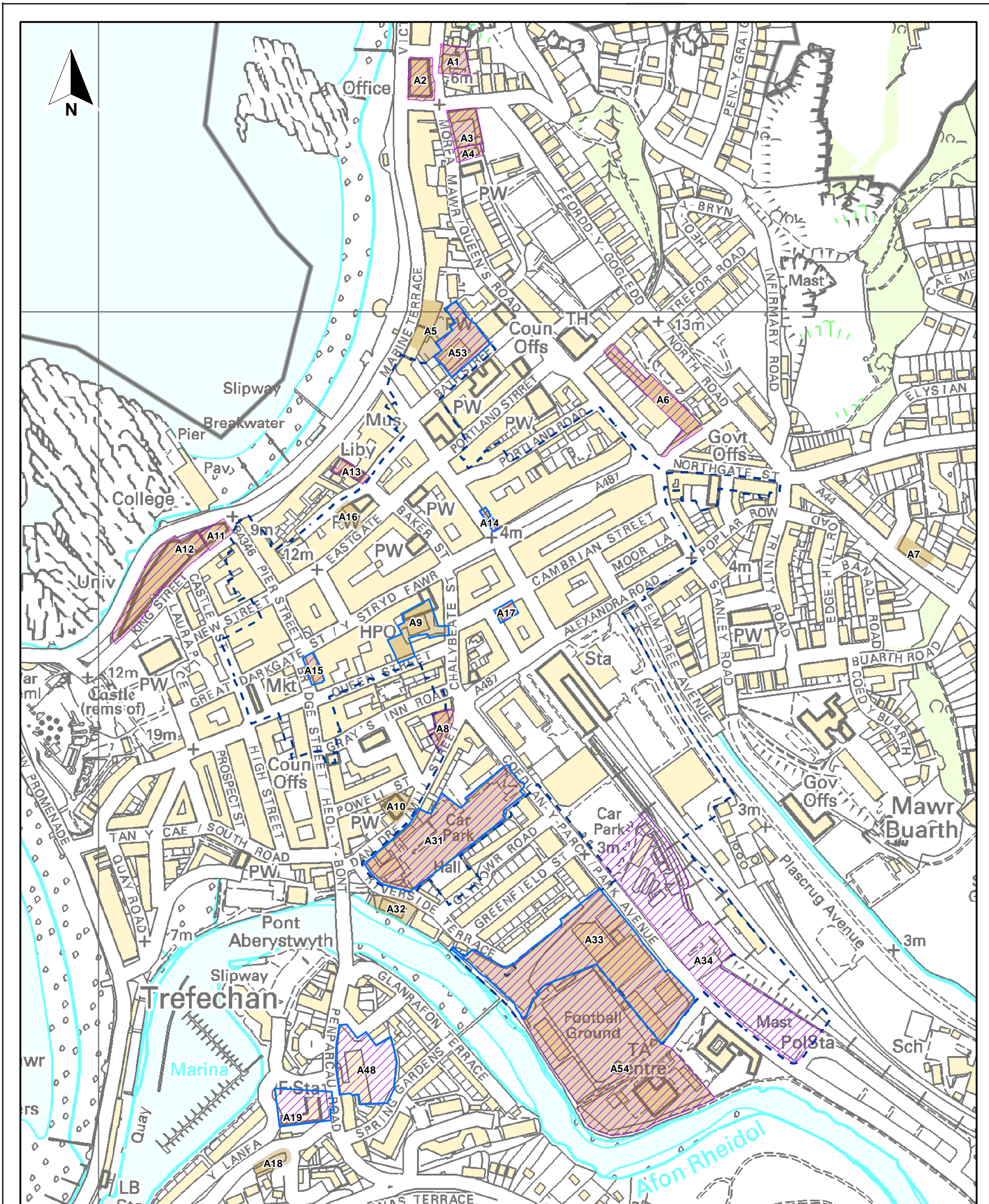
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Figure 5.1
**Aberystwyth Potential Sites and
Extensions**



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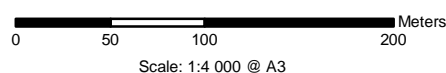


Key:

- | | | | | | |
|--|-------------------------|--|--|--|---|
| | Settlement boundary | | Aberystwyth potential residential site | | Aberystwyth potential residential extension |
| | 250 m settlement buffer | | Aberystwyth potential employment site | | Aberystwyth potential employment extension |
| | Town centre boundary | | Aberystwyth potential retail site | | |

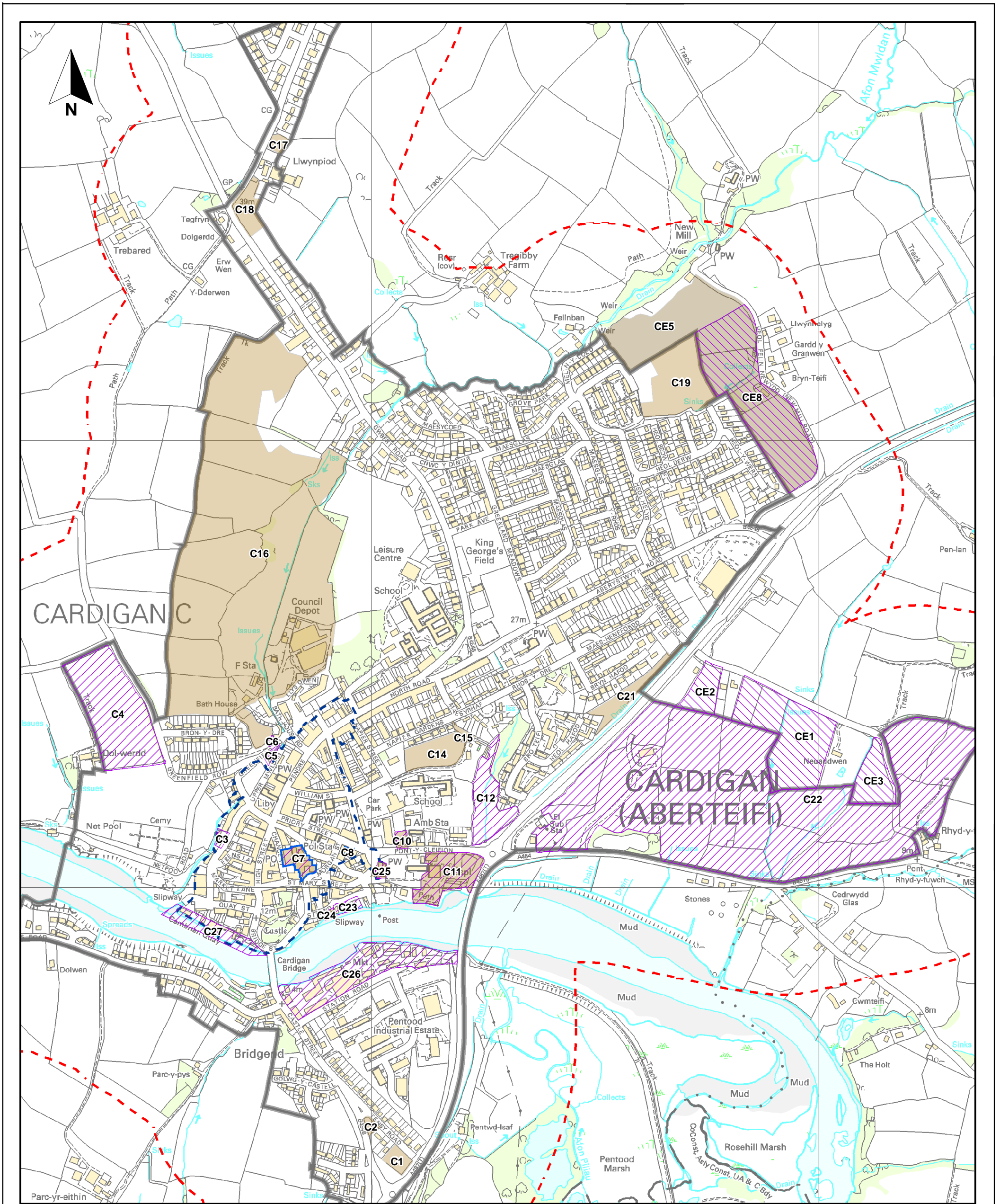
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Figure 5.2
Aberystwyth Town Centre Potential Sites



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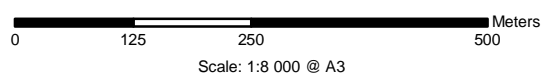
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Key:			
	Settlement boundary		Cardigan potential residential site
	250 m settlement buffer		Cardigan potential employment site
	Town centre boundary		Cardigan potential residential extension
	Cardigan potential retail site		Cardigan potential employment extension

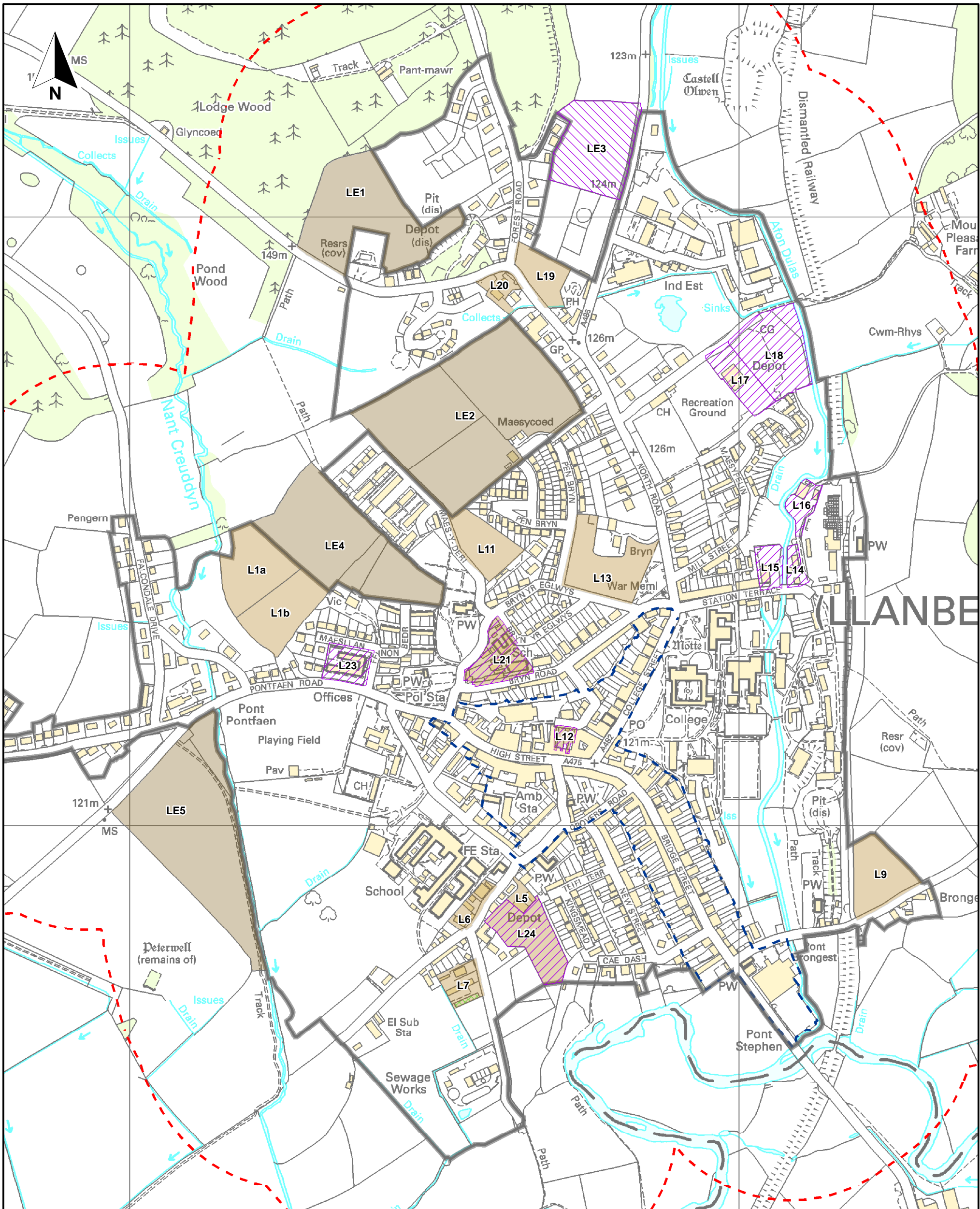
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Figure 5.3
**Cardigan Potential Sites and
Extensions**



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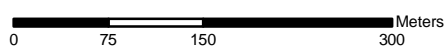


Key:

- Settlement boundary
- 250 m settlement buffer
- Town centre boundary
- Lampeter potential residential site
- Lampeter potential employment site
- Lampeter potential residential extension
- Lampeter potential employment extension

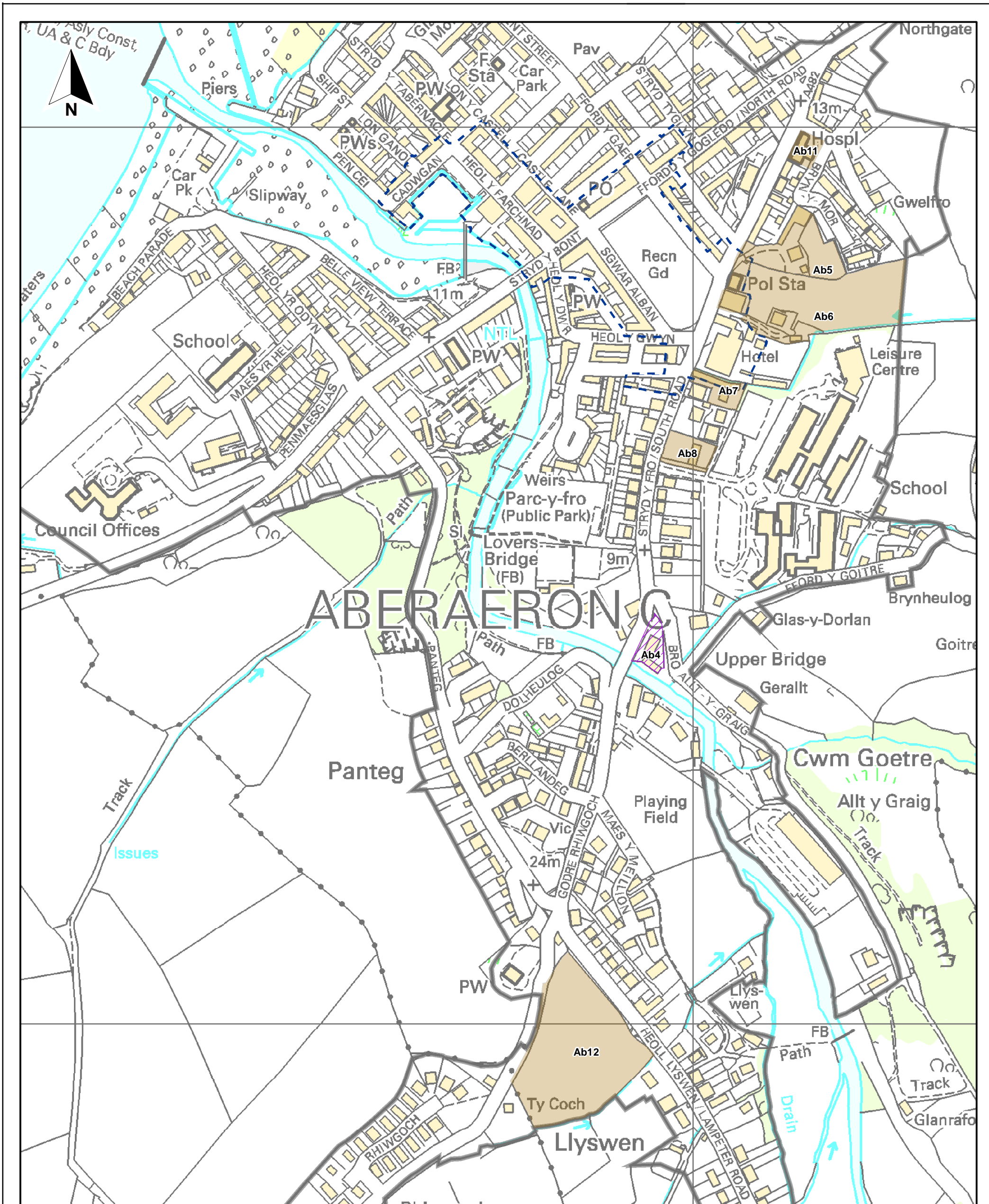
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Figure 5.4
**Lampeter Potential Sites and
Extensions**



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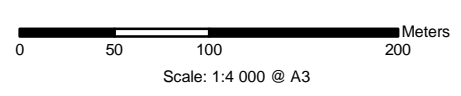
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- Key:**
- Settlement boundary
 - Town centre boundary
 - Aberaeron potential residential site
 - Aberaeron potential employment site

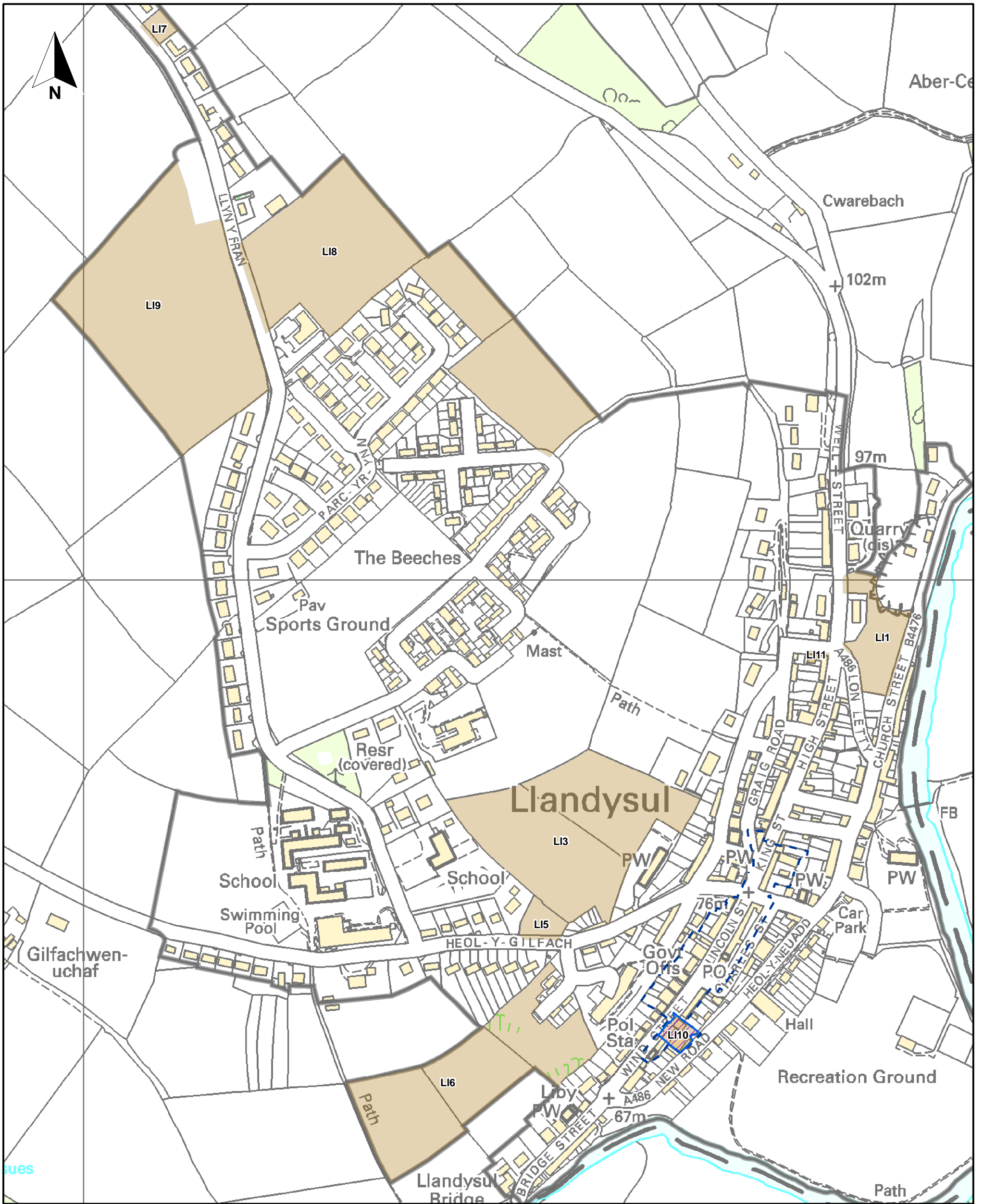
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Figure 5.5
Aberaeron Potential Sites



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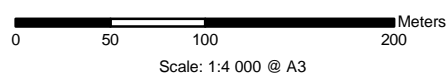




Key:			
	Settlement boundary		Llandysul potential residential site
	Town centre boundary		Llandysul potential employment site
			Llandysul potential retail site

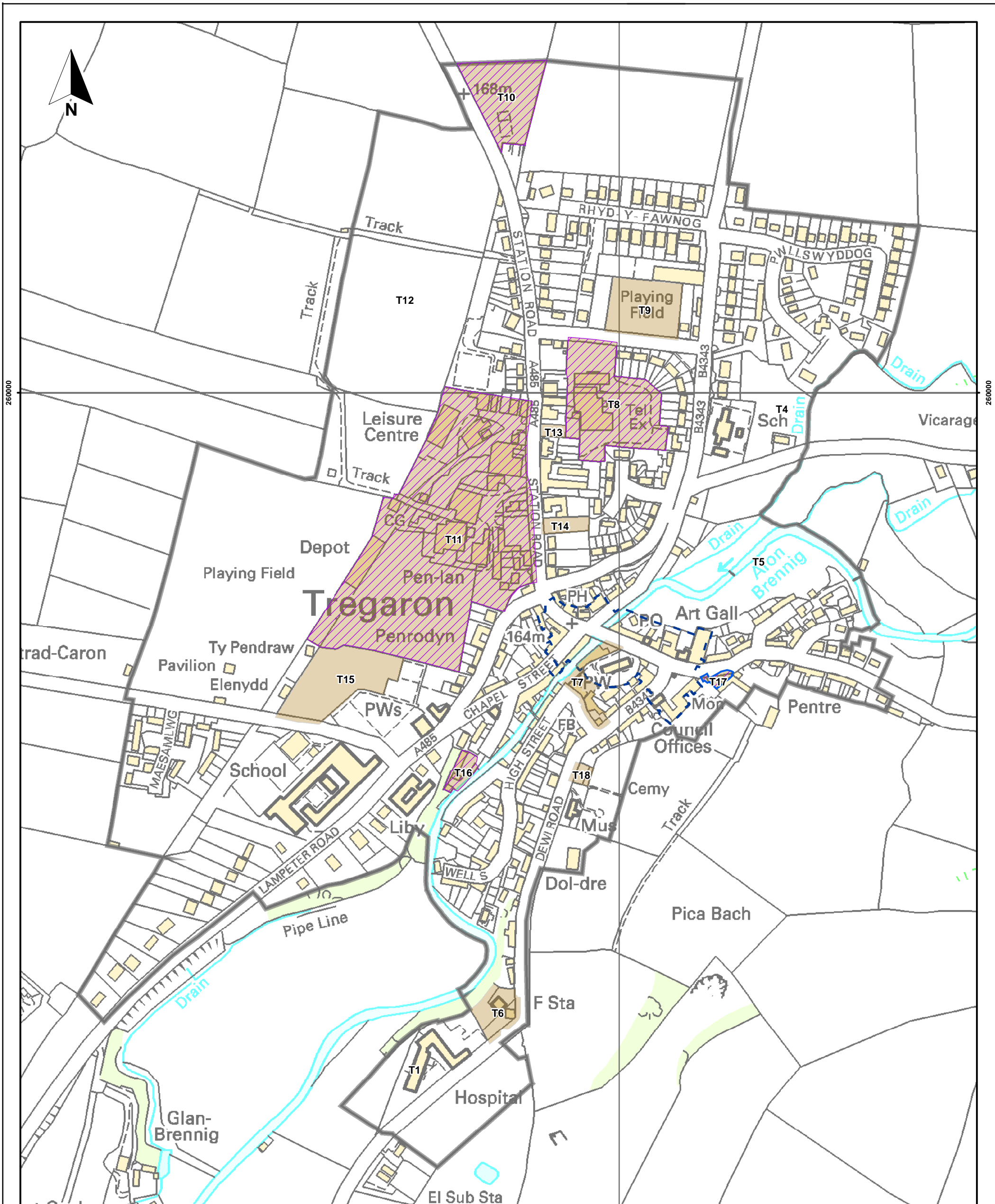
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Figure 5.6
Llandysul Potential Sites



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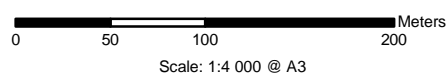
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- Key:**
- Settlement boundary
 - Town centre boundary
 - Tregaron potential residential site
 - Tregaron potential employment site
 - Tregaron potential retail site

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Urban Capacity & Urban
Extension Study

Figure 5.7
Tregaron Potential Sites



October 2008
22354-S07b willn

Entec

6. Addressing Economic Viability

6.1 Assessment of Viability

To help ensure that assessments of the capacity of each town is robust, the study takes account of likely development economic constraints which inform judgements on the theoretical estimate of development that can be accommodated within their boundaries.

Economic viability is defined as whether the revenue from the development scheme covers the costs of development so as to provide the landowner with an adequate reward for selling land to a developer. This varies according to the type of development concerned and a comparative assessment of alternative uses will inform a view on the most viable use of a site.

This process is undertaken in two parts:

- As the relative population growth across the County and between the towns is an important issue for the LDP, an important consideration is the activity and health of the housing market. A quantitative and qualitative assessment of prevailing housing market conditions obtained through analysis of published data and validated through interviews with development stakeholders does, in large measure, identify the impacts of the market on the eventual capacity estimated. This helps the study to arbitrate between the viability of housing against other land uses in the context of the site's location. A Baseline Statement of the Housing Market is at **Part G** to the **Technical Appendix**;
- Informed by the above, an economic viability analysis is undertaken for a sample of 21 sites that assesses build costs against current prices commanded in the local market. These analyses are conducted against a residual valuation method utilising a spreadsheet template drawn from Appendix 11 to the NWRA guide.

6.2 Spreadsheet Analysis

The rational, theoretical underpinning and mechanics of the spreadsheet analyses are detailed in **Part I** to the **Technical Appendix**.

6.3 Establishing a Sample of Sites

To ensure a sample that reflects a full range of market and site specific conditions to give maximum value to the Council's decision making process. It therefore addresses a range of the following factors:

- The need to ensure an adequate and realistic spread of sites across the towns in general proportion to the sites identified within them;
- A range of site sizes reflecting the differing economics that apply and which attract different developers;

- A mix of brownfield and greenfield sites. As economic viability is more critical to brownfield opportunities the sample (three quarters) has concentrated upon these; the demonstration of viability is important to suggest how far the preferred development of brownfield land can be achieved. The sample considers a range of site sizes to tease out any likely threshold of viability within certain market areas. As a general rule the latter (except where remote from infrastructure) should be easier and cheaper to develop. The viability of large sites is unlikely to be an issue where these fall within buoyant market areas. The adopted approach has been to select relatively small sites; where viability is demonstrated that of larger sites (except where specific issues such as bad neighbour uses apply) should be unproblematic.

Taking all these factors into account, Table 6.1 sets out the site sample. Sites are selected to accord with this approach:

Table 6.1 Site Sampling Matrix

Settlement	Site Characteristics				Number and Proportion of Sites	
	Brownfield		Greenfield		In Sample	In Study
	Large Site	Small Site	Large Site	Small Site		
Aberystwyth	1	5	1		7 (33%)	56 (39%)
Cardigan			2	1	4 (19%)	29 (20%)
Lampeter		2	1		3 (14%)	24 (17%)
Aberaeron	1	1	1		3 (14%)	7 (5%)
Llandysul			3		3 (14%)	10(7%)
Tregaron	1		1		2 (10%)	16(11%)

Large sites are those consisting of 0.5 hectares or over.

6.4 Findings of Market Factor Discounting

6.4.1 Summary Findings

The housing market in Ceredigion provides a sound basis for development. Values in the main will exceed development costs leading to a residual land surplus. This is a sound platform for a development programme that will generate, if needed, Section 106 contributions.

The County can draw on a number of sites that we think will be economic viable. These include sites allocated in the UDP and identified by the Joint Housing Land Availability Study, green field and pasture land, cleared and under-utilised sites and sites in community use. Inevitably, further investigation may reveal constraints on any site and the objectives of landowners can never be relied upon. However at this stage it is considered that these should be deliverable and viable capacity.

There are, however, sites that are likely to be more challenging and these have higher values associated with their existing use values and include several currently accommodating motor trade or vehicle uses. Our analysis suggests that in theory these sites could come forward for housing as residential use should deliver a higher residual than existing use value. However, there is a practical consideration that these are in most cases viable and going concerns which may not move out from sometimes prime locations, without a very substantial uplift as an incentive. This form of capacity needs further detailed analysis which we recommend the Council assesses this further in consultation with the landowner where the sites offers particular opportunities that may be seen to override the continuance of the current use.

6.4.2 A Classification of Sites and Schemes

The sites and the schemes evaluated can be classified to assist to process of discounting. We classify these against an assessment scale from ‘most certain’ to ‘least certain’.

Allocated, Consented and Joint Housing Land Availability Study Sites

These are mainly larger sites which provide an opportunity to plan more comprehensively for local facilities and provide developers with the chance to obtain a high absolute return on the schemes.

Sites Assessed:	<p>Aberaeron – Ab12</p> <p>Cardigan – C1, C14, C19</p> <p>Llandysul – L16</p>
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The sites are all seen to be in a reasonably strong location in terms of marketing a new development. These sites have progressed significantly through the planning process with the exception of C1 which is subject to planning permission.

Site values on a per hectare basis vary, although this may have as much to do with scheme mix and site location. Cardigan is not a top location in terms of Ceredigion as a whole. So residual values will always be towards the middle of the range. The site at Aberaeron (Ab 12) should generate a high value, particularly with the mix assumed.

Subject to the constraints of the affordable housing policy, some of the sites may well viably bring forward affordable homes.

In terms of competing land use for these sites, we understand that sites Ab12 and L16 are undeveloped and thus existing land values are very low. In terms of the remaining sites, we understand that there would be no significant competing land values which would hold back residential development.

We think sites of this nature offer realistic capacity.

Greenfield or Pasture Land Sites

Green field or pasture land normally provides special circumstances for housing development in that schemes will usually create very significant uplift from existing use value. Whether sites

come forward on this basis depends on the extent of the uplift, personal decisions of the land owners and the level of confidence in the housing market.

Sites Assessed:	<p>Aberystwyth – A38</p> <p>Llandysul – L111, L115</p> <p>Tregaron – T15</p>
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Site size however can play a role here in that a site which returns a high value on a per hectare basis, fails to generate a correspondingly high receipt for the land owner; in other words, the sum of money coming back to the land owners need to be sufficient to make it ‘worth while’ the owner bring the site forward.

The two larger sites (A38 and T15) return pro-rata (per hectare) and absolute receipt to land owner would be large and in line with the local land value benchmark. These sites should be included as realistic capacity. The two smaller sites (L111 and L115 – both at Llandysul), generate only a low value. In large measure however, this is to do with likely selling house prices and in most circumstances in Ceredigion we believe that smaller green field sites will be brought forward for housing.

Cleared and Under-used Sites

Some sites are more evidently underutilised or appear ripe for development.

Sites Assessed:	<p>Aberystwyth – A1, A7</p> <p>Aberaeron – Ab8</p> <p>Tregaron – T8</p>
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Generally, we would consider this type of site to be viable for housing. Sites which appear under utilised may suggest a change of use in the near future. It should be recognised however that planning policy sometimes triggers this change of use by determining that no viable existing use can be shown prior to residential development being permitted. This policy of itself can cause lead to dereliction and under use of land.

The sites included here are a varied mix of existing uses. Site A1, a probable pub conversion would be likely to be developed for flats. This would, in Aberystwyth, we think, generate a sound residual value sufficient to bring the site forward, although this needs to be market tested as alternative uses may be feasible here.

Other sites such as the re-cycling centre, appear to generate a very healthy residual if developed for housing.

Community Sites

Both these sites serve the community in various forms and a high planning ‘discount’ may be placed on them when considering residential development.

Sites Assessed:	Aberystwyth – A54 Lampeter – L11
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From an economic viability viewpoint however, we see no constraints with both sites yielding high residual values.

More Challenging Sites

There are a number of sites in our sample which we would term ‘more challenging’.

Sites Assessed:	Aberystwyth – A6, A16, A20 Aberaeron – Ab5 Lampeter – L5, L6
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These sites all have potentially valuable existing uses, and, with several, as they are in essence commercial, valuable alternative uses.

Four of the sites (A6, A16, Ab5 and L5) are currently occupied by motor trade uses. On the basis that this type of use generates industrial or storage land values, then the residential schemes would need to generate values in excess of between £250,000 and £500,000 per hectare (Valuation Office Property Market report – data for Wales). Whilst this range is easily exceeded in all cases, the value generated from a commercial premises of this nature (as an operating business, or leased at full market rent), could be considerably higher.

For a site of 0.25 hectares, with plot ratio of 0.5 (single storey offices and showroom) this would mean 1,250 m², leased at say £30 per m² gives an annual rent of £37,500 at a yield of say 8% would give a capital value of £468,000 or a per hectare equivalent of £1.8 million.

These figures need more careful scrutiny and the Council are advised to take further advice on the specific data. Given the need for some of these businesses to re-locate, the residential residual values, even though they are significantly higher (eg sites A6, A20 and L6) may not be sufficient to encourage sites to come forward for housing. The same conclusions apply to the bus depot site at Lampeter (L5) where the company would have to find alternative premises. A mechanism aimed at securing the active involvement of local developers and agents will enable trends, values and costs to be monitored and policy options tested against locally available knowledge.

7. Study Findings and Implications

7.1 Summary of Study Findings

7.1.1 Within Urban Areas

Table 7.1 sets out the total land resources within settlement boundaries by end-use split by town hierarchy and by previously developed status.

Table 7.1 Total Land Resources within Settlement Boundaries

Town	Land Identified		Indicative Development Capacity			
	Gross Ha.	Net Ha.*	Housing (Dwellings)	Employment Floor-space (m ²)	Commercial / Office Floor-space (m ²)	Retail Floor-space (m ²)
<u>Sub Total – 3 Largest Towns</u>						
Brownfield	36.29	31.28	1070	104308	216808	65535
Greenfield	78.35	64.2	1600	89505	189855	0
TOTAL	114.64	95.48	2670	193813	406663	65535
<u>Sub Total – 3 Smaller Towns</u>						
Brownfield	9.20	8.23	177	26122	11345	1270
Greenfield	26.30	21.51	508	0	0	0
TOTAL	35.50	29.74	685	26122	11345	1270
<u>ALL TOWNS</u>						
Brownfield	45.49	39.51	1247	130430	228153	66805
Greenfield	104.65	85.71	2108	89505	189855	0
TOTAL	150.14	125.22	3355	219935	418008	66805

In overall terms here are very significant areas of land within the development boundaries as currently drawn and ample opportunities to deliver a range of end uses.

A Brownfield Strategy

Of note is the relative split between brownfield and greenfield land resources. There is significantly more greenfield land which suggests that the viability of development within the towns should not be an issue and that the larger of these sites will offer opportunities to secure affordable housing, good performance against BREEAM and other planning obligations.

Clearly any assured viability of the development of greenfield land will need to be balanced against the policy preference for the brownfield development as well as the amenity and green network implications of greenfield development.

A strategy that relies upon brownfield regeneration is, however, likely to be impeded by the presence of existing uses. Whilst the study has only included those sites assessed as having some prospect of becoming vacant, this currently makes up nearly 32 hectares of the net brownfield resource. There is only 3.47 hectares of currently vacant brownfield land and only one of these (in Lampeter) comprising in excess of 1 hectare. Thus without future closures/vacancies there are few large sites available to serve the needs of significant employment or business uses. Nevertheless a brownfield housing strategy directed at sites smaller than 1 hectare would have much more scope although the low gross value of schemes on small brownfield sites (say less than 0.2 hectares) in poorer areas will challenge their viability.

A Mixed Site Strategy

A strategy that complemented brownfield regeneration with urban greenfield development should more than adequately serve the expected needs of each settlement. There are about 72 hectares on urban sites comprising at least one hectare of net developable area.

A Hierarchical Strategy

As the majority of these larger sites (at least 60 hectares) are located within the three largest towns, a brownfield / greenfield strategy that complemented brownfield regeneration within the three largest towns would also deliver the needs of these settlements. Whilst only one such site exists in Lampeter, the town possesses over 10 hectares of land of which a majority is made up of sites of at least 0.5 hectares – the town has sufficient land to meet envisaged needs.

The three smaller towns have ample land resources to meet their needs for a very considerable period into the future.

7.1.2 The Need for Extensions

A statement of urban extensions assessed as being suitable for development is at Table 5.9. On the evidence of the above there would appear to be no overall case for the extension of existing settlement boundaries. This is true for all the three assessed towns; Aberystwyth, Cardigan and Lampeter.

7.2 Conclusions for each Town

7.2.1 Aberystwyth

As the largest and most diverse town, Aberystwyth has potentially the greatest need for additional quantity and diversity of development in the County's most sustainable location.

The findings suggest a supply of land equating to a total of 38 hectares within the town boundaries that is suitable for development. Most of this area is suitable for housing to varying degrees and there is an ample choice available to meet the needs of the apartment / terraced and detached sub markets.

Of this, some 22 sites (comprising about 14 hectares) are assessed as being suitable for a range of employment uses. These sites are predominantly small, only two are in excess of 1 hectare and both are currently occupied. Although, the total commercial development delivered in the town over the past decade only amounts to 2.26 hectares (and no individual scheme has been larger than 0.85 hectares) as things currently stand, there is no potential to deliver a single large development for a single user, inward investor or large business park to diversify the local economy should the Council aspire to do so. Any need for a significant site would likely need to be met away from the town's boundaries.

The future development potential of the Llanbadarn Campus is currently uncertain but could, if available, provide a significant opportunity to provide a mix of uses including a significant area of employment uses in a high quality environment.

Opportunities exist for both leisure and community uses should a need be demonstrated. There are a few town centre sites (such as the Post Office site on Chalybeate Street and the cinema on Bath Street) that hold development potential. Others would be suitable for upgrade and re-use with some potential for commercial uses above street level.

The findings of the viability analysis suggest that the local development market is healthy and against basic parameters the costs of development should easily be absorbed by the gross development value except where sites are small, brownfield and in environmentally poor areas. This relationship not only applies to housing but also to commercial and retail proposals. The ability of sites in poorer areas to deliver affordable housing is, unless large enough to change perceptions of the area, likely to be marginal. The most notable reduction in the consent and completion of small sites is likely to be linked to issues of viability under prevailing market conditions as well as changed demand in the town.

7.2.2 Cardigan

The second largest town, Cardigan has plenty of land within its boundary to meet its development needs including a fair amount of brownfield capacity. The vast majority of land is provided on two extremely large green field sites (each comprising about 18 hectares) to the east and west of the town respectively. Both these sites have the potential to accommodate very substantial areas of employment, housing or a mix of these and other uses.

There are a number of sites that may be suitable for either leisure or community uses although there is little or no capacity to deliver additional retail within the town centre boundary. Away from the centre some prominent sites offer commercial or retail potential.

The local development market is buoyant to the extent that even small brownfield sites should be deliverable although with only modest contribution to affordable housing targets.

Given the very extensive tracts of land evaluated, there is certainly no justification for the settlement boundary to be extended. Indeed, it can be argued that current boundaries are not justified by likely development needs over the plan period and should be pulled back through the plan making process.

7.2.3 Lampeter

The smallest of the three main towns, Lampeter does, nevertheless have a significant brownfield resource (4.68 ha) of which about 1.76 hectares is currently vacant and/or available. Given past development trends, the total land resource should be adequate to meet need over the plan

period development needs although this is predominantly greenfield and there is very little brownfield capacity.

There are opportunities available to deliver community and also commercial uses although there is no identified capacity to deliver additional retail within the town centre boundary. Away from the centre there may be some retail potential on the relatively large the old school and derelict buildings, Bryn Road (L21) and the DSA Centre, Pontfaen Road (L23) although their development would have the effect of diluting the importance of the retail core of the town.

In Lampeter too, the local development market is buoyant to the extent that even small brownfield sites should be deliverable and several sites are large enough to contribute to affordable housing targets together with a contribution to BREEAM targets.

However, development activity in the town has been sluggish and any increase in market demand is likely to be modest over the plan period. Even at the relatively low development densities envisaged in the study it is unlikely that current boundaries can be justified by development needs over the plan period and should be pulled back. Given the current urban form there are opportunities to adjust boundaries both inward and outward to 'round' off the settlement or to eliminate potential ribbon development.

7.2.4 The Three Smaller Towns

As currently drawn, the settlement boundaries of all three towns contain adequate sites to meet the quantum of their development needs.

Of the three, Aberaeron probably possesses the most buoyant market and is the most constrained. It has ample land for a range of housing schemes (including a high proportion of brownfield sites) reflecting its high quality historic core and its later suburbs; subject to availability, the development of greenfield land for housing should be avoided. Potential for employment is however very limited and will depend upon the vacancy of existing uses to allow their re-use; no new employment sites were identified. No sites were identified for retail use.

In Llandysul, only two very small brownfield sites were identified. Whilst the viability of development should not be at issue, recent market activity does not suggest the need for large allocations. There are more than ample sites available for housing as well as some opportunities for commercial, community and retail development. The town is also a strong candidate for review of settlement boundaries.

Tregaron contains very many sites both well within its boundaries and at its periphery. A high proportion of this land (14.67 hectares) is brownfield. Whilst much of this is still in use, many sites are clearly underused and there may well be, subject to owners needs and aspirations, opportunities to intensify the site use. The extensive areas at the town periphery would, if developed likely detract from the regeneration strategy for the town centre. Whilst development viability is unlikely to be a particular issue in Tregaron, the very low level of development activity over recent years makes it a strong candidate for review of settlement boundaries.

7.3 Implications and Challenges

In meeting the challenge presented by this analysis, the Council will also have to respond to other issues that will influence its future policies and the development potential of this study.

It is clearly a matter for Council to determine the extent to which its new plan policies seek to support the six towns and focus upon their brown field and green field potential against the needs of its rural communities.

However the evidence of this study suggests that there are ample site opportunities available to pursue a range of development opportunities to meet the identified needs of the towns. There is, in land resource terms, no need to extend the identified boundaries of the settlements for the next fifteen years or for the lifetime of the new development plan. Indeed there is an argument that, with the exception of Aberystwyth, all settlement boundaries could be drawn in or rounded off.

The findings of the viability analysis suggest that the local development market is healthy and against basic parameters the costs of development are easily absorbed by the gross development value. This relationship not only applies to housing but also to commercial and retail proposals.

In addition, viability is not especially questioned even if a BREEAM 'Excellent' standard is sought. Applying a 'mid range' cost of £10,000 per unit does not overly impact upon the viability of sites except where this viability is already marginal.

7.3.1 Meeting the Needs of Communities

Although based in good practice, this study is an inherently theoretical exercise with sites being assessed on an individual basis for their suitability for a range of land uses. This does not mean that a site is necessarily desirable for housing and the Council's overriding concern must be to secure a mix of land uses (community, retail, employment and especially open spaces) to serve the needs of current or planned residents.

The study methodology has sought to address this implied risk. The regeneration aspirations of the Council have been taken into account in assessing the capacity of identified sites.

7.3.2 A Flexible Approach to the Phasing of Sites

Given the general viability of local development economics, the Council may consider whether there is any possibility to frame a flexible site phasing policy to encourage the supply of urban potential to minimise the greenfield requirement in the short term and to meet other planning objectives.

Intervention Measures

Within the weaker market areas, smaller sites, especially where brownfield, may not form part of the development pipeline for some time. In the short term, and should the protection of areas outside established settlements be a priority, the Council may consider addressing market constraints through intervention measures such as supportive planning policy, reduced s106 requirements or, where possible, making available Council owned land.

Preferential Policy Support for Urban Sites

Viability is strongly linked to the lack of more attractive opportunities elsewhere. Whilst existing trends in the market suggests that there will continue to be a steady supply from small sites, a policy that links the release of greenfield allocations to the achievement of brownfield targets could be a useful policy option. This however, may be difficult to achieve given the current position of the development industry particularly in the context of extremely low activity over the past two to three years.